

**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, 2019**

**Comprehensive Annual  
Financial Report**

**of the**

**West Morris Regional  
High School District**

**Chester, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by**

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal .....	1
Organizational Chart .....	5
Roster of Officials .....	6
Consultants and Advisors .....	7
 FINANCIAL SECTION .....	 8
Independent Auditors' Report .....	9
Required Supplementary Information .....	12
Management's Discussion and Analysis (Unaudited) .....	13
Basic Financial Statements (Sections A. and B.) .....	21
A. District-Wide Financial Statements .....	22
A-1 Statement of Net Position .....	23
A-2 Statement of Activities .....	24
B. Fund Financial Statements .....	26
B-1 Balance Sheet – Governmental Funds .....	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds .....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	30
B-4 Statement of Net Position – Proprietary Funds .....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	32
B-6 Statement of Cash Flows – Proprietary Funds .....	33
B-7 Statement of Fiduciary Net Position – Fiduciary Funds .....	34
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	35
Notes to the Basic Financial Statements .....	36
Required Supplementary Information (Unaudited) .....	78
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other Than Pensions (Unaudited) .....	79
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System .....	79
L-2 Schedule of District Contributions – Public Employees' Retirement System .....	80
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund .....	81
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund .....	82
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District and Related Ratios .....	83
Notes to Required Supplementary Information (Unaudited) .....	84

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

FINANCIAL SECTION (Cont'd)

C.	Budgetary Comparison Schedules (Unaudited) .....	87
C-1	Budgetary Comparison Schedule – General Fund.....	88
C-2	Budgetary Comparison Schedule – Special Revenue Fund.....	101
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information .....	103
Supplementary Schedules (Sections D. to I.)		
D.	School Level Schedules (Not Applicable).....	105
E.	Special Revenue Fund .....	106
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis .....	107
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund .....	110
F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	111
F-1a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Running Track Replacement and Field Lighting Projects .....	112
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Turf Field Project .....	113
F-1c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Energy Savings Improvement Program (ESIP).....	114
F-1d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Fire Alarm Replacement Project.....	115
F-1e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central and Mendham High Schools – Media Center Renewal Project.....	116
F-1f	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Mendham High School – Fence Replacement Project.....	117
F-1g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Irrigation System Project.....	118
F-1h	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – West Morris Central High School – Potable Water System Upgrade Project.....	119
G.	Proprietary Funds .....	120
Enterprise Fund:		
G-1	Statement of Net Position .....	121
G-2	Statement of Revenue, Expenses and Changes in Fund Net Position .....	122
G-3	Statement of Cash Flows .....	123
H.	Fiduciary Funds .....	124
H-1	Combining Statement of Fiduciary Net Position .....	125
H-2	Combining Statement of Changes in Fiduciary Net Position .....	126
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements .....	127
H-4	Student Activity Agency Fund Statement of Activity .....	128
H-5	Payroll Agency Fund Schedule of Receipts and Disbursements .....	129
H-6	Laptop Replacement Agency Fund Schedule of Receipts and Disbursements .....	130



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

FINANCIAL SECTION (Cont'd)

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

I. Long-Term Debt.....	131
I-1 Schedule of Serial Bonds.....	132
I-2 Schedule of Obligations Under Capital Leases .....	133
I-3 Budgetary Comparison Schedule – Debt Service Fund.....	134

STATISTICAL SECTION

J. Statistical Schedules (Unaudited).....	135
J-1 Net Position by Component.....	136
J-2 Changes in Net Position.....	138
J-3 Fund Balances - Governmental Funds.....	142
J-4 Changes in Fund Balances - Governmental Funds.....	143
J-5 General Fund Other Local Revenue by Source .....	145
J-6 Assessed Value and Estimated Actual Value of Taxable Property .....	146
J-7 Direct and Overlapping Property Tax Rates.....	148
J-8 Principal Property Taxpayers .....	151
J-9 Property Tax Levies and Collections.....	156
J-10 Ratios of Outstanding Debt by Type .....	159
J-11 Ratios of Net General Bonded Debt Outstanding.....	162
J-12 Ratios of Overlapping Governmental Activities Debt.....	165
J-13 Legal Debt Margin Information.....	166
J-14 Demographic and Economic Statistics .....	167
J-15 Principal Employers.....	170
J-16 Full-Time Equivalent District Employees by Function/Program .....	171
J-17 Operating Statistics.....	172
J-18 School Building Information .....	173
J-19 Schedule of Required Maintenance for School Facilities.....	174
J-20 Insurance Schedule .....	175

SINGLE AUDIT SECTION

K. Single Audit.....	177
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	178
K-2 Report on Compliance for Each Major State Program; Report on Internal Control over Compliance.....	180
K-3 Schedule of Expenditures of Federal Awards.....	182
K-4 Schedule of Expenditures of State Awards.....	183
K-5 Notes to the Schedules of Expenditures of Federal and State Awards .....	185
K-6 Schedule of Findings and Questioned Costs.....	187
K-7 Summary Schedule of Prior Audit Findings.....	189

INTRODUCTORY SECTION



# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

10 SOUTH FOUR BRIDGES ROAD, CHESTER, NEW JERSEY 07930

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



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SUPERINTENDENT OF SCHOOLS

ED BRAUN  
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L. DOUGLAS PECHANEC  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

November 8, 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, 2019 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 2018/2019 fiscal year with an enrollment of 2,510 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>
2018-2019	2,428	(0.01%)
2017-2018	2,462	(4.35%)
2016-2017	2,574	(0.01%)
2015-2016	2,598	(0.023%)
2014-2015	2,659	(0.03%)
2013-2014	2,735	(0.01%)
2012-2013	2,774	1.62%
2011-2012	2,729	0.11%
2010-2011	2,726	1.49%
2009-2010	2,686	1.47%
2008-2009	2,647	1.11%

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 2018-2019 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 2019 took an AP or IB test with over 91% passing at least one AP or IB test.

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, 2019.



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

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

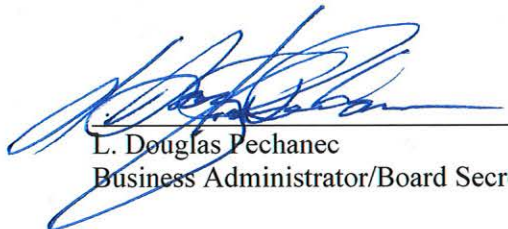
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Michael Ben-David  
Superintendent



L. Douglas Pechanec  
Business Administrator/Board Secretary

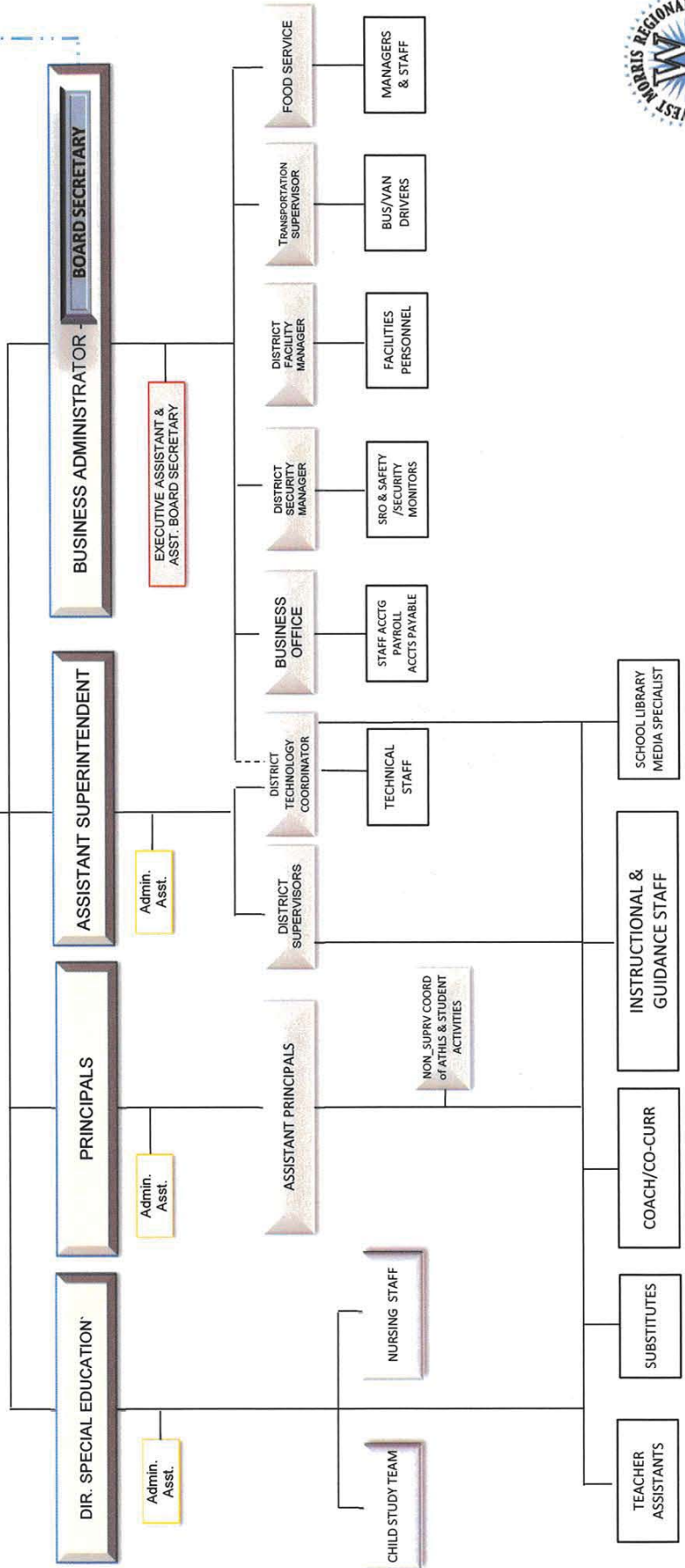


**WEST MORRIS REGIONAL HIGH SCHOOL**  
**BOARD of EDUCATION**  
 10 South Four Bridges Road, Chester, New Jersey



**SUPERINTENDENT**

EXECUTIVE/CONFIDENTIAL SECRETARY & Support Staff







# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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ASSISTANT SUPERINTENDENT OF SCHOOLS

L. DOUGLAS PECHANEC  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

## ROSTER OF OFFICIALS AS OF JUNE 30, 2019

### 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	2021

### 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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BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT  
DIRECTOR OF SPECIAL EDUCATION

## CONSULTANTS AND ADVISORS

### Auditor

Nisivoccia & Company L.L.P.  
Mt. Arlington Corporate Park  
200 Valley Road, Suite 300  
Mt. Arlington, New Jersey 07856

### Financial Advisors

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Bordentown, New Jersey 08505

### Architect

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Wayne, New Jersey 07470

### Insurance Consultant

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Parsippany, New Jersey 07054

### Attorney

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Oakland, New Jersey 07436

### Official Depository

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56 Flanders-Bartley Road  
Flanders, New Jersey 07836

### Construction Attorney

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

### Bond Counsel

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

### Conflict Attorney

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

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

FINANCIAL SECTION

## 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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension 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 other supplementary schedules 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 other supplementary schedules 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 other 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 November 8, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Nisivoccia, LLP*

November 8, 2019  
Mt. Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

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

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



# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2019  
(unaudited)

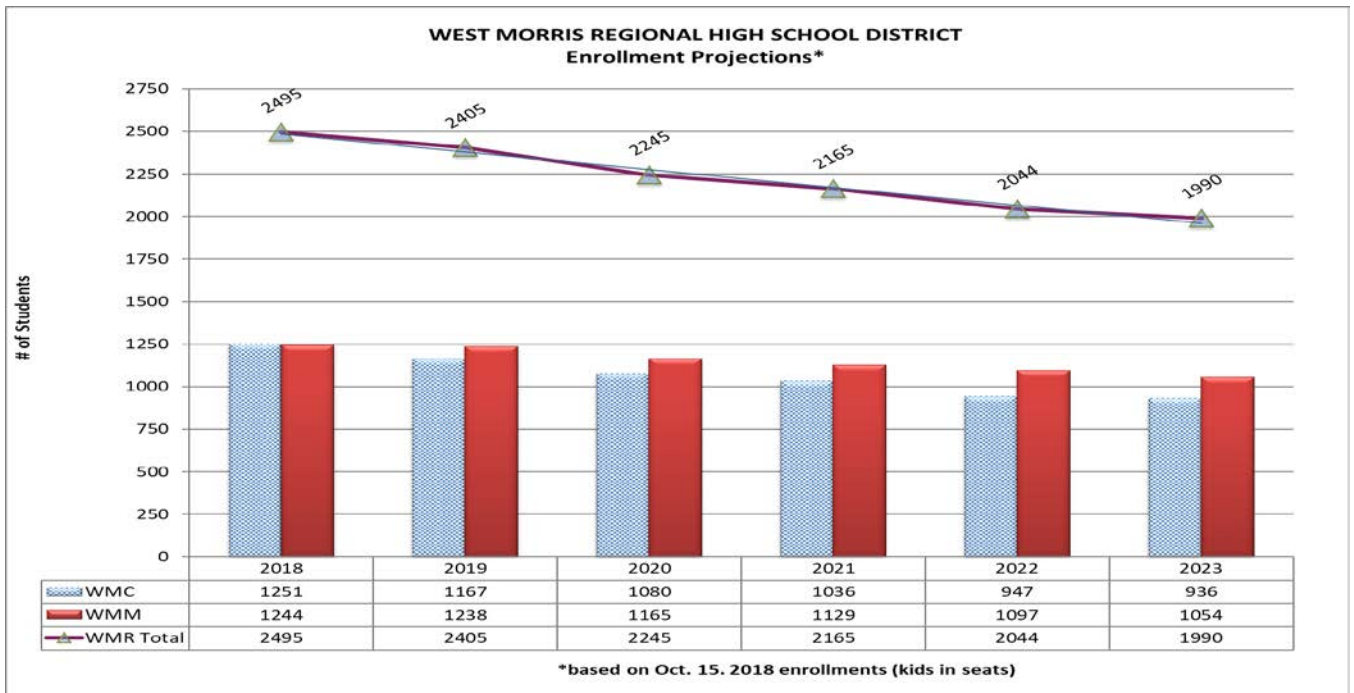
### **Management's Discussion and Analysis:**

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, 2019. 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, 2018 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, 2019  
(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 security and facilities related improvements, more adjustments occurred this fiscal year than normal.

The following chart provides a summary of revenues initially anticipated for the 2018-2019 fiscal year budget and the change from the prior year.

<b>REVENUE SOURCES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>\$ INC/(DEC)</b>
<b>Tax Revenue</b>	\$43,618,576	\$44,490,948	\$872,372
<b>Debt Service (Bonds)</b>	\$2,266,000	\$2,269,475	\$3,475
<b>TAX LEVY TOTALS:</b>	<b>\$45,884,576</b>	<b>\$46,760,423</b>	<b>\$875,847</b>
	<b>% of overall tax increase:</b>		<b>1.91%</b>
<b>OTHER REVENUES</b>			
<b>State Aid Revenue</b>	\$4,461,500	\$4,608,689	\$147,189
<b>Fund Balance</b>	\$1,843,032	\$2,267,065	\$424,033
<b>Misc. Revenues</b>	\$848,960	\$1,172,185	\$323,225
<b>Special Revenue-Fed/IDEA Funds</b>	\$566,176	\$581,547	\$15,371
<b>Capital Reserve allocation</b>	\$910,000	\$2,141,800	\$1,231,800
<b>OTHER REVENUES TOTALS:</b>	<b>\$8,629,668</b>	<b>\$10,771,286</b>	<b>\$2,141,618</b>
<b>TOTAL REVENUES</b>	<b>\$54,514,244</b>	<b>\$57,531,709</b>	<b>\$3,017,465</b>
	<b>% of revenue increase:</b>		<b>5.54%</b>

The state mandated tax levy cap of 2%, plus waivers, is the target that all NJ Public Schools must adhere to as the budget is developed. State law also allows Boards of Education (BOE) to opt out of the election process if the budget is at or below the established cap. West Morris Regional BOE did vote to opt out, choosing to remain within the established tax levy cap. The tax increase over last year was 2.0% reflecting the BOE's initiative to improve infrastructure and maintain quality educational programs. State aid revenue for 2018-2019 increased \$147,189 or 3.3% over 2017-18 level. The state aid revenue does not include FICA reimbursements or extraordinary aid 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 in force.

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, 2019 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, 2019  
(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, 2019  
(unaudited)

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

**Statement of Net Position** During 2018-2019 the district's net position increased. Total Net Position for Governmental Activities increased \$1,877,808, Net Position from Business Activities increased by \$29,834 for a total increase in Net Position of \$1,907,642 which represents a 5.44% increase from the prior year.

	Governmental Activities		Business Activities		TOTAL		%
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	
<b>ASSETS:</b>							
Current & Other Assets	\$12,494,384	\$13,291,791	\$103,385	\$58,084	\$12,597,769	\$13,349,875	
Capital Assets, Net	53,706,307	\$50,280,688	\$19,648	\$21,473	\$53,725,955	\$50,302,161	
<b>TOTAL ASSETS</b>	<b>\$66,200,691</b>	<b>\$63,572,479</b>	<b>\$123,033</b>	<b>\$79,557</b>	<b>\$66,323,724</b>	<b>\$63,652,036</b>	<b>4.20%</b>
Deferred Outflows of Resources	\$4,152,315	\$5,086,284	-	-	\$4,152,315	\$5,086,284	<b>-18.36%</b>
<b>LIABILITIES:</b>							
Long Term Liabilities	\$26,619,281	\$29,545,898	\$5,000	\$15,000	\$26,624,281	\$29,560,898	
Other Liabilities	\$3,170,293	\$1,274,884	\$47,176	\$23,534	\$3,217,469	\$1,298,418	
<b>TOTAL LIABILITIES</b>	<b>\$29,789,574</b>	<b>\$30,820,782</b>	<b>\$52,176</b>	<b>\$38,534</b>	<b>\$29,841,750</b>	<b>\$30,859,316</b>	<b>-3.30%</b>
Deferred Inflows of Resources	\$3,676,805	\$2,829,162	\$0	\$0	\$3,676,805	\$2,829,162	<b>29.96%</b>
<b>NET POSITION:</b>							
Investment in							
Capital Assets	\$40,490,868	\$35,979,627	\$19,648	\$21,473	\$40,510,516	\$36,001,100	
Restricted	\$7,109,764	\$7,803,701			\$7,109,764	\$7,803,701	
Unrestricted (Deficit)	<u>(10,714,005)</u>	<u>(8,774,509)</u>	51,209	19,550	<u>(10,662,796)</u>	<u>(8,754,959)</u>	
<b>TOTAL NET POSITION</b>	<b>\$36,886,627</b>	<b>\$35,008,819</b>	<b>\$70,857</b>	<b>\$41,023</b>	<b>\$36,957,484</b>	<b>\$35,049,842</b>	<b>5.44%</b>

**Net Investment in Capital Assets** increased \$4,509,416 as a result of capital asset additions and current year maturities of bonds and capital leases, offset by current year depreciation, the issuance of new capital leases and amortization of the deferred amount on refunding.

**Restricted Net Position** decreased \$693,937 primarily as a result of budgeted and Board approved withdrawals from the Capital Reserve Account for capital projects offset by a budgeted increase and Board approved deposit to the Capital Reserve Account during the fiscal year.

**Unrestricted Net Position** decreased \$1,907,837 primarily as a result of the combination of surplus used to support the 2018-2019 budget, continued expenditure and progress of capital projects, changes in the deferred inflows and outflows of resources related to pension and the net pension liability offset by an increase in State Aid and unexpended budget appropriations during the fiscal year.



