

**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, 2017**

**Comprehensive Annual  
Financial Report**

**of the**

**West Morris Regional  
High School District**

**Chester, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by**

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

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INTRODUCTORY SECTION



# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

10 SOUTH FOUR BRIDGES ROAD, CHESTER, NEW JERSEY 07930

Phone: (908) 879-6404 www.wmrhsd.org



MICHAEL BEN-DAVID J.D./M.Ed.  
SUPERINTENDENT OF SCHOOLS

ED BRAUN  
ASSISTANT SUPERINTENDENT OF SCHOOLS

L. DOUGLAS PECHANEC  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

October 10, 2017

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, 2017 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.

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 2016/2017 fiscal year with an enrollment of 2,574 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>
2016-2017	2,574	(0.01%)
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 continue to decline over the next five years.



3. MAJOR INITIATIVES: The district continues to rank high on standardized tests, with students scoring well above state and national averages on the SAT, ACT, AP and IB examinations. Approximately 94% 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. Additionally, both schools were recently ranked as two of the top three most challenging public, non-magnet high schools in New Jersey according to the Washington Post's "America's Most Challenging High Schools."

The district is in its second 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 and continues to grow the program. Our district offers Career Program pathways in Life Science, S.T.E.A.M., and Business.

The district IB program continues to provide a high level learning experience for the vast majority of students in our district. Over half the graduating Class of 2017 took an AP or IB test and achieved an 84% passing rate.

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, 2017.

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/Board Secretary

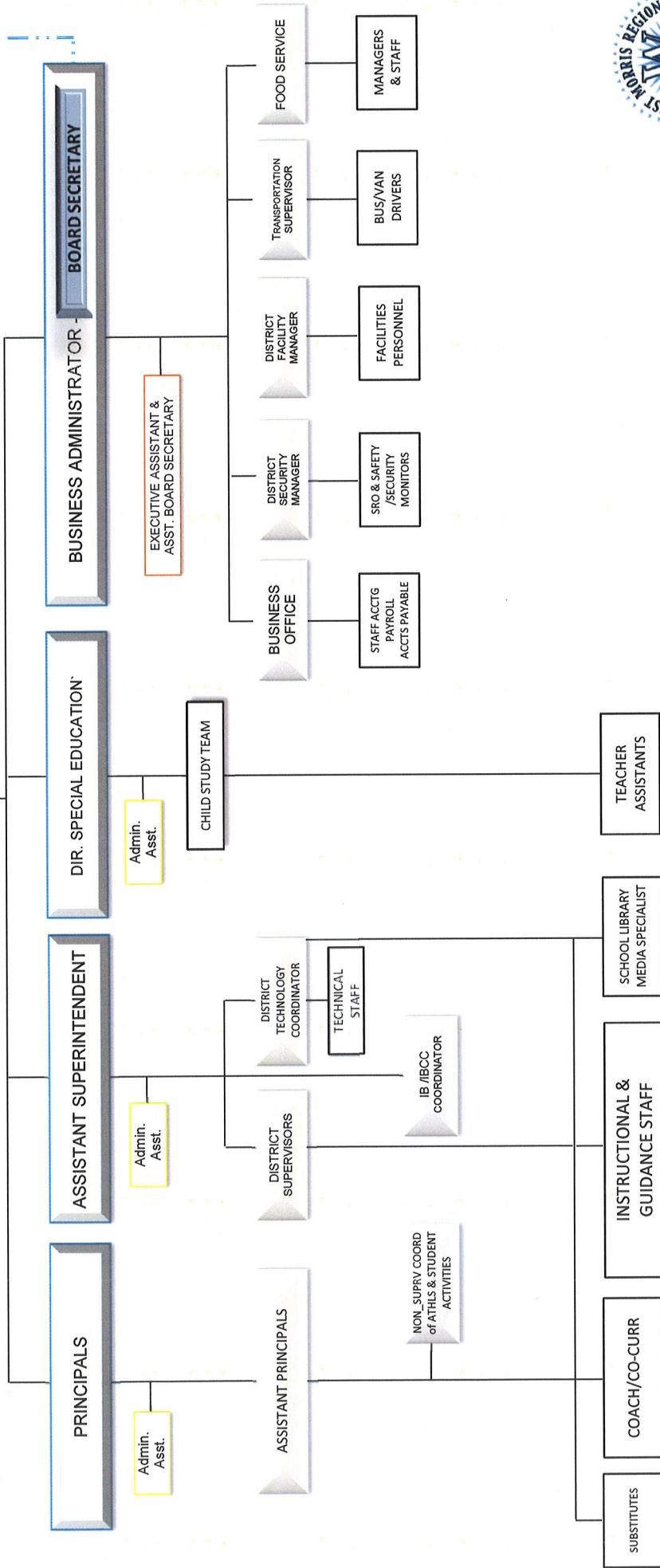


**WEST MORRIS REGIONAL HIGH SCHOOL**  
**BOARD of EDUCATION**  
 10 South Four Bridges Road, Chester, New Jersey



**SUPERINTENDENT**

EXECUTIVE/CONFIDENTIAL SECRETARY & Support Staff





# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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Phone: (908) 879-6404 www.wmrhsd.org



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BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

## ROSTER OF OFFICIALS AS OF JUNE 30, 2017

### MEMBERS OF THE BOARD OF EDUCATION

### TERM EXPIRES

Robert Strobel	President	December	2017
Lisa Woodring	Vice President	December	2019
Thomas Brooks	Member	December	2019
Joseph Galayda	Member	December	2018
David Kennedy	Member	December	2018
Marina Kontos	Member	December	2017
Gary Lakritz	Member	December	2019
James Schulok	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

Lance Kalac, Esq., Conflict Resolution Attorney

David J. Ruitenber, Esq., Construction Attorney



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L. DOUGLAS PECHANEC  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

## CONSULTANTS AND ADVISORS

### Auditor

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Mt. Arlington Corporate Park  
200 Valley Road, Suite 300  
Mt. Arlington, New Jersey 07856

### Financial Advisors

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Bordentown, New Jersey 08505

### Architect

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Wayne, New Jersey 07470

### Insurance Consultant

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### Attorney

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### Official Depository

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### Construction Attorney

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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

## 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, 2017, 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.

***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, 2017, 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 pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-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 October 10, 2017 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.



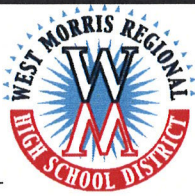
October 10, 2017  
Mt. Arlington, New Jersey

NISIVOCCIA, LLP



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, 2017  
(unaudited)

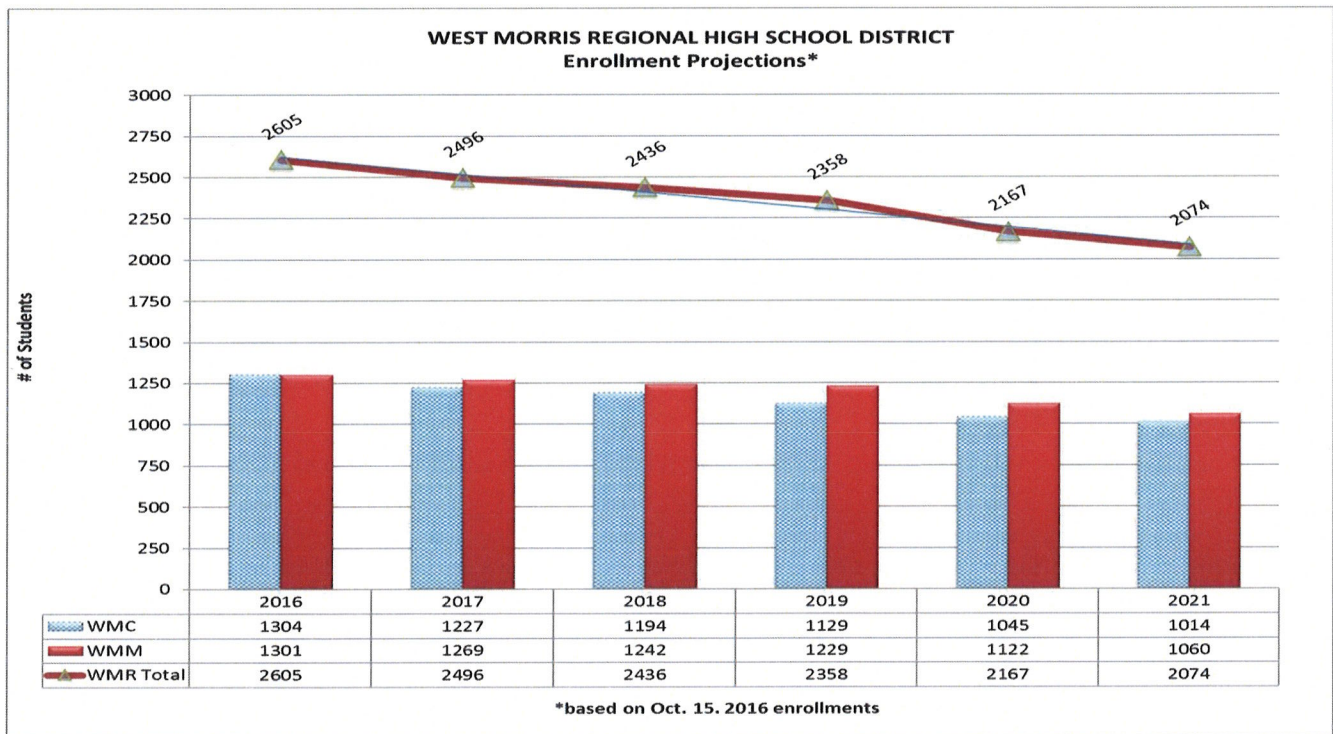
### **Management's Discussion and Analysis:**

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, 2017. 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, 2016 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, 2017  
(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 2016-2017 fiscal year budget and the change from the prior year.

SOURCE OF REVENUES	2015-2016	2016-2017	\$ incr/(decr)
Tax Revenue	\$41,620,276	\$42,763,311	\$1,143,035
Debt Svc. (Bonds)	\$2,271,050	\$2,264,800	(\$6,250)
<b>TAX LEVY TOTALS:</b>	<b>\$43,891,326</b>	<b>\$45,028,111</b>	<b>\$1,136,785</b>
	<b>% overall tax levy increase:</b>		<b>2.59%</b>
State Aid Revenue	\$4,425,501	\$4,461,500	\$35,999
Fund Balance	\$2,031,086	\$2,429,643	\$398,557
Misc. Revenues	\$554,545	\$841,467	\$286,922
Special Revenue-Fed/IDEA Funds	\$566,176	\$566,176	\$0
Capital Reserve deposit	\$278,146	\$0	(\$278,146)
Capital Reserve withdrawl	\$108,000	\$445,121	\$337,121
<b>TOTAL REVENUE/BUDGET:</b>	<b>\$51,854,780</b>	<b>\$53,772,018</b>	<b>\$1,917,238</b>
	<b>% overall revenue/budget increase:</b>		<b>3.70%</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 2.59% reflecting the BOE's initiative to improve infrastructure and maintain quality educational programs. The state aid revenue increased slightly for 2016-17 from the 2015-16 level. The state aid revenue does not include FICA reimbursements received from the stat.

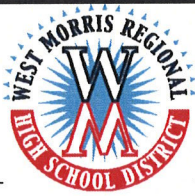
Staffing costs represent 70.0% of the annual budget. The district participates in collective bargaining with its staff and strives to contain labor costs within the competitive market. Three of four bargaining unit contracts are currently enforce.

All financial obligations were met for the fiscal year. In addition, the district's budget practices and conservative spending generated an excess surplus of \$1,732,093 to be utilized in fiscal year 2017-2018.

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, 2017 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.



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2017  
(unaudited)

### **Basic Financial Statements:**

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

**District-Wide:** The first two statements in this Report, Statement of Net 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.



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2017  
(unaudited)

### District-Wide Viewpoint:

**Statement of Net Position** During 2016-2017 the district's net position increased. Total Net Position for Governmental Activities increased \$2,109,510, Net Position from Business Activities decreased by (\$3,847) for a total increase in Net Position of \$2,105,663 which represents a 6.79% increase from the prior year.

	Governmental Activities		Business Activities		TOTAL		%
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	
<b>ASSETS:</b>							
Current & Other Assets	\$8,654,307	\$8,250,830	\$50,945	\$41,009	\$8,705,252	\$8,291,839	4.99%
Capital Assets	\$50,042,266	\$49,463,170	\$22,962	\$27,555	\$50,065,228	\$49,490,725	1.16%
<b>TOTAL ASSETS</b>	<b>\$58,696,573</b>	<b>\$57,714,000</b>	<b>\$73,907</b>	<b>\$68,564</b>	<b>\$58,770,480</b>	<b>\$57,782,564</b>	<b>1.71%</b>
Deferred Outflow of Resources	\$5,122,920	\$2,780,872	-	-	\$5,122,920	\$2,780,872	84.22%
<b>LIABILITIES:</b>							
Long Term Liabil.	\$29,401,250	\$28,493,667	\$15,000	\$14,750	\$29,416,250	\$28,508,417	3.18%
Other Liabilities	\$643,152	\$226,352	\$13,878	\$4,938	\$657,030	\$231,290	184.07%
<b>TOTAL LIABILITIES</b>	<b>\$30,044,402</b>	<b>\$28,720,019</b>	<b>\$28,878</b>	<b>\$19,688</b>	<b>\$30,073,280</b>	<b>\$28,739,707</b>	<b>4.64%</b>
Deferred Inflows of Resources	\$714,152	\$823,424	-	-	\$714,152	\$823,424	-13.27%
<b>NET POSITION:</b>							
Investment in Capital							
Capital Assets	\$37,775,826	\$35,713,071	\$22,962	\$27,555	\$37,798,788	\$35,740,626	5.76%
Restricted	\$6,792,605	\$5,489,939			\$6,792,605	\$5,489,939	23.73%
Unrestricted	<u>(11,507,492)</u>	<u>(10,251,581)</u>	22,067	21,321	<u>(11,485,425)</u>	<u>(10,230,260)</u>	-12.27%
<b>TOTAL NET POSITION</b>	<b>\$33,060,939</b>	<b>\$30,951,429</b>	<b>\$45,029</b>	<b>\$48,876</b>	<b>\$33,105,968</b>	<b>\$31,000,305</b>	<b>6.79%</b>

**Net Investment in Capital Assets** increased \$2,058,162 as a result of \$2,856,291 in asset additions, a (\$1,595,000) reduction in bonded debt and a (\$42,372) reduction in capital leases, offset by \$153,713 in deferred amount of refunding and \$(2,281,788) in depreciation expense.

**Restricted Net Position** increased \$1,302,666 as a result of interest on the capital and maintenance reserve accounts of \$2,236 and \$3,786, respectively and a Board approved \$2,000,000 increase in the capital reserve account, offset by budgeted withdrawals from the capital reserve account of \$(445,121) for capital projects, a decrease in excess surplus of (\$258,235).

**Unrestricted Net Position** Unrestricted Net Position decreased (\$1,255,165) primarily as a result of (\$2,768,593) surplus used to support the 2016/2017 budget, capital projects expenditures of (\$2,296,307), and a Board approved increase in the Capital Reserve of \$(2,000,000) offset by \$488,699 excess in state revenue, \$824,516 of SDA grant revenue, prior year state aid payments of \$425,894, and unexpended budget appropriations of \$4,045,909.



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

### Management's Discussion and Analysis for Fiscal Year End June 30, 2017 (unaudited)

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

The overall impact of school operations resulted in an increase of \$2,134,901 over the 2015-2016 results. Revenues increased in total by 9.60% or \$6,004,036. Expenses increased by 6.18% or \$3,868,913. 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		VARIANCE	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	\$'s	%
<b>REVENUES:</b>								
Program Revenues								
Charges for Service	\$ 226,239	\$120,688	\$ 531,618	\$546,202	\$757,857	\$666,890	\$90,967	13.64%
Operating Grants & Contrib.	\$ 19,796,280	\$16,008,812			\$19,796,280	\$16,008,812	\$3,787,468	23.66%
Capital Grants & Contrib.	\$ 824,516	\$0			\$824,516	\$0	\$824,516	100.0%
General Revenues								
Property Taxes	\$ 45,028,110	\$43,891,325			\$45,028,110	\$43,891,325	\$1,136,785	2.59%
Federal & State Aid (unrestricted)	\$ 1,341,965	\$1,328,846			\$1,341,965	\$1,328,846	\$13,119	0.99%
Other	\$ 806,028	\$654,949	282	\$180	\$806,310	\$655,129	\$151,181	23.08%
<b>TOTAL REVENUES:</b>	<b>\$68,023,138</b>	<b>\$62,004,620</b>	<b>\$531,900</b>	<b>\$546,382</b>	<b>\$68,555,038</b>	<b>\$62,551,002</b>	<b>\$6,004,036</b>	<b>9.60%</b>
<b>EXPENSES:</b>								
Instruction	\$ 36,961,747	\$35,212,149			\$36,961,747	\$35,212,149	\$1,749,598	4.97%
Pupil & Instruction Services	\$ 13,462,553	\$11,844,369			\$13,462,553	\$11,844,369	\$1,618,184	13.66%
Admin/Business/Technology	\$ 5,534,495	\$ 5,514,685			\$5,534,495	\$5,514,685	\$19,810	0.36%
Maintenance & Operations	\$ 3,810,907	\$ 3,520,619			\$3,810,907	\$3,520,619	\$290,288	8.25%
Transportation	\$ 3,486,250	\$ 3,313,190			\$3,486,250	\$3,313,190	\$173,060	5.22%
Other Expenses	\$ 2,657,676	\$ 2,629,071	\$ 569,042	\$579,674	\$3,226,718	\$3,208,745	\$17,973	0.56%
<b>TOTAL EXPENSES</b>	<b>\$65,913,628</b>	<b>\$62,034,083</b>	<b>\$569,042</b>	<b>\$579,674</b>	<b>\$66,482,670</b>	<b>\$62,613,757</b>	<b>\$3,868,913</b>	<b>6.18%</b>
Other Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfers	-0-	-0-	\$33,295	\$33,517	\$33,295	\$33,517	(\$222)	-0.66%
<b>CHANGE IN NET POSITION</b>	<b>\$2,109,510</b>	<b>(\$29,463)</b>	<b>(\$3,847)</b>	<b>\$225</b>	<b>\$2,105,663</b>	<b>(\$29,238)</b>	<b>\$2,134,901</b>	

As seen above in the Statement of Changes in Net Position, the majority of activity is generated by the Governmental Activities. These activities constitute 99.22% of the total revenues and 99.14% of expenses shown on this statement.

#### **Fund Based Viewpoint:**

##### ***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, 2017 and 2016 and the percentage of increases (decreases) in relation to prior year revenues. As the chart on the next page indicates 65.68% 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 \$1,136,785. The increase in federal and state grants totaled \$4,611,984 or 28.81%. The "Other" category increased \$151,181 or 23.08% over last year due in part to online course offerings and increased fees from facility rental.

