

**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, 2021**

**Comprehensive Annual
Financial Report**

of the

**West Morris Regional
High School District**

Chester, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

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

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INTRODUCTORY SECTION
(UNAUDITED)



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

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ED BRAUN
ASSISTANT SUPERINTENDENT OF SCHOOLS

L. DOUGLAS PECHANEC
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT
DIRECTOR OF SPECIAL EDUCATION

November 23, 2021

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, 2020 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 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 March 2, 1956, pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities. The School District is one of “limited purpose” in that it does not operate a K-8 school system; instead K-8 students of the municipalities attend separate K-8 school districts maintained by four of the five municipalities. Chester Borough and Chester Township schools are consolidated under the name “Chester School District” and the remaining three municipalities constitute separate districts.

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 2020/2021 fiscal year with an enrollment of 2,241 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>
2020-2021	2,217	(6.22%)
2019-2020	2,364	(2.64%)
2018-2019	2,428	(1.38%)
2017-2018	2,462	(4.35%)
2016-2017	2,574	(0.92%)
2015-2016	2,598	(2.29%)
2014-2015	2,659	(2.98%)
2013-2014	2,741	(1.20%)
2012-2013	2,774	1.65%
2011-2012	2,729	0.11%

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 highly on standardized tests, with students scoring well above state and national averages on the SAT, ACT, AP, and IB examinations. Approximately 96% of our students continue their education at two or four year colleges. For the 20-21 school year, students took 889 AP tests with 676 scores of three (3) or higher. For the 600 students in the WMRHSD class of 2021, 166 (28%) were AP Scholars, with 76 (13%) students earning an International Baccalaureate Diploma and 134 (22%) students earning the International Baccalaureate Career Programme certificate. The IB Career Program continues to grow, with pathways in Business, Life and Health Sciences, STEM, Political Science and Law, and Visual and Performing Arts. The district continues to develop its personalized learning initiative in which all students receive Chromebooks. The district continues to support ongoing professional development for administrators and teachers that supports technology integration in the classroom. The district also continues to address student wellness with dedicated counselors in this area, additional practices integrated into school life, and the highly successful Unified Sports program at both schools.

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 Board of Education. 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, 2021.

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 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 DISTRICT

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BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT
DIRECTOR OF SPECIAL EDUCATION

ROSTER OF OFFICIALS AS OF JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Robert Strobel	President	December	2023
Lisa Woodring	Vice President	December	2022
Suzanne Bliesath	Member	December	2023
Thomas Brooks	Member	December	2022
Natasha Chandler	Member	December	2023
Joseph Galayda	Member	December	2021
Marina Kontos	Member	December	2022
John Sheppard	Member	December	2021
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

Riker, Danzig, Scherer, Hyland & Perretti, Conflict Resolution Attorney

David J. Ruitenber, Esq., Construction Attorney



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L. DOUGLAS PECHANEC
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT
DIRECTOR OF SPECIAL EDUCATION

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Auditor

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Insurance Consultant

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Attorney

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Official Depository

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Flanders, New Jersey 07836

Construction Attorney

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

Bond Counsel

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

Conflict Attorney

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

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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and postemployment schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying 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 23, 2021 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.

November 23, 2021
Mt. Arlington, New Jersey

Nisivoccia, LLP
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, 2021
(Unaudited)

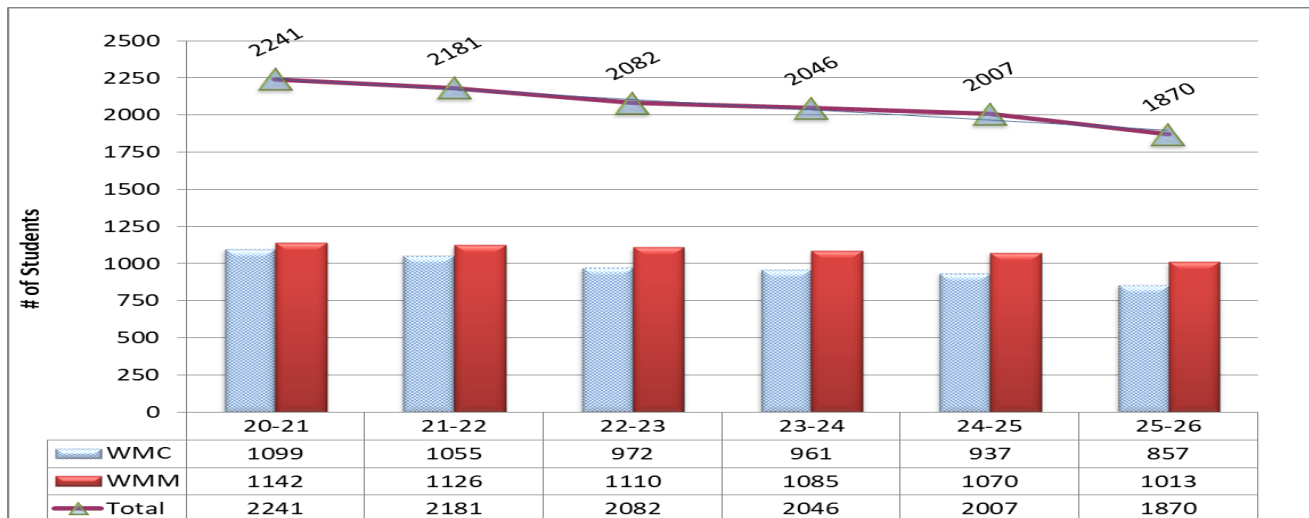
Management’s Discussion and Analysis:

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, 2021. 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 - Established in 1956, and located in bucolic Morris County, New Jersey. West Morris Regional is one of the Nation's premier International Baccalaureate (IB) high school districts and 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). In addition to being one of only 433 districts in the nation named to the College Board's Advanced Placement Honor Roll, West Morris Regional is also New Jersey's only district authorized to award both the IB Diploma and the Career-related certificate.

The chart below reflects each school’s enrollment as of October 15, 2020 and a five-year projection.



District’s Mission

The West Morris Regional High School District is guided by one simple mission--advance student growth and learning. In West Morris, we believe that the only way to effectuate better outcomes is to ensure that our students and staff are highly engaged, balanced, and reflective at all levels and in all environments. We also know that increased student engagement can only occur through adherence to the following:

1. *Recruit, develop, and retain the most dynamic/passionate educators.*
2. *Develop, evaluate, and continuously assess the depth and relevance of our curricula and programs.*
3. *Ensure that our facilities are well maintained and meet the social, emotional, academic, and extra-curricular needs of our students/staff.*
4. *Develop budgets capable of maintaining and growing our programs while being both responsible and responsive to community needs.*

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, 2021
(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 pandemic, 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 2020-2021 fiscal year budget and the change from the prior year.

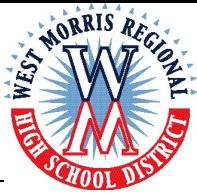
REVENUE SOURCES	2019-20	2020-21	\$ INC/(DEC)
Tax Revenue	\$45,269,541	\$46,061,758	\$792,217
Debt Service (Bonds)	\$2,270,250	\$2,269,175	-\$1,075
TAX LEVY TOTALS:	\$47,539,791	\$48,330,933	\$791,142
	% of overall tax increase:		1.66%
OTHER REVENUES			
State Aid Revenue	\$4,279,148	\$4,188,895	-\$90,253
Fund Balance	\$2,451,176	\$2,084,861	-\$366,315
Misc. Revenues	\$1,279,685	\$1,431,511	\$151,826
Special Revenue-Fed/IDEA Funds	\$644,457	\$661,298	\$16,841
Capital Reserve allocation	\$1,758,290	\$1,845,750	\$87,460
OTHER REVENUES TOTALS:	\$10,412,756	\$10,212,315	-\$200,441
TOTAL REVENUES			
	\$57,952,547	\$58,543,248	\$590,701
	% of revenue increase:		1.02%

The state mandated tax levy cap of 2%, plus waivers if any, is the maximum 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 school year was 1.75% resulting in a 1.66% calendar year. State aid revenue for 2020-2021 decreased \$90,253 or (2.11%) over 2019-20 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. Four of four bargaining unit contracts are currently in force.

In addition, the district's budget practices and conservative spending generated an excess surplus of \$937,348 to be utilized in fiscal year 2022-2023. The excess surplus, when compared to prior years appears to be significantly lower. This is due to a law change that modified the percentage of unassigned surplus allowable under N.J.S.A. 18A:7F-7 for the 2020-2021 and 2021-2022 fiscal years. A school district, may now maintain an unassigned surplus of 4 percent, increased from 2 percent, for fiscal years 2020-2021 and 2021-2022.

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.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2021 (Unaudited)

Explanation of the Annual Comprehensive Financial Report (C.A.F.R.):

The Comprehensive Annual Financial Report presents the district's financial position as of June 30, 2021 and it is the annual financial report of the district. This report consists of three parts: Management Discussion and Analysis (this section); Basic Financial Statements; Notes to the financial statements and Required Supplementary Information.

Basic Financial Statements:

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

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 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, 2021
(Unaudited)

District-Wide Viewpoint:

Statement of Net Position During 2020-2021 the district's total Net Position increased 8.89%. Net Position for Governmental Activities increased \$3,631,684, Net Position from Business Activities decreased by \$49,872, for a total increase in Net Position of \$3,581,812 over the prior year.

	Governmental Activities		Business Activities		TOTAL	TOTAL	%
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
ASSETS:							
Current & Other Assets	\$17,264,956	\$10,786,327	\$ 64,542	\$106,886	\$17,329,498	\$10,893,213	
Capital Assets, Net	\$ 53,845,604	\$ 53,413,556	\$ 12,851	\$ 16,147	\$ 53,858,455	\$ 53,429,703	
TOTAL ASSETS	\$71,110,560	\$64,199,883	\$ 77,393	\$123,033	\$71,187,953	\$64,322,916	10.67%
Deferred Outflows of Resources	\$ 2,818,733	\$ 2,938,227	-	-	\$ 2,818,733	\$ 2,938,227	-4.07%
LIABILITIES:							
Other Liabilities	\$ 2,094,318	\$ 1,157,273	\$ 45,632	\$ 47,176	\$ 2,139,950	\$ 1,204,449	
Long Term Liabilities	\$ 24,302,020	\$ 23,063,554	\$ 5,000	\$ 5,000	\$ 24,307,020	\$ 23,068,554	
TOTAL LIABILITIES	\$ 26,396,338	\$ 24,220,827	\$ 50,632	\$ 52,176	\$ 26,446,970	\$ 24,273,003	8.96%
Deferred Inflows of Resources	\$ 3,665,308	\$ 3,515,124	\$ -	\$ -	\$ 3,665,308	\$ 3,515,124	4.27%
NET POSITION:							
Investment in							
Capital Assets	\$ 40,801,763	\$ 42,372,781	\$ -	\$ -	\$ 40,814,614	\$ 42,388,928	
Restricted	\$ 8,756,183	\$ 9,082,855	\$ 12,851	\$ 16,147	\$ 8,756,183	\$ 9,082,855	
Unrestricted (Deficit)	\$ (5,690,299)	\$ (11,219,673)	\$ 13,910	\$ 60,486	\$ (5,676,389)	\$ (11,159,187)	
TOTAL NET POSITION	\$ 43,867,647	\$ 40,235,963	\$ 26,761	\$ 76,633	\$ 43,894,408	\$ 40,312,596	8.89%

Net Investment in Capital Assets decreased (\$1,574,314) as a result of \$3,391,195 in asset additions, a (\$1,820,000) reduction in bonded debt, offset by a (\$3,822,506) net increase in capital leases, a decrease in deferred amount on refunding of (\$560), (\$2,953,110) in depreciation expense and (\$9,333) of capital assets disposed, net of depreciation.

Restricted Net Position decreased (\$326,672) as a result of a net decrease in excess surplus of (\$807,937), student activities of (\$38,672) and scholarships of (\$102); offset by net increases in the capital reserve of \$375,718, maintenance reserve of \$3,694, unemployment compensation of \$22,006, laptop replacement of \$116,287 and debt service of \$2,334.

Unrestricted Net Position decreased \$5,482,798 primarily due to increases in the deferred inflows of resources related to pensions and in long-term liabilities offset by unexpended budget appropriations resulting from certain cost savings that were achieved during the fiscal year.

Statement of Activities (Changes in Net Position) from Operating Results:

The overall impact of school operations resulted in an increase of \$1,060,504 over 2019-2020 results. Revenues increased in total by 4.02% or \$2,693,904 primarily attributable to an increase in property taxes and in capital grants and contributions. Expenses increased by 2.53% or \$1,633,400. The increase in expenses is due primarily to the increases in Instruction and Pupil Services, with a minimal amount attributable to Technology and Maintenance & Operations spending.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2021 (Unaudited)

Statement of Activities

Changes in Net Position from Operating Results	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	\$'s	%
REVENUES:								
Program Revenues								
Charges for Service	\$ 616,850	\$ 263,876	\$ 3,177	\$562,249	\$ 620,027	\$ 826,125	\$ (206,098)	
Operating Grants & Contrib.	\$ 19,177,249	\$ 16,744,613			\$ 19,177,249	\$ 16,744,613	\$ 2,432,636	
Capital Grants & Contrib.	\$ -	\$ 44,812			\$ -	\$ 44,812	\$ (44,812)	
General Revenues								
Property Taxes	\$ 48,330,933	\$ 47,539,791			\$ 48,330,933	\$ 47,539,791	\$ 791,142	
Federal & State Aid (unrestricted)	\$ 722,731	\$ 856,184			\$ 722,731	\$ 856,184	\$ (133,453)	
Other	\$ 859,759	\$ 1,005,027	\$ 4	\$ 247	\$ 859,763	\$ 1,005,274	\$ (145,511)	
TOTAL REVENUES:	\$ 69,707,522	\$66,454,303	\$3,181	\$562,496	\$ 69,710,703	\$ 67,016,799	\$ 2,693,904	4.02%
EXPENSES:								
Instruction	\$ 35,192,472	\$ 34,266,184			\$ 35,192,472	\$ 34,266,184	\$ 926,288	
Pupil & Instruction Services	\$ 14,429,711	\$ 13,161,855			\$ 14,429,711	\$ 13,161,855	\$ 1,267,856	
Admin/Business/Technology	\$ 5,569,433	\$ 5,361,046			\$ 5,569,433	\$ 5,361,046	\$ 208,387	
Maintenance & Operations	\$ 4,403,391	\$ 4,120,195			\$ 4,403,391	\$ 4,120,195	\$ 283,196	
Transportation	\$ 3,925,786	\$ 4,364,495			\$ 3,925,786	\$ 4,364,495	\$ (438,709)	
Other Expenses	\$ 2,511,484	\$ 2,680,261	\$ 96,614	\$541,455	\$ 2,608,098	\$ 3,221,716	\$ (613,618)	
TOTAL EXPENSES	\$ 66,032,277	\$ 63,954,036	\$ 96,614	\$541,455	\$ 66,128,891	\$ 64,495,491	\$ 1,633,400	2.53%
Other Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers	\$ (43,561)	\$ 15,265	\$ 43,561	\$ (15,265)	\$ -	\$ -	\$ -	0.00%
CHANGE IN NET POSITION	\$ 3,631,684	\$ 2,515,532	\$ (49,872)	\$ 5,776	\$ 3,581,812	\$ 2,521,308	\$1,060,504	42.06%

As seen above in the Statement of Activities, the majority of activity is driven by the Governmental Activities. These activities constitute 99.99% of the total revenues and 99.85% of expenses shown on this statement.

Net Cost of Government Activities:

Cost Category	2020-21 Total Cost of Services	2019-20 Total Cost of Services	2020-21 Net Cost of Services	2019-20 Net Cost of Services
Governmental Activities:				
Instruction	\$ 35,192,472	\$ 34,266,184	\$ 21,700,570	\$ 22,356,993
Pupil & Instruction Services	\$ 14,429,711	\$ 13,161,855	\$ 10,490,306	\$ 10,251,626
Admin/Business/Technology	\$ 5,569,433	\$ 5,361,046	\$ 4,656,512	\$ 4,537,416
Maintenance & Operations	\$ 4,403,391	\$ 4,120,195	\$ 4,403,391	\$ 4,120,195
Transportation	\$ 3,925,786	\$ 4,364,495	\$ 2,475,915	\$ 2,954,244
Other	\$ 2,511,484	\$ 2,680,261	\$ 2,511,484	\$ 2,680,261
TOTAL	\$ 66,032,277	\$ 63,954,036	\$ 46,238,178	\$ 46,900,735

Capital Assets (Net of Depreciation):

At the end of fiscal year 2021, the district had a total of \$53,858,455 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2019-2020. The overall increase of \$428,752, or .80%, is primarily attributable to \$3,391,195 in additions from Governmental Activities for Machinery and Equipment, Buildings and Building Improvements, and Site Improvements offset by depreciation of \$2,949,814 from Governmental Activities and \$3,296 from Business Activities. The district also disposed of capital assets with a net value of \$9,333 during the fiscal year.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2021 (Unaudited)

Capital Assets	Governmental Activities		Business Activities		TOTAL	TOTAL	VARIANCE	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	\$'s	%
Sites	\$ 130,448	\$ 130,448			\$ 130,448	\$ 130,448	\$ -	0.00%
Construction in Progress	\$ 3,991,421	\$ 3,991,421			\$ 3,991,421	\$ 3,991,421	\$ -	0.00%
Site Improvements	\$ 5,207,256	\$ 5,108,355			\$ 5,207,256	\$ 5,108,355	\$ 98,901	1.94%
Building & Improv.	\$ 41,711,266	\$ 42,209,161			\$ 41,711,266	\$ 42,209,161	\$ (497,895)	-1.18%
Machinery & Equip.	\$ 2,805,213	\$ 1,974,171	\$ 12,851	\$ 16,147	\$ 2,818,064	\$ 1,990,318	\$ 827,746	41.6%
TOTAL	\$53,845,604	\$53,413,556	\$12,851	\$16,147	\$53,858,455	\$53,429,703	\$ 428,752	0.80%

Outstanding Long-Term Liabilities:

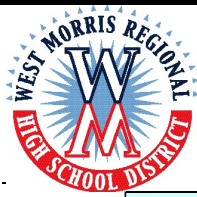
The district's total outstanding long-term liabilities at the end of fiscal year 2021 total \$24,307,020, an increase of 5.37% from 2020. The District made annual principal payments of \$1,885,000 and refinanced the remaining \$6,165,000 of its Refunding School Bonds dated November 29, 2011, and issued \$6,375,000 of School Refunding Bonds dated February 17, 2021, with a required principal payment of \$145,00 during the fiscal year. Unamortized Bond Premiums decreased by (\$222,215), Capital Leases increased overall by \$3,822,506 which included \$4,926,595 of new leases offset by current year lease payments of (\$1,104,089). The Net Pension Liability associated with PERS decreased by (\$488,248). The GASB 68 impact for net pension liability amounted to a decrease of (5.36%) compared to the 2019-2020 liability.