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2019  
(unaudited)

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

The overall impact of school operations resulted in a decrease of (\$36,232) over the 2017-2018 results. Revenues decreased in total by (3.03%) or (\$2,086,462) primarily due to reduced operational grants. Expenses also decreased by (3.08%) or (\$2,057,481). The revenue decrease is primarily attributable to a decrease in operating grants and contributions as well as reduced federal and state aid, offset by an increase in property taxes and in capital grants and contributions. The decrease in expenses is due primarily to decreases in Instruction and Pupil Services and Technology spending.

Changes in Net Position from Operating Results	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	\$'s	%
<b>REVENUES:</b>								
Program Revenues								
Charges for Service	\$ 274,918	\$263,007	\$ 683,675	\$572,320	\$958,593	\$ 835,327	\$123,266	
Operating Grants & Contrib.	\$ 16,962,186	\$20,010,834			\$16,962,186	\$20,010,834	(\$3,048,648)	
Capital Grants & Contrib.	\$ 23,120	14,411			\$23,120	14,411	\$8,709	
General Revenues								
Property Taxes	\$ 46,760,423	\$45,884,576			\$46,760,423	\$45,884,576	\$875,847	
Federal & State Aid (unrestricted)	\$ 895,450	\$1,264,103			\$895,450	\$1,264,103	(\$368,653)	
Other	\$ 1,084,340	\$761,025	\$302	\$600	\$1,084,642	\$761,625	\$323,017	
<b>TOTAL REVENUES:</b>	<b>\$66,000,437</b>	<b>\$68,197,956</b>	<b>\$683,977</b>	<b>\$572,920</b>	<b>\$66,684,414</b>	<b>\$68,770,876</b>	<b>(\$2,086,462)</b>	<b>-3.03%</b>
<b>EXPENSES:</b>								
Instruction	\$ 35,515,096	\$ 36,808,721			\$35,515,096	\$36,808,721	(\$1,293,625)	
Pupil & Instruction Services	\$ 12,426,356	\$ 13,606,464			\$12,426,356	\$13,606,464	(\$1,180,108)	
Admin/Business/Technology	\$ 5,266,392	\$ 5,504,190			\$5,266,392	\$5,504,190	(\$237,798)	
Maintenance & Operations	\$ 4,336,243	\$ 4,195,645			\$4,336,243	\$4,195,645	\$140,598	
Transportation	\$ 3,918,831	\$ 3,487,483			\$3,918,831	\$3,487,483	\$431,348	
Other Expenses	\$ 2,688,432	\$ 2,644,532	\$ 625,422	\$587,218	\$3,313,854	\$3,231,750	\$82,104	
<b>TOTAL EXPENSES</b>	<b>\$64,151,350</b>	<b>\$66,247,035</b>	<b>\$625,422</b>	<b>\$587,218</b>	<b>\$64,776,772</b>	<b>\$66,834,253</b>	<b>(\$2,057,481)</b>	<b>-3.08%</b>
Other Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfers	28,721	(3,041)	(\$28,721)	\$ 10,292	\$0	\$7,251	(\$7,251)	-100.00%
<b>CHANGE IN NET POSITION</b>	<b>\$1,877,808</b>	<b>\$1,947,880</b>	<b>\$29,834</b>	<b>(\$4,006)</b>	<b>\$1,907,642</b>	<b>\$1,943,874</b>	<b>(\$36,232)</b>	<b>-1.86%</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 98.97% of the total revenues and 99.03% of expenses shown on this statement.

### ***Net Cost of Government Activities:***

Cost Category	2018-2019 Total Cost of Services	2017-2018 Total Cost of Services	2018-2019 Net Cost of Services	2017-2018 Net Cost of Services
<b>Governmental Activities:</b>				
Instruction	\$ 35,515,096	\$ 36,808,721	\$ 23,476,852	\$ 22,556,157
Pupil & Instruction Services	\$ 12,426,356	\$ 13,606,464	\$ 9,485,753	\$ 10,041,207
Admin/Business/Technology	\$ 5,266,392	\$ 5,504,190	\$ 4,430,925	\$ 4,439,442
Maintenance & Operations	\$ 4,336,243	\$ 4,195,645	\$ 4,336,243	\$ 4,195,645
Transportation	\$ 3,918,831	\$ 3,487,483	\$ 2,472,921	\$ 2,081,800
Other	\$ 2,688,432	\$ 2,644,532	\$ 2,688,432	\$ 2,644,532
<b>TOTAL</b>	<b>\$ 64,151,350</b>	<b>\$ 66,247,035</b>	<b>\$ 46,891,126</b>	<b>\$ 45,958,783</b>



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2019  
(unaudited)

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

At the end of fiscal year 2019, the district had a total of \$53,725,955 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2017-2018. The overall increase is primarily attributable to site improvements and construction in progress during the year totaling \$5,922,975, offset by depreciation, for a net increase of \$3,423,794 or 6.81%. Depreciation was \$2,495,146 for governmental activities and \$4,035 for business type activities.

Capital Assets	Governmental Activities		Business Activities		TOTAL		VARIANCE	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	\$'s	%
Sites	\$ 130,448	\$ 130,448	\$ -	\$ -	\$ 130,448	\$ 130,448	\$0	0.00%
Site Improvements	\$ 3,904,929	\$ 1,614,767	\$ -	\$ -	\$ 3,904,929	\$ 1,614,767	\$2,290,162	141.83%
Building & Improv.	\$ 43,748,306	\$ 45,140,869	\$ -	\$ -	\$ 43,748,306	\$ 45,140,869	(\$1,392,563)	-3.08%
Machinery & Equip.	\$ 1,670,010	\$ 1,619,783	\$ 19,648	\$ 21,473	\$ 1,689,658	\$ 1,641,256	\$48,402	2.95%
Construction in Progress	\$ 4,252,614	\$ 1,774,821	\$ -	\$ -	\$ 4,252,614	\$ 1,774,821	\$2,477,793	139.6%
<b>TOTAL</b>	<b>\$53,706,307</b>	<b>\$ 50,280,688</b>	<b>\$19,648</b>	<b>\$21,473</b>	<b>\$53,725,955</b>	<b>\$50,302,161</b>	<b>\$3,423,794</b>	<b>6.81%</b>

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

The district's total outstanding liabilities at the end of fiscal year 2019 totals \$29,624,281, a decrease of (9.93%) from 2018. 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 (\$1,740,000) for scheduled maturities. Bond Premiums decreased by (\$222,215), Capital Lease payments increased by \$1,176,721 and retired (\$676,026) due to athletic projects and implementing Energy Savings Improvement Plan throughout the district. Net Pension Liability decreased by (\$1,491,542). The GASB 68 impact for net pension liability amounted to a decrease of (13.03%) compared to the 2017-2018 liability.

Outstanding Long Term Debt	2018-2019	2017-2018	VARIANCE	
	Long-Term Debt	Long-Term Debt	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$9,855,000	\$11,595,000	(\$1,740,000)	-15.01%
Unamortized Bond Premiums	\$1,111,075	\$1,333,290	(\$222,215)	-16.67%
Capital Leases Payable	\$4,129,004	\$3,628,339	\$500,665	13.80%
Net Pension Liability	\$9,953,455	\$11,444,997	(\$1,491,542)	-13.03%
Other Long-Term Liabilities				
Governmental Activities	\$1,570,747	\$1,544,272	\$26,475	1.71%
Business-Type Activities	\$5,000	\$15,000	(\$10,000)	-66.67%
<b>TOTAL</b>	<b>\$26,624,281</b>	<b>\$29,560,898</b>	<b>(\$2,936,617)</b>	<b>-9.93%</b>



## WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2019  
(unaudited)

### **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 2018-2019:

The Food Service Program experienced an operating profit this year. The district's revenues overall increased \$111,057 or 19.96% over fiscal year 2017-2018 and expenses increased \$38,204 or 6.51%. Charges for Service constitute 99.38% 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 22.

Changes in Net Position from Operating Results	Business Activities	
	2018-2019	2017-2018
<b>REVENUES:</b>		
Program Revenues		
Charges for Service	\$ 683,675	\$ 572,320
Operating Grants & Contrib.		
Capital Grants & Contrib.		
General Revenues		
Property Taxes		
Federal & State Aid (unrestricted)		
Other	\$302	\$600
<b>TOTAL REVENUES:</b>	<b>\$683,977</b>	<b>\$572,920</b>
<b>EXPENSES:</b>		
Instruction		
Pupil & Instruction Services		
Admin/Business/Technology		
Maintenance & Operations		
Transportation		
Other Expenses	\$ 625,422	\$ 587,218
<b>TOTAL EXPENSES</b>	<b>\$625,422</b>	<b>\$587,218</b>
Other Resources	\$0	
Transfers	(\$28,721)	\$ 10,292
<b>CHANGE IN NET POSITION</b>	<b>\$29,834</b>	<b>(\$4,006)</b>

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 30% of premiums beginning in fiscal year 2014-2015. The district is required by law to bid the service every five years and selected Pomptonian in 2008-09 and then Aramark in 2013-14. For 2018-2019 Pomptonian was again selected. A Request for Proposal will be extended to all school food providers within New Jersey at the close of the 2022-2023 fiscal year.

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



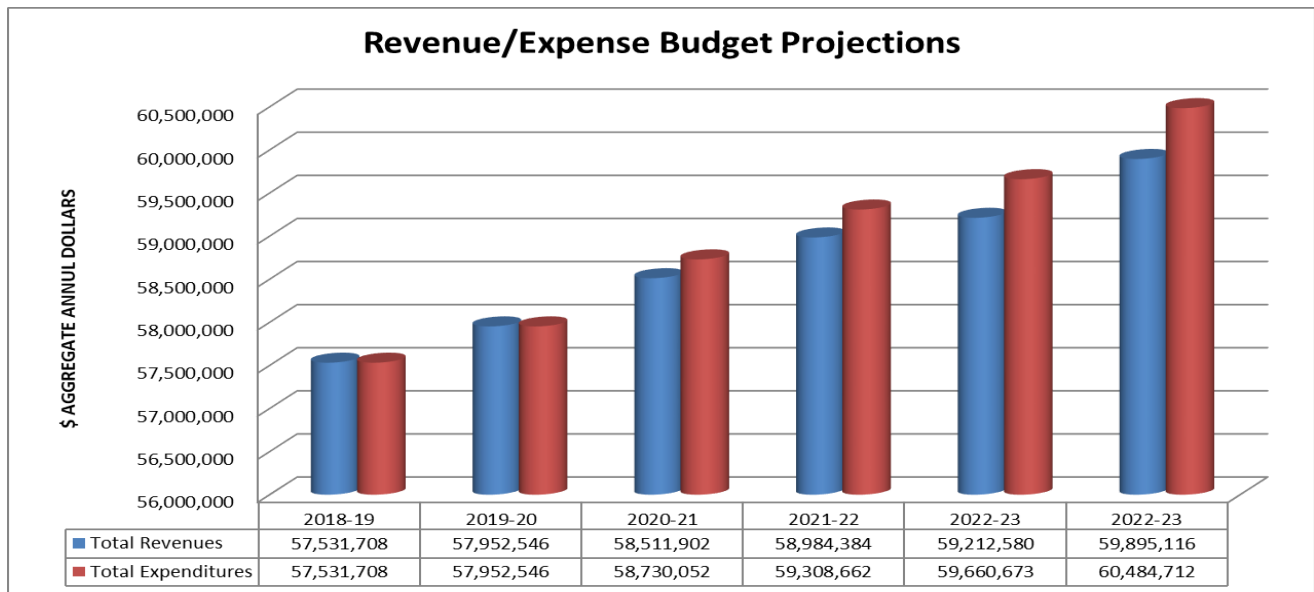
# WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis  
for Fiscal Year End June 30, 2019  
(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. However, several areas of great concern: rising healthcare costs, the demands for increased spending for special education services and declining state aid.

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. All four collective bargaining agreements are currently in force. The district is in negotiations with one of its NJEA affiliated bargaining units. The teacher contract will expire on June 30, 2020. Negotiations will begin in March/April timeframe.

### **Conclusion:**

The West Morris Regional High School District completed the fiscal year 2018-2019 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 continues 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, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,933,049	\$ 77,771	\$ 7,010,820
Receivables from Other Governments	1,212,523		1,212,523
Internal Balances	(12,790)	12,790	
Other Receivables	639,472	1,558	641,030
Inventory		11,266	11,266
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve Account	3,331,234		3,331,234
Maintenance Reserve Account	390,896		390,896
Capital Assets, Net:			
Sites (Land) and Construction in Progress	4,383,062		4,383,062
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	49,323,245	19,648	49,342,893
<b>Total Assets</b>	<b>66,200,691</b>	<b>123,033</b>	<b>66,323,724</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	768,565		768,565
Deferred Outflows of Resources Related to Pensions	3,383,750		3,383,750
<b>Total Deferred Outflows of Resources</b>	<b>4,152,315</b>		<b>4,152,315</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	2,298,274	27,933	2,326,207
Accrued Interest Expense	77,542		77,542
Payable to State Government	7,997		7,997
Payable to Federal Government	33,789		33,789
Unearned Revenue	752,691	19,243	771,934
Noncurrent Liabilities:			
Due Within One Year	2,844,000		2,844,000
Due Beyond One Year	23,775,281	5,000	23,780,281
<b>Total Liabilities</b>	<b>29,789,574</b>	<b>52,176</b>	<b>29,841,750</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pensions	3,676,805		3,676,805
<b>Total Deferred Inflows of Resources</b>	<b>3,676,805</b>		<b>3,676,805</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,490,868	19,648	40,510,516
Restricted for:			
Capital Projects	3,331,234		3,331,234
Maintenance	390,896		390,896
Excess Surplus	3,387,634		3,387,634
Unrestricted (Deficit)	(10,714,005)	51,209	(10,662,796)
<b>Total Net Position</b>	<b>\$ 36,886,627</b>	<b>\$ 70,857</b>	<b>\$ 36,957,484</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, 2019

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 26,692,095	\$ 7,036,125		\$ (19,655,970)		\$ (19,655,970)
Special Education	5,021,062	4,075,377		(945,685)		(945,685)
Other Instruction	3,801,939	926,742		(2,875,197)		(2,875,197)
Support Services:						
Tuition	3,794,789	\$ 274,918		(3,056,432)		(3,056,432)
Student & Instruction Related Services	8,631,567	2,179,126	\$ 23,120	(6,429,321)		(6,429,321)
General Administration Services	1,082,688			(1,082,688)		(1,082,688)
School Administration Services	3,059,432	835,467		(2,223,965)		(2,223,965)
Central Services	604,359			(604,359)		(604,359)
Administrative Information Technology	519,913			(519,913)		(519,913)
Plant Operations and Maintenance	4,336,243			(4,336,243)		(4,336,243)
Pupil Transportation	3,918,831	1,445,910		(2,472,921)		(2,472,921)
Interest on Long-Term Debt	450,269			(450,269)		(450,269)
Unallocated Depreciation	2,238,163			(2,238,163)		(2,238,163)
Total Governmental Activities	64,151,350	274,918	23,120	(46,891,126)		(46,891,126)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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	\$ 625,422	\$ 683,675			\$ 58,253	\$ 58,253	\$ 58,253
Total Business-Type Activities	625,422	683,675			58,253	58,253	58,253
Total Primary Government	\$ 64,776,772	\$ 958,593	\$ 16,962,186	\$ 23,120	\$ (46,891,126)	\$ 58,253	(46,832,873)

General Revenues and Transfers:

Taxes:							
Property Taxes, Levied for General Purposes, Net				44,490,948			44,490,948
Taxes Levied for Debt Service				2,269,475			2,269,475
Federal and State Aid Not Restricted				895,450			895,450
Investment Earnings				207,487	302		207,789
Other Miscellaneous Income				876,853			876,853
Transfers				28,721	(28,721)		
Total General Revenues and Transfers				48,768,934	(28,419)		48,740,515
Change in Net Position				1,877,808	29,834		1,907,642
Net Position - Beginning				35,008,819	41,023		35,049,842
Net Position - Ending				\$ 36,886,627	\$ 70,857		\$ 36,957,484

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,517,873	\$ 165,641	\$ 1,249,535	\$ 6,933,049
Receivables from Federal Government		3,835		3,835
Receivables from State Government	623,961	625		624,586
Tax Levy Receivable	584,102			584,102
Other Receivables	639,471	1		639,472
Interfund Receivable	882,910			882,910
Restricted Cash and Cash Equivalents	3,722,130			3,722,130
<b>Total Assets</b>	<b><u>\$11,970,447</u></b>	<b><u>\$ 170,102</u></b>	<b><u>\$ 1,249,535</u></b>	<b><u>\$13,390,084</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 1,775,520		\$ 31,218	\$ 1,806,738
Payable to State Government		\$ 7,997		7,997
Payable to Federal Government		33,789		33,789
Interfund Payable	12,790		882,910	895,700
Unearned Revenue	624,375	128,316		752,691
<b>Total Liabilities</b>	<b><u>2,412,685</u></b>	<b><u>170,102</u></b>	<b><u>914,128</u></b>	<b><u>3,496,915</u></b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	3,331,234			3,331,234
Maintenance Reserve Account	390,896			390,896
Excess Surplus	1,745,285			1,745,285
Excess Surplus - For Subsequent Year's Expenditures	1,642,349			1,642,349
Committed			335,407	335,407
<b>Assigned:</b>				
Year-End Encumbrances	413,485			413,485
For Subsequent Year's Expenditures	808,827			808,827
Unassigned	1,225,686			1,225,686
<b>Total Fund Balances</b>	<b><u>9,557,762</u></b>		<b><u>335,407</u></b>	<b><u>9,893,169</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$11,970,447</u></b>	<b><u>\$ 170,102</u></b>	<b><u>\$ 1,249,535</u></b>	<b><u>\$13,390,084</u></b>

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

Total Fund Balances - Governmental Funds (Above)	\$ 9,893,169
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds.	53,706,307
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	2,892,214
Deferred Inflows of Resources Related to Pensions	(3,676,805)
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 \$1,229,709.	768,565
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(77,542)
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.	(26,619,281)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b><u>\$36,886,627</u></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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 44,490,948			\$ 2,269,475	\$ 46,760,423
Tuition Revenue	274,918				274,918
Miscellaneous	1,053,240	\$ 39,510	\$ 31,100		1,123,850
Total - Local Sources	45,819,106	39,510	31,100	2,269,475	48,159,191
State Sources	11,933,197	90,193			12,023,390
Federal Sources	3,635	550,027			553,662
Total Revenue	57,755,938	679,730	31,100	2,269,475	60,736,243
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	15,270,926	75,280			15,346,206
Special Education Instruction	2,827,771	77,197			2,904,968
Other Instruction	2,385,308				2,385,308
Support Services and Undistributed Costs:					
Tuition	3,331,350	463,439			3,794,789
Student & Instruction Related Services	5,474,394	38,428			5,512,822
General Administration Services	957,863				957,863
School Administration Services	1,758,902				1,758,902
Central Services	490,657				490,657
Administrative Information Technology	333,301				333,301
Plant Operations and Maintenance	3,931,266				3,931,266
Pupil Transportation	3,843,521				3,843,521
Unallocated Benefits	14,011,697				14,011,697

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES (Cont'd):</b>					
Debt Service:					
Principal				\$ 1,740,000	\$ 1,740,000
Interest and Other Charges				529,475	529,475
Capital Outlay	\$ 1,790,385	\$ 25,386	\$ 5,241,982		7,057,753
<b>Total Expenditures</b>	<b>56,407,341</b>	<b>679,730</b>	<b>5,241,982</b>	<b>2,269,475</b>	<b>64,598,528</b>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,348,597	- 0 -	(5,210,882)	- 0 -	(3,862,285)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Capital Leases (Non-Budgeted)	727,911				727,911
Capital Lease Proceeds			448,810		448,810
Transfers In	99,239		2,243,904		2,343,143
Transfers Out	(2,246,114)		(68,308)		(2,314,422)
<b>Total Other Financing Sources/(Uses)</b>	<b>(1,418,964)</b>	<b>- 0 -</b>	<b>2,624,406</b>	<b>- 0 -</b>	<b>1,205,442</b>
<b>Net Change in Fund Balances</b>	<b>(70,367)</b>	<b>- 0 -</b>	<b>(2,586,476)</b>	<b>- 0 -</b>	<b>(2,656,843)</b>
Fund Balance—July 1	9,628,129	- 0 -	2,921,883	- 0 -	12,550,012
<b>Fund Balance—June 30</b>	<b>\$ 9,557,762</b>	<b>\$ - 0 -</b>	<b>\$ 335,407</b>	<b>\$ - 0 -</b>	<b>\$ 9,893,169</b>

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, 2019

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (2,656,843)

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

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

Depreciation Expense	\$ (2,495,146)
Capital Outlays	<u>5,920,765</u>
	3,425,619

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.