Revenue Source	2016-2017	2016-2017	2015-2016	2015-2016	Variance from 2016 to 2017	
	Revenue Amount	Percent of Total	Revenue Amount	Percent of Total	(in dollars)	(in percent)
<b>Governmental Activities:</b>						
Federal & State Grants	\$20,620,796	30.08%	\$16,008,812	25.59%	\$4,611,984	28.81%
Property Taxes	\$45,028,110	65.68%	\$43,891,325	70.17%	\$1,136,785	2.59%
State Formula Aid	\$1,341,965	1.96%	\$1,328,846	2.12%	\$13,119	0.99%
Charges for Services	\$757,857	1.11%	\$666,890	1.07%	\$90,967	13.64%
Other	\$806,310	1.18%	\$655,129	1.05%	\$151,181	23.08%
<b>TOTAL</b>	<b>\$68,555,038</b>	<b>100.00%</b>	<b>\$62,551,002</b>	<b>100.00%</b>	<b>\$6,004,036</b>	<b>9.60%</b>

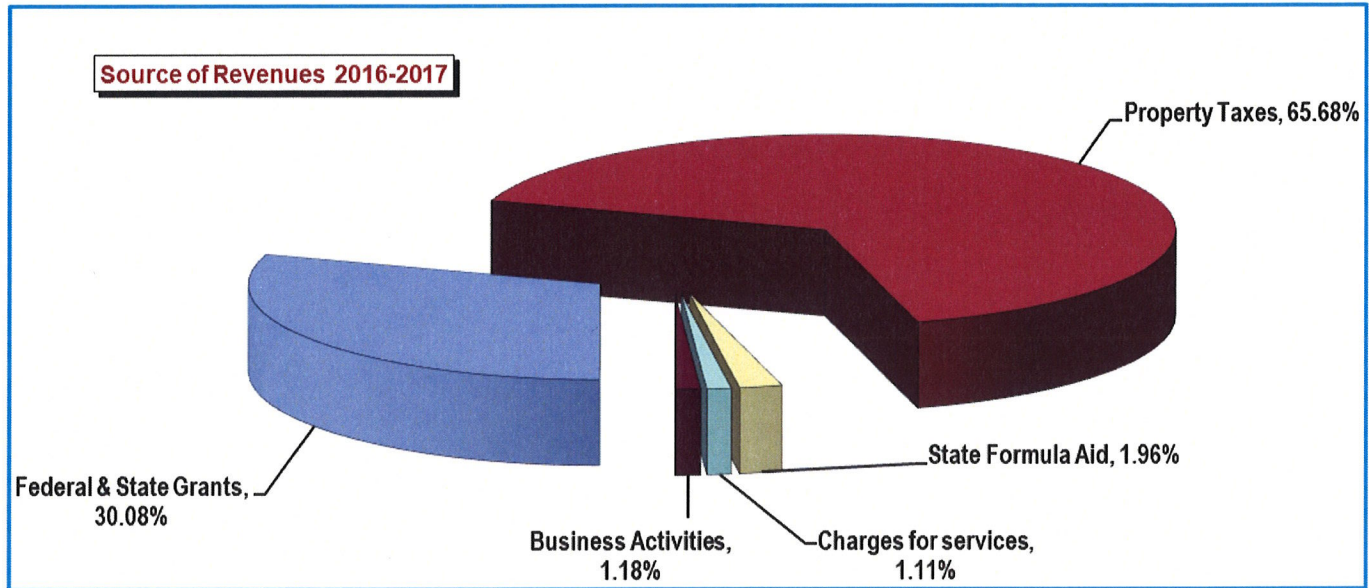


# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
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## Governmental and Business Activities Revenue Sources (continued):

Graphical representation of revenue sources



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, PARCC readiness and professional learning community aids. Charges for Services include Tuition, Transportation, Food Service, etc.

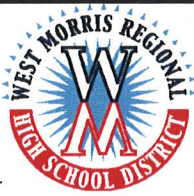
## Governmental Activities Expenses:

The following schedule represents the expenses of the Governmental Activities for the fiscal years ended June 30, 2017 and 2016, and the percentage of increases (decreases) in relation to prior year expenses. As seen in the charts that follow, 75.85% of the total expenses relate to the instructional and pupil & instruction services at both schools, slightly above the 2016 level. The increases in Pupil & Instruction Services are related primarily to out of district tuition costs. Of each dollar spent 91.5 cents supports the educational, social, recreational, safety or maintenance programs that benefit the students. The Maintenance & Operations costs increase of 8.25% reflects increased funding for infrastructure. Transportation costs increased slightly to 5.22% due to the additional routes needed for special education. Other expenses increased slightly 0.56% due to lower interest cost and food service expenditures.

Expense Category	2016-2017 Expense Amount	2016-2017 % of Total	2015-2016		Variance from 2015 to 2016	
			Expense Amount	% of Total	in dollars	in percent
<b>Governmental Activities:</b>						
Instruction	\$ 36,961,747	55.60%	\$ 35,212,149	56.24%	\$1,749,598	4.97%
Pupil & Instruction Services	\$ 13,462,553	20.25%	\$ 11,844,369	18.92%	\$1,618,184	13.66%
Admin/Business/Technology	\$ 5,534,495	8.32%	\$ 5,514,685	8.81%	\$19,810	0.36%
Maintenance & Operations	\$ 3,810,907	5.73%	\$ 3,520,619	5.62%	\$290,288	8.25%
Transportation	\$ 3,486,250	5.24%	\$ 3,313,190	5.29%	\$173,060	5.22%
Other	\$ 3,226,718	4.85%	\$ 3,208,745	5.12%	\$17,973	0.56%
<b>TOTAL</b>	<b>\$ 66,482,670</b>	<b>100.00%</b>	<b>\$ 62,613,757</b>	<b>100.00%</b>	<b>\$ 3,868,913</b>	<b>6.18%</b>

(any deviations are attributable to rounding)

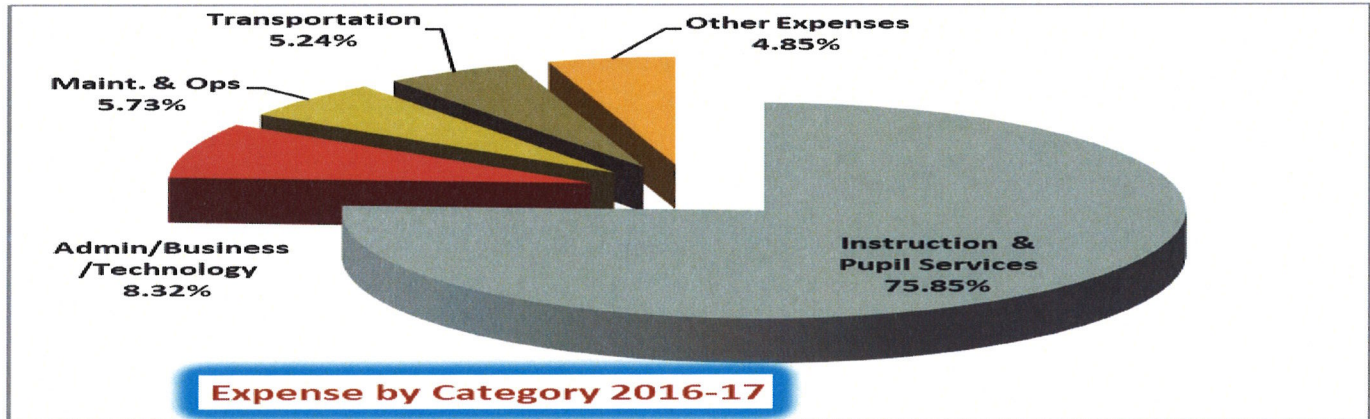




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The combination of "Instruction and Pupil & Instruction Services" is attributable to 75.85% of expenses. Administrative and Technology costs increase 0.36% over last year.



### 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, 2017 and 2016 net of their related revenues. Various factors attributed to the overall increases in net costs this fiscal year.

Cost Category	2016-2017 Total Cost of Services	2015-2016 Total Cost of Services	2016-2017 Net Cost of Services	2015-2016 Net Cost of Services
<b>Governmental Activities:</b>				
Instruction	\$ 36,961,747	\$ 35,212,149	\$ 22,823,046	\$ 23,769,344
Pupil & Instruction Services	\$ 13,462,553	\$ 11,844,369	\$ 10,024,542	\$ 9,307,458
Admin/Business/Technology	\$ 5,534,495	\$ 5,514,685	\$ 4,479,530	\$ 4,742,921
Maintenance & Operations	\$ 3,810,907	\$ 3,520,619	\$ 2,986,391	\$ 3,520,619
Transportation	\$ 3,486,250	\$ 3,313,190	\$ 2,095,408	\$ 1,935,170
Other	\$ 2,657,676	\$ 2,629,071	\$ 2,657,676	\$ 2,629,071
<b>TOTAL</b>	<b>\$ 65,913,628</b>	<b>\$ 62,034,083</b>	<b>\$ 45,066,593</b>	<b>\$ 45,904,583</b>

### Capital Assets (Net of Depreciation):

At the end of fiscal year 2017, the district had a total of \$50,065,228 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2016. The overall increase is primarily attributable to building improvements of fixed assets during the year offset by depreciation for a net decrease of \$574,503 or 1.16%. Capital additions of \$2,856,291 less \$2,296,307 capital projects, \$538,436 capital outlay and \$21,548 special revenue fund. Depreciation was \$2,277,195 for governmental activities and \$4,593 for business type activities.

Capital Assets	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	\$'s	%
Sites	\$ 130,448	\$ 130,448	\$ -	\$ -	\$ 130,448	\$ 130,448	\$0	0.00%
Site Improvements	\$ 1,302,847	\$ 1,415,192	\$ -	\$ -	\$ 1,302,847	\$ 1,415,192	(\$112,345)	-7.94%
Building & Improv.	\$46,652,792	\$45,869,892	\$ -	\$ -	\$46,652,792	\$45,869,892	\$782,900	1.71%
Machinery & Equip.	\$ 1,167,050	\$ 1,258,509	\$22,962	\$27,555	\$ 1,190,012	\$ 1,286,064	(\$96,052)	-7.47%
Construction in Progress	\$ 789,129	\$ 789,129	\$ -	\$ -	\$ 789,129	\$ 789,129	\$0	0.00%
<b>TOTAL</b>	<b>\$50,042,266</b>	<b>\$49,463,170</b>	<b>\$22,962</b>	<b>\$27,555</b>	<b>\$50,065,228</b>	<b>\$49,490,725</b>	<b>\$574,503</b>	<b>1.16%</b>



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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### Outstanding Long-Term Debt:

Reporting changes required by GASB 68 resulted in an adjustment to of the district's outstanding debt. The total at the end of fiscal year 2017 includes pension liability and totals \$29,416,250 in outstanding long-term debt, a increase of 3.18% from 2016. The table below compares this balance to fiscal year 2017. 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 (\$1,595,000) for scheduled maturities. Bond Premiums decreased by (\$222,215), Capital Lease payments decreased by (\$42,372). Compensated Absences - listed as governmental Activities - decreased by (\$111,900) for the governmental funds. However, Pension Liability increased by \$2,879,070 and an increase of \$250 for the business type activities, based on the outstanding days due to eligible staff. The GASB 68 impact for pension liability amounted to a 28.46% increase over the 2015-2016 liability.

### Business Type Activities:

Outstanding Long Term Debt	2016-2017	2015-2016	VARIANCE	
	Long-Term Debt	Long-Term Debt	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$13,255,000	\$14,850,000	(\$1,595,000)	-10.74%
Capital Leases Payable	\$1,555,505	\$1,777,720	(\$222,215)	-12.50%
Capital Leases Payable	\$87,431	\$129,803	(\$42,372)	-32.64%
Net Pension Liability	\$12,994,342	\$10,115,272	\$2,879,070	28.46%
Other Long-Term Debt				
-Governmental Activities	\$1,508,972	\$1,620,872	(\$111,900)	-6.90%
-Business-Type Activities	\$15,000	\$14,750	\$250	1.69%
<b>TOTAL</b>	<b>\$29,416,250</b>	<b>\$28,508,417</b>	<b>\$907,833</b>	<b>3.18%</b>

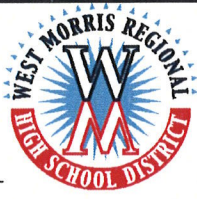
In the Statement of Net Position and Statement of Changes in Net Position the financial activity for the district's food service program is presented as Business-Activities. The following points highlight its activities during fiscal year 2016-2017:

The Food Service Program experienced an operating loss this year. The district's revenues overall decreased (\$14,482), or (2.65%) over fiscal year 2015-2016 and expenses decreased (\$10,632) or (1.83%). Charges for Service constitute 99.95% 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 2016-2017. The district is required by law to bid the service every five years and selected Aramark in 2013-14.

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. The \$33,295 is the amount reflected as Transfers.



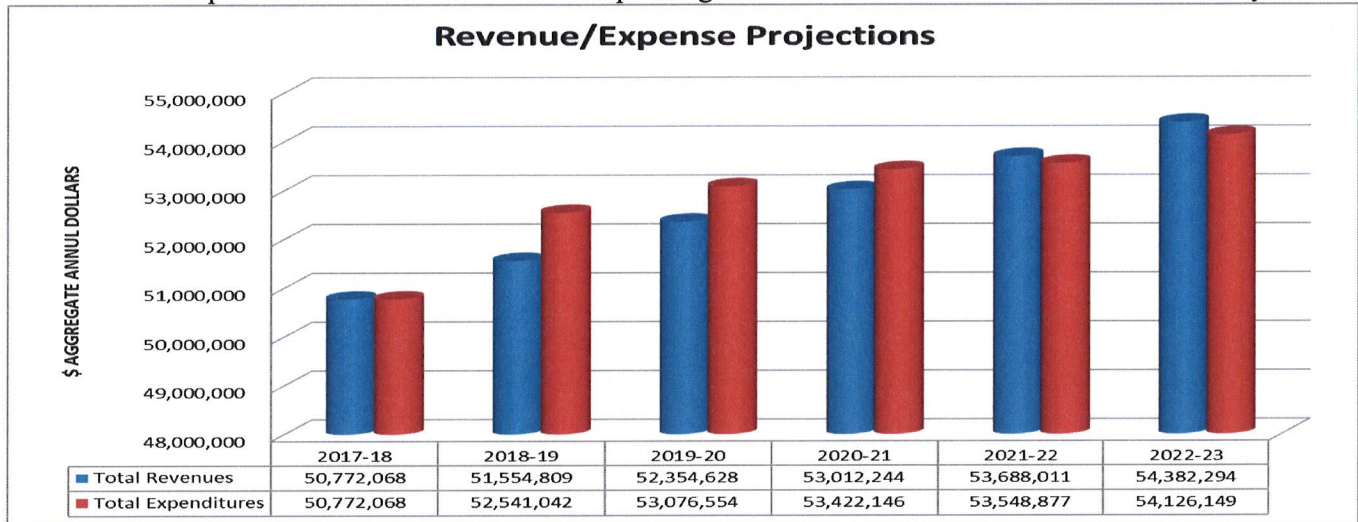
# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
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(unaudited)

### **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.



### **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 in force. The district is in negotiations with one of its NJEA affiliated bargaining units. The teacher contract expired on June 30, 2017. Negotiations began in April 2017 and negotiations are continuing as of this report submission. The Administrator contract also expired on June 30, 2017 and negotiations are in process.

### **Conclusion:**

The West Morris Regional High School District completed the fiscal year 2016-17 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 begun to decline.

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@wmrbsd.org).

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**BASIC FINANCIAL STATEMENTS**

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,725,135	\$ 49,770	\$ 3,774,905
Receivables from Other Governments	1,623,099		1,623,099
Internal Balances	5,895	(5,895)	
Other Receivables	16,534		16,534
Inventory		7,070	7,070
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	2,903,125		2,903,125
Maintenance Reserve Account	380,519		380,519
Capital Assets, Net:			
Sites (Land) and Construction in Progress	919,577		919,577
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	49,122,689	22,962	49,145,651
<b>Total Assets</b>	<b>58,696,573</b>	<b>73,907</b>	<b>58,770,480</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	1,075,991		1,075,991
Investment Gains - Pensions	495,486		495,486
Changes in Assumptions - Pensions	2,691,734		2,691,734
Changes in Proportion - Pensions	173,204		173,204
Difference Between Expected and Actual Experience - Pensions	241,655		241,655
District Contribution Subsequent to the Measurement Date	444,850		444,850
<b>Total Deferred Outflows of Resources</b>	<b>5,122,920</b>		<b>5,122,920</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	445,932	3,092	449,024
Accrued Interest Expense	101,000		101,000
Payable to State Government	361		361
Unearned Revenue	95,859	10,786	106,645
Noncurrent Liabilities:			
Due Within One Year	1,989,726		1,989,726
Due Beyond One Year	27,411,524	15,000	27,426,524
<b>Total Liabilities</b>	<b>30,044,402</b>	<b>28,878</b>	<b>30,073,280</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes in Proportion - Pensions	714,152		714,152
<b>Total Deferred Inflows of Resources</b>	<b>714,152</b>		<b>714,152</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	37,775,826	22,962	37,798,788
Restricted for:			
Capital Projects	2,903,125		2,903,125
Maintenance	380,519		380,519
Excess Surplus	3,508,961		3,508,961
Unrestricted (Deficit)	(11,507,492)	22,067	(11,485,425)
<b>Total Net Position</b>	<b>\$ 33,060,939</b>	<b>\$ 45,029</b>	<b>\$ 33,105,968</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, 2017

Functions/Programs	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
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 28,124,143	\$ 9,032,241		\$ (19,091,902)		\$ (19,091,902)
Special Education	5,023,866	3,977,225		(1,046,641)		(1,046,641)
Other Instruction	3,813,738	1,129,235		(2,684,503)		(2,684,503)
<b>Support Services:</b>						
Tuition	4,004,449	\$ 226,239		(3,658,773)		(3,658,773)
Student & Instruction Related Services	9,458,104	3,092,335		(6,365,769)		(6,365,769)
General Administration Services	1,008,933			(1,008,933)		(1,008,933)
School Administration Services	3,236,507	1,054,965		(2,181,542)		(2,181,542)
Central Services	605,852			(605,852)		(605,852)
Administrative Information Technology	683,203			(683,203)		(683,203)
Plant Operations and Maintenance	3,810,907		\$ 824,516	(2,986,391)		(2,986,391)
Pupil Transportation	3,486,250	1,390,842		(2,095,408)		(2,095,408)
Interest on Long-Term Debt	590,665			(590,665)		(590,665)
Unallocated Depreciation	2,067,011			(2,067,011)		(2,067,011)
<b>Total Governmental Activities</b>	<b>65,913,628</b>	<b>226,239</b>	<b>824,516</b>	<b>(45,066,593)</b>		<b>(45,066,593)</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	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	\$ 569,042	\$ 531,618			\$ (37,424)	\$ (37,424)
Total Business-Type Activities	569,042	531,618			(37,424)	(37,424)
Total Primary Government	\$ 66,482,670	\$ 19,796,280	\$ 824,516	\$ (45,066,593)	(37,424)	(45,104,017)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				42,763,310		42,763,310
Taxes Levied for Debt Service				2,264,800		2,264,800
Federal and State Aid Not Restricted				1,341,965		1,341,965
Investment Earnings				42,898	282	43,180
Other Miscellaneous Income				763,130		763,130
Special Item - Food Service Management Contractor Contribution					33,295	33,295
Total General Revenues and Special Item				47,176,103	33,577	47,209,680
Change in Net Position				2,109,510	(3,847)	2,105,663
Net Position - Beginning				30,951,429	48,876	31,000,305
Net Position - Ending				\$ 33,060,939	\$ 45,029	\$ 33,105,968

