

**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, 2018**

**Comprehensive Annual  
Financial Report**

**of the**

**West Morris Regional  
High School District**

**Chester, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**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

January 18, 2019

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, 20188 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 2017/2018 fiscal year with an enrollment of 2,524 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>
2017-2018	2,462	(4.35%)
2016-2017	2,574	(0.92%)
2015-2016	2,598	(2.29%)
2014-2015	2,659	(2.98%)
2013-2014	2,741	(1.20%)
2012-2013	2,774	1.65%
2011-2012	2,729	0.11%
2010-2011	2,726	1.47%
2009-2010	2,687	1.49%
2008-2009	2,647	1.11%

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 #14 and West Morris Mendham High School as #7 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 third year of a one to one initiative. During the 2017-2018 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 2018 took an AP or IB test and achieved a 94% 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, 2018.

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 Berk-David  
Superintendent

  
\_\_\_\_\_  
L. Douglas Pechanec  
Business Administrator/Board Secretary

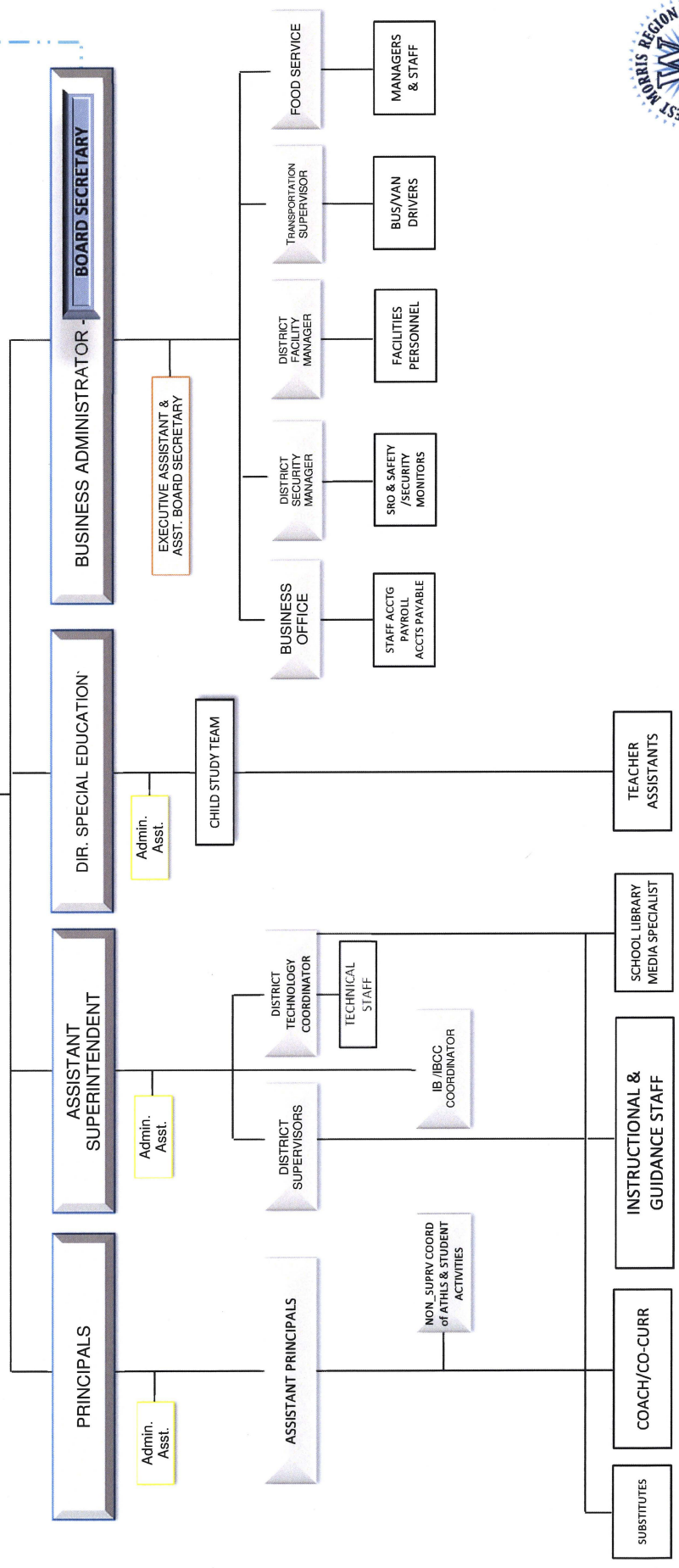


**WEST MORRIS REGIONAL HIGH SCHOOL**  
**BOARD of EDUCATION**  
 10 South Four Bridges Road, Chester, New Jersey



**SUPERINTENDENT**

EXECUTIVE/CONFIDENTIAL  
SECRETARY & Support Staff





# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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L. DOUGLAS PECHANEC  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

## ROSTER OF OFFICIALS AS OF JUNE 30, 2018

### MEMBERS OF THE BOARD OF EDUCATION

### TERM EXPIRES

Robert Strobel	President	December	2020
Lisa Woodring	Vice President	December	2019
Thomas Brooks	Member	December	2019
Joseph Galayda	Member	December	2021
David Kennedy	Member	December	2021
Marina Kontos	Member	December	2020
Gary Lakritz	Member	December	2019
James Schulok	Member	December	2020
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



# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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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, New Jersey 07856

### Financial Advisors

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### Architect

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### Official Depository

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### Construction Attorney

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Riverdale, NJ 07457

### Bond Counsel

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One Gateway Center  
Newark, New Jersey 07102-5311

### Conflict Attorney

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 11 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

### ***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 and postemployment schedules in Exhibits L-1 through L-5 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 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.

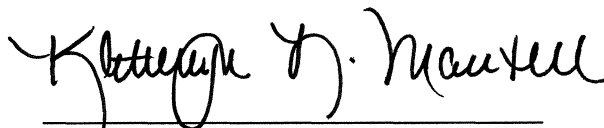
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



NISIVOCCIA, LLP

January 18, 2019  
Mt. Arlington, New Jersey



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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, 2018  
(unaudited)

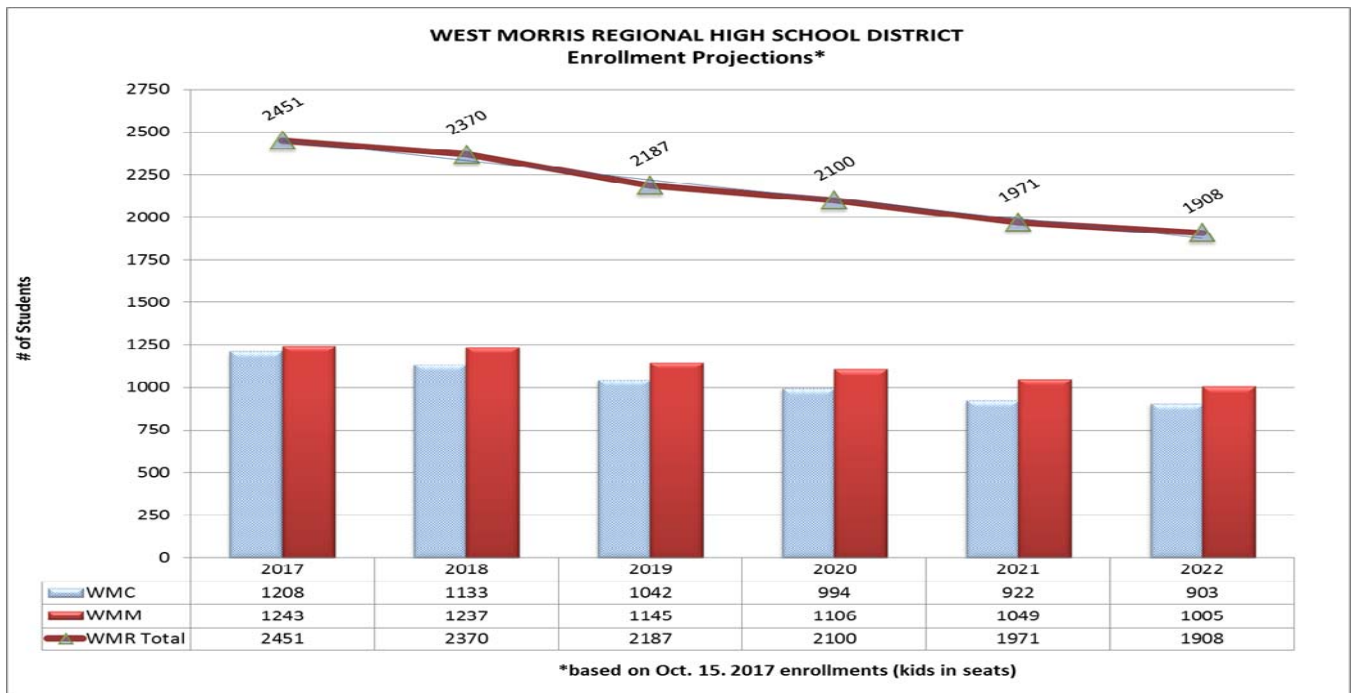
### **Management's Discussion and Analysis:**

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, 2018. 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, 2017 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, 2018  
(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 2017-2018 fiscal year budget and the change from the prior year.

SOURCE OF REVENUES	2016-2017	2017-2018	\$ incr/(decr)
Tax Revenue	\$42,763,310	\$43,618,576	\$855,266
Debt Svc. (Bonds)	\$2,264,800	\$2,266,000	\$1,200
<b>TAX LEVY TOTALS:</b>	<b>\$45,028,110</b>	<b>\$45,884,576</b>	<b>\$856,466</b>
	<b>% overall tax levy increase:</b>		<b>1.90%</b>
State Aid Revenue	\$4,461,500	\$4,461,500	\$0
Fund Balance	\$2,429,643	\$1,843,032	(\$586,611)
Misc. Revenues	\$841,467	\$848,960	\$7,493
Special Revenue-Fed/IDEA Funds	\$566,176	\$566,176	\$0
Capital Reserve deposit	\$0	\$0	\$0
Capital Reserve withdrawal	\$445,121	\$910,000	\$464,879
<b>TOTAL REVENUE/BUDGET:</b>	<b>\$53,772,017</b>	<b>\$54,514,244</b>	<b>\$742,227</b>
	<b>% overall revenue/budget increase:</b>		<b>1.38%</b>

The state mandated tax levy cap of 2%, plus waivers, is the target that all NJ Public Schools must adhere to as the budget is developed. State law also allows Boards of Education (BOE) to opt out of the election process if the budget is at or below the established cap. West Morris Regional BOE did vote to opt out, choosing to remain within the established tax levy cap. The tax increase over last year was 1.90% reflecting the BOE's initiative to improve infrastructure and maintain quality educational programs. Due the Chapter 67 law state aid revenue decreased slightly for 2017-18 from the 2016-17 level. The state aid revenue does not include FICA reimbursements received from the state.

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 sending generated an excess surplus of \$1,642,349 to be utilized in fiscal year 2019-2020.

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, 2018 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, 2018  
(unaudited)

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### **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 outflows and inflows 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 activities, Governmental and Business Type.

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

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

The Proprietary Fund 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, 2018  
(unaudited)

### **District-Wide Viewpoint:**

**Statement of Net Position** During 2017-2018 the district's net position increased. Total Net Position for Governmental Activities increased \$1,947,880, Net Position from Business Activities decreased by \$(4,006) for a total increase in Net Position of \$1,943,874 which represents a 5.87% increase from the prior year.

	Governmental Activities		Business Activities		TOTAL	TOTAL	%
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	
<b>ASSETS:</b>							
<b>Current &amp; Other Assets</b>	\$13,291,791	\$8,654,307	\$58,084	\$50,945	\$13,349,875	\$8,705,252	
Capital Assets, Net	\$50,280,688	\$50,042,266	\$21,473	\$22,962	\$50,302,161	\$50,065,228	
<b>TOTAL ASSETS</b>	<b>\$63,572,479</b>	<b>\$58,696,573</b>	<b>\$79,557</b>	<b>\$73,907</b>	<b>\$63,652,036</b>	<b>\$58,770,480</b>	8.31%
Deferred Outflows of Resources	\$5,086,284	\$5,122,920	-	-	\$5,086,284	\$5,122,920	-0.72%
<b>LIABILITIES:</b>							
Long Term Liabil.	\$29,545,898	\$29,401,250	\$15,000	\$15,000	\$29,560,898	\$29,416,250	
Other Liabilities	\$1,274,884	\$643,152	\$23,534	\$13,878	\$1,298,418	\$657,030	
<b>TOTAL LIABILITIES</b>	<b>\$30,820,782</b>	<b>\$30,044,402</b>	<b>\$38,534</b>	<b>\$28,878</b>	<b>\$30,859,316</b>	<b>\$30,073,280</b>	2.61%
Deferred Inflows of Resources	\$2,829,162	\$714,152	-	-	\$2,829,162	\$714,152	296.16%
<b>NET POSITION:</b>							
<b>Investment in</b>							
Capital Assets	\$35,979,627	\$37,775,826	\$21,473	\$22,962	\$36,001,100	\$37,798,788	
Restricted	\$7,803,701	\$6,792,605			\$7,803,701	\$6,792,605	
Unrestricted (Deficit)	<u>(8,774,509)</u>	<u>(11,507,492)</u>	19,550	22,067	<u>(8,754,959)</u>	<u>(11,485,425)</u>	
<b>TOTAL NET POSITION</b>	<b>\$35,008,819</b>	<b>\$33,060,939</b>	<b>\$41,023</b>	<b>\$45,029</b>	<b>\$35,049,842</b>	<b>\$33,105,968</b>	5.87%

**Net Investment in Capital Assets** decreased \$(1,797,688) as a result of \$2,557,736 in asset additions, a \$1,660,000 reduction in bonded debt and a \$207,027 reduction in capital leases, offset by a decrease in deferred amount on refunding of \$(153,713), \$(2,320,803) in depreciation expense and \$(3,747,935) of new capital leases.

**Restricted Net Position** increased \$1,011,096 as a result of interest on the capital and maintenance reserve accounts of \$7,017 and \$3,823, respectively and a Board approved \$2,000,000 increase in the capital reserve account, offset by budgeted withdrawals from the capital reserve account of \$(910,000) for capital projects and a decrease in excess surplus of \$(89,744).

**Unrestricted Net Position** increased \$2,730,466 as a result of \$166,161 excess in local revenue, excluding interest on the capital and maintenance reserve accounts, \$444,108 excess in state revenue, prior year state aid payments realized as revenue in the current year of \$428,633, unexpended budget appropriations of \$3,335,093, decreases in unamortized bond premiums of \$222,215, change in net pension liability of \$1,549,345, change in deferred outflows of resources related to pensions of \$117,068, capital projects local share funded by capital reserve account of \$910,000, capital projects fund interest of \$71, decreases in excess surplus of \$89,744 and accrued interest of \$12,754, and new capital leases of \$3,747,935, offset by \$(1,932,262) surplus used to support the 2017-18 budget, prior year encumbrances appropriated of \$(428,823), current year state aid payments not recognized as revenue \$(414,432), capital projects expenses of \$(1,364,317), Board approved increase in the capital reserve account of \$(2,000,000), an increase in governmental activities compensated absences of \$(35,300), a decrease in the business-type activities of \$(2,517), and changes in deferred inflows of resources related to pensions of \$(2,115,010)



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2018  
(unaudited)

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

The overall impact of school operations resulted in a decrease of \$(164,830) over the 2016-2017 results. Revenues increased in total by 0.31% or \$215,838. Expenses also increased by 0.53% or \$351,583. The revenue increase is primarily attributable to an increase in operating grants and contributions as well as property taxes, offset by a reduction in capital grants and contributions. The increase in expenses is due primarily to increases in Instruction and Pupil Services and Maintenance and Operations.

Changes in Net Position from Operating Results	Governmental Activities		Business Activities		TOTAL		VARIANCE	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	\$'s	%
<b>REVENUES:</b>								
Program Revenues								
Charges for Service	\$ 263,007	\$226,239	\$ 572,320	\$531,618	\$835,327	\$ 757,857	\$77,470	
Operating Grants & Contrib.	\$ 20,010,834	\$19,796,280			\$20,010,834	\$19,796,280	\$214,554	
Capital Grants & Contrib.	\$ 14,411	\$824,516			\$14,411	824,516	(\$810,105)	
General Revenues								
Property Taxes	\$ 45,884,576	\$45,028,110			\$45,884,576	\$45,028,110	\$856,466	
Federal & State Aid (unrestricted)	\$ 1,264,103	\$1,341,965			\$1,264,103	\$1,341,965	(\$77,862)	
Other	\$ 761,025	\$806,028	600	\$282	\$761,625	\$806,310	(\$44,685)	
<b>TOTAL REVENUES:</b>	<b>\$68,197,956</b>	<b>\$68,023,138</b>	<b>\$572,920</b>	<b>\$531,900</b>	<b>\$68,770,876</b>	<b>\$68,555,038</b>	<b>\$215,838</b>	<b>0.31%</b>
<b>EXPENSES:</b>								
Instruction	\$ 36,808,721	\$ 36,961,747			\$36,808,721	\$36,961,747	(\$153,026)	
Pupil & Instruction Services	\$ 13,606,464	\$ 13,462,553			\$13,606,464	\$13,462,553	\$143,911	
Admin/Business/Technology	\$ 5,504,190	\$ 5,534,495			\$5,504,190	\$5,534,495	(\$30,305)	
Maintenance & Operations	\$ 4,195,645	\$ 3,810,907			\$4,195,645	\$3,810,907	\$384,738	
Transportation	\$ 3,487,483	\$ 3,486,250			\$3,487,483	\$3,486,250	\$1,233	
Other Expenses	\$ 2,644,532	\$ 2,657,676	\$ 587,218	\$569,042	\$3,231,750	\$3,226,718	\$5,032	
<b>TOTAL EXPENSES</b>	<b>\$66,247,035</b>	<b>\$65,913,628</b>	<b>\$587,218</b>	<b>\$569,042</b>	<b>\$66,834,253</b>	<b>\$66,482,670</b>	<b>\$351,583</b>	<b>0.53%</b>
Other Resources	\$0	\$0	\$0		\$0	\$0		
Transfers/Other Items	(3,041)	3,041	\$10,292	\$ 33,295	\$7,251	\$36,336	(\$29,085)	-80.04%
<b>CHANGE IN NET POSITION</b>	<b>\$1,947,880</b>	<b>\$2,112,551</b>	<b>(\$4,006)</b>	<b>(\$3,847)</b>	<b>\$1,943,874</b>	<b>\$2,108,704</b>	<b>(\$164,830)</b>	<b>-7.82%</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 99.17% of the total revenues and 99.12% of expenses shown on this statement.

### **Net Cost of Governmental Activities:**

Cost Category	2017-2018 Total Cost of Services	2016-2017 Total Cost of Services	2017-2018 Net Cost of Services	2016-2017 Net Cost of Services
<b>Governmental Activities:</b>				
Instruction	\$ 36,808,721	\$ 36,961,747	\$ 22,556,157	\$ 22,823,046
Pupil & Instruction Services	\$ 13,606,464	\$ 13,462,553	\$ 10,041,207	\$ 10,024,542
Admin/Business/Technology	\$ 5,504,190	\$ 5,534,495	\$ 4,439,442	\$ 4,479,530
Maintenance & Operations	\$ 4,195,645	\$ 3,810,907	\$ 4,195,645	\$ 2,986,391
Transportation	\$ 3,487,483	\$ 3,486,250	\$ 2,081,800	\$ 2,095,408
Other	\$ 2,644,532	\$ 2,657,676	\$ 2,644,532	\$ 2,657,676
<b>TOTAL</b>	<b>\$ 66,247,035</b>	<b>\$ 65,913,628</b>	<b>\$ 45,958,783</b>	<b>\$ 45,066,593</b>



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

### Management's Discussion and Analysis for Fiscal Year End June 30, 2018 (unaudited)

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

At the end of fiscal year 2018, the district had a total of \$50,302,161 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2017. The overall increase is primarily attributable to building improvements of fixed assets during the year offset by depreciation for a net increase of \$236,933 or 0.47%. Depreciation was \$2,316,273 for governmental activities and \$4,530 for business type activities.