Outstanding Long Term Debt	2020-21	2019-20	VARIANCE	
	Long-Term Debt	Long-Term Debt	\$'s	%
General Obligation Bonds (Financed w/Property Taxes)	\$ 6,230,000	\$ 8,050,000	\$ (1,820,000)	-22.61%
Unamortized Bond Premiums	\$ 666,645	\$ 888,860	\$ (222,215)	-25.00%
Capital Leases Payable	\$ 7,428,133	\$ 3,605,627	\$ 3,822,506	106.02%
Net Pension Liability	\$ 8,616,972	\$ 9,105,220	\$ (488,248)	-5.36%
Other Long-Term Liabilities				
Governmental Activities	\$ 1,360,270	\$ 1,413,847	\$ (53,577)	-3.79%
Business-Type Activities	\$ 5,000	\$ 5,000	\$ -	0.00%
TOTAL	\$ 24,307,020	\$ 23,068,554	\$ 1,238,466	5.37%

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 2020-2021:

The Food Service Program experienced a (\$93,433) decrease in net position this year which necessitated a \$43,561 transfer from the General Fund as a Board contribution to the program resulting in a net decrease of (\$49,872). As a result of the COVID-19 pandemic, the District's revenues decreased significantly (\$559,315), or (99.43%) over fiscal year 2019-2020. There was a correlated decrease in expenses of (\$444,841), or (82.16%). Under normal circumstances, charges for service constitute 99.96% of total revenue and represents amounts paid by patrons of the daily food service. The school district does not participate in the National School Lunch Program; however, the Food Service Program provides for those students who qualify and have a need. The number of students in the program totals 18.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis
for Fiscal Year End June 30, 2021
(Unaudited)

Changes in Net Position from Operating Results	Business Activities		VARIANCE	
	2020-21	2019-20	\$'s	%
REVENUES:				
Program Revenues				
Charges for Service Operating Grants & Contrib.	\$ 3,177	\$ 562,249	\$ (559,072)	
Capital Grants & Contrib.				
General Revenues				
Property Taxes				
Federal & State Aid (unrestricted)				
Other	\$ 4	\$ 247	\$ (243)	
TOTAL REVENUES:	\$3,181	\$562,496	\$ (559,315)	-99.43%
EXPENSES:				
Instruction				
Pupil & Instruction Services				
Admin/Business/Technology				
Maintenance & Operations				
Transportation				
Other Expenses	\$ 96,614	\$ 541,455	\$ (444,841)	
TOTAL EXPENSES	\$ 96,614	\$ 541,455	\$ (444,841)	-82.16%
Other Resources	\$ -	\$ -	\$ -	
Transfers	\$ 43,561	\$ (15,265)	\$ -	
CHANGE IN NET POSITION	\$ (49,872)	\$ 5,776	\$ (55,648)	-963.43%

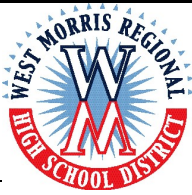
Food Service Management has been outsourced since fiscal year 2008-2009. However, the district has retained some of its employees who are provided with health benefits. In order to control costs, the Board of Education implemented contributions for health care by all district-employed food service workers at a rate of 30% of premiums beginning in fiscal year 2014-2015. However, in January of 2021 state law, referred to as Chapter 44, required public schools to provide an alternative health plan that substantially reduced the employee contribution. This change had a significant impact on our food service ability to generate a break-even status, let alone a profit. In addition, the mandatory virtual learning environment left the Food Service operations with minimal source of revenue for the year as we fulfilled the Free & Reduced lunch recipients and experienced minimal sales from other students.

The district is required by law to bid the service every five years and selected Pomptonian in 2008-2009 and then Aramark in 2013-2014. For 2020-2021 Pomptonian was selected again. 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 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.

Factors Bearing on District's Future:

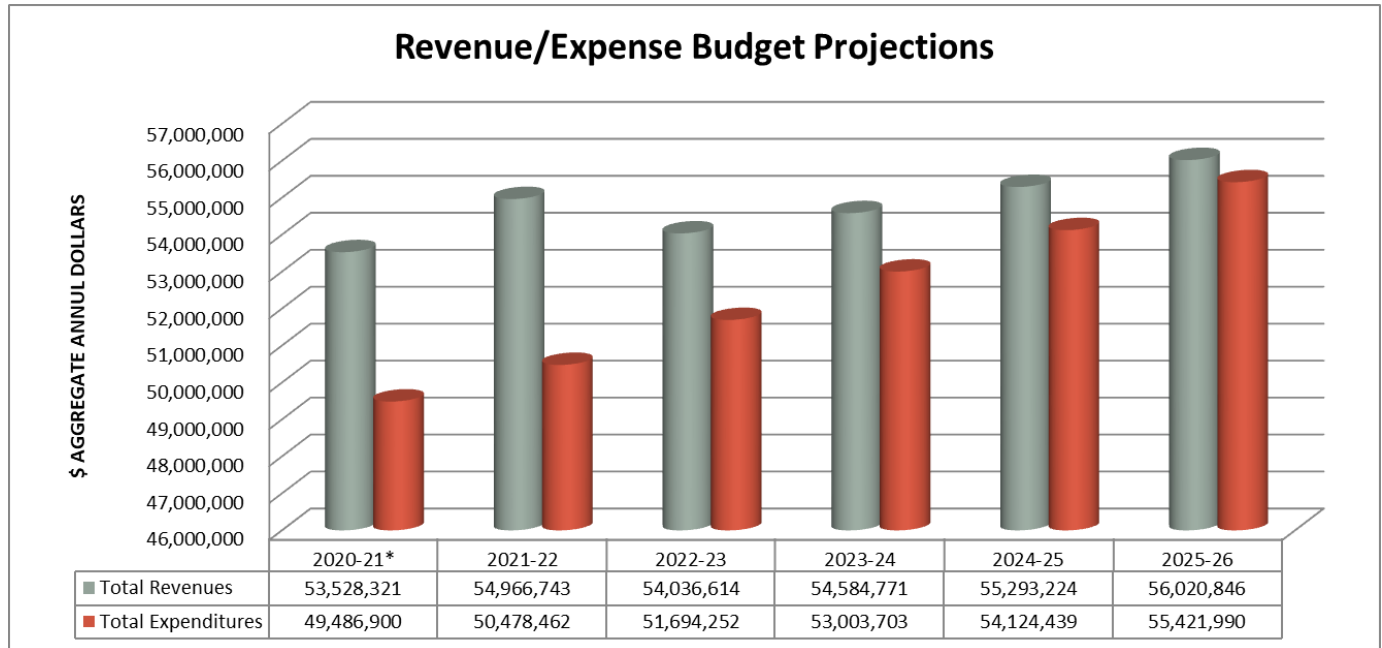
The district continues to excel in academic performance. The financial health of the district continues to remain stable. In looking forward the next five years the management is preparing for a reduction in enrollment and determining the possible cost reductions that may occur due to lower demand. However,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



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2021 (Unaudited)

The chart below provides an estimate of financial operating needs the district will face over the next five years. The starting point for the projection is the 2020-21 actual revenues and expenses based on General Fund activities only.



Assumptions:

- The BOE will maximize tax levy increase at 2% annually
- state aid revenue will decline \$589,596 annually until 2023-24 based on Chapter 67
- as enrollments decline the student teacher ratio will be maintained leading to reduced staffing levels
- annual growth rate for salaries is projected to be between 1-3%
- benefits are projected at 27% of salaries;
- health care costs will increase at a rate of 4-5% 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 settled. The teacher contract will expire on June 30, 2024.

Conclusion:

The West Morris Regional High School District completed the fiscal year 2020-2021 in sound financial condition. The school district is proud of its community support of the public schools. However, it is concerned with the increased reliance on local property taxes as state-aid continues to decline.

This annual financial report has been provided to our citizens, taxpayers, investors and creditors with a general overview of the school district's finances. If you have questions about this report or need additional information, contact:

Mr. L. Douglas Pechanec, Business Administrator/Board Secretary, West Morris Regional Board of Education, 10 South Four Bridges Road, Chester, NJ 07930, (dpechanec@wmrhd.org).

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BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,094,799	\$ 38,878	\$ 7,133,677
Receivables from Other Governments	4,254,126		4,254,126
Internal Balances	(11,754)	11,754	
Other Receivables	10,490		10,490
Inventory		13,910	13,910
Restricted Assets - Cash and Cash Equivalents:			
Capital Reserve	4,583,972		4,583,972
Maintenance Reserve	400,000		400,000
Unemployment Compensation	157,919		157,919
Student Activities	284,457		284,457
Scholarships	53,415		53,415
Laptop Replacement	437,532		437,532
Capital Assets, Net:			
Sites (Land) and Construction in Progress	4,121,869		4,121,869
Depreciable Buildings and Building Improvements, Site Improvements, Machinery & Equipment	49,723,735	12,851	49,736,586
Total Assets	71,110,560	77,393	71,187,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	614,292		614,292
Deferred Outflows of Resources Related to Pensions	2,204,441		2,204,441
Total Deferred Outflows of Resources	2,818,733		2,818,733
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,781,053	7,486	1,788,539
Accrued Interest Expense	6,230		6,230
Payable to State Government	1,490		1,490
Payable to Federal Government	935		935
Unearned Revenue	304,610	38,146	342,756
Noncurrent Liabilities:			
Due Within One Year	3,678,265		3,678,265
Due Beyond One Year	20,623,755	5,000	20,628,755
Total Liabilities	26,396,338	50,632	26,446,970
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	3,665,308		3,665,308
Total Deferred Inflows of Resources	3,665,308		3,665,308
NET POSITION			
Net Investment in Capital Assets	40,801,763	12,851	40,814,614
Restricted for:			
Capital Projects	4,583,972		4,583,972
Maintenance	400,000		400,000
Excess Surplus	2,836,554		2,836,554
Unemployment Compensation	157,919		157,919
Student Activities	284,457		284,457
Scholarships	53,415		53,415
Laptop Replacement	437,532		437,532
Debt Service	2,334		2,334
Unrestricted (Deficit)	(5,690,299)	13,910	(5,676,389)
Total Net Position	\$ 43,867,647	\$ 26,761	\$ 43,894,408

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, 2021

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
Governmental Activities:							
Instruction:							
Regular	\$ 25,451,289		\$ 7,571,358		\$ (17,879,931)		\$ (17,879,931)
Special Education	5,799,528		4,836,449		(963,079)		(963,079)
Other Instruction	3,941,655		1,084,095		(2,857,560)		(2,857,560)
Support Services:							
Tuition	5,089,566	\$ 313,332	505,024		(4,271,210)		(4,271,210)
Student & Instruction Related Services	9,340,145	303,518	2,817,531		(6,219,096)		(6,219,096)
General Administration Services	1,106,379				(1,106,379)		(1,106,379)
School Administration Services	3,065,885		912,921		(2,152,964)		(2,152,964)
Central Services	633,495				(633,495)		(633,495)
Administrative Information Technology	763,674				(763,674)		(763,674)
Plant Operations and Maintenance	4,403,391				(4,403,391)		(4,403,391)
Pupil Transportation	3,925,786		1,449,871		(2,475,915)		(2,475,915)
Interest on Long-Term Debt	167,387				(167,387)		(167,387)
Unallocated Depreciation	2,344,097				(2,344,097)		(2,344,097)
Total Governmental Activities	66,032,277	616,850	19,177,249		(46,238,178)		(46,238,178)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 96,614	\$ 3,177			\$ (93,437)	\$ (93,437)
Total Business-Type Activities	96,614	3,177			(93,437)	(93,437)
Total Primary Government	\$ 66,128,891	\$ 620,027	\$ 19,177,249	\$ -0-	\$ (46,238,178)	(46,331,615)

General Revenues and Transfers:

Taxes:						
Property Taxes, Levied for General Purposes, Net				46,061,758		46,061,758
Taxes Levied for Debt Service				2,269,175		2,269,175
Federal and State Aid Not Restricted				722,731		722,731
Investment Earnings				18,965	4	18,969
Other Miscellaneous Income				840,794		840,794
Transfers				(43,561)	43,561	
Total General Revenues and Transfers				49,869,862	43,565	49,913,427
Change in Net Position				3,631,684	(49,872)	3,581,812
Net Position - Beginning (Restated)				40,235,963	76,633	40,312,596
Net Position - Ending				\$ 43,867,647	\$ 26,761	\$ 43,894,408

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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,571,784		\$ 2,520,681	\$ 2,334	\$ 7,094,799
Receivables from Federal Government		\$ 392,105			392,105
Receivables from State Government	1,049,499				1,049,499
Tax Levy Receivable	2,812,522				2,812,522
Other Receivables	10,490				10,490
Interfund Receivable	293,195		211,912		505,107
Restricted Cash and Cash Equivalents	5,141,891	775,404			5,917,295
Total Assets	<u>\$ 13,879,381</u>	<u>\$ 1,167,509</u>	<u>\$ 2,732,593</u>	<u>\$ 2,334</u>	<u>\$ 17,781,817</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,184,187				\$ 1,184,187
Payable to State Government		\$ 1,490			1,490
Payable to Federal Government		935			935
Interfund Payable	223,666	293,195			516,861
Unearned Revenue	208,125	96,485			304,610
Total Liabilities	<u>1,615,978</u>	<u>392,105</u>			<u>2,008,083</u>
Fund Balances:					
Restricted:					
Capital Reserve	4,583,972				4,583,972
Maintenance Reserve	400,000				400,000
Excess Surplus (For 2022-2023)	937,348				937,348
Excess Surplus (For 2021-2022)	1,899,206				1,899,206
Unemployment Compensation	157,919				157,919
Student Activities		284,457			284,457
Scholarships		53,415			53,415
Laptop Replacement		437,532			437,532
Debt Service				\$ 2,334	2,334
Committed			\$ 2,732,593		2,732,593
Assigned:					
Year-End Encumbrances	192,990				192,990
For Subsequent Year's Expenditures	1,425,349				1,425,349
Unassigned	2,666,619				2,666,619
Total Fund Balances	<u>12,263,403</u>	<u>775,404</u>	<u>2,732,593</u>	<u>2,334</u>	<u>15,773,734</u>
Total Liabilities and Fund Balances	<u>\$ 13,879,381</u>	<u>\$ 1,167,509</u>	<u>\$ 2,732,593</u>	<u>\$ 2,334</u>	<u>\$ 17,781,817</u>

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

Total Fund Balances - Governmental Funds (Above)	\$ 15,773,734
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds	53,845,604
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	1,607,575
Deferred Inflows of Resources Related to Pensions	(3,665,308)
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 \$2,151,427 and the accumulated amortization is \$1,537,135.	614,292
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(6,230)
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.	<u>(24,302,020)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 43,867,647</u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 46,061,758			\$ 2,269,175	\$ 48,330,933
Tuition Revenue	313,332	\$ 341,568			313,332
Miscellaneous - Restricted			173		341,568
Miscellaneous - Unrestricted	859,586				859,759
Total - Local Sources	47,234,676	341,568	173	2,269,175	49,845,592
State Sources	13,567,590	77,584			13,645,174
Federal Sources		1,061,460			1,061,460
Total Revenue	60,802,266	1,480,612	173	2,269,175	64,552,226
EXPENDITURES:					
Current:					
Regular Instruction	14,634,215	128,651			14,762,866
Special Education Instruction	3,202,107	20,358			3,222,465
Other Instruction	2,342,312				2,342,312
Support Services and Undistributed Costs:					
Tuition	4,584,542	505,024			5,089,566
Student & Instruction Related Services	5,196,875	714,250			5,911,125
General Administration Services	973,295				973,295
School Administration Services	1,722,072				1,722,072
Central Services	512,836				512,836
Administrative Information Technology	380,593				380,593
Plant Operations and Maintenance	4,041,405				4,041,405
Pupil Transportation	3,837,259				3,837,259
Unallocated Benefits	15,610,951				15,610,951

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:				\$ 2,030,000	\$ 2,030,000
Principal				238,000	238,000
Interest and Other Charges					4,019,753
Capital Outlay	\$ 2,450,416	\$ 34,816	\$ 1,534,521		
Total Expenditures	59,488,878	1,403,099	1,534,521	2,268,000	64,694,498
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,313,388	77,513	(1,534,348)	1,175	(142,272)
OTHER FINANCING SOURCES/(USES):					
School Refunding Bonds Issued				6,375,000	6,375,000
School Bonds Defeased				(6,165,000)	(6,165,000)
Bond Issuance Costs				(55,688)	(55,688)
Deferred Amount on Refunding				(153,153)	(153,153)
Capital Leases (Non-Budgeted)	1,533,095		3,393,500		1,533,095
Capital Lease Proceeds			871,789		3,393,500
Transfers In	134,601				1,006,390
Transfers Out	(915,350)		(134,601)		(1,049,951)
Total Other Financing Sources/(Uses)	752,346	- 0 -	4,130,688	1,159	4,884,193
Net Change in Fund Balances	2,065,734	77,513	2,596,340	2,334	4,741,921
Fund Balance—July 1 (Restated)	10,197,669	697,891	136,253	- 0 -	11,031,813
Fund Balance—June 30	\$ 12,263,403	\$ 775,404	\$ 2,732,593	\$ 2,334	\$ 15,773,734

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, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 4,741,921

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 and disposals of capital assets differs from capital outlays in the period.

Depreciation Expense	\$ (2,949,814)
Capital Outlays	3,391,195
Disposal of Capital Assets, Net of Accumulated Depreciation	<u>(9,333)</u>
	432,048

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.

(4,926,595)

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.

1,104,089

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	488,248
Change in Deferred Outflows of Resources Related to Pensions	(210,874)
Change in Deferred Inflows of Resources Related to Pensions	(150,184)

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 (+).