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,718,230	\$ 6,847	\$ 58	\$ 3,725,135
Receivables from Federal Government		89,447		89,447
Receivables from State Government	558,556	2,606	163,017	724,179
Tax Levy Receivable	809,473			809,473
Other Receivables	16,534			16,534
Interfund Receivable	42,217			42,217
Restricted Cash and Cash Equivalents	3,283,644			3,283,644
<b>Total Assets</b>	<b>\$ 8,428,654</b>	<b>\$ 98,900</b>	<b>\$ 163,075</b>	<b>\$ 8,690,629</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 1,082			\$ 1,082
Payable to State Government		\$ 361		361
Interfund Payable		2,680	\$ 33,642	36,322
Unearned Revenue		95,859		95,859
<b>Total Liabilities</b>	<b>1,082</b>	<b>98,900</b>	<b>33,642</b>	<b>133,624</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	2,903,125			2,903,125
Maintenance Reserve Account	380,519			380,519
Excess Surplus	1,776,868			1,776,868
Excess Surplus - For Subsequent Year's Expenditures	1,732,093			1,732,093
Committed			129,433	129,433
<b>Assigned:</b>				
Year-End Encumbrances	428,823			428,823
For Subsequent Year's Expenditures	200,169			200,169
Unassigned	1,005,975			1,005,975
<b>Total Fund Balances</b>	<b>8,427,572</b>		<b>129,433</b>	<b>8,557,005</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,428,654</b>	<b>\$ 98,900</b>	<b>\$ 163,075</b>	<b>\$ 8,690,629</b>

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

Total Fund Balances - Governmental Funds (Above)	\$ 8,557,005
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds. The cost of the assets is \$83,369,202 and the accumulated depreciation is \$33,326,936.	50,042,266
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(12,994,342)
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:	
Investment Gains - Pensions	495,486
Changes in Assumptions - Pensions	2,691,734
Changes in Proportions - Pensions	173,204
Difference Between Expected and Actual Experience - Pensions	241,655
Changes in Proportions - Pensions	(714,152)
Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$1,998,274 and the accumulated amortization is \$922,283.	1,075,991
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(101,000)
Bond Issuance Premiums are reported as revenue in the Funds. These premiums total \$2,888,798 and the accumulated amortization is \$1,333,293.	
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.	(16,406,908)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$33,060,939</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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 42,763,310			\$ 2,264,800	\$ 45,028,110
Tuition Revenue	226,239				226,239
Miscellaneous	805,970	\$ 42,802	\$ 58		848,830
Total - Local Sources	43,795,519	42,802	58	2,264,800	46,103,179
State Sources	10,327,519	94,534	824,516		11,246,569
Federal Sources		563,470			563,470
Total Revenue	54,123,038	700,806	824,574	2,264,800	57,913,218

<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	15,041,797	58,864			15,100,661
Special Education Instruction	2,536,980	181,051			2,718,031
Other Instruction	2,167,330				2,167,330
Support Services and Undistributed Costs:					
Tuition	3,885,012	119,437			4,004,449
Student & Instruction Related Services	5,114,534	341,454			5,455,988
General Administration Services	891,625				891,625
School Administration Services	1,742,234				1,742,234
Central Services	482,611				482,611
Administrative Information Technology	522,264				522,264
Plant Operations and Maintenance	3,300,249				3,300,249
Pupil Transportation	3,408,620				3,408,620
Unallocated Benefits	12,442,539				12,442,539

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENDITURES (Cont'd):	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Debt Service:					
Principal				\$ 1,595,000	\$ 1,595,000
Interest and Other Charges				669,800	669,800
Capital Outlay	\$ 694,616		\$ 2,296,307		2,990,923
Total Expenditures	52,230,411	\$ 700,806	2,296,307	2,264,800	57,492,324
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,892,627	- 0 -	(1,471,733)	- 0 -	420,894
OTHER FINANCING SOURCES/(USES):					
Transfers In	58		445,121		445,179
Transfers Out	(445,121)		(58)		(445,179)
Total Other Financing Sources/(Uses)	(445,063)	- 0 -	445,063	- 0 -	- 0 -
Net Change in Fund Balances	1,447,564	- 0 -	(1,026,670)	- 0 -	420,894
Fund Balance—July 1	6,980,008	- 0 -	1,156,103	- 0 -	8,136,111
Fund Balance—June 30	\$ 8,427,572	\$ - 0 -	\$ 129,433	\$ - 0 -	\$ 8,557,005

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 420,894
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 differs from capital outlays in the period.		
	Depreciation Expense	\$ (2,277,195)
	Capital Outlays	<u>2,856,291</u>
		579,096
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.		42,372
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		(2,879,070)
Deferred Outflows:		
Changes in Assumptions		1,605,435
Changes in Proportion		(50,350)
Difference Between Expected and Actual Experience		340
Net Difference Between Projected and Actual Investment Earnings on Pension		
Plan Investments		658,120
Deferred Inflows:		
Changes in Proportion		(53,362)
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 (+).		111,900
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.		1,595,000
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. (+)		10,633
The Governmental Funds report the effect of bond issuance 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 the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the Statement of Activities (-)		<u>(153,713)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 2,109,510</u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Business-type Activities - Enterprise Funds
	Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 49,770
Inventories	7,070
	56,840
Total Current Assets	
Non-Current Assets:	
Capital Assets	147,693
Less: Accumulated Depreciation	(124,731)
	22,962
Total Non-Current Assets	
Total Assets	79,802
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	3,092
Interfund Payable - General Fund	5,895
Unearned Revenue	10,786
	19,773
Total Current Liabilities	
Non-Current Liabilities:	
Accrued Compensated Absences Payable	15,000
	34,773
Total Liabilities	
<b>NET POSITION:</b>	
Investment in Capital Assets	22,962
Unrestricted	22,067
	45,029
Total Net Position	\$ 45,029

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 528,053
Special Events	3,565
Total Operating Revenue	531,618
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	173,303
Salaries, Benefits & Payroll Taxes	303,827
Supplies, Insurance and Other Costs	87,319
Depreciation Expense	4,593
Total Operating Expenses	569,042
Operating Loss	(37,424)
Non-Operating Revenue:	
Interest Income	282
Total Non-Operating Revenue	282
Change in Net Position Before Special Item	(37,142)
Special Item - Food Service Management Contractor Contribution	33,295
Change in Net Position	(3,847)
Net Position - Beginning of Year	48,876
Net Position - End of Year	\$ 45,029

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 537,516
Payments to Employees	(324,617)
Payments to Suppliers	(245,887)
Net Cash Used for Operating Activities	<u>(32,988)</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer In - FSMC Contribution	<u>33,295</u>
Net Cash Provided by Non-Capital Financing Activities	<u>33,295</u>
Cash Flows from Investing Activities:	
Interest Income	<u>282</u>
Net Cash Provided by Investing Activities	<u>282</u>
Net Increase in Cash and Cash Equivalents	589
Cash and Cash Equivalents, July 1	<u>49,181</u>
Cash and Cash Equivalents, June 30	<u>\$ 49,770</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (37,424)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,593
Changes in Assets and Liabilities:	
Decrease in Inventory	597
Decrease in Accounts Receivable	11,096
Increase in Accounts Payable	3,042
(Decrease) in Interfund Payable	(21,040)
Increase in Unearned Revenue	5,898
Increase in Accrued Compensated Absences Payable	250
Net Cash Used for Operating Activities	<u>\$ (32,988)</u>

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



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<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	\$ 646,799	\$ 82,144	\$ 58,065	\$ 12,840
Interfund Receivable: Payroll Agency Fund		35,958		
<b>Total Assets</b>	<b>646,799</b>	<b>118,102</b>	<b>58,065</b>	<b>12,840</b>
<b>LIABILITIES:</b>				
Interfund Payable: Unemployment Compensation Trust Fund	35,398			
Payroll Deductions and Withholdings Due to Student Groups	254,451 319,237			
<b>Total Liabilities</b>	<b>609,086</b>			
<b>NET POSITION:</b>				
Laptop Replacement Costs Held in Trust for: Unemployment Claims	37,713	118,102		
Scholarships			58,065	
Flexible Benefits Claims				12,840
<b>Total Net Position</b>	<b>\$ 37,713</b>	<b>\$ 118,102</b>	<b>\$ 58,065</b>	<b>\$ 12,840</b>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
ADDITIONS:			
Contributions:			
Employee	\$ 41,184		\$ 25,200
Donations		\$ 11,725	
Total Contributions	41,184	11,725	25,200
Investment Earnings:			
Interest	181	735	32
Net Investment Earnings	181	735	32
Total Additions	41,365	12,460	25,232
DEDUCTIONS:			
Unemployment Compensation Claims	11,545		
Scholarships Awarded		27,088	
Flexible Benefits Claims			37,519
Total Deductions	11,545	27,088	37,519
Change in Net Position	29,820	(14,628)	(12,287)
Net Position - Beginning of the Year	88,282	72,693	25,127
Net Position - End of the Year	<u>\$ 118,102</u>	<u>\$ 58,065</u>	<u>\$ 12,840</u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

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.

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, Laptop Replacement 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

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.

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, 2017 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 54,125,777	\$ 714,115
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.		(13,309)
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	425,894	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(428,633)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 54,123,038	\$ 700,806
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 52,230,411	\$ 714,115
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.		(13,309)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,230,411	\$ 700,806

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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

	Capital Projects Fund	
	SDA Grant Revenue	Fund Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ -0-	\$ 129,433
Reconciliation to Governmental Funds Statement (GAAP): SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recongnized on the GAAP Basis until Expended.	824,516	
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)	\$ 824,516	\$ 129,433

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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, 2017  
(Continued)

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

Cash and Cash Equivalents, and Investments:(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, 2017.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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, 2017.

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 \$8,427,572 General Fund balance at June 30, 2017, \$428,823 is assigned for encumbrances; \$2,903,125 is restricted in the capital reserve account; \$380,519 is restricted in the maintenance reserve account; \$200,169 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2018; \$3,508,961 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$1,732,093 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2018 and the remaining \$1,776,868 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2019); and \$1,005,975 is unassigned which is \$428,633 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, 2018.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2017 of \$129,433 is committed for capital projects which are financed with capital reserve funds.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

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, 2017 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$428,633 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, 2017 of \$5,122,920 for the deferred amount on refunding of debt related to the District's 2011 refunding bonds, the net difference between projected and actual investment earnings on pension plan investments, changes in assumptions in pensions, changes in proportion in pensions, the difference between expected and actual experience in pensions, and the District contribution subsequent to the measurement date.

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, 2017 of \$714,152 for 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

Q. Net Position: (Cont'd)

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.

R. Deficit Net Position:

The \$11,507,492 deficit in unrestricted net position from its governmental activities is the result of \$1,555,505 of unamortized bond premiums, the accrual of \$1,508,972 in compensated absences and \$101,000 in interest payable, changes in proportion in pensions of \$714,152, and net pension liability of \$12,994,342, offset by \$129,433 committed fund balance for capital projects, \$428,823 assigned fund balance for year-end encumbrances, \$200,169 assigned fund balance which is designated for subsequent year's expenditures, \$1,005,975 of unassigned General Fund fund balance, \$1,075,991 of deferred amount on refunding as of June 30, 2017, investment losses in pensions of \$495,486, changes in pension assumptions of \$2,691,734, changes in proportion in pensions of \$173,204, and differences between expected and actual experience in pensions of \$241,655. 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 \$129,433 of committed resources in the Capital Projects Fund at June 30, 2017.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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 \$428,823 for year-end encumbrances and \$200,169 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2017.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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

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.

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.

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 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.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

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.

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 Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or



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

Investments: (Cont'd)

New Jersey statutes permit the Board to purchase the following types of securities: (Cont'd)

- (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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, 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	\$ 4,565,649	\$ 2,897,866	\$ 380,519	\$ 7,844,034
New Jersey Cash Management Fund	9,104	5,259		14,363
	\$ 4,574,753	\$ 2,903,125	\$ 380,519	\$ 7,858,397

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2017 was \$7,858,397 and the bank balance was \$8,997,445. The \$14,363 with New Jersey Cash Management Fund is uninsured and unregistered.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 1,346,010
Interest Earnings	2,236
Board Approved Increase - Resolution Dated June 26, 2017	2,000,000
Budgeted Withdrawal, Net of Unexpended Funds Returned	<u>(445,121)</u>
Ending Balance, June 30, 2017	<u>\$ 2,903,125</u>

The balance in the capital reserve account at June 30, 2017 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.

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NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 376,733
Interest Earnings	<u>3,786</u>
Ending Balance, June 30, 2017	<u><u>\$ 380,519</u></u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2017, the District transferred \$352,383 to the capital outlay accounts for equipment which did not require County Superintendent approval.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2017 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	<u>789,129</u>			<u>789,129</u>
Total Capital Assets Not Being Depreciated	<u>919,577</u>			<u>919,577</u>
Capital Assets Being Depreciated:				
Site Improvements	2,847,753	\$ 55,173		2,902,926
Buildings and Building Improvements	72,481,490	2,557,896		75,039,386
Machinery and Equipment	<u>4,264,091</u>	<u>243,222</u>		<u>4,507,313</u>
Total Capital Assets Being Depreciated	<u>79,593,334</u>	<u>2,856,291</u>		<u>82,449,625</u>
Governmental Activities Capital Assets	<u>80,512,911</u>	<u>2,856,291</u>		<u>83,369,202</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,432,561)	(167,518)		(1,600,079)
Buildings and Building Improvements	(26,611,598)	(1,774,996)		(28,386,594)
Machinery and Equipment	<u>(3,005,582)</u>	<u>(334,681)</u>		<u>(3,340,263)</u>
	<u>(31,049,741)</u>	<u>(2,277,195)</u>		<u>(33,326,936)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 49,463,170</u></u>	<u><u>\$ 579,096</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 50,042,266</u></u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the fiscal year ended June 30, 2017 were as follows: (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 147,693			\$ 147,693
Less Accumulated Depreciation	(120,138)	\$ (4,593)		(124,731)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 27,555	\$ (4,593)	\$ - 0 -	\$ 22,962

The District had active construction projects totaling \$3,639,858 with unexpended balances of \$129,433 as of June 30, 2017. The District had \$20,170 in outstanding construction commitments at June 30, 2017.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 8,032
Student and Instruction Related Services	12,919
Administrative Information Technology	116,864
Plant Operations and Maintenance	61,514
Transportation	10,855
Unallocated	<u>2,067,011</u>
Total Depreciation - Governmental Activities	<u>\$ 2,277,195</u>

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>
2018	\$ 72,352
2019	<u>36,176</u>
	<u>\$ 108,528</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2016	Issued/ Added	Retired	Balance 6/30/2017
Serial Bonds Payable	\$ 14,850,000		\$ 1,595,000	\$ 13,255,000
Unamortized Bond Premiums	1,777,720		222,215	1,555,505
Capital Leases Payable	129,803		42,372	87,431
Net Pension Liability	10,115,272	\$ 2,879,070		12,994,342
Compensated Absences Payable:				
Governmental Funds	1,620,872	88,300	200,200	1,508,972
Proprietary Funds	14,750	250		15,000
	<u>\$ 28,508,417</u>	<u>\$ 2,967,620</u>	<u>\$ 2,059,787</u>	<u>\$ 29,416,250</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, 2017 as follows:

Purpose	Final Maturity	Interest Rate	Amount
Refunding School Bonds	05/01/2024	3.25%-5.50%	<u>\$ 13,255,000</u>

The current portion of bonds payable at June 30, 2017 is \$1,660,000 and the long-term portion is \$11,595,000.

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

Year Ending June 30,	Principal	Interest	Total
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
2022	1,960,000	308,075	2,268,075
Thereafter:			
2023-2024	4,205,000	317,525	4,522,525
	<u>\$ 13,255,000</u>	<u>\$ 2,610,500</u>	<u>\$ 15,865,500</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2017, 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, 2017. 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, 2017 are detailed below.

<u>Year</u>	<u>Amount</u>
2017	
2018	\$ 45,098
2019	45,098
	<u>90,196</u>
Less: Amount representing interest	<u>(2,765)</u>
Present value of net minimum lease payments	<u><u>\$ 87,431</u></u>

The current portion of capital leases payable at June 30, 2017 is \$43,261 and the long-term portion is \$44,170. The General Fund will be used to liquidate capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance in Governmental Funds is \$64,250 and the remaining compensated absences balance of \$1,444,722 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, 2017, the entire \$15,000 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, 2017 is \$-0- and the long-term portion is \$12,994,342. See Note 10 for further information on the PERS.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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

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 with 25 or more years of service credit before age 62 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 member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 \$389,774 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017, the District reported a liability of \$12,994,342 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.044%, which was a decrease of 0.001% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$1,108,638.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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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)

At June 30, 2017, 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	\$ 163,342	
2015	5.72 years	667,449	
2016	5.57 years	<u>1,860,943</u>	
Subtotal		<u>2,691,734</u>	
Changes in Proportion:			
2014	6.44 years	173,204	
2015	5.72 years		\$ 520,792
2016	5.57 years		<u>193,360</u>
Subtotal		<u>173,204</u>	<u>714,152</u>
Difference Between Expected and Actual Experience:			
2015	5.72 years	185,181	
2016	5.57 years	<u>56,474</u>	
Subtotal		<u>241,655</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years	(244,770)	
2015	5 years	156,602	
2016	5 years	<u>583,654</u>	
Subtotal		<u>495,486</u>	
District Contribution Subsequent to the Measurement Date - 2016			
	1 year	<u>444,850</u>	
		<u>\$ 4,046,929</u>	<u>\$ 714,152</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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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 and District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2017	\$ 771,980
2018	771,980
2019	894,365
2020	751,397
2021	239,153
	\$ 3,428,875

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method 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 PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 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:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 15,923,050	\$ 12,994,342	\$ 10,576,440

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).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Plan Description (Cont'd)

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

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

Service retirement benefits of 1/55<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 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. 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 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 includes 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 2016, the State's pension contribution was less than the actuarially determined amount.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 2017, the State of New Jersey contributed \$2,123,905 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$12,233,825.

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017, the State's proportionate share of the net pension liability associated with the District was \$162,822,232. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.2070%, which was a decrease of 0.0063% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>162,822,232</u>
Total	<u><u>\$ 162,822,232</u></u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$12,233,825 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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	\$ 1,691,524,165	
2015	8.3 years	4,488,602,746	
2016	8.3 years	9,522,623,964	
Difference Between Expected and Actual Experience:			
2014	8.5 years		\$ 16,110,615
2015	8.3 years	277,221,464	
2016	8.3 years		118,421,979
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years	(870,618,286)	
2015	5 years	577,926,182	
2016	5 years	<u>1,727,420,767</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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)

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:

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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 (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined 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 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2016 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:

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 194,446,132	\$ 162,822,232	\$ 136,997,236

Pension Plan Fiduciary Net Position

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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 \$1,311 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$2,660 for the fiscal year ended June 30, 2017.

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, 2016, there were 110,512 retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 attributable to P.L. 1992, c.126 which provides employer-paid 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members for Fiscal Year 2016.