Capital Assets	Governmental Activities		Business Activities		TOTAL		VARIANCE	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	\$'s	%
Sites	\$ 130,448	\$ 130,448	\$ -	\$ -	\$ 130,448	\$ 130,448	\$0	0.00%
Site Improvements	\$ 1,614,767	\$ 1,302,847	\$ -	\$ -	\$ 1,614,767	\$ 1,302,847	\$311,920	23.94%
Building & Improv.	\$ 45,140,869	\$ 46,652,792	\$ -	\$ -	\$ 45,140,869	\$ 46,652,792	(\$1,511,923)	-3.24%
Machinery & Equip.	\$ 1,619,783	\$ 1,167,050	\$ 21,473	\$ 22,962	\$ 1,641,256	\$ 1,190,012	\$451,244	37.92%
Construction in Progress	\$ 1,774,821	\$ 789,129	\$ -	\$ -	\$ 1,774,821	\$ 789,129	\$985,692	124.9%
<b>TOTAL</b>	<b>\$50,280,688</b>	<b>\$ 50,042,266</b>	<b>\$21,473</b>	<b>\$22,962</b>	<b>\$50,302,161</b>	<b>\$50,065,228</b>	<b>\$236,933</b>	<b>0.47%</b>

#### **Outstanding Long-Term Liabilities:**

Reporting changes required by GASB 68 resulted in an adjustment to the district's outstanding liabilities. The total at the end of fiscal year 2018 includes pension liability and totals \$29,560,898 in outstanding long-term liabilities, an increase of 0.49% from 2017. The table below compares this balance to fiscal year 2018. 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 \$(1,660,000) for scheduled maturities. Bond Premiums decreased by \$(222,215), Capital Lease payments increased by \$3,540,908 due to athletic projects and implementing Energy Savings Improvement Plan throughout the district. Net Pension Liability decreased by \$(1,549,345). The GASB 68 impact for net pension liability amounted to a decrease of (11.92%) compared to the 2016-2017 liability.

Outstanding Long Term Liabilities	2017-2018	2016-2017	VARIANCE	
	Long-Term Liab.	Long-Term Liab.	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$11,595,000	\$13,255,000	(\$1,660,000)	-12.52%
Unamortized Bond Premiums	\$1,333,290	\$1,555,505	(\$222,215)	-14.29%
Capital Leases Payable	\$3,628,339	\$87,431	\$3,540,908	4049.95%
Net Pension Liability	\$11,444,997	\$12,994,342	(\$1,549,345)	-11.92%
Other Long-Term Debt				
-Governmental Activities	\$1,544,272	\$1,508,972	\$35,300	2.34%
-Business-Type Activities	\$15,000	\$15,000	\$0	0.00%
<b>TOTAL</b>	<b>\$29,560,898</b>	<b>\$29,416,250</b>	<b>\$144,648</b>	<b>0.49%</b>





## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2018  
(unaudited)

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### **Food Service Performance:**

In the Statement of Net Position and Statement of Activities the financial activity for the district's food service program is presented as Business Type Activities. The following points highlight its activities during fiscal year 2017-2018:

The Food Service Program experienced an operating loss this year. The district's revenues overall increased \$41,020, or 7.72% over fiscal year 2016-2017 and expenses increased \$18,176 or 3.19%. Charges for Service constitute 99.90% 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 2017-2018. The district is required by law to bid the service every five years and selected Aramark in 2013-14. A Request for Proposal was extended to all school food providers within New Jersey at the close of the 2017-2018 fiscal year.

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 \$10,292 is the amount reflected as Transfers and Other Items and is comprised of \$7,251 from the Food Service Management Company and \$3,041 of BOE contributions.



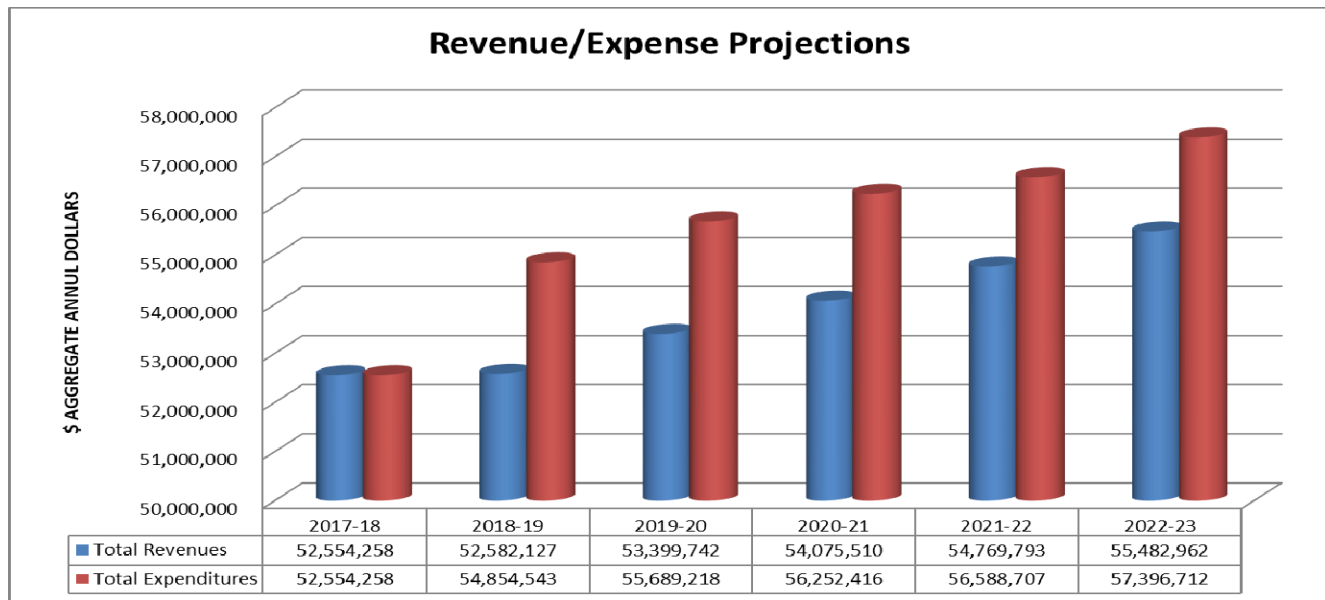
# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2018  
(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. However, we intend to continue investing in classroom technology and the infrastructure that supports academic and co-curricular activities. 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
- \* 2-3% 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. One 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.

### **Conclusion:**

The West Morris Regional High School District completed the fiscal year 2017-2018 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, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,733,748	\$ 57,855	\$ 7,791,603
Receivables from Other Governments	1,150,844		1,150,844
Internal Balances	4,063	(4,063)	
Other Receivables	18,652		18,652
Inventory		4,292	4,292
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	4,000,142		4,000,142
Maintenance Reserve Account	384,342		384,342
Capital Assets, Net:			
Sites (Land) and Construction in Progress	919,577		919,577
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	49,361,111	21,473	49,382,584
<b>Total Assets</b>	<b>63,572,479</b>	<b>79,557</b>	<b>63,652,036</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	922,278		922,278
Deferred Outflows of Resources Related to Pensions	4,164,006		4,164,006
<b>Total Deferred Outflows of Resources</b>	<b>5,086,284</b>		<b>5,086,284</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,054,408	6,249	1,060,657
Accrued Interest Expense	88,246		88,246
Payable to State Government	3,172		3,172
Payable to Federal Government	33,686		33,686
Unearned Revenue	95,372	17,285	112,657
Noncurrent Liabilities:			
Due Within One Year	2,419,479		2,419,479
Due Beyond One Year	27,126,419	15,000	27,141,419
<b>Total Liabilities</b>	<b>30,820,782</b>	<b>38,534</b>	<b>30,859,316</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pensions	2,829,162		2,829,162
<b>Total Deferred Inflows of Resources</b>	<b>2,829,162</b>		<b>2,829,162</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	35,979,627	21,473	36,001,100
Restricted for:			
Capital Projects	4,000,142		4,000,142
Maintenance	384,342		384,342
Excess Surplus	3,419,217		3,419,217
Unrestricted (Deficit)	(8,774,509)	19,550	(8,754,959)
<b>Total Net Position</b>	<b>\$ 35,008,819</b>	<b>\$ 41,023</b>	<b>\$ 35,049,842</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, 2018

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	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	\$ 27,287,001	\$ 263,007	\$ 8,878,234		\$ (18,408,767)		\$ (18,408,767)
Special Education	5,208,030		3,952,740		(1,255,290)		(1,255,290)
Other Instruction	4,313,690		1,421,590		(2,892,100)		(2,892,100)
<b>Support Services:</b>							
Tuition	3,966,700	\$ 263,007	119,872		(3,583,821)		(3,583,821)
Student & Instruction Related Services	9,639,764		3,167,967	\$ 14,411	(6,457,386)		(6,457,386)
General Administration Services	1,076,809				(1,076,809)		(1,076,809)
School Administration Services	3,224,906		1,064,748		(2,160,158)		(2,160,158)
Central Services	606,281				(606,281)		(606,281)
Administrative Information Technology	596,194				(596,194)		(596,194)
Plant Operations and Maintenance	4,195,645				(4,195,645)		(4,195,645)
Pupil Transportation	3,487,483		1,405,683		(2,081,800)		(2,081,800)
Interest on Long-Term Debt	524,744				(524,744)		(524,744)
Unallocated Depreciation	2,119,788				(2,119,788)		(2,119,788)
<b>Total Governmental Activities</b>	<b>66,247,035</b>	<b>263,007</b>	<b>20,010,834</b>	<b>14,411</b>	<b>(45,958,783)</b>		<b>(45,958,783)</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 587,218	\$ 572,320			\$ (14,898)	\$ (14,898)	\$ (14,898)
Total Business-Type Activities	587,218	572,320			(14,898)	(14,898)	(14,898)
Total Primary Government	\$ 66,834,253	\$ 835,327	\$ 20,010,834	\$ 14,411	\$ (45,958,783)	(14,898)	(45,973,681)

General Revenues, Other Item and Transfers:

Taxes:							
Property Taxes, Levied for General Purposes, Net				43,618,576			43,618,576
Taxes Levied for Debt Service				2,266,000			2,266,000
Federal and State Aid Not Restricted				1,264,103			1,264,103
Investment Earnings				86,444	600		87,044
Other Miscellaneous Income				674,581			674,581
Other Item - Food Service Management Contractor Contribution					7,251		7,251
Transfers				(3,041)		3,041	
Total General Revenues, Other Item and Transfers				47,906,663	10,892		47,917,555
Change in Net Position				1,947,880	(4,006)		1,943,874
Net Position - Beginning				33,060,939	45,029		33,105,968
Net Position - Ending				\$ 35,008,819	\$ 41,023		\$ 35,049,842

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,444,639	\$ 27,963	\$ 2,261,146	\$ 7,733,748
Receivables from Federal Government		90,213		90,213
Receivables from State Government	452,115	12,778		464,893
Tax Levy Receivable	595,738			595,738
Other Receivables	17,376	1,276		18,652
Interfund Receivable	4,063		660,737	664,800
Restricted Cash and Cash Equivalents	4,384,484			4,384,484
<b>Total Assets</b>	<b>\$10,898,415</b>	<b>\$ 132,230</b>	<b>\$ 2,921,883</b>	<b>\$13,952,528</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 609,549			\$ 609,549
Payable to State Government		\$ 3,172		3,172
Payable to Federal Government		33,686		33,686
Interfund Payable	660,737			660,737
Unearned Revenue		95,372		95,372
<b>Total Liabilities</b>	<b>1,270,286</b>	<b>132,230</b>		<b>1,402,516</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	4,000,142			4,000,142
Maintenance Reserve Account	384,342			384,342
Excess Surplus	1,642,349			1,642,349
Excess Surplus - For Subsequent Year's Expenditures	1,776,868			1,776,868
Committed			\$ 2,921,883	2,921,883
<b>Assigned:</b>				
Year-End Encumbrances	59,270			59,270
For Subsequent Year's Expenditures	770,090			770,090
Unassigned	995,068			995,068
<b>Total Fund Balances</b>	<b>9,628,129</b>		<b>2,921,883</b>	<b>12,550,012</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10,898,415</b>	<b>\$ 132,230</b>	<b>\$ 2,921,883</b>	<b>\$13,952,528</b>

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

Total Fund Balances - Governmental Funds (Above)	\$12,550,012
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds.	50,280,688
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:	
Deferred Outflows of Resources Related to Pensions, Excluding District Contribution Subsequent to the Measurement Date	3,719,147
Deferred Inflows of Resources Related to Pensions	(2,829,162)
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 \$1,075,996.	922,278
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(88,246)
Long-Term Liabilities, including Bonds and Net Pension Liability Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(29,545,898)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$35,008,819</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 43,618,576			\$ 2,266,000	\$ 45,884,576
Tuition Revenue	263,007				263,007
Miscellaneous	760,954	\$ 13,500	\$ 71		774,525
Total - Local Sources	44,642,537	13,500	71	2,266,000	46,922,108
State Sources	11,193,906	104,453			11,298,359
Federal Sources		424,125			424,125
Total Revenue	55,836,443	542,078	71	2,266,000	58,644,592
EXPENDITURES:					
Current:					
Regular Instruction	14,802,255	65,284			14,867,539
Special Education Instruction	2,740,977	88,170			2,829,147
Other Instruction	2,328,808				2,328,808
Support Services and Undistributed Costs:					
Tuition	3,846,828	119,872			3,966,700
Student & Instruction Related Services	5,280,975	254,341			5,535,316
General Administration Services	971,292				971,292
School Administration Services	1,755,462				1,755,462
Central Services	496,030				496,030
Administrative Information Technology	463,824				463,824
Plant Operations and Maintenance	3,621,086				3,621,086
Pupil Transportation	3,417,677				3,417,677
Unallocated Benefits	12,935,660				12,935,660

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXPENDITURES (Cont'd):	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Debt Service:					
Principal				\$ 1,660,000	\$ 1,660,000
Interest and Other Charges				606,000	606,000
Capital Outlay	\$ 1,563,210	\$ 14,411	\$ 1,364,317		2,941,938
Total Expenditures	54,224,084	542,078	1,364,317	2,266,000	58,396,479
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,612,359	- 0 -	(1,364,246)	- 0 -	248,113
<b>OTHER FINANCING SOURCES/(USES):</b>					
Capital Leases (Non-Budgeted)	501,168				501,168
Capital Lease Proceeds			3,246,767		3,246,767
Transfers In	71		910,000		910,071
Transfers Out	(913,041)		(71)		(913,112)
Total Other Financing Sources/(Uses)	(411,802)	- 0 -	4,156,696	- 0 -	3,744,894
Net Change in Fund Balances	1,200,557	- 0 -	2,792,450	- 0 -	3,993,007
Fund Balance—July 1	8,427,572	- 0 -	129,433	- 0 -	8,557,005
Fund Balance—June 30	\$ 9,628,129	\$ - 0 -	\$ 2,921,883	\$ - 0 -	\$ 12,550,012

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, 2018

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 3,993,007

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.

reciation Expense	\$ (2,316,273)
Capital Outlays	<u>2,554,695</u>

238,422

Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

(3,747,935)

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.

207,027

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
- Change in Deferred Outflows of Resources Related to Pensions
- Change in Deferred Inflows of Resources Related to Pensions

1,549,345  
 117,068  
 (2,115,010)

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 (+).

(35,300)

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.

1,660,000

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

12,754

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 (-)

(153,713)

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

\$ 1,947,880

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, 2018

	<u>Business-type                      Activities -                      Enterprise Funds                      Food                      Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 57,855
Inventories	4,292
	62,147
Total Current Assets	62,147
Non-Current Assets:	
Capital Assets	150,734
Less: Accumulated Depreciation	(129,261)
	21,473
Total Non-Current Assets	21,473
Total Assets	83,620
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	6,249
Interfund Payable - General Fund	4,063
Unearned Revenue	17,285
	27,597
Total Current Liabilities	27,597
Non-Current Liabilities:	
Accrued Compensated Absences Payable	15,000
	15,000
Total Liabilities	42,597
<b>NET POSITION:</b>	
Investment in Capital Assets	21,473
Unrestricted	19,550
	41,023
Total Net Position	\$ 41,023

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, 2018

	Business-type Activities - <u>Enterprise Funds</u> Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 568,987
Special Events	<u>3,333</u>
Total Operating Revenue	<u>572,320</u>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	214,365
Salaries, Benefits & Payroll Taxes	287,607
Supplies, Insurance and Other Costs	80,716
Depreciation Expense	<u>4,530</u>
Total Operating Expenses	<u>587,218</u>
Operating Loss	(14,898)
Non-Operating Revenue:	
Interest Income	<u>600</u>
Total Non-Operating Revenue	<u>600</u>
Change in Net Position Before Other Item and Transfer	(14,298)
Other Item - Food Service Management Contractor Contribution	7,251
Operating Transfer In - Board Contribution	<u>3,041</u>
Change in Net Position	(4,006)
Net Position - Beginning of Year	<u>45,029</u>
Net Position - End of Year	<u><u>\$ 41,023</u></u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 578,818
Payments to Employees	(289,439)
Payments to Suppliers	(289,145)
Net Cash Provided by Operating Activities	<u>234</u>
Cash Flows from Non-Capital Financing Activities:	
FSMC Contribution	7,251
Transfer In - Board Contribution	3,041
Net Cash Provided by Non-Capital Financing Activities	<u>10,292</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,041)
Net Cash Used for Capital and Related Financing Activities	<u>(3,041)</u>
Cash Flows from Investing Activities:	
Interest Income	600
Net Cash Provided by Investing Activities	<u>600</u>
Net Increase in Cash and Cash Equivalents	8,085
Cash and Cash Equivalents, July 1	<u>49,770</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 57,855</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (14,898)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	4,530
Changes in Assets and Liabilities:	
Decrease in Inventory	2,779
Increase in Accounts Payable	3,157
(Decrease) in Interfund Payable	(1,832)
Increase in Unearned Revenue	6,498
Net Cash Provided by Operating Activities	<u><u>\$ 234</u></u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<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	\$ 773,753	\$ 47,165	\$ 59,302	\$ 26,469
Interfund Receivable: Payroll Agency Fund		73,937		
<b>Total Assets</b>	<u>773,753</u>	<u>121,102</u>	<u>59,302</u>	<u>26,469</u>
<b>LIABILITIES:</b>				
Interfund Payable: Unemployment Compensation Trust Fund	73,937			
Payroll Deductions and Withholdings	251,302			
Due to Student Groups	335,861			
Laptop Replacement Costs	112,653			
<b>Total Liabilities</b>	<u>773,753</u>			
<b>NET POSITION:</b>				
Held in Trust for: Unemployment Claims		121,102		
Scholarships			59,302	
Flexible Benefits Claims				26,469
<b>Total Net Position</b>	<u>\$ - 0 -</u>	<u>\$ 121,102</u>	<u>\$ 59,302</u>	<u>\$ 26,469</u>

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



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
<b>ADDITIONS:</b>			
Contributions:			
Employee	\$ 37,979		\$ 35,680
Donations		\$ 24,016	
Total Contributions	<u>37,979</u>	<u>24,016</u>	<u>35,680</u>
Investment Earnings:			
Interest	<u>382</u>	<u>521</u>	<u>82</u>
Net Investment Earnings	<u>382</u>	<u>521</u>	<u>82</u>
Total Additions	<u>38,361</u>	<u>24,537</u>	<u>35,762</u>
<b>DEDUCTIONS:</b>			
Unemployment Compensation Claims	35,361		
Scholarships Awarded		23,300	
Flexible Benefits Claims			22,133
Total Deductions	<u>35,361</u>	<u>23,300</u>	<u>22,133</u>
Change in Net Position	3,000	1,237	13,629
Net Position - Beginning of the Year	<u>118,102</u>	<u>58,065</u>	<u>12,840</u>
Net Position - End of the Year	<u>\$ 121,102</u>	<u>\$ 59,302</u>	<u>\$ 26,469</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, 2018

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, 2018  
(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, 2018  
(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, 2018  
(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, 2018 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, 2018  
(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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,822,242	\$ 531,268
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.		10,810
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	428,633	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	<u>(414,432)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 55,836,443</u>	<u>\$ 542,078</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 54,224,084	\$ 531,268
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.		<u>10,810</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 54,224,084</u>	<u>\$ 542,078</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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, 2018.