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.

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	1,491,542
Change in Deferred Outflows of Resources Related to Pensions	(826,933)
Change in Deferred Inflows of Resources Related to Pensions	(847,643)
	676,056

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 (+).

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.

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. (+)

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 (+)

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 (-)

Change in Net Position of Governmental Activities (Exhibit A-2)	222,215
	<u>(153,713)</u>
	<u>\$ 1,877,808</u>

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



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Business-type Activities - <u>Enterprise Funds</u> Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 77,771
Inventories	11,266
Interfund Receivable - General Fund	12,790
Other Accounts Receivable	<u>1,558</u>
Total Current Assets	<u>103,385</u>
Non-Current Assets:	
Capital Assets	152,944
Less: Accumulated Depreciation	<u>(133,296)</u>
Total Non-Current Assets	<u>19,648</u>
Total Assets	<u>123,033</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	27,933
Unearned Revenue	<u>19,243</u>
Total Current Liabilities	<u>47,176</u>
Non-Current Liabilities:	
Accrued Compensated Absences Payable	<u>5,000</u>
Total Liabilities	<u>52,176</u>
<b>NET POSITION:</b>	
Investment in Capital Assets	19,648
Unrestricted	<u>51,209</u>
Total Net Position	<u><u>\$ 70,857</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 REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 681,174
Special Events	2,501
	<hr/>
Total Operating Revenue	683,675
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	292,952
Salaries, Benefits & Payroll Taxes	260,829
Supplies, Insurance and Other Costs	67,606
Depreciation Expense	4,035
	<hr/>
Total Operating Expenses	625,422
	<hr/>
Operating Income	58,253
	<hr/>
Non-Operating Revenue:	
Interest Income	302
	<hr/>
Total Non-Operating Revenue	302
	<hr/>
Change in Net Position Before Transfers	58,555
	<hr/>
Transfer In - Board Contribution	2,210
Transfer Out - Return of Board Contribution	(30,931)
	<hr/>
Change in Net Position After Transfers	29,834
	<hr/>
Net Position - Beginning of Year	41,023
	<hr/>
Net Position - End of Year	<u>\$ 70,857</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, 2019

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 685,633
Payments to Employees	(287,682)
Payments to Suppliers	(347,406)
Net Cash Provided by Operating Activities	<u>50,545</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer In - Board Contribution	2,210
Transfer Out - Return of Board Contribution	(30,931)
Net Cash Used for Non-Capital Financing Activities	<u>(28,721)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(2,210)
Net Cash Used for Capital and Related Financing Activities	<u>(2,210)</u>
Cash Flows from Investing Activities:	
Interest Income	302
Net Cash Provided by Investing Activities	<u>302</u>
Net Increase in Cash and Cash Equivalents	19,916
Cash and Cash Equivalents, July 1	<u>57,855</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 77,771</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 58,253
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,035
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,974)
(Increase) in Accounts Receivable	(1,558)
(Increase) in Interfund Receivable	(12,790)
Increase in Accounts Payable	21,684
(Decrease) in Interfund Payable	(4,063)
Increase in Unearned Revenue	1,958
(Decrease) in Accrued Compensated Absences Payable	(10,000)
Net Cash Provided by Operating Activities	<u><u>\$ 50,545</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, 2019

	<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	\$ 921,655	\$ 16,328	\$ 59,094	\$ 29,466
Interfund Receivable:				
Payroll Agency Fund		111,689		
<b>Total Assets</b>	<u>921,655</u>	<u>128,017</u>	<u>59,094</u>	<u>29,466</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation				
Trust Fund	111,689			
Payroll Deductions and Withholdings	249,750			
Due to Student Groups	334,475			
Laptop Replacement Costs	225,741			
<b>Total Liabilities</b>	<u>921,655</u>			
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		128,017		
Scholarships			59,094	
Flexible Benefits Claims				29,466
<b>Total Net Position</b>	<u>\$ - 0 -</u>	<u>\$ 128,017</u>	<u>\$ 59,094</u>	<u>\$ 29,466</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, 2019

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust
<b>ADDITIONS:</b>			
Contributions:			
Employee	\$ 37,752		\$ 44,750
Donations		\$ 23,200	
Total Contributions	37,752	23,200	44,750
Investment Earnings:			
Interest	233	892	1
Net Investment Earnings	233	892	1
Total Additions	37,985	24,092	44,751
<b>DEDUCTIONS:</b>			
Unemployment Compensation Claims	31,070		
Scholarships Awarded		24,300	
Flexible Benefits Claims			41,754
Total Deductions	31,070	24,300	41,754
Change in Net Position	6,915	(208)	2,997
Net Position - Beginning of the Year	121,102	59,302	26,469
Net Position - End of the Year	\$ 128,017	\$ 59,094	\$ 29,466

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, 2019

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, 2019  
(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, 2019  
(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, 2019  
(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, 2019 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, 2019  
(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	\$ 57,751,141	\$ 713,219
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.		(33,489)
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	414,432	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	<u>(409,635)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 57,755,938</u>	<u>\$ 679,730</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,407,341	\$ 713,219
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>(33,489)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 56,407,341</u>	<u>\$ 679,730</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2019  
(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, 2019.

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, 2019  
(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, 2019.

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$9,557,762 General Fund balance at June 30, 2019, \$413,485 is assigned for encumbrances; \$3,331,234 is restricted in the capital reserve account; \$390,896 is restricted in the maintenance reserve account; \$808,827 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2020; \$3,387,634 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$1,642,349 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2020 and the remaining \$1,745,285 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2021); and \$1,225,686 is unassigned which is \$409,635 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, 2020.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2019 of \$335,407 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, 2019 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$409,635 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2019 of \$4,152,315 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, 2019 of \$3,676,805 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 District has a \$10,714,005 deficit in unrestricted net position in governmental activities as of June 30, 2019 primarily due to the non-recognition of the June state aid payments as explained in Note 1P on the previous page, unamortized bond premiums, the accrual of compensated absences and interest payable, deferred inflows of resources related to pensions and net pension liability, offset by deferred outflows of resources related to pensions, excluding District contribution subsequent to the measurement date, and Governmental Funds unassigned, committed and assigned fund balances. 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$335,407 of committed resources in the Capital Projects Fund at June 30, 2019.

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 \$413,485 for year-end encumbrances and \$808,827 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2019.

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, 2019  
(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, 2019  
(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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2019, 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	\$ 5,889,402	\$ 3,325,786	\$ 390,896	\$ 9,606,084
New Jersey Cash Management Fund	2,147,961	5,448		2,153,409
	\$ 8,037,363	\$ 3,331,234	\$ 390,896	\$11,759,493

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2019 was \$11,759,493 and the bank balance was \$12,969,939. The \$2,153,409 with New Jersey Cash Management Fund is uninsured and unregistered.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 4,000,142
Interest Earnings	26,339
Unexpended Funds Returned (Prior Year Projects)	37,208
Budgeted Increase	311,449
Board Approved Increase - Resolution Dated June 24, 2019	1,200,000
Budgeted Withdrawal	(2,141,800)
Withdrawal by Board Resolution	<u>(102,104)</u>
Ending Balance, June 30, 2019	<u><u>\$ 3,331,234</u></u>

The balance in the capital reserve account at June 30, 2019 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 384,342
Interest Earnings	<u>6,554</u>
Ending Balance, June 30, 2019	<u>\$ 390,896</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2019, the District transferred \$70,789 to the capital outlay accounts for equipment which did not require County Superintendent approval and \$128,204 to the capital outlay accounts for facilities acquisition and construction services from unassigned fund balance for a security vestibule which required County Superintendent approval.

NOTE 7. OPERATING LEASES

The District did not have any operating leases as of June 30, 2019.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2019 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	1,774,821	\$ 2,567,680	\$ (89,887)	4,252,614
Total Capital Assets Not Being Depreciated	<u>1,905,269</u>	<u>2,567,680</u>	<u>(89,887)</u>	<u>4,383,062</u>
Capital Assets Being Depreciated:				
Site Improvements	3,350,215	2,444,060	89,887	5,884,162
Buildings and Building Improvements	75,490,216	577,967		76,068,183
Machinery and Equipment	5,178,197	331,058	(30,800)	5,478,455
Total Capital Assets Being Depreciated	<u>84,018,628</u>	<u>3,353,085</u>	<u>59,087</u>	<u>87,430,800</u>
Governmental Activities Capital Assets	<u>85,923,897</u>	<u>5,920,765</u>	<u>(30,800)</u>	<u>91,813,862</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,735,448)	(243,785)		(1,979,233)
Buildings and Building Improvements	(30,349,347)	(1,970,530)		(32,319,877)
Machinery and Equipment	(3,558,414)	(280,831)	30,800	(3,808,445)
	<u>(35,643,209)</u>	<u>(2,495,146)</u>	<u>30,800</u>	<u>(38,107,555)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 50,280,688</u>	<u>\$ 3,425,619</u>	<u>\$ -0-</u>	<u>\$ 53,706,307</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 150,734	\$ 2,210		\$ 152,944
Less Accumulated Depreciation	(129,261)	(4,035)		(133,296)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,473</u>	<u>\$ (1,825)</u>	<u>\$ -0-</u>	<u>\$ 19,648</u>

The District had active construction projects totaling \$6,552,829 with unexpended balances of \$335,407 as of June 30, 2019. The District had \$132,112 in outstanding construction commitments at June 30, 2019.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 6,342
Student and Instruction Related Services	9,750
Administrative Information Technology	157,293
Plant Operations and Maintenance	72,743
Transportation	10,855
Unallocated	<u>2,238,163</u>
Total Depreciation - Governmental Activities	<u>\$ 2,495,146</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2018	Issued/ Added	Retired	Balance 6/30/2019
Serial Bonds Payable	\$ 11,595,000		\$ 1,740,000	\$ 9,855,000
Unamortized Bond Premiums	1,333,290		222,215	1,111,075
Capital Leases Payable	3,628,339	\$ 1,176,721	676,056	4,129,004
Net Pension Liability	11,444,997		1,491,542	9,953,455
Compensated Absences Payable:				
Governmental Funds	1,544,272	194,675	168,200	1,570,747
Proprietary Funds	15,000		10,000	5,000
	<u>\$ 29,560,898</u>	<u>\$ 1,371,396</u>	<u>\$ 4,308,013</u>	<u>\$ 26,624,281</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, 2019 as follows:

Purpose	Final Maturity	Interest Rate	Amount
Refunding School Bonds	05/01/2024	3.25%-5.50%	<u>\$ 9,855,000</u>

The current portion of bonds payable at June 30, 2019 is \$1,805,000 and the long-term portion is \$8,050,000.

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

Year Ending June 30,	Principal	Interest	Total
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
2024	2,150,000	107,250	2,257,250
	<u>\$ 9,855,000</u>	<u>\$ 1,475,025</u>	<u>\$ 11,330,025</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the Board has no bonds authorized but not issued.

C. Capital Leases Payable:

In fiscal year 2019, the District entered into a \$727,911 three-year capital lease for classroom technology equipment and a \$448,810 four-year capital lease for a turf field and field lighting. The District has four capital leases – two for classroom technology equipment, one for an energy savings improvement program (“ESIP”) and one for a turf field and field lighting – totaling \$4,924,656 of which \$335,997 has been liquidated as of June 30, 2019. The classroom technology equipment leases are for three years with the final payments occurring in fiscal years 2019-20 and 2021-22. The ESIP lease is for fifteen years with the final payment occurring in fiscal year 2033-34. The turf field and field lighting lease is for four years with the final payment occurring in fiscal year 2022-23. 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, 2019 are detailed below.

<u>Year</u>	<u>Amount</u>
2020	\$ 830,258
2021	654,813
2022	576,769
2023	383,822
2024	250,708
Thereafter:	
2025-2029	1,103,912
2030-2034	1,122,228
	<u>4,922,510</u>
Less: Amount representing interest	<u>(793,506)</u>
Present value of net minimum lease payments	<u>\$ 4,129,004</u>

The current portion of capital leases payable at June 30, 2019 is \$704,985 and the long-term portion is \$3,424,019. The General Fund will be used to liquidate capital leases payable.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

D. Unamortized Bond Premiums:

Unamortized bond premiums of the governmental fund types are recorded in the noncurrent liabilities of the Governmental Activities. As of June 30, 2019, the current portion of the liability is \$222,215, and the long-term portion is \$888,860.

E. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types as of June 30, 2019 is recorded in the current and long-term liabilities. The current portion of the compensated absences balance in Governmental Activities is \$111,800 and the remaining compensated absences balance of \$1,458,947 in the Governmental Activities is reported as a long-term portion. 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, 2019, the entire \$5,000 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, 2019 is \$-0- and the long-term portion is \$9,953,455. 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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.gov/treasury/pensions/financial-reports.shtml](http://www.state.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, 2019  
(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:

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

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

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 \$504,995 for fiscal year 2019.

The employee contribution rate was 7.50% effective July 1, 2018.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2019, the District reported a liability of \$9,953,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.0506%, which was an increase of 0.0014% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$685,865.

At June 30, 2019, 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	\$ 78,782	
	2015	5.72	355,575	
	2016	5.57	1,205,808	
	2017	5.48		\$ 1,834,844
	2018	5.63		1,347,742
Subtotal			<u>1,640,165</u>	<u>3,182,586</u>
Changes in Proportion:	2014	6.44	72,503	
	2015	5.72		240,794
	2016	5.57		108,738
	2017	5.48	732,584	
	2018	5.63	257,148	
Subtotal			<u>1,062,235</u>	<u>349,532</u>
Difference Between Expected and Actual Experience:	2015	5.72	98,653	
	2016	5.57	36,593	
	2017	5.48	54,568	
	2018	5.63		51,323
Subtotal			<u>189,814</u>	<u>51,323</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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:	2015	5.00		\$ (60,146)
	2016	5.00		(336,243)
	2017	5.00		302,635
	2018	5.00		<u>187,118</u>
Subtotal				<u>93,364</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	<u>\$ 491,536</u>	
			<u>\$ 3,383,750</u>	<u>\$ 3,676,805</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>
2019	\$ 69,082
2020	(95,645)
2021	(685,853)
2022	(594,508)
2023	<u>(190,370)</u>
	<u>\$ (1,497,294)</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2018) 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Markets 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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2018 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, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 12,515,323	\$ 9,953,455	\$ 7,804,212

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.gov/treasury/pensions/financial-reports.shtml](http://www.state.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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(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 2019, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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 2019, the State of New Jersey contributed \$3,830,161 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$7,469,494.

The employee contribution rate was 7.50% effective July 1, 2018.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$128,129,364. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.2014%, which was an increase of 0.0057% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	128,129,364
	128,129,364
Total	\$ 128,129,364

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$7,469,494 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 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	8.50	\$ 1,076,424,469	
	2015	8.30	3,063,649,492	
	2016	8.30	6,913,685,892	
	2017	8.30		\$ 10,084,192,916
	2018	8.29		5,994,557,085
Difference Between Expected and Actual Experience:	2014	8.50		10,252,211
	2015	8.30	189,214,650	
	2016	8.30		85,977,601
	2017	8.30	179,419,108	
	2018	8.29	1,051,605,259	



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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:	2015	5.00		\$ (192,642,062)
	2016	5.00		(863,710,381)
	2017	5.00		678,024,787
	2018	5.00		384,121,486
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Total Thereafter	<u>(3,210,092,402)</u>
	<u>\$ (3,706,774,773)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment Rate of Return	7.00%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Markets 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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2040. Therefore, the long-term expected rate of return on pension 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.

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, 2018 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, 2018		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 151,446,475	\$ 128,129,364	\$ 108,800,047

Pension Plan Fiduciary Net Position

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$483 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$885 for the fiscal year ended June 30, 2019.

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 Codification Section P50, 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 GASB Codification Section P50. 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

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

General Information about the OPEB Plan (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.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018. 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.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

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

Actuarial Assumptions and Other Inputs (Cont'd)

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using scale MP-2017. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

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

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively, a change of +.29%. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 92,168,001
Changes for Year:	
Service Cost	3,069,605
Interest Cost	3,372,919
Difference Between Expected and Actual Experience	(7,502,525)
Changes in Assumptions	(9,166,552)
Member Contributions	73,822
Gross Benefit Payments	(2,135,945)
Net Changes	(12,288,676)
Balance at June 30, 2018	\$ 79,879,325

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, 2018 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, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 94,433,623	\$ 79,879,325	\$ 68,310,161

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(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, 2018 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, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 66,024,914	\$ 79,879,325	\$ 98,202,313

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$3,398,583 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 Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, 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, 2018, the State had deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District from the following sources:

	Year of Deferral	Original Amortization Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54 years		\$ (9,702,692)
Changes in Assumptions	2018	9.51 years		(8,202,667)
				(17,905,359)
Difference Between Expected and Actual Experience	2018	9.51 years		(7,754,072)
Changes in Proportion	N/A	N/A	\$ 754,587	(82,277)
			\$ 754,587	\$ (25,741,708)

N/A - Not Available



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(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 attributable to the District, excluding changes in proportion, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2019	\$ (3,161,887)
2020	(3,161,887)
2021	(3,161,887)
2022	(3,161,887)
2023	(3,161,887)
Total Thereafter	(9,849,996)
	\$ (25,659,431)

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The June 30, 2019 audit report for the Group is not available as of the date of this report. Selected financial information for the Group as of June 30, 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>
2018-2019	\$ -0-	\$ 233	\$ 37,752	\$ 31,070	\$ 128,017
2017-2018	-0-	382	37,979	35,361	121,102
2016-2017	-0-	181	41,184	11,545	118,102

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

403(b)

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

457

AXA Equitable Life Insurance Company  
Variable Annuity Life Insurance Company

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, 2019, there were encumbrances as detailed below in the governmental funds.

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 413,485	\$ 33,663	\$ 132,112	\$ 579,260

In the District's Governmental Funds Balance Sheet as of June 30, 2019, 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 \$33,663 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 \$132,112 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$335,407 committed fund balance on a GAAP and budgetary basis at June 30, 2019.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(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, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 882,910	\$ 12,790
Capital Projects Fund		882,910
Proprietary Funds - Food Service	12,790	
Fiduciary Funds	<u>111,689</u>	<u>111,689</u>
	<u>\$ 1,007,389</u>	<u>\$ 1,007,389</u>

During the fiscal year, the General Fund transferred \$2,243,904 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$31,100 of interest earnings and \$37,208 of unexpended local share of capital projects to the General Fund.