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 publicly 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/financial/2015divisioncombined.pdf>.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,833,816, \$1,973,205 and \$1,830,804 for 2017, 2016 and 2015, 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 Horizon Blue Cross Blue Shield of New Jersey. The District is a member of the Morris-Essex Insurance Group (the "Group"). The Group provides its members with workers' compensation coverage. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

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

The June 30, 2017 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, 2016 is as follows:

	Morris-Essex Insurance Group
Total Assets	\$ 9,740,564
Net Position	\$ 7,012,792
Total Revenue	\$ 3,393,346
Total Expenses	\$ 1,680,814
Member Dividends	\$ 802,365
Change in Net Position for the Year Ended June 30	\$ 910,167

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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>
2016-2017	\$ -0-	\$ 181	\$ 41,184	\$ 11,545	\$ 118,102
2015-2016	-0-	56	37,484	55,796	88,282
2014-2015	-0-	78	36,844	25,667	106,538

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.

403(b)

AXA Equitable Life Insurance Company  
Variable Annuity Life Insurance Company  
The Vanguard Group  
Metropolitan Life Resources  
Midland National Life Insurance Company  
T. Rowe Price

457

AXA Equitable Life Insurance Company  
Variable Annuity Life Insurance Company

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

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, 2017, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 428,823	\$ 14,722	\$ 20,170	\$ 463,715

In the District's Governmental Funds Balance Sheet as of June 30, 2017, 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 \$14,722 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 \$20,170 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$129,433 committed fund balance on a GAAP and budgetary basis at June 30, 2017.

NOTE 15. TAX CALENDAR

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

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 16. ECONOMIC DEPENDENCY

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

NOTE 17. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 42,217	
Special Revenue Fund		\$ 2,680
Capital Projects Fund		33,642
Proprietary Funds - Food Service		5,895
Fiduciary Funds	<u>35,958</u>	<u>35,958</u>
	<u>\$ 78,175</u>	<u>\$ 78,175</u>

During the fiscal year, the General Fund transferred \$445,121 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$58 of interest earnings to the General Fund.

At June 30, 2017, the Special Revenue Fund owes the General Fund \$2,680 for an interfund advanced for federal and state grant expenditures for which reimbursement has not been received as of June 30, 2017. The Capital Projects Fund owes the General Fund \$33,642 for interest and the net amount of the unexpended local share of completed projects. The Food Service Enterprise Fund owes the General Fund \$5,895 for payroll expenses. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund \$35,958 for employee contributions.

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2017 consisted of the following:

	<u>Governmental Funds</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
Salaries	\$ 1,082		\$ 1,082	
Vendors				\$ 3,092
Due to State of New Jersey		\$ 444,850	444,850	
	<u>\$ 1,082</u>	<u>\$ 444,850</u>	<u>\$ 445,932</u>	<u>\$ 3,092</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 19. TAX ABATEMENTS

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Chester recognized revenue in the amount of \$28,409 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2016 without the abatement would have been \$70,340 of which \$13,039 would have been regional school taxes.



SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's Proportion of the Net Pension Liability	0.0492208999%	0.0450609130%	0.0438744109%
District's Proportionate Share of the Net Pension Liability	\$ 9,215,499	\$ 10,115,272	\$ 12,994,342
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	301.07%	329.63%	396.52%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually Required Contribution	\$ 405,770	\$ 387,403	\$ 389,774
Contributions in relation to the Contractually Required Contribution	<u>(405,770)</u>	<u>(387,403)</u>	<u>(389,774)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 3,068,637	\$ 3,277,081	\$ 3,491,309
Contributions as a percentage of Covered Employee Payroll	13.22%	11.82%	11.16%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's Proportion of the Net Pension Liability attributable to the District	0.2118079146%	0.2133155613%	0.2069782016%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 113,204,437	\$ 134,824,544	\$ 162,822,232
District's Covered Employee Payroll	\$ 20,809,267	\$ 20,158,162	\$ 20,432,108
State's Proportionate Share of the Net Pension Liability attributable to the District as a percentage of the District's Covered Employee Payroll	544.01%	668.83%	796.89%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually Required Contribution	\$ 6,091,462	\$ 8,232,252	\$ 12,233,825
Contributions in relation to the Contractually Required Contribution	(1,153,262)	(1,657,148)	(2,123,905)
Contribution Deficiency/(Excess)	<u>\$ 4,938,200</u>	<u>\$ 6,575,104</u>	<u>\$ 10,109,920</u>
District's Covered Employee Payroll	\$ 20,809,267	\$ 20,432,108	\$ 20,493,350
Contributions as a percentage of Covered Employee Payroll	29.27%	40.29%	59.70%

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, 2017  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2016</u>	<u>2015</u>
Discount Rate	3.98%	4.90%
Municipal Bond Rate	2.85%	3.80%
Inflation Rate	3.08%	3.04%
Long-Term Expected Rate of Return on Pension Plan Investments	7.65%	7.90%
Salary Increases Based on Age:		
Through 2026	1.65% - 4.15%	
2012 - 2021		2.15% - 4.40%
Thereafter	2.65% - 5.15%	3.15% - 5.40%

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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 RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)  
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2016</u>	<u>2015</u>
Discount Rate	3.22%	4.13%
Municipal Bond Rate	2.85%	3.80%
Long-Term Expected Rate of Return on Pension Plan Investments	7.65%	7.90%

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

REVENUE:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources:					
Local Tax Levy	\$ 42,763,310		\$ 42,763,310	\$ 42,763,310	
Tuition - From Individuals	231,545	\$ (202,685)	28,860	31,977	\$ 3,117
Tuition - Other LEA's Within state		198,685	198,685	188,262	(10,423)
Tuition - Other		4,000	4,000	6,000	2,000
Unrestricted Miscellaneous Revenue	37,775		37,775	73,891	36,116
Interest on Capital Reserve	1,000		1,000	2,236	1,236
Interest on Maintenance Reserve				3,786	3,786
Miscellaneous	555,410		555,410	726,057	170,647
<b>Total - Local Sources</b>	<b>43,589,040</b>		<b>43,589,040</b>	<b>43,795,519</b>	<b>206,479</b>
State Sources:					
Transportation Aid	1,357,955		1,357,955	1,357,955	
Categorical Special Education Aid	1,760,399		1,760,399	1,760,399	
Equalization Aid	313,431		313,431	313,431	
Categorical Security Aid	213,804		213,804	213,804	
Adjustment Aid	733,641		733,641	733,641	
Per Pupil Growth Aid	28,030		28,030	28,030	
PARCC Readiness Aid	28,030		28,030	28,030	
Professional Learning Community Aid	26,210		26,210	26,210	
Extraordinary Special Education Costs Aid				455,711	455,711
Nonpublic Transportation Costs				32,988	32,988
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,833,816	1,833,816
Pension (Non-Budgeted)				2,123,905	2,123,905
Non-Contributory Insurance (Non-Budgeted)				76,954	76,954
Long-Term Disability Insurance (Non-Budgeted)				4,244	4,244
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,341,140	1,341,140
<b>Total State Sources</b>	<b>4,461,500</b>		<b>4,461,500</b>	<b>10,330,258</b>	<b>5,868,758</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Federal Sources:					
Medicaid Reimbursement (SEMI)	\$ 15,737		\$ 15,737		\$ (15,737)
Total Federal Sources	15,737		15,737		(15,737)
<b>TOTAL REVENUE</b>	<u>48,066,277</u>		<u>48,066,277</u>	<u>\$ 54,125,777</u>	<u>6,059,500</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	14,953,606	\$ (17,635)	14,935,971	14,202,433	733,538
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000		200,000	125,570	74,430
Purchased Professional - Educational Services	90,000		90,000	59,730	30,270
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services		550	550	550	
Other Purchased Services (400-500 series)	239,356	(29,482)	209,874	200,982	8,892
General Supplies	394,142	21,592	415,734	384,005	31,729
Textbooks	101,307	(25,399)	75,908	68,527	7,381
Total Regular Programs - Instruction	<u>15,978,411</u>	<u>(50,374)</u>	<u>15,928,037</u>	<u>15,041,797</u>	<u>886,240</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,349,581	(158,099)	2,191,482	2,081,785	109,697
Other Salaries for Instruction	456,865	20,656	477,521	443,467	34,054
Other Purchased Services (400-500 series)	760		760	214	546
General Supplies	19,000		19,000	10,744	8,256
Textbooks	3,300		3,300	770	2,530
Total Resource Room/Resource Center	<u>2,829,506</u>	<u>(137,443)</u>	<u>2,692,063</u>	<u>2,536,980</u>	<u>155,083</u>
Total Special Education - Instruction	<u>2,829,506</u>	<u>(137,443)</u>	<u>2,692,063</u>	<u>2,536,980</u>	<u>155,083</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 371,474	\$ 213,023	\$ 584,497	\$ 546,289	\$ 38,208
Purchased Services (300-500 series)	10,379	(809)	9,570	7,736	1,834
Supplies and Materials	49,872	(704)	49,168	39,958	9,210
Other Objects	18,969	(1,400)	17,569	10,109	7,460
Total School-Sponsored Cocurricular Activities - Instruction	450,694	210,110	660,804	604,092	56,712
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,541,915	(212,389)	1,329,526	1,254,263	75,263
Purchased Services (300-500 series)	1,225	2,245	3,470	3,470	
Supplies and Materials	120,530	(23,081)	97,449	96,500	949
Other Objects	203,041	23,115	226,156	206,481	19,675
Total School-Sponsored Cocurricular Athletics - Instruction	1,866,711	(210,110)	1,656,601	1,560,714	95,887
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000	2,524	5,476
Total Other Instructional Programs - Instruction	8,000		8,000	2,524	5,476
Total Instruction Expenditures	21,133,322	(187,817)	20,945,505	19,746,107	1,199,398

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 481,357	\$	481,357	\$ 398,510	\$ 82,847
Tuition to County Vocational School District - Regular	322,256		322,256	218,855	103,401
Tuition to County Vocational School District - Special	103,534		103,534	83,947	19,587
Tuition to CSSD & Regional Day Schools	210,376		210,376	110,673	99,703
Tuition to Private Schools for the Disabled - Within State	3,223,797		3,223,797	3,073,027	150,770
Total Undistributed Expenditures - Instruction	4,341,320		4,341,320	3,885,012	456,308
Attendance & Social Work Services:					
Salaries	18,929		18,929	18,862	67
Supplies and Materials	5,673		5,673	4,843	830
Total Attendance & Social Work Services	24,602		24,602	23,705	897
Health Services:					
Salaries	441,245		441,245	433,762	7,483
Purchased Professional and Technical Services	33,059		33,059	32,252	807
Other Purchased Services (400-500 series)	150		150		150
Supplies and Materials	11,333	\$ (133)	11,200	8,728	2,472
Other Objects	1,541		1,541		1,541
Total Health Services	487,328	(133)	487,195	474,742	12,453

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Undistributed Expenditures:					
Speech, OT, PT & Related Services:					
Salaries	\$ 95,501		\$ 95,501	\$ 94,980	\$ 521
Purchased Professional - Educational Services		\$ 6,752	6,752	6,752	
Supplies and Materials	604		604	222	382
Total Speech, OT, PT & Related Services	96,105	6,752	102,857	101,954	903
Guidance:					
Salaries of Other Professional Staff	1,250,389	(40,646)	1,209,743	1,187,263	22,480
Salaries of Secretarial and Clerical Assistants	135,332	2,478	137,810	137,810	
Other Salaries	52,496		52,496	48,972	3,524
Other Purchased Professional and Technical Services	20,361	156	20,517	19,064	1,453
Other Purchased Services (400-500 series)	500	525	1,025	463	562
Supplies and Materials	10,098	(181)	9,917	7,557	2,360
Other Objects	2,270	(500)	1,770	1,209	561
Total Guidance	1,471,446	(38,168)	1,433,278	1,402,338	30,940
Child Study Team:					
Salaries of Other Professional Staff	1,118,441		1,118,441	1,030,651	87,790
Salaries of Secretarial and Clerical Assistants	163,848		163,848	150,840	13,008
Purchased Professional - Educational Services	324,483	(4,912)	319,571	144,345	175,226
Other Purchased Professional and Technical Services	15,737	(6,752)	8,985	312	8,673
Miscellaneous Purchased Services (400-500 series Other than Residential Costs)	11,900		11,900	3,710	8,190
Supplies and Materials	10,000		10,000	5,495	4,505
Other Objects	1,800		1,800	923	877
Total Child Study Team	1,646,209	(11,664)	1,634,545	1,336,276	298,269

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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	\$ 264,975	\$ 34,386	\$ 299,361	\$ 298,904	\$ 457
Salaries of Other Professional Staff	35,000	(35,000)			
Salaries of Secretarial and Clerical Assistants	137,400	(157)	137,243	137,220	23
Unused Vacation Payment to Terminated/Retired Staff	98,648	1,082	1,082	1,082	
Other Purchased Professional and Technical Services	3,500	23,342	121,990	114,758	7,232
Other Purchased Services (400-500 series)	224,500	(2,129)	3,500	3,194	306
Supplies and Materials	1,000	(539)	222,371	204,012	18,359
Other Objects			461	461	
Total Improvement of Instructional Services	765,023	20,985	786,008	759,631	26,377
Educational Media Services/School Library:					
Salaries	157,758		157,758	157,180	578
Salaries of Technology Coordinators	377,392	12,010	389,402	369,651	19,751
Supplies and Materials	90,958	(442)	90,516	77,486	13,030
Other Objects	910		910	714	196
Total Educational Media Services/School Library	627,018	11,568	638,586	605,031	33,555
Instructional Staff Training Services:					
Salaries of Other Professional Staff	264,459	60,761	325,220	325,220	
Purchased Professional - Educational Services	36,500	(15,243)	21,257	20,888	369
Other Purchased Professional and Technical Services	1,500		1,500	750	750
Other Purchased Services (400-500 series)	72,720	(7,699)	65,021	61,599	3,422
Supplies and Materials	3,000		3,000	2,400	600
Total Instructional Staff Training Services	378,179	37,819	415,998	410,857	5,141

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
General Administration:					
Salaries	\$ 405,156	\$ 10,177	\$ 415,333	\$ 407,877	\$ 7,456
Unused Vacation Payment to Terminated/Retired Staff		1,108	1,108	1,108	
Legal Services	56,100	14,853	70,953	69,953	1,000
Audit Fees	58,945	1	58,946	58,946	
Other Purchased Professional Services	15,061	35,659	50,720	14,934	35,786
Communications/Telephone	54,145	887	55,032	44,968	10,064
BOE Other Purchased Services	4,000		4,000	2,920	1,080
Miscellaneous Purchased Services (400-500 series)	289,588	(16,685)	272,903	256,194	16,709
General Supplies	5,700	3,000	8,700	7,217	1,483
Miscellaneous Expenditures	13,490		13,490	7,068	6,422
BOE Membership Dues and Fees	23,726		23,726	20,440	3,286
Total General Administration	925,911	49,000	974,911	891,625	83,286
School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	832,576	121,512	954,088	954,087	1
Salaries of Other Professional Staff	392,568	(114)	392,454	392,454	
Salaries of Secretarial and Clerical Assistants	338,806	4,494	343,300	337,946	5,354
Other Purchased Services (400-500 series)	17,803	(4,337)	13,466	10,183	3,283
Supplies and Materials	3,000	2,890	5,890	4,251	1,639
Other Objects	52,209	2,741	54,950	43,313	11,637
Total School Administration	1,636,962	127,186	1,764,148	1,742,234	21,914