53,577

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, 2021

<p>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.</p>	\$ 2,030,000
<p>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. (+)</p>	57,799
<p>Proceeds from debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the Governmental Funds.</p>	
<p>School Refunding Bonds Issued</p>	\$ (6,375,000)
<p>School Bonds Defeased</p>	6,165,000
<p>Deferred Amount on School Bond Refunding</p>	<u>153,153</u>
<p>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 (+)</p>	222,215
<p>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 (-)</p>	<u>(153,713)</u>
<p>Change in Net Position of Governmental Activities (Exhibit A-2)</p>	<u><u>\$ 3,631,684</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 NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities - Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 38,878
Inventories	13,910
Interfund Receivable - General Fund	11,754
	64,542
Non-Current Assets:	
Capital Assets	152,944
Less: Accumulated Depreciation	(140,093)
	12,851
Total Assets	77,393
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	7,486
Unearned Revenue	38,146
	45,632
Non-Current Liabilities:	
Accrued Compensated Absences Payable	5,000
	50,632
NET POSITION:	
Investment in Capital Assets	12,851
Unrestricted	13,910
	26,761
Total Net Position	\$ 26,761

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, 2021

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-reimbursable Programs	\$ 3,177
Total Operating Revenue	<u>3,177</u>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	15,594
Salaries, Benefits & Payroll Taxes	48,393
Supplies, Insurance and Other Costs	29,331
Depreciation Expense	<u>3,296</u>
Total Operating Expenses	<u>96,614</u>
Operating Income/(Loss)	(93,437)
Non-Operating Revenue:	
Interest Income	<u>4</u>
Total Non-Operating Revenue	<u>4</u>
Change in Net Position Before Transfers	(93,433)
Transfer In - Board Contribution - General Fund	<u>43,561</u>
Change in Net Position After Transfers	(49,872)
Net Position - Beginning of Year	<u>76,633</u>
Net Position - End of Year	<u><u>\$ 26,761</u></u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 9,023
Payments to Employees	(68,462)
Payments to Suppliers	(15,651)
Net Cash Provided by/(Used for) Operating Activities	<u>(75,090)</u>
Cash Flows from Non-Capital Financing Activities:	
Transfer In - Board Contribution	43,561
Net Cash Provided by Non-Capital Financing Activities	<u>43,561</u>
Cash Flows from Investing Activities:	
Interest Income	4
Net Cash Provided by Investing Activities	<u>4</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(31,525)
Cash and Cash Equivalents, July 1	<u>70,403</u>
Cash and Cash Equivalents, June 30	<u>\$ 38,878</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (93,437)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/ (Used for) Operating Activities:	
Depreciation	3,296
Changes in Assets and Liabilities:	
Decrease in Inventory	8,450
Decrease in Accounts Receivable	13,438
(Increase) in Interfund Receivable	(11,754)
Increase in Accounts Payable	7,386
(Decrease) in Interfund Payable	(8,315)
Increase in Unearned Revenue	5,846
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (75,090)</u>

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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. 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, 2021
(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. Separate statements for each fund category – governmental and proprietary - 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, 2021
(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.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary 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, 2021
(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, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2021 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 except for student activities, scholarships and laptop replacement costs. 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, 2021
(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	\$ 60,791,876	\$ 1,480,327
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.		285
State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year)	406,423	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	<u>(396,033)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 60,802,266</u>	<u>\$ 1,480,612</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	\$ 59,488,878	\$ 1,402,814
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>285</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 59,488,878</u>	<u>\$ 1,403,099</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021
(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, 2021.

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, 2021
(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 governmental 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, 2021.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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, 2021
(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 \$12,263,403 General Fund balance at June 30, 2021, \$4,583,972 is restricted in the capital reserve account; \$400,000 is restricted in the maintenance reserve account; \$157,919 restricted for Unemployment Compensation; \$1,425,349 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2022; 192,990 is assigned for encumbrances; \$2,836,554 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$1,899,206 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2022 and the remaining \$937,348 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2023); and \$2,666,619 is unassigned which is \$396,033 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, 2022.

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2021 of \$775,404 is restricted for student activities, scholarships, and laptop replacement costs.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2021 of \$2,732,593 is committed for capital projects.

Debt Service Fund: The Debt Service Fund balance at June 30, 2021 of \$136,253 is restricted.

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, 2021 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$396,033 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, 2021
(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, 2021 of \$2,818,733 for the deferred amount on refunding of debt related to the District's 2011 and 2021 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, 2021 of \$3,665,308 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 \$5,690,299 deficit in unrestricted net position in governmental activities as of June 30, 2021 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, 2021
(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, excess surplus, unemployment compensation, student activities, scholarships and laptop replacement and the Debt Service Fund as defined by State law.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$2,732,593 of committed resources in the Capital Projects Fund at June 30, 2021.

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 \$192,990 for year-end encumbrances and \$1,425,349 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2021.

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, 2021
(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, 2021
(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, 2021
(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:

- (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, 2021
(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: (Cont'd)
 - (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, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents			
	Unrestricted	Restricted		
		Capital Reserve Account	Maintenance Reserve Restricted	Unemployment Compensation
Checking/Savings Accounts	\$ 6,952,149	\$ 4,578,437	\$ 400,000	\$ 157,919
New Jersey Cash Management Fund	181,528	5,535		
	<u>\$ 7,133,677</u>	<u>\$ 4,583,972</u>	<u>\$ 400,000</u>	<u>\$ 157,919</u>

	Cash and Cash Equivalents			
	Student Activities	Restricted		Total
		Scholarships	Laptop Replacement	
Checking/Savings Accounts	\$ 284,457	\$ 53,415	\$ 437,532	\$ 12,863,909
New Jersey Cash Management Fund				187,063
	<u>\$ 284,457</u>	<u>\$ 53,415</u>	<u>\$ 437,532</u>	<u>\$ 13,050,972</u>

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$13,050,972 and the bank balance was \$14,155,374. The \$187,063 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, 2021
(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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 4,208,254
Interest Earnings	2,973
Unexpended Funds Returned (Prior Year Projects)	134,428
Board Approved Increase - Resolution Dated June 21, 2021	1,290,135
Budgeted Withdrawal	<u>(1,051,818)</u>
Ending Balance, June 30, 2021	<u>\$ 4,583,972</u>

The balance in the capital reserve account at June 30, 2021 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, 2021
(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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 396,306
Interest Earnings	<u>3,694</u>
Ending Balance, June 30, 2021	<u><u>\$ 400,000</u></u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the District transferred \$49,765 to the capital outlay accounts for equipment which did not require County Superintendent approval and \$180,029 to the capital outlay accounts for facilities acquisition and construction services which required County Superintendent approval.

NOTE 7. OPERATING LEASES

The District did not have any operating leases as of June 30, 2021.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2021 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	3,991,421			3,991,421
Total Capital Assets Not Being Depreciated	<u>4,121,869</u>			<u>4,121,869</u>
Capital Assets Being Depreciated:				
Site Improvements	7,397,382	\$ 435,357		7,832,739
Buildings and Building Improvements	76,492,891	1,461,835		77,954,726
Machinery and Equipment	6,078,518	1,494,003	\$ (267,100)	7,305,421
Total Capital Assets Being Depreciated	<u>89,968,791</u>	<u>3,391,195</u>	<u>(267,100)</u>	<u>93,092,886</u>
Governmental Activities Capital Assets	<u>94,090,660</u>	<u>3,391,195</u>	<u>(267,100)</u>	<u>97,214,755</u>
Less Accumulated Depreciation for:				
Site Improvements	(2,289,027)	(336,456)		(2,625,483)
Buildings and Building Improvements	(34,283,730)	(1,959,730)		(36,243,460)
Machinery and Equipment	(4,104,347)	(653,628)	257,767	(4,500,208)
	<u>(40,677,104)</u>	<u>(2,949,814)</u>	<u>257,767</u>	<u>(43,369,151)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 53,413,556</u>	<u>\$ 441,381</u>	<u>\$ (9,333)</u>	<u>\$ 53,845,604</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 152,944			\$ 152,944
Less Accumulated Depreciation	(136,797)	\$ (3,296)		(140,093)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 16,147</u>	<u>\$ (3,296)</u>	<u>\$ - 0 -</u>	<u>\$ 12,851</u>

The District had active construction projects totaling \$3,693,000 with unexpended balances of \$2,732,593 as of June 30, 2021. The District had \$201,977 in outstanding construction commitments at June 30, 2021.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 12,818
Student and Instruction Related Services	9,219
Administrative Information Technology	353,365
Plant Operations and Maintenance	187,966
Transportation	42,349
Unallocated	<u>2,344,097</u>
 Total Depreciation - Governmental Activities	 <u>\$ 2,949,814</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2020	Issued/ Added	Retired	Balance 6/30/2021
Serial Bonds Payable	\$ 8,050,000	\$ 6,375,000	\$ 8,195,000	\$ 6,230,000
Unamortized Bond Premiums	888,860		222,215	666,645
Capital Leases Payable	3,605,627	4,926,595	1,104,089	7,428,133
Net Pension Liability	9,105,220		488,248	8,616,972
Compensated Absences Payable:				
Governmental Funds	1,413,847	43,286	96,863	1,360,270
Proprietary Funds	5,000			5,000
	<u>\$ 23,068,554</u>	<u>\$ 11,344,881</u>	<u>\$ 10,106,415</u>	<u>\$ 24,307,020</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.

On February 21, 2021, the District issued refunding school bonds of \$6,375,000 with an interest rate of .60% to refund \$6,165,000 of 2011 refunding school bonds with interest rates ranging from 4.50% to 5.50%. The bonds mature on May 1, 2022 through 2024 and are non-callable. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2011 refunding school bonds were called on May 1, 2021. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the refunding, the District will realize a total of \$486,955 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$481,375, or 7.838%, of the bonds refunded.

The District had bonds outstanding as of June 30, 2021 as follows:

Purpose	Final Maturity	Interest Rate	Amount
Refunding School Bonds	05/01/2024	0.60%	<u>\$ 6,230,000</u>

The current portion of bonds payable at June 30, 2021 is \$2,070,000 and the long-term portion is \$4,160,000.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,070,000	\$ 37,380	\$ 2,107,380
2023	2,080,000	24,960	2,104,960
2024	2,080,000	12,480	2,092,480
	<u>\$ 6,230,000</u>	<u>\$ 74,820</u>	<u>\$ 6,304,820</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board has no bonds authorized but not issued.

C. Capital Leases Payable:

In fiscal year 2021, the District entered into six capital leases totaling \$4,926,595 for classroom technology equipment, buses, vans, a tractor, a weight room and the funding of several capital projects. The District has ten capital leases totaling \$9,468,135 of which \$2,040,002 has been liquidated as of June 30, 2021. With the exception of the ESIP lease which is for fifteen years with the final payment occurring in fiscal year 2032-33, all leases are for three to five years. 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, 2021 are detailed below.

<u>Year</u>	<u>Amount</u>
2022	\$ 1,485,928
2023	1,470,705
2024	1,346,793
2025	1,198,961
2026	777,648
Thereafter: 2027-2031	1,165,412
2032-2033	634,994
	<u>8,080,441</u>
Less: Amount representing interest	<u>(652,308)</u>
Present value of net minimum lease payments	<u>\$ 7,428,133</u>

The current portion of capital leases payable at June 30, 2021 is \$1,386,050 and the long-term portion is \$6,042,083. 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, 2021
(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, 2021, the current portion of the liability is \$222,215, and the long-term portion is \$444,430.

E. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types as of June 30, 2021 is recorded in the current and long-term liabilities. The compensated absences balance in Governmental Activities of \$1,360,270 is reported as a long-term liability. The General Fund will be used to liquidate the Governmental Activities Compensated Absences Payable.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, 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, 2021 is \$-0- and the long-term portion is \$8,616,972. See Note 10 for further information on the PERS.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$578,053 for fiscal year 2021.

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

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

At June 30, 2021, the District reported a liability of \$8,616,972 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.05284%, which was an increase of 0.00231% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$450,862.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources detailed on the following page.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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)

	<u>Deferral</u> <u>Year</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions:	2016	5.57	\$ 279,544	
	2017	5.48		\$ 815,667
	2018	5.63		800,226
	2019	5.21		635,494
	2020	5.16		1,356,621
Subtotal			<u>279,544</u>	<u>3,608,008</u>
Changes in Proportion:	2016	5.57		24,117
	2017	5.48	311,559	
	2018	5.63	146,068	
	2019	5.21		2,710
	2020	5.16	418,968	
Subtotal			<u>876,595</u>	<u>26,827</u>
Difference Between Expected and Actual Experience:	2016	5.57	8,483	
	2017	5.48	24,258	
	2018	5.63		30,473
	2019	5.21	48,578	
	2020	5.16	75,582	
Subtotal			<u>156,901</u>	<u>30,473</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:	2017	5.00	(105,445)	
	2018	5.00	(97,795)	
	2019	5.00	23,666	
	2020	5.00	474,109	
Subtotal			<u>294,535</u>	
District Contribution Subsequent to the Measurement Date	2020	1.00	<u>596,866</u>	
			<u>\$ 2,204,441</u>	<u>\$ 3,665,308</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (1,081,272)
2022	(985,792)
2023	(563,355)
2024	(227,811)
2025	(49,271)
	\$ (2,907,501)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the noncontributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2020 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, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 10,847,330	\$ 8,616,972	\$ 6,724,452

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-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. 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, 2021
(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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more 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 retirement age for their 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. For fiscal year 2020, 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 State of New Jersey's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$5,231,580 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$7,674,386.

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, 2021
(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, 2021, the State's proportionate share of the net pension liability associated with the District was \$123,413,641. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.1874%, which was a decrease of 0.0073% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>123,413,641</u>
Total	<u><u>\$ 123,413,641</u></u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$7,674,386 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 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	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
Difference Between Expected and Actual Experience:	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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: (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:	2017	5.00	\$ (226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Total Thereafter	<u>(335,285,618)</u>
	<u>\$ (4,965,440,613)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
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, 2021
(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 Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, 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, 2020 calculated using the discount rate as disclosed below, 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, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 144,963,775	\$ 123,413,641	\$ 105,519,872

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, 2021
(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 \$8,876 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$12,054 for the fiscal year ended June 30, 2021.

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, 2021
(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, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 which was rolled forward to June 30, 2019.

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, 2021
(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)

	<u>TPAF/ABP</u>	<u>PERS</u>
Inflation Rate	2.50%	2.50%
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 79,879,325
Changes for Year:	
Service Cost	2,663,261
Interest Cost	3,153,336
Difference Between Expected and Actual Experience	(12,701,460)
Changes in Assumptions	1,072,399
Member Contributions	65,447
Gross Benefit Payments	(2,207,866)
Net Changes	(7,954,883)
Balance at June 30, 2019	\$ 71,924,442

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, 2019 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 84,971,189	\$ 71,924,442	\$ 61,560,822

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2019 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 59,262,534	\$ 71,924,442	\$ 88,686,208

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$1,444,955 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, 2019, 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		\$ 8,373,459
	2018	9.51 years		7,202,308
	2019	9.29 years	\$ 956,963	
			956,963	15,575,767
Difference Between Expected and Actual Experience	2018	9.51 years		6,808,423
	2019	9.29 years		11,263,513
				18,071,936
Changes in Proportion	N/A	N/A	665,916	545,885
			\$ 1,622,879	\$ 34,193,588

N/A - Not Available

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
2020	\$ (4,389,206)
2021	(4,389,206)
2022	(4,389,206)
2023	(4,389,206)
2024	(4,389,206)
Total Thereafter	(10,744,707)
	\$ (32,690,740)

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, 2021
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The June 30, 2021 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, 2020 is as follows:

	<u>Morris-Essex Insurance Group</u>
Total Assets	\$ 11,802,954
Net Position	\$ 8,479,975
Total Revenue	\$ 4,013,691
Total Expenses	\$ 2,294,520
Member Dividends	\$ 1,025,082
Change in Net Position for the Year Ended June 30	\$ 694,089

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 Compensation Restricted Fund Balance in the General Fund for the current and previous two fiscal years:

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2020-2021	\$ -0-	\$ 85	\$ 38,450	\$ 16,529	\$ 157,919
2019-2020	-0-	278	37,661	30,043	135,913
2018-2019	-0-	233	37,752	31,070	128,017

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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.

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

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any litigation not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds.

Governmental Funds		
General	Capital Projects	Total
\$ 192,990	\$ 201,977	\$ 394,967

In the District's Governmental Funds Balance Sheet as of June 30, 2021, The \$201,977 of fiscal year-end encumbrances in the Capital Projects Fund are included in the \$2,732,593 committed fund balance on a GAAP and budgetary basis at June 30, 2021.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 293,195	\$ 223,666
Special Revenue Fund		293,195
Capital Projects Fund	211,912	
Proprietary Funds - Food Service	11,754	
	<u>\$ 516,861</u>	<u>\$ 516,861</u>

During the fiscal year, the General Fund transferred \$871,789 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$173 of interest earnings and \$134,428 of unexpended local share of capital projects to the General Fund.

At June 30, 2021, the Special Revenue Fund owes the General Fund \$293,195 for cash advanced while awaiting federal grant reimbursements. The General Fund owes the Capital Projects Fund \$211,912 for the amount of local share of open projects, net of the unexpended local share of completed capital projects and interest earned due from the Capital Projects Fund. The General Fund owes the Food Service Enterprise Fund \$11,754 for the operating deficit, net of payroll expenses due from the Food Service Enterprise Fund.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2021 consisted of the following:

	<u>Governmental Funds</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
	<u>General Fund</u>			
Payroll Deductions and Withholdings	\$ 292,125		\$ 292,125	
Vendors	892,062		892,062	\$ 7,486
Due to:				
State of New Jersey		\$ 596,866	596,866	
	<u>\$ 1,184,187</u>	<u>\$ 596,866</u>	<u>\$ 1,781,053</u>	<u>\$ 7,486</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 \$29,050 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2020 without the abatement would have been \$72,211 of which \$14,640 would have been regional school taxes.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 20. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance and Flexible Spending Trust Funds which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities (which includes Athletic Activities), Scholarship and Laptop Replacement Funds are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 39,402,159	\$ 833,804	\$ 40,235,963
 <u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 10,061,756	\$ 135,913	\$ 10,197,669
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 697,891	\$ 697,891
 <u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 135,913	\$ (135,913)	\$ - 0 -
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 53,517	\$ (53,517)	\$ - 0 -
Flexible Benefits Trust:			
Net Position - End of the Year	\$ 33,489	\$ (33,489)	\$ - 0 -

NOT

E 21. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Operating expenses have increased to pre-COVID-19 levels in the General Fund due to schools re-opening on a full-time basis.

The District's Enterprise Funds have been impacted by COVID-19 for the fiscal year ending June 30, 2022, as the District continues to offer free meals to qualifying students and has not generated sufficient revenue from food sales.