At June 30, 2019, the Capital Projects Fund owes the General Fund \$882,910 for the unexpended local share of completed capital projects and interest earned, net of the amount of local share of open projects due from the General Fund. The General Fund owes the Food Service Enterprise Fund \$12,790 for a prior interfund balance, net of payroll expenses due from the Food Service Enterprise Fund. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund \$111,689 for employee contributions.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2019 consisted of the following:

	<u>Governmental Funds</u>		<u>District Contribution</u>	<u>Total</u>	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Subsequent to Measurement Date</u>	<u>Governmental Activities</u>	<u>Proprietary Funds</u>
Salaries	\$ 1,761,826			\$ 1,761,826	
Vendors	13,694	\$ 31,218		44,912	\$ 27,933
Due to:					
State of New Jersey			\$ 491,536	491,536	
	<u>\$ 1,775,520</u>	<u>\$ 31,218</u>	<u>\$ 491,536</u>	<u>\$ 2,298,274</u>	<u>\$ 27,933</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 \$20,886 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2018 without the abatement would have been \$70,265 of which \$13,785 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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability	0.0492208999%	0.0450609130%	0.0438744109%	0.0491657322%	0.0505520929%
District's Proportionate Share of the Net Pension Liability	\$ 9,215,499	\$ 10,115,272	\$ 12,994,342	\$ 11,444,997	\$ 9,953,455
District's Covered Employee Payroll	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081	\$ 3,491,309	\$ 3,623,694
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%	274.68%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 405,770	\$ 387,403	\$ 389,774	\$ 461,763	\$ 504,995
Contributions in relation to the Contractually Required Contribution	(405,770)	(387,403)	(389,774)	(461,763)	(504,995)
Contribution Deficiency/(Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 2,873,451	\$ 3,060,943	\$ 3,068,637	\$ 3,277,081	\$ 3,491,309
Contributions as a percentage of Covered Employee Payroll	14.12%	12.66%	12.70%	14.09%	14.46%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's Proportion of the Net Pension Liability attributable to the District	0.2118079146%	0.2133155613%	0.2069782016%	0.1956661602%	0.2014047309%
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	\$ 128,129,364
District's Covered Employee Payroll	\$ 20,809,267	\$ 20,158,162	\$ 20,432,108	\$ 20,493,350	\$ 20,151,103
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%	635.84%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%

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 FIVE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 6,091,462	\$ 8,232,252	\$ 12,233,825	\$ 9,139,108	\$ 7,469,494
Contributions in relation to the Contractually Required Contribution	(1,153,262)	(1,657,148)	(2,123,905)	(2,965,981)	(3,830,161)
Contribution Deficiency/(Excess)	<u>\$ 4,938,200</u>	<u>\$ 6,575,104</u>	<u>\$ 10,109,920</u>	<u>\$ 6,173,127</u>	<u>\$ 3,639,333</u>
District's Covered Employee Payroll	\$ 20,158,162	\$ 20,432,108	\$ 20,493,350	\$ 20,151,103	\$ 19,710,835
Contributions as a percentage of Covered Employee Payroll	5.72%	8.11%	10.36%	14.72%	19.43%

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 PROPORTIONATE SHARE OF THE TOTAL  
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total OPEB Liability		
Service Cost	\$ 3,069,605	\$ 3,709,580
Interest Cost	3,372,919	2,912,060
Difference Between Expected and Actual Experience	(7,502,525)	
Changes in Assumptions	(9,166,552)	(11,886,287)
Member Contributions	73,822	78,609
Gross Benefit Payments	(2,135,945)	(2,134,806)
Net Change in Total OPEB Liability	(12,288,676)	(7,320,844)
Total OPEB Liability - Beginning	92,168,001	99,488,845
Total OPEB Liability - Ending	<u>\$ 79,879,325</u>	<u>\$ 92,168,001</u>
District's Covered Employee Payroll *	\$ 23,984,659	\$ 23,709,189
Total OPEB Liability as a Percentage of Covered Employee Payroll	333%	389%

\* - Covered payroll for the fiscal years ending June 30, 2018 and 2017 is based on the payroll on the June 30, 2017 and 2016 census data, respectively.

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, 2019  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

	As of June 30,	
	2018	2017
Discount Rate	5.66%	5.00%
Municipal Bond Rate	3.87%	3.58%

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)  
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2018</u>	<u>2017</u>
Discount Rate	4.86%	4.25%
Municipal Bond Rate	3.87%	3.58%
Salary Increases:		
2011 - 2026	1.55% - 4.55%	
Thereafter	2.00% - 5.45%	
2012 - 2021		Varies based on
Thereafter		experience

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates utilized in the June 30, 2017 valuation were as follows: 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 scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. 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 scale MP-2017.

The mortality rates utilized in the June 30, 2018 valuation were as follows: Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using scale MP-2017. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using scale MP-2017.

The health care trend rates utilized in the June 30, 2017 valuation were as follows: For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

The health care trend rates utilized in the June 30, 2018 valuation were as follows: For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

BUDGETARY COMPARISON SCHEDULES

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

REVENUE:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources:					
Local Tax Levy	\$ 44,490,948		\$ 44,490,948	\$ 44,490,948	
Tuition - From Individuals	260,819	\$ (209,519)	51,300	81,427	\$ 30,127
Tuition - Other LEA's Within state		207,519	207,519	190,491	(17,028)
Tuition - Other		2,000	2,000	3,000	1,000
Unrestricted Miscellaneous Revenue	260,775		260,775	458,756	197,981
Interest on Capital Reserve	1,000		1,000	26,339	25,339
Interest on Maintenance Reserve	1,000		1,000	6,554	5,554
Other Restricted Miscellaneous Revenue	648,590		648,590	561,591	(86,999)
<b>Total - Local Sources</b>	<b>45,663,132</b>		<b>45,663,132</b>	<b>45,819,106</b>	<b>155,974</b>
State Sources:					
Transportation Aid	1,396,979		1,396,979	1,396,979	
Categorical Special Education Aid	2,078,066		2,078,066	2,078,066	
Equalization Aid	313,431		313,431	313,431	
Categorical Security Aid	213,804		213,804	213,804	
Adjustment Aid	606,409	(279,893)	326,516	326,516	
Extraordinary Special Education Costs Aid			564,030	564,030	564,030
Extraordinary Special Education Costs Aid - Prior Year Additional			1,547	1,547	1,547
Nonpublic Transportation Costs			52,412	52,412	52,412
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)			1,773,722	1,773,722	1,773,722
Pension (Non-Budgeted)			3,830,161	3,830,161	3,830,161
Non-Contributory Insurance (Non-Budgeted)			80,175	80,175	80,175
Long-Term Disability Insurance (Non-Budgeted)			4,031	4,031	4,031
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)			1,293,526	1,293,526	1,293,526
<b>Total State Sources</b>	<b>4,608,689</b>	<b>(279,893)</b>	<b>4,328,796</b>	<b>11,928,400</b>	<b>7,599,604</b>



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE:</b>					
Federal Sources:					
Medicaid Reimbursement (SEMI)	\$ 15,371		\$ 15,371	\$ 3,635	\$ (11,736)
Total Federal Sources	15,371		15,371	3,635	(11,736)
<b>TOTAL REVENUE</b>	<b>50,287,192</b>	<b>\$ (279,893)</b>	<b>50,007,299</b>	<b>57,751,141</b>	<b>7,743,842</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	15,227,987		15,227,987	14,047,986	1,180,001
Regular Programs - Home Instruction:					
Salaries of Teachers	200,000		200,000	116,636	83,364
Purchased Professional - Educational Services	90,000		90,000	27,057	62,943
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	288,748	220,698	509,446	505,526	3,920
General Supplies	815,725	(223,625)	592,100	533,086	59,014
Textbooks	60,244	(12,858)	47,386	40,635	6,751
Other Objects	500		500		500
Total Regular Programs - Instruction	16,683,204	(15,785)	16,667,419	15,270,926	1,396,493
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,324,538	(61,739)	2,262,799	2,235,991	26,808
Other Salaries for Instruction	472,798	109,139	581,937	580,968	969
Other Purchased Services (400-500 series)	760		760	215	545
General Supplies	19,000	(2,700)	16,300	10,597	5,703
Total Resource Room/Resource Center	2,817,096	44,700	2,861,796	2,827,771	34,025

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Special Education - Instruction:					
Home Instruction:					
Other Purchased Services (400-500 series)	\$ 3,200		\$ 3,200		\$ 3,200
Total Home Instruction	3,200		3,200		3,200
Total Special Education - Instruction	2,820,296	\$ 44,700	2,864,996	\$ 2,827,771	37,225
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	491,713	(6,858)	484,855	474,326	10,529
Purchased Services (300-500 series)	11,128	(469)	10,659	9,237	1,422
Supplies and Materials	48,973	2,274	51,247	49,668	1,579
Other Objects	18,029	(1,989)	16,040	12,615	3,425
Total School-Sponsored Cocurricular Activities - Instruction	569,843	(7,042)	562,801	545,846	16,955
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,469,378	(40,482)	1,428,896	1,411,252	17,644
Purchased Services (300-500 series)	4,725	2,080	6,805	5,682	1,123
Supplies and Materials	204,664	4,673	209,337	197,642	11,695
Other Objects	254,900	(3,743)	251,157	224,636	26,521
Total School-Sponsored Cocurricular Athletics - Instruction	1,933,667	(37,472)	1,896,195	1,839,212	56,983
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000	250	7,750
Total Other Instructional Programs - Instruction	8,000		8,000	250	7,750
Total Instruction Expenditures	22,015,010	(15,599)	21,999,411	20,484,005	1,515,406

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 194,694	\$ (93,039)	\$ 101,655		\$ 101,655
Tuition to County Vocational School District - Regular	26,706	254,864	281,570	\$ 255,188	26,382
Tuition to County Vocational School District - Special	338,487	(197,719)	140,768	118,921	21,847
Tuition to CSSD & Regional Day Schools		19,090	19,090	19,090	
Tuition to Private Schools for the Disabled - Within State	3,403,629	(199,709)	3,203,920	2,855,291	348,629
Tuition to Private Schools for the Disabled and Other LEAs Special - Outside the State		151,344	151,344	82,860	68,484
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,963,516</b>	<b>(65,169)</b>	<b>3,898,347</b>	<b>3,331,350</b>	<b>566,997</b>
<b>Attendance &amp; Social Work Services:</b>					
Salaries	19,871		19,871	18,558	1,313
Supplies and Materials	4,235	(1,457)	2,778	2,392	386
<b>Total Attendance &amp; Social Work Services</b>	<b>24,106</b>	<b>(1,457)</b>	<b>22,649</b>	<b>20,950</b>	<b>1,699</b>
<b>Health Services:</b>					
Salaries	485,850	(538)	485,312	437,475	47,837
Purchased Professional and Technical Services	34,393	1,236	35,629	35,100	529
Other Purchased Services (400-500 series)	450	(450)			
Supplies and Materials	11,196	(1,059)	10,137	9,418	719
Other Objects	1,242	(856)	386	30	356
<b>Total Health Services</b>	<b>533,131</b>	<b>(1,667)</b>	<b>531,464</b>	<b>482,023</b>	<b>49,441</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 101,019	\$ (80,915)	\$ 20,104	\$ 20,104	
Purchased Professional - Educational Services	49,100	67,361	116,461	112,380	\$ 4,081
Supplies and Materials	855	9,100	9,955		9,955
Total Speech, OT, PT & Related Services	150,974	(4,454)	146,520	132,484	14,036
Guidance:					
Salaries of Other Professional Staff	1,263,296	(29,868)	1,233,428	1,164,129	69,299
Salaries of Secretarial and Clerical Assistants	144,960	1,870	146,830	146,830	
Other Salaries	52,222	(45,981)	6,241		6,241
Unused Vacation Payment to Terminated/Retired Staff		760	760	760	
Other Purchased Professional and Technical Services	20,380	(6,195)	14,185	12,897	1,288
Other Purchased Services (400-500 series)	12,586	(390)	12,196	12,196	
Supplies and Materials	11,965	(670)	11,295	10,681	614
Other Objects	4,777	(266)	4,511	4,334	177
Total Guidance	1,510,186	(80,740)	1,429,446	1,351,827	77,619
Child Study Team:					
Salaries of Other Professional Staff	996,463	166,160	1,162,623	1,162,623	
Salaries of Secretarial and Clerical Assistants	150,080	(1,358)	148,722	145,910	2,812
Purchased Professional - Educational Services	646,625	(155,939)	490,686	442,386	48,300
Other Purchased Professional and Technical Services	15,370		15,370		15,370
Other Purchased Services (400-500 series)		12,900	12,900	4,878	8,022
Miscellaneous Purchased Services (400-500 series Other than Residential Costs)	26,024	(11,900)	14,124	14,124	
Supplies and Materials	11,500	1,076	12,576	11,133	1,443
Other Objects	7,950	(176)	7,774	669	7,105
Total Child Study Team	1,854,012	10,763	1,864,775	1,781,723	83,052

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 309,664	\$	\$ 309,664	\$ 268,868	\$ 40,796
Salaries of Other Professional Staff	70,000		70,000	47,977	22,023
Salaries of Secretarial and Clerical Assistants	144,100		144,100	143,335	765
Other Purchased Professional and Technical Services	135,000	\$ (4,530)	130,470	110,536	19,934
Other Purchased Services (400-500 series)	4,100		4,100	1,445	2,655
Supplies and Materials	241,000	4,530	245,530	164,809	80,721
Other Objects	2,000		2,000	1,279	721
<b>Total Improvement of Instructional Services</b>	<b>905,864</b>		<b>905,864</b>	<b>738,249</b>	<b>167,615</b>
Educational Media Services/School Library:					
Salaries	201,953		201,953	142,048	59,905
Salaries of Technology Coordinators	410,363	(1,055)	409,308	383,474	25,834
Unused Vacation Payment to Terminated/Retired Staff		1,055	1,055	1,055	
Supplies and Materials	82,596	1,444	84,040	68,383	15,657
Other Objects	1,210	(960)	250	212	38
<b>Total Educational Media Services/School Library</b>	<b>696,122</b>	<b>484</b>	<b>696,606</b>	<b>595,172</b>	<b>101,434</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	309,138		309,138	269,110	40,028
Purchased Professional - Educational Services	46,000		46,000	30,112	15,888
Other Purchased Professional and Technical Services	1,500	2,500	4,000	3,500	500
Other Purchased Services (400-500 series)	72,000	(2,500)	69,500	67,304	2,196
Supplies and Materials	3,000		3,000	1,940	1,060
<b>Total Instructional Staff Training Services</b>	<b>431,638</b>		<b>431,638</b>	<b>371,966</b>	<b>59,672</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
General Administration:					
Salaries	\$ 429,530	\$ (20,254)	\$ 409,276	\$ 409,276	
Unused Vacation Payment to Terminated/Retired Staff		1,178	1,178	1,178	
Legal Services	70,000	31,569	101,569	81,569	\$ 20,000
Audit Fees	61,239	5,087	66,326	66,326	
Other Purchased Professional Services	27,061	8,580	35,641	19,454	16,187
Communications/Telephone	51,900	1,800	53,700	41,186	12,514
BOE Other Purchased Services	4,000	1,500	5,500	4,042	1,458
Miscellaneous Purchased Services (400-500 series)	295,633	(17,614)	278,019	268,996	9,023
General Supplies	5,700	22,889	28,589	27,558	1,031
Miscellaneous Expenditures	13,491	5,447	18,938	17,838	1,100
BOE Membership Dues and Fees	23,726		23,726	20,440	3,286
<b>Total General Administration</b>	<b>982,280</b>	<b>40,182</b>	<b>1,022,462</b>	<b>957,863</b>	<b>64,599</b>
School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	993,580	(12,053)	981,527	968,658	12,869
Salaries of Other Professional Staff	417,540	(2,720)	414,820	376,012	38,808
Salaries of Secretarial and Clerical Assistants	355,429	3,100	358,529	346,553	11,976
Unused Vacation Payment to Terminated/Retired Staff		13,868	13,868	8,868	5,000
Purchased Professional and Technical Services		5,000	5,000		5,000
Other Purchased Services (400-500 series)	17,505	(5,971)	11,534	7,210	4,324
Supplies and Materials	2,500	(115)	2,385	1,717	668
Other Objects	60,808	(4,280)	56,528	49,884	6,644
<b>Total School Administration</b>	<b>1,847,362</b>	<b>(3,171)</b>	<b>1,844,191</b>	<b>1,758,902</b>	<b>85,289</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 446,306	\$ (1,796)	\$ 444,510	\$ 435,902	\$ 8,608
Unused Vacation Payment to Terminated/Retired Staff		1,796	1,796	1,796	
Purchased Professional Services	36,725	(26)	36,699	27,210	9,489
Purchased Technical Services	15,000	40,000	55,000	9,295	45,705
Miscellaneous Purchased Services (400-500 series)	10,500	275	10,775	8,070	2,705
Supplies and Materials	5,250	1,995	7,245	6,313	932
Miscellaneous Expenditures	3,250	(224)	3,026	2,071	955
<b>Total Central Services</b>	<b>517,031</b>	<b>42,020</b>	<b>559,051</b>	<b>490,657</b>	<b>68,394</b>
Administrative Information Technology:					
Salaries	118,677		118,677	110,939	7,738
Purchased Technical Services	50,000	49,090	99,090	99,090	99,090
Other Purchased Services (400-500 series)	311,022	(119,722)	191,300	176,836	14,464
Supplies and Materials	31,000	14,041	45,041	44,646	395
Other Objects	900		900	880	20
<b>Total Administrative Information Technology</b>	<b>511,599</b>	<b>(56,591)</b>	<b>455,008</b>	<b>333,301</b>	<b>121,707</b>
Required Maintenance for School Facilities:					
Salaries	35,753		35,753	26,294	9,459
Cleaning, Repair and Maintenance Services	176,979	41,329	218,308	170,226	48,082
General Supplies	107,800	(6,551)	101,249	92,608	8,641
<b>Total Required Maintenance for School Facilities</b>	<b>320,532</b>	<b>34,778</b>	<b>355,310</b>	<b>289,128</b>	<b>66,182</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,090,067	\$ 22,450	\$ 1,112,517	\$ 1,112,517	
Unused Vacation Payment to Terminated/Retired Staff	1,000	(1,000)			
Purchased Professional and Technical Services	99,650	(34,020)	65,630	64,840	\$ 790
Cleaning, Repair and Maintenance Services	195,631	(70,904)	124,727	124,588	139
Rental of Land & Buildings Other than Lease Purchase Agreements	142,929	(30,384)	112,545	112,545	
Lease Purchase Payments - ESIP	150,930	106,106	257,036	257,036	
Other Purchased Property Services	79,151	(14,697)	64,454	64,454	
Insurance	42,800	(10,723)	32,077	32,077	
Miscellaneous Purchased Services	9,500	(5,237)	4,263	4,263	
General Supplies	276,413	(64,589)	211,824	191,853	19,971
Energy (Natural Gas)	258,290	(22,957)	235,333	231,284	4,049
Energy (Electricity)	452,074	36,966	489,040	475,866	13,174
Other Objects	12,950	51,534	64,484	60,065	4,419
Total Custodial Services	2,811,385	(37,455)	2,773,930	2,731,388	42,542
Care & Upkeep of Grounds:					
Salaries	399,342	15,622	414,964	406,792	8,172
Purchased Professional and Technical Services	15,500		15,500	5,500	10,000
Cleaning, Repair and Maintenance Services	150,200	(11,820)	138,380	96,539	41,841
General Supplies	118,200	(31,469)	86,731	48,018	38,713
Total Care & Upkeep of Grounds	683,242	(27,667)	655,575	556,849	98,726
Security:					
Salaries	113,625	(5,074)	108,551	95,147	13,404
Purchased Professional and Technical Services	142,852	65,856	208,708	208,708	
Cleaning, Repair and Maintenance Services		54,570	54,570	28,850	25,720
Miscellaneous Purchased Services		843	843	371	472
General Supplies	65,710	(49,818)	15,892	12,150	3,742
Other Objects	35,649	(11,807)	23,842	8,675	15,167
Total Security	357,836	54,570	412,406	353,901	58,505