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 422,882	\$ 7,361	\$ 430,243	\$ 428,617	\$ 1,626
Unused Vacation Payment to Terminated/Retired Staff		1,050	1,050	1,050	
Purchased Professional Services	36,725	(3,822)	32,903	28,426	4,477
Purchased Technical Services	15,000	(3,539)	11,461	10,211	1,250
Miscellaneous Purchased Services (400-500 series)	11,295	(2,856)	8,439	5,911	2,528
Supplies and Materials	5,250	1,806	7,056	5,078	1,978
Miscellaneous Expenditures	3,750		3,750	3,318	432
<b>Total Central Services</b>	<b>494,902</b>		<b>494,902</b>	<b>482,611</b>	<b>12,291</b>
<b>Administrative Information Technology:</b>					
Salaries	104,638	13,636	118,274	116,359	1,915
Purchased Technical Services	50,000	(19,276)	30,724	17,500	13,224
Other Purchased Services (400-500 series)	245,017	(80,860)	164,157	162,960	1,197
Supplies and Materials	121,030	104,793	225,823	224,620	1,203
Other Objects	900		900	825	75
<b>Total Administrative Information Technology</b>	<b>521,585</b>	<b>18,293</b>	<b>539,878</b>	<b>522,264</b>	<b>17,614</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	32,870	1	32,871	31,902	969
Cleaning, Repair and Maintenance Services	137,333	681	138,014	121,142	16,872
General Supplies	104,285		104,285	97,989	6,296
<b>Total Required Maintenance for School Facilities</b>	<b>274,488</b>	<b>682</b>	<b>275,170</b>	<b>251,033</b>	<b>24,137</b>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 979,751	\$ 103,892	\$ 1,083,643	\$ 1,074,374	\$ 9,269
Unused Vacation Payment to Terminated/Retired Staff		650	650	650	
Purchased Professional and Technical Services	67,150	19,621	86,771	48,156	38,615
Cleaning, Repair and Maintenance Services	158,298	(25,797)	132,501	99,113	33,388
Rental of Land & Buildings Other than Lease Purchase Agreement	142,887	(12,759)	130,128	115,887	14,241
Other Purchased Property Services	75,159	8,650	83,809	69,444	14,365
Insurance	40,756		40,756	40,756	
Miscellaneous Purchased Services	8,200	(3,917)	4,283	3,914	369
General Supplies	206,652	20,321	226,973	179,806	47,167
Energy (Natural Gas)	254,068		254,068	226,421	27,647
Energy (Electricity)	608,074	(38,160)	569,914	480,460	89,454
Other Objects	8,040	7,837	15,877	2,720	13,157
<b>Total Custodial Services</b>	<b>2,549,035</b>	<b>80,338</b>	<b>2,629,373</b>	<b>2,341,701</b>	<b>287,672</b>
Care & Upkeep of Grounds:					
Salaries	381,476	500	381,976	381,976	
Cleaning, Repair and Maintenance Services	84,855		84,855	72,743	12,112
General Supplies	68,624		68,624	45,454	23,170
<b>Total Care &amp; Upkeep of Grounds</b>	<b>534,955</b>	<b>500</b>	<b>535,455</b>	<b>500,173</b>	<b>35,282</b>
Security:					
Salaries	85,000	16,047	101,047	101,047	
Purchased Professional and Technical Services	101,781	(21,596)	80,185	78,908	1,277
General Supplies	20,000	5,507	25,507	25,507	
Other Objects	5,500	(458)	5,042	1,880	3,162
<b>Total Security</b>	<b>212,281</b>	<b>(500)</b>	<b>211,781</b>	<b>207,342</b>	<b>4,439</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 83,914	\$ (16,251)	\$ 67,663	\$ 67,662	\$ 1
Between Home and School - Special	7,000	14,516	21,516	21,516	
Other than Between Home and School	94,301	23,637	117,938	117,563	375
Between Home and School - Nonpublic Schools	26,726		26,726	26,063	663
Management Fee - ESC & CTSA Transportation Program	64,147	(5,431)	58,716	55,534	3,182
Other Purchased Professional and Technical Services	6,494		6,494	5,983	511
Cleaning, Repair and Maintenance Services	37,113	23,139	60,252	60,252	
Contracted Services:					
Aid in Lieu of Payments - Nonpublic Students	72,488	8,575	81,063	81,063	
Other than Between Home and School - Vendors	302,901	14,575	317,476	317,476	
Between Home and School - Joint Agreements	1,067,076	25,602	1,092,678	1,092,678	
Special Education Students - Vendors	22,300	(12,805)	9,495	9,495	
Special Education Students - Joint Agreements	40,000	(22,300)	17,700	17,100	600
Regular Students - ESC's & CTSA's	224,144	(81,578)	142,566	142,566	
Special Education Students - ESC's & CTSA's	1,339,012	38,824	1,377,836	1,371,376	6,460
Miscellaneous Purchased Services	7,940	(949)	6,991	4,915	2,076
General Supplies	33,350	(9,002)	24,348	17,178	7,170
Other Objects	600	1	601	200	401
<b>Total Student Transportation Services</b>	<b>3,429,506</b>	<b>553</b>	<b>3,430,059</b>	<b>3,408,620</b>	<b>21,439</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 602,158	\$ 30,379	\$ 632,537	\$ 632,537	
TPAF Contributions - ERIP	1,331		1,331		\$ 1,331
Other Retirement Contributions - PERS	435,861	(1,311)	434,550	391,880	42,670
Other Retirement Contributions - Regular		1,311	1,311	1,311	
Unemployment Compensation	25,000	(18,782)	6,218		6,218
Workmen's Compensation	275,370	(41,000)	234,370	206,129	28,241
Health Benefits	6,409,062	11,469	6,420,531	5,459,530	961,001
Tuition Reimbursement	138,503	(35,693)	102,810	85,234	17,576
Other Employee Benefits	381,824	(75,200)	306,624	285,859	20,765
Total Unallocated Benefits	8,269,109	(128,827)	8,140,282	7,062,480	1,077,802
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,833,816	(1,833,816)
Pension (Non-Budgeted)				2,123,905	(2,123,905)
Non-Contributory Insurance (Non-Budgeted)				76,954	(76,954)
Long-Term Disability Insurance (Non-Budgeted)				4,244	(4,244)
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,341,140	(1,341,140)
Total On-Behalf and Reimbursed Contributions				5,380,059	(5,380,059)
Total Personal Services - Employee Benefits	8,269,109	(128,827)	8,140,282	12,442,539	(4,302,257)
Total Undistributed Expenditures	28,685,964	174,384	28,860,348	31,789,688	(2,929,340)
<b>TOTAL CURRENT EXPENSE</b>	49,819,286	(13,433)	49,805,853	51,535,795	(1,729,942)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 6,098	\$ (2,899)	\$ 3,199	\$ 2,868	\$ 331
School-Sponsored and Other Instructional Programs	7,500		7,500	7,172	328
Undistributed Expenditures:					
Instruction	76,500	(14,316)	62,184	62,184	
Instructional Staff	36,000	(4,500)	31,500	31,500	
Required Maintenance for School Facilities	20,000	332,540	352,540	14,240	338,300
Custodial Services	13,500	6,750	20,250	20,130	120
Care and Upkeep of Grounds	144,837	35,360	180,197	176,606	3,591
Student Transportation - Non-Instructional Equipment	20,100	(552)	19,548	19,548	
Total Equipment	324,535	352,383	676,918	334,248	342,670
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		31,000	31,000	27,835	3,165
Construction Services	310,629	(31,000)	279,629	229,672	49,957
Other Objects - Debt Service Assessment	102,861		102,861	102,861	
Total Facilities Acquisition and Construction Services	413,490		413,490	360,368	53,122
<b>TOTAL CAPITAL OUTLAY</b>	738,025	352,383	1,090,408	694,616	395,792
<b>TOTAL EXPENDITURES</b>	50,557,311	338,950	50,896,261	52,230,411	(1,334,150)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,491,034)	(338,950)	(2,829,984)	1,895,366	4,725,350

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfer from Capital Reserve to Capital Projects Fund	\$ (445,121)		\$ (445,121)	\$ (445,121)	
Transfer from Capital Projects Fund - Interest Earned				58	\$ 58
Total Other Financing Sources/(Uses)	<u>(445,121)</u>		<u>(445,121)</u>	<u>(445,063)</u>	<u>58</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,936,155)	\$ (338,950)	(3,275,105)	1,450,303	4,725,408
Fund Balance, July 1	7,405,902		7,405,902	7,405,902	
Fund Balance, June 30	<u>\$ 4,469,747</u>	<u>\$ (338,950)</u>	<u>\$ 4,130,797</u>	<u>\$ 8,856,205</u>	<u>\$ 4,725,408</u>

Recapitulation:

Restricted for:

Capital Reserve	\$ 2,903,125
Maintenance Reserve	380,519
Excess Surplus	1,776,868
Excess Surplus - For Subsequent Year's Expenditures	1,732,093

Assigned:

Year-End Encumbrances	428,823
For Subsequent Year's Expenditures	110,939
For Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	89,230
Unassigned	<u>1,434,608</u>

Total Fund Balance - Budgetary Basis

8,856,205

Reconciliation to Governmental Fund Statements (GAAP):

June State Aid payments not recognized on a GAAP basis

(428,633)

Fund Balance per Governmental Funds on Exhibit B-1

\$ 8,427,572

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 566,176	\$ 94,895	\$ 94,895	\$ 94,534	\$ (361)
Federal Sources		62,341	628,517	576,779	(51,738)
Local Sources		76,603	76,603	42,802	(33,801)
<b>Total Revenues</b>	<b>566,176</b>	<b>233,839</b>	<b>800,015</b>	<b>714,115</b>	<b>(85,900)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	28,222	41,122	69,344	60,290	9,054
Purchased Professional/Technical Services		42,192	42,192	30,550	11,642
Other Purchased Services		72,291	72,291	71,930	361
Tuition	502,002	(381,565)	120,437	119,437	1,000
General Supplies	3,211	50,926	54,137	53,809	328
Textbooks		19,540	19,540	19,540	
Other Objects		7,000	7,000	6,458	542
<b>Total Instruction</b>	<b>533,435</b>	<b>(148,494)</b>	<b>384,941</b>	<b>362,014</b>	<b>22,927</b>
Support Services					
Personal Services - Employee Benefits	6,491	(6,491)			
Purchased Professional/Technical Services	11,000	294,801	305,801	279,675	26,126
Other Purchased Services	11,000	(5,500)	5,500	2,637	2,863
Supplies and Materials	4,250	99,523	103,773	69,789	33,984
<b>Total Support Services</b>	<b>32,741</b>	<b>382,333</b>	<b>415,074</b>	<b>352,101</b>	<b>62,973</b>
<b>Total Expenditures</b>	<b>566,176</b>	<b>233,839</b>	<b>800,015</b>	<b>714,115</b>	<b>85,900</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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	\$ 54,125,777	\$ 714,115
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.		(13,309)
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	425,894	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(428,633)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 54,123,038	\$ 700,806
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 52,230,411	\$ 714,115
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		(13,309)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,230,411	\$ 700,806

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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, 2017 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, 2017

	<u>No Child Left Behind</u>		<u>IDEA - Part B,</u>
	<u>Title I</u>	<u>Title II</u>	<u>Basic Regular</u>
<b>REVENUE:</b>			
State Sources			
Federal Sources	\$ 34,037	\$ 34,503	\$ 508,239
Local Sources			
<b>Total Revenue</b>	<u>34,037</u>	<u>34,503</u>	<u>508,239</u>
<b>EXPENDITURES:</b>			
Instruction:			
Personal Services - Salaries	34,037	26,253	
Purchased Professional/Technical Services		2,500	28,050
Other Purchased Services		5,750	
Tuition			119,437
General Supplies			44,995
Textbooks			
Other Objects			6,458
<b>Total Instruction</b>	<u>34,037</u>	<u>34,503</u>	<u>198,940</u>
Support Services:			
Purchased Professional/Technical Services			279,675
Other Purchased Services			2,637
Supplies and Materials			26,987
<b>Total Support Services</b>			<u>309,299</u>
<b>Total Expenditures</b>	<u>\$ 34,037</u>	<u>\$ 34,503</u>	<u>\$ 508,239</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, 2017

	NJ Nonpublic			
	Auxiliary Services (Chapter 192)	Handicapped Services (Chapter 193)		Textbooks
	Home Instruction	Examination & Classification	Supplementary Instruction	
REVENUE:				
State Sources	\$ 2,606	\$ 17,292	\$ 15,772	\$ 19,540
Federal Sources				
Local Sources				
Total Revenue	<u>2,606</u>	<u>17,292</u>	<u>15,772</u>	<u>19,540</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Purchased Professional/Technical Services				
Other Purchased Services	2,606	17,292	15,772	
Tuition				
General Supplies				
Textbooks				19,540
Other Objects				
Total Instruction	<u>2,606</u>	<u>17,292</u>	<u>15,772</u>	<u>19,540</u>
Support Services:				
Purchased Professional/Technical Services				
Other Purchased Services				
Supplies and Materials				
Total Support Services				
Total Expenditures	<u>\$ 2,606</u>	<u>\$ 17,292</u>	<u>\$ 15,772</u>	<u>\$ 19,540</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, 2017

	<u>NJ Nonpublic</u>			<u>Totals</u> <u>June 30, 2017</u>
	<u>Technology</u> <u>Initiative</u>	<u>Nursing</u> <u>Services</u>	<u>Other Local</u> <u>Projects</u>	
REVENUE:				
State Sources	\$ 8,814	\$ 30,510		\$ 94,534
Federal Sources				576,779
Local Sources			\$ 42,802	42,802
Total Revenue	<u>8,814</u>	<u>30,510</u>	<u>42,802</u>	<u>714,115</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				60,290
Purchased Professional/Technical Services				30,550
Other Purchased Services		30,510		71,930
Tuition				119,437
General Supplies	8,814			53,809
Textbooks				19,540
Other Objects				6,458
Total Instruction	<u>8,814</u>	<u>30,510</u>		<u>362,014</u>
Support Services:				
Purchased Professional/Technical Services				279,675
Other Purchased Services				2,637
Supplies and Materials			42,802	69,789
Total Support Services			<u>42,802</u>	<u>352,101</u>
Total Expenditures	<u>\$ 8,814</u>	<u>\$ 30,510</u>	<u>\$ 42,802</u>	<u>\$ 714,115</u>

CAPITAL PROJECTS FUND

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenue and Other Financing Sources:	
State Sources - SDA Grants	\$ (83,157)
Transfer from Capital Reserve	445,121
Interest Revenue	<u>58</u>
Total Revenue and Other Financing Sources	<u>362,022</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	64,553
Construction Services	1,166,685
Equipment	1,065,069
Transfer to General Fund:	
Interest Earned	<u>58</u>
Total Expenditures and Other Financing Uses	<u>2,296,365</u>
Deficit of Revenue & Other Financing Sources Under Expenditures & Other Financing Uses	(1,934,343)
Fund Balance - Beginning	<u>2,063,776</u>
Fund Balance - Ending	<u>\$ 129,433</u>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 20,170
Committed	<u>109,263</u>
Fund Balance per Governmental Funds (Budgetary Basis)	129,433
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	<u>- 0 -</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 129,433</u>

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 -  
SCIENCE AND TECHNOLOGY ROOM RENOVATIONS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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		\$ 421,723	\$ 421,723	\$ 421,723
Total Revenue and Other Financing Sources	\$ - 0 -	421,723	421,723	421,723
Expenditures:				
Purchased Professional and Technical Services		49,004	49,004	49,004
Construction Services		352,699	352,699	372,719
Total Expenditures	- 0 -	401,703	401,703	421,723
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 20,020	\$ 20,020	\$ - 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	\$ 420,000
Additional Authorization	\$ 1,723
Change Orders	\$ -0-
Revised Authorized Cost	\$ 421,723
Change Order Percentage	0.00%
Percentage Completion	95.25%
Original Target Completion Date	08/15/17
Revised Target Completion Date	08/15/17



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 - FENCE REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 25,121	\$ 25,121	\$ 25,121
Total Revenue and Other Financing Sources	\$ - 0 -	25,121	25,121	25,121
Expenditures:				
Equipment		13,770	13,770	25,121
Total Expenditures	- 0 -	13,770	13,770	25,121
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 11,351	\$ 11,351	\$ - 0 -

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 25,121
Change Orders	\$ -0-
Revised Authorized Cost	\$ 25,121
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/30/16
Revised Target Completion Date	12/30/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL HIGH SCHOOL - SECURITY CAMERAS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ (2,309)	\$ 42,313	\$ 44,622
Total Revenue and Other Financing Sources	<u>44,622</u>	<u>(2,309)</u>	<u>42,313</u>	<u>44,622</u>
Expenditures:				
Equipment	40,295	2,018	42,313	44,622
Total Expenditures	<u>40,295</u>	<u>2,018</u>	<u>42,313</u>	<u>44,622</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 4,327</u>	<u>\$ (4,327)</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	\$ 32,000
Additional Authorization	\$ 12,622
Change Orders	\$ -0-
Revised Authorized Cost	\$ 44,622
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/16
Revised Target Completion Date	12/30/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL HIGH SCHOOL - IRRIGATION SYSTEM PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	<u>24,000</u>	<u>\$ - 0 -</u>	<u>24,000</u>	<u>24,000</u>
Expenditures:				
Construction Services				24,000
Total Expenditures	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>24,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 24,000</u>	<u>\$ - 0 -</u>	<u>\$ 24,000</u>	<u>\$ - 0 -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 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

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 358,721		\$ 358,721	\$ 358,721
Transfer from Capital Reserve	538,081	\$ 22,327	560,408	560,408
Total Revenue and Other Financing Sources	<u>896,802</u>	<u>22,327</u>	<u>919,129</u>	<u>919,129</u>
Expenditures:				
Purchased Professional and Technical Services	38,080	7,396	45,476	45,476
Construction Services	59,667	813,986	873,653	873,653
Total Expenditures	<u>97,747</u>	<u>821,382</u>	<u>919,129</u>	<u>919,129</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 799,055</u>	<u>\$ (799,055)</u>	<u>\$ - 0 -</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
Additional Authorization	\$ 22,327
Change Orders	\$ -0-
Revised Authorized Cost	\$ 919,129
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/15/15
Revised Target Completion Date	10/30/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL HIGH SCHOOL - REPLACE CLASSROOM HVAC PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 456,365		\$ 456,365	\$ 456,365
Transfer from Capital Reserve	<u>684,547</u>	<u>\$ 28,933</u>	<u>713,480</u>	<u>713,480</u>
Total Revenue and Other Financing Sources	<u>1,140,912</u>	<u>28,933</u>	<u>1,169,845</u>	<u>1,169,845</u>
Expenditures:				
Purchased Professional and Technical Services	49,771	8,153	57,924	57,924
Construction Services	<u>75,940</u>	<u>1,035,981</u>	<u>1,111,921</u>	<u>1,111,921</u>
Total Expenditures	<u>125,711</u>	<u>1,044,134</u>	<u>1,169,845</u>	<u>1,169,845</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,015,201</u>	<u>\$ (1,015,201)</u>	<u>\$ - 0 -</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			
Additional Authorization	\$ 28,933			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 1,169,845			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	06/15/15			
Revised Target Completion Date	10/30/16			

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL HIGH SCHOOL - POTABLE WATER SYSTEM UPGRADE PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ (83,157)	\$ 165,230	\$ 248,387
Transfer from Capital Reserve	372,581	(50,674)	321,907	372,581
Total Revenue and Other Financing Sources	<u>620,968</u>	<u>(133,831)</u>	<u>487,137</u>	<u>620,968</u>
Expenditures:				
Purchased Professional and Technical Services	42,075		42,075	52,500
Construction Services	371,000		371,000	556,755
Miscellaneous Expenditures				11,713
Total Expenditures	<u>413,075</u>	<u>- 0 -</u>	<u>413,075</u>	<u>620,968</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 207,893</u>	<u>\$ (133,831)</u>	<u>\$ 74,062</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	100.00%
Original Target Completion Date	06/15/15
Revised Target Completion Date	06/30/16

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL AND MENDHAM HIGH SCHOOLS - BUILDING RENOVATIONS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ 377,898		\$ 377,898	\$ 414,450
Total Revenue and Other Financing Sources	<u>377,898</u>	<u>\$ - 0 -</u>	<u>377,898</u>	<u>414,450</u>
Expenditures:				
Equipment	364,598	13,300	377,898	414,450
Total Expenditures	<u>364,598</u>	<u>13,300</u>	<u>377,898</u>	<u>414,450</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 13,300</u>	<u>\$ (13,300)</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	\$ 347,950
Additional Authorization	\$ 66,500
Change Orders	\$ -0-
Revised Authorized Cost	\$ 414,450
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/15/14
Revised Target Completion Date	08/30/16

PROPRIETARY FUNDS



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2017

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$	49,770
Inventories		7,070

Total Current Assets		56,840
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## Non-Current Assets:

Capital Assets		147,693
Less: Accumulated Depreciation		(124,731)

Total Non-Current Assets		22,962
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Total Assets		79,802
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## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors		3,092
Interfund Payable - General Fund		5,895
Unearned Revenue		10,786

Total Current Liabilities		19,773
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## Non-Current Liabilities:

Accrued Compensated Absences Payable		15,000
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Total Non-Current Liabilities		15,000
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Total Liabilities		34,773
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## NET POSITION:

Investment in Capital Assets		22,962
Unrestricted		22,067

Total Net Position		\$ 45,029
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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, 2017

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 528,053
Special Events	3,565
	<hr/>
Total Operating Revenue	531,618
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	173,303
Salaries, Benefits & Payroll Taxes	303,827
Supplies, Insurance & Other Costs	87,319
Depreciation Expense	4,593
	<hr/>
Total Operating Expenses	569,042
	<hr/>
Operating Loss	(37,424)
	<hr/>
Non-Operating Revenue:	
Interest Income	282
	<hr/>
Total Non-Operating Revenue	282
	<hr/>
Change in Net Position Before Special Item	(37,142)
	<hr/>
Special Item - Food Service Management Contractor Contribution	33,295
	<hr/>
Change in Net Position	(3,847)
	<hr/>
Net Position - Beginning of Year	48,876
	<hr/>
Net Position - End of Year	\$ 45,029
	<hr/> <hr/>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 537,516
Payments to Employees	(324,617)
Payments to Suppliers	(245,887)
	(32,988)
Net Cash Used for Operating Activities	(32,988)
Cash Flows from Non-Capital Financing Activities:	
Transfer In - FSMC Contribution	33,295
	33,295
Net Cash Provided by Non-Capital Financing Activities	33,295
Cash Flows from Investing Activities:	
Interest Income	282
	282
Net Cash Provided by Investing Activities	282
Net Increase in Cash and Cash Equivalents	589
Cash and Cash Equivalents, July 1	49,181
Cash and Cash Equivalents, June 30	\$ 49,770
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (37,424)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,593
Changes in Assets and Liabilities:	
Decrease in Inventory	597
Decrease in Accounts Receivable	11,096
Increase in Accounts Payable	3,042
(Decrease) in Interfund Payable	(21,040)
Increase in Unearned Revenue	5,898
Increase in Accrued Compensated Absences Payable	250
	250
Net Cash Used for Operating Activities	\$ (32,988)

FIDUCIARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2017

	Student Activities	Payroll Agency	Laptop Replacement Agency	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
<b>ASSETS:</b>								
Cash and Cash Equivalents	\$ 319,237	\$ 289,849	\$ 37,713	\$ 646,799	\$ 82,144	\$ 58,065	\$ 12,840	\$ 799,848
Interfund Receivable:								
Payroll Agency Fund					35,958			35,958
Total Assets	319,237	289,849	37,713	646,799	118,102	58,065	12,840	835,806
<b>LIABILITIES:</b>								
Interfund Payable:								
Unemployment Compensation Trust Fund		35,398		35,398				35,398
Payroll Deductions and Withholdings Due to Student Groups	319,237	254,451		319,237				254,451
Total Liabilities	319,237	289,849		609,086				609,086
<b>NET POSITION:</b>								
Laptop Replacement Costs Held in Trust for:			37,713	37,713				37,713
Unemployment Claims					118,102			118,102
Scholarships						58,065		58,065
Flexible Benefits Claims							12,840	12,840
Total Net Position	\$ -0-	\$ -0-	\$ 37,713	\$ 37,713	\$ 118,102	\$ 58,065	\$ 12,840	\$ 226,720

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
<b>ADDITIONS:</b>				
Contributions:				
Employee	\$ 41,184		\$ 25,200	\$ 66,384
Donations		\$ 11,725		11,725
Total Contributions	41,184	11,725	25,200	78,109
Investment Earnings:				
Interest	181	735	32	948
Net Investment Earnings	181	735	32	948
Total Additions	41,365	12,460	25,232	79,057
<b>DEDUCTIONS:</b>				
Unemployment Compensation Claims	11,545			11,545
Scholarships Awarded		27,088		27,088
Flexible Benefits Claims			37,519	37,519
Total Deductions	11,545	27,088	37,519	76,152
Change in Net Position	29,820	(14,628)	(12,287)	2,905
Net Position - Beginning of the Year	88,282	72,693	25,127	186,102
Net Position - End of the Year	<u>\$ 118,102</u>	<u>\$ 58,065</u>	<u>\$ 12,840</u>	<u>\$ 189,007</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITIES AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 322,717	\$ 530,524	\$ 534,004	\$ 319,237
Total Assets	<u>\$ 322,717</u>	<u>\$ 530,524</u>	<u>\$ 534,004</u>	<u>\$ 319,237</u>
 <b>LIABILITIES:</b>				
Due to Student Groups	\$ 322,717	\$ 530,524	\$ 534,004	\$ 319,237
Total Liabilities	<u>\$ 322,717</u>	<u>\$ 530,524</u>	<u>\$ 534,004</u>	<u>\$ 319,237</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITIES AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Senior High Schools:				
West Morris Central and Mendham	\$ 322,075	\$ 513,289	\$ 520,965	\$ 314,399
West Morris Central Ice Hockey	110	17,234	13,039	4,305
West Morris Central Fencing	532	1		533
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 322,717</u>	<u>\$ 530,524</u>	<u>\$ 534,004</u>	<u>\$ 319,237</u>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 426,382	\$ 30,290,214	\$ 30,426,747	\$ 289,849
Interfund Receivable:				
General Fund	1,094		1,094	
Total Assets	<u>\$ 427,476</u>	<u>\$ 30,290,214</u>	<u>\$ 30,427,841</u>	<u>\$ 289,849</u>
 <b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation				
Trust Fund	\$ 74,328	\$ 35,398	\$ 74,328	\$ 35,398
Payroll Deductions and Withholdings	353,148	30,254,816	30,353,513	254,451
Total Liabilities	<u>\$ 427,476</u>	<u>\$ 30,290,214</u>	<u>\$ 30,427,841</u>	<u>\$ 289,849</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
LAPTOP REPLACEMENT AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	<u>                    </u>	<u>\$ 56,602</u>	<u>\$ 18,889</u>	<u>\$ 37,713</u>
Total Assets	<u>\$ - 0 -</u>	<u>\$ 56,602</u>	<u>\$ 18,889</u>	<u>\$ 37,713</u>
 <u>NET POSITION:</u>				
Laptop Replacement Costs	<u>                    </u>	<u>\$ 56,602</u>	<u>\$ 18,889</u>	<u>\$ 37,713</u>
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 56,602</u>	<u>\$ 18,889</u>	<u>\$ 37,713</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, 2016	Matured	Balance June 30, 2017
			Date	Amount				
Refunding School Bonds	11/29/11	\$ 17,850,000	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%	\$ 14,850,000	\$ 1,595,000	\$ 13,255,000
						<u>\$ 14,850,000</u>	<u>\$ 1,595,000</u>	<u>\$ 13,255,000</u>

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, 2016</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2017</u>
Lawn Mowers and Snow Blowers	2.10%	\$ 216,401	<u>\$ 129,803</u>	<u>\$ 42,372</u>	<u>\$ 87,431</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,264,800		\$ 2,264,800	\$ 2,264,800	
Total Revenue	2,264,800		2,264,800	2,264,800	
EXPENDITURES:					
Regular Debt Service:					
Interest	669,800		669,800	669,800	
Redemption of Principal	1,595,000		1,595,000	1,595,000	
Total Regular Debt Service	2,264,800		2,264,800	2,264,800	
Total Expenditures	2,264,800		2,264,800	2,264,800	
Excess of Revenue Over Expenditures	- 0 -		- 0 -	- 0 -	
Fund Balance, July 1	- 0 -		- 0 -	- 0 -	
Fund Balance, June 30	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

**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**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> 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,				
	2013	2014	2015	2016	2017
Governmental Activities:					
Net Investment in Capital Assets	\$ 34,748,348	\$ 34,368,305	\$ 34,396,725	\$ 35,713,071	\$ 37,775,826
Restricted	6,253,644	6,439,065	5,244,474	5,489,939	6,792,605
Unrestricted/(Deficit)	(1,263,420)	(10,448,680)	(8,660,307)	(10,251,581)	(11,507,492)
Total Governmental Activities Net Position	\$ 39,738,572	\$ 30,358,690	\$ 30,980,892	\$ 30,951,429	\$ 33,060,939
Business-Type Activities:					
Investment in Capital Assets	\$ 44,247	\$ 38,034	\$ 32,541	\$ 27,555	\$ 22,962
Unrestricted			16,110	21,321	22,067
Total Business-Type Activities Net Position	\$ 44,247	\$ 38,034	\$ 48,651	\$ 48,876	\$ 45,029
District-Wide:					
Net Investment in Capital Assets	\$ 34,792,595	\$ 34,406,339	\$ 34,429,266	\$ 35,740,626	\$ 37,798,788
Restricted	6,253,644	6,439,065	5,244,474	5,489,939	6,792,605
Unrestricted/(Deficit)	(1,263,420)	(10,448,680)	(8,644,197)	(10,230,260)	(11,485,425)
Total District-Wide Net Position	\$ 39,782,819	\$ 30,396,724	\$ 31,029,543	\$ 31,000,305	\$ 33,105,968

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,			
	2008	2009	2010	2011
Governmental Activities:				
Net Investment in Capital Assets	\$ 23,520,657	\$ 32,904,897	\$ 34,204,719	\$ 34,172,996
Restricted	14,958,627	8,568,738	6,188,213	6,155,345
Unrestricted/(Deficit)	(1,477,874)	(1,631,149)	(1,591,462)	(1,050,077)
Total Governmental Activities Net Position	<u>\$ 37,001,410</u>	<u>\$ 39,842,486</u>	<u>\$ 38,801,470</u>	<u>\$ 39,278,264</u>
Business-Type Activities:				
Investment in Capital Assets	\$ 34,335	\$ 53,260	\$ 64,266	\$ 57,593
Unrestricted	61,142	7,639		15,519
Total Business-Type Activities Net Position	<u>\$ 95,477</u>	<u>\$ 60,899</u>	<u>\$ 64,266</u>	<u>\$ 73,112</u>
District-Wide:				
Net Investment in Capital Assets	\$ 23,554,992	\$ 32,958,157	\$ 34,268,985	\$ 34,230,589
Restricted	14,958,627	8,568,738	6,188,213	6,155,345
Unrestricted/(Deficit)	(1,416,732)	(1,623,510)	(1,591,462)	(1,034,558)
Total District-Wide Net Position	<u>\$ 37,096,887</u>	<u>\$ 39,903,385</u>	<u>\$ 38,865,736</u>	<u>\$ 39,351,376</u>
				<u>\$ 39,794,787</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,				
	2013	2014	2015	2016	2017
Governmental Activities:					
Instruction:					
Regular	\$ 21,984,326	\$ 21,969,083	\$ 24,814,290	\$ 26,287,983	\$ 28,124,143
Special Education	3,781,193	3,809,040	4,306,828	5,086,659	5,023,866
Other Instruction	3,055,851	3,088,277	3,508,063	3,837,507	3,813,738
Support Services:					
Tuition	2,547,951	2,803,150	3,300,090	3,674,161	4,004,449
Student and Instruction Related Service	6,457,607	6,219,532	7,608,338	8,170,208	9,458,104
General Administration Services	977,377	1,112,496	991,618	1,007,236	1,008,933
School Administration Services	2,543,345	2,361,168	2,550,334	3,079,417	3,236,507
Central Services	548,817	562,932	566,463	569,971	605,852
Administrative Information Technology	729,339	865,858	835,980	858,061	683,203
Plant Operations and Maintenance	3,381,931	3,612,729	3,667,203	3,520,619	3,810,907
Pupil Transportation	2,770,169	3,153,997	3,299,484	3,313,190	3,486,250
Interest on Long-Term Debt	863,136	783,095	721,298	668,437	590,665
Unallocated Depreciation	1,929,377	1,932,450	1,946,031	1,960,634	2,067,011
Total Governmental Activities Expenses	<u>51,570,419</u>	<u>52,273,807</u>	<u>58,116,020</u>	<u>62,034,083</u>	<u>65,913,628</u>
Business-Type Activities:					
Enterprise Funds	780,390	707,857	640,492	579,674	569,042
Total Business-Type Activities Expense	<u>780,390</u>	<u>707,857</u>	<u>640,492</u>	<u>579,674</u>	<u>569,042</u>
Total District-Wide Expenses	<u>\$ 52,350,809</u>	<u>\$ 52,981,664</u>	<u>\$ 58,756,512</u>	<u>\$ 62,613,757</u>	<u>\$ 66,482,670</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 42,269	\$ 80,615	\$ 73,169	\$ 120,688	\$ 226,239
Operating Grants and Contributions	8,391,960	7,939,395	13,529,836	16,008,812	19,796,280
Capital Grants and Contributions	39,222	(795)	155,800		824,516
Total Governmental Activities	<u>8,473,451</u>	<u>8,019,215</u>	<u>13,758,805</u>	<u>16,129,500</u>	<u>20,847,035</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	737,156	655,801	616,779	546,202	531,618
Total Business Type Activities	<u>737,156</u>	<u>655,801</u>	<u>616,779</u>	<u>546,202</u>	<u>531,618</u>
Total District-Wide Program Revenues	<u>\$ 9,210,607</u>	<u>\$ 8,675,016</u>	<u>\$ 14,375,584</u>	<u>\$ 16,675,702</u>	<u>\$ 21,378,653</u>

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

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Net (Expense)/Revenue:					
Governmental Activities	\$ (43,096,968)	\$ (44,254,592)	\$ (44,357,215)	\$ (45,904,583)	\$ (45,066,593)
Business-Type Activities	(43,234)	(52,056)	(23,713)	(33,472)	(37,424)
Total District-Wide Net Expense/(Revenue)	<u>\$ (43,140,202)</u>	<u>\$ (44,306,648)</u>	<u>\$ (44,380,928)</u>	<u>\$ (45,938,055)</u>	<u>\$ (45,104,017)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 39,285,434	\$ 40,071,143	\$ 40,804,192	\$ 41,620,275	\$ 42,763,310
Taxes Levied for Debt Service	2,318,238	2,229,437	2,273,550	2,271,050	2,264,800
Federal and State Aid Not Restricted	1,259,537	1,272,751	1,323,519	1,328,846	1,341,965
Investment Earnings	14,119	21,072	21,863	37,385	42,898
Miscellaneous Income	455,121	378,413	556,293	617,564	763,130
Transfers	(30,930)	(15,265)			
Total Governmental Activities	<u>43,301,519</u>	<u>43,957,551</u>	<u>44,979,417</u>	<u>45,875,120</u>	<u>47,176,103</u>
Business-Type Activities:					
Investment Earnings	67	87	91	180	282
Transfers	30,930	45,756			
Special Item - FSMC Contribution			34,239	33,517	33,295
Total Business-Type Activities	<u>30,997</u>	<u>45,843</u>	<u>34,330</u>	<u>33,697</u>	<u>33,577</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 43,332,516</u>	<u>\$ 44,003,394</u>	<u>\$ 45,013,747</u>	<u>\$ 45,908,817</u>	<u>\$ 47,209,680</u>
Change in Net Position					
Governmental Activities	\$ 204,551	\$ (297,041)	\$ 622,202	\$ (29,463)	\$ 2,109,510
Business-Type Activities	(12,237)	(6,213)	10,617	225	(3,847)
Total District-Wide Change in Net Position	<u>\$ 192,314</u>	<u>\$ (303,254)</u>	<u>\$ 632,819</u>	<u>\$ (29,238)</u>	<u>\$ 2,105,663</u>

Source: West Morris Regional High School District records.

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

	Fiscal Year Ended June 30,				
	2008	2009	2010	2011	2012
Expenses:					
Governmental Activities:					
Instruction:					
Regular	\$ 20,456,087	\$ 19,896,754	\$ 20,064,790	\$ 20,223,962	\$ 21,212,035
Special Education	3,419,386	3,366,034	3,462,401	3,418,895	3,539,992
Other Special Instruction	27,394	5,234			
Other Instruction	2,625,068	2,805,379	2,924,041	2,905,464	2,944,887
Support Services:					
Tuition	2,211,096	1,988,958	2,908,145	2,959,570	2,930,014
Student & Instruction Related Services	5,825,514	5,904,264	6,394,322	6,125,142	5,973,399
General Administration Services	1,050,802	1,129,984	1,113,489	942,224	970,327
School Administration Services	2,220,565	2,254,675	2,285,167	2,013,144	2,098,282
Central Services	649,039	585,959	583,789	532,619	527,544
Administrative Information Technology	442,914	475,998	605,742	618,921	638,576
Plant Operations and Maintenance	3,771,588	3,495,803	3,647,911	3,631,588	3,208,073
Pupil Transportation	2,768,514	2,827,033	2,939,987	2,680,860	2,858,984
Interest on Long-Term Debt	1,233,128	1,188,620	1,137,903	1,084,793	877,167
Unallocated Depreciation	1,164,735	1,216,272	1,840,093	1,883,717	1,901,655
Total Governmental Activities Expenses	<u>47,865,830</u>	<u>47,140,967</u>	<u>49,907,780</u>	<u>49,020,899</u>	<u>49,680,935</u>
Business-Type Activities:					
Enterprise Funds	792,837	744,888	793,161	737,661	754,356
Total Business-Type Activities Expense	<u>792,837</u>	<u>744,888</u>	<u>793,161</u>	<u>737,661</u>	<u>754,356</u>
Total District-Wide Expenses	<u>\$ 48,658,667</u>	<u>\$ 47,885,855</u>	<u>\$ 50,700,941</u>	<u>\$ 49,758,560</u>	<u>\$ 50,435,291</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 16,500	\$ 8,214	\$ 14,477	\$ 65,086	\$ 80,419
Operating Grants and Contributions	6,879,855	5,886,685	6,581,091	6,726,130	7,460,240
Capital Grants and Contributions	4,990,809	1,928,440	322,262	276,036	117,776
Total Governmental Activities	<u>11,887,164</u>	<u>7,823,339</u>	<u>6,917,830</u>	<u>7,067,252</u>	<u>7,658,435</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	723,537	708,621	759,541	746,384	774,394
Total Business Type Activities	<u>723,537</u>	<u>708,621</u>	<u>759,541</u>	<u>746,384</u>	<u>774,394</u>
Total District-Wide Program Revenues	<u>\$ 12,610,701</u>	<u>\$ 8,531,960</u>	<u>\$ 7,677,371</u>	<u>\$ 7,813,636</u>	<u>\$ 8,432,829</u>

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

	Fiscal Year Ended June 30,				
	2008	2009	2010	2011	2012
Net (Expense)/Revenue:					
Governmental Activities	\$ (35,978,666)	\$ (39,317,628)	\$ (42,989,950)	\$ (41,953,647)	\$ (42,022,500)
Business-Type Activities	(69,300)	(36,267)	(33,620)	8,723	20,038
Total District-Wide Net Expense/(Revenue)	<u>\$ (36,047,966)</u>	<u>\$ (39,353,895)</u>	<u>\$ (43,023,570)</u>	<u>\$ (41,944,924)</u>	<u>\$ (42,002,462)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 34,821,294	\$ 36,686,159	\$ 37,672,234	\$ 38,638,243	\$ 38,638,243
Taxes Levied for Debt Service	2,272,613	2,227,853	2,376,888	2,374,400	2,373,181
Federal and State Aid Not Restricted	3,445,517	2,658,058	1,425,925	785,096	1,034,537
Investment Earnings	925,056	124,511	36,507	24,465	18,444
Miscellaneous Income	437,158	462,123	474,131	608,237	381,383
Total Governmental Activities	<u>41,901,638</u>	<u>42,158,704</u>	<u>41,948,934</u>	<u>42,393,690</u>	<u>42,482,539</u>
Business-Type Activities:					
Investment Earnings	7,851	1,689	236	123	85
Total Business-Type Activities	<u>7,851</u>	<u>1,689</u>	<u>36,987</u>	<u>36,874</u>	<u>(36,666)</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 41,909,489</u>	<u>\$ 42,160,393</u>	<u>\$ 41,985,921</u>	<u>\$ 42,430,564</u>	<u>\$ 42,445,873</u>
Change in Net Position					
Governmental Activities	\$ 5,922,972	\$ 2,841,076	\$ (1,041,016)	\$ 440,043	\$ 460,039
Business-Type Activities	(61,449)	(34,578)	3,367	45,597	(16,628)
Total District-Wide Change in Net Position	<u>\$ 5,861,523</u>	<u>\$ 2,806,498</u>	<u>\$ (1,037,649)</u>	<u>\$ 485,640</u>	<u>\$ 443,411</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 6,062,654	\$ 7,019,038	\$ 5,132,100							
Unreserved	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	\$ 6,792,605
Assigned				371,557	829,696	845,946	277,124	440,239	456,931	628,992
Unassigned				875,180	754,510	768,610	859,501	943,630	1,033,138	1,005,975
<b>Total General Fund</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>	<b>\$ 8,427,572</b>
Other Governmental Funds:										
Reserved	\$ 7,398,105	\$ 884,078	\$ 62,557							
Unreserved:										
Capital Projects Fund	1,348,471	665,622	993,556							
Debt Service Fund	149,397									
Committed				\$ 824,753	\$ 292,280	\$ 182,598	\$ 425,955	\$ 1,537,387	\$ 1,156,103	\$ 129,433
Restricted				654,666	742,435	87,769				
<b>Total Other Governmental Funds</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>\$ 129,433</b>
<b>Total Governmental Funds</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>	<b>\$ 8,557,005</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Tax Levy	\$ 37,093,907	\$ 38,914,012	\$ 40,049,122	#####	#####	#####	#####	#####	#####	#####
Tuition Charges	16,500	8,214	14,477	65,086	80,419	42,269	80,615	73,169	120,688	226,239
Interest Earned on Investments	881,357	117,333	28,222	16,037	15,813	12,075	16,564	17,621	30,688	36,818
Interest Earned on Capital Reserve Funds	43,699	7,178	8,285	8,428	2,405	1,704	1,975	1,617	1,929	2,236
Interest Earned on Maintenance Reserve Funds					226	340	2,533	2,625	4,769	3,786
Miscellaneous	444,046	468,632	478,254	623,983	387,899	434,729	400,923	589,790	648,384	805,990
State Sources	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	11,246,569
Federal Sources	599,265	235,502	1,544,695	934,605	669,862	738,441	555,700	565,267	555,798	563,470
<b>Total Revenue</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>57,913,218</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	15,100,661
Special Education Instruction	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	2,718,031
Other Special Instruction	19,260	3,933								
Other Instruction	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	2,167,330
<b>Support Services:</b>										
Tuition	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	4,004,449
Student and Instruction Related Services	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	5,455,988
General Administration Services	957,026	984,509	1,003,182	846,592	871,751	873,782	1,002,854	889,528	894,256	891,625
School Administration Services	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	1,742,234
Central Services	506,852	503,860	491,391	444,115	441,597	461,963	453,434	454,065	459,489	482,611
Administrative Information Technology	303,777	328,383	437,967	443,472	443,606	520,056	679,835	664,752	672,822	522,264
Plant Operations and Maintenance	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	3,300,249
Pupil Transportation	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	3,408,620