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 SEVEN FISCAL YEARS

	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%
	Fiscal Year Ending June 30,				
	2020	2021			
District's Proportion of the Net Pension Liability	0.0505326671%	0.0528409188%			
District's Proportionate Share of the Net Pension Liability	\$ 9,105,220	\$ 8,616,972			
District's Covered Employee Payroll	\$ 3,606,656	\$ 3,677,383			
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	252.46%	234.32%			
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	56.27%	58.32%			

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 SEVEN FISCAL YEARS

	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	<u>(405,770)</u>	<u>(387,403)</u>	<u>(389,774)</u>	<u>(461,763)</u>	<u>(504,995)</u>
Contribution Deficiency/(Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
District's Covered Employee Payroll	\$3,068,637	\$3,277,081	\$3,491,309	\$3,623,694	\$3,606,656
Contributions as a percentage of Covered Employee Payroll	13.22%	11.82%	11.16%	12.74%	14.00%

	Fiscal Year Ending June 30,	
	2020	2021
Contractually Required Contribution	\$ 493,674	\$ 578,053
Contributions in relation to the Contractually Required Contribution	<u>(493,674)</u>	<u>(578,053)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$3,677,383	\$3,926,825
Contributions as a percentage of Covered Employee Payroll	13.42%	14.72%

Note: This schedule does not contain ten years of information as GASB No. 68 was i
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 SEVEN FISCAL YEARS

	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%
	Fiscal Year Ending June 30,				
	2020	2021			
State's Proportion of the Net Pension Liability attributable to the District	0.1947448553%	0.1874197360%			
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 119,516,756	\$ 123,413,641			
District's Covered Employee Payroll	\$ 19,710,835	\$ 20,669,891			
State's Proportionate Share of the Net Pension Liability attributable to the District as a percentage of the District's Covered Employee Payroll	606.35%	597.07%			
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%	24.60%			

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 STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	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%
	Fiscal Year Ending June 30,				
	2020	2021			
Contractually Required Contribution	\$ 7,049,418	\$ 7,674,386			
Contributions in relation to the Contractually Required Contribution	(4,110,833)	(5,231,580)			
Contribution Deficiency/(Excess)	<u>\$ 2,938,585</u>	<u>\$ 2,442,806</u>			
District's Covered Employee Payroll	\$ 20,669,891	\$ 20,330,020			
Contributions as a percentage of Covered Employee Payroll	19.89%	25.73%			

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 THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 3,709,580	\$ 3,069,605	\$ 2,663,261
Interest Cost	2,912,060	3,372,919	3,153,336
Difference Between Expected and Actual Experience		(7,502,525)	(12,701,460)
Changes in Assumptions	(11,886,287)	(9,166,552)	1,072,399
Member Contributions	78,609	73,822	65,447
Gross Benefit Payments	(2,134,806)	(2,135,945)	(2,207,866)
Net Change in Total OPEB Liability	(7,320,844)	(12,288,676)	(7,954,883)
Total OPEB Liability - Beginning	99,488,845	92,168,001	79,879,325
Total OPEB Liability - Ending	\$ 92,168,001	\$ 79,879,325	\$ 71,924,442
District's Covered Employee Payroll *	\$ 23,709,189	\$ 23,984,659	\$ 23,774,797
Total OPEB Liability as a Percentage of Covered Employee Payroll	389%	333%	303%

* - Covered payroll for the fiscal years ending June 30, 2019, 2018 and 2017 is based on the payroll on the June 30, 2018, 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, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement 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 the MP-2017 scale. Post-retirement 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 the MP-2017 scale. 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 MP-2017 scale.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 46,061,758		\$ 46,061,758	\$ 46,061,758	
Tuition - From Individuals	260,820	(209,520)	51,300	38,234	\$ (13,066)
Tuition - Other LEA's Within State		207,520	207,520	269,098	61,578
Tuition - Other		2,000	2,000	6,000	4,000
Unrestricted Miscellaneous Revenue	327,275		327,275	251,343	(75,932)
Interest on Capital Reserve	30,000		30,000	2,973	(27,027)
Interest on Maintenance Reserve	500		500	3,694	3,194
Other Restricted Miscellaneous Revenue	812,916		812,916	601,576	(211,340)
Total - Local Sources	47,493,269		47,493,269	47,234,676	(258,593)
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	186,615		186,615	186,615	
Extraordinary Special Education Costs Aid				990,293	990,293
Nonpublic Transportation Costs				52,285	52,285
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)					
Pension (Non-Budgeted)				1,670,689	1,670,689
Non-Contributory Insurance (Non-Budgeted)				5,231,580	5,231,580
Long-Term Disability Insurance (Non-Budgeted)				99,538	99,538
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				3,197	3,197
Total State Sources	4,188,895		4,188,895	13,557,200	9,368,305
TOTAL REVENUE	51,682,164		51,682,164	60,791,876	9,109,712

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 14,559,339	\$ (410,385)	\$ 14,148,954	\$ 13,537,224	\$ 611,730
Regular Programs - Home Instruction:					
Salaries of Teachers	125,000	(41,440)	83,560	45,509	38,051
Purchased Professional - Educational Services	500	(500)			
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	335,622	(41,030)	294,592	291,044	3,548
General Supplies	592,409	25,842	618,251	457,197	161,054
Textbooks	345,767	(11,892)	333,875	303,241	30,634
Other Objects	500		500		500
Total Regular Programs - Instruction	15,959,137	(479,405)	15,479,732	14,634,215	845,517
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	2,415,371	69,125	2,484,496	2,453,510	30,986
Other Salaries for Instruction	612,253	123,330	735,583	734,406	1,177
Other Purchased Services (400-500 series)		1,750	1,750	1,299	451
General Supplies	19,000	(950)	18,050	12,892	5,158
Total Resource Room/Resource Center	3,046,624	193,255	3,239,879	3,202,107	37,772

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Home Instruction:					
Other Purchased Services (400-500 series)	\$ 1,600		\$ 1,600		\$ 1,600
Total Home Instruction	1,600		1,600		1,600
Total Special Education - Instruction	3,048,224	\$ 193,255	3,241,479	\$ 3,202,107	39,372
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	494,308	19,399	513,707	509,725	3,982
Purchased Services (300-500 series)	10,808	(2,700)	8,108	6,679	1,429
Supplies and Materials	51,919		51,919	36,840	15,079
Other Objects	17,726	(5,800)	11,926	8,673	3,253
Total School-Sponsored Cocurricular Activities - Instruction	574,761	10,899	585,660	561,917	23,743
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,477,428	24,000	1,501,428	1,468,718	32,710
Purchased Services (300-500 series)	4,925	3,000	7,925	150	7,775
Supplies and Materials	177,990	(7,617)	170,373	147,077	23,296
Other Objects	268,927	(40,308)	228,619	164,450	64,169
Total School-Sponsored Cocurricular Athletics - Instruction	1,929,270	(20,925)	1,908,345	1,780,395	127,950
Other Instructional Programs - Instruction:					
Salaries	8,000		8,000		8,000
Total Other Instructional Programs - Instruction	8,000		8,000		8,000
Total Instruction Expenditures	21,519,392	(296,176)	21,223,216	20,178,634	1,044,582

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 111,528	\$ 100,541	\$ 212,069	\$ 196,591	\$ 15,478
Tuition to County Vocational School District - Regular	469,061	(82,724)	386,337	375,691	10,646
Tuition to County Vocational School District - Special	64,790	48,159	112,949	112,949	
Tuition to Private Schools for the Disabled - Within State	3,484,165	512,372	3,996,537	3,725,426	271,111
Tuition to Private Schools for the Disabled and Other LEAs Special - Outside the State	126,995	63,313	190,308	173,885	16,423
Total Undistributed Expenditures - Instruction	4,256,539	641,661	4,898,200	4,584,542	313,658
Attendance & Social Work Services:					
Salaries	23,925		23,925	20,281	3,644
Supplies and Materials	2,688		2,688	2,186	502
Total Attendance & Social Work Services	26,613		26,613	22,467	4,146
Health Services:					
Salaries	499,581		499,581	449,715	49,866
Purchased Professional and Technical Services	38,230		38,230	34,499	3,731
Other Purchased Services (400-500 series)	370		370	370	
Supplies and Materials	8,699		8,699	6,390	2,309
Other Objects	701		701	297	404
Total Health Services	547,581		547,581	490,901	56,680

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Speech, OT, PT & Related Services:					
Purchased Professional - Educational Services	\$ 110,000	\$ (2,600)	\$ 107,400	\$ 105,198	\$ 2,202
Supplies and Materials	1,000	985	1,985	952	1,033
Other Objects	75,000	(75,000)			
Total Speech, OT, PT & Related Services	186,000	(76,615)	109,385	106,150	3,235
Guidance:					
Salaries of Other Professional Staff	1,302,062	58,626	1,360,688	1,256,915	103,773
Salaries of Secretarial and Clerical Assistants	156,345	4,158	160,503	160,503	
Other Purchased Professional and Technical Services	16,515	300	16,815	16,600	215
Other Purchased Services (400-500 series)	13,350	(300)	13,050	12,600	450
Supplies and Materials	7,606		7,606	7,303	303
Other Objects	5,656	(500)	5,156	5,021	135
Total Guidance	1,501,534	62,284	1,563,818	1,458,942	104,876
Child Study Team:					
Salaries of Other Professional Staff	958,171	28,822	986,993	986,993	
Salaries of Secretarial and Clerical Assistants	154,900		154,900	154,900	
Purchased Professional - Educational Services	585,602	(145,833)	439,769	339,344	100,425
Other Purchased Services (400-500 series)	35,039	(33,339)	1,700	258	1,442
Miscellaneous Purchased Services (400-500 series Other than Residential Costs)		14,339	14,339	14,339	
Supplies and Materials	17,100	23,421	40,521	34,695	5,826
Other Objects	31,350	(21,192)	10,158	9,220	938
Total Child Study Team	1,782,162	(133,782)	1,648,380	1,539,749	108,631

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 274,196	\$ (6,285)	\$ 267,911	\$ 190,316	\$ 77,595
Salaries of Other Professional Staff	70,000	34,171	104,171	89,691	14,480
Salaries of Secretarial and Clerical Assistants	131,532		131,532	130,032	1,500
Unused Vacation Payment to Terminated/Retired Staff		1,178	1,178	1,178	
Other Purchased Professional and Technical Services	132,500	(5,324)	126,976	90,592	36,384
Other Purchased Services (400-500 series)	4,000	(2,000)	2,000	949	1,051
Supplies and Materials	291,600	(21,183)	270,417	149,523	120,894
Other Objects	1,750		1,750	984	766
Total Improvement of Instructional Services	905,578	357	905,935	653,265	252,670
Educational Media Services/School Library:					
Salaries	151,150	3,855	155,005	155,005	
Salaries of Technology Coordinators	402,977	(1,297)	401,680	401,524	156
Supplies and Materials	86,469		86,469	71,164	15,305
Other Objects	891		891	100	791
Total Educational Media Services/School Library	641,487	2,558	644,045	627,793	16,252
Instructional Staff Training Services:					
Salaries of Other Professional Staff	326,543	(15,310)	311,233	190,291	120,942
Purchased Professional - Educational Services	52,000	(7,496)	44,504	44,504	
Other Purchased Professional and Technical Services	6,000		6,000	6,000	
Other Purchased Services (400-500 series)	80,800	(26,976)	53,824	38,549	15,275
Supplies and Materials	2,500	22,900	25,400	18,264	7,136
Total Instructional Staff Training Services	467,843	(26,882)	440,961	297,608	143,353

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
General Administration:					
Salaries	\$ 466,529	\$ 912	\$ 466,529	\$ 439,066	\$ 27,463
Unused Vacation Payment to Terminated/Retired Staff			912		
Legal Services	80,000	11,955	91,955	90,601	1,354
Audit Fees	63,760	510	64,270	64,270	
Other Purchased Professional Services	30,265	435	30,700	25,473	5,227
Communications/Telephone	54,500	(1,537)	52,963	45,690	7,273
BOE Other Purchased Services	4,000	(2,100)	1,900	900	1,000
Miscellaneous Purchased Services (400-500 series)	322,981	(3,600)	319,381	271,441	47,940
General Supplies	5,700	1,600	7,300	4,751	2,549
Miscellaneous Expenditures	14,156		14,156	8,931	5,225
BOE Membership Dues and Fees	24,200		24,200	21,260	2,940
Total General Administration	1,066,091	8,175	1,074,266	973,295	100,971
School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	999,260		999,260	984,865	14,395
Salaries of Other Professional Staff	381,132		381,132	299,870	81,262
Salaries of Secretarial and Clerical Assistants	369,195	(1,824)	367,371	358,874	8,497
Unused Vacation Payment to Terminated/Retired Staff	20,000	2,446	22,446	22,446	
Other Purchased Services (400-500 series)	11,138	(207)	10,931	6,494	4,437
Supplies and Materials	2,482	207	2,689	2,415	274
Other Objects	59,491	1,684	61,175	47,108	14,067
Total School Administration	1,842,698	2,306	1,845,004	1,722,072	122,932

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 461,861	\$ 1,904	\$ 463,765	\$ 463,306	\$ 459
Purchased Professional Services	47,225	(2,100)	45,125	24,072	21,053
Purchased Technical Services	12,500		12,500	9,400	3,100
Miscellaneous Purchased Services (400-500 series)	10,000	1,600	11,600	5,346	6,254
Supplies and Materials	7,250	29,777	37,027	8,516	28,511
Miscellaneous Expenditures	3,250		3,250	2,196	1,054
Total Central Services	542,086	31,181	573,267	512,836	60,431
Administrative Information Technology:					
Salaries	117,636	2,500	120,136	119,821	315
Purchased Technical Services	75,000	(45,000)	30,000		30,000
Other Purchased Services (400-500 series)	225,908	(31,491)	194,417	180,949	13,468
Supplies and Materials	68,316	73,399	141,715	77,933	63,782
Other Objects	1,900		1,900	1,890	10
Total Administrative Information Technology	488,760	(592)	488,168	380,593	107,575
Required Maintenance for School Facilities:					
Salaries	65,656	(48,121)	17,535	6,535	11,000
Purchased Professional and Technical Services		5,000	5,000	4,318	682
Cleaning, Repair and Maintenance Services	342,822	35,583	378,405	300,955	77,450
General Supplies	98,355	28,475	126,830	83,772	43,058
Total Required Maintenance for School Facilities	506,833	20,937	527,770	395,580	132,190

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,330,443	\$ (25,816)	\$ 1,304,627	\$ 1,192,772	\$ 111,855
Purchased Professional and Technical Services	170,900	91,013	261,913	206,227	55,686
Cleaning, Repair and Maintenance Services	171,358	(48,547)	122,811	90,654	32,157
Rental of Land & Buildings Other than Lease Purchase Agreements	147,495	(6,000)	141,495	96,535	44,960
Lease Purchase Payments - ESIP	280,000		280,000	279,977	23
Other Purchased Property Services	81,466	(3,000)	78,466	60,613	17,853
Insurance	42,000		42,000	42,000	
Miscellaneous Purchased Services	9,800	(320)	9,480	898	8,582
General Supplies	323,780	(107,236)	216,544	141,440	75,104
Energy (Natural Gas)	258,290	40,001	298,291	241,479	56,812
Energy (Electricity)	443,074	(31,000)	412,074	313,486	98,588
Other Objects	9,100	71	9,171	8,507	664
Interest on Lease Purchase Agreements		4,365	4,365	4,365	
Interest - ESIP Bonds	93,250	(4,365)	88,885	87,638	1,247
Total Custodial Services	3,360,956	(90,834)	3,270,122	2,766,591	503,531
Care & Upkeep of Grounds:					
Salaries	346,719		346,719	323,974	22,745
Purchased Professional and Technical Services	20,000	(20,000)			
Cleaning, Repair and Maintenance Services	191,170	44,630	235,800	211,043	24,757
General Supplies	64,000		64,000	38,093	25,907
Total Care & Upkeep of Grounds	621,889	24,630	646,519	573,110	73,409
Security:					
Salaries	49,725		49,725	46,191	3,534
Purchased Professional and Technical Services	256,354	(10,000)	246,354	236,234	10,120
Cleaning, Repair and Maintenance Services	20,000	(4,775)	15,225	15,225	
Miscellaneous Purchased Services		3,600	3,600	3,180	420
General Supplies	16,195	(11,600)	4,595	4,329	266
Other Objects	31,070	(29,315)	1,755	965	790
Total Security	373,344	(52,090)	321,254	306,124	15,130

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 118,431	\$ 19,108	\$ 137,539	\$ 124,591	\$ 12,948
Between Home and School - Special	7,000	1,750	8,750	8,052	698
Other than Between Home and School	124,868	13,253	138,121	137,656	465
Between Home and School - Nonpublic Schools	24,535	(4,501)	20,034	19,959	75
Management Fee - ESC & CTSA Transportation Program	73,669	57	73,726	69,705	4,021
Other Purchased Professional and Technical Services	9,017		9,017	7,982	1,035
Cleaning, Repair and Maintenance Services	61,808	1,300	63,108	51,489	11,619
Contracted Services:					
Aid in Lieu of Payments - Nonpublic Students	117,000	250	117,250	59,154	58,096
Other than Between Home and School - Vendors	354,300	(113,045)	241,255	187,762	53,493
Between Home and School - Joint Agreements	1,334,704	(59,451)	1,275,253	1,274,898	355
Special Education Students - Vendors	34,860	(18,800)	16,060	6,556	9,504
Special Education Students - Joint Agreements	12,000	(10,000)	2,000		2,000
Regular Students - ESC's & CTSA's	212,236	106,537	318,773	318,773	
Special Education Students - ESC's & CTSA's	1,674,490	(73,868)	1,600,622	1,551,686	48,936
Miscellaneous Purchased Services	8,704	(50)	8,654	6,905	1,749
General Supplies	32,753	250	33,003	11,891	21,112
Other Objects	2,300		2,300	200	2,100
Total Student Transportation Services	4,202,675	(137,210)	4,065,465	3,837,259	228,206