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 acquisition value. 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:



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages for this purpose as of June 30, 2018.

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.

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

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

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 \$9,628,129 General Fund balance at June 30, 2018, \$59,270 is assigned for encumbrances; \$4,000,142 is restricted in the capital reserve account; \$384,342 is restricted in the maintenance reserve account; \$770,090 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2019; \$3,419,217 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$1,776,868 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2019 and the remaining \$1,642,349 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2020); and \$995,068 is unassigned which is \$414,432 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, 2019.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2018 of \$2,921,883 is committed for capital projects which are financed with capital reserve funds.

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, 2018 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$414,432 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.

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

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

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, 2018 of \$5,086,284 for the deferred amount on refunding of debt related to the District's 2011 refunding bonds and the deferred outflows of resources related to pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2018 of \$2,829,162 for the deferred inflows of resources related to pensions.

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

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

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

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

R. Deficit Net Position:

The \$8,774,509 deficit in unrestricted net position from its governmental activities is the result of \$1,333,290 of unamortized bond premiums, the accrual of \$1,544,272 in compensated absences and \$88,246 in interest payable, deferred inflows of resources related to pensions of \$2,829,162, and net pension liability of \$11,444,997, offset by \$2,921,883 committed fund balance for capital projects, \$59,270 assigned fund balance for year-end encumbrances, \$770,090 assigned fund balance which is designated for subsequent year's expenditures, \$995,068 of unassigned General Fund fund balance, and deferred outflows of resources related to pensions of \$3,719,147. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

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

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

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 \$2,921,883 of committed resources in the Capital Projects Fund at June 30, 2018.

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 \$59,270 for year-end encumbrances and \$770,090 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2018.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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.

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 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board 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;

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

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

Investments:

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

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) 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
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (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; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

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

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)

- (9) Deposit of funds in accordance with the following conditions:
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents			Total
	Unrestricted	Restricted		
		Capital Reserve Account	Maintenance Reserve Account	
Checking/Savings Accounts	\$ 8,689,068	\$ 3,994,814	\$ 384,342	\$13,068,224
New Jersey Cash Management Fund	9,224	5,328		14,552
	\$ 8,698,292	\$ 4,000,142	\$ 384,342	\$13,082,776

During the period ended June 30, 2018, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2018 was \$13,082,776 and the bank balance was \$14,150,951. The \$14,552 with New Jersey Cash Management Fund is uninsured and unregistered.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
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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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 2,903,125
Interest Earnings	7,017
Board Approved Increase - Resolution Dated June 25, 2018	2,000,000
Budgeted Withdrawal	<u>(910,000)</u>
Ending Balance, June 30, 2018	<u><u>\$ 4,000,142</u></u>

The balance in the capital reserve account at June 30, 2018 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 380,519
Interest Earnings	<u>3,823</u>
Ending Balance, June 30, 2018	<u><u>\$ 384,342</u></u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2018, the District transferred \$20,230 to the capital outlay accounts for equipment which did not require County Superintendent approval.

NOTE 7. OPERATING LEASES

The District has a commitment to lease copiers under an operating lease which expires June 30, 2019. Future minimum operating lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2019	<u><u>\$ 36,176</u></u>

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

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 130,448			\$ 130,448
Construction in Progress	789,129	\$ 985,692		1,774,821
Total Capital Assets Not Being Depreciated	<u>919,577</u>	<u>985,692</u>		<u>1,905,269</u>
Capital Assets Being Depreciated:				
Site Improvements	2,902,926	447,289		3,350,215
Buildings and Building Improvements	75,039,386	450,830		75,490,216
Machinery and Equipment	4,507,313	670,884		5,178,197
Total Capital Assets Being Depreciated	<u>82,449,625</u>	<u>1,569,003</u>		<u>84,018,628</u>
Governmental Activities Capital Assets	<u>83,369,202</u>	<u>2,554,695</u>		<u>85,923,897</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,600,079)	(135,369)		(1,735,448)
Buildings and Building Improvements	(28,386,594)	(1,962,753)		(30,349,347)
Machinery and Equipment	(3,340,263)	(218,151)		(3,558,414)
	<u>(33,326,936)</u>	<u>(2,316,273)</u>		<u>(35,643,209)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 50,042,266</u>	<u>\$ 238,422</u>	<u>\$ -0-</u>	<u>\$ 50,280,688</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 147,693	\$ 3,041		\$ 150,734
Less Accumulated Depreciation	(124,731)	(4,530)		(129,261)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,962</u>	<u>\$ (1,489)</u>	<u>\$ - 0 -</u>	<u>\$ 21,473</u>

The District had active construction projects totaling \$4,627,611 with unexpended balances of \$2,921,883 as of June 30, 2018. The District had \$2,671,887 in outstanding construction commitments at June 30, 2018.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 7,385
Student and Instruction Related Services	10,697
Administrative Information Technology	101,530
Plant Operations and Maintenance	66,018
Transportation	10,855
Unallocated	<u>2,119,788</u>
Total Depreciation - Governmental Activities	<u>\$ 2,316,273</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2017	Issued/ Added	Retired	Balance 6/30/2018
Serial Bonds Payable	\$ 13,255,000		\$ 1,660,000	\$ 11,595,000
Unamortized Bond Premiums	1,555,505		222,215	1,333,290
Capital Leases Payable	87,431	\$ 3,747,935	207,027	3,628,339
Net Pension Liability	12,994,342		1,549,345	11,444,997
Compensated Absences Payable:				
Governmental Funds	1,508,972	112,300	77,000	1,544,272
Proprietary Funds	15,000			15,000
	<u>\$ 29,416,250</u>	<u>\$ 3,860,235</u>	<u>\$ 3,715,587</u>	<u>\$ 29,560,898</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, 2018 as follows:

Purpose	Final Maturity	Interest Rate	Amount
Refunding School Bonds	05/01/2024	3.25%-5.50%	<u>\$ 11,595,000</u>

The current portion of bonds payable at June 30, 2018 is \$1,740,000 and the long-term portion is \$9,855,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2023	2,055,000	210,275	2,265,275
Thereafter - 2024	<u>2,150,000</u>	<u>107,250</u>	<u>2,257,250</u>
	<u>\$ 11,595,000</u>	<u>\$ 2,004,500</u>	<u>\$ 13,599,500</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board has no bonds authorized but not issued.

C. Capital Leases Payable:

In fiscal year 2018, the District entered a \$501,168 three-year capital lease for classroom technology equipment and a \$3,246,767 fifteen-year capital lease for an energy savings improvement program (“ESIP”). The District has three capital leases – one for lawn mowers and snow blowers, one for classroom technology equipment and one for the ESIP – totaling \$3,964,336 of which \$335,997 has been liquidated as of June 30, 2018. The lawn mowers and snow blowers lease is for five years with the final payment occurring in fiscal year 2018-19. The classroom technology equipment lease is for three years with the final payment occurring in fiscal year 2019-20. The ESIP lease is for fifteen years with the final payment occurring in fiscal year 2033-34. The schedule of the future minimum lease payments under the District’s capital leases and the present value of the net minimum lease payments at June 30, 2018 are detailed below.

<u>Year</u>	<u>Amount</u>
2019	\$ 372,575
2020	476,422
2021	438,251
2022	298,095
2023	286,189
Thereafter:	
2024-2028	1,150,106
2029-2033	1,211,337
2034	<u>260,940</u>
	4,493,915
Less: Amount representing interest	<u>(865,576)</u>
Present value of net minimum lease payments	<u>\$ 3,628,339</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)

C. Capital Leases Payable: (Cont'd)

The current portion of capital leases payable at June 30, 2018 is \$299,064 and the long-term portion is \$3,329,275. The General Fund will be used to liquidate capital leases payable.

D. Unamortized Bond Premiums:

Unamortized bond premiums are recorded as a long-term liability in the governmental funds. As of June 30, 2018, the current portion of the liability is \$222,015, and the long-term portion is \$1,111,075.

E. 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 \$158,200 and the remaining compensated absences balance of \$1,386,072 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, 2018, the entire \$15,000 of compensated absences is reported as a long-term liability and will be liquidated through the Food Service Enterprise Fund.

F. 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, 2018 is \$-0- and the long-term portion is \$11,444,997. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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:

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

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.

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 \$461,763 for fiscal year 2018.

The employee contribution rate was 7.34% effective July 1, 2017. 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.

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)

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

At June 30, 2018, the District reported a liability of \$11,444,997 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.049%, which was an increase of 0.005% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$904,061.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:				
	2014	6.44	\$ 129,831	
	2015	5.72	546,884	
	2016	5.57	1,629,057	
	2017	5.48		\$ 2,297,319
Subtotal			<u>2,305,772</u>	<u>2,297,319</u>
Changes in Proportion:				
	2014	6.44	122,855	
	2015	5.72		380,794
	2016	5.57		151,049
	2017	5.48	943,097	
Subtotal			<u>1,065,952</u>	<u>531,843</u>
Difference Between Expected and Actual Experience:				
	2015	5.72	151,731	
	2016	5.57	49,437	
	2017	5.48	68,322	
Subtotal			<u>269,490</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)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (Cont'd)

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:	2014	5.00	\$ (137,144)	
	2015	5.00	116,992	
	2016	5.00	490,532	
	2017	5.00	<u>(392,447)</u>	
Subtotal			<u>77,933</u>	
District Contribution Subsequent to the Measurement Date	2017	1.00	<u>444,859</u>	
			<u>\$ 4,164,006</u>	<u>\$ 2,829,162</u>

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:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ 269,426
2019	406,571
2020	246,361
2021	(327,661)
2022	<u>(238,821)</u>
	<u>\$ 355,876</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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).

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) 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.

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)

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2017 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, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 14,198,295	\$ 11,444,997	\$ 9,151,158

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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 2018, the State's pension contribution was less than the actuarial determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2018, the State of New Jersey contributed \$2,965,981 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$9,139,108.

The employee contribution rate was 7.34% effective July 1, 2017. 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$131,925,181. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.1957%, which was a decrease of 0.0113% from its proportion measured as of June 30, 2016.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>131,925,181</u>
Total	<u>\$ 131,925,181</u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$9,139,108 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:				
	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
Difference Between Expected and Actual Experience:				
	2014	8.5		13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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(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:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:				
	2014	5.0	\$ (435,309,142)	
	2015	5.0	385,284,122	
	2016	5.0	1,295,565,574	
	2017	5.0	(904,033,050)	
			\$ 14,160,879,257	\$ 11,800,239,661

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
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	(1,714,363,628)
	\$ 2,360,639,596

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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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 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, 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, 2017 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, 2017		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 156,731,253	\$ 131,925,181	\$ 111,489,831

Pension Plan Fiduciary Net Position

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

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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 \$1,181 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$2,166 for the fiscal year ended June 30, 2018.

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	<u>223,747</u>
Total	<u><u>366,078</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the actuarial assumptions on the following page, applied to all periods in the measurement.

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NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Changes in the State's Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2016	\$ 57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$ 53,639,841,858

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to 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, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
	Total OPEB Liability Attributable to the District	\$ 109,410,067	\$ 92,168,001
	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
	Total OPEB Liability Attributable to the District	\$ 119,189,748	\$ 99,488,845

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NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 75,799,271	\$ 92,168,001	\$ 113,905,482
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 81,633,367	\$ 99,488,845	\$ 123,359,917

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$5,342,390 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

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.

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(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Selected financial information for the Group as of June 30, 2018 is as follows:

	<u>Morris-Essex Insurance Group</u>
Total Assets	<u>\$ 10,451,281</u>
Net Position	<u>\$ 7,796,837</u>
Total Revenue	<u>\$ 3,830,220</u>
Total Expenses	<u>\$ 2,486,421</u>
Member Dividends	<u>\$ 1,049,987</u>
Change in Net Position for the Year Ended June 30	<u>\$ 293,812</u>

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

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

New Jersey Unemployment Compensation Insurance

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

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>
2017-2018	\$ -0-	\$ 382	\$ 37,979	\$ 35,361	\$ 121,102
2016-2017	-0-	181	41,184	11,545	118,102
2015-2016	-0-	56	37,484	55,796	88,282



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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.

<u>403(b)</u>	<u>457</u>
AXA Equitable Life Insurance Company	AXA Equitable Life Insurance Company
Variable Annuity Life Insurance Company	Variable Annuity Life Insurance Company
The Vanguard Group	
Metropolitan Life Resources	
Midland National Life Insurance Company	
T. Rowe Price	

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, 2018, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 59,270	\$ 174	\$ 2,671,887	\$ 2,731,331

In the District's Governmental Funds Balance Sheet as of June 30, 2018, 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 \$174 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 \$2,671,887 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$2,921,883 committed fund balance on a GAAP and budgetary basis at June 30, 2018.

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

NOTE 15. TAX CALENDAR

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

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

NOTE 16. ECONOMIC DEPENDENCY

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

NOTE 17. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,063	\$ 660,737
Capital Projects Fund	660,737	
Proprietary Funds - Food Service		4,063
Fiduciary Funds	<u>73,937</u>	<u>73,937</u>
	<u>\$ 738,737</u>	<u>\$ 738,737</u>

During the fiscal year, the General Fund transferred \$910,000 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$71 of interest earnings to the General Fund.

At June 30, 2018, the General Fund owes the Capital Projects Fund \$660,737 for the local share of capital projects, net of interest and the net amount of the unexpended local share of completed projects due from the Capital Projects Fund. The Food Service Enterprise Fund owes the General Fund \$4,063 for payroll expenses. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund \$73,937 for employee contributions.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2018 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	\$ 609,549		\$ 609,549	
Vendors				\$ 6,249
Due to State of New Jersey		\$ 444,859	444,859	
	<u>\$ 609,549</u>	<u>\$ 444,859</u>	<u>\$ 1,054,408</u>	<u>\$ 6,249</u>

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 \$27,440 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2017 without the abatement would have been \$69,112 of which \$12,422 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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's Proportion of the Net Pension Liability	0.0492208999%	0.0450609130%	0.0438744109%	0.0491657322%
District's Proportionate Share of the Net Pension Liability	\$ 9,215,499	\$ 10,115,272	\$ 12,994,342	\$ 11,444,997
District's Covered Employee Payroll	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081	\$ 3,491,309
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	301.07%	329.63%	396.52%	327.81%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually Required Contribution	\$ 405,770	\$ 387,403	\$ 389,774	\$ 461,763
Contributions in relation to the Contractually Required Contribution	<u>(405,770)</u>	<u>(387,403)</u>	<u>(389,774)</u>	<u>(461,763)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 2,873,451	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081
Contributions as a percentage of Covered Employee Payroll	14.12%	12.66%	12.70%	14.09%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's Proportion of the Net Pension Liability attributable to the District	0.2118079146%	0.2133155613%	0.2069782016%	0.1956661602%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 113,204,437	\$ 134,824,544	\$ 162,822,232	\$ 131,925,181
District's Covered Employee Payroll	\$ 20,809,267	\$ 20,158,162	\$ 20,432,108	\$ 20,493,350
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%	643.75%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually Required Contribution	\$ 6,091,462	\$ 8,232,252	\$ 12,233,825	\$ 9,139,108
Contributions in relation to the Contractually Required Contribution	<u>(1,153,262)</u>	<u>(1,657,148)</u>	<u>(2,123,905)</u>	<u>(2,965,981)</u>
Contribution Deficiency/(Excess)	<u>\$ 4,938,200</u>	<u>\$ 6,575,104</u>	<u>\$ 10,109,920</u>	<u>\$ 6,173,127</u>
District's Covered Employee Payroll	\$ 20,158,162	\$ 20,432,108	\$ 20,493,350	\$ 20,151,103
Contributions as a percentage of Covered Employee Payroll	30.22%	40.29%	59.70%	45.35%

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 CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	(1,223,298,019)	(1,242,412,566)
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	46,849,651,824	57,831,784,184
Total OPEB Liability - Ending	<u>\$ 57,831,784,184</u>	<u>\$ 53,639,841,858</u>
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

\* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Discount Rate	5.00%	3.98%
Municipal Bond Rate	3.58%	2.85%
Inflation Rate	2.25%	3.08%
Long-Term Expected Rate of Return on Pension Plan Investments	7.00%	7.65%

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2017</u>	<u>2016</u>
Discount Rate	4.25%	3.22%
Municipal Bond Rate	3.58%	2.85%
Inflation Rate	2.25%	2.50%
Long-Term Expected Rate of Return on Pension Plan Investments	7.00%	7.65%

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

**BUDGETARY COMPARISON SCHEDULES**

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 43,618,576		\$ 43,618,576	\$ 43,618,576	
Tuition - From Individuals	231,545	(202,685)	28,860	71,534	\$ 42,674
Tuition - Other LEA's Within state		198,685	198,685	186,473	(12,212)
Tuition - Other		4,000	4,000	5,000	1,000
Unrestricted Miscellaneous Revenue	47,775		47,775	101,811	54,036
Interest on Capital Reserve	1,000		1,000	7,017	6,017
Interest on Maintenance Reserve	1,000		1,000	3,823	2,823
Miscellaneous	567,640		567,640	648,303	80,663
<b>Total - Local Sources</b>	<b>44,467,536</b>		<b>44,467,536</b>	<b>44,642,537</b>	<b>175,001</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	644,411		644,411	644,411	
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				398,128	398,128
Nonpublic Transportation Costs				45,980	45,980
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,962,153	1,962,153
Pension (Non-Budgeted)				2,965,981	2,965,981
Non-Contributory Insurance (Non-Budgeted)				71,977	71,977
Long-Term Disability Insurance (Non-Budgeted)				3,991	3,991
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,359,225	1,359,225
<b>Total State Sources</b>	<b>4,372,270</b>		<b>4,372,270</b>	<b>11,179,705</b>	<b>6,807,435</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
TOTAL REVENUE	\$ 48,839,806		\$ 48,839,806	\$ 55,822,242	\$ 6,982,436
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	15,121,193	\$ (1,000)	15,120,193	13,913,386	1,206,807
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000		200,000	113,025	86,975
Purchased Professional - Educational Services	90,000		90,000	57,130	32,870
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	245,644		245,644	193,255	52,389
General Supplies	564,580	(50,962)	513,618	477,931	35,687
Textbooks	70,501	(13,188)	57,313	47,528	9,785
Other Objects	500	(500)			
Total Regular Programs - Instruction	16,292,418	(65,650)	16,226,768	14,802,255	1,424,513
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,343,175		2,343,175	2,259,704	83,471
Other Salaries for Instruction	484,801	(1)	484,800	463,018	21,782
Other Purchased Services (400-500 series)	760		760	356	404
General Supplies	19,000		19,000	15,523	3,477
Textbooks	3,300		3,300	2,376	924
Total Resource Room/Resource Center	2,851,036	(1)	2,851,035	2,740,977	110,058
Total Special Education - Instruction	2,851,036	(1)	2,851,035	2,740,977	110,058