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 82,359	\$ (11,831)	\$ 70,528	\$ 70,528	
Between Home and School - Special	7,000	15,820	22,820	22,820	
Other than Between Home and School	103,540	28,435	131,975	131,975	
Between Home and School - Nonpublic Schools	27,886	(6,071)	21,815	21,815	
Unused Vacation Payment to Terminated/Retired Staff		981	981	981	
Management Fee - ESC & CTSA Transportation Program	65,983	(1,639)	64,344	64,344	
Other Purchased Professional and Technical Services	7,210	(384)	6,826	6,826	
Cleaning, Repair and Maintenance Services	48,000	1,529	49,529	49,529	
Contracted Services:					
Aid in Lieu of Payments - Nonpublic Students	105,000	(6,230)	98,770	98,770	
Other than Between Home and School - Vendors	298,484	43,927	342,411	342,411	
Between Home and School - Joint Agreements	1,225,784	13,920	1,239,704	1,239,704	
Special Education Students - Vendors	22,300	63	22,363	22,363	
Special Education Students - Joint Agreements	16,000	(2,709)	13,291	13,291	
Regular Students - ESC's & CTSA's	200,000	(12,868)	187,132	187,132	
Special Education Students - ESC's & CTSA's	1,469,867	65,269	1,535,136	1,535,136	
Miscellaneous Purchased Services	7,940	(966)	6,974	6,974	
General Supplies	27,930	(79)	27,851	27,851	
Other Objects	600	471	1,071	1,071	
<b>Total Student Transportation Services</b>	<b>3,715,883</b>	<b>127,638</b>	<b>3,843,521</b>	<b>3,843,521</b>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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	\$ 620,953	\$ 5,370	\$ 626,323	\$ 625,760	\$ 563
TPAF Contributions - ERIP	1,331		1,331		1,331
Other Retirement Contributions - PERS	444,859	60,136	504,995	504,995	
Other Retirement Contributions - Regular		483	483	483	
Unemployment Compensation	25,000	(5,370)	19,630		19,630
Workmen's Compensation	289,727	(50,000)	239,727	207,211	32,516
Health Benefits	5,576,940	(100,618)	5,476,322	5,430,249	46,073
Tuition Reimbursement	122,200	(60)	122,140	48,232	73,908
Other Employee Benefits	327,573	2,805	330,378	213,152	117,226
Total Unallocated Benefits	7,408,583	(87,254)	7,321,329	7,030,082	291,247
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,773,722	(1,773,722)
Pension (Non-Budgeted)				3,830,161	(3,830,161)
Non-Contributory Insurance (Non-Budgeted)				80,175	(80,175)
Long-Term Disability Insurance (Non-Budgeted)				4,031	(4,031)
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,293,526	(1,293,526)
Total On-Behalf and Reimbursed Contributions				6,981,615	(6,981,615)
Total Personal Services - Employee Benefits	7,408,583	(87,254)	7,321,329	14,011,697	(6,690,368)
Total Undistributed Expenditures	29,225,282	(55,190)	29,170,092	34,132,951	(4,962,859)
<b>TOTAL CURRENT EXPENSE</b>	51,240,292	(70,789)	51,169,503	54,616,956	(3,447,453)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 10,600	\$ (491)	\$ 10,109	\$ 9,687	\$ 422
School-Sponsored and Other Instructional Programs	11,000		11,000	11,000	
Undistributed Expenditures:					
Instruction	346,769	(4,610)	342,159	338,819	3,340
Instructional Staff	51,000	(6,232)	44,768	32,281	12,487
Required Maintenance for School Facilities	39,000	(2,253)	36,747	35,809	938
Custodial Services	10,000	83,354	93,354	85,017	8,337
Care and Upkeep of Grounds	84,000	(1,189)	82,811	82,515	296
Student Transportation - Non-Instructional Equipment	40,156		40,156	40,156	
Total Equipment	592,525	68,579	661,104	635,284	25,820
Facilities Acquisition and Construction Services:					
Construction Services	254,400	128,204	382,604	228,284	154,320
Lease Purchase Agreements - Principal	95,000		95,000	89,887	5,113
Other Objects	15,000		15,000	6,158	8,842
Other Objects - Debt Service Assessment	102,861		102,861	102,861	
Total Facilities Acquisition and Construction Services	467,261	128,204	595,465	427,190	168,275
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Instruction:					
Grades 9-12				727,911	(727,911)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				727,911	(727,911)
<b>TOTAL CAPITAL OUTLAY</b>	1,059,786	196,783	1,256,569	1,790,385	(533,816)
<b>TOTAL EXPENDITURES</b>	52,300,078	125,994	52,426,072	56,407,341	(3,981,269)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,012,886)	(405,887)	(2,418,773)	1,343,800	3,762,573

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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		\$ (2,210)	\$ (2,210)	\$ 727,911	\$ 727,911
Transfer from Food Service Enterprise Fund				(2,210)	
Transfer from Capital Reserve to Capital Projects Fund	\$ (2,141,800)	(102,104)	(2,243,904)	30,931	30,931
Transfer from Capital Projects Fund:				(2,243,904)	
Capital Reserve Unexpended Funds Returned				37,208	37,208
Interest Earned				31,100	31,100
<b>Total Other Financing Sources/(Uses)</b>	<u>(2,141,800)</u>	<u>(104,314)</u>	<u>(2,246,114)</u>	<u>(1,418,964)</u>	<u>827,150</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,154,686)	(510,201)	(4,664,887)	(75,164)	4,589,723
Fund Balance, July 1	10,042,561		10,042,561	10,042,561	
Fund Balance, June 30	<u>\$ 5,887,875</u>	<u>\$ (510,201)</u>	<u>\$ 5,377,674</u>	<u>\$ 9,967,397</u>	<u>\$ 4,589,723</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 3,331,234	
Maintenance Reserve				390,896	
Excess Surplus				1,745,285	
Excess Surplus - For Subsequent Year's Expenditures Assigned:				1,642,349	
Year-End Encumbrances				413,485	
For Subsequent Year's Expenditures				808,827	
Unassigned				1,635,321	
Total Fund Balance - Budgetary Basis				9,967,397	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				(409,635)	
Fund Balance per Governmental Funds on Exhibit B-1				<u>\$ 9,557,762</u>	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 65,426	\$ 32,764	\$ 98,190	\$ 90,193	\$ (7,997)
Federal Sources	566,176	100,094	666,270	568,230	(98,040)
Local Sources	5,287	128,956	134,243	54,796	(79,447)
<b>Total Revenues</b>	<b>636,889</b>	<b>261,814</b>	<b>898,703</b>	<b>713,219</b>	<b>(185,484)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	73,222	(71,679)	1,543	1,543	
Other Purchased Services	59,047	56,971	116,018	108,022	7,996
Tuition	427,301	125,470	552,771	463,439	89,332
General Supplies	46,076	8,341	54,417	42,372	12,045
Textbooks	18,743		18,743	18,743	
<b>Total Instruction</b>	<b>624,389</b>	<b>119,103</b>	<b>743,492</b>	<b>634,119</b>	<b>109,373</b>
Support Services					
Personal Services - Salaries		35,576	35,576	34,159	1,417
Personal Services - Employee Benefits	12,500	(12,500)			
Purchased Professional/Technical Services		6,639	6,639		6,639
Other Purchased Services		845	845		845
Transportation		318	318		318
Other Objects		30,235	30,235	19,729	10,506
<b>Total Support Services</b>	<b>12,500</b>	<b>61,113</b>	<b>73,613</b>	<b>53,888</b>	<b>19,725</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ 55,380	\$ 55,380	\$ 55,380	\$ 1,333	\$ 54,047
Non-Instructional Equipment	26,218	26,218	26,218	23,879	2,339
Total Facilities Acquisition and Construction Services	81,598	81,598	81,598	25,212	56,386
Total Expenditures	636,889	261,814	898,703	713,219	185,484
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, 2019  
(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	\$ 57,751,141	\$ 713,219
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.		(33,489)
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	414,432	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(409,635)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 57,755,938	\$ 679,730
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,407,341	\$ 713,219
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		(33,489)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 56,407,341	\$ 679,730

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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, 2019 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 be 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, 2019

	Elementary and Secondary <u>Education Act</u> <u>Title IIA</u>	IDEA - Part B, Basic Regular	NJ Nonpublic Textbooks
REVENUE:			
State Sources			\$ 18,743
Federal Sources	\$ 34,159	\$ 534,071	
Local Sources			
Total Revenue	<u>34,159</u>	<u>534,071</u>	<u>18,743</u>
EXPENDITURES:			
Instruction:			
Personal Services - Salaries			
Other Purchased Services		50,750	
Tuition		463,439	
General Supplies		19,882	
Textbooks			18,743
Total Instruction		<u>534,071</u>	<u>18,743</u>
Support Services:			
Personal Services - Salaries	34,159		
Other Objects			
Total Support Services	<u>34,159</u>		
Equipment:			
Instructional Equipment			
Non-Instructional Equipment			
Total Equipment			
Total Expenditures	<u>\$ 34,159</u>	<u>\$ 534,071</u>	<u>\$ 18,743</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, 2019

	NJ Nonpublic			
	Character Education Aid	Auxiliary Services (Chapter 192)	Handicapped Services (Chapter 193)	
		Home Instruction	Examination & Classification	Supplementary Instruction
REVENUE:				
State Sources	\$ 918	\$ 625	\$ 10,378	\$ 12,847
Federal Sources				
Local Sources				
<b>Total Revenue</b>	<b>918</b>	<b>625</b>	<b>10,378</b>	<b>12,847</b>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	918	625		
Other Purchased Services			10,378	12,847
Tuition				
General Supplies				
Textbooks				
<b>Total Instruction</b>	<b>918</b>	<b>625</b>	<b>10,378</b>	<b>12,847</b>
Support Services:				
Personal Services - Salaries				
Other Objects				
<b>Total Support Services</b>				
Equipment:				
Instructional Equipment				
Non-Instructional Equipment				
<b>Total Equipment</b>				
<b>Total Expenditures</b>	<b>\$ 918</b>	<b>\$ 625</b>	<b>\$ 10,378</b>	<b>\$ 12,847</b>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	NJ Nonpublic			Totals June 30, 2019
	Technology Initiative	Nursing Services	Other Local Projects	
REVENUE:				
State Sources	\$ 12,635	\$ 34,047		\$ 90,193
Federal Sources				568,230
Local Sources			\$ 54,796	54,796
Total Revenue	12,635	34,047	54,796	713,219
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				1,543
Other Purchased Services		34,047		108,022
Tuition				463,439
General Supplies	12,635		9,855	42,372
Textbooks				18,743
Total Instruction	12,635	34,047	9,855	634,119
Support Services:				
Personal Services - Salaries				34,159
Other Objects			19,729	19,729
Total Support Services			19,729	53,888
Equipment:				
Instructional Equipment			1,333	1,333
Non-Instructional Equipment			23,879	23,879
Total Equipment			25,212	25,212
Total Expenditures	\$ 12,635	\$ 34,047	\$ 54,796	\$ 713,219

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, 2019

Revenue and Other Financing Sources:	
Capital Lease Proceeds	\$ 448,810
Transfer from Capital Reserve	2,243,904
Interest Revenue	<u>31,100</u>
Total Revenue and Other Financing Sources	<u>2,723,814</u>
Expenditures and Other Financing Uses:	
Construction Services	5,154,776
Equipment	87,206
Transfer to General Fund:	
Capital Reserve Unexpended Funds Returned	37,208
Interest Earned	<u>31,100</u>
Total Expenditures and Other Financing Uses	<u>5,310,290</u>
Deficit of Revenue & Other Financing Sources Under Expenditures & Other Financing Uses	(2,586,476)
Fund Balance - Beginning	<u>2,921,883</u>
Fund Balance - Ending	<u><u>\$ 335,407</u></u>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 132,112
Committed	<u>203,295</u>
Fund Balance per Governmental Funds (Budgetary Basis and GAAP Basis)	<u><u>\$ 335,407</u></u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS MENDHAM HIGH SCHOOL -  
RUNNING TRACK REPLACEMENT AND FIELD LIGHTING PROJECTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 79,900	\$ 79,900	\$ 79,900
Transfer from Capital Reserve		1,100,000	1,100,000	1,100,000
		<u>1,179,900</u>	<u>1,179,900</u>	<u>1,179,900</u>
Total Revenue and Other Financing Sources	\$ - 0 -	1,179,900	1,179,900	1,179,900
Expenditures:				
Construction Services		1,160,900	1,160,900	1,179,900
		<u>1,160,900</u>	<u>1,160,900</u>	<u>1,179,900</u>
Total Expenditures	- 0 -	1,160,900	1,160,900	1,179,900
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 19,000</u>	<u>\$ 19,000</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		\$ 1,100,000		
Additional Authorization		\$ 79,900		
Change Orders		\$ - 0 -		
Revised Authorized Cost		\$ 1,179,900		
Change Order Percentage		0.00%		
Percentage Completion		98.39%		
Original Target Completion Date		08/01/18		
Revised Target Completion Date		08/01/18		



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WEST MORRIS CENTRAL HIGH SCHOOL -  
TURF FIELD PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 368,910	\$ 368,910	\$ 368,910
Transfer from Capital Reserve		1,079,008	1,079,008	1,079,008
<b>Total Revenue and Other Financing Sources</b>	<b>\$ - 0 -</b>	<b>1,447,918</b>	<b>1,447,918</b>	<b>1,447,918</b>
Expenditures:				
Construction Services		1,447,918	1,447,918	1,447,918
<b>Total Expenditures</b>	<b>- 0 -</b>	<b>1,447,918</b>	<b>1,447,918</b>	<b>1,447,918</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ - 0 -</u>

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,041,800
Additional Authorization	\$ 368,910
Change Orders	\$ 37,208
Revised Authorized Cost	\$ 1,447,918
Change Order Percentage	3.57%
Percentage Completion	100.00%
Original Target Completion Date	08/15/18
Revised Target Completion Date	09/30/18

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, 2019

	<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	<u>3,246,767</u>	<u>\$ - 0 -</u>	<u>3,246,767</u>	<u>3,246,767</u>
Expenditures:				
Purchased Professional and Technical Services	30,000		30,000	61,128
Construction Services	955,692	2,175,262	3,130,954	3,185,639
Total Expenditures	<u>985,692</u>	<u>2,175,262</u>	<u>3,160,954</u>	<u>3,246,767</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 2,261,075</u>	<u>\$ (2,175,262)</u>	<u>\$ 85,813</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	\$ 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	04/30/19

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, 2019

	<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	\$ 64,896	\$ 429,123	\$ 429,123
Total Revenue and Other Financing Sources	<u>364,227</u>	<u>64,896</u>	<u>429,123</u>	<u>429,123</u>
Expenditures:				
Construction Services		<u>370,696</u>	<u>370,696</u>	<u>429,123</u>
Total Expenditures	<u>- 0 -</u>	<u>370,696</u>	<u>370,696</u>	<u>429,123</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 364,227</u>	<u>\$ (305,800)</u>	<u>\$ 58,427</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	\$ 129,123
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 429,123
Change Order Percentage	0.00%
Percentage Completion	86.38%
Original Target Completion Date	08/24/18
Revised Target Completion Date	11/30/19

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, 2019

	<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	<u>200,000</u>	<u>\$ - 0 -</u>	<u>200,000</u>	<u>200,000</u>
Expenditures:				
Equipment	12,832	87,206	100,038	200,000
Total Expenditures	<u>12,832</u>	<u>87,206</u>	<u>100,038</u>	<u>200,000</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 187,168</u>	<u>\$ (87,206)</u>	<u>\$ 99,962</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	\$ 200,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 200,000
Change Order Percentage	0.00%
Percentage Completion	100.00%
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  
WEST MORRIS MENDHAM HIGH SCHOOL - FENCE REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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, 2019

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

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 24,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 24,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	08/15/16
Revised Target Completion Date	08/15/17

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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 165,230		\$ 165,230	\$ 165,230
Transfer from Capital Reserve	321,907	\$ (37,208)	284,699	335,373
	<u>487,137</u>	<u>(37,208)</u>	<u>449,929</u>	<u>500,603</u>
Total Revenue and Other Financing Sources				
Expenditures:				
Purchased Professional and Technical Services	42,075		42,075	52,500
Construction Services	371,000		371,000	436,390
Miscellaneous Expenditures				11,713
	<u>413,075</u>	<u>- 0 -</u>	<u>413,075</u>	<u>500,603</u>
Total Expenditures				
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 74,062</u>	<u>\$ (37,208)</u>	<u>\$ 36,854</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 -			
Unexpended Balances Canceled	\$ (120,365)			
Revised Authorized Cost	\$ 500,603			
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, 2019

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 77,771
Inventories	11,266
Interfund Receivable - General Fund	12,790
Other Accounts Receivable	<u>1,558</u>

Total Current Assets	<u>103,385</u>
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## Non-Current Assets:

Capital Assets	152,944
Less: Accumulated Depreciation	<u>(133,296)</u>

Total Non-Current Assets	<u>19,648</u>
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Total Assets	<u>123,033</u>
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## LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors	27,933
Unearned Revenue	<u>19,243</u>

Total Current Liabilities	<u>47,176</u>
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## Non-Current Liabilities:

Accrued Compensated Absences Payable	<u>5,000</u>
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Total Non-Current Liabilities	<u>5,000</u>
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Total Liabilities	<u>52,176</u>
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## NET POSITION:

Investment in Capital Assets	19,648
Unrestricted	<u>51,209</u>

Total Net Position	<u>\$ 70,857</u>
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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, 2019

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 681,174
Special Events	2,501
	<hr/>
Total Operating Revenue	683,675
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	292,952
Salaries, Benefits & Payroll Taxes	260,829
Supplies, Insurance & Other Costs	67,606
Depreciation Expense	4,035
	<hr/>
Total Operating Expenses	625,422
	<hr/>
Operating Income	58,253
	<hr/>
Non-Operating Revenue:	
Interest Income	302
	<hr/>
Total Non-Operating Revenue	302
	<hr/>
Change in Net Position Before Transfers	58,555
	<hr/>
Transfer In - Board Contribution	2,210
Transfer Out - Return of Board Contribution	(30,931)
	<hr/>
Change in Net Position After Transfers	29,834
	<hr/>
Net Position - Beginning of Year	41,023
	<hr/>
Net Position - End of Year	\$ 70,857
	<hr/> <hr/>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 685,633
Payments to Employees	(287,682)
Payments to Suppliers	<u>(347,406)</u>
Net Cash Provided by Operating Activities	<u>50,545</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer In - Board Contribution	2,210
Transfer Out - Return of Board Contribution	<u>(30,931)</u>
Net Cash Used for Non-Capital Financing Activities	<u>(28,721)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(2,210)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,210)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>302</u>
Net Cash Provided by Investing Activities	<u>302</u>
Net Increase in Cash and Cash Equivalents	19,916
Cash and Cash Equivalents, July 1	<u>57,855</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 77,771</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 58,253
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,035
Changes in Assets and Liabilities:	
(Increase) in Inventory	(6,974)
(Increase) in Accounts Receivable	(1,558)
(Increase) in Interfund Receivable	(12,790)
Increase in Accounts Payable	21,684
(Decrease) in Interfund Payable	(4,063)
Increase in Unearned Revenue	1,958
(Decrease) in Accrued Compensated Absences Payable	<u>(10,000)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 50,545</u></u>

FIDUCIARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019

	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	\$ 334,475	\$ 361,439	\$ 225,741	\$ 921,655	\$ 16,328	\$ 59,094	\$ 29,466	\$ 1,026,543
Interfund Receivable:								
Payroll Agency Fund					111,689			111,689
Total Assets	334,475	361,439	225,741	921,655	128,017	59,094	29,466	1,138,232
<b>LIABILITIES:</b>								
Interfund Payable:								
Unemployment Compensation Trust Fund		111,689		111,689				111,689
Payroll Deductions and Withholdings Due to Student Groups	334,475	249,750		249,750				249,750
Laptop Replacement Costs			225,741	225,741				334,475
Total Liabilities	334,475	361,439	225,741	921,655				921,655
<b>NET POSITION:</b>								
Held in Trust for:								
Unemployment Claims					128,017			128,017
Scholarships						59,094		59,094
Flexible Benefits Claims							29,466	29,466
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 128,017	\$ 59,094	\$ 29,466	\$ 216,577