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 620,159	\$ 33,928	\$ 654,087	\$ 653,171	\$ 916
Other Retirement Contributions - PERS	504,926	73,357	578,283	578,053	230
Other Retirement Contributions - Regular		8,876	8,876	8,876	
Unemployment Compensation	25,000	(14,363)	10,637		10,637
Workmen's Compensation	294,742	(6,800)	287,942	220,768	67,174
Health Benefits	6,496,184	(63,358)	6,432,826	5,649,562	783,264
Tuition Reimbursement	128,792		128,792	61,706	67,086
Other Employee Benefits	277,760	(104,874)	172,886	113,088	59,798
Total Unallocated Benefits	8,347,563	(73,234)	8,274,329	7,285,224	989,105
On-Behalf TPAF Contributions:					
Post-Retirement Medical Benefits (Non-Budgeted)				1,670,689	(1,670,689)
Pension (Non-Budgeted)				5,231,580	(5,231,580)
Non-Contributory Insurance (Non-Budgeted)				99,538	(99,538)
Long-Term Disability Insurance (Non-Budgeted)				3,197	(3,197)
Reimbursed TPAF Contributions:					
Social Security Aid (Non-Budgeted)				1,320,723	(1,320,723)
Total On-Behalf and Reimbursed Contributions				8,325,727	(8,325,727)
Total Personal Services - Employee Benefits	8,347,563	(73,234)	8,274,329	15,610,951	(7,336,622)
Total Undistributed Expenditures	31,668,232	202,850	31,871,082	36,859,828	(4,988,746)
TOTAL CURRENT EXPENSE	53,187,624	(93,326)	53,094,298	57,038,462	(3,944,164)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 5,600	\$	\$ 5,600	\$ 5,600	
School-Sponsored and Other Instructional Programs	12,495	23,925	36,420	35,424	\$ 996
Undistributed Expenditures:					
Instruction	275,965	(7,844)	268,121	265,367	2,754
Instructional Staff	12,000		12,000	11,313	687
Required Maintenance for School Facilities	24,516	75,000	99,516	83,471	16,045
Custodial Services	15,000	(15,000)			
Care and Upkeep of Grounds	51,500		51,500	31,145	20,355
Security	60,000	(60,000)			
Student Transportation - Non-Instructional Equipment	64,297	33,684	97,981	97,981	
Total Equipment	521,373	49,765	571,138	530,301	40,837
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	24,984		24,984	18,360	6,624
Construction Services	133,485		133,485	85,770	47,715
Lease Purchase Agreements - Principal		180,029	180,029	180,029	
Other Objects - Debt Service Assessment	102,861		102,861	102,861	
Total Facilities Acquisition and Construction Services	261,330	180,029	441,359	387,020	54,339
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Instruction:					
Grades 9-12				1,086,124	(1,086,124)
School-Sponsored and Other Instructional Programs				150,000	(150,000)
Undistributed Expenditures:					
Care and Upkeep of Grounds				179,305	(179,305)
School Buses - Regular				117,666	(117,666)
Total Assets Acquired Under Capital Leases (Non-Budgeted)			1,533,095		(1,533,095)
TOTAL CAPITAL OUTLAY	782,703	229,794	1,012,497	2,450,416	(1,437,919)
TOTAL EXPENDITURES	53,970,327	136,468	54,106,795	59,488,878	(5,382,083)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,288,163)	\$ (136,468)	\$ (2,424,631)	\$ 1,302,998	\$ 3,727,629
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				1,533,095	1,533,095
Transfer to Food Service Enterprise Fund			(43,561)	(43,561)	
Transfer from Capital Reserve to Capital Projects Fund		180,029	(1,567,582)	(871,789)	695,793
Transfer from Capital Projects Fund:					
Capital Reserve Unexpended Funds Returned				134,428	134,428
Interest Earned				173	173
Total Other Financing Sources/(Uses)	(1,747,611)	180,029	(1,611,143)	752,346	2,363,489
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,035,774)	43,561	(4,035,774)	2,055,344	6,091,118
Fund Balance, July 1 (Restated)	10,604,092		10,604,092	10,604,092	
Fund Balance, June 30	\$ 6,568,318	\$ 43,561	\$ 6,568,318	\$ 12,659,436	\$ 6,091,118
Recapitulation:					
Restricted for:				\$ 4,583,972	
Capital Reserve				400,000	
Maintenance Reserve				937,348	
Excess Surplus				1,899,206	
Excess Surplus - For Subsequent Year's Expenditures				157,919	
Unemployment Compensation					
Assigned:					
Year-End Encumbrances				192,990	
For Subsequent Year's Expenditures				1,425,349	
Unassigned				3,062,652	
Total Fund Balance - Budgetary Basis				12,659,436	
Reconciliation to Governmental Fund Statements (GAAP):					
June State Aid payments not recognized on a GAAP basis				(396,033)	
Fund Balance per Governmental Funds on Exhibit B-1				\$ 12,263,403	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources		\$ 79,074	\$ 79,074	\$ 77,584	\$ (1,490)
Federal Sources	661,534	415,892	1,077,426	1,061,460	(15,966)
Local Sources	96,477	264,612	361,089	341,283	(19,806)
Total Revenues	758,011	759,578	1,517,589	1,480,327	(37,262)
EXPENDITURES:					
Instruction					
Personal Services - Salaries		70,000	70,000	70,000	
Other Purchased Services		72,551	72,551	57,078	15,473
Tuition	606,754	(101,730)	505,024	505,024	
General Supplies	22,550	(9,858)	12,692		12,692
Textbooks		21,931	21,931	21,931	
Total Instruction	629,304	52,894	682,198	654,033	28,165
Support Services					
Personal Services - Salaries	26,631	22,768	49,399	49,399	
Purchased Professional/Technical Services	19,454	1,974	21,428	18,282	3,146
Supplies and Materials		386,057	386,057	386,057	
Other Objects	21,887	44,880	66,767	34,222	32,545
Student Activities		198,705	198,705	198,705	
Scholarships Awarded		27,300	27,300	27,300	
Total Support Services	67,972	681,684	749,656	713,965	35,691

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	\$ 60,735	\$ 25,000	\$ 85,735	\$ 34,816	\$ 50,919
Total Facilities Acquisition and Construction Services	60,735	25,000	85,735	34,816	50,919
Total Expenditures	758,011	759,578	1,517,589	1,402,814	114,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 77,513	\$ (77,513)

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 60,791,876	\$ 1,480,327
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.		285
State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year)	406,423	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year)	(396,033)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 60,802,266	\$ 1,480,612
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 59,488,878	\$ 1,402,814
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		285
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 59,488,878	\$ 1,403,099

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis except for student activities, scholarships and laptop replacement costs. 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, 2021

	Elementary and Secondary Education Act			COVID-19		
	Title IIA		IDEA - Part B, Basic Regular	Digital Divide	Coronavirus Relief Fund	CARES Emergency Relief
	2020-21	2019-20				
REVENUE:						
State Sources						
Federal Sources	\$ 24,193	\$ 26,631	\$ 523,306	\$ 15,617	\$ 62,546	\$ 59,537
Local Sources						
Total Revenue	24,193	26,631	523,306	15,617	62,546	59,537
EXPENDITURES:						
Instruction:						
Personal Services - Salaries						
Other Purchased Services	1,425					
Tuition			505,024			
Textbooks						
Total Instruction	1,425		505,024			
Support Services:						
Personal Services - Salaries	22,768	26,631				
Purchased Professional/Technical Services			18,282			
Supplies and Materials				15,617	31,273	59,537
Other Objects					31,273	
Student Activities						
Scholarships Awarded						
Total Support Services	22,768	26,631	18,282	15,617	62,546	59,537
Equipment:						
Non-Instructional Equipment						
Total Equipment						
Total Expenditures	\$ 24,193	\$ 26,631	\$ 523,306	\$ 15,617	\$ 62,546	\$ 59,537

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>COVID-19 CRRSA</u>			<u>NJ Nonpublic</u>		
	<u>Non-Title I</u>	<u>Learning Acceleration</u>		<u>Handicapped Services</u>		<u>Textbooks</u>
		<u>Mental Health</u>	<u>Supplementary Instruction</u>	<u>(Chapter 193)</u>		
				<u>Examination & Classification</u>		
REVENUE:						
State Sources				\$ 10,200	\$ 8,733	\$ 21,931
Federal Sources	\$ 279,630	\$ 25,000	\$ 45,000			
Local Sources						
Total Revenue	<u>279,630</u>	<u>25,000</u>	<u>45,000</u>	<u>10,200</u>	<u>8,733</u>	<u>21,931</u>
EXPENDITURES:						
Instruction:						
Personal Services - Salaries		25,000	45,000			
Other Purchased Services				10,200	8,733	
Tuition						
Textbooks						21,931
Total Instruction		<u>25,000</u>	<u>45,000</u>	<u>10,200</u>	<u>8,733</u>	<u>21,931</u>
Support Services:						
Personal Services - Salaries						
Purchased Professional/Technical Services						
Supplies and Materials	279,630					
Other Objects						
Student Activities						
Scholarships Awarded						
Total Support Services	<u>279,630</u>					
Equipment:						
Non-Instructional Equipment						
Total Equipment						
Total Expenditures	<u>\$ 279,630</u>	<u>\$ 25,000</u>	<u>\$ 45,000</u>	<u>\$ 10,200</u>	<u>\$ 8,733</u>	<u>\$ 21,931</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, 2021

	<u>NJ Nonpublic</u> <u>Nursing</u>	<u>Other Local</u> <u>Projects</u>	<u>Student</u> <u>Activities</u>	<u>Scholarships</u>	<u>Laptop</u> <u>Replacement</u>	<u>Totals</u> <u>June 30, 2021</u>
REVENUE:						
State Sources	\$ 36,720					\$ 77,584
Federal Sources						1,061,460
Local Sources		\$ 37,765	\$ 160,033	\$ 27,198	\$ 116,287	341,283
Total Revenue	<u>36,720</u>	<u>37,765</u>	<u>160,033</u>	<u>27,198</u>	<u>116,287</u>	<u>1,480,327</u>
EXPENDITURES:						
Instruction:						
Personal Services - Salaries						70,000
Other Purchased Services	36,720					57,078
Tuition						505,024
Textbooks						21,931
Total Instruction	<u>36,720</u>					<u>654,033</u>
Support Services:						
Personal Services - Salaries						49,399
Purchased Professional/Technical Services						18,282
Supplies and Materials						386,057
Other Objects		2,949				34,222
Student Activities			198,705			198,705
Scholarships Awarded				27,300		27,300
Total Support Services		<u>2,949</u>	<u>198,705</u>	<u>27,300</u>		<u>713,965</u>
Equipment:						
Non-Instructional Equipment		34,816				34,816
Total Equipment		<u>34,816</u>				<u>34,816</u>
Total Expenditures	<u>\$ 36,720</u>	<u>\$ 37,765</u>	<u>\$ 198,705</u>	<u>\$ 27,300</u>		<u>\$ 1,402,814</u>

CAPITAL PROJECTS FUND

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenue and Other Financing Sources:	
Capital Lease Proceeds	\$ 3,393,500
Transfer from Capital Reserve	871,789
Interest Revenue	173
	<hr/>
Total Revenue and Other Financing Sources	4,265,462
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	1,500
Construction Services	1,533,021
Transfer to General Fund:	
Capital Reserve Unexpended Funds Returned	134,428
Interest Earned	173
	<hr/>
Total Expenditures and Other Financing Uses	1,669,122
	<hr/>
Excess/(Deficit) of Revenue & Other Financing Sources Over/(Under)	
Expenditures & Other Financing Uses	2,596,340
	<hr/>
Fund Balance - Beginning	136,253
	<hr/>
Fund Balance - Ending	\$ 2,732,593
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 201,977
Committed	2,530,616
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis and GAAP Basis)	\$ 2,732,593
	<hr/> <hr/>

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 -
DESIGN FEES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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		\$ 1,500	\$ 1,500	\$ 1,500
Total Revenue and Other Financing Sources	\$ - 0 -	1,500	1,500	1,500
Expenditures:				
Purchased Professional and Technical Services		1,500	1,500	1,500
Total Expenditures	- 0 -	1,500	1,500	1,500
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	\$ 34,611
Change Orders	\$ - 0 -
Unexpended Balances Canceled	\$ (33,111)
Revised Authorized Cost	\$ 1,500
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/21
Revised Target Completion Date	06/30/21

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 -
SOUND SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 60,000	\$ 60,000	\$ 60,000
Total Revenue and Other Financing Sources	\$ - 0 -	60,000	60,000	60,000
Expenditures:				
Construction Services		59,462	59,462	60,000
Total Expenditures	- 0 -	59,462	59,462	60,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 538</u>	<u>\$ 538</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	\$ 60,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 60,000
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	07/01/20
Revised Target Completion Date	07/01/20

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 -
FIELD LIGHTING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 520,000	\$ 520,000	\$ 520,000
Total Revenue and Other Financing Sources	\$ - 0 -	520,000	520,000	520,000
Expenditures:				
Construction Services		520,000	520,000	520,000
Total Expenditures	- 0 -	520,000	520,000	520,000
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	\$ 520,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 520,000
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/01/18
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 -
FIRE ALARM REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 429,123	\$ (3,256)	\$ 425,867	\$ 425,867
Total Revenue and Other Financing Sources	<u>429,123</u>	<u>(3,256)</u>	<u>425,867</u>	<u>425,867</u>
Expenditures:				
Construction Services	<u>425,867</u>	<u> </u>	<u>425,867</u>	<u>425,867</u>
Total Expenditures	<u>425,867</u>	<u>- 0 -</u>	<u>425,867</u>	<u>425,867</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 3,256</u>	<u>\$ (3,256)</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	\$ 300,000			
Additional Authorization	\$ 129,123			
Change Orders	\$ - 0 -			
Unexpended Balances Canceled	\$ (3,256)			
Revised Authorized Cost	\$ 425,867			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/24/18			
Revised Target Completion Date	02/01/20			

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 -
BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 279,500	\$ 279,500	\$ 279,500
Total Revenue and Other Financing Sources	\$ - 0 -	279,500	279,500	279,500
Expenditures:				
Construction Services		264,500	264,500	279,500
Total Expenditures	- 0 -	264,500	264,500	279,500
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 15,000	\$ 15,000	\$ - 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	\$	279,500		
Change Orders	\$	- 0 -		
Revised Authorized Cost	\$	279,500		
Change Order Percentage		0.00%		
Percentage Completion		100.00%		
Original Target Completion Date		08/15/20		
Revised Target Completion Date		08/23/20		

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS MENDHAM HIGH SCHOOL -
HVAC UNIT FOR GYMNASIUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds	<u> </u>	\$ 315,500	\$ 315,500	\$ 315,500
Total Revenue and Other Financing Sources	<u>\$ - 0 -</u>	<u>315,500</u>	<u>315,500</u>	<u>315,500</u>
Expenditures:				
Construction Services	<u> </u>	293,490	293,490	315,500
Total Expenditures	<u>- 0 -</u>	<u>293,490</u>	<u>293,490</u>	<u>315,500</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 22,010</u>	<u>\$ 22,010</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	\$	313,500		
Additional Authorization	\$	2,000		
Change Orders	\$	- 0 -		
Revised Authorized Cost	\$	315,500		
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/01/21			
Revised Target Completion Date	08/25/21			

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, 2021

	<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	\$ 24,000	\$ (550)	\$ 23,450	\$ 23,450
Total Revenue and Other Financing Sources	<u>24,000</u>	<u>(550)</u>	<u>23,450</u>	<u>23,450</u>
Expenditures:				
Construction Services	<u>23,450</u>	<u></u>	<u>23,450</u>	<u>23,450</u>
Total Expenditures	<u>23,450</u>	<u>- 0 -</u>	<u>23,450</u>	<u>23,450</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 550</u>	<u>\$ (550)</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	\$ 24,000			
Change Orders	\$ - 0 -			
Unexpended Balances Canceled	\$ (550)			
Revised Authorized Cost	\$ 23,450			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/15/16			
Revised Target Completion Date	08/01/20			

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 -
ROOFING SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 540,000	\$ 540,000	\$ 540,000
Total Revenue and Other Financing Sources	\$ - 0 -	540,000	540,000	540,000
Expenditures:				
Construction Services		342,955	342,955	540,000
Total Expenditures	- 0 -	342,955	342,955	540,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 197,045	\$ 197,045	\$ - 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	\$ 540,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 540,000
Change Order Percentage	0.00%
Percentage Completion	63.51%
Original Target Completion Date	08/01/21
Revised Target Completion Date	10/01/21

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 - TURF FIELD PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 1,045,015	\$ 17,678	\$ 1,062,693	\$ 1,062,693
Total Revenue and Other Financing Sources	<u>1,045,015</u>	<u>17,678</u>	<u>1,062,693</u>	<u>1,062,693</u>
Expenditures:				
Construction Services	1,010,079	52,614	1,062,693	1,062,693
Total Expenditures	<u>1,010,079</u>	<u>52,614</u>	<u>1,062,693</u>	<u>1,062,693</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 34,936</u>	<u>\$ (34,936)</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	\$ 1,045,015
Change Orders	\$ 17,678
Revised Authorized Cost	\$ 1,062,693
Change Order Percentage	1.69%
Percentage Completion	100.00%
Original Target Completion Date	08/15/19
Revised Target Completion Date	06/30/21

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL HIGH SCHOOL - SECURITY ENHANCEMENTS PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 187,780	\$ (30,391)	\$ 157,389	\$ 157,389
Total Revenue and Other Financing Sources	<u>187,780</u>	<u>(30,391)</u>	<u>157,389</u>	<u>157,389</u>
Expenditures:				
Construction Services	157,389		157,389	157,389
Total Expenditures	<u>157,389</u>	<u>- 0 -</u>	<u>157,389</u>	<u>157,389</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 30,391</u>	<u>\$ (30,391)</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	\$ 187,780			
Change Orders	\$ - 0 -			
Unexpended Balances Canceled	\$ (30,391)			
Revised Authorized Cost	\$ 157,389			
Change Order Percentage	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	08/01/19			
Revised Target Completion Date	08/01/19			

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 - SECURITY ENHANCEMENTS PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 161,220	\$ (67,120)	\$ 94,100	\$ 94,100
Total Revenue and Other Financing Sources	<u>161,220</u>	<u>(67,120)</u>	<u>94,100</u>	<u>94,100</u>
Expenditures:				
Construction Services	94,100		94,100	94,100
Total Expenditures	<u>94,100</u>	<u>- 0 -</u>	<u>94,100</u>	<u>94,100</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 67,120</u>	<u>\$ (67,120)</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	\$ 161,220
Change Orders	\$ - 0 -
Unexpended Balances Canceled	\$ (67,120)
Revised Authorized Cost	\$ 94,100
Change Order Percentage	0.00%
Percentage Completion	100.00%
Original Target Completion Date	08/01/19
Revised Target Completion Date	08/01/19