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 489,019	\$ 1	\$ 489,020	\$ 482,021	\$ 6,999
Purchased Services (300-500 series)	11,628	(1,528)	10,100	8,082	2,018
Supplies and Materials	51,988	(4,804)	47,184	40,215	6,969
Other Objects	18,029	(7,645)	10,384	8,738	1,646
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>570,664</b>	<b>(13,976)</b>	<b>556,688</b>	<b>539,056</b>	<b>17,632</b>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,466,601	(999)	1,465,602	1,362,952	102,650
Purchased Services (300-500 series)	2,725	4,645	7,370	4,105	3,265
Supplies and Materials	204,596	10,390	214,986	211,030	3,956
Other Objects	254,700	(7,250)	247,450	211,165	36,285
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>1,928,622</b>	<b>6,786</b>	<b>1,935,408</b>	<b>1,789,252</b>	<b>146,156</b>
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000	500	7,500
<b>Total Other Instructional Programs - Instruction</b>	<b>8,000</b>		<b>8,000</b>	<b>500</b>	<b>7,500</b>
<b>Total Instruction Expenditures</b>	<b>21,650,740</b>	<b>(72,841)</b>	<b>21,577,899</b>	<b>19,872,040</b>	<b>1,705,859</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 376,840	\$ (95,330)	\$ 281,510	\$ 281,510	\$ 14,567
Tuition to County Vocational School District - Regular	313,145	(39,803)	273,342	258,775	3,100
Tuition to County Vocational School District - Special	132,670	53,000	185,670	182,570	49,229
Tuition to CSSD & Regional Day Schools	109,409	71,133	180,542	131,313	72,534
Tuition to Private Schools for the Disabled - Within State	3,085,627	(20,433)	3,065,194	2,992,660	139,430
Total Undistributed Expenditures - Instruction	4,017,691	(31,433)	3,986,258	3,846,828	
Attendance & Social Work Services:					
Salaries	19,362		19,362	19,249	113
Supplies and Materials	4,235	(669)	3,566	3,336	230
Total Attendance & Social Work Services	23,597	(669)	22,928	22,585	343
Health Services:					
Salaries	461,164		461,164	445,345	15,819
Purchased Professional and Technical Services	33,721	(1)	33,720	32,900	820
Other Purchased Services (400-500 series)	150		150	150	
Supplies and Materials	10,596	(255)	10,341	10,249	92
Other Objects	1,541	(356)	1,185	1,185	
Total Health Services	507,172	(612)	506,560	488,494	18,066

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 100,118	\$	100,118	\$ 97,829	\$ 2,289
Purchased Professional - Educational Services		\$ 18,300	18,300	18,300	
Supplies and Materials	600		600		600
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>100,718</b>	<b>18,300</b>	<b>119,018</b>	<b>116,129</b>	<b>2,889</b>
<b>Guidance:</b>					
Salaries of Other Professional Staff	1,276,387	(71,675)	1,204,712	1,174,727	29,985
Salaries of Secretarial and Clerical Assistants	141,310		141,310	139,480	1,830
Other Salaries	52,257		52,257	51,237	1,020
Other Purchased Professional and Technical Services	21,459	(585)	20,874	17,122	3,752
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	9,663	(2,110)	7,553	6,627	926
Other Objects	3,875	(575)	3,300	2,679	621
<b>Total Guidance</b>	<b>1,505,451</b>	<b>(74,945)</b>	<b>1,430,506</b>	<b>1,391,872</b>	<b>38,634</b>
<b>Child Study Team:</b>					
Salaries of Other Professional Staff	1,092,402	69,801	1,162,203	1,096,697	65,506
Salaries of Secretarial and Clerical Assistants	160,780		160,780	158,583	2,197
Purchased Professional - Educational Services	320,000	(86,300)	233,700	148,025	85,675
Miscellaneous Purchased Services (400-500 series Other than Residential Costs)	11,900	2,000	13,900	7,368	6,532
Supplies and Materials	10,000		10,000	7,499	2,501
Other Objects	1,800		1,800	1,030	770
<b>Total Child Study Team</b>	<b>1,596,882</b>	<b>(14,499)</b>	<b>1,582,383</b>	<b>1,419,202</b>	<b>163,181</b>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 268,028	\$ (467)	\$ 267,561	\$ 265,660	\$ 1,901
Salaries of Other Professional Staff	75,000	(3,453)	71,547	53,318	18,229
Salaries of Secretarial and Clerical Assistants	138,520	1,500	140,020	140,020	
Unused Vacation Payment to Terminated/Retired Staff		2,420	2,420	2,420	
Other Purchased Professional and Technical Services	115,000	(9,661)	105,339	96,856	8,483
Other Purchased Services (400-500 series)	3,500		3,500	2,861	639
Supplies and Materials	216,000	24,987	240,987	196,748	44,239
Other Objects	2,000		2,000	405	1,595
<b>Total Improvement of Instructional Services</b>	<b>818,048</b>	<b>15,326</b>	<b>833,374</b>	<b>758,288</b>	<b>75,086</b>
Educational Media Services/School Library:					
Salaries	217,140	18,339	235,479	234,756	723
Salaries of Technology Coordinators	398,572	1,907	400,479	393,932	6,547
Supplies and Materials	86,130	(4,141)	81,989	72,634	9,355
Other Objects	500		500	275	225
<b>Total Educational Media Services/School Library</b>	<b>702,342</b>	<b>16,105</b>	<b>718,447</b>	<b>701,597</b>	<b>16,850</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	267,999	25,208	293,207	292,571	636
Unused Vacation Payment to Terminated/Retired Staff		2,420	2,420	2,420	
Purchased Professional - Educational Services	38,000	(3,845)	34,155	33,155	1,000
Other Purchased Professional and Technical Services	1,500		1,500	1,000	500
Other Purchased Services (400-500 series)	72,000	(1,000)	71,000	51,174	19,826
Supplies and Materials	3,000	(500)	2,500	2,488	12
<b>Total Instructional Staff Training Services</b>	<b>382,499</b>	<b>22,283</b>	<b>404,782</b>	<b>382,808</b>	<b>21,974</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
General Administration:					
Salaries	\$ 424,618	\$ 1,250	\$ 425,868	\$ 421,998	\$ 3,870
Unused Vacation Payment to Terminated/Retired Staff		3,750	3,750	3,555	195
Legal Services	67,500	16,100	83,600	81,431	2,169
Audit Fees	60,124	1	60,125	60,125	
Other Purchased Professional Services	15,062	64,471	79,533	66,643	12,890
Communications/Telephone	52,500	(68)	52,432	46,354	6,078
BOE Other Purchased Services	4,000	1,000	5,000	3,949	1,051
Miscellaneous Purchased Services (400-500 series)	295,958	(33,007)	262,951	255,952	6,999
General Supplies	5,700	(1,000)	4,700	2,848	1,852
Miscellaneous Expenditures	13,490	1,000	14,490	7,997	6,493
BOE Membership Dues and Fees	23,726	(1,000)	22,726	20,440	2,286
Total General Administration	962,678	52,497	1,015,175	971,292	43,883
School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	976,285		976,285	968,218	8,067
Salaries of Other Professional Staff	398,173	(2,750)	395,423	379,620	15,803
Salaries of Secretarial and Clerical Assistants	345,093	3,750	348,843	345,018	3,825
Unused Vacation Payment to Terminated/Retired Staff		10,000	10,000	8,665	1,335
Other Purchased Services (400-500 series)	18,405	(4,212)	14,193	6,796	7,397
Supplies and Materials	3,000	121	3,121	2,102	1,019
Other Objects	52,488	2,044	54,532	45,043	9,489
Total School Administration	1,793,444	8,953	1,802,397	1,755,462	46,935

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 436,309	\$ 2,077	\$ 438,386	\$ 438,174	\$ 212
Unused Vacation Payment to Terminated/Retired Staff		8,198	8,198	6,473	1,725
Purchased Professional Services	36,725		36,725	25,842	10,883
Purchased Technical Services	15,000	4,967	19,967	9,160	10,807
Miscellaneous Purchased Services (400-500 series)	10,795	700	11,495	7,730	3,765
Supplies and Materials	5,250	(567)	4,683	3,645	1,038
Miscellaneous Expenditures	3,250	1,787	5,037	5,006	31
<b>Total Central Services</b>	<b>507,329</b>	<b>17,162</b>	<b>524,491</b>	<b>496,030</b>	<b>28,461</b>
<b>Administrative Information Technology:</b>					
Salaries	116,707	(3,030)	113,677	113,677	
Unused Vacation Payment to Terminated/Retired Staff		6,670	6,670	6,670	
Purchased Technical Services	50,000	(2,974)	47,026		47,026
Other Purchased Services (400-500 series)	311,022	(8,104)	302,918	294,049	8,869
Supplies and Materials	48,492		48,492	48,231	261
Other Objects	1,200		1,200	1,197	3
<b>Total Administrative Information Technology</b>	<b>527,421</b>	<b>(7,438)</b>	<b>519,983</b>	<b>463,824</b>	<b>56,159</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	33,740		33,740	32,812	928
Cleaning, Repair and Maintenance Services	171,600	50,000	221,600	182,534	39,066
General Supplies	105,785		105,785	93,200	12,585
<b>Total Required Maintenance for School Facilities</b>	<b>311,125</b>	<b>50,000</b>	<b>361,125</b>	<b>308,546</b>	<b>52,579</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,049,888	\$ 68,324	\$ 1,118,212	\$ 1,118,212	
Unused Vacation Payment to Terminated/Retired Staff		166	166	166	
Purchased Professional and Technical Services	105,450	(9,550)	95,900	61,549	\$ 34,351
Cleaning, Repair and Maintenance Services	154,312	(4,765)	149,547	108,869	40,678
Rental of Land & Buildings Other than Lease Purchase Agreement	143,429	(10,034)	133,395	117,023	16,372
Other Purchased Property Services	79,151	5,631	84,782	82,587	2,195
Insurance	42,794	(794)	42,000	42,000	
Miscellaneous Purchased Services	8,900	(1,432)	7,468	5,351	2,117
General Supplies	227,738	93,116	320,854	297,438	23,416
Energy (Natural Gas)	258,290	1	258,291	215,489	42,802
Energy (Electricity)	608,074	(50,000)	558,074	429,285	128,789
Other Objects	8,040	4,192	12,232	7,795	4,437
<b>Total Custodial Services</b>	<b>2,686,066</b>	<b>94,855</b>	<b>2,780,921</b>	<b>2,485,764</b>	<b>295,157</b>
<b>Care &amp; Upkeep of Grounds:</b>					
Salaries	392,920	1	392,921	391,080	1,841
Purchased Professional and Technical Services		94,000	94,000	78,500	15,500
Cleaning, Repair and Maintenance Services	116,170		116,170	87,811	28,359
General Supplies	69,164		69,164	58,191	10,973
<b>Total Care &amp; Upkeep of Grounds</b>	<b>578,254</b>	<b>94,001</b>	<b>672,255</b>	<b>615,582</b>	<b>56,673</b>
<b>Security:</b>					
Salaries	110,000	1,373	111,373	109,375	1,998
Purchased Professional and Technical Services	101,781	3,345	105,126	81,126	24,000
Cleaning, Repair and Maintenance Services		6,772	6,772	6,158	614
General Supplies	26,000	(11,490)	14,510	10,777	3,733
Other Objects	5,600	(270)	5,330	3,758	1,572
<b>Total Security</b>	<b>243,381</b>	<b>(270)</b>	<b>243,111</b>	<b>211,194</b>	<b>31,917</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 80,415		\$ 80,415	\$ 69,208	\$ 11,207
Between Home and School - Special	7,000	14,571	21,571	20,071	1,500
Other than Between Home and School	98,540	25,102	123,642	123,640	2
Between Home and School - Nonpublic Schools	26,725	1	26,726	24,834	1,892
Management Fee - ESC & CTSA Transportation Program	65,442	(18,351)	47,091	31,732	15,359
Other Purchased Professional and Technical Services	5,700	1,168	6,868	6,272	596
Cleaning, Repair and Maintenance Services	46,002	6,185	52,187	52,187	
Contracted Services:					
Aid in Lieu of Payments - Nonpublic Students	85,748	18,350	104,098	102,639	1,459
Other than Between Home and School - Vendors	306,230	22,267	328,497	316,041	12,456
Between Home and School - Joint Agreements	1,169,899	6,311	1,176,210	1,166,026	10,184
Special Education Students - Vendors	22,300	(5,835)	16,465	2,432	14,033
Special Education Students - Joint Agreements	29,000	(10,538)	18,462	10,594	7,868
Regular Students - ESC's & CTSA's	224,144	(45,887)	178,257	166,269	11,988
Special Education Students - ESC's & CTSA's	1,396,012	(7,744)	1,388,268	1,299,764	88,504
Miscellaneous Purchased Services	7,940	(750)	7,190	3,944	3,246
General Supplies	27,930	(4,178)	23,752	21,153	2,599
Other Objects	600	271	871	871	
<b>Total Student Transportation Services</b>	<b>3,599,627</b>	<b>943</b>	<b>3,600,570</b>	<b>3,417,677</b>	<b>182,893</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 616,810	\$	\$ 616,810	\$ 604,147	\$ 12,663
TPAF Contributions - ERIP	1,331		1,331		1,331
Other Retirement Contributions - PERS	444,850	\$ 18,499	463,349	461,763	1,586
Other Retirement Contributions - Regular		1,181	1,181	1,181	
Unemployment Compensation	25,000		25,000		25,000
Workmen's Compensation	285,717	(71,967)	213,750	213,750	
Health Benefits	5,821,493	(66,212)	5,755,281	5,126,739	628,542
Tuition Reimbursement	123,098	(14,250)	108,848	56,914	51,934
Other Employee Benefits	229,729	(78,240)	151,489	107,839	43,650
Total Unallocated Benefits	7,548,028	(210,989)	7,337,039	6,572,333	764,706
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,962,153	(1,962,153)
Pension (Non-Budgeted)				2,965,981	(2,965,981)
Non-Contributory Insurance (Non-Budgeted)				71,977	(71,977)
Long-Term Disability Insurance (Non-Budgeted)				3,991	(3,991)
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,359,225	(1,359,225)
Total On-Behalf and Reimbursed Contributions				6,363,327	(6,363,327)
Total Personal Services - Employee Benefits	7,548,028	(210,989)	7,337,039	12,935,660	(5,598,621)
Total Undistributed Expenditures	28,411,753	49,570	28,461,323	32,788,834	(4,327,511)
<b>TOTAL CURRENT EXPENSE</b>	50,062,493	(23,271)	50,039,222	52,660,874	(2,621,652)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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	\$ 11,300	\$ 336	\$ 11,636	\$ 10,143	\$ 1,493
School-Sponsored and Other Instructional Programs	13,500		13,500	12,180	1,320
Undistributed Expenditures:					
Instruction	218,122	15,878	234,000	231,793	2,207
Instructional Staff	34,700	2,501	37,201	36,982	219
Required Maintenance for School Facilities	393,600		393,600	393,222	378
Custodial Services	13,000		13,000	12,145	855
Care and Upkeep of Grounds	53,550	1,459	55,009	47,512	7,497
Student Transportation - Non-Instructional Equipment	40,100	56	40,156	40,156	
<b>Total Equipment</b>	<b>777,872</b>	<b>20,230</b>	<b>798,102</b>	<b>784,133</b>	<b>13,969</b>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	3,165		3,165	1,000	2,165
Construction Services	252,500		252,500	174,048	78,452
Other Objects - Debt Service Assessment	102,861		102,861	102,861	
<b>Total Facilities Acquisition and Construction Services</b>	<b>358,526</b>		<b>358,526</b>	<b>277,909</b>	<b>80,617</b>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Instruction:					
Grades 9-12				501,168	(501,168)
<b>Total Assets Acquired Under Capital Leases (Non-Budgeted)</b>				<b>501,168</b>	<b>(501,168)</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,136,398</b>	<b>20,230</b>	<b>1,156,628</b>	<b>1,563,210</b>	<b>(406,582)</b>
<b>TOTAL EXPENDITURES</b>	<b>51,198,891</b>	<b>(3,041)</b>	<b>51,195,850</b>	<b>54,224,084</b>	<b>(3,028,234)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(2,359,085)</b>	<b>3,041</b>	<b>(2,356,044)</b>	<b>1,598,158</b>	<b>3,954,202</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)					
Transfer to Food Service Enterprise Fund		\$ (3,041)	\$ (3,041)	\$ 501,168	\$ 501,168
Transfer from Capital Reserve to Capital Projects Fund	\$ (910,000)		(910,000)	(3,041)	(3,041)
Transfer from Capital Projects Fund - Interest Earned				(910,000)	(910,000)
				71	\$ 71
Total Other Financing Sources/(Uses)	(910,000)	(3,041)	(913,041)	(411,802)	501,239
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(3,269,085)		(3,269,085)	1,186,356	4,455,441
Fund Balance, July 1	8,856,205		8,856,205	8,856,205	
Fund Balance, June 30	\$ 5,587,120	\$ - 0 -	\$ 5,587,120	\$ 10,042,561	\$ 4,455,441
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 4,000,142	
Maintenance Reserve				384,342	
Excess Surplus				1,642,349	
Excess Surplus - For Subsequent Year's Expenditures				1,776,868	
Assigned:					
Year-End Encumbrances				59,270	
For Subsequent Year's Expenditures				490,197	
For Subsequent Year's Expenditures July 1, 2018 - August 1, 2018				279,893	
Unassigned				1,409,500	
Total Fund Balance - Budgetary Basis				10,042,561	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				(414,432)	
Fund Balance per Governmental Funds on Exhibit B-1				\$ 9,628,129	



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 566,176	\$ 108,544	\$ 108,544	\$ 104,453	\$ (4,091)
Federal Sources		(10,837)	555,339	413,141	(142,198)
Local Sources		108,351	108,351	13,674	(94,677)
<b>Total Revenues</b>	<b>566,176</b>	<b>206,058</b>	<b>772,234</b>	<b>531,268</b>	<b>(240,966)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries		42,771	42,771	39,113	3,658
Other Purchased Services		64,854	64,854	62,114	2,740
Tuition	566,176	(360,676)	205,500	119,872	85,628
General Supplies		58,390	58,390	28,570	29,820
Textbooks		18,406	18,406	17,129	1,277
Other Objects		5,000	5,000	4,202	798
<b>Total Instruction</b>	<b>566,176</b>	<b>(171,255)</b>	<b>394,921</b>	<b>271,000</b>	<b>123,921</b>
Support Services					
Purchased Professional/Technical Services		259,994	259,994	227,358	32,636
Other Purchased Services		7,610	7,610	1,948	5,662
Transportation		318	318		318
Supplies and Materials		13,825	13,825	10,587	3,238
Other Objects		16,926	16,926	5,964	10,962
<b>Total Support Services</b>		<b>298,673</b>	<b>298,673</b>	<b>245,857</b>	<b>52,816</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Facilities Acquisition and Construction Services:					
Instructional Equipment		\$ 53,867	\$ 53,867		\$ 53,867
Non-Instructional Equipment		24,773	24,773	\$ 14,411	\$ 10,362
Total Facilities Acquisition and Construction Services		78,640	78,640	14,411	64,229
Total Expenditures	566,176	206,058	772,234	531,268	240,966
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, 2018  
(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	\$ 55,822,242	\$ 531,268
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.		10,810
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	428,633	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(414,432)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 55,836,443	\$ 542,078
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 54,224,084	\$ 531,268
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		10,810
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 54,224,084	\$ 542,078