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Flexible Benefits Trust	Totals
<b>ADDITIONS:</b>				
Contributions:				
Employee	\$ 37,752		\$ 44,750	\$ 82,502
Donations		\$ 23,200		23,200
Total Contributions	37,752	23,200	44,750	105,702
Investment Earnings:				
Interest	233	892	1	1,126
Net Investment Earnings	233	892	1	1,126
Total Additions	37,985	24,092	44,751	106,828
<b>DEDUCTIONS:</b>				
Unemployment Compensation Claims	31,070			31,070
Scholarships Awarded		24,300		24,300
Flexible Benefits Claims			41,754	41,754
Total Deductions	31,070	24,300	41,754	97,124
Change in Net Position	6,915	(208)	2,997	9,704
Net Position - Beginning of the Year	121,102	59,302	26,469	206,873
Net Position - End of the Year	\$ 128,017	\$ 59,094	\$ 29,466	\$ 216,577

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 335,861	\$ 465,149	\$ 466,535	\$ 334,475
Total Assets	<u>\$ 335,861</u>	<u>\$ 465,149</u>	<u>\$ 466,535</u>	<u>\$ 334,475</u>
 <b>LIABILITIES:</b>				
Due to Student Groups	\$ 335,861	\$ 465,149	\$ 466,535	\$ 334,475
Total Liabilities	<u>\$ 335,861</u>	<u>\$ 465,149</u>	<u>\$ 466,535</u>	<u>\$ 334,475</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Senior High Schools:				
West Morris Central and Mendham	\$ 335,850	\$ 465,149	\$ 466,524	\$ 334,475
West Morris Central Ice Hockey	<u>11</u>	<u>                    </u>	<u>11</u>	<u>                    </u>
Total All Schools	<u>\$ 335,861</u>	<u>\$ 465,149</u>	<u>\$ 466,535</u>	<u>\$ 334,475</u>



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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 325,239	\$ 29,297,690	\$ 29,261,490	\$ 361,439
<b>Total Assets</b>	<b>\$ 325,239</b>	<b>\$ 29,297,690</b>	<b>\$ 29,261,490</b>	<b>\$ 361,439</b>
<b>LIABILITIES:</b>				
Interfund Payable:				
Unemployment Compensation Trust Fund	\$ 73,937	\$ 37,752		\$ 111,689
Payroll Deductions and Withholdings	251,302	29,259,938	\$ 29,261,490	249,750
<b>Total Liabilities</b>	<b>\$ 325,239</b>	<b>\$ 29,297,690</b>	<b>\$ 29,261,490</b>	<b>\$ 361,439</b>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 112,653	\$ 115,981	\$ 2,893	\$ 225,741
Total Assets	<u>\$ 112,653</u>	<u>\$ 115,981</u>	<u>\$ 2,893</u>	<u>\$ 225,741</u>
<u>LIABILITIES:</u>				
Laptop Replacement Costs	\$ 112,653	\$ 115,981	\$ 2,893	\$ 225,741
Total Liabilities	<u>\$ 112,653</u>	<u>\$ 115,981</u>	<u>\$ 2,893</u>	<u>\$ 225,741</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, 2018	Matured	Balance June 30, 2019
			Date	June 30, 2019	Outstanding Amount				
Refunding School Bonds	11/29/11	\$ 17,850,000	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%	\$ 11,595,000	\$ 1,740,000	\$ 9,855,000	
						\$ 11,595,000	\$ 1,740,000	\$ 9,855,000	

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, 2018</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2019</u>
Lawn Mowers and Snow Blowers	2.10%	\$ 216,401	\$ 44,170		\$ 44,170	
Classroom Technology Equipment	1.6992%	501,168	337,402		169,894	\$ 167,508
Energy Savings Improvement Program	3.25%	3,246,767	3,246,767		190,000	3,056,767
Turf Field and Field Lighting	3.0731%	448,810		\$ 448,810	89,887	358,923
Classroom Technology Equipment	2.8519%	727,911		727,911	182,105	545,806
			<u>\$ 3,628,339</u>	<u>\$ 1,176,721</u>	<u>\$ 676,056</u>	<u>\$ 4,129,004</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,269,475		\$ 2,269,475	\$ 2,269,475	
Total Revenue	2,269,475		2,269,475	2,269,475	
EXPENDITURES:					
Regular Debt Service:					
Interest	529,475		529,475	529,475	
Redemption of Principal	1,740,000		1,740,000	1,740,000	
Total Regular Debt Service	2,269,475		2,269,475	2,269,475	
Total Expenditures	2,269,475		2,269,475	2,269,475	
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,				
	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 34,396,725	\$ 35,713,071	\$ 37,775,826	\$ 35,979,627	\$ 40,490,868
Restricted	5,244,474	5,489,939	6,792,605	7,803,701	7,109,764
Unrestricted/(Deficit)	(8,660,307)	(10,251,581)	(11,507,492)	(8,774,509)	(10,714,005)
<b>Total Governmental Activities Net Position</b>	<u>\$ 30,980,892</u>	<u>\$ 30,951,429</u>	<u>\$ 33,060,939</u>	<u>\$ 35,008,819</u>	<u>\$ 36,886,627</u>
<b>Business-Type Activities:</b>					
Investment in Capital Assets	\$ 32,541	\$ 27,555	\$ 22,962	\$ 21,473	\$ 19,648
Unrestricted	16,110	21,321	22,067	19,550	51,209
<b>Total Business-Type Activities Net Position</b>	<u>\$ 48,651</u>	<u>\$ 48,876</u>	<u>\$ 45,029</u>	<u>\$ 41,023</u>	<u>\$ 70,857</u>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 34,429,266	\$ 35,740,626	\$ 37,798,788	\$ 36,001,100	\$ 40,510,516
Restricted	5,244,474	5,489,939	6,792,605	7,803,701	7,109,764
Unrestricted/(Deficit)	(8,644,197)	(10,230,260)	(11,485,425)	(8,754,959)	(10,662,796)
<b>Total District-Wide Net Position</b>	<u>\$ 31,029,543</u>	<u>\$ 31,000,305</u>	<u>\$ 33,105,968</u>	<u>\$ 35,049,842</u>	<u>\$ 36,957,484</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,				
	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 34,204,719	\$ 34,172,996	\$ 35,216,299	\$ 34,748,348	\$ 34,368,305
Restricted	6,188,213	6,155,345	5,542,469	6,253,644	6,439,065
Unrestricted/(Deficit)	(1,591,462)	(1,050,077)	(1,020,465)	(1,263,420)	(10,448,680)
<b>Total Governmental Activities Net Position</b>	<u>\$ 38,801,470</u>	<u>\$ 39,278,264</u>	<u>\$ 39,738,303</u>	<u>\$ 39,738,572</u>	<u>\$ 30,358,690</u>
<b>Business-Type Activities:</b>					
Investment in Capital Assets	\$ 64,266	\$ 57,593	\$ 50,920	\$ 44,247	\$ 38,034
Unrestricted		15,519	5,564		
<b>Total Business-Type Activities Net Position</b>	<u>\$ 64,266</u>	<u>\$ 73,112</u>	<u>\$ 56,484</u>	<u>\$ 44,247</u>	<u>\$ 38,034</u>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 34,268,985	\$ 34,230,589	\$ 35,267,219	\$ 34,792,595	\$ 34,406,339
Restricted	6,188,213	6,155,345	5,542,469	6,253,644	6,439,065
Unrestricted/(Deficit)	(1,591,462)	(1,034,558)	(1,014,901)	(1,263,420)	(10,448,680)
<b>Total District-Wide Net Position</b>	<u>\$ 38,865,736</u>	<u>\$ 39,351,376</u>	<u>\$ 39,794,787</u>	<u>\$ 39,782,819</u>	<u>\$ 30,396,724</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,				
	2015	2016	2017	2018	2019
Governmental Activities:					
Instruction:					
Regular	\$ 24,814,290	\$ 26,287,983	\$ 28,124,143	\$ 27,287,001	\$ 26,692,095
Special Education	4,306,828	5,086,659	5,023,866	5,208,030	5,021,062
Other Instruction	3,508,063	3,837,507	3,813,738	4,313,690	3,801,939
Support Services:					
Tuition	3,300,090	3,674,161	4,004,449	3,966,700	3,794,789
Student and Instruction Related Service	7,608,338	8,170,208	9,458,104	9,639,764	8,631,567
General Administration Services	991,618	1,007,236	1,008,933	1,076,809	1,082,688
School Administration Services	2,550,334	3,079,417	3,236,507	3,224,906	3,059,432
Central Services	566,463	569,971	605,852	606,281	604,359
Administrative Information Technology	835,980	858,061	683,203	596,194	519,913
Plant Operations and Maintenance	3,667,203	3,520,619	3,810,907	4,195,645	4,336,243
Pupil Transportation	3,299,484	3,313,190	3,486,250	3,487,483	3,918,831
Interest on Long-Term Debt	721,298	668,437	590,665	524,744	450,269
Unallocated Depreciation	1,946,031	1,960,634	2,067,011	2,119,788	2,238,163
Total Governmental Activities Expenses	<u>58,116,020</u>	<u>62,034,083</u>	<u>65,913,628</u>	<u>66,247,035</u>	<u>64,151,350</u>
Business-Type Activities:					
Enterprise Funds	640,492	579,674	569,042	587,218	625,422
Total Business-Type Activities Expense	<u>640,492</u>	<u>579,674</u>	<u>569,042</u>	<u>587,218</u>	<u>625,422</u>
Total District-Wide Expenses	<u>\$ 58,756,512</u>	<u>\$ 62,613,757</u>	<u>\$ 66,482,670</u>	<u>\$ 66,834,253</u>	<u>\$ 64,776,772</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 73,169	\$ 120,688	\$ 226,239	\$ 274,918	\$ 274,918
Operating Grants and Contributions	13,529,836	16,008,812	19,796,280	19,998,923	16,962,186
Capital Grants and Contributions	155,800		824,516	14,411	23,120
Total Governmental Activities	<u>13,758,805</u>	<u>16,129,500</u>	<u>20,847,035</u>	<u>20,288,252</u>	<u>17,260,224</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	616,779	546,202	531,618	572,320	683,675
Total Business Type Activities	<u>616,779</u>	<u>546,202</u>	<u>531,618</u>	<u>572,320</u>	<u>683,675</u>
Total District-Wide Program Revenues	<u>\$ 14,375,584</u>	<u>\$ 16,675,702</u>	<u>\$ 21,378,653</u>	<u>\$ 20,860,572</u>	<u>\$ 17,943,899</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,				
	2015	2016	2017	2018	2019
Net (Expense)/Revenue:					
Governmental Activities	\$ (44,357,215)	\$ (45,904,583)	\$ (45,066,593)	\$ (45,958,783)	\$ (46,891,126)
Business-Type Activities	(23,713)	(33,472)	(37,424)	(14,898)	58,253
<b>Total District-Wide Net Expense/(Revenue)</b>	<b>\$ (44,380,928)</b>	<b>\$ (45,938,055)</b>	<b>\$ (45,104,017)</b>	<b>\$ (45,973,681)</b>	<b>\$ (46,832,873)</b>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 40,804,192	\$ 41,620,275	\$ 42,763,310	\$ 43,618,576	\$ 44,490,948
Taxes Levied for Debt Service	2,273,550	2,271,050	2,264,800	2,266,000	2,269,475
Federal and State Aid Not Restricted	1,323,519	1,328,846	1,341,965	1,264,103	895,450
Investment Earnings	21,863	37,385	42,898	86,444	207,487
Miscellaneous Income	556,293	617,564	763,130	674,581	876,853
Transfers				(3,041)	28,721
<b>Total Governmental Activities</b>	<b>44,979,417</b>	<b>45,875,120</b>	<b>47,176,103</b>	<b>47,906,663</b>	<b>48,768,934</b>
Business-Type Activities:					
Investment Earnings	91	180	282	600	302
Transfers				3,041	(28,721)
Other Item - FSMC Contribution	34,239	33,517	33,295	7,251	
<b>Total Business-Type Activities</b>	<b>34,330</b>	<b>33,697</b>	<b>33,577</b>	<b>10,892</b>	<b>(28,419)</b>
<b>Total District-Wide Revenues &amp; Other Changes in Net Position</b>	<b>\$ 45,013,747</b>	<b>\$ 45,908,817</b>	<b>\$ 47,209,680</b>	<b>\$ 47,917,555</b>	<b>\$ 48,740,515</b>
Change in Net Position					
Governmental Activities	\$ 622,202	\$ (29,463)	\$ 2,109,510	\$ 1,947,880	\$ 1,877,808
Business-Type Activities	10,617	225	(3,847)	(4,006)	29,834
<b>Total District-Wide Change in Net Position</b>	<b>\$ 632,819</b>	<b>\$ (29,238)</b>	<b>\$ 2,105,663</b>	<b>\$ 1,943,874</b>	<b>\$ 1,907,642</b>

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,				
	2010	2011	2012	2013	2014
Governmental Activities:					
Instruction:					
Regular	\$ 20,064,790	\$ 20,223,962	\$ 21,212,035	\$ 21,984,326	\$ 21,969,083
Special Education	3,462,401	3,418,895	3,539,992	3,781,193	3,809,040
Other Special Instruction					
Other Instruction	2,924,041	2,905,464	2,944,887	3,055,851	3,088,277
Support Services:					
Tuition	2,908,145	2,959,570	2,930,014	2,547,951	2,803,150
Student & Instruction Related Services	6,394,322	6,125,142	5,973,399	6,457,607	6,219,532
General Administration Services	1,113,489	942,224	970,327	977,377	1,112,496
School Administration Services	2,285,167	2,013,144	2,098,282	2,543,345	2,361,168
Central Services	583,789	532,619	527,544	548,817	562,932
Administrative Information Technology	605,742	618,921	638,576	729,339	865,858
Plant Operations and Maintenance	3,647,911	3,631,588	3,208,073	3,381,931	3,612,729
Pupil Transportation	2,939,987	2,680,860	2,858,984	2,770,169	3,153,997
Interest on Long-Term Debt	1,137,903	1,084,793	877,167	863,136	783,095
Unallocated Depreciation	1,840,093	1,883,717	1,901,655	1,929,377	1,932,450
Total Governmental Activities Expenses	<u>49,907,780</u>	<u>49,020,899</u>	<u>49,680,935</u>	<u>51,570,419</u>	<u>52,273,807</u>
Business-Type Activities:					
Enterprise Funds	793,161	737,661	754,356	780,390	707,857
Total Business-Type Activities Expense	<u>793,161</u>	<u>737,661</u>	<u>754,356</u>	<u>780,390</u>	<u>707,857</u>
Total District-Wide Expenses	<u>\$ 50,700,941</u>	<u>\$ 49,758,560</u>	<u>\$ 50,435,291</u>	<u>\$ 52,350,809</u>	<u>\$ 52,981,664</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 14,477	\$ 65,086	\$ 80,419	\$ 42,269	\$ 80,615
Operating Grants and Contributions	6,581,091	6,726,130	7,460,240	8,391,960	7,939,395
Capital Grants and Contributions	322,262	276,036	117,776	39,222	(795)
Total Governmental Activities	<u>6,917,830</u>	<u>7,067,252</u>	<u>7,658,435</u>	<u>8,473,451</u>	<u>8,019,215</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	759,541	746,384	774,394	737,156	655,801
Total Business Type Activities	<u>759,541</u>	<u>746,384</u>	<u>774,394</u>	<u>737,156</u>	<u>655,801</u>
Total District-Wide Program Revenues	<u>\$ 7,677,371</u>	<u>\$ 7,813,636</u>	<u>\$ 8,432,829</u>	<u>\$ 9,210,607</u>	<u>\$ 8,675,016</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,				
	2010	2011	2012	2013	2014
Net (Expense)/Revenue:					
Governmental Activities	\$ (42,989,950)	\$ (41,953,647)	\$ (42,022,500)	\$ (43,096,968)	\$ (44,254,592)
Business-Type Activities	(33,620)	8,723	20,038	(43,234)	(52,056)
Total District-Wide Net Expense/(Revenue)	<u>\$ (43,023,570)</u>	<u>\$ (41,944,924)</u>	<u>\$ (42,002,462)</u>	<u>\$ (43,140,202)</u>	<u>\$ (44,306,648)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 37,672,234	\$ 38,638,243	\$ 38,638,243	\$ 39,285,434	\$ 40,071,143
Taxes Levied for Debt Service	2,376,888	2,374,400	2,373,181	2,318,238	2,229,437
Federal and State Aid Not Restricted	1,425,925	785,096	1,034,537	1,259,537	1,272,751
Investment Earnings	36,507	24,465	18,444	14,119	21,072
Miscellaneous Income	474,131	608,237	381,383	455,121	378,413
Transfers	(36,751)	(36,751)	36,751	(30,930)	(15,265)
Total Governmental Activities	<u>41,948,934</u>	<u>42,393,690</u>	<u>42,482,539</u>	<u>43,301,519</u>	<u>43,957,551</u>
Business-Type Activities:					
Investment Earnings	236	123	85	67	87
Transfers	36,751	36,751	(36,751)	30,930	45,756
Total Business-Type Activities	<u>36,987</u>	<u>36,874</u>	<u>(36,666)</u>	<u>30,997</u>	<u>45,843</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 41,985,921</u>	<u>\$ 42,430,564</u>	<u>\$ 42,445,873</u>	<u>\$ 43,332,516</u>	<u>\$ 44,003,394</u>
Change in Net Position					
Governmental Activities	\$ (1,041,016)	\$ 440,043	\$ 460,039	\$ 204,551	\$ (297,041)
Business-Type Activities	3,367	45,597	(16,628)	(12,237)	(6,213)
Total District-Wide Change in Net Position	<u>\$ (1,037,649)</u>	<u>\$ 485,640</u>	<u>\$ 443,411</u>	<u>\$ 192,314</u>	<u>\$ (303,254)</u>

Source: West Morris Regional High School District records.