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST MORRIS CENTRAL HIGH SCHOOL -
BLEACHERS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 949,000	\$ 949,000	\$ 949,000
Total Revenue and Other Financing Sources	\$ - 0 -	949,000	949,000	949,000
Expenditures:				
Construction Services				949,000
Total Expenditures	- 0 -	- 0 -	- 0 -	949,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 949,000</u>	<u>\$ 949,000</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	\$	949,000		
Change Orders	\$	- 0 -		
Revised Authorized Cost	\$	949,000		
Change Order Percentage		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		07/30/21		
Revised Target Completion Date		08/15/21		

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 -
BLEACHERS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 949,000	\$ 949,000	\$ 949,000
Total Revenue and Other Financing Sources	\$ - 0 -	949,000	949,000	949,000
Expenditures:				
Construction Services				949,000
Total Expenditures	- 0 -	- 0 -	- 0 -	949,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ 949,000</u>	<u>\$ 949,000</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	\$	949,000		
Change Orders	\$	- 0 -		
Revised Authorized Cost	\$	949,000		
Change Order Percentage		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		08/15/21		
Revised Target Completion Date		11/15/21		

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 - CAFETERIA HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 275,000	\$ 275,000	\$ 275,000
Total Revenue and Other Financing Sources	\$ - 0 -	275,000	275,000	275,000
Expenditures:				
Construction Services				275,000
Total Expenditures	- 0 -	- 0 -	- 0 -	275,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 275,000	\$ 275,000	\$ - 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	\$ 275,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 275,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	07/30/21
Revised Target Completion Date	08/15/21

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 - CAFETERIA HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds		\$ 325,000	\$ 325,000	\$ 325,000
Total Revenue and Other Financing Sources	\$ - 0 -	325,000	325,000	325,000
Expenditures:				
Construction Services				325,000
Total Expenditures	- 0 -	- 0 -	- 0 -	325,000
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 325,000	\$ 325,000	\$ - 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	\$ 325,000
Change Orders	\$ - 0 -
Revised Authorized Cost	\$ 325,000
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	08/15/21
Revised Target Completion Date	08/15/21

PROPRIETARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 38,878
Inventories	13,910
Interfund Receivable - General Fund	<u>11,754</u>

Total Current Assets	<u>64,542</u>
----------------------	---------------

Non-Current Assets:

Capital Assets	152,944
Less: Accumulated Depreciation	<u>(140,093)</u>

Total Non-Current Assets	<u>12,851</u>
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Total Assets	<u>77,393</u>
--------------	---------------

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	7,486
Unearned Revenue	<u>38,146</u>

Total Current Liabilities	<u>45,632</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>50,632</u>
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NET POSITION:

Investment in Capital Assets	12,851
Unrestricted	<u>13,910</u>

Total Net Position	<u><u>\$ 26,761</u></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, 2021

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 3,177
Special Events	
	<hr/>
Total Operating Revenue	<hr/> 3,177 <hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	15,594
Salaries, Benefits & Payroll Taxes	48,393
Supplies, Insurance & Other Costs	29,331
Depreciation Expense	3,296
	<hr/>
Total Operating Expenses	<hr/> 96,614 <hr/>
Operating Income/(Loss)	(93,437)
Non-Operating Revenue:	
Interest Income	4
	<hr/>
Total Non-Operating Revenue	<hr/> 4 <hr/>
Change in Net Position Before Transfers	(93,433)
Transfer In - Board Contribution	43,561
	<hr/>
Change in Net Position After Transfers	(49,872)
Net Position - Beginning of Year	76,633
	<hr/>
Net Position - End of Year	<hr/> \$ 26,761 <hr/>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 9,023
Payments to Employees	(68,462)
Payments to Suppliers	(15,651)
	<hr/>
Net Cash Provided by/(Used for) Operating Activities	(75,090)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
Transfer In - Board Contribution	43,561
	<hr/>
Net Cash Provided by/(Used for) Non-Capital Financing Activities	43,561
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	4
	<hr/>
Net Cash Provided by Investing Activities	4
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	(31,525)
	<hr/>
Cash and Cash Equivalents, July 1	70,403
	<hr/>
Cash and Cash Equivalents, June 30	<u>\$ 38,878</u>
	<hr/>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (93,437)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/	
(Used for) Operating Activities:	
Depreciation	3,296
Changes in Assets and Liabilities:	
Decrease in Inventory	8,450
Decrease in Accounts Receivable	13,438
(Increase) in Interfund Receivable	(11,754)
Increase in Accounts Payable	7,386
(Decrease) in Interfund Payable	(8,315)
Increase in Unearned Revenue	5,846
	<hr/>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (75,090)</u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

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, 2020	Issued	Matured	Defeased Debt	Balance June 30, 2021
			Date	Outstanding June 30, 2021 Amount	June 30, 2021						
Refunding School Bonds	11/29/11	\$ 17,850,000				\$ 8,050,000		\$ 1,885,000	\$ 6,165,000		
Refunding School Bonds	02/17/21	6,375,000	5/1/22	\$ 2,070,000	0.60%						
			5/1/23	2,080,000	0.60%						
			5/1/24	2,080,000	0.60%		\$ 6,375,000	145,000		\$ 6,230,000	
						<u>\$ 8,050,000</u>	<u>\$ 6,375,000</u>	<u>\$ 2,030,000</u>	<u>\$ 6,165,000</u>	<u>\$ 6,230,000</u>	

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

Item	Interest Rate	Original Issue	Balance July 1, 2020	Issued	Retired/ Matured	Balance June 30, 2021
Energy Savings Improvement Program	3.2500%	\$ 3,246,767	\$ 2,781,767		\$ 280,000	\$ 2,501,767
Classroom Technology Equipment	2.8519%	727,911	368,998		181,887	187,111
Classroom Technology Equipment and Loader	2.1701%	311,617	249,617		81,426	168,191
Buses and Truck	2.2668%	255,245	205,245		49,599	155,646
Bus	2.1000%	97,666		\$ 97,666	77,731	19,935
Classroom Technology Equipment	1.2540%	208,000		208,000	52,269	155,731
Classroom Technology Equipment	1.3500%	271,062		271,062		271,062
Field Lights, HVAC, Vans and Sound System	1.3424%	959,805		959,805	381,177	578,628
Classroom Technology Equipment and Bus	0.6870%	627,062		627,062		627,062
Bleachers, Vans, Tractor, HVAC and Weight Room	0.8058%	2,763,000		2,763,000		2,763,000
			<u>\$ 3,605,627</u>	<u>\$ 4,926,595</u>	<u>\$ 1,104,089</u>	<u>\$ 7,428,133</u>

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,269,175		\$ 2,269,175	\$ 2,269,175	
Total Revenue	2,269,175		2,269,175	2,269,175	
EXPENDITURES:					
Regular Debt Service:					
Interest	384,175	\$ (145,000)	239,175	238,000	\$ 1,175
Redemption of Principal	1,885,000	145,000	2,030,000	2,030,000	
Total Regular Debt Service	2,269,175		2,269,175	2,268,000	1,175
Total Expenditures	2,269,175		2,269,175	2,268,000	1,175
Excess of Revenue Over Expenditures	- 0 -	- 0 -	- 0 -	1,175	1,175
OTHER FINANCING SOURCES (USES):					
Proceeds of School Refunding Bonds Issued				6,375,000	6,375,000
School Bonds Defeased				(6,165,000)	(6,165,000)
Bond Issuance Costs				(55,688)	(55,688)
Deferred Amount on Refunding				(153,153)	(153,153)
Total Other Financing Sources/(Uses)				1,159	1,159
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures				2,334	2,334
Excess of Revenue Over Expenditures and Other Financing Sources (Uses)	\$ - 0 -	\$ - 0 -	\$ - 0 -	2,334	2,334
Fund Balance, July 1	- 0 -		- 0 -	- 0 -	
Fund Balance, June 30	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 2,334	\$ 2,334

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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	June 30,				
	2017	2018	2019	2020 (Restated)	2021
Governmental Activities:					
Net Investment in Capital Assets	\$ 37,775,826	\$ 35,979,627	\$ 40,490,868	\$ 42,372,781	\$ 40,801,763
Restricted	6,792,605	7,803,701	7,109,764	9,082,855	8,756,183
Unrestricted/(Deficit)	(11,507,492)	(8,774,509)	(10,714,005)	(11,219,673)	(5,690,299)
Total Governmental Activities Net Position	<u>\$ 33,060,939</u>	<u>\$ 35,008,819</u>	<u>\$ 36,886,627</u>	<u>\$ 40,235,963</u>	<u>\$ 43,867,647</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 22,962	\$ 21,473	\$ 19,648	\$ 16,147	\$ 12,851
Unrestricted	22,067	19,550	51,209	60,486	13,910
Total Business-Type Activities Net Position	<u>\$ 45,029</u>	<u>\$ 41,023</u>	<u>\$ 70,857</u>	<u>\$ 76,633</u>	<u>\$ 26,761</u>
District-Wide:					
Net Investment in Capital Assets	\$ 37,798,788	\$ 36,001,100	\$ 40,510,516	\$ 42,388,928	\$ 40,814,614
Restricted	6,792,605	7,803,701	7,109,764	9,082,855	8,756,183
Unrestricted/(Deficit)	(11,485,425)	(8,754,959)	(10,662,796)	(11,159,187)	(5,676,389)
Total District-Wide Net Position	<u>\$ 33,105,968</u>	<u>\$ 35,049,842</u>	<u>\$ 36,957,484</u>	<u>\$ 40,312,596</u>	<u>\$ 43,894,408</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,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	\$ 35,216,299	\$ 34,748,348	\$ 34,368,305	\$ 34,396,725	\$ 35,713,071
Restricted	5,542,469	6,253,644	6,439,065	5,244,474	5,489,939
Unrestricted/(Deficit)	<u>(1,020,465)</u>	<u>(1,263,420)</u>	<u>(10,448,680)</u>	<u>(8,660,307)</u>	<u>(10,251,581)</u>
Total Governmental Activities Net Position	<u>\$ 39,738,303</u>	<u>\$ 39,738,572</u>	<u>\$ 30,358,690</u>	<u>\$ 30,980,892</u>	<u>\$ 30,951,429</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 50,920	\$ 44,247	\$ 38,034	\$ 32,541	\$ 27,555
Unrestricted	<u>5,564</u>			<u>16,110</u>	<u>21,321</u>
Total Business-Type Activities Net Position	<u>\$ 56,484</u>	<u>\$ 44,247</u>	<u>\$ 38,034</u>	<u>\$ 48,651</u>	<u>\$ 48,876</u>
District-Wide:					
Net Investment in Capital Assets	\$ 35,267,219	\$ 34,792,595	\$ 34,406,339	\$ 34,429,266	\$ 35,740,626
Restricted	5,542,469	6,253,644	6,439,065	5,244,474	5,489,939
Unrestricted/(Deficit)	<u>(1,014,901)</u>	<u>(1,263,420)</u>	<u>(10,448,680)</u>	<u>(8,644,197)</u>	<u>(10,230,260)</u>
Total District-Wide Net Position	<u>\$ 39,794,787</u>	<u>\$ 39,782,819</u>	<u>\$ 30,396,724</u>	<u>\$ 31,029,543</u>	<u>\$ 31,000,305</u>

Source: West Morris Regional High School District records.

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

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Expenses:					
Governmental Activities:					
Instruction:					
Regular	\$ 28,124,143	\$ 27,287,001	\$ 26,692,095	\$ 25,355,368	\$ 25,451,289
Special Education	5,023,866	5,208,030	5,021,062	5,056,548	5,799,528
Other Instruction	3,813,738	4,313,690	3,801,939	3,854,268	3,941,655
Support Services:					
Tuition	4,004,449	3,966,700	3,794,789	4,825,985	5,089,566
Student and Instruction Related Service	9,458,104	9,639,764	8,631,567	8,335,870	9,340,145
General Administration Services	1,008,933	1,076,809	1,082,688	1,075,116	1,106,379
School Administration Services	3,236,507	3,224,906	3,059,432	3,010,431	3,065,885
Central Services	605,852	606,281	604,359	620,695	633,495
Administrative Information Technology	683,203	596,194	519,913	654,804	763,674
Plant Operations and Maintenance	3,810,907	4,195,645	4,336,243	4,120,195	4,403,391
Pupil Transportation	3,486,250	3,487,483	3,918,831	4,364,495	3,925,786
Interest on Long-Term Debt	590,665	524,744	450,269	383,235	167,387
Unallocated Depreciation	2,067,011	2,119,788	2,238,163	2,297,026	2,344,097
Total Governmental Activities Expenses	<u>65,913,628</u>	<u>66,247,035</u>	<u>64,151,350</u>	<u>63,954,036</u>	<u>66,032,277</u>
Business-Type Activities:					
Enterprise Funds	569,042	587,218	625,422	541,455	96,614
Total Business-Type Activities Expense	<u>569,042</u>	<u>587,218</u>	<u>625,422</u>	<u>541,455</u>	<u>96,614</u>
Total District-Wide Expenses	<u>\$ 66,482,670</u>	<u>\$ 66,834,253</u>	<u>\$ 64,776,772</u>	<u>\$ 64,495,491</u>	<u>\$ 66,128,891</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 226,239	\$ 274,918	\$ 274,918	\$ 263,876	\$ 313,332
Student & Instruction Related Services					303,518
Operating Grants and Contributions	19,796,280	19,998,923	16,962,186	16,744,613	19,177,249
Capital Grants and Contributions	824,516	14,411	23,120	44,812	
Total Governmental Activities	<u>20,847,035</u>	<u>20,288,252</u>	<u>17,260,224</u>	<u>17,053,301</u>	<u>19,794,099</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	531,618	572,320	683,675	562,249	3,177
Total Business Type Activities	<u>531,618</u>	<u>572,320</u>	<u>683,675</u>	<u>562,249</u>	<u>3,177</u>
Total District-Wide Program Revenues	<u>\$ 21,378,653</u>	<u>\$ 20,860,572</u>	<u>\$ 17,943,899</u>	<u>\$ 17,615,550</u>	<u>\$ 19,797,276</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,				
	2017	2018	2019	2020	2021
Net (Expense)/Revenue:					
Governmental Activities	\$ (45,066,593)	\$ (45,958,783)	\$ (46,891,126)	\$ (46,900,735)	\$ (46,238,178)
Business-Type Activities	(37,424)	(14,898)	58,253	20,794	(93,437)
Total District-Wide Net Expense/(Revenue)	<u>\$ (45,104,017)</u>	<u>\$ (45,973,681)</u>	<u>\$ (46,832,873)</u>	<u>\$ (46,879,941)</u>	<u>\$ (46,331,615)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 42,763,310	\$ 43,618,576	\$ 44,490,948	\$ 45,269,541	\$ 46,061,758
Taxes Levied for Debt Service	2,264,800	2,266,000	2,269,475	2,270,250	2,269,175
Federal and State Aid Not Restricted	1,341,965	1,264,103	895,450	856,184	722,731
Investment Earnings	42,898	86,444	207,487	118,170	18,965
Miscellaneous Income	763,130	674,581	876,853	886,857	840,794
Transfers		(3,041)	28,721	15,265	(43,561)
Total Governmental Activities	<u>47,176,103</u>	<u>47,906,663</u>	<u>48,768,934</u>	<u>49,416,267</u>	<u>49,869,862</u>
Business-Type Activities:					
Investment Earnings	282	600	302	247	4
Transfers		3,041	(28,721)	(15,265)	43,561
Other Item - FSMC Contribution	33,295	7,251			
Total Business-Type Activities	<u>33,577</u>	<u>10,892</u>	<u>(28,419)</u>	<u>(15,018)</u>	<u>43,565</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 47,209,680</u>	<u>\$ 47,917,555</u>	<u>\$ 48,740,515</u>	<u>\$ 49,401,249</u>	<u>\$ 49,913,427</u>
Change in Net Position					
Governmental Activities	\$ 2,109,510	\$ 1,947,880	\$ 1,877,808	\$ 2,515,532	\$ 3,631,684
Business-Type Activities	(3,847)	(4,006)	29,834	5,776	(49,872)
Total District-Wide Change in Net Position	<u>\$ 2,105,663</u>	<u>\$ 1,943,874</u>	<u>\$ 1,907,642</u>	<u>\$ 2,521,308</u>	<u>\$ 3,581,812</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,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Instruction:					
Regular	\$ 21,212,035	\$ 21,984,326	\$ 21,969,083	\$ 24,814,290	\$ 26,287,983
Special Education	3,539,992	3,781,193	3,809,040	4,306,828	5,086,659
Other Special Instruction					
Other Instruction	2,944,887	3,055,851	3,088,277	3,508,063	3,837,507
Support Services:					
Tuition	2,930,014	2,547,951	2,803,150	3,300,090	3,674,161
Student & Instruction Related Services	5,973,399	6,457,607	6,219,532	7,608,338	8,170,208
General Administration Services	970,327	977,377	1,112,496	991,618	1,007,236
School Administration Services	2,098,282	2,543,345	2,361,168	2,550,334	3,079,417
Central Services	527,544	548,817	562,932	566,463	569,971
Administrative Information Technology	638,576	729,339	865,858	835,980	858,061
Plant Operations and Maintenance	3,208,073	3,381,931	3,612,729	3,667,203	3,520,619
Pupil Transportation	2,858,984	2,770,169	3,153,997	3,299,484	3,313,190
Interest on Long-Term Debt	877,167	863,136	783,095	721,298	668,437
Unallocated Depreciation	1,901,655	1,929,377	1,932,450	1,946,031	1,960,634
Total Governmental Activities Expenses	<u>49,680,935</u>	<u>51,570,419</u>	<u>52,273,807</u>	<u>58,116,020</u>	<u>62,034,083</u>
Business-Type Activities:					
Enterprise Funds	754,356	780,390	707,857	640,492	579,674
Total Business-Type Activities Expense	<u>754,356</u>	<u>780,390</u>	<u>707,857</u>	<u>640,492</u>	<u>579,674</u>
Total District-Wide Expenses	<u>\$ 50,435,291</u>	<u>\$ 52,350,809</u>	<u>\$ 52,981,664</u>	<u>\$ 58,756,512</u>	<u>\$ 62,613,757</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Tuition	\$ 80,419	\$ 42,269	\$ 80,615	\$ 73,169	\$ 120,688
Student & Instruction Related Services					
Operating Grants and Contributions	7,460,240	8,391,960	7,939,395	13,529,836	16,008,812
Capital Grants and Contributions	117,776	39,222	(795)	155,800	
Total Governmental Activities	<u>7,658,435</u>	<u>8,473,451</u>	<u>8,019,215</u>	<u>13,758,805</u>	<u>16,129,500</u>
Business-Type Activities:					
Charges for Services:					
Enterprise Funds	774,394	737,156	655,801	616,779	546,202
Total Business Type Activities	<u>774,394</u>	<u>737,156</u>	<u>655,801</u>	<u>616,779</u>	<u>546,202</u>
Total District-Wide Program Revenues	<u>\$ 8,432,829</u>	<u>\$ 9,210,607</u>	<u>\$ 8,675,016</u>	<u>\$ 14,375,584</u>	<u>\$ 16,675,702</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,				
	2012	2013	2014	2015	2016
Net (Expense)/Revenue:					
Governmental Activities	\$ (42,022,500)	\$ (43,096,968)	\$ (44,254,592)	\$ (44,357,215)	\$ (45,904,583)
Business-Type Activities	20,038	(43,234)	(52,056)	(23,713)	(33,472)
Total District-Wide Net Expense/(Revenue)	<u>\$ (42,002,462)</u>	<u>\$ (43,140,202)</u>	<u>\$ (44,306,648)</u>	<u>\$ (44,380,928)</u>	<u>\$ (45,938,055)</u>
General Revenues & Other Changes in Net Position:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 38,638,243	\$ 39,285,434	\$ 40,071,143	\$ 40,804,192	\$ 41,620,275
Taxes Levied for Debt Service	2,373,181	2,318,238	2,229,437	2,273,550	2,271,050
Federal and State Aid Not Restricted	1,034,537	1,259,537	1,272,751	1,323,519	1,328,846
Investment Earnings	18,444	14,119	21,072	21,863	37,385
Miscellaneous Income	381,383	455,121	378,413	556,293	617,564
Transfers	36,751	(30,930)	(15,265)		
Total Governmental Activities	<u>42,482,539</u>	<u>43,301,519</u>	<u>43,957,551</u>	<u>44,979,417</u>	<u>45,875,120</u>
Business-Type Activities:					
Investment Earnings	85	67	87	91	180
Transfers	(36,751)	30,930	45,756	34,239	
Total Business-Type Activities	<u>(36,666)</u>	<u>30,997</u>	<u>45,843</u>	<u>34,330</u>	<u>33,697</u>
Total District-Wide Revenues & Other Changes in Net Position	<u>\$ 42,445,873</u>	<u>\$ 43,332,516</u>	<u>\$ 44,003,394</u>	<u>\$ 45,013,747</u>	<u>\$ 45,908,817</u>
Change in Net Position					
Governmental Activities	\$ 460,039	\$ 204,551	\$ (297,041)	\$ 622,202	\$ (29,463)
Business-Type Activities	(16,628)	(12,237)	(6,213)	10,617	225
Total District-Wide Change in Net Position	<u>\$ 443,411</u>	<u>\$ 192,314</u>	<u>\$ (303,254)</u>	<u>\$ 632,819</u>	<u>\$ (29,238)</u>

Source: West Morris Regional High School District records.