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018 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, 2018

	Elementary and Secondary <u>Education Act</u> <u>Title IIA</u>	IDEA - Part B, Basic Regular	NJ Nonpublic <u>Textbooks</u>
REVENUE:			
State Sources			\$ 17,129
Federal Sources	\$ 30,963	\$ 382,178	
Local Sources			
Total Revenue	<u>30,963</u>	<u>382,178</u>	<u>17,129</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries	26,335		
Other Purchased Services			
Tuition		119,872	
General Supplies		13,027	
Textbooks			17,129
Other Objects		4,202	
Total Instruction	<u>26,335</u>	<u>137,101</u>	<u>17,129</u>
Support Services:			
Purchased Professional/Technical Services	4,628	222,730	
Other Purchased Services		1,948	
Supplies and Materials		10,587	
Other Objects			
Total Support Services	<u>4,628</u>	<u>235,265</u>	
Equipment:			
Non-Instructional Equipment		9,812	
Total Equipment		<u>9,812</u>	
Total Expenditures	<u>\$ 30,963</u>	<u>\$ 382,178</u>	<u>\$ 17,129</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, 2018

	NJ Nonpublic		
	Auxiliary Services (Chapter 192)	Handicapped Services (Chapter 193)	
	Home Instruction	Examination & Classification	Supplementary Instruction
REVENUE:			
State Sources	\$ 12,778	\$ 12,993	\$ 16,335
Federal Sources			
Local Sources			
Total Revenue	<u>12,778</u>	<u>12,993</u>	<u>16,335</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries	12,778		
Other Purchased Services		12,993	16,335
Tuition			
General Supplies			
Textbooks			
Other Objects			
Total Instruction	<u>12,778</u>	<u>12,993</u>	<u>16,335</u>
Support Services:			
Purchased Professional/Technical Services			
Other Purchased Services			
Supplies and Materials			
Other Objects			
Total Support Services			
Equipment:			
Non-Instructional Equipment			
Total Equipment			
Total Expenditures	<u>\$ 12,778</u>	<u>\$ 12,993</u>	<u>\$ 16,335</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, 2018

	<u>NJ Nonpublic</u>		<u>Other Local Projects</u>	<u>Totals June 30, 2018</u>
	<u>Technology Initiative</u>	<u>Nursing Services</u>		
REVENUE:				
State Sources	\$ 12,432	\$ 32,786		\$ 104,453
Federal Sources				413,141
Local Sources			\$ 13,674	13,674
Total Revenue	<u>12,432</u>	<u>32,786</u>	<u>13,674</u>	<u>531,268</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				39,113
Other Purchased Services		32,786		62,114
Tuition				119,872
General Supplies	12,432		3,111	28,570
Textbooks				17,129
Other Objects				4,202
Total Instruction	<u>12,432</u>	<u>32,786</u>	<u>3,111</u>	<u>271,000</u>
Support Services:				
Purchased Professional/Technical Services				227,358
Other Purchased Services				1,948
Supplies and Materials				10,587
Other Objects			5,964	5,964
Total Support Services			<u>5,964</u>	<u>245,857</u>
Equipment:				
Non-Instructional Equipment			4,599	14,411
Total Equipment			<u>4,599</u>	<u>14,411</u>
Total Expenditures	<u>\$ 12,432</u>	<u>\$ 32,786</u>	<u>\$ 13,674</u>	<u>\$ 531,268</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, 2018

Revenue and Other Financing Sources:	
Capital Lease Proceeds	\$ 3,246,767
Transfer from Capital Reserve	910,000
Interest Revenue	71
	<hr/>
Total Revenue and Other Financing Sources	4,156,838
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	31,807
Construction Services	1,319,678
Equipment	12,832
Transfer to General Fund:	
Interest Earned	71
	<hr/>
Total Expenditures and Other Financing Uses	1,364,388
	<hr/>
Excess of Revenue & Other Financing Sources Over Expenditures & Other Financing Uses	2,792,450
	<hr/>
Fund Balance - Beginning	129,433
	<hr/>
Fund Balance - Ending	<u>\$ 2,921,883</u>
	<hr/>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 2,671,887
Committed	249,996
Fund Balance per Governmental Funds (Budgetary Basis)	2,921,883
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	- 0 -
	<hr/>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,921,883</u>

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 -  
RUNNING TRACK REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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		\$ 343,966	\$ 343,966	\$ 343,966
Total Revenue and Other Financing Sources	\$ - 0 -	343,966	343,966	343,966
Expenditures:				
Construction Services		343,966	343,966	343,966
Total Expenditures	- 0 -	343,966	343,966	343,966
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ -0-	\$ -0-	\$ - 0 -

## Additional Project Information:

Project Number	560-050-18-2000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 335,000
Additional Authorization	\$ 8,966
Change Orders	\$ -0-
Revised Authorized Cost	\$ 343,966
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/15/17
Revised Target Completion Date	09/15/17

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 -  
FIRE ALARM REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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		\$ 364,227	\$ 364,227	\$ 364,227
Total Revenue and Other Financing Sources	\$ - 0 -	364,227	364,227	364,227
Expenditures:				
Construction Services				364,227
Total Expenditures	- 0 -	- 0 -	- 0 -	364,227
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 364,227</u>	<u>\$ 364,227</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	\$	300,000		
Additional Authorization	\$	64,227		
Change Orders	\$	-0-		
Revised Authorized Cost	\$	364,227		
Change Order Percentage		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		08/24/18		
Revised Target Completion Date		10/26/18		

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 -  
MEDIA CENTER RENEWAL PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 200,000	\$ 200,000	\$ 200,000
Total Revenue and Other Financing Sources	\$ - 0 -	200,000	200,000	200,000
Expenditures:				
Equipment		12,832	12,832	200,000
Total Expenditures	- 0 -	12,832	12,832	200,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 187,168	\$ 187,168	\$ - 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	\$ 200,000
Change Orders	\$ -0-
Revised Authorized Cost	\$ 200,000
Change Order Percentage	0.00%
Percentage Completion	6.42%
Original Target Completion Date	06/30/18
Revised Target Completion Date	10/01/18

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ENERGY SAVINGS IMPROVEMENT PROGRAM (ESIP)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 3,246,767	\$ 3,246,767	\$ 3,246,767
Total Revenue and Other Financing Sources	\$ - 0 -	3,246,767	3,246,767	3,246,767
Expenditures:				
Purchased Professional and Technical Services		30,000	30,000	61,128
Construction Services		955,692	955,692	3,185,639
Total Expenditures	- 0 -	985,692	985,692	3,246,767
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 2,261,075	\$ 2,261,075	\$ - 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	\$ 3,246,767
Change Orders	\$ -0-
Revised Authorized Cost	\$ 3,246,767
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	06/30/18
Revised Target Completion Date	06/30/18

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, 2018

	<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	\$ 1,807	\$ 423,530	\$ 423,530
Total Revenue and Other Financing Sources	<u>421,723</u>	<u>1,807</u>	<u>423,530</u>	<u>423,530</u>
Expenditures:				
Purchased Professional and Technical Services	49,004	1,807	50,811	50,811
Construction Services	<u>352,699</u>	<u>20,020</u>	<u>372,719</u>	<u>372,719</u>
Total Expenditures	<u>401,703</u>	<u>21,827</u>	<u>423,530</u>	<u>423,530</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 20,020</u>	<u>\$ (20,020)</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	\$ 420,000
Additional Authorization	\$ 3,530
Change Orders	\$ -0-
Revised Authorized Cost	\$ 423,530
Change Order Percentage	0.00%
Percentage Completion	100.00%
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, 2018

	<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	\$ 25,121	\$ - 0 -	25,121	25,121
Expenditures:				
Equipment	13,770		13,770	25,121
Total Expenditures	13,770	- 0 -	13,770	25,121
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 11,351	\$ -0-	\$ 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 - IRRIGATION SYSTEM PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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 CENTRAL HIGH SCHOOL - POTABLE WATER SYSTEM UPGRADE PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 165,230		\$ 165,230	\$ 248,387
Transfer from Capital Reserve	321,907		321,907	372,581
Total Revenue and Other Financing Sources	<u>487,137</u>	<u>-0-</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>\$ 74,062</u>	<u>\$ -0-</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			

PROPRIETARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2018

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$	57,855
Inventories		4,292

Total Current Assets		62,147
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## Non-Current Assets:

Capital Assets		150,734
Less: Accumulated Depreciation		(129,261)

Total Non-Current Assets		21,473
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Total Assets		83,620
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## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors		6,249
Interfund Payable - General Fund		4,063
Unearned Revenue		17,285

Total Current Liabilities		27,597
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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		42,597
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## NET POSITION:

Investment in Capital Assets		21,473
Unrestricted		19,550

Total Net Position		\$ 41,023
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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, 2018

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 568,987
Special Events	3,333
	<hr/>
Total Operating Revenue	572,320
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	214,365
Salaries, Benefits & Payroll Taxes	287,607
Supplies, Insurance & Other Costs	80,716
Depreciation Expense	4,530
	<hr/>
Total Operating Expenses	587,218
	<hr/>
Operating Loss	(14,898)
	<hr/>
Non-Operating Revenue:	
Interest Income	600
	<hr/>
Total Non-Operating Revenue	600
	<hr/>
Change in Net Position Before Other Item and Transfer	(14,298)
	<hr/>
Other Item - Food Service Management Contractor Contribution	7,251
Operating Transfer In - Board Contribution	3,041
	<hr/>
Change in Net Position	(4,006)
	<hr/>
Net Position - Beginning of Year	45,029
	<hr/>
Net Position - End of Year	\$ 41,023
	<hr/> <hr/>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 578,818
Payments to Employees	(289,439)
Payments to Suppliers	(289,145)
	<hr/>
Net Cash Provided by Operating Activities	234
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
FSMC Contribution	7,251
Transfer In - Board Contribution	3,041
	<hr/>
Net Cash Provided by Non-Capital Financing Activities	10,292
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(3,041)
	<hr/>
Net Cash Used by Capital and Related Financing Activities	(3,041)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	600
	<hr/>
Net Cash Provided by Investing Activities	600
	<hr/>
Net Increase in Cash and Cash Equivalents	8,085
Cash and Cash Equivalents, July 1	49,770
	<hr/>
Cash and Cash Equivalents, June 30	\$ 57,855
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (14,898)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	4,530
Changes in Assets and Liabilities:	
Decrease in Inventory	2,779
Increase in Accounts Payable	3,157
(Decrease) in Interfund Payable	(1,832)
Increase in Unearned Revenue	6,498
	<hr/>
Net Cash Provided by Operating Activities	\$ 234
	<hr/> <hr/>

FIDUCIARY FUNDS



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	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	\$ 335,861	\$ 325,239	\$ 112,653	\$ 773,753	\$ 47,165	\$ 59,302	\$ 26,469	\$ 906,689
Interfund Receivable:								
Payroll Agency Fund					73,937			73,937
<b>Total Assets</b>	<b>335,861</b>	<b>325,239</b>	<b>112,653</b>	<b>773,753</b>	<b>121,102</b>	<b>59,302</b>	<b>26,469</b>	<b>980,626</b>
<b>LIABILITIES:</b>								
Interfund Payable:								
Unemployment Compensation Trust Fund		73,937		73,937				73,937
Payroll Deductions and Withholdings Due to Student Groups	335,861	251,302		335,861				251,302
<b>Total Liabilities</b>	<b>335,861</b>	<b>325,239</b>		<b>661,100</b>				<b>661,100</b>
<b>NET POSITION:</b>								
Laptop Replacement Costs Held in Trust for:			112,653	112,653				112,653
Unemployment Claims Scholarships					121,102			121,102
Flexible Benefits Claims						59,302	26,469	59,302
<b>Total Net Position</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 112,653</b>	<b>\$ 112,653</b>	<b>\$ 121,102</b>	<b>\$ 59,302</b>	<b>\$ 26,469</b>	<b>\$ 319,526</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
ADDITIONS:				
Contributions:				
Employee	\$ 37,979		\$ 35,680	\$ 73,659
Donations		\$ 24,016		24,016
Total Contributions	37,979	24,016	35,680	97,675
Investment Earnings:				
Interest	382	521	82	985
Net Investment Earnings	382	521	82	985
Total Additions	38,361	24,537	35,762	98,660
DEDUCTIONS:				
Unemployment Compensation Claims	35,361			35,361
Scholarships Awarded		23,300		23,300
Flexible Benefits Claims			22,133	22,133
Total Deductions	35,361	23,300	22,133	80,794
Change in Net Position	3,000	1,237	13,629	17,866
Net Position - Beginning of the Year	118,102	58,065	12,840	189,007
Net Position - End of the Year	\$ 121,102	\$ 59,302	\$ 26,469	\$ 206,873

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITIES AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
ASSETS:				
Cash and Cash Equivalents	\$ 319,237	\$ 550,644	\$ 534,020	\$ 335,861
Total Assets	<u>\$ 319,237</u>	<u>\$ 550,644</u>	<u>\$ 534,020</u>	<u>\$ 335,861</u>
LIABILITIES:				
Due to Student Groups	\$ 319,237	\$ 550,644	\$ 534,020	\$ 335,861
Total Liabilities	<u>\$ 319,237</u>	<u>\$ 550,644</u>	<u>\$ 534,020</u>	<u>\$ 335,861</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITIES AGENCY FUND  
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Senior High Schools:				
West Morris Central and Mendham	\$ 314,399	\$ 550,031	\$ 528,580	\$ 335,850
West Morris Central Ice Hockey	4,305	613	4,907	11
West Morris Central Fencing	533		533	
	<u>533</u>		<u>533</u>	
Total All Schools	<u>\$ 319,237</u>	<u>\$ 550,644</u>	<u>\$ 534,020</u>	<u>\$ 335,861</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 289,849	\$ 29,739,744	\$ 29,704,354	\$ 325,239
<b>Total Assets</b>	<u>\$ 289,849</u>	<u>\$ 29,739,744</u>	<u>\$ 29,704,354</u>	<u>\$ 325,239</u>
 <b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation				
Trust Fund	\$ 35,398	\$ 73,937	\$ 35,398	\$ 73,937
Payroll Deductions and Withholdings	<u>254,451</u>	<u>29,665,807</u>	<u>29,668,956</u>	<u>251,302</u>
<b>Total Liabilities</b>	<u>\$ 289,849</u>	<u>\$ 29,739,744</u>	<u>\$ 29,704,354</u>	<u>\$ 325,239</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
LAPTOP REPLACEMENT AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 37,713	\$ 78,037	\$ 3,097	\$ 112,653
Total Assets	<u>\$ 37,713</u>	<u>\$ 78,037</u>	<u>\$ 3,097</u>	<u>\$ 112,653</u>
<u>LIABILITIES:</u>				
Laptop Replacement Costs	\$ 37,713	\$ 78,037	\$ 3,097	\$ 112,653
Total Liabilities	<u>\$ 37,713</u>	<u>\$ 78,037</u>	<u>\$ 3,097</u>	<u>\$ 112,653</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance June 30, 2017	Matured	Balance June 30, 2018
			Date	Amount	Outstanding June 30, 2018				
Refunding School Bonds	11/29/11	\$ 17,850,000	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%				
						\$ 13,255,000	\$ 1,660,000	\$ 11,595,000	
						\$ 13,255,000	\$ 1,660,000	\$ 11,595,000	



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, 2017</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2018</u>
Lawn Mowers and Snow Blowers	2.10%	\$ 216,401	\$ 87,431		\$ 43,261	\$ 44,170
Classroom Technology Equipment	1.6992%	501,168		\$ 501,168	163,766	337,402
Energy Savings Improvement Program	3.25%	3,246,767		3,246,767		3,246,767
			<u>\$ 87,431</u>	<u>\$ 3,747,935</u>	<u>\$ 207,027</u>	<u>\$ 3,628,339</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,266,000		\$ 2,266,000	\$ 2,266,000	
Total Revenue	2,266,000		2,266,000	2,266,000	
EXPENDITURES:					
Regular Debt Service:					
Interest	606,000		606,000	606,000	
Redemption of Principal	1,660,000		1,660,000	1,660,000	
Total Regular Debt Service	2,266,000		2,266,000	2,266,000	
Total Expenditures	2,266,000		2,266,000	2,266,000	
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,				
	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 34,368,305	\$ 34,396,725	\$ 35,713,071	\$ 37,775,826	\$ 35,979,627
Restricted	6,439,065	5,244,474	5,489,939	6,792,605	7,803,701
Unrestricted/(Deficit)	<u>(10,448,680)</u>	<u>(8,660,307)</u>	<u>(10,251,581)</u>	<u>(11,507,492)</u>	<u>(8,774,509)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 30,358,690</u>	<u>\$ 30,980,892</u>	<u>\$ 30,951,429</u>	<u>\$ 33,060,939</u>	<u>\$ 35,008,819</u>
<b>Business-Type Activities:</b>					
Investment in Capital Assets	\$ 38,034	\$ 32,541	\$ 27,555	\$ 22,962	\$ 21,473
Unrestricted		16,110	21,321	22,067	19,550
<b>Total Business-Type Activities Net Position</b>	<u>\$ 38,034</u>	<u>\$ 48,651</u>	<u>\$ 48,876</u>	<u>\$ 45,029</u>	<u>\$ 41,023</u>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 34,406,339	\$ 34,429,266	\$ 35,740,626	\$ 37,798,788	\$ 36,001,100
Restricted	6,439,065	5,244,474	5,489,939	6,792,605	7,803,701
Unrestricted/(Deficit)	<u>(10,448,680)</u>	<u>(8,644,197)</u>	<u>(10,230,260)</u>	<u>(11,485,425)</u>	<u>(8,754,959)</u>
<b>Total District-Wide Net Position</b>	<u>\$ 30,396,724</u>	<u>\$ 31,029,543</u>	<u>\$ 31,000,305</u>	<u>\$ 33,105,968</u>	<u>\$ 35,049,842</u>