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

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$5,132,100									
Unreserved	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	\$ 7,109,764	
Assigned	371,557	829,696	845,946	277,124	440,239	456,931	628,992	829,360	1,222,312	
Unassigned	875,180	754,510	768,610	859,501	943,630	1,033,138	1,005,975	995,068	1,225,686	
<b>Total General Fund</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>\$ 9,557,762</b>
Other Governmental Funds:										
Reserved	\$ 62,557									
Unreserved:										
Capital Projects Fund	993,556									
Debt Service Fund		\$ 824,753	\$ 292,280	\$ 182,598	\$ 425,955	\$1,537,387	\$1,156,103	\$ 129,433	\$ 2,921,883	\$ 335,407
Committed		654,666	742,435	87,769						
Restricted										
<b>Total Other Governmental Funds</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>\$ 335,407</b>
<b>Total Governmental Funds</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>	<b>\$ 9,893,169</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Tax Levy	\$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	\$46,760,423
Tuition Charges	14,477	65,086	80,419	42,269	80,615	73,169	120,688	226,239	263,007	274,918
Interest Earned on Investments	28,222	16,037	15,813	12,075	16,564	17,621	30,688	36,818	75,533	143,494
Interest Earned on Capital Reserve Funds	8,285	8,428	2,405	1,704	1,975	1,617	1,929	2,236	7,017	26,339
Interest Earned on Maintenance Reserve Funds			226	340	2,533	2,625	4,769	3,786	3,823	6,554
Miscellaneous	478,254	623,983	387,899	434,729	400,923	589,790	648,384	805,990	688,152	947,463
State Sources	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	12,023,390
Federal Sources	1,544,695	934,605	669,862	738,441	555,700	565,267	555,798	563,470	424,125	553,662
<b>Total Revenue</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>60,736,243</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	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	15,346,206
Special Education Instruction	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	2,904,968
Other Instruction	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	2,385,308
<b>Support Services:</b>										
Tuition	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	3,794,789
Student and Instruction Related Services	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	5,512,822
General Administration Services	1,003,182	846,592	871,751	873,782	1,002,854	889,528	894,256	891,625	971,292	957,863
School Administration Services	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	1,758,902
Central Services	491,391	444,115	441,597	461,963	453,434	454,065	459,489	482,611	496,030	490,657
Administrative Information Technology	437,967	443,472	443,606	520,056	679,835	664,752	672,822	522,264	463,824	333,301
Plant Operations and Maintenance	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	3,931,266
Pupil Transportation	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	3,843,521

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenditures:</b>										
Unallocated Benefits	\$ 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	\$ 14,011,697
Debt Service:										
Principal	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	1,740,000
Interest and Other Charges	1,141,888	1,089,400	945,412	923,238	862,206	798,550	746,050	669,800	606,000	529,475
Capital Outlay	2,219,932	964,158	1,153,848	410,249	435,598	1,101,533	836,151	2,990,923	2,941,938	7,057,753
Total Expenditures	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	64,598,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,354,459)	546,060	(38,673)	639,607	(33,888)	(52,316)	(29,619)	420,894	248,113	(3,862,285)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)						216,401			501,168	727,911
Capital Lease Proceeds				41,961					3,246,767	448,810
Superstorm Sandy Insurance Claims										
Transfers In			36,751	1,257,985	573,161	1,455,477	153,496	445,179	910,071	2,343,143
Transfers Out	(36,751)			(1,288,915)	(588,426)	(1,455,477)	(153,496)	(445,179)	(913,112)	(2,314,422)
Total Other Financing Sources (Uses)	(36,751)		36,751	11,031	(15,265)	216,401			3,744,894	1,205,442
Net Change in Fund Balances	\$ (2,391,210)	\$ 546,060	\$ (1,922)	\$ 650,638	\$ (49,153)	\$ 164,085	\$ (29,619)	\$ 420,894	\$ 3,993,007	\$ (2,656,843)
Debt Service as a Percentage of Noncapital Expenditures	4.85%	4.95%	4.67%	4.57%	4.49%	4.31%	4.15%	4.15%	4.06%	3.87%

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
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
2019	274,918	176,387	66,965	809,888	1,328,158

Source: West Morris Regional High School District records.

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

LAST TEN YEARS  
UNAUDITED

Chester Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2009	\$ 5,466,500	\$ 244,889,900	\$ 1,310,000	\$ 44,500	\$ 197,828,600	\$ -	\$ 2,214,500	\$ 451,754,000	\$ 2,050,374	\$ 453,804,374	\$ 42,255,500	\$ 0.31	\$ 475,936,992
2010	* 4,875,000	* 213,961,800	* 1,173,400	* 51,200	* 165,600,100	* -	* 1,914,100	* 389,281,256	* 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	56,600	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
2018	3,880,300	229,846,900	976,500	56,600	166,399,800	-	-	401,160,100	-	401,160,100	44,706,800	0.52	390,482,174

Chester Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2009	\$ 28,337,400	\$ 2,053,743,433	\$ 1,066,972,300	\$ 1,202,300	\$ 51,086,800	\$ 5,163,700	\$ 910,000	\$ 2,247,413,933	\$ 1,868,749	\$ 2,249,284,682	\$ 231,983,500	\$ 0.39	\$ 2,195,682,116
2010	* 19,506,100	* 1,676,536,800	* 90,749,200	* 1,226,400	* 49,247,800	* 3,908,600	* 835,200	* 1,842,010,100	* 2,190,835	* 1,844,200,935	* 230,758,700	* 0.50	* 2,159,919,381
2011	18,576,400	1,670,362,000	91,688,600	1,227,800	49,731,900	3,908,600	835,200	1,836,330,500	2,179,636	1,838,510,136	230,806,900	0.51	2,063,039,316
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
2018	12,175,700	1,679,019,100	83,877,300	1,298,100	47,009,900	2,543,100	835,200	1,826,758,400	375,919	1,827,134,319	254,511,400	0.56	1,906,637,867

Mendham Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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	1,284,514,035	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	124,865,000	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
2018	8,769,600	1,098,793,700	69,130,100	351,800	101,575,300	-	2,342,200	1,280,962,700	2,007,273	1,282,969,973	125,379,300	0.58	1,377,413,257

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 *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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	-	1,877,566,000	1,239,350	1,878,805,350	152,605,300	0.52	1,895,672,519
2015	22,888,000	1,729,916,200	111,919,200	624,700	10,162,400	2,100	-	1,875,512,600	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
2018	21,643,900	1,719,760,500	122,730,600	520,300	10,123,500	2,100	-	1,874,780,900	1,250,037	1,876,030,937	152,607,500	0.56	1,938,936,548

**Washington Township**

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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
2018	26,217,500	2,489,033,400	116,986,400	4,320,600	122,170,100	32,238,700	35,461,400	2,826,428,100	-	2,826,428,100	256,473,800	0.57	2,906,311,191

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

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

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

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

Source: Municipal Tax Assessors.

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

**LAST TEN YEARS**

**UNAUDITED**

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

**Chester Borough**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General		Chester Borough	Chester		
		Obligation Debt <sup>b</sup>	Total Direct		Borough Schools	Morris County	
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
2018	0.49	0.03	0.52	0.93	0.93	0.25	2.63

**Chester Township**

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General		Chester Township	Chester		
		Obligation Debt <sup>b</sup>	Total Direct		Township Schools	Morris County	
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
2018	0.53	0.03	0.56	0.53	0.98	0.27	2.34

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>	Obligation Debt <sup>b</sup>	Total Direct	Borough	Borough Schools	Morris County	
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
2018	0.55	0.03	0.58	0.48	0.88	0.28	2.22

**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>	Obligation Debt <sup>b</sup>	Total Direct	Township	Township Schools	Morris County	
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
2018	0.53	0.03	0.56	0.44	0.85	0.27	2.12

Source: Municipal Tax Collectors and School Business Administrator.

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

LAST TEN YEARS

UNAUDITED

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

**Washington Township**

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Washington		Morris County	
	Basic Rate <sup>a</sup>	Obligation Debt <sup>b</sup>		Washington Township	Township Schools		
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
2018	0.54	0.03	0.57	0.46	1.25	0.27	2.55

\* - 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

	2018			2009		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
DPF Chester LLC		\$ 39,000,000	9.72%	Chester Springs, LLC	\$ 34,533,100	7.61%
CPP Streets of Chester, LLC		15,000,000	3.74%	Continental Chester, LLC	26,000,000	5.73%
Savro, LLC/Chester Shopping Mall		6,940,000	1.73%	NS-MPG, Inc.	8,900,000	1.96%
Williamson Associates, LLC		3,900,000	0.97%	Savro/Chester Shopping Mall	8,296,000	1.83%
M&M Chester LLC		3,664,300	0.91%	Williamson Associates	4,413,400	0.97%
95 West Main Associates, LLC		3,104,000	0.77%	95 West Main Associates	3,698,500	0.81%
DeSapio Real Estate Development, LLC		2,230,000	0.56%	Individual Taxpayer #1	3,354,800	0.74%
Publick House Holdings, LLC		2,225,000	0.55%	Individual Taxpayer #2	2,713,300	0.60%
Chester Franklin Associates, LLC		2,200,000	0.55%	Turkey Farm Acquisition	2,587,400	0.57%
MGHC Group, LLC		1,789,300	0.45%	Group 206 North Associates	2,434,100	0.54%
<b>Total</b>		<b>\$ 80,052,600</b>	<b>19.95%</b>	<b>Total</b>	<b>\$ 96,930,600</b>	<b>21.36%</b>

Source: Chester Borough Tax Assessor.

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

**Chester Township**

	2018			2009		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Welkind Rehabilitation Hospital, Inc.	\$ 6,476,600	0.35%		\$ 6,170,200	0.27%	
Individual Taxpayer #1	3,734,400	0.20%	Welkind Rehabilitation Hospital, Inc. Individual Taxpayer #1	5,040,000	0.22%	
Individual Taxpayer #2	3,402,600	0.19%	Individual Taxpayer #2	4,324,000	0.19%	
Individual Taxpayer #3	3,140,800	0.17%	Individual Taxpayer #3	4,000,600	0.18%	
Individual Taxpayer #4	3,095,800	0.17%	Individual Taxpayer #4	3,383,800	0.15%	
Individual Taxpayer #5	3,008,300	0.16%	Individual Taxpayer #5	3,300,000	0.15%	
Individual Taxpayer #6	2,968,600	0.16%	Individual Taxpayer #6	3,186,700	0.14%	
Individual Taxpayer #7	2,833,500	0.16%	Individual Taxpayer #7	3,111,300	0.14%	
Individual Taxpayer #8	2,784,600	0.15%	Individual Taxpayer #8	2,980,400	0.13%	
Individual Taxpayer #9	2,375,200	0.13%	Individual Taxpayer #9	2,961,200	0.13%	
<b>Total</b>	<b>\$ 33,820,400</b>	<b>1.86%</b>	<b>Total</b>	<b>\$ 38,458,200</b>	<b>1.70%</b>	

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

Source: Chester Township Tax Assessor.



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

Mendham Borough

	2018		2009			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	V-Fee Realty	\$ 22,000,000	1.71%	V-Fee Realty	\$ 22,000,000	1.39%
	Roxiticus Golf Club	9,955,100	0.78%	Roxiticus Golf Club, Inc.	14,178,100	0.90%
	Holly Manor Assoc. of NJ	8,558,600	0.67%	Holly Manor/Genesis	8,558,600	0.54%
	Individual Taxpayer #1	6,430,800	0.50%	Individual Taxpayer # 1	6,430,800	0.41%
	Individual Taxpayer #2	5,652,500	0.44%	Individual Taxpayer # 2	5,652,500	0.36%
	Individual Taxpayer #3	4,850,000	0.38%	Individual Taxpayer # 3	5,379,200	0.34%
	Individual Taxpayer #4	4,396,300	0.34%	Individual Taxpayer # 4	5,273,400	0.33%
	Individual Taxpayer #5	4,098,900	0.32%	Individual Taxpayer # 5	4,766,400	0.30%
	MTWOL Associates LLC	4,000,000	0.31%	Individual Taxpayer # 6	4,635,000	0.29%
	Individual Taxpayer #6	3,984,200	0.31%	Individual Taxpayer # 7	4,629,500	0.29%
	Total	\$ 73,926,400	5.76%	Total	\$ 81,503,500	5.15%

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

	2018			2009		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Shemy, LLC	\$ 8,454,200	0.45%	Woodland Lakes Inc.	\$ 8,135,000	0.37%	
Woodland Lakes, Inc.	7,795,500	0.42%	Mendham Golf and Tennis Club	5,942,800	0.27%	
Mendham Golf & Tennis Club	6,199,400	0.33%	Individual Taxpayer #1	5,770,400	0.27%	
Southeast Morris County Municipal						
Utilities Authority	4,870,100	0.26%	Individual Taxpayer #2	5,640,700	0.26%	
Individual Taxpayer #1	4,097,300	0.22%	Individual Taxpayer #3	5,124,500	0.24%	
Individual Taxpayer #2	3,985,600	0.21%	Individual Taxpayer #4	5,083,400	0.23%	
Desiree Farm, LLC	3,850,000	0.21%	Individual Taxpayer #5	4,985,600	0.23%	
Individual Taxpayer #3	3,800,000	0.20%	Southeast Morris County Municipal			
Individual Taxpayer #4	3,760,200	0.20%	Utilities Authority	4,640,300	0.21%	
Individual Taxpayer #5	3,603,300	0.19%	Individual Taxpayer #6	4,448,800	0.21%	
			Individual Taxpayer #7	4,353,600	0.20%	
Total	\$ 50,415,600	2.69%	Total	\$ 54,125,100	2.49%	

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

	2018			2009		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Heath Village	\$ 21,853,200	0.77%	Heath Village	\$ 28,010,700	0.86%	
Target Corporation	13,650,000	0.48%	Kings Highway Investment Co., LLC	18,428,800	0.57%	
2085 Realty Partners, LLC	11,694,100	0.41%	Peachtree Village, LP	11,463,100	0.35%	
Peachtree Village, LP	10,250,000	0.36%	Individual Taxpayer #1	11,274,200	0.35%	
Bay Ridge Motor Sales	7,940,000	0.28%	The Great Atlantic & Pacific Tea Co.	8,485,600	0.26%	
GPT Hackettstown Owner	6,841,200	0.24%	Transistor Devices, Inc.	7,708,900	0.24%	
Amerace ESNA Corporation	6,178,400	0.22%	Toll NJ IV, LP	7,705,800	0.24%	
Black Oak Golf Club	6,011,900	0.21%	Amerace ESNA Corporation	6,569,000	0.20%	
Columbia Gas Transmission Corporation	5,872,300	0.21%	Columbia Gas Transmission Corporation	6,537,500	0.20%	
Long Valley Shopping Center	4,800,000	0.17%	Individual Taxpayer #2	6,471,200	0.20%	
<b>Total</b>	<b>\$ 95,091,100</b>	<b>3.34%</b>	<b>Total</b>	<b>\$112,654,800</b>	<b>3.47%</b>	

Source: Washington Township Tax Assessor.

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

**Chester Borough**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2019	2,128,812	2,128,812	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	
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 -
2019	10,572,990	10,572,990	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	
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
2019	7,366,776	6,782,674	92.07%	584,102

**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	
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 -
2019	10,477,898	10,477,898	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	
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 -
2019	16,213,947	16,213,947	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	Certificates of Participation	Capital Leases			
2010	\$ 868,648	\$ - 0 -	\$ - 0 -	\$ 868,648	0.71%	\$ 526.45
2011	761,866	- 0 -	- 0 -	761,866	0.60%	459.23
2012	641,104	- 0 -	- 0 -	641,104	0.49%	386.21
2013	729,103	- 0 -	- 0 -	729,103	0.55%	438.69
2014	583,105	- 0 -	- 0 -	583,105	0.42%	351.06
2015	608,995	- 0 -	6,371	615,366	0.42%	371.60
2016	721,349	- 0 -	6,305	727,654	0.49%	440.20
2017	503,015	- 0 -	3,318	506,333	0.33%	307.05
2018	508,197	- 0 -	159,026	667,223	0.43%	405.85
2019	448,658	- 0 -	187,977	636,635	0.41%	387.25

**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			
2010	\$ 5,396,025	\$ - 0 -	\$ - 0 -	\$ 5,396,025	0.93%	\$ 686.95
2011	5,184,349	- 0 -	- 0 -	5,184,349	0.86%	657.00
2012	4,821,804	- 0 -	- 0 -	4,821,804	0.77%	610.82
2013	4,430,418	- 0 -	- 0 -	4,430,418	0.70%	561.10
2014	4,350,530	- 0 -	- 0 -	4,350,530	0.66%	552.80
2015	3,819,449	- 0 -	39,956	3,859,405	0.56%	490.89
2016	3,410,315	- 0 -	29,810	3,440,125	0.49%	438.96
2017	3,123,955	- 0 -	20,606	3,144,561	0.43%	402.43
2018	2,510,374	- 0 -	785,553	3,295,927	0.45%	423.80
2019	2,228,312	- 0 -	933,608	3,161,920	0.43%	406.57

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			
2010	\$ 3,826,612	\$ - 0 -	\$ - 0 -	\$ 3,826,612	1.04%	\$ 766.09
2011	3,437,841	- 0 -	- 0 -	3,437,841	0.90%	685.92
2012	3,034,292	- 0 -	- 0 -	3,034,292	0.76%	605.04
2013	2,793,752	- 0 -	- 0 -	2,793,752	0.70%	558.64
2014	2,710,787	- 0 -	- 0 -	2,710,787	0.65%	544.55
2015	2,612,202	- 0 -	27,327	2,639,529	0.61%	532.16
2016	2,322,531	- 0 -	20,301	2,342,832	0.53%	473.78
2017	2,104,085	- 0 -	13,879	2,117,964	0.46%	430.04
2018	1,900,360	- 0 -	594,666	2,495,026	0.54%	508.15
2019	1,552,586	- 0 -	650,496	2,203,082	0.48%	448.69

**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			
2010	\$ 5,297,321	\$ - 0 -	\$ - 0 -	\$ 5,297,321	1.22%	\$ 900.90
2011	5,063,160	- 0 -	- 0 -	5,063,160	1.12%	859.47
2012	4,669,073	- 0 -	- 0 -	4,669,073	1.00%	792.17
2013	4,519,192	- 0 -	- 0 -	4,519,192	0.96%	769.49
2014	4,085,325	- 0 -	- 0 -	4,085,325	0.84%	698.47
2015	3,812,526	- 0 -	39,884	3,852,410	0.75%	660.11
2016	3,523,457	- 0 -	30,798	3,554,255	0.68%	611.85
2017	3,010,869	- 0 -	19,860	3,030,729	0.56%	524.35
2018	2,617,130	- 0 -	818,959	3,436,089	0.63%	598.20
2019	2,208,271	- 0 -	925,211	3,133,482	0.58%	545.52

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			
2010	\$ 8,647,394	\$ - 0 -	\$ - 0 -	\$ 8,647,394	0.63%	\$ 465.82
2011	8,303,784	- 0 -	- 0 -	8,303,784	0.58%	445.70
2012	7,533,727	- 0 -	- 0 -	7,533,727	0.51%	403.30
2013	6,832,535	- 0 -	- 0 -	6,832,535	0.46%	366.55
2014	6,120,253	- 0 -	- 0 -	6,120,253	0.39%	329.38
2015	5,521,828	- 0 -	57,765	5,579,593	0.34%	300.50
2016	4,872,348	- 0 -	42,589	4,914,937	0.30%	265.18
2017	4,513,076	- 0 -	29,768	4,542,844	0.26%	245.23
2018	4,058,939	- 0 -	1,270,135	5,329,074	0.31%	289.61
2019	3,417,173	- 0 -	1,431,712	4,848,885	0.28%	263.51

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>
2010	\$ 868,648	\$ - 0 -	\$ 868,648	0.223%	\$ 526.45
2011	761,866	- 0 -	761,866	0.201%	459.23
2012	641,104	- 0 -	641,104	0.170%	386.21
2013	729,103	- 0 -	729,103	0.198%	438.69
2014	583,105	- 0 -	583,105	0.154%	351.06
2015	608,995	- 0 -	608,995	0.161%	367.75
2016	721,349	- 0 -	721,349	0.182%	436.39
2017	503,015	- 0 -	503,015	0.126%	305.04
2018	508,197	- 0 -	508,197	0.127%	309.12
2019	448,658	- 0 -	448,658	0.112%	272.91

**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>
2010	\$ 5,396,025	\$ - 0 -	\$ 5,396,025	0.293%	\$ 686.95
2011	5,184,349	- 0 -	5,184,349	0.282%	657.00
2012	4,821,804	- 0 -	4,821,804	0.263%	610.82
2013	4,430,418	- 0 -	4,430,418	0.243%	561.10
2014	4,350,530	- 0 -	4,350,530	0.239%	552.80
2015	3,819,449	- 0 -	3,819,449	0.210%	485.81
2016	3,410,315	- 0 -	3,410,315	0.187%	435.16
2017	3,123,955	- 0 -	3,123,955	0.171%	399.79
2018	2,510,374	- 0 -	2,510,374	0.137%	322.79
2019	2,228,312	- 0 -	2,228,312	0.122%	286.53