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

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
General Fund:										
Restricted	\$ 4,781,239	\$ 6,165,875	\$ 6,439,065	\$ 5,244,474	\$ 5,489,939	\$ 6,792,605	\$ 7,803,701	\$ 7,109,764	\$ 8,384,964	\$ 7,978,445
Assigned	829,696	845,946	277,124	440,239	456,931	628,992	829,360	1,222,312	573,378	1,618,339
Unassigned	754,510	768,610	859,501	943,630	1,033,138	1,005,975	995,068	1,225,686	1,239,327	2,666,619
Total General Fund	\$ 6,365,445	\$ 7,780,431	\$ 7,575,690	\$ 6,628,343	\$ 6,980,008	\$ 8,427,572	\$ 9,628,129	\$ 9,557,762	\$ 10,197,669	\$ 12,263,403
Other Governmental Funds:										
Committed	\$ 292,280	\$ 182,598	\$ 425,955	\$ 1,537,387	\$ 1,156,103	\$ 129,433	\$ 2,921,883	\$ 335,407	\$ 136,253	\$ 2,732,593
Restricted	742,435	87,769							697,891	777,738
Total Other Governmental Funds	\$ 1,034,715	\$ 270,367	\$ 425,955	\$ 1,537,387	\$ 1,156,103	\$ 129,433	\$ 2,921,883	\$ 335,407	\$ 834,144	\$ 3,510,331
Total Governmental Funds	\$ 7,400,160	\$ 8,050,798	\$ 8,001,645	\$ 8,165,730	\$ 8,136,111	\$ 8,557,005	\$ 12,550,012	\$ 9,893,169	\$ 11,031,813	\$ 15,773,734

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$41,011,424	\$41,603,672	\$42,300,580	\$43,077,742	\$43,891,325	\$45,028,110	\$45,884,576	\$46,760,423	\$47,539,791	\$48,330,933
Tuition Charges	80,419	42,269	80,615	73,169	120,688	226,239	263,007	274,918	263,876	313,332
Interest Earned on Investments	15,813	12,075	16,564	17,621	30,688	36,818	75,533	143,494	164,300	169,720
Interest Earned on Capital Reserve Funds	2,405	1,704	1,975	1,617	1,929	2,236	7,017	26,339	6,677	2,973
Interest Earned on Maintenance Reserve Funds	226	340	2,533	2,625	4,769	3,786	3,823	6,554	5,410	3,694
Miscellaneous - Restricted										341,568
Miscellaneous - Unrestricted	387,899	434,729	400,923	589,790	648,384	805,990	688,152	947,463	875,587	683,372
State Sources	7,936,175	8,930,709	8,633,141	9,472,191	10,175,935	11,246,569	11,298,359	12,023,390	12,177,242	13,645,174
Federal Sources	669,862	738,441	555,700	565,267	555,798	563,470	424,125	553,662	636,631	1,061,460
Total Revenue	50,104,223	51,763,939	51,992,031	53,800,022	55,429,516	57,913,218	58,644,592	60,736,243	61,669,514	64,552,226
Expenditures:										
Instruction:										
Regular Instruction	15,597,634	15,637,831	15,811,116	15,490,130	15,697,450	15,100,661	14,867,539	15,346,206	14,979,177	14,762,866
Special Education Instruction	2,592,282	2,705,921	2,731,114	2,645,917	3,016,121	2,718,031	2,829,147	2,904,968	2,950,535	3,222,465
Other Instruction	2,245,001	2,261,447	2,291,024	2,285,678	2,377,362	2,167,330	2,328,808	2,385,308	2,421,648	2,342,312
Support Services:										
Tuition	2,930,014	2,547,951	2,803,150	3,300,090	3,674,161	4,004,449	3,966,700	3,794,789	4,825,985	5,089,566
Student and Instruction Related Services	4,527,243	4,671,352	4,542,457	4,897,689	5,156,775	5,455,988	5,535,316	5,512,822	5,280,412	5,911,125
General Administration Services	871,751	873,782	1,002,854	889,528	894,256	891,625	971,292	957,863	975,467	973,295
School Administration Services	1,539,499	1,796,106	1,631,257	1,663,484	1,734,588	1,742,234	1,755,462	1,758,902	1,763,419	1,722,072
Central Services	441,597	461,963	453,434	454,065	459,489	482,611	496,030	490,657	507,939	512,836
Administrative Information Technology	443,606	520,056	679,835	664,752	672,822	522,264	463,824	333,301	391,880	380,593
Plant Operations and Maintenance	2,761,839	2,892,073	3,109,468	3,167,809	2,972,604	3,300,249	3,621,086	3,931,266	3,816,875	4,041,405
Pupil Transportation	2,779,232	2,688,297	3,072,734	3,230,246	3,220,094	3,408,620	3,417,677	3,843,521	4,256,053	3,837,259

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenditures:										
Unallocated Benefits	\$ 9,973,938	\$ 11,339,066	\$ 11,144,672	\$ 11,787,867	\$ 12,476,212	\$ 12,442,539	\$ 12,935,660	\$ 14,011,697	\$ 13,931,559	\$ 15,610,951
Debt Service:										
Principal	1,340,000	1,395,000	1,455,000	1,475,000	1,525,000	1,595,000	1,660,000	1,740,000	1,805,000	2,030,000
Interest and Other Charges	945,412	923,238	862,206	798,550	746,050	669,800	606,000	529,475	465,250	238,000
Capital Outlay	1,153,848	410,249	435,598	1,101,533	836,151	2,990,923	2,941,938	7,057,753	3,426,523	4,019,753
Total Expenditures	50,142,896	51,124,332	52,025,919	53,852,338	55,459,135	57,492,324	58,396,479	64,598,528	61,797,722	64,694,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,673)	639,607	(33,888)	(52,316)	(29,619)	420,894	248,113	(3,862,285)	(128,208)	(142,272)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)				216,401			501,168	727,911	566,862	1,533,095
Capital Lease Proceeds		41,961					3,246,767	448,810	(149,079)	3,393,500
Superstorm Sandy Insurance Claims										6,375,000
School Refunding Bonds Issued										(6,165,000)
School Bonds Defeased										(55,688)
Bond Issuance Costs										(153,153)
Deferred Bond Interest										1,006,390
Transfers In	36,751	1,257,985	573,161	1,455,477	153,496	445,179	910,071	2,343,143	1,643,508	1,006,390
Transfers Out		(1,288,915)	(588,426)	(1,455,477)	(153,496)	(445,179)	(913,112)	(2,314,422)	(1,628,243)	(1,049,951)
Total Other Financing Sources (Uses)	36,751	11,031	(15,265)	216,401			3,744,894	1,205,442	433,048	4,884,193
Net Change in Fund Balances	\$ (1,922)	\$ 650,638	\$ (49,153)	\$ 164,085	\$ (29,619)	\$ 420,894	\$ 3,993,007	\$ (2,656,843)	\$ 304,840	\$ 4,741,921
Debt Service as a Percentage of Noncapital Expenditures	4.67%	4.57%	4.49%	4.31%	4.15%	4.15%	4.06%	3.87%	3.82%	3.70%

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
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
2020	263,876	117,213	10,046	876,811	1,267,946
2021	313,332	18,792	1,990	838,804	1,172,918

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 ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 4,445,100	\$ 213,716,600	\$ 1,167,400	\$ 53,400	\$ 158,600,100	\$ -	\$ 1,840,800	\$ 379,823,400	\$ 8,165	\$ 379,831,565	\$ 41,180,500	\$ 0.35	\$ 440,171,759
2012	3,863,100	215,325,700	1,173,600	55,800	155,431,300	-	1,837,700	377,687,200	-	377,687,200	41,151,200	0.38	416,711,405
2013	3,369,700	207,567,300	1,160,100	55,800	155,137,100	-	1,795,300	369,085,300	-	369,085,300	40,893,000	0.40	402,175,524
2014	3,114,800	214,814,100	1,180,100	55,800	156,563,800	-	1,849,100	377,577,700	-	377,577,700	41,616,200	0.40	387,561,161
2015	3,114,800	219,171,300	1,050,100	56,000	153,604,100	-	1,886,300	378,882,600	-	378,882,600	42,395,400	0.49	420,032,831
2016	3,240,300	227,449,100	1,103,100	56,600	164,299,800	-	-	396,148,900	-	396,148,900	44,611,500	0.48	390,553,627
2017	3,165,300	227,107,400	1,098,300	56,600	168,664,100	-	-	400,091,700	-	400,091,700	44,456,000	0.47	401,322,238
2018	3,880,300	229,846,900	976,300	56,600	166,399,800	-	-	401,160,100	-	401,160,100	44,706,800	0.52	390,482,174
2019	3,346,800	227,975,900	977,000	56,600	164,343,300	-	1,656,800	398,356,400	-	398,356,400	43,860,700	0.53	386,693,610
2020	3,281,000	230,073,900	988,600	54,800	167,602,200	-	1,658,500	403,659,000	9,727	403,668,727	44,737,700	0.55	394,020,984

Chester Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 18,576,400	\$ 1,670,362,000	\$ 91,688,600	\$ 1,227,800	\$ 49,731,900	\$ 3,908,600	\$ 835,200	\$ 1,836,330,500	\$ 2,179,636	\$ 1,838,510,136	\$ 230,806,900	\$ 0.51	\$ 2,063,339,316
2012	16,979,400	1,668,358,200	89,086,500	1,213,200	49,761,800	3,908,600	835,200	1,830,142,900	2,310,658	1,832,453,558	231,185,900	0.52	2,003,040,867
2013	14,619,500	1,664,309,100	88,383,100	1,228,000	48,990,700	2,469,700	835,200	1,820,835,300	442,529	1,821,277,829	232,195,400	0.55	1,917,321,277
2014	13,704,800	1,663,455,100	88,665,800	1,224,900	48,804,500	2,469,700	835,200	1,819,160,000	372,270	1,819,532,270	234,237,700	0.56	1,894,076,792
2015	13,628,900	1,664,376,400	87,702,100	1,241,000	47,568,100	2,543,100	835,200	1,817,894,800	373,557	1,818,268,357	235,597,400	0.55	1,876,066,565
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
2019	11,492,800	1,677,775,800	85,274,600	1,309,700	47,632,600	2,543,100	835,200	1,826,863,800	400,440	1,827,264,240	254,511,400	0.57	1,917,551,952
2020	11,243,000	1,668,967,500	86,080,500	1,327,700	49,898,800	2,543,100	-	1,820,060,600	409,774	1,820,470,374	257,537,000	0.57	1,876,249,396

Mendham Borough

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 7,898,100	\$ 1,105,338,700	\$ 63,764,800	\$ 378,500	\$ 109,617,500	\$ -	\$ 2,342,200	\$ 1,289,339,800	\$ 2,300,875	\$ 1,291,640,675	\$ 123,773,600	\$ 0.47	\$ 1,410,302,723
2012	7,384,900	1,101,185,800	66,422,700	394,600	109,079,300	-	2,342,200	1,286,809,500	2,300,875	1,289,110,375	123,773,600	0.47	1,377,289,533
2013	7,771,700	1,097,277,400	66,897,700	397,100	105,202,000	-	2,342,200	1,279,888,100	2,287,733	1,282,175,833	124,763,600	0.48	1,354,282,340
2014	8,207,800	1,100,795,200	66,843,500	400,500	103,997,100	-	2,342,200	1,282,586,300	1,927,735	1,284,514,035	124,763,600	0.52	1,361,837,683
2015	9,745,800	1,097,432,700	69,620,400	403,900	102,337,700	-	2,342,200	1,281,882,700	1,927,735	1,283,810,435	124,865,000	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	1,377,993,717
2017	8,769,600	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	1,370,174,538
2018	8,306,100	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
2019	8,306,100	1,095,646,700	65,860,900	348,400	100,209,700	-	2,342,200	1,272,714,000	2,123,156	1,274,837,156	130,379,300	0.58	1,363,844,456
2020	8,110,700	1,095,960,000	63,823,500	348,300	98,555,600	-	2,342,200	1,269,140,300	2,123,156	1,271,263,456	131,042,600	0.62	1,367,265,859

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

Mendham Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 28,338,400	\$ 1,751,185,500	\$ 98,208,100	\$ 594,200	\$ 10,150,000	\$ 2,100	\$ -	\$ 1,888,478,300	\$ 1,446,047	\$ 1,889,924,347	\$ 152,824,000	\$ 0.48	\$ 2,083,317,102
2012	26,460,500	1,746,400,700	105,180,500	607,200	10,162,400	2,100	-	1,888,813,400	1,446,047	1,890,259,447	152,447,200	0.50	2,010,591,255
2013	26,692,700	1,743,151,500	104,058,700	622,500	10,162,400	2,100	-	1,884,689,900	1,537,902	1,886,227,802	152,592,200	0.52	1,951,547,561
2014	23,995,000	1,733,473,800	109,314,900	617,800	10,162,400	2,100	-	1,875,566,000	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
2019	24,051,500	1,713,009,200	127,004,700	521,800	10,123,500	2,100	-	1,874,712,800	1,326,546	1,876,039,346	151,071,800	0.56	1,918,523,996
2020	22,318,800	1,704,252,900	124,563,700	505,900	14,073,500	2,100	-	1,865,716,900	1,382,402	1,867,099,302	142,890,500	0.57	1,883,588,522

Washington Township

Year Ended December 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
2019	25,652,900	2,485,591,200	117,377,100	4,350,900	118,219,200	30,938,700	35,461,400	2,817,591,400	-	2,817,591,400	259,513,500	0.59	2,890,035,246
2020	27,731,800	2,486,474,400	118,781,800	4,317,800	119,241,300	30,938,700	35,461,400	2,822,947,200	-	2,822,947,200	259,612,500	0.60	2,890,388,607

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.

Source: Municipal Tax Assessors.

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

Chester Borough

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General		Chester Borough	Chester		
		Obligation Debt ^b	Total Direct		Borough	Morris County	
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
2019	0.50	0.03	0.53	0.95	0.92	0.25	2.65
2020	0.53	0.02	0.55	0.96	0.94	0.25	2.70

Chester Township

Year Ended December 31,	West Morris Regional High School Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General		Chester Township	Chester		
		Obligation Debt ^b	Total Direct		Township Schools	Morris County	
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
2019	0.54	0.03	0.57	0.53	0.99	0.27	2.36
2020	0.54	0.03	0.57	0.53	1.00	0.27	2.37

Source: Municipal Tax Collectors and School Business Administrator.

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

Mendham Borough

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Mendham Borough	Morris County	Mendham Schools	
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
2019	0.55	0.03	0.58	0.47	0.89	0.28	2.22
2020	0.59	0.03	0.62	0.50	0.91	0.28	2.30

Mendham Township

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Mendham			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Mendham Township	Morris County	Mendham Schools	
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
2019	0.53	0.03	0.56	0.45	0.88	0.27	2.16
2020	0.54	0.03	0.57	0.45	0.92	0.26	2.20

Source: Municipal Tax Collectors and School Business Administrator.

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

Washington Township

Year Ended December 31,	West Morris Regional High School			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate			Washington			
	Basic Rate ^a	Obligation Debt ^b	Total Direct	Washington Township	Township Schools	Morris County	
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
2019	0.56	0.03	0.59	0.46	1.29	0.27	2.61
2020	0.57	0.03	0.60	0.47	1.31	0.26	2.63

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

^b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collectors and School Business Administrator.