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	June 30,				
	2009	2010	2011	2012	2013
Governmental Activities:					
Net Investment in Capital Assets	\$ 32,904,897	\$ 34,204,719	\$ 34,172,996	\$ 35,216,299	\$ 34,748,348
Restricted	8,568,738	6,188,213	6,155,345	5,542,469	6,253,644
Unrestricted/(Deficit)	<u>(1,631,149)</u>	<u>(1,591,462)</u>	<u>(1,050,077)</u>	<u>(1,020,465)</u>	<u>(1,263,420)</u>
Total Governmental Activities Net Position	<u>\$ 39,842,486</u>	<u>\$ 38,801,470</u>	<u>\$ 39,278,264</u>	<u>\$ 39,738,303</u>	<u>\$ 39,738,572</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 53,260	\$ 64,266	\$ 57,593	\$ 50,920	\$ 44,247
Unrestricted	7,639		15,519	5,564	
Total Business-Type Activities Net Position	<u>\$ 60,899</u>	<u>\$ 64,266</u>	<u>\$ 73,112</u>	<u>\$ 56,484</u>	<u>\$ 44,247</u>
District-Wide:					
Net Investment in Capital Assets	\$ 32,958,157	\$ 34,268,985	\$ 34,230,589	\$ 35,267,219	\$ 34,792,595
Restricted	8,568,738	6,188,213	6,155,345	5,542,469	6,253,644
Unrestricted/(Deficit)	<u>(1,623,510)</u>	<u>(1,591,462)</u>	<u>(1,034,558)</u>	<u>(1,014,901)</u>	<u>(1,263,420)</u>
Total District-Wide Net Position	<u>\$ 39,903,385</u>	<u>\$ 38,865,736</u>	<u>\$ 39,351,376</u>	<u>\$ 39,794,787</u>	<u>\$ 39,782,819</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,				
	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities:					
Instruction:					
Regular	\$ 21,969,083	\$ 24,814,290	\$ 26,287,983	\$ 28,124,143	\$ 27,287,001
Special Education	3,809,040	4,306,828	5,086,659	5,023,866	5,208,030
Other Instruction	3,088,277	3,508,063	3,837,507	3,813,738	4,313,690
Support Services:					
Tuition	2,803,150	3,300,090	3,674,161	4,004,449	3,966,700
Student and Instruction Related Service	6,219,532	7,608,338	8,170,208	9,458,104	9,639,764
General Administration Services	1,112,496	991,618	1,007,236	1,008,933	1,076,809
School Administration Services	2,361,168	2,550,334	3,079,417	3,236,507	3,224,906
Central Services	562,932	566,463	569,971	605,852	606,281
Administrative Information Technology	865,858	835,980	858,061	683,203	596,194
Plant Operations and Maintenance	3,612,729	3,667,203	3,520,619	3,810,907	4,195,645
Pupil Transportation	3,153,997	3,299,484	3,313,190	3,486,250	3,487,483
Interest on Long-Term Debt	783,095	721,298	668,437	590,665	524,744
Unallocated Depreciation	1,932,450	1,946,031	1,960,634	2,067,011	2,119,788
Total Governmental Activities Expenses	<u>52,273,807</u>	<u>58,116,020</u>	<u>62,034,083</u>	<u>65,913,628</u>	<u>66,247,035</u>
Business-Type Activities:					
Enterprise Funds	<u>707,857</u>	<u>640,492</u>	<u>579,674</u>	<u>569,042</u>	<u>587,218</u>
Total Business-Type Activities Expense	<u>707,857</u>	<u>640,492</u>	<u>579,674</u>	<u>569,042</u>	<u>587,218</u>
Total District-Wide Expenses	<u>\$ 52,981,664</u>	<u>\$ 58,756,512</u>	<u>\$ 62,613,757</u>	<u>\$ 66,482,670</u>	<u>\$ 66,834,253</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 80,615	\$ 73,169	\$ 120,688	\$ 226,239	\$ 263,007
Operating Grants and Contributions	7,939,395	13,529,836	16,008,812	19,796,280	20,010,834
Capital Grants and Contributions	(795)	155,800		824,516	14,411
Total Governmental Activities	<u>8,019,215</u>	<u>13,758,805</u>	<u>16,129,500</u>	<u>20,847,035</u>	<u>20,288,252</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	<u>655,801</u>	<u>616,779</u>	<u>546,202</u>	<u>531,618</u>	<u>572,320</u>
Total Business Type Activities	<u>655,801</u>	<u>616,779</u>	<u>546,202</u>	<u>531,618</u>	<u>572,320</u>
Total District-Wide Program Revenues	<u>\$ 8,675,016</u>	<u>\$ 14,375,584</u>	<u>\$ 16,675,702</u>	<u>\$ 21,378,653</u>	<u>\$ 20,860,572</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,				
	2014	2015	2016	2017	2018
Net (Expense)/Revenue:					
Governmental Activities	\$ (44,254,592)	\$ (44,357,215)	\$ (45,904,583)	\$ (45,066,593)	\$ (45,958,783)
Business-Type Activities	(52,056)	(23,713)	(33,472)	(37,424)	(14,898)
Total District-Wide Net Expense/(Revenue)	<u>\$ (44,306,648)</u>	<u>\$ (44,380,928)</u>	<u>\$ (45,938,055)</u>	<u>\$ (45,104,017)</u>	<u>\$ (45,973,681)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 40,071,143	\$ 40,804,192	\$ 41,620,275	\$ 42,763,310	\$ 43,618,576
Taxes Levied for Debt Service	2,229,437	2,273,550	2,271,050	2,264,800	2,266,000
Federal and State Aid Not Restricted	1,272,751	1,323,519	1,328,846	1,341,965	1,264,103
Investment Earnings	21,072	21,863	37,385	42,898	86,444
Miscellaneous Income	378,413	556,293	617,564	763,130	674,581
Transfers	(15,265)				(3,041)
Total Governmental Activities	<u>43,957,551</u>	<u>44,979,417</u>	<u>45,875,120</u>	<u>47,176,103</u>	<u>47,906,663</u>
Business-Type Activities:					
Investment Earnings	87	91	180	282	600
Transfers	45,756				3,041
Other Item - FSMC Contribution		34,239	33,517	33,295	7,251
Total Business-Type Activities	<u>45,843</u>	<u>34,330</u>	<u>33,697</u>	<u>33,577</u>	<u>10,892</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 44,003,394</u>	<u>\$ 45,013,747</u>	<u>\$ 45,908,817</u>	<u>\$ 47,209,680</u>	<u>\$ 47,917,555</u>
Change in Net Position					
Governmental Activities	\$ (297,041)	\$ 622,202	\$ (29,463)	\$ 2,109,510	\$ 1,947,880
Business-Type Activities	(6,213)	10,617	225	(3,847)	(4,006)
Total District-Wide Change in Net Position	<u>\$ (303,254)</u>	<u>\$ 632,819</u>	<u>\$ (29,238)</u>	<u>\$ 2,105,663</u>	<u>\$ 1,943,874</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,				
	2009	2010	2011	2012	2013
Governmental Activities:					
Instruction:					
Regular	\$ 19,896,754	\$ 20,064,790	\$ 20,223,962	\$ 21,212,035	\$ 21,984,326
Special Education	3,366,034	3,462,401	3,418,895	3,539,992	3,781,193
Other Special Instruction	5,234				
Other Instruction	2,805,379	2,924,041	2,905,464	2,944,887	3,055,851
Support Services:					
Tuition	1,988,958	2,908,145	2,959,570	2,930,014	2,547,951
Student & Instruction Related Services	5,904,264	6,394,322	6,125,142	5,973,399	6,457,607
General Administration Services	1,129,984	1,113,489	942,224	970,327	977,377
School Administration Services	2,254,675	2,285,167	2,013,144	2,098,282	2,543,345
Central Services	585,959	583,789	532,619	527,544	548,817
Administrative Information Technology	475,998	605,742	618,921	638,576	729,339
Plant Operations and Maintenance	3,495,803	3,647,911	3,631,588	3,208,073	3,381,931
Pupil Transportation	2,827,033	2,939,987	2,680,860	2,858,984	2,770,169
Interest on Long-Term Debt	1,188,620	1,137,903	1,084,793	877,167	863,136
Unallocated Depreciation	1,216,272	1,840,093	1,883,717	1,901,655	1,929,377
Total Governmental Activities Expenses	<u>47,140,967</u>	<u>49,907,780</u>	<u>49,020,899</u>	<u>49,680,935</u>	<u>51,570,419</u>
Business-Type Activities:					
Enterprise Funds	744,888	793,161	737,661	754,356	780,390
Total Business-Type Activities Expense	<u>744,888</u>	<u>793,161</u>	<u>737,661</u>	<u>754,356</u>	<u>780,390</u>
Total District-Wide Expenses	<u>\$ 47,885,855</u>	<u>\$ 50,700,941</u>	<u>\$ 49,758,560</u>	<u>\$ 50,435,291</u>	<u>\$ 52,350,809</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 8,214	\$ 14,477	\$ 65,086	\$ 80,419	\$ 42,269
Operating Grants and Contributions	5,886,685	6,581,091	6,726,130	7,460,240	8,391,960
Capital Grants and Contributions	1,928,440	322,262	276,036	117,776	39,222
Total Governmental Activities	<u>7,823,339</u>	<u>6,917,830</u>	<u>7,067,252</u>	<u>7,658,435</u>	<u>8,473,451</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	708,621	759,541	746,384	774,394	737,156
Total Business Type Activities	<u>708,621</u>	<u>759,541</u>	<u>746,384</u>	<u>774,394</u>	<u>737,156</u>
Total District-Wide Program Revenues	<u>\$ 8,531,960</u>	<u>\$ 7,677,371</u>	<u>\$ 7,813,636</u>	<u>\$ 8,432,829</u>	<u>\$ 9,210,607</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,				
	2009	2010	2011	2012	2013
Net (Expense)/Revenue:					
Governmental Activities	\$ (39,317,628)	\$ (42,989,950)	\$ (41,953,647)	\$ (42,022,500)	\$ (43,096,968)
Business-Type Activities	(36,267)	(33,620)	8,723	20,038	(43,234)
<b>Total District-Wide Net Expense/(Revenue)</b>	<b>\$ (39,353,895)</b>	<b>\$ (43,023,570)</b>	<b>\$ (41,944,924)</b>	<b>\$ (42,002,462)</b>	<b>\$ (43,140,202)</b>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 36,686,159	\$ 37,672,234	\$ 38,638,243	\$ 38,638,243	\$ 39,285,434
Taxes Levied for Debt Service	2,227,853	2,376,888	2,374,400	2,373,181	2,318,238
Federal and State Aid Not Restricted	2,658,058	1,425,925	785,096	1,034,537	1,259,537
Investment Earnings	124,511	36,507	24,465	18,444	14,119
Miscellaneous Income	462,123	474,131	608,237	381,383	455,121
Transfers		(36,751)	(36,751)	36,751	(30,930)
<b>Total Governmental Activities</b>	<b>42,158,704</b>	<b>41,948,934</b>	<b>42,393,690</b>	<b>42,482,539</b>	<b>43,301,519</b>
Business-Type Activities:					
Investment Earnings	1,689	236	123	85	67
Transfers		36,751	36,751	(36,751)	30,930
<b>Total Business-Type Activities</b>	<b>1,689</b>	<b>36,987</b>	<b>36,874</b>	<b>(36,666)</b>	<b>30,997</b>
<b>Total District-Wide Revenues &amp; Other Changes in Net Position</b>	<b>\$ 42,160,393</b>	<b>\$ 41,985,921</b>	<b>\$ 42,430,564</b>	<b>\$ 42,445,873</b>	<b>\$ 43,332,516</b>
Change in Net Position					
Governmental Activities	\$ 2,841,076	\$ (1,041,016)	\$ 440,043	\$ 460,039	\$ 204,551
Business-Type Activities	(34,578)	3,367	45,597	(16,628)	(12,237)
<b>Total District-Wide Change in Net Position</b>	<b>\$ 2,806,498</b>	<b>\$ (1,037,649)</b>	<b>\$ 485,640</b>	<b>\$ 443,411</b>	<b>\$ 192,314</b>

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund:</b>										
Reserved	\$7,019,038	\$5,132,100								
Unreserved	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	\$ 7,803,701
Assigned			371,557	829,696	845,946	277,124	440,239	456,931	628,992	829,360
Unassigned			875,180	754,510	768,610	859,501	943,630	1,033,138	1,005,975	995,068
<b>Total General Fund</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>	<b>\$ 9,628,129</b>
<b>Other Governmental Funds:</b>										
Reserved	\$ 884,078	\$ 62,557								
Unreserved:										
Capital Projects Fund	665,622	993,556								
Debt Service Fund										
Committed			\$ 824,753	\$ 292,280	\$ 182,598	\$ 425,955	\$1,537,387	\$1,156,103	\$ 129,433	\$ 2,921,883
Restricted			654,666	742,435	87,769					
<b>Total Other Governmental Funds</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>\$ 2,921,883</b>
<b>Total Governmental Funds</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>	<b>\$12,550,012</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Tax Levy	\$38,914,012	\$40,049,122	\$41,012,643	\$41,011,424	\$41,603,672	\$42,300,580	\$43,077,742	\$43,891,325	\$45,028,110	\$45,884,576
Tuition Charges	8,214	14,477	65,086	80,419	42,269	80,615	73,169	120,688	226,239	263,007
Interest Earned on Investments	117,333	28,222	16,037	15,813	12,075	16,564	17,621	30,688	36,818	36,818
Interest Earned on Capital Reserve Funds	7,178	8,285	8,428	2,405	1,704	1,975	1,617	1,929	2,236	7,017
Interest Earned on Maintenance Reserve Funds				226	340	2,533	2,625	4,769	3,786	3,823
Miscellaneous	468,632	478,254	623,983	387,899	434,729	400,923	589,790	648,384	805,990	726,867
State Sources	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	11,298,359
Federal Sources	235,502	1,544,695	934,605	669,862	738,441	555,700	565,267	555,798	563,470	424,125
<b>Total Revenue</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>58,644,592</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	14,867,539
Special Education Instruction	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	2,829,147
Other Special Instruction	3,933									
Other Instruction	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	2,328,808
<b>Support Services:</b>										
Tuition	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	3,966,700
Student and Instruction Related Services	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	5,535,316
General Administration Services	984,509	1,003,182	846,592	871,751	873,782	1,002,854	889,528	894,256	891,625	971,292
School Administration Services	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	1,755,462
Central Services	503,860	491,391	444,115	441,597	461,963	453,434	454,065	459,489	482,611	496,030
Administrative Information Technology	328,383	437,967	443,472	443,606	520,056	679,835	664,752	672,822	522,264	463,824
Plant Operations and Maintenance	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	3,621,086
Pupil Transportation	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	3,417,677

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenditures:</b>										
Unallocated Benefits	\$ 8,554,197	\$ 9,295,640	\$ 9,230,522	\$ 9,973,938	\$ 11,339,066	\$ 11,144,672	\$ 11,787,867	\$ 12,476,212	\$ 12,442,539	\$ 12,935,660
Debt Service:										
Principal	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	1,660,000
Interest and Other Charges	1,192,250	1,141,888	1,089,400	945,412	923,238	862,206	798,550	746,050	669,800	606,000
Capital Outlay	9,608,519	2,219,932	964,158	1,153,848	410,249	435,598	1,101,533	836,151	2,990,923	2,941,938
Total Expenditures	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	58,396,479
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,511,557)	(2,354,459)	546,060	(38,673)	639,607	(33,888)	(52,316)	(29,619)	420,894	248,113
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)							216,401			501,168
Capital Lease Proceeds					41,961					3,246,767
Superstorm Sandy Insurance Claims										
Transfers In				36,751	1,257,985	573,161	1,455,477	153,496	445,179	910,071
Transfers Out		(36,751)			(1,288,915)	(588,426)	(1,455,477)	(153,496)	(445,179)	(913,112)
Total Other Financing Sources (Uses)				36,751	11,031	(15,265)	216,401			3,744,894
Net Change in Fund Balances	\$ (6,511,557)	\$ (2,391,210)	\$ 546,060	\$ (1,922)	\$ 650,638	\$ (49,153)	\$ 164,085	\$ (29,619)	\$ 420,894	\$ 3,993,007
Debt Service as a Percentage of Noncapital Expenditures	5.07%	4.85%	4.95%	4.67%	4.57%	4.49%	4.31%	4.15%	4.15%	4.06%

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
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
2018	263,007	86,373	82,775	591,806	1,023,961

Source: West Morris Regional High School District records.

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

Chester Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	School Tax Rate <sup>b</sup>	Total Direct	Estimated Actual (County Equalized Value)
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	\$ 0.37	\$ 467,628,951	*
2009	5,466,500	244,889,900	1,310,000	44,500	197,828,600	-	2,114,500	451,754,000	2,050,374	453,804,374	42,255,500	0.31	475,936,992	*
2010	4,875,000	213,961,800	1,173,400	51,200	165,600,100	-	1,914,100	387,575,600	1,705,656	389,281,256	41,793,800	0.36	468,704,509	*
2011	4,445,100	213,716,600	1,167,400	53,400	158,600,100	-	1,840,800	379,823,400	8,165	379,831,565	41,180,500	0.35	440,171,759	*
2012	3,863,100	215,325,700	1,173,600	55,800	155,431,300	-	1,837,700	377,687,200	-	377,687,200	41,151,200	0.38	416,711,405	*
2013	3,369,700	207,567,300	1,160,100	55,800	155,137,100	-	1,795,300	369,085,300	-	369,085,300	40,893,000	0.40	402,175,524	*
2014	3,114,800	214,814,100	1,180,100	55,800	156,563,800	-	1,849,100	377,577,700	-	377,577,700	41,616,200	0.40	387,561,161	*
2015	3,114,800	219,171,300	1,050,100	56,000	153,604,100	-	1,886,300	378,882,600	-	378,882,600	42,395,400	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	390,553,627	*
2017	3,165,300	227,107,400	1,098,300	56,600	168,664,100	-	-	400,091,700	-	400,091,700	44,456,000	0.47	401,322,238	*

Chester Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	School Tax Rate <sup>b</sup>	Total Direct	Estimated Actual (County Equalized Value)
2008	\$ 31,112,000	\$ 2,074,551,033	\$ 104,181,300	\$ 1,186,900	\$ 50,305,200	\$ 4,704,800	\$ 910,000	\$ 2,266,951,233	\$ 2,060,200	\$ 2,269,011,433	\$ 218,221,900	\$ 0.39	\$ 2,230,761,264	*
2009	28,337,400	2,053,743,433	106,972,300	1,202,300	51,086,800	5,163,700	910,000	2,247,415,933	1,868,749	2,249,284,682	231,983,500	0.39	2,195,682,116	*
2010	9,506,100	1,676,536,800	90,749,200	1,226,400	49,247,800	3,908,600	835,200	1,842,010,100	2,190,835	1,844,200,935	230,758,700	0.50	2,159,919,381	*
2011	18,576,400	1,670,362,000	91,688,600	1,227,800	49,731,900	3,908,600	835,200	1,836,330,500	2,179,636	1,838,510,136	230,806,900	0.51	2,063,339,316	*
2012	16,979,400	1,668,358,200	89,086,500	1,213,200	49,761,800	3,908,600	835,200	1,830,142,900	2,310,658	1,832,453,558	231,185,900	0.52	2,003,040,867	*
2013	14,619,500	1,664,309,100	88,383,100	1,228,000	48,990,700	2,469,700	835,200	1,820,835,300	442,529	1,821,277,829	232,195,400	0.55	1,917,321,277	*
2014	13,704,800	1,663,455,100	88,665,800	1,224,900	48,804,500	2,469,700	835,200	1,819,160,000	372,270	1,819,532,270	234,237,700	0.56	1,894,076,792	*
2015	13,628,900	1,664,376,400	87,702,100	1,241,000	47,568,100	2,543,100	835,200	1,817,894,800	373,557	1,818,268,357	235,597,400	0.55	1,873,066,565	*
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	1,900,570,563	*
2017	12,608,600	1,676,159,700	88,503,500	1,301,700	47,379,800	2,543,100	835,200	1,829,331,600	358,200	1,829,689,800	235,706,700	0.56	1,900,814,522	*