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures:										
Unallocated Benefits	\$ 9,592,979	\$ 8,554,197	\$ 9,295,640	\$ 9,230,522	\$ 9,973,938	#####	#####	#####	#####	#####
Debt Service:										
Principal	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	1,595,000
Interest and Other Charges	1,256,521	1,192,250	1,141,888	1,089,400	945,412	923,238	862,206	798,550	746,050	669,800
Capital Outlay	20,791,765	9,608,519	2,219,932	964,158	1,153,848	410,249	435,598	1,101,533	836,151	2,990,923
Total Expenditures	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	57,492,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,459,788)	(6,511,557)	(2,354,459)	546,060	(38,673)	639,607	(33,888)	(52,316)	(29,619)	420,894
Other Financing Sources (Uses)								216,401		
Capital Leases (Non-Budgeted)						41,961				
Superstorm Sandy Insurance Claims					36,751	1,257,985	573,161	1,455,477	153,496	445,179
Transfers In						(1,288,915)	(588,426)	(1,455,477)	(153,496)	(445,179)
Transfers Out			(36,751)							
Total Other Financing Sources (Uses)			(36,751)		36,751	11,031	(15,265)	216,401		
Net Change in Fund Balances	\$ (14,459,788)	\$ (6,511,557)	\$ (2,391,210)	\$ 546,060	\$ (1,922)	\$ 650,638	\$ (49,153)	\$ 164,085	\$ (29,619)	\$ 420,894
Debt Service as a Percentage of Noncapital Expenditures	5.01%	5.07%	4.85%	4.95%	4.67%	4.57%	4.49%	4.31%	4.15%	4.15%

Source: West Morris Regional High School District records.



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

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Rentals - Use of Facilities	Other	Total
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	37,379	105,777	511,787	775,631
2017	226,239	42,840	50,475	712,655	1,032,209

Source: West Morris Regional High School District records.

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

**Chester Borough**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Tax-Exempt Property	Direct School Tax Rate <sup>o</sup>	Total Direct School Tax Rate <sup>o</sup>	Estimated Actual (County Equalized Value)
2007	\$ 7,114,300	\$ 241,279,800	\$ 3,897,400	\$ 75,400	\$ 192,169,300	\$ -	\$ 2,214,500	\$ 446,750,700	\$ 2,100,655	\$ 448,851,555	\$ 37,072,300	\$ 0.27	\$ 0.27	\$ 445,186,305
2008	\$ 5,466,500	\$ 245,143,100	\$ 1,310,000	\$ 44,500	\$ 198,742,100	\$ -	\$ 2,214,500	\$ 452,920,700	\$ 2,432,737	\$ 455,353,437	\$ 42,255,500	\$ 0.27	\$ 0.27	\$ 467,628,951
2009	\$ 5,466,500	\$ 244,889,900	\$ 1,310,000	\$ 44,500	\$ 197,828,600	\$ -	\$ 2,214,500	\$ 451,754,000	\$ 2,050,374	\$ 453,804,374	\$ 42,255,500	\$ 0.31	\$ 0.31	\$ 475,936,992
2010	\$ 4,875,000	\$ 213,961,800	\$ 1,173,400	\$ 51,200	\$ 165,600,100	\$ -	\$ 1,914,100	\$ 387,575,600	\$ 1,705,656	\$ 389,281,256	\$ 41,793,800	\$ 0.36	\$ 0.36	\$ 468,704,509
2011	\$ 4,445,100	\$ 213,716,600	\$ 1,167,400	\$ 53,400	\$ 158,600,100	\$ -	\$ 1,840,800	\$ 379,831,565	\$ 8,165	\$ 379,831,565	\$ 41,180,500	\$ 0.35	\$ 0.35	\$ 440,171,759
2012	\$ 3,863,100	\$ 215,325,700	\$ 1,173,600	\$ 55,800	\$ 155,431,300	\$ -	\$ 1,837,700	\$ 377,687,200	\$ -	\$ 377,687,200	\$ 41,151,200	\$ 0.38	\$ 0.38	\$ 416,711,405
2013	\$ 3,369,700	\$ 207,567,300	\$ 1,160,100	\$ 55,800	\$ 155,137,100	\$ -	\$ 1,795,300	\$ 369,085,300	\$ -	\$ 369,085,300	\$ 40,893,000	\$ 0.40	\$ 0.40	\$ 402,175,524
2014	\$ 3,114,800	\$ 214,814,100	\$ 1,180,100	\$ 55,800	\$ 156,563,800	\$ -	\$ 1,849,100	\$ 377,577,700	\$ -	\$ 377,577,700	\$ 41,616,200	\$ 0.40	\$ 0.40	\$ 387,561,161
2015	\$ 3,114,800	\$ 219,171,300	\$ 1,050,100	\$ 56,000	\$ 153,604,100	\$ -	\$ 1,886,300	\$ 378,882,600	\$ -	\$ 378,882,600	\$ 42,395,400	\$ 0.49	\$ 0.49	\$ 420,032,831
2016	\$ 3,240,300	\$ 227,449,100	\$ 1,103,100	\$ 56,600	\$ 164,299,800	\$ -	\$ -	\$ 396,148,900	\$ -	\$ 396,148,900	\$ 44,611,500	\$ 0.48	\$ 0.48	\$ 390,553,627

**Chester Township**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Tax-Exempt Property	Direct School Tax Rate <sup>o</sup>	Total Direct School Tax Rate <sup>o</sup>	Estimated Actual (County Equalized Value)
2007	\$ 33,925,400	\$ 2,072,231,633	\$ 95,175,200	\$ 1,224,000	\$ 52,360,000	\$ 3,493,000	\$ -	\$ 2,258,409,233	\$ 2,120,659	\$ 2,260,529,892	\$ 218,615,700	\$ 0.37	\$ 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	\$ 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	\$ 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	\$ 0.50	\$ 2,159,919,381
2011	\$ 18,576,400	\$ 1,670,562,000	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 0.55	\$ 1,873,066,565
2016	\$ 12,701,600	\$ 1,669,012,300	\$ 87,901,300	\$ 1,302,000	\$ 47,594,400	\$ 2,543,100	\$ 835,200	\$ 1,821,889,900	\$ 351,836	\$ 1,822,241,736	\$ 236,678,600	\$ 0.57	\$ 0.57	\$ 1,900,570,563

**Mendham Borough**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities*	Net Valuation Taxable	Tax-Exempt Property	Direct School Tax Rate <sup>o</sup>	Total Direct School Tax Rate <sup>o</sup>	Estimated Actual (County Equalized Value)
2007	\$ 14,936,900	\$ 1,417,809,000	\$ 40,278,900	\$ 695,840	\$ 121,984,300	\$ -	\$ 2,475,000	\$ 1,598,179,940	\$ 2,707,608	\$ 1,600,887,548	\$ 136,410,700	\$ 0.34	\$ 0.34	\$ 1,465,301,236
2008	\$ 14,076,500	\$ 1,369,811,900	\$ 81,641,900	\$ 696,740	\$ 117,908,800	\$ -	\$ 2,475,000	\$ 1,586,610,840	\$ 2,711,027	\$ 1,589,321,867	\$ 136,649,000	\$ 0.36	\$ 0.36	\$ 1,517,455,547
2009	\$ 13,020,700	\$ 1,366,117,600	\$ 79,722,600	\$ 566,840	\$ 117,908,800	\$ -	\$ 2,475,000	\$ 1,579,811,540	\$ 3,187,134	\$ 1,582,998,674	\$ 145,003,200	\$ 0.39	\$ 0.39	\$ 1,569,035,776
2010	\$ 8,597,900	\$ 1,115,381,900	\$ 55,967,800	\$ 334,900	\$ 110,848,900	\$ -	\$ 2,342,200	\$ 1,293,473,600	\$ 3,191,011	\$ 1,296,664,611	\$ 123,773,600	\$ 0.48	\$ 0.48	\$ 1,511,328,993
2011	\$ 7,898,100	\$ 1,105,338,700	\$ 63,764,800	\$ 378,500	\$ 109,617,500	\$ -	\$ 2,342,200	\$ 1,289,339,800	\$ 2,300,875	\$ 1,291,640,675	\$ 123,773,600	\$ 0.47	\$ 0.47	\$ 1,410,302,723
2012	\$ 7,384,900	\$ 1,101,185,800	\$ 66,422,700	\$ 394,600	\$ 109,079,500	\$ -	\$ 2,342,200	\$ 1,286,809,500	\$ 2,300,875	\$ 1,289,110,375	\$ 123,773,600	\$ 0.47	\$ 0.47	\$ 1,377,289,533
2013	\$ 7,771,700	\$ 1,097,277,400	\$ 66,897,700	\$ 397,100	\$ 105,202,000	\$ -	\$ 2,342,200	\$ 1,279,888,100	\$ 2,287,733	\$ 1,282,175,833	\$ 124,763,600	\$ 0.48	\$ 0.48	\$ 1,354,283,340
2014	\$ 8,207,800	\$ 1,100,795,200	\$ 66,843,500	\$ 400,500	\$ 103,997,100	\$ -	\$ 2,342,200	\$ 1,282,586,300	\$ 1,927,735	\$ 1,284,514,035	\$ 124,763,600	\$ 0.52	\$ 0.52	\$ 1,361,837,683
2015	\$ 9,745,800	\$ 1,097,432,700	\$ 69,620,400	\$ 403,900	\$ 102,337,700	\$ -	\$ 2,342,200	\$ 1,281,882,700	\$ 1,927,735	\$ 1,283,810,435	\$ 124,865,000	\$ 0.53	\$ 0.53	\$ 1,403,066,919
2016	\$ 9,704,800	\$ 1,096,676,700	\$ 69,686,700	\$ 403,900	\$ 102,337,700	\$ -	\$ 2,342,200	\$ 1,281,152,000	\$ 1,954,098	\$ 1,283,106,098	\$ 125,425,900	\$ 0.55	\$ 0.55	\$ 1,370,993,717

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)
2007	\$ 54,073,500	\$ 1,975,036,050	\$ 88,780,400	\$ 1,432,300	\$ 11,198,500	\$ 3,000	\$ -	\$ 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	-	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	-	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	-	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	-	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	-	1,884,689,900	1,537,902	1,886,227,802	152,447,200	0.52	2,010,591,255
2013	26,692,700	1,743,151,500	104,058,700	622,500	10,162,400	2,100	-	1,877,566,000	1,239,350	1,878,805,350	152,605,300	0.52	1,951,547,561
2014	23,995,000	1,733,473,800	109,314,900	617,800	10,162,400	2,100	-	1,877,566,000	1,226,793	1,876,739,393	152,605,300	0.55	1,963,385,307
2015	22,888,000	1,729,916,200	111,919,200	624,700	10,162,400	2,100	-	1,873,512,600	1,240,960	1,874,558,760	152,605,300	0.55	1,942,042,113
2016	23,331,400	1,726,534,100	112,663,100	624,700	10,162,400	2,100	-	1,873,512,600	1,240,960	1,874,558,760	152,605,300	0.55	1,942,042,113

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)
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
2016	31,061,500	2,470,631,400	116,338,400	4,559,800	123,464,900	32,800,100	35,358,200	2,814,014,300	830,887	2,814,845,187	254,082,500	0.53	2,857,587,207

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

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

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

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

Source: Municipal Tax Assessors.

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

LAST TEN YEARS

UNAUDITED

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

**Chester Borough**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General		Chester			
		Obligation Debt <sup>b</sup>	Total Direct	Chester Borough	Borough Schools	Morris County	
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
2016	0.45	0.03	0.48	0.84	0.95	0.34	2.61

**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			
		Obligation Debt <sup>b</sup>	Total Direct	Chester Township	Township Schools	Morris County	
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
2016	0.54	0.03	0.57	0.52	0.96	0.27	2.32

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		Mendham			
		Obligation Debt <sup>b</sup>	Total Direct	Mendham Borough	Mendham Borough Schools	Morris County	
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
2016	0.52	0.03	0.55	0.46	0.84	0.27	2.12

**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		Mendham			
		Obligation Debt <sup>b</sup>	Total Direct	Mendham Township	Mendham Township Schools	Morris County	
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
2016	0.52	0.03	0.55	0.42	0.83	0.27	2.07

Source: Municipal Tax Collectors and School Business Administrator.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
DIRECT & OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(Rate per \$100 of Assessed Value)

**Washington Township**

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Washington			
	Basic Rate <sup>a</sup>	Obligation Debt <sup>b</sup>	Total Direct	Washington Township	Township Schools	Morris County	
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
2016	0.50	0.03	0.53	0.44	1.19	0.26	2.42

\* - 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 TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Chester Borough

	2016			2007		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	Chester Springs LLC	\$ 32,270,000	8.15%	Chester Springs, LLC	\$ 34,533,100	7.69%
	CPP Streets of Chester, LLC	18,000,000	4.54%	Continental Chester, LLC	26,000,000	5.79%
	Savro, LLC/Chester Shopping Mall	6,925,000	1.75%	NS-MPG, Inc.	8,900,000	1.98%
	ARC RBCSR NJ Zero Zero One, LLC	5,920,000	1.49%	Savro/Chester Shopping Mall	8,296,000	1.85%
	Williamson Associates, LLC	3,900,000	0.98%	Williamson Associates	4,413,400	0.98%
	95 West Main Associates, LLC	3,070,000	0.77%	95 West Main Associates	3,698,500	0.82%
	DeSapio Real Estate Development, LLC	2,525,000	0.64%	Individual Taxpayer #1	3,354,800	0.75%
	Chester Franklin Associates, LLC	2,240,000	0.57%	Individual Taxpayer #2	2,713,300	0.60%
	MGHC Group, LLC	2,240,000	0.57%	Turkey Farm Acquisition	2,587,400	0.58%
	Publick House Holdings, LLC	2,225,000	0.56%	Group 206 North Associates	2,434,100	0.54%
Total		\$ 79,315,000	20.02%	Total	\$ 96,930,600	21.58%

Source: Chester Borough Tax Assessor.

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

Chester Township

	2016			2007		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Welkind Rehabilitation Hospital, Inc.		\$ 6,476,600	0.36%	Welkind Rehabilitation Hospital, Inc.	\$ 6,170,200	0.27%
Individual Taxpayer #1		4,339,700	0.24%	Individual Taxpayer #1	5,040,000	0.22%
Individual Taxpayer #2		4,251,800	0.23%	Individual Taxpayer #2	4,324,000	0.19%
Individual Taxpayer #3		3,733,600	0.20%	Individual Taxpayer #3	4,000,600	0.18%
Individual Taxpayer #4		3,140,800	0.17%	Individual Taxpayer #4	3,383,800	0.15%
Individual Taxpayer #5		3,095,800	0.17%	Individual Taxpayer #5	3,300,000	0.15%
Individual Taxpayer #6		3,008,300	0.17%	Individual Taxpayer #6	3,125,000	0.14%
Individual Taxpayer #7		2,784,600	0.15%	Individual Taxpayer #7	3,124,400	0.14%
Individual Taxpayer #8		2,661,000	0.15%	Individual Taxpayer #8	3,111,300	0.14%
Individual Taxpayer #9		2,621,700	0.14%	Individual Taxpayer #9	2,793,000	0.12%
Total		\$ 36,113,900	1.98%	Total	\$ 38,372,300	1.70%

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 TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Mendham Borough

	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
V-Fee Realty	\$ 22,000,000	1.71%	V-Fee Realty	\$ 26,595,200
Roxiticus Golf Club	9,955,300	0.78%	Roxiticus Golf Club, Inc.	15,177,600
Holly Manor Assoc. of NJ	8,558,600	0.67%	Holly Manor/Genesis	8,750,000
Individual Taxpayer #1	6,430,800	0.50%	Individual Taxpayer # 1	8,100,000
Individual Taxpayer #2	5,652,500	0.44%	Individual Taxpayer # 2	8,521,500
Individual Taxpayer #3	5,379,200	0.42%	Individual Taxpayer # 3	6,323,600
Individual Taxpayer #4	5,199,900	0.41%	Individual Taxpayer # 4	6,063,600
Individual Taxpayer #5	4,398,200	0.34%	Individual Taxpayer # 5	6,014,300
Goryeb, Joseph P Trust 7 Etals	4,046,100	0.32%	Individual Taxpayer # 6	5,887,300
MTWOL Associates LLC	4,000,000	0.31%	Individual Taxpayer # 7	5,827,600
<b>Total</b>	<b>\$ 75,620,600</b>	<b>5.88%</b>	<b>Total</b>	<b>\$ 97,260,700</b>
				<b>6.09%</b>

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

Source: Mendham Borough Tax Assessor.