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>
2010	\$ 3,826,612	\$ - 0 -	\$ 3,826,612	0.295%	\$ 766.09
2011	3,437,841	- 0 -	3,437,841	0.266%	685.92
2012	3,034,292	- 0 -	3,034,292	0.235%	605.04
2013	2,793,752	- 0 -	2,793,752	0.218%	558.64
2014	2,710,787	- 0 -	2,710,787	0.211%	544.55
2015	2,612,202	- 0 -	2,612,202	0.203%	526.65
2016	2,322,531	- 0 -	2,322,531	0.181%	469.67
2017	2,104,085	- 0 -	2,104,085	0.164%	427.23
2018	1,900,360	- 0 -	1,900,360	0.148%	387.04
2019	1,552,586	- 0 -	1,552,586	0.121%	316.21

**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>
2010	\$ 5,297,321	\$ - 0 -	\$ 5,297,321	0.280%	\$ 900.90
2011	5,063,160	- 0 -	5,063,160	0.268%	859.47
2012	4,669,073	- 0 -	4,669,073	0.247%	792.17
2013	4,519,192	- 0 -	4,519,192	0.240%	769.49
2014	4,085,325	- 0 -	4,085,325	0.217%	698.47
2015	3,812,526	- 0 -	3,812,526	0.203%	653.28
2016	3,523,457	- 0 -	3,523,457	0.188%	606.55
2017	3,010,869	- 0 -	3,010,869	0.160%	520.91
2018	2,617,130	- 0 -	2,617,130	0.140%	455.63
2019	2,208,271	- 0 -	2,208,271	0.118%	384.45

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			
2010	\$ 8,647,394	\$ - 0 -	\$ 8,647,394	0.307%	\$ 465.82
2011	8,303,784	- 0 -	8,303,784	0.294%	445.70
2012	7,533,727	- 0 -	7,533,727	0.267%	403.30
2013	6,832,535	- 0 -	6,832,535	0.242%	366.55
2014	6,120,253	- 0 -	6,120,253	0.218%	329.38
2015	5,521,828	- 0 -	5,521,828	0.197%	297.38
2016	4,872,348	- 0 -	4,872,348	0.173%	262.89
2017	4,513,076	- 0 -	4,513,076	0.160%	243.62
2018	4,058,939	- 0 -	4,058,939	0.144%	220.58
2019	3,417,173	- 0 -	3,417,173	0.121%	185.71

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, 2018  
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	\$ 4,005,000	100.00%	\$ 4,005,000
Township of Chester	14,018,267	100.00%	14,018,267
Borough of Mendham	1,989,873	100.00%	1,989,873
Township of Mendham	11,733,241	100.00%	11,733,241
Township of Washington	10,915,000	100.00%	10,915,000
County of Morris General Obligation Debt	216,647,699	8.99%	<u>19,479,603</u>
Subtotal, Overlapping Debt			62,140,984
West Morris Regional School District Direct Debt			<u>11,595,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 73,735,984</u></u>

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

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

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

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 291,571,815	\$ 285,737,548	\$ 275,929,859	\$ 265,007,516	\$ 257,201,826
Total Net Debt Applicable to Limit	24,036,000	22,751,000	20,700,000	19,305,000	17,850,000
Legal Debt Margin	<u>\$ 267,535,815</u>	<u>\$ 262,986,548</u>	<u>\$ 255,229,859</u>	<u>\$ 245,702,516</u>	<u>\$ 239,351,826</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.24%	7.96%	7.50%	7.28%	6.94%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 253,650,778	\$ 253,032,514	\$ 254,342,414	\$ 254,406,183	\$ 254,843,729
Total Net Debt Applicable to Limit	16,375,000	14,850,000	13,255,000	11,595,000	9,855,000
Legal Debt Margin	<u>\$ 237,275,778</u>	<u>\$ 238,182,514</u>	<u>\$ 241,087,414</u>	<u>\$ 242,811,183</u>	<u>\$ 244,988,729</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.46%	5.87%	5.21%	4.56%	3.87%

Legal Debt Margin Calculation for Fiscal Year 2019

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
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
2018	385,064,408	1,914,841,090	1,368,257,530	1,916,561,951	2,894,744,060	8,479,469,039
	<u>\$ 1,172,975,503</u>	<u>\$ 5,712,102,173</u>	<u>\$ 4,114,424,878</u>	<u>\$ 5,809,485,725</u>	<u>\$ 8,675,384,602</u>	<u>\$25,484,372,881</u>
						Average Equalized Valuation of Taxable Property
						<u>\$ 8,494,790,960</u>
						Debt Limit <sup>a</sup> (3% of Average Equalization Value)
						\$ 254,843,729
						Net Bonded School Debt
						<u>9,855,000</u>
						Legal Debt Margin
						<u>\$ 244,988,729</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>
2009	1,657	\$ 70,184	\$ 116,294,888	8.60%
2010	1,650	73,918	121,964,700	8.70%
2011	1,659	76,573	127,034,607	8.40%
2012	1,660	79,481	131,938,460	8.80%
2013	1,662	80,358	133,554,996	6.50%
2014	1,661	83,626	138,902,786	3.80%
2015	1,656	87,505	144,908,280	3.70%
2016	1,653	89,653	148,196,409	3.30%
2017	1,649	94,259	155,433,091	3.40%
2018	1,644	94,259 *	154,961,796	2.30%

**Chester Township**

Year	Township Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2009	7,686	\$ 70,184	\$ 539,434,224	4.90%
2010	7,855	73,918	580,625,890	4.90%
2011	7,891	76,573	604,237,543	4.80%
2012	7,894	79,481	627,423,014	5.00%
2013	7,896	80,358	634,506,768	5.80%
2014	7,870	83,626	658,136,620	4.40%
2015	7,862	87,505	687,964,310	3.70%
2016	7,837	89,653	702,610,561	3.40%
2017	7,814	94,259	736,539,826	3.20%
2018	7,777	94,259 *	733,052,243	3.00%

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>
2009	5,058	\$ 70,184	\$ 354,990,672	3.20%
2010	4,995	73,918	369,220,410	3.30%
2011	5,012	76,573	383,783,876	3.10%
2012	5,015	79,481	398,597,215	3.30%
2013	5,001	80,358	401,870,358	6.70%
2014	4,978	83,626	416,290,228	4.70%
2015	4,960	87,505	434,024,800	3.70%
2016	4,945	89,653	443,334,085	3.80%
2017	4,925	94,259	464,225,575	3.60%
2018	4,910	94,259 *	462,811,690	3.50%

**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>
2009	5,486	\$ 70,184	\$ 385,029,424	2.10%
2010	5,880	73,918	434,637,840	2.10%
2011	5,891	76,573	451,091,543	2.00%
2012	5,894	79,481	468,461,014	2.10%
2013	5,873	80,358	471,942,534	2.00%
2014	5,849	83,626	489,128,474	4.00%
2015	5,836	87,505	510,679,180	3.30%
2016	5,809	89,653	520,794,277	3.20%
2017	5,780	94,259	544,817,020	3.10%
2018	5,744	94,259 *	541,423,696	2.70%



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>
2009	18,336	\$ 70,184	\$ 1,286,893,824	6.60%
2010	18,564	73,918	1,372,213,752	6.70%
2011	18,631	76,573	1,426,631,563	6.50%
2012	18,680	79,481	1,484,705,080	6.70%
2013	18,640	80,358	1,497,873,120	5.00%
2014	18,581	83,626	1,553,854,706	4.60%
2015	18,568	87,505	1,624,792,840	4.30%
2016	18,534	89,653	1,661,628,702	3.50%
2017	18,525	94,259	1,746,147,975	3.40%
2018	18,401	94,259 *	1,734,459,859	3.20%

\* - Latest Morris County per capita personal income available (2017) 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

	2018		2009			
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
	Picatinny Arsenal	6,400	2.53%	Atlantic Health Systems	6,300	2.47%
	Atlantic Health Systems	6,350	2.51%	Picatinny Arsenal	3,575	1.40%
	Novartis Pharmaceuticals Corporation	4,607	1.82%	Novartis Corporation	3,573	1.40%
	Bayer Healthcare, LLC	2,800	1.11%	Saint Clare's Health System	2,342	0.92%
	ADP	2,242	0.89%	Morris County	2,126	0.83%
	Wyndham Worldwide Corporation	1,907	0.75%	ADP	2,019	0.79%
	Accenture	1,883	0.74%	United Parcel Service	1,941	0.76%
	Honeywell	1,868	0.74%	AT&T	1,500	0.59%
	Allergan	1,700	0.67%	Honeywell	1,500	0.59%
	Saint Clare's Health System	1,544	0.61%	Wyndham Worldwide Corporation	1,395	0.54%
		<u>31,301</u>	<u>12.37%</u>		<u>26,271</u>	<u>10.31%</u>
	Total Employment *	<u>252,984</u>			<u>254,678</u>	

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

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

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	180.00	179.60	181.00	176.80	177.20	179.60	174.40	169.40	169.80	168.60
Special Education	37.40	40.00	40.00	43.00	40.40	39.40	41.20	37.80	36.40	38.90
Support Services:										
Student & Instruction-Related Services	57.00	56.90	55.50	53.00	49.00	48.00	46.00	51.00	52.00	51.88
General Administration	3.00	3.00	3.00	5.00	8.00	8.00	8.00	7.00	7.20	5.90
School Administration	15.60	14.60	14.60	16.50	20.50	20.50	21.30	21.60	19.60	19.30
Central Services	5.60	4.10	4.00	4.00	4.00	5.80	5.60	5.80	5.60	5.20
Administrative Information Technology	3.50	4.00	4.00	4.00	5.60	5.00	5.00	7.00	7.00	8.00
Plant Operations/Maintenance	31.00	31.00	31.00	31.00	30.00	30.00	30.10	30.00	31.00	30.00
Student Transportation	4.00	4.00	4.00	4.00	2.80	2.80	2.80	2.80	2.80	2.90
<b>Total</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>	<b>330.68</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				
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%
2019	2,495	55,271,300	22,153	5.12%	226	11.0:1	11.0:1	2,428	2,310	-1.38%	95.14%

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.

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

District Buildings	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
West Morris Central High School (1958, 2008)	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605	212,605
Square Feet	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455
Capacity (Students)	1,389	1,412	1,370	1,340	1,318	1,315	1,304	1,318	1,260	1,251
Enrollment	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553	198,553
West Morris Mendham High School (1970, 2008)	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308
Square Feet	1,297	1,324	1,366	1,426	1,417	1,407	1,359	1,317	1,264	1,244
Capacity (Students)	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840
Enrollment	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280
Administration Building (1975)	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280	23,280
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 Field House (1990)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
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 Field House (1990)	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
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 Maintenance Garage #1 (2000)	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128
Square Feet	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
West Morris Central Maintenance Garage #2 (2001)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Square Feet	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128
West Morris Central Storage Building (1985)	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
West Morris Mendham Maintenance Garage (1970)	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128
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)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Square Feet										

Number of Schools at June 30, 2019:  
 High Schools = 2

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

Source: West Morris Regional High School District Business Office.

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

Undistributed Expenditures - Required Maintenance for School Facilities\*

Account # 11-000-261-xxx

Fiscal Year Ended June 30	Central High School	Mendham High School	Total School Facilities*
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
2019	162,994	126,134	289,128

\* - 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, 2019  
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		250,000	
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		250,000	1,000
Electronic Data Processing Equipment		2,500,000	5,000
Accounts Receivable		250,000	1,000
BOILER & MACHINERY:	American Alternative Ins. Co.		
Property Damage (Blanket)		Included in property value	
GENERAL LIABILITY:	American Alternative Ins. Co.		
General Aggregate		3,000,000	
Each Occurrence		1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY:	American Alternative Ins. Co.		
Liability		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>	Indian Harbor Ins. Co.		
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>SCHOOL BOARD LEGAL AND EMPLOYMENT PRACTICES LIABILITY</b>	XL Catlin		
Aggregate		1,000,000	
School Board Legal			10,000
Employment Practices			20,000
<b>INDIVIDUAL SURETY BONDS:</b>			
Business Administrator/Board Secretary	Selective Insurance Company	500,000	
Treasurer	Selective Insurance Company	300,000	

Source: West Morris Regional High School District records.



SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Morris Regional High School District, in the County of Morris (the "District") as of, and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 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.

*Nisivoccia, LLP*

November 8, 2019  
Mount Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

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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, 2019. 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, 2019.

**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*

November 8, 2019  
Mount Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	June 30, 2019	
			From	To					(Accounts Receivable)	Unearned Revenue
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:										
Medicaid Cluster:										
Medical Assistance Program (SEMI)	93.778	N/A	7/1/18	6/30/19	\$ 3,635		\$ 3,635	\$ (3,635)		
Total General Fund/Medicaid Cluster							3,635	(3,635)		
Total U.S. Department of Health and Human Services										
US Department of Education:										
Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA-5660-17	7/1/16	6/30/17	42,714					\$ 2,270
Title II - Parts A and D	84.367	ESEA-5660-19	7/1/18	6/30/19	37,235		\$ 652	11,929	(34,159)	\$ (22,038)
Title II - Parts A and D	84.367	ESEA-5660-18	7/1/17	6/30/18	30,963		(652)	20,465		460
Title II - Parts A and D	84.367	ESEA-5660-17	7/1/16	6/30/17	34,605					103
Special Education Cluster:										
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-19	7/1/18	6/30/19	629,035		566,944	(534,071)		32,873
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-18	7/1/17	6/30/18	382,178		70,400			
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-17	7/1/16	6/30/17	535,917					31,416
Total Special Education Cluster							637,344	(534,071)		32,873
Total U.S. Department of Education							669,738	(568,230)	(22,038)	33,333
Total Special Revenue Fund							669,738	(568,230)	(22,038)	33,333
TOTAL FEDERAL AWARDS							\$ 673,373	\$ (571,865)	\$ (22,038)	\$ 33,333
										\$ 33,789

N/A - Not Available/Applicable.

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title State Department of Education:	Project Number	Grant Period From To	Program/ Award Amount	June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2019		MEMO	
				Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)
General Fund:												
Transportation Aid	19-495-034-5120-014	7/1/18 6/30/19	\$1,396,979			\$ 1,264,782	\$ (1,396,979)				\$ (132,197)	\$ 1,396,979
Transportation Aid	18-495-034-5120-014	7/1/17 6/30/18	1,357,955	\$ (128,716)		128,716	(2,078,066)				(196,648)	2,078,066
Special Education	19-495-034-5120-089	7/1/18 6/30/19	2,078,066			1,881,418						
Categorical Aid	18-495-034-5120-089	7/1/17 6/30/18	1,760,399	(166,862)		166,862						
Security Aid	19-495-034-5120-084	7/1/18 6/30/19	213,804			193,572	(213,804)					213,804
Security Aid	18-495-034-5120-084	7/1/17 6/30/18	213,804	(20,266)		20,266						
Equalization Aid	19-495-034-5120-078	7/1/18 6/30/19	313,431			283,771	(313,431)					313,431
Equalization Aid	18-495-034-5120-078	7/1/17 6/30/18	313,431	(29,709)		29,709						
Adjustment Aid	19-495-034-5120-085	7/1/18 6/30/19	326,516			295,618	(326,516)					326,516
Adjustment Aid	18-495-034-5120-085	7/1/17 6/30/18	644,411	(61,081)		61,081						
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 6/30/18	28,030	(2,657)		2,657						
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 6/30/18	28,030	(2,657)		2,657						
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 6/30/18	26,210	(2,484)		2,484						
Extraordinary Special Education Costs	19-495-034-5120-044	7/1/18 6/30/19	564,030			399,675	(564,030)		\$ (564,030)			564,030
Nonpublic School Transportation Costs	19-495-034-5120-014	7/1/18 6/30/19	52,412				(52,412)		(52,412)			1,547
On-Behalf TPAF Contributions:												
Post-Retirement Medical	18-495-034-5120-014	7/1/17 6/30/18	45,980	(45,980)								52,412
Pension	19-495-034-5094-001	7/1/18 6/30/19	1,773,722			1,773,722	(1,773,722)					1,773,722
Non-Contributory Insurance	19-495-034-5094-002	7/1/18 6/30/19	3,830,161			3,830,161	(3,830,161)					3,830,161
Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 6/30/19	80,175			80,175	(80,175)					80,175
Reimbursed TPAF Contributions:												
Social Security Aid	19-495-034-5094-004	7/1/18 6/30/19	4,031			4,031	(4,031)					4,031
Social Security Aid	19-495-034-5094-003	7/1/18 6/30/19	1,293,526			1,286,007	(1,293,526)		(7,519)			1,293,526
Social Security Aid	18-495-034-5094-003	7/1/17 6/30/18	1,359,225	(8,007)		8,007						
Total General Fund State Aid				(866,547)		11,761,351	(11,928,400)		(623,961)		(1,033,596)	11,928,400
Special Revenue Fund:												
State Department of Education:												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	19-100-034-5120-064	7/1/18 6/30/19	18,743			18,743	(18,743)					18,743
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/17 6/30/18	18,406		\$1,277			\$ (1,277)				
Nursing Services (Chapter 226)	19-100-034-5120-070	7/1/18 6/30/19	34,047			34,047	(34,047)					34,047
Auxiliary Services (Chapter 192):												
Home Instruction	19-100-034-5120-067	7/1/18 6/30/19	625				(625)					625
Home Instruction	18-100-034-5120-067	7/1/17 6/30/18	12,778	(12,778)								
Handicapped Services (Chapter 193):												
Examination & Classification	19-100-034-5120-066	7/1/18 6/30/19	14,569			14,569	(10,378)			\$4,191		10,378
Examination & Classification	18-100-034-5120-066	7/1/17 6/30/18	14,571	1,578				(1,578)				
Supplementary Instruction	19-100-034-5120-066	7/1/18 6/30/19	16,652			16,652	(12,847)			3,805		12,847
Supplementary Instruction	18-100-034-5120-066	7/1/17 6/30/18	16,652	317				(317)				
Technology Initiative	19-100-034-5120-373	7/1/18 6/30/19	12,636			12,636	(12,635)			1		12,635
Character Education Aid	06-495-034-5120-053	7/1/05 6/30/19	6,651	918			(918)					918
Total State Department of Education				(11,860)	3,172	109,425	(90,193)	(3,172)	(625)	7,997	(625)	90,193
Total Special Revenue Fund				(11,860)	3,172	109,425	(90,193)	(3,172)	(625)	7,997	(625)	90,193

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program/Award Amount	June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2019		MEMO Budgetary (Accounts Receivable)	Cumulative Total Expenditures
				Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Budgetary Unearned Revenue		
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION												
				\$ (878,407)	\$3,172	\$11,870,776	\$ (12,018,593)	\$ (3,172)	\$ - 0 -	\$ (624,586)	\$ (1,034,221)	\$12,018,593
Less - State Awards Not Subject to Single Audit Major Program Determination:												
On-Behalf TPAF Pension System Contributions:												
Pension							1,773,722					
Post-Retirement Medical							3,830,161					
Non-Contributory Insurance							80,175					
Long-Term Disability Insurance							4,031					
Subtotal On-Behalf TPAF Pension System Contributions							5,688,089					
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION												
							\$ (6,330,504)					

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, 2019

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, 2019. 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, 2019  
(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 \$4,797 for the General Fund and \$(33,489), including \$15,286 of local grant encumbrances, 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	\$ 3,635	\$ 11,933,197	\$ 11,936,832
Special Revenue Fund	550,027	90,193	640,220
Total Financial Awards	\$ 553,662	\$ 12,023,390	\$ 12,577,052

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, 2019.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 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	19-495-034-5120-089	7/1/18-6/30/19	\$ 2,078,066	\$ 2,078,066
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	213,804	213,804
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	313,431	313,431
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	326,516	326,516

- 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, 2019  
(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, 2019

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2018.