Mendham Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	School Tax Rate <sup>b</sup>	Total Direct	Estimated Actual (County Equalized Value)
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	\$ 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	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	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	1,410,302,723	*
2012	7,384,900	1,101,185,800	66,422,700	394,600	109,079,300	-	2,342,200	1,286,809,500	2,300,875	1,289,110,375	123,773,600	0.47	1,377,289,533	*
2013	7,771,700	1,097,277,400	66,897,700	397,100	105,202,000	-	2,342,200	1,279,888,100	2,287,733	1,282,175,833	124,763,600	0.48	1,354,282,340	*
2014	8,207,800	1,100,795,200	66,843,500	400,500	103,997,100	-	2,342,200	1,282,586,300	1,927,735	1,284,514,035	124,763,600	0.52	1,361,837,683	*
2015	9,745,800	1,097,432,700	69,620,400	403,900	102,337,700	-	2,342,200	1,281,882,700	1,927,735	1,283,810,435	124,865,900	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	1,370,993,717	*
2017	9,704,800	1,096,803,000	69,563,800	403,900	101,655,100	-	2,342,200	1,280,472,800	1,939,588	1,282,412,388	124,867,500	0.57	1,377,174,538	*

**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)
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	-	1,888,813,400	1,446,047	1,890,259,447	152,447,200	0.50	2,010,591,255
2013	26,692,700	1,743,151,500	104,058,700	622,500	10,162,400	2,100	-	1,884,689,900	1,537,902	1,886,227,802	152,592,200	0.52	1,951,547,561
2014	23,995,000	1,733,473,800	109,314,900	617,800	10,162,400	2,100	-	1,875,512,600	1,239,350	1,878,805,350	152,605,300	0.52	1,895,672,519
2015	22,888,000	1,729,916,200	111,919,200	624,700	10,162,400	2,100	-	1,876,739,393	1,226,793	1,876,739,393	152,605,300	0.55	1,963,385,307
2016	23,331,400	1,726,534,100	112,663,100	624,700	10,162,400	2,100	-	1,873,317,800	1,240,960	1,874,558,760	152,605,300	0.55	1,942,042,113
2017	21,865,300	1,726,778,500	115,993,000	606,300	10,039,000	2,100	-	1,875,284,200	1,244,391	1,876,528,591	152,589,500	0.55	1,959,468,151

**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)
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	4,359,800	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
2017	29,395,800	2,478,120,100	116,160,600	4,353,600	122,738,600	32,238,700	35,054,600	2,818,062,000	-	2,818,062,000	254,082,300	0.56	2,896,024,012

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
	General			Chester			
	Basic Rate <sup>a</sup>	Obligation Debt <sup>b</sup>	Total Direct	Chester Borough	Borough Schools	Morris County	
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
2017	0.45	0.02	0.47	0.93	0.93	0.26	2.59

**Chester Township**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	General			Chester			
	Basic Rate <sup>a</sup>	Obligation Debt <sup>b</sup>	Total Direct	Chester Township	Township Schools	Morris County	
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
2017	0.53	0.03	0.56	0.52	0.98	0.27	2.33

Source: Municipal Tax Collectors and School Business Administrator.



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

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

**Mendham Borough**

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate <sup>a</sup>	General		Mendham Borough	Borough Schools	Morris County	
		Obligation Debt <sup>b</sup>	Total Direct				
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
2017	0.54	0.03	0.57	0.47	0.86	0.28	2.18

**Mendham Township**

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate <sup>a</sup>	General		Mendham Township	Township Schools	Morris County	
		Obligation Debt <sup>b</sup>	Total Direct				
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
2017	0.52	0.03	0.55	0.44	0.81	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	
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
2017	0.53	0.03	0.56	0.45	1.22	0.27	2.50

\* - 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**

	2017			2008		
	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	8.07%	Chester Springs, LLC	\$ 34,533,100	7.58%
CPP Streets of Chester, LLC		18,000,000	4.50%	Continental Chester, LLC	26,000,000	5.71%
Savro, LLC/Chester Shopping Mall		6,925,000	1.73%	NS-MPG, Inc.	8,900,000	1.95%
ARC RBCSR NJ Zero Zero One, LLC		5,920,000	1.48%	Savro/Chester Shopping Mall	8,296,000	1.82%
Williamson Associates, LLC		3,900,000	0.97%	Williamson Associates	4,413,400	0.97%
95 West Main Associates, LLC		3,070,000	0.77%	95 West Main Associates	3,698,500	0.81%
DeSapio Real Estate Development, LLC		2,525,000	0.63%	Individual Taxpayer #1	3,354,800	0.74%
Chester Franklin Associates, LLC		2,240,000	0.56%	Individual Taxpayer #2	2,713,300	0.60%
MGHC Group, LLC		2,240,000	0.56%	Turkey Farm Acquisition	2,587,400	0.57%
Publick House Holdings, LLC		2,225,000	0.56%	Group 206 North Associates	2,434,100	0.53%
<b>Total</b>		<b>\$ 79,315,000</b>	<b>19.83%</b>	<b>Total</b>	<b>\$ 96,930,600</b>	<b>21.28%</b>

Source: Chester Borough Tax Assessor.

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

**Chester Township**

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Welkind Rehabilitation Hospital, Inc.	\$ 6,476,600	0.35%	\$ 6,170,200	0.27%
Individual Taxpayer #1	4,339,300	0.24%	5,040,000	0.22%
Individual Taxpayer #2	3,733,600	0.20%	4,324,000	0.19%
Individual Taxpayer #3	3,140,800	0.17%	4,000,600	0.18%
Individual Taxpayer #4	3,095,800	0.17%	3,383,800	0.15%
Individual Taxpayer #5	3,008,300	0.16%	3,300,000	0.15%
Individual Taxpayer #6	2,999,000	0.16%	3,186,700	0.14%
Individual Taxpayer #7	2,784,600	0.15%	3,111,300	0.14%
Individual Taxpayer #8	2,671,100	0.15%	2,980,400	0.13%
Individual Taxpayer #9	2,621,700	0.14%	2,961,200	0.13%
Total	<u>\$ 34,870,800</u>	<u>1.89%</u>	<u>\$ 38,458,200</u>	<u>1.70%</u>

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

Source: Chester Township Tax Assessor.

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

**Mendham Borough**

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
V-Fee Realty	\$ 22,000,000	1.72%	\$ 26,595,200	1.67%
Roxiticus Golf Club	9,955,100	0.78%	15,177,600	0.95%
Holly Manor Assoc. of NJ	8,558,600	0.67%	8,750,000	0.55%
Individual Taxpayer #1	6,430,800	0.50%	8,100,000	0.51%
Individual Taxpayer #2	5,652,500	0.44%	8,521,500	0.54%
Individual Taxpayer #3	4,850,000	0.38%	6,323,600	0.40%
Individual Taxpayer #4	4,396,300	0.34%	6,063,600	0.38%
Individual Taxpayer #5	4,098,900	0.32%	6,014,300	0.38%
MTWOL Associates LLC	4,000,000	0.31%	5,887,300	0.37%
Individual Taxpayer #6	3,984,200	0.31%	5,827,600	0.37%
Total	\$ 73,926,400	5.77%	\$ 97,260,700	6.12%

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 Borough Tax Assessor.

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

**Mendham Township**

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Shemy, LLC	\$ 8,454,200	0.45%	\$ 8,135,000	0.38%
Woodland Lakes, Inc.	8,119,200	0.43%	5,942,800	0.28%
Mendham Golf & Tennis Club	6,615,800	0.35%	5,770,400	0.27%
Southeast Morris County MUA	4,870,100	0.26%	5,640,700	0.26%
Individual Taxpayer #1	4,097,300	0.22%	5,124,500	0.24%
Individual Taxpayer #2	3,985,600	0.21%	5,083,400	0.24%
Desiree Farm, LLC	3,850,000	0.21%	4,985,600	0.23%
Individual Taxpayer #3	3,800,000	0.20%	4,640,300	0.21%
Individual Taxpayer #4	3,603,300	0.19%	4,448,800	0.21%
Individual Taxpayer #5	3,560,600	0.19%	4,353,600	0.20%
Total	\$ 50,956,100	2.72%	\$ 54,125,100	2.52%

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 TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Washington Township

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 21,457,600	0.76%	\$ 13,931,000	0.43%
Target Corporation	15,900,000	0.56%	6,849,400	0.21%
2085 Realty Partners, LLC	12,519,100	0.44%	5,800,000	0.18%
Peachtree Village, LP	10,250,000	0.36%	5,094,100	0.16%
Bay Ridge Motor Sales	7,940,000	0.28%	4,350,000	0.14%
Transistor Devices, Inc.	6,841,200	0.24%	4,302,200	0.13%
Amerace ESNA Corporation	6,178,400	0.22%	3,737,200	0.12%
Black Oak Golf Club	6,036,500	0.21%	3,600,000	0.11%
Columbia Gas Transmission Corporation	5,872,300	0.21%	3,481,000	0.11%
Long Valley Shopping Center	5,500,000	0.20%	2,379,400	0.07%
Total	\$ 98,495,100	3.48%	\$ 53,524,300	1.66%

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	
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	1,708,775	100.00%	- 0 -
2018	2,011,072	2,011,072	100.00%	- 0 -

**Chester Township**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	10,612,283	100.00%	- 0 -
2018	9,934,236	9,934,236	100.00%	- 0 -

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



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

**Mendham Borough**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	7,147,715	100.00%	- 0 -
2018	7,520,243	6,924,505	92.08%	595,738

**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	
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	9,418,648	92.09%	809,473
2018	10,356,695	10,356,695	100.00%	- 0 -

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

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

Washington Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	15,331,216	100.00%	- 0 -
2018	16,062,330	16,062,330	100.00%	- 0 -

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

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			
2009	\$ 870,328	\$ - 0 -	\$ - 0 -	\$ 870,328	0.74%	\$ 525.24
2010	868,648	- 0 -	- 0 -	868,648	0.71%	526.77
2011	761,866	- 0 -	- 0 -	761,866	0.59%	458.68
2012	641,104	- 0 -	- 0 -	641,104	0.48%	385.05
2013	729,103	- 0 -	- 0 -	729,103	0.54%	436.85
2014	583,105	- 0 -	- 0 -	583,105	0.42%	348.75
2015	608,995	- 0 -	6,371	615,366	0.42%	368.70
2016	721,349	- 0 -	6,305	727,654	0.49%	436.24
2017	503,015	- 0 -	3,318	506,333	0.34%	304.10
2018	508,197	- 0 -	159,026	667,223	0.45%	400.73

**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			
2009	\$ 5,730,159	\$ - 0 -	\$ - 0 -	\$ 5,730,159	1.04%	\$ 745.53
2010	5,396,025	- 0 -	- 0 -	5,396,025	0.92%	685.56
2011	5,184,349	- 0 -	- 0 -	5,184,349	0.85%	654.75
2012	4,821,804	- 0 -	- 0 -	4,821,804	0.76%	607.59
2013	4,430,418	- 0 -	- 0 -	4,430,418	0.69%	557.22
2014	4,350,530	- 0 -	- 0 -	4,350,530	0.65%	547.93
2015	3,819,449	- 0 -	39,956	3,859,405	0.55%	486.01
2016	3,410,315	- 0 -	29,810	3,440,125	0.49%	433.98
2017	3,123,955	- 0 -	20,606	3,144,561	0.45%	397.29
2018	2,510,374	- 0 -	785,553	3,295,927	0.47%	416.42

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			
2009	\$ 3,802,229	\$ - 0 -	\$ - 0 -	\$ 3,802,229	1.05%	\$ 751.73
2010	3,826,612	- 0 -	- 0 -	3,826,612	1.03%	765.63
2011	3,437,841	- 0 -	- 0 -	3,437,841	0.89%	684.83
2012	3,034,292	- 0 -	- 0 -	3,034,292	0.75%	603.00
2013	2,793,752	- 0 -	- 0 -	2,793,752	0.69%	555.86
2014	2,710,787	- 0 -	- 0 -	2,710,787	0.65%	540.86
2015	2,612,202	- 0 -	27,327	2,639,529	0.60%	527.91
2016	2,322,531	- 0 -	20,301	2,342,832	0.53%	469.41
2017	2,104,085	- 0 -	13,879	2,117,964	0.48%	425.46
2018	1,900,360	- 0 -	594,666	2,495,026	0.56%	501.21

**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			
2009	\$ 5,744,815	\$ - 0 -	\$ - 0 -	\$ 5,744,815	1.47%	\$ 1,047.18
2010	5,297,321	- 0 -	- 0 -	5,297,321	1.21%	900.45
2011	5,063,160	- 0 -	- 0 -	5,063,160	1.11%	858.02
2012	4,669,073	- 0 -	- 0 -	4,669,073	0.99%	789.36
2013	4,519,192	- 0 -	- 0 -	4,519,192	0.95%	765.45
2014	4,085,325	- 0 -	- 0 -	4,085,325	0.83%	693.49
2015	3,812,526	- 0 -	39,884	3,852,410	0.74%	654.50
2016	3,523,457	- 0 -	30,798	3,554,255	0.68%	605.91
2017	3,010,869	- 0 -	19,860	3,030,729	0.58%	518.52
2018	2,617,130	- 0 -	818,959	3,436,089	0.66%	587.87

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			
2009	\$ 9,123,469	\$ - 0 -	\$ - 0 -	\$ 9,123,469	0.70%	\$ 497.57
2010	8,647,394	- 0 -	- 0 -	8,647,394	0.63%	465.77
2011	8,303,784	- 0 -	- 0 -	8,303,784	0.58%	445.10
2012	7,533,727	- 0 -	- 0 -	7,533,727	0.50%	401.99
2013	6,832,535	- 0 -	- 0 -	6,832,535	0.45%	364.77
2014	6,120,253	- 0 -	- 0 -	6,120,253	0.39%	327.16
2015	5,521,828	- 0 -	57,765	5,579,593	0.34%	298.10
2016	4,872,348	- 0 -	42,589	4,914,937	0.29%	262.69
2017	4,513,076	- 0 -	29,768	4,542,844	0.27%	242.60
2018	4,058,939	- 0 -	1,270,135	5,329,074	0.32%	284.58

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>
2009	\$ 870,328	\$ - 0 -	\$ 870,328	0.192%	\$ 525.24
2010	868,648	- 0 -	868,648	0.223%	526.77
2011	761,866	- 0 -	761,866	0.201%	458.68
2012	641,104	- 0 -	641,104	0.170%	385.05
2013	729,103	- 0 -	729,103	0.198%	436.85
2014	583,105	- 0 -	583,105	0.154%	348.75
2015	608,995	- 0 -	608,995	0.161%	364.89
2016	721,349	- 0 -	721,349	0.182%	432.46
2017	503,015	- 0 -	503,015	0.126%	302.11
2018	508,197	- 0 -	508,197	0.127%	305.22

**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>
2009	\$ 5,730,159	\$ - 0 -	\$ 5,730,159	0.255%	\$ 745.53
2010	5,396,025	- 0 -	5,396,025	0.293%	685.56
2011	5,184,349	- 0 -	5,184,349	0.282%	654.75
2012	4,821,804	- 0 -	4,821,804	0.263%	607.59
2013	4,430,418	- 0 -	4,430,418	0.243%	557.22
2014	4,350,530	- 0 -	4,350,530	0.239%	547.93
2015	3,819,449	- 0 -	3,819,449	0.210%	480.98
2016	3,410,315	- 0 -	3,410,315	0.187%	430.22
2017	3,123,955	- 0 -	3,123,955	0.171%	394.69
2018	2,510,374	- 0 -	2,510,374	0.137%	317.17

Source: West Morris Regional High School District records.

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

**Mendham Borough**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation		Net General Bonded Debt	Percentage of Net Valuation	
	Bonds	Deductions	Outstanding	Taxable <sup>a</sup>	Per Capita <sup>b</sup>
2009	\$ 3,802,229	\$ - 0 -	\$ 3,802,229	0.240%	\$ 751.73
2010	3,826,612	- 0 -	3,826,612	0.295%	765.63
2011	3,437,841	- 0 -	3,437,841	0.266%	684.83
2012	3,034,292	- 0 -	3,034,292	0.235%	603.00
2013	2,793,752	- 0 -	2,793,752	0.218%	555.86
2014	2,710,787	- 0 -	2,710,787	0.211%	540.86
2015	2,612,202	- 0 -	2,612,202	0.203%	522.44
2016	2,322,531	- 0 -	2,322,531	0.181%	465.34
2017	2,104,085	- 0 -	2,104,085	0.164%	422.68
2018	1,900,360	- 0 -	1,900,360	0.148%	381.75

**Mendham Township**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation		Net General Bonded Debt	Percentage of Net Valuation	
	Bonds	Deductions	Outstanding	Taxable <sup>a</sup>	Per Capita <sup>b</sup>
2009	\$ 5,744,815	\$ - 0 -	\$ 5,744,815	0.265%	\$ 1,047.18
2010	5,297,321	- 0 -	5,297,321	0.280%	900.45
2011	5,063,160	- 0 -	5,063,160	0.268%	858.02
2012	4,669,073	- 0 -	4,669,073	0.247%	789.36
2013	4,519,192	- 0 -	4,519,192	0.240%	765.45
2014	4,085,325	- 0 -	4,085,325	0.217%	693.49
2015	3,812,526	- 0 -	3,812,526	0.203%	647.73
2016	3,523,457	- 0 -	3,523,457	0.188%	600.66
2017	3,010,869	- 0 -	3,010,869	0.160%	515.12
2018	2,617,130	- 0 -	2,617,130	0.139%	447.76

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				
2009	\$ 9,123,469	\$ - 0 -		\$ 9,123,469	0.281%	\$ 497.57
2010	8,647,394	- 0 -		8,647,394	0.307%	465.77
2011	8,303,784	- 0 -		8,303,784	0.294%	445.10
2012	7,533,727	- 0 -		7,533,727	0.267%	401.99
2013	6,832,535	- 0 -		6,832,535	0.242%	364.77
2014	6,120,253	- 0 -		6,120,253	0.218%	327.16
2015	5,521,828	- 0 -		5,521,828	0.197%	295.02
2016	4,872,348	- 0 -		4,872,348	0.173%	260.41
2017	4,513,076	- 0 -		4,513,076	0.160%	241.01
2018	4,058,939	- 0 -		4,058,939	0.144%	216.75

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, 2017  
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	\$ 4,210,000	100.00%	\$ 4,210,000
Township of Chester	14,653,444	100.00%	14,653,444
Borough of Mendham	2,671,493	100.00%	2,671,493
Township of Mendham	12,297,889	100.00%	12,297,889
Township of Washington	10,885,000	100.00%	10,885,000
County of Morris General Obligation Debt	217,187,521	9.15%	19,883,182
Subtotal, Overlapping Debt			64,601,008
West Morris Regional School District Direct Debt			13,255,000
Total Direct and Overlapping Debt			<u>\$ 77,856,008</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				
	2009	2010	2011	2012	2013
Debt Limit	\$ 288,794,690	\$ 291,571,815	\$ 285,737,548	\$ 275,929,859	\$ 265,007,516
Total Net Debt Applicable to Limit	25,271,000	24,036,000	22,751,000	20,700,000	19,305,000
Legal Debt Margin	<u>\$ 263,523,690</u>	<u>\$ 267,535,815</u>	<u>\$ 262,986,548</u>	<u>\$ 255,229,859</u>	<u>\$ 245,702,516</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.75%	8.24%	7.96%	7.50%	7.28%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 257,201,826	\$ 253,650,778	\$ 253,032,514	\$ 254,342,414	\$ 254,406,183
Total Net Debt Applicable to Limit	17,850,000	16,375,000	14,850,000	13,255,000	11,595,000
Legal Debt Margin	<u>\$ 239,351,826</u>	<u>\$ 237,275,778</u>	<u>\$ 238,182,514</u>	<u>\$ 241,087,414</u>	<u>\$ 242,811,183</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.94%	6.46%	5.87%	5.21%	4.56%