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

Mendham Township

	2016			2007		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	Shemy, LLC	\$ 8,454,200	0.45%	Woodland Lakes Inc.	\$ 8,102,320	0.38%
	Woodland Lakes, Inc.	7,795,500	0.42%	Mendham Golf and 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	0.26%
	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	5,124,500	0.24%
	Desiree Farm, LLC	3,850,000	0.21%	Individual Taxpayer #4	5,083,400	0.24%
	Individual Taxpayer #3	3,800,000	0.20%	Individual Taxpayer #5	4,985,600	0.23%
	Individual Taxpayer #4	3,760,200	0.20%	SMCMUA	4,640,300	0.22%
	Individual Taxpayer #5	3,603,300	0.19%	Individual Taxpayer #6	4,459,700	0.21%
Total		\$ 50,415,600	2.69%	Total	\$ 54,883,720	2.57%

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**

	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 21,767,200	0.77%	\$ 13,931,000	0.81%
Target Corporation	15,900,000	0.56%	6,849,400	0.40%
2085 Realty Partners, LLC	12,579,100	0.45%	5,800,000	0.34%
Peachtree Village, LP	10,250,000	0.36%	5,094,100	0.30%
Bay Ridge Motor Sales	7,940,000	0.28%	4,350,000	0.25%
Transistor Devices, Inc.	7,605,500	0.27%	4,302,200	0.25%
Amerace ESNA Corporation	6,178,400	0.22%	3,737,200	0.22%
Black Oak Golf Club	6,036,500	0.21%	3,600,000	0.21%
Columbia Gas Transmission Corporation	5,872,300	0.21%	3,481,000	0.20%
Long Valley Shopping Center	5,500,000	0.20%	2,379,400	0.14%
<b>Total</b>	<b>\$ 99,629,000</b>	<b>3.54%</b>	<b>\$ 53,524,300</b>	<b>3.11%</b>

Source: Washington Township Tax Assessor.

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

**Chester Borough**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2017	1,708,775	1,678,056	98.20%	30,719

**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	
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 -
2017	10,612,283	10,421,505	98.20%	190,778

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	
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 -
2017	7,147,715	7,019,220	98.20%	128,495

**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	
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 -
2017	10,228,121	10,044,249	98.20%	183,872

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**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
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 -
2017	15,331,216	15,055,606	98.20%	275,610

<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.

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

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

**Chester Borough**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases			
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	0.42%	367.38
2016	721,349	- 0 -	6,305	727,654	0.50%	435.98
2017	503,015	- 0 -	3,318	506,333	0.35%	303.38

**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			
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%	654.18
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	0.56%	484.67
2016	3,410,315	- 0 -	29,810	3,440,125	0.50%	434.30
2017	3,123,955	- 0 -	20,606	3,144,561	0.46%	396.99

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			
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	0.61%	527.80
2016	2,322,531	- 0 -	20,301	2,342,832	0.54%	469.69
2017	2,104,085	- 0 -	13,879	2,117,964	0.49%	424.61

**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			
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	0.76%	655.95
2016	3,523,457	- 0 -	30,798	3,554,255	0.70%	606.32
2017	3,010,869	- 0 -	19,860	3,030,729	0.60%	517.01

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

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			
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	0.34%	297.55
2016	4,872,348	- 0 -	42,589	4,914,937	0.30%	262.90
2017	4,513,076	- 0 -	29,768	4,542,844	0.28%	243.00

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>
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	0.182%	432.20
2017	503,015	- 0 -	503,015	0.127%	301.39

**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>
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%	654.18
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	0.187%	430.54
2017	3,123,955	- 0 -	3,123,955	0.171%	394.39

Source: West Morris Regional High School District records.

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

**Mendham Borough**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	Bonds	Deductions			
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%	465.62
2017	2,104,085	- 0 -	2,104,085	0.164%	421.83

**Mendham Township**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	Bonds	Deductions			
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%	601.07
2017	3,010,869	- 0 -	3,010,869	0.161%	513.62

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			
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	0.173%	260.62
2017	4,513,076	- 0 -	4,513,076	0.160%	241.41

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016  
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	\$ 4,410,000	100.00%	\$ 4,410,000
Township of Chester	10,155,318	100.00%	10,155,318
Borough of Mendham	3,345,863	100.00%	3,345,863
Township of Mendham	13,388,366	100.00%	13,388,366
Township of Washington	10,895,000	100.00%	10,895,000
County of Morris General Obligation Debt	221,180,985	9.22%	<u>20,400,521</u>
Subtotal, Overlapping Debt			62,595,068
West Morris Regional School District Direct Debt			<u>14,850,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 77,445,068</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.

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 273,823,951	\$ 288,794,690	\$ 291,571,815	\$ 285,737,548	\$ 275,929,859
Total Net Debt Applicable to Limit	26,456,000	25,271,000	24,036,000	22,751,000	20,700,000
Legal Debt Margin	<u>\$ 247,367,951</u>	<u>\$ 263,523,690</u>	<u>\$ 267,535,815</u>	<u>\$ 262,986,548</u>	<u>\$ 255,229,859</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.66%	8.75%	8.24%	7.96%	7.50%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 265,007,516	\$ 257,201,826	\$ 253,650,778	\$ 253,032,514	\$ 254,342,414
Total Net Debt Applicable to Limit	19,305,000	17,850,000	16,375,000	14,850,000	13,255,000
Legal Debt Margin	<u>\$ 245,702,516</u>	<u>\$ 239,351,826</u>	<u>\$ 237,275,778</u>	<u>\$ 238,182,514</u>	<u>\$ 241,087,414</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.28%	6.94%	6.46%	5.87%	5.21%

Legal Debt Margin Calculation for Fiscal Year 2017

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
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	389,556,447	1,893,837,691	1,367,341,547	1,942,328,708	2,842,650,111	8,435,714,504
2016	398,981,670	1,890,515,617	1,373,594,939	1,955,446,555	2,887,353,068	8,505,891,849
	<u>\$ 1,251,709,977</u>	<u>\$ 5,656,109,662</u>	<u>\$ 4,140,375,984</u>	<u>\$ 5,861,345,646</u>	<u>\$ 8,524,700,097</u>	<u>\$25,434,241,366</u>
						<u>\$ 8,478,080,455</u>
						Debt Limit <sup>a</sup> (3% of Average Equalization Value) \$ 254,342,414
						Net Bonded School Debt <u>13,255,000</u>
						Legal Debt Margin <u>\$ 241,087,414</u>

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

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

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

**Chester Borough**

Year	Borough Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
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	86,582	145,024,850	3.70%
2016	1,669	86,582 *	144,505,358	3.30%

**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>
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	7,925	76,194	603,837,450	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	86,582	689,452,466	3.70%
2016	7,921	86,582 *	685,816,022	3.40%

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		Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
		Per Capita Personal Income <sup>b</sup>			
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	86,582		432,996,582	3.70%
2016	4,988	86,582 *		431,871,016	3.80%

**Mendham Township**

Year	Township Population <sup>a</sup>	Morris County		Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
		Per Capita Personal Income <sup>b</sup>			
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	86,582		508,496,086	3.30%
2016	5,862	86,582 *		507,543,684	3.20%



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>
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	86,582	1,623,585,664	4.30%
2016	18,695	86,582 *	1,618,650,490	3.50%

\* - Latest Morris County per capita personal income available (2015) 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

	2016		2007			
	Employer	Employees	Percentage of Total Employment	Employer	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%
Price Waterhouse 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.

Source: Morris County Treasurer's Office.

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

<u>Function/Program</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>	<u>2017</u>
Instruction:										
Regular	187.00	186.00	180.00	179.60	181.00	176.80	177.20	179.60	174.40	169.40
Special Education	58.60	40.80	37.40	40.00	40.00	43.00	40.40	39.40	41.20	37.80
Support Services:										
Student & Instruction-Related Services	41.20	58.00	57.00	56.90	55.50	53.00	49.00	48.00	46.00	51.00
General Administration	3.00	3.00	3.00	3.00	3.00	5.00	8.00	8.00	8.00	7.00
School Administration	16.60	16.60	15.60	14.60	14.60	16.50	20.50	20.50	21.30	21.60
Central Services	5.50	5.50	5.60	4.10	4.00	4.00	4.00	5.80	5.60	5.80
Administrative Information Technology	3.80	3.80	3.50	4.00	4.00	4.00	5.60	5.00	5.00	7.00
Plant Operations/Maintenance	31.00	34.00	31.00	31.00	31.00	31.00	30.00	30.00	30.10	30.00
Student Transportation	4.00	4.00	4.00	4.00	4.00	4.00	2.80	2.80	2.80	2.80
<b>Total</b>	<b>350.70</b>	<b>351.70</b>	<b>337.10</b>	<b>337.20</b>	<b>337.10</b>	<b>337.30</b>	<b>337.50</b>	<b>339.10</b>	<b>334.40</b>	<b>332.40</b>

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		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School	School				
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%	
2017	2,635	52,236,601	19,824	0.84%	231	11.4:1	2,574	2,438	-0.92%	94.72%	

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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
West Morris Central High School (1958, 2008)										
Square Feet	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605
Capacity (Students)	1,079	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455
Enrollment	1,364	1,380	1,389	1,412	1,370	1,340	1,318	1,315	1,304	1,318
West Morris Mendham High School (1970, 2008)										
Square Feet	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553
Capacity (Students)	1,073	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308
Enrollment	1,253	1,274	1,297	1,324	1,366	1,426	1,417	1,407	1,359	1,317
Administration 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, 2017:  
 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.

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

Undistributed Expenditures - Required Maintenance for School Facilities\*

Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended</u> <u>June 30</u>	<u>Central</u> <u>High</u> <u>School</u>	<u>Mendham</u> <u>High</u> <u>School</u>	<u>Total</u> <u>School</u> <u>Facilities*</u>
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
2017	122,955	128,078	251,033

\* - 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, 2017UNAUDITED

<u>Type of Policy</u>	<u>Insurance Company</u>	<u>Policy Limits</u>	<u>Deductible</u>
PROPERTY:	Zurich Insurance Company		
Property - Blanket and Contents			
School Limit Per Statement of Values		\$ 108,442,819	\$ 5,000
Flood:			
Outside Zones A, V, or B		5,000,000	50,000
Zone B		2,000,000	100,000
Zones A or V		1,000,000	500,000
Earthquake		5,000,000	5%
Business Income and Extra Expense		5,000,000	(72 Hours)
Contractors Equipment (\$10,000 Per Item Limit)		250,000	1,000
Musical Instruments, Athletic Equipment'			
Band Uniforms and Theatrical Equipment		250,000	1,000
Valuable Papers		5,000,000	1,000
Electronic Data Processing Equipment		2,500,000	5,000
Accounts Receivable		100,000	1,000
BOILER & MACHINERY:	Zurich Insurance Company		
Property Damage (Blanket)		50,000,000	5,000
GENERAL LIABILITY:	Zurich Insurance Company		
General Aggregate		2,000,000	
Each Occurrence		1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY:	Zurich Insurance Company		
20 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
COMMERCIAL UMBRELLA	Zurich Insurance Company	10,000,000	10,000
EXCESS COMMERCIAL UMBRELLA	Fireman's Fund		
(Note: Shared Limits)			
Per Occurrence		50,000,000	
Aggregate		50,000,000	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
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	20,000
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	

Source: West Morris Regional High School District records.



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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2017.

**Internal Control Over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Nisivoccia, LLP*

October 10, 2017  
Mount Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
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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, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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, 2017.

**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*

October 10, 2017  
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, 2017

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, 2016		Cash Received	Budgetary Expenditures	Prior Year Encum- brances Canceled	June 30, 2017 Unearned Revenue/ (Accounts Receivable)
			From	To		Unearned Revenue/ (Accounts Receivable)	Carryover/ (Walkover) Amount				
US Department of Education:											
Passed-through State Department of Education:											
Special Revenue Fund:											
No Child Left Behind Consolidated Formula Subgrant:											
	84.010A	NCLB-5660-17	7/1/16	6/30/17	\$ 42,714		\$ 33,430	\$ (34,037)			\$ (607)
	84.367	NCLB-5660-17	7/1/16	6/30/17	35,165		34,512	(34,503)			103
	84.367	NCLB-5660-16	7/1/15	6/30/16	27,605	\$ 94					
						(94)					
Special Education Cluster:											
	84.027	IDEA-5660-17	7/1/16	6/30/17	550,638		404,677	(508,239)			(103,562)
	84.027	IDEA-5660-16	7/1/15	6/30/16	563,512	(120,104)	94,503			\$ 25,601	
						(120,104)	499,180	(508,239)		25,601	(103,562)
						(120,010)	567,122	(576,779)		25,601	(104,066)
						(120,010)	567,122	(576,779)			(104,066)
						(120,010)	\$ 567,122	\$ (576,779)		\$ 25,601	\$ (104,066)
TOTAL FEDERAL AWARDS											

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, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/Award Amount	June 30, 2016		Cash Received	Budgetary Expenditures	Receivable Canceled	Repayment of Balances	June 30, 2017		MEMO Cumulative Total Expenditures	
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue		Due to Grantor
State Department of Education:														
General Fund:														
Transportation Aid	17-495-034-5120-014	7/1/16	6/30/17	\$ 1,357,955	\$ (130,363)	\$ 1,227,491	\$ (1,357,955)					\$ (130,464)	\$ 1,357,955	
Transportation Aid	16-495-034-5120-014	7/1/15	6/30/16	1,354,617		130,363								
Special Education	17-495-034-5120-089	7/1/16	6/30/17	1,760,399	(167,671)	1,591,271	(1,760,399)					(169,128)	1,760,399	
Categorical Aid	16-495-034-5120-089	7/1/15	6/30/16	1,742,285		167,671								
Security Aid	17-495-034-5120-084	7/1/16	6/30/17	213,804	(20,604)	193,263	(213,804)					(20,541)	213,804	
Security Aid	16-495-034-5120-084	7/1/15	6/30/16	214,099		20,604								
Equalization Aid	17-495-034-5120-078	7/1/16	6/30/17	313,431	(31,257)	283,319	(313,431)					(30,112)	313,431	
Equalization Aid	16-495-034-5120-078	7/1/15	6/30/16	324,799		663,157								
Adjustment Aid	17-495-034-5120-085	7/1/16	6/30/17	733,641	(70,603)	70,603	(733,641)					(70,484)	733,641	
Adjustment Aid	16-495-034-5120-085	7/1/15	6/30/16	733,641		70,603								
Per Pupil Growth Aid	17-495-034-5120-097	7/1/15	6/30/16	28,030	(2,698)	25,337	(28,030)					(2,693)	28,030	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15	6/30/16	28,030		2,698								
PARCC Readiness Aid	17-495-034-5120-098	7/1/16	6/30/17	28,030	(2,698)	25,337	(28,030)					(2,693)	28,030	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15	6/30/16	28,030		2,698								
Professional Learning Community Aid	17-495-034-5120-101	7/1/16	6/30/17	455,711	(494,976)	494,976	(455,711)				\$ (455,711)	(455,711)	455,711	
Extraordinary Special Education Costs	17-495-034-5120-044	7/1/16	6/30/17	494,976										
Nonpublic School	16-495-034-5120-014	7/1/15	6/30/16	32,988	(23,151)	23,151	(32,988)					(32,988)	32,988	
Transportation Costs	16-495-034-5120-014	7/1/15	6/30/16	23,151										
On-Behalf TPAF Contributions:														
Post-Retirement Medical	17-495-034-5094-001	7/1/16	6/30/17	1,833,816		1,833,816	(1,833,816)						1,833,816	
Pension	17-495-034-5094-002	7/1/16	6/30/17	2,123,905		2,123,905	(2,123,905)						2,123,905	
Non-Contributory Insurance	17-495-034-5094-004	7/1/16	6/30/17	76,954		76,954	(76,954)						76,954	
Long-Term Disability Insurance	17-495-034-5094-004	7/1/16	6/30/17	4,244		4,244	(4,244)						4,244	
Reimbursed TPAF Contributions:														
Social Security Aid	17-495-034-5094-003	7/1/16	6/30/17	1,341,140	(70,915)	1,271,283	(1,341,140)					(69,857)	1,341,140	
Social Security Aid	16-495-034-5094-003	7/1/15	6/30/16	1,518,895		70,915								
Total General Fund State Aid					(1,014,936)	10,358,005	(10,330,258)					(558,556)	10,330,258	
Special Revenue Fund:														
State Department of Education:														
NJ Nonpublic Aid:														
Textbook Aid (Chapter 194)	17-100-034-5120-064	7/1/16	6/30/17	19,540		19,540	(19,540)						19,540	
Nursing Services (Chapter 226)	17-100-034-5120-070	7/1/16	6/30/17	30,510		30,510	(30,510)						30,510	
Auxiliary Services (Chapter 192):														
Home Instruction	17-100-034-5120-067	7/1/16	6/30/17	2,606			(2,606)						2,606	
Home Instruction	16-100-034-5120-067	7/1/15	6/30/16	554	(554)							(2,606)		
Handicapped Services (Chapter 193):														
Examination & Classification	17-100-034-5120-066	7/1/16	6/30/17	17,653		17,653	(17,292)						17,292	
Examination & Classification	16-100-034-5120-066	7/1/15	6/30/16	13,303										
Supplementary Instruction	17-100-034-5120-066	7/1/16	6/30/17	15,772		15,772	(15,772)						15,772	
Supplementary Instruction	16-100-034-5120-066	7/1/15	6/30/16	11,809										
Technology Initiative	17-100-034-5120-373	7/1/16	6/30/17	8,814	918	8,814	(8,814)						8,814	
Character Education Aid	06-495-034-5120-053	7/1/05	6/30/17	6,651										
Total State Department of Education					364	92,843	(94,534)					(2,606)	94,534	
Total Special Revenue Fund					364	92,843	(94,534)					(2,606)	94,534	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program/Award Amount	June 30, 2016		Cash Received	Budgetary Expenditures	Receivable Canceled	Repayment of Balances	June 30, 2017		MEMO	
				Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	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)	\$ 365,092					\$ (91,273)		\$ (91,273)	\$ 456,365
WM Mendham - HVAC	5660-030-14-1003	3/31/14 6/30/17	358,721	(358,721)	286,977					(71,744)		(71,744)	358,721
WM Central - Potable Water	5660-030-14-1001	3/31/14 6/30/17	248,387	(248,387)	165,230		\$ 83,157						165,230
Total Capital Projects Fund				(1,063,473)	817,299		83,157			(163,017)		(163,017)	980,316
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				\$ (2,078,045)	\$ 345	\$ 11,268,147	\$ (10,424,792)	\$ 83,157	\$ (345)	\$ (724,179)	\$ 918	\$ (1,152,812)	\$ 11,405,108

Less - State Awards Not Subject to Single Audit Major Program Determination:

On-Behalf TPAF Pension System Contributions:

Post-Retirement Medical	1,833,816
Pension	2,123,905
Non-Contributory Insurance	76,954
Long-Term Disability Insurance	4,244
Subtotal On-Behalf TPAF Pension System Contributions	4,038,919
	<u>\$ (6,385,873)</u>

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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 not 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, 2017  
(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 \$(2,739) for the General Fund, \$(13,309) for the Special Revenue Fund and \$907,673 for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General, Special Revenue and Capital Projects Funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 10,327,519	\$10,327,519
Special Revenue Fund	\$ 563,470	94,534	658,004
Capital Projects Fund		824,516	824,516
Total Financial Awards	\$ 563,470	\$11,246,569	\$11,810,039

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, 2017.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District realizes grant revenue in the Capital Projects Fund on the budgetary basis in full as grants are awarded and on the GAAP basis to the extent that grants are expended and submitted for reimbursement. 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 of which \$83,157 has been canceled during the fiscal year. As of June 30, 2017, \$980,316 has been expended and submitted for reimbursement, and \$817,299 has been received leaving a receivable balance of \$163,017 on both the budgetary and GAAP basis.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017 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:
 

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	\$ 1,357,955	\$ 1,357,955
Reimbursed TPAF Contributions -				
Social Security Aid	17-495-034-5094-003	7/1/16-6/30/17	1,341,140	1,341,140
- 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, 2017  
(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, 2017

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2016.