Legal Debt Margin Calculation for Fiscal Year 2018

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
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
2017	388,929,425	1,906,745,466	1,372,572,409	1,937,477,219	2,893,287,474	8,499,011,993
	<u>\$ 1,177,467,542</u>	<u>\$ 5,691,098,774</u>	<u>\$ 4,113,508,895</u>	<u>\$ 5,835,252,482</u>	<u>\$ 8,623,290,653</u>	<u>\$ 25,440,618,346</u>
	Average Equalized Valuation of Taxable Property					<u>\$ 8,480,206,115</u>
	Debt Limit <sup>a</sup> (3% of Average Equalization Value)					\$ 254,406,183
	Net Bonded School Debt					<u>11,595,000</u>
	Legal Debt Margin					<u>\$ 242,811,183</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>
2008	1,650	\$ 74,210	\$ 122,446,500	5.10%
2009	1,657	71,361	118,245,177	8.60%
2010	1,649	74,460	122,784,540	8.70%
2011	1,661	77,207	128,240,827	8.40%
2012	1,665	80,027	133,244,955	8.80%
2013	1,669	80,868	134,968,692	6.50%
2014	1,672	83,687	139,924,664	3.80%
2015	1,669	87,896	146,698,424	3.70%
2016	1,668	89,065	148,560,420	3.30%
2017	1,665	89,065 *	148,293,225	3.40%

**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>
2008	7,675	\$ 74,210	\$ 569,561,750	2.80%
2009	7,686	71,361	548,480,646	4.90%
2010	7,871	74,460	586,074,660	4.90%
2011	7,918	77,207	611,325,026	4.80%
2012	7,936	80,027	635,094,272	5.00%
2013	7,951	80,868	642,981,468	5.80%
2014	7,940	83,687	664,474,780	4.40%
2015	7,941	87,896	697,982,136	3.70%
2016	7,927	89,065	706,018,255	3.40%
2017	7,915	89,065 *	704,949,475	3.20%

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

**Mendham Borough**

Year	Borough Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Borough Personal Income <sup>c</sup>	Borough Unemployment Rate <sup>d</sup>
2008	5,054	\$ 74,210	\$ 375,057,340	1.80%
2009	5,058	71,361	360,943,938	3.20%
2010	4,998	74,460	372,151,080	3.30%
2011	5,020	77,207	387,579,140	3.10%
2012	5,032	80,027	402,695,864	3.30%
2013	5,026	80,868	406,442,568	6.70%
2014	5,012	83,687	419,439,244	4.70%
2015	5,000	87,896	439,480,000	3.70%
2016	4,991	89,065	444,523,415	3.80%
2017	4,978	89,065 *	443,365,570	3.60%

**Mendham Township**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2008	5,472	\$ 74,210	\$ 406,077,120	1.20%
2009	5,486	71,361	391,486,446	2.10%
2010	5,883	74,460	438,048,180	2.10%
2011	5,901	77,207	455,598,507	2.00%
2012	5,915	80,027	473,359,705	2.10%
2013	5,904	80,868	477,444,672	2.00%
2014	5,891	83,687	493,000,117	4.00%
2015	5,886	87,896	517,355,856	3.30%
2016	5,866	89,065	522,455,290	3.20%
2017	5,845	89,065 *	520,584,925	3.10%

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

**Washington Township**

<u>Year</u>	<u>Township Population<sup>a</sup></u>	<u>Morris County Per Capita Personal Income<sup>b</sup></u>	<u>Township Personal Income<sup>c</sup></u>	<u>Township Unemployment Rate<sup>d</sup></u>
2008	18,303	\$ 74,210	\$ 1,358,265,630	3.90%
2009	18,336	71,361	1,308,475,296	6.60%
2010	18,566	74,460	1,382,424,360	6.70%
2011	18,656	77,207	1,440,373,792	6.50%
2012	18,741	80,027	1,499,786,007	6.70%
2013	18,731	80,868	1,514,738,508	5.00%
2014	18,707	83,687	1,565,532,709	4.60%
2015	18,717	87,896	1,645,149,432	4.30%
2016	18,710	89,065	1,666,406,150	3.50%
2017	18,726	89,065 *	1,667,831,190	3.40%

\* - Latest Morris County per capita personal income available (2016) 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

	2017		2008			
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
	Picatinny Arsenal	6,000	2.31%	Novartis Corporation	5,000	1.97%
	Atlantic Health Systems	5,455	2.10%	Atlantic Health Systems	4,045	1.59%
	Novartis Pharmaceuticals Corporation	4,220	1.62%	Picatinny Arsenal	3,412	1.34%
	Bayer Healthcare, LLC	2,800	1.08%	Morris County	2,170	0.85%
	ADP	2,266	0.87%	Lucent Technologies	1,983	0.78%
	Honeywell	1,838	0.71%	United Parcel Service	1,941	0.76%
	Wyndham Worldwide Corporation	1,708	0.66%	Wyndham Worldwide	1,371	0.54%
	Saint Clare's Health System	1,688	0.65%	Greystone Psychiatric Hospital	1,296	0.51%
	BASF Corporation	1,400	0.54%	Tiffany & Company	1,200	0.47%
	PriceWaterhouse Coopers	1,360	0.52%	Accenture	1,200	0.47%
		<u>28,735</u>	<u>11.06%</u>		<u>23,618</u>	<u>9.28%</u>
	Total Employment *	<u>259,911</u>			<u>254,319</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>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>	<u>2018</u>
Instruction:										
Regular	186.00	180.00	179.60	181.00	176.80	177.20	179.60	174.40	169.40	169.80
Special Education	40.80	37.40	40.00	40.00	43.00	40.40	39.40	41.20	37.80	36.40
Support Services:										
Student & Instruction-Related Services	58.00	57.00	56.90	55.50	53.00	49.00	48.00	46.00	51.00	52.00
General Administration	3.00	3.00	3.00	3.00	5.00	8.00	8.00	8.00	7.00	7.20
School Administration	16.60	15.60	14.60	14.60	16.50	20.50	20.50	21.30	21.60	19.60
Central Services	5.50	5.60	4.10	4.00	4.00	4.00	5.80	5.60	5.80	5.60
Administrative Information Technology	3.80	3.50	4.00	4.00	4.00	5.60	5.00	5.00	7.00	7.00
Plant Operations/Maintenance	34.00	31.00	31.00	31.00	31.00	30.00	30.00	30.10	30.00	31.00
Student Transportation	4.00	4.00	4.00	4.00	4.00	2.80	2.80	2.80	2.80	2.80
<b>Total</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>	<b>331.40</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				
2009	2,654	\$ 44,507,831	\$ 16,770	-2.64%	249	10.7:1	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	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	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	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	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	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	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	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	11.4:1	2,574	2,438	-0.92%	94.72%
2018	2,524	53,188,541	21,073	6.30%	228	11.1:1	11.1:1	2,462	2,353	-4.35%	95.57%

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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455
Enrollment	1,380	1,389	1,412	1,370	1,340	1,318	1,315	1,304	1,318	1,260
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)	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308
Enrollment	1,274	1,297	1,324	1,366	1,426	1,417	1,407	1,359	1,317	1,264
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, 2018:  
 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.

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>
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
2018	147,438	161,108	308,546

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

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
PROPERTY:	American Alternative Ins. Co.		
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:	American Alternative Ins. Co.		
Property Damage (Blanket)		50,000,000	5,000
GENERAL LIABILITY:	American Alternative Ins. Co.		
General Aggregate		2,000,000	
Each Occurrence		1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY:	American Alternative Ins. Co.		
20 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
COMMERCIAL UMBRELLA	American Alternative Ins. Co.	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, 2018  
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
<b>CYBER &amp; TECHNOLOGY LIABILITY</b>	XL Group Insurance		
1st Party Coverage		\$ 1,000,000	\$ 15,000
3rd Party Coverage		2,000,000	
Group Aggregate		4,000,000	
<b>WORKERS' COMPENSATION:</b>	Morris Essex Insurance Group		
Limit of Indemnity Per Occurrence:			
(1) Part-One Workers' Compensation		Statutory	
(2) Part-Two - Employer's Liability		5,000,000	
<b>CRIME:</b>	American Alternative Ins. Co.		
Employee Theft		500,000	5,000
Forgery and Alterations		50,000	1,000
<b>EDUCATORS' LEGAL LIABILITY</b>	XL Catlin	1,000,000	10,000
<b>EMPLOYMENT PRACTICES LIABILITY</b>	XL Catlin	1,000,000	20,000
<b>INDIVIDUAL SURETY BONDS:</b>			
Business Administrator/Board Secretary	Selective Insurance Company	500,000	
Treasurer	Selective Insurance Company	300,000	
<b>ATHLETIC ACCIDENT:</b>			
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  
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Lawrence Business Center  
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Newton, NJ 07860  
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Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District, in the County of Morris (the "District") as of, and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

**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

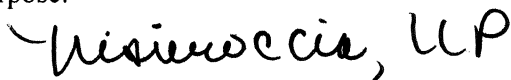
**Compliance and Other Matters**

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*.

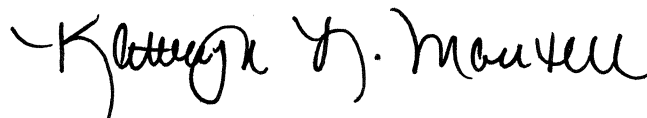
**Purpose of this Report**

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.

January 18, 2019  
Mount Arlington, New Jersey



NISIVOCCIA, LLP



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



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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, 2018. 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, 2018.

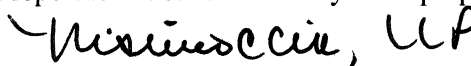
**Report on Internal Control Over Compliance**

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.

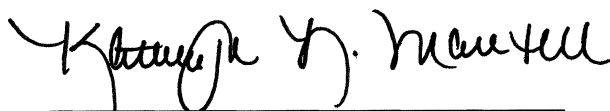
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

January 18, 2019  
Mount Arlington, New Jersey



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, 2018**

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, 2017		Cash Received	Budgetary Expenditures	Prior Year Encum- brances Canceled	June 30, 2018		
			From	To		Unearned Revenue/ (Accounts Receivable)	Carryover/ (Walkover) Amount				(Accounts Receivable)	Unearned Revenue	Due to Grantor
US Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Elementary and Secondary Education Act:													
Formula Subgrant:													
Title I	84.010A	ESEA-5660-17	7/1/16	6/30/17	\$ 42,714	\$ (607)	\$ 2,877	\$ (30,963)			\$ (19,813)	\$ 2,270	
Title II - Parts A and D	84.367	ESEA-5660-18	7/1/17	6/30/18	39,256		11,150						
Title II - Parts A and D	84.367	ESEA-5660-17	7/1/16	6/30/17	34,605	103					\$ 103		
Special Education Cluster:													
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-18	7/1/17	6/30/18	515,980		311,778	(382,178)			(70,400)	31,416	
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-17	7/1/16	6/30/17	535,917	(103,562)	131,240			\$ 3,738	(70,400)	31,416	
Total Special Education Cluster						(103,562)	443,018	(382,178)		3,738	(70,400)	31,416	
Total U.S. Department of Education						(104,066)	457,045	(413,141)		3,738	(90,213)	33,686	
Total Special Revenue Fund						(104,066)	457,045	(413,141)			(90,213)	33,686	
TOTAL FEDERAL AWARDS						\$ (104,066)	\$ -0-	\$ (413,141)	\$ (413,141)	\$ 3,738	\$ (90,213)	\$ 103	\$ 33,686

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, 2018

State Grantor/Program Title State Department of Education:	Project Number	Grant or State	From	To	Program/ Award Amount	June 30, 2017		June 30, 2018		MEMO		
						Budgetary Revenue/ (Accounts Receivable)	Due to Grantor	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
						Cash Received	Budgetary Expenditures	Receivable Canceled	Repayment of Balances			
General Fund:												
Transportation Aid	18-495-034-5120-014		7/1/17	6/30/18	\$ 1,357,955	\$ 1,229,239	\$ (1,357,955)				\$ (128,716)	\$ 1,357,955
Transportation Aid	17-495-034-5120-014		7/1/16	6/30/17	1,357,955	130,464	(130,464)					
Special Education	18-495-034-5120-089		7/1/17	6/30/18	1,760,399	1,593,537	(1,760,399)				(166,862)	1,760,399
Categorical Aid	17-495-034-5120-089		7/1/16	6/30/17	1,760,399	169,128	(169,128)					
Security Aid	18-495-034-5120-084		7/1/17	6/30/18	213,804	193,538	(213,804)				(20,266)	213,804
Security Aid	17-495-034-5120-084		7/1/16	6/30/17	213,804	20,541	(20,541)					
Equalization Aid	18-495-034-5120-078		7/1/17	6/30/18	313,431	283,722	(313,431)				(29,709)	313,431
Equalization Aid	17-495-034-5120-078		7/1/16	6/30/17	313,431	30,112	(30,112)					
Adjustment Aid	18-495-034-5120-085		7/1/17	6/30/18	644,411	583,330	(644,411)				(61,081)	644,411
Adjustment Aid	17-495-034-5120-085		7/1/16	6/30/17	733,641	70,484	(70,484)					
Per Pupil Growth Aid	18-495-034-5120-097		7/1/17	6/30/18	28,030	25,373	(28,030)				(2,657)	28,030
Per Pupil Growth Aid	17-495-034-5120-097		7/1/16	6/30/17	28,030	2,693	(2,693)					
PARCC Readiness Aid	18-495-034-5120-098		7/1/17	6/30/18	28,030	25,373	(28,030)				(2,657)	28,030
PARCC Readiness Aid	17-495-034-5120-098		7/1/16	6/30/17	28,030	2,693	(2,693)					
Professional Learning Community Aid	18-495-034-5120-101		7/1/17	6/30/18	26,210	23,726	(26,210)				(2,484)	26,210
Professional Learning Community Aid	17-495-034-5120-101		7/1/16	6/30/17	26,210	2,518	(2,518)					
Extraordinary Special Education Costs	18-495-034-5120-044		7/1/17	6/30/18	398,128	455,711	(398,128)				(398,128)	398,128
Extraordinary Special Education Costs	17-495-034-5120-044		7/1/16	6/30/17	455,711		(455,711)					
Nonpublic School Transportation Costs	18-495-034-5120-014		7/1/17	6/30/18	45,980	32,988	(45,980)				(45,980)	45,980
Nonpublic School Transportation Costs	17-495-034-5120-014		7/1/16	6/30/17	32,988		(32,988)					
On-Behalf TPAF Contributions:												
Post-Retirement Medical Pension	18-495-034-5094-001		7/1/17	6/30/18	1,962,153	1,962,153	(1,962,153)					1,962,153
Pension	18-495-034-5094-002		7/1/17	6/30/18	2,965,981	2,965,981	(2,965,981)					2,965,981
Non-Contributory Insurance	18-495-034-5094-004		7/1/17	6/30/18	71,977	71,977	(71,977)					71,977
Long-Term Disability Insurance	18-495-034-5094-004		7/1/17	6/30/18	3,991	3,991	(3,991)					3,991
Reimbursed TPAF Contributions:												
Social Security Aid	18-495-034-5094-003		7/1/17	6/30/18	1,351,218	1,351,218	(1,351,218)				(8,007)	1,351,218
Social Security Aid	17-495-034-5094-003		7/1/16	6/30/17	1,341,140	69,857	(69,857)					
Total General Fund State Aid						11,300,347	(11,179,705)				(866,547)	11,179,705
Special Revenue Fund:												
State Department of Education:												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	18-100-034-5120-064		7/1/17	6/30/18	18,406	18,406	(17,129)				\$ 1,277	17,129
Nursing Services (Chapter 226)	18-100-034-5120-070		7/1/17	6/30/18	32,786	32,786	(32,786)					32,786
Auxiliary Services (Chapter 192):												
Home Instruction	18-100-034-5120-067		7/1/17	6/30/18	12,778		(12,778)				(12,778)	12,778
Home Instruction	17-100-034-5120-067		7/1/16	6/30/17	2,606		(2,606)					
Handicapped Services (Chapter 193):												
Examination & Classification	18-100-034-5120-066		7/1/17	6/30/18	14,571	14,571	(12,993)				1,578	12,993
Examination & Classification	17-100-034-5120-066		7/1/16	6/30/17	17,653		(17,653)					
Supplementary Instruction	18-100-034-5120-066		7/1/17	6/30/18	16,652		(16,335)				317	16,335
Technology Initiative	18-100-034-5120-373		7/1/17	6/30/18	12,432		(12,432)					12,432
Character Education Aid	06-495-034-5120-053		7/1/05	6/30/18	6,651						\$ 918	
Total State Department of Education						97,453	(104,453)				(361)	104,453
Total Special Revenue Fund						97,453	(104,453)				(361)	104,453

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program/Award Amount	June 30, 2017		Due to Grantor	Cash Received	Budgetary Expenditures	Receivable Canceled	Repayment of Balances	June 30, 2018		MEMO		
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	GAAP (Accounts Receivable)						Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
Capital Projects Fund:																
Schools Development Authority:																
Educational Facilities Construction & Financing Act:																
WM Central - HVAC	5660-030-14-1002	3/31/14	6/30/17	\$ 456,365	\$ (91,273)	\$ 91,273									\$ 456,365	
WM Mendham - HVAC	5660-030-14-1003	3/31/14	6/30/17	358,721	(71,744)	71,744									358,721	
Total Capital Projects Fund					(163,017)	163,017										815,086
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION					\$ (1,151,894)	\$ 361	\$ 11,560,817	\$ (1,284,158)	\$ -0-	\$ (361)	\$ (464,893)	\$ 918	\$ 3,172	\$ (879,325)	\$ 12,099,244	
Less - State Awards Not Subject to Single Audit Major Program Determination:																
On-Behalf TPAF Pension System Contributions:																
Post-Retirement Medical Pension							1,962,153									
Non-Contributory Insurance							2,965,981									
Long-Term Disability Insurance							71,977									
Subtotal On-Behalf TPAF Pension System Contributions							5,004,102									
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION							\$ (6,280,056)									

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018. 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, 2018  
(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 \$14,201 for the General Fund and \$10,810 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. 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		\$ 11,193,906	\$11,193,906
Special Revenue Fund	\$ 424,125	104,453	528,578
 Total Financial Awards	\$ 424,125	\$11,298,359	\$11,722,484

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, 2018.

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 no active grants awarded from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. During the fiscal year ended June 30, 2018, the SDA grants receivable balance of \$163,017 at June 30, 2017 on two completed SDA projects was received.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.

- The District's state programs tested as major programs for the current fiscal year were the following:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education				
Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,760,399	\$ 1,760,399
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	213,804	213,804
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	313,431	313,431
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	644,411	644,411
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	28,030	28,030
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	28,030	28,030
Professional Learning				
Community Aid	18-495-034-5120-101	7/1/17-6/30/18	26,210	26,210

- 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, 2018  
(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, 2018

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2017.