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

Chester Borough

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
DPF Chester LLC	\$ 40,530,000	10.04%	\$ 34,533,100	9.09%
CPP Streets of Chester, LLC	13,750,000	3.41%	26,000,000	6.85%
Savro/Chester Shopping Mall	6,500,000	1.61%	8,900,000	2.34%
Williamson Associates	3,915,000	0.97%	8,296,000	2.18%
2-4 Mill Ridge, LLC	3,137,700	0.78%	4,413,400	1.16%
95 West Main Associates, LLC	2,864,000	0.71%	3,698,500	0.97%
Chester Public House, LLC	2,325,000	0.58%	3,354,800	0.88%
Group 6 Assoc. (Little Falls Shoprite)	2,179,000	0.54%	2,713,300	0.71%
Chester Franklin Associates	2,175,000	0.54%	2,587,400	0.68%
Covenant Capital Chester, LLC	1,870,000	0.46%	2,434,100	0.64%
Total	\$ 79,245,700	19.63%	\$ 96,930,600	25.52%

Source: Chester Borough Tax Assessor.

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

Chester Township

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Welkind Rehabilitation Hospital, Inc.	\$ 6,476,600	0.36%	\$ 4,883,200	0.27%
Individual Taxpayer #1	3,734,400	0.21%	3,767,900	0.20%
Individual Taxpayer #2	3,602,200	0.20%	3,732,500	0.20%
Individual Taxpayer #3	3,140,800	0.17%	3,485,100	0.19%
Individual Taxpayer #4	3,095,800	0.17%	3,008,300	0.16%
Individual Taxpayer #5	3,008,300	0.17%	2,739,200	0.15%
Individual Taxpayer #6	2,968,600	0.16%	2,732,100	0.15%
Inganamort Gladstone Realty Holding	2,833,500	0.16%	1,731,000	0.09%
Individual Taxpayer #7	2,733,000	0.15%	2,621,700	0.14%
Pottersville Road Holding LLC	2,715,400	0.15%	2,570,000	0.14%
Total	\$ 34,308,600	1.87%	\$ 31,271,000	1.68%

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

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
V-Fee Realty	\$ 22,000,000	1.73%	\$ 22,000,000	1.70%
Individual Taxpayer #1	8,564,900	0.67%	14,178,100	1.10%
Holly Manor	8,558,600	0.67%	8,558,600	0.66%
Roxiticus Golf Club	8,003,500	0.63%	6,430,800	0.50%
Individual Taxpayer #2	5,652,500	0.44%	5,652,500	0.44%
Individual Taxpayer #3	5,201,800	0.41%	5,379,200	0.42%
Individual Taxpayer #4	5,000,000	0.39%	5,273,400	0.41%
Individual Taxpayer #5	4,850,000	0.38%	4,766,400	0.37%
Individual Taxpayer #6	4,779,200	0.38%	4,635,000	0.36%
Individual Taxpayer #7	4,396,300	0.35%	4,629,500	0.36%
Total	\$ 77,006,800	6.05%	\$ 81,503,500	6.32%

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

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Shemy, LLC	\$ 8,446,900	0.45%	\$ 8,135,000	0.43%
Woodland Lakes, Inc.	8,146,300	0.44%	5,942,800	0.31%
Mendham Golf & Tennis Club	6,700,300	0.36%	5,770,400	0.31%
Southeast Morris County MUA	4,870,100	0.26%	5,640,700	0.30%
Individual Taxpayer #1	4,099,600	0.22%	5,124,500	0.27%
Individual Taxpayer #2	3,985,400	0.21%	5,083,400	0.27%
Desiree Farm, LLC	3,850,000	0.21%	4,985,600	0.26%
Individual Taxpayer #3	3,800,000	0.20%	4,640,300	0.25%
Individual Taxpayer #4	3,603,300	0.19%	4,448,800	0.24%
Individual Taxpayer #5	3,560,600	0.19%	4,353,600	0.23%
Total	\$ 51,062,500	2.73%	\$ 54,125,100	2.86%

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

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 21,864,400	0.77%	\$ 21,760,700	0.77%
Target Corporation	13,650,000	0.48%	15,914,000	0.56%
2085 Realty Partners, LLC	11,694,100	0.41%	12,225,800	0.43%
Peachtree Village, LP	10,250,000	0.36%	10,916,900	0.39%
Bay Ridge Motor Sales	7,940,000	0.28%	7,605,500	0.27%
GPT Hackettstown Owner	6,841,200	0.24%	7,399,000	0.26%
Amerace ESNA Corporation	6,178,400	0.22%	6,178,400	0.22%
Black Oak Golf Club	5,872,300	0.21%	6,126,900	0.22%
Columbia Gas Transmission Corporation	5,036,500	0.18%	5,872,300	0.21%
Long Valley Shopping Center	4,800,000	0.17%	5,543,400	0.20%
Total	\$ 94,126,900	3.32%	\$ 99,542,900	3.52%

Source: Washington Township Tax Assessor.

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

Chester Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2020	2,078,486	2,078,486	100.00%	- 0 -
2021	2,341,706	2,341,706	100.00%	- 0 -

Chester Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2020	10,340,820	10,340,820	100.00%	- 0 -
2021	10,576,288	10,576,288	100.00%	- 0 -

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

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

Mendham Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2020	7,532,942	6,935,175	92.06%	597,767
2021	8,115,979	7,471,402	92.06%	644,577

Mendham Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2020	10,719,500	10,719,500	100.00%	- 0 -
2021	10,534,742	9,698,065	92.06%	836,677

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

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

Washington Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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 -
2020	16,868,044	16,868,044	100.00%	- 0 -
2021	16,762,218	15,430,950	92.06%	1,331,268

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

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

Chester Borough

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2012	\$ 641,104	\$ - 0 -	\$ - 0 -	\$ 641,104	0.48%	\$ 386.21
2013	729,103	- 0 -	- 0 -	729,103	0.54%	438.69
2014	583,105	- 0 -	- 0 -	583,105	0.42%	351.06
2015	608,995	- 0 -	6,371	615,366	0.42%	371.37
2016	721,349	- 0 -	6,305	727,654	0.48%	440.47
2017	503,015	- 0 -	3,318	506,333	0.33%	307.24
2018	508,197	- 0 -	159,026	667,223	0.42%	406.84
2019	448,658	- 0 -	187,977	636,635	0.39%	392.26
2020	351,954	- 0 -	171,314	523,268	0.32%	323.00
2021	301,853	- 0 -	359,904	661,757	0.40%	408.49

Chester Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2012	\$ 4,821,804	\$ - 0 -	\$ - 0 -	\$ 4,821,804	0.77%	\$ 611.44
2013	4,430,418	- 0 -	- 0 -	4,430,418	0.70%	561.74
2014	4,350,530	- 0 -	- 0 -	4,350,530	0.66%	553.36
2015	3,819,449	- 0 -	39,956	3,859,405	0.56%	491.46
2016	3,410,315	- 0 -	29,810	3,440,125	0.48%	439.58
2017	3,123,955	- 0 -	20,606	3,144,561	0.43%	402.99
2018	2,510,374	- 0 -	785,553	3,295,927	0.43%	425.17
2019	2,228,312	- 0 -	933,608	3,161,920	0.41%	412.73
2020	1,751,030	- 0 -	852,315	2,603,345	0.34%	341.69
2021	1,363,315	- 0 -	1,625,503	2,988,818	0.39%	392.28

Source: West Morris Regional High School District records.

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

Mendham Borough

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2012	\$ 3,034,292	\$ - 0 -	\$ - 0 -	\$ 3,034,292	0.76%	\$ 604.92
2013	2,793,752	- 0 -	- 0 -	2,793,752	0.69%	558.64
2014	2,710,787	- 0 -	- 0 -	2,710,787	0.65%	544.44
2015	2,612,202	- 0 -	27,327	2,639,529	0.60%	532.06
2016	2,322,531	- 0 -	20,301	2,342,832	0.52%	473.78
2017	2,104,085	- 0 -	13,879	2,117,964	0.46%	430.13
2018	1,900,360	- 0 -	594,666	2,495,026	0.52%	509.19
2019	1,552,586	- 0 -	650,496	2,203,082	0.45%	454.71
2020	1,275,567	- 0 -	620,883	1,896,450	0.39%	392.15
2021	1,046,174	- 0 -	1,247,370	2,293,544	0.47%	474.26

Mendham Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2012	\$ 4,669,073	\$ - 0 -	\$ - 0 -	\$ 4,669,073	0.99%	\$ 792.44
2013	4,519,192	- 0 -	- 0 -	4,519,192	0.95%	769.75
2014	4,085,325	- 0 -	- 0 -	4,085,325	0.83%	698.70
2015	3,812,526	- 0 -	39,884	3,852,410	0.75%	660.34
2016	3,523,457	- 0 -	30,798	3,554,255	0.67%	612.27
2017	3,010,869	- 0 -	19,860	3,030,729	0.56%	524.71
2018	2,617,130	- 0 -	818,959	3,436,089	0.61%	599.67
2019	2,208,271	- 0 -	925,211	3,133,482	0.54%	553.52
2020	1,815,152	- 0 -	883,526	2,698,678	0.47%	479.08
2021	1,357,959	- 0 -	1,619,118	2,977,077	0.52%	528.51

Source: West Morris Regional High School District records.

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

Washington Township

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2012	\$ 7,533,727	\$ - 0 -	\$ - 0 -	\$ 7,533,727	0.51%	\$ 403.41
2013	6,832,535	- 0 -	- 0 -	6,832,535	0.45%	366.67
2014	6,120,253	- 0 -	- 0 -	6,120,253	0.39%	329.49
2015	5,521,828	- 0 -	57,765	5,579,593	0.34%	300.61
2016	4,872,348	- 0 -	42,589	4,914,937	0.29%	265.36
2017	4,513,076	- 0 -	29,768	4,542,844	0.26%	245.41
2018	4,058,939	- 0 -	1,270,135	5,329,074	0.30%	290.35
2019	3,417,173	- 0 -	1,431,712	4,848,885	0.26%	267.30
2020	2,856,297	- 0 -	1,390,303	4,246,600	0.23%	235.41
2021	2,160,699	- 0 -	2,576,238	4,736,937	0.26%	262.59

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

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.

Source: West Morris Regional High School District records.

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

Chester Borough

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable ^a	Per Capita ^b
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%	367.53
2016	721,349	- 0 -	721,349	0.182%	436.65
2017	503,015	- 0 -	503,015	0.126%	305.23
2018	508,197	- 0 -	508,197	0.127%	309.88
2019	448,658	- 0 -	448,658	0.113%	276.44
2020	351,954	- 0 -	351,954	0.087%	217.26
2021	301,853	- 0 -	301,853	0.075%	186.33

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 ^a	Per Capita ^b
2012	\$ 4,821,804	\$ - 0 -	\$ 4,821,804	0.263%	\$ 611.44
2013	4,430,418	- 0 -	4,430,418	0.243%	561.74
2014	4,350,530	- 0 -	4,350,530	0.239%	553.36
2015	3,819,449	- 0 -	3,819,449	0.210%	486.37
2016	3,410,315	- 0 -	3,410,315	0.187%	435.77
2017	3,123,955	- 0 -	3,123,955	0.171%	400.35
2018	2,510,374	- 0 -	2,510,374	0.137%	323.84
2019	2,228,312	- 0 -	2,228,312	0.122%	290.86
2020	1,751,030	- 0 -	1,751,030	0.096%	229.82
2021	1,363,315	- 0 -	1,363,315	0.075%	178.94

Source: West Morris Regional High School District records.

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

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 ^a	Per Capita ^b
2012	\$ 3,034,292	\$ - 0 -	\$ 3,034,292	0.235%	\$ 604.92
2013	2,793,752	- 0 -	2,793,752	0.218%	558.64
2014	2,710,787	- 0 -	2,710,787	0.211%	544.44
2015	2,612,202	- 0 -	2,612,202	0.203%	526.55
2016	2,322,531	- 0 -	2,322,531	0.181%	469.67
2017	2,104,085	- 0 -	2,104,085	0.164%	427.31
2018	1,900,360	- 0 -	1,900,360	0.148%	387.83
2019	1,552,586	- 0 -	1,552,586	0.122%	320.45
2020	1,275,567	- 0 -	1,275,567	0.100%	263.76
2021	1,046,174	- 0 -	1,046,174	0.082%	216.33

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 ^a	Per Capita ^b
2012	\$ 4,669,073	\$ - 0 -	\$ 4,669,073	0.247%	\$ 792.44
2013	4,519,192	- 0 -	4,519,192	0.240%	769.75
2014	4,085,325	- 0 -	4,085,325	0.217%	698.70
2015	3,812,526	- 0 -	3,812,526	0.203%	653.50
2016	3,523,457	- 0 -	3,523,457	0.188%	606.97
2017	3,010,869	- 0 -	3,010,869	0.160%	521.27
2018	2,617,130	- 0 -	2,617,130	0.140%	456.74
2019	2,208,271	- 0 -	2,208,271	0.118%	390.08
2020	1,815,152	- 0 -	1,815,152	0.097%	322.24
2021	1,357,959	- 0 -	1,357,959	0.073%	241.07

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			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 7,533,727	\$ - 0 -	\$ 7,533,727	0.267%	\$ 403.41
2013	6,832,535	- 0 -	6,832,535	0.242%	366.67
2014	6,120,253	- 0 -	6,120,253	0.218%	329.49
2015	5,521,828	- 0 -	5,521,828	0.197%	297.50
2016	4,872,348	- 0 -	4,872,348	0.173%	263.06
2017	4,513,076	- 0 -	4,513,076	0.160%	243.81
2018	4,058,939	- 0 -	4,058,939	0.144%	221.15
2019	3,417,173	- 0 -	3,417,173	0.121%	188.38
2020	2,856,297	- 0 -	2,856,297	0.101%	158.34
2021	2,160,699	- 0 -	2,160,699	0.077%	119.78

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

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

^b See Exhibit J-14 for population data. This ratio is calculated using population data for the prior calendar year.

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Chester	\$ 7,018,800	100.00%	\$ 7,018,800
Township of Chester	16,524,625	100.00%	16,524,625
Borough of Mendham	1,717,238	100.00%	1,717,238
Township of Mendham	20,314,655	100.00%	20,314,655
Township of Washington	10,493,000	100.00%	10,493,000
County of Morris General Obligation Debt (all constituent municipalities)	250,902,245	8.67%	<u>21,763,050</u>
Subtotal, Overlapping Debt			77,831,368
West Morris Regional School District Direct Debt			<u>8,050,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 85,881,368</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 the municipalities comprising the West Morris Regional High School District. This process recognizes that when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping unit.

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

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

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

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 254,342,414	\$ 254,406,183	\$ 254,843,729	\$ 253,898,898	\$ 251,755,855
Total Net Debt Applicable to Limit	13,255,000	11,595,000	9,855,000	8,050,000	6,230,000
Legal Debt Margin	<u>\$ 241,087,414</u>	<u>\$ 242,811,183</u>	<u>\$ 244,988,729</u>	<u>\$ 245,848,898</u>	<u>\$ 245,525,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.21%	4.56%	3.87%	3.17%	2.47%

Legal Debt Margin Calculation for Fiscal Year 2021

Year Ended December 31,	Chester Borough	Chester Township	Mendham Borough	Mendham Township	Washington Township	Equalized Valuation Basis
2018	385,064,408	1,914,841,090	1,368,257,530	1,916,561,951	2,894,744,060	8,479,469,039
2019	392,740,215	1,880,650,401	1,366,746,134	1,890,593,788	2,880,678,254	8,411,408,792
2020	397,106,739	1,846,652,394	1,319,684,205	1,829,492,940	2,891,771,358	8,284,707,636
	<u>\$ 1,174,911,362</u>	<u>\$5,642,143,885</u>	<u>\$4,054,687,869</u>	<u>\$5,636,648,679</u>	<u>\$8,667,193,672</u>	<u>\$25,175,585,467</u>
						Average Equalized Valuation of Taxable Property
						<u>\$ 8,391,861,822</u>
						Debt Limit ^a (3% of Average Equalization Value)
						\$ 251,755,855
						Net Bonded School Debt
						<u>6,230,000</u>
						Legal Debt Margin
						<u>\$ 245,525,855</u>

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

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

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

Chester Borough

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2011	1,659	\$ 76,730	\$ 127,295,070	8.40%
2012	1,660	79,775	132,426,500	8.80%
2013	1,662	80,815	134,314,530	6.50%
2014	1,661	84,278	139,985,758	3.80%
2015	1,657	88,335	146,371,095	3.70%
2016	1,652	91,148	150,576,496	3.30%
2017	1,648	93,633	154,307,184	3.40%
2018	1,640	97,819	160,423,160	2.30%
2019	1,623	101,646	164,971,458	2.00%
2020	1,620	101,646 *	164,666,520	5.60%

Chester Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2011	7,883	\$ 76,730	\$ 604,862,590	4.80%
2012	7,886	79,775	629,105,650	5.00%
2013	7,887	80,815	637,387,905	5.80%
2014	7,862	84,278	662,593,636	4.40%
2015	7,853	88,335	693,694,755	3.70%
2016	7,826	91,148	713,324,248	3.40%
2017	7,803	93,633	730,618,299	3.20%
2018	7,752	97,819	758,292,888	3.00%
2019	7,661	101,646	778,710,006	2.50%
2020	7,619	101,646 *	774,440,874	5.90%

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

Mendham Borough

Year	Borough Population ^a	Morris County Per Capita Personal Income ^b	Borough Personal Income ^c	Borough Unemployment Rate ^d
2011	5,012	\$ 76,730	\$ 384,570,760	3.10%
2012	5,016	79,775	400,151,400	3.30%
2013	5,001	80,815	404,155,815	6.70%
2014	4,979	84,278	419,620,162	4.70%
2015	4,961	88,335	438,229,935	3.70%
2016	4,945	91,148	450,726,860	3.80%
2017	4,924	93,633	461,048,892	3.60%
2018	4,900	97,819	479,313,100	3.50%
2019	4,845	101,646	492,474,870	3.00%
2020	4,836	101,646 *	491,560,056	6.20%

Mendham Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2011	5,890	\$ 76,730	\$ 451,939,700	2.00%
2012	5,892	79,775	470,034,300	2.10%
2013	5,871	80,815	474,464,865	2.00%
2014	5,847	84,278	492,773,466	4.00%
2015	5,834	88,335	515,346,390	3.30%
2016	5,805	91,148	529,114,140	3.20%
2017	5,776	93,633	540,824,208	3.10%
2018	5,730	97,819	560,502,870	2.70%
2019	5,661	101,646	575,418,006	2.40%
2020	5,633	101,646 *	572,571,918	5.30%

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

Washington Township

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income ^c	Township Unemployment Rate ^d
2011	18,626	\$ 76,730	\$ 1,429,172,980	6.50%
2012	18,675	79,775	1,489,798,125	6.70%
2013	18,634	80,815	1,505,906,710	5.00%
2014	18,575	84,278	1,565,463,850	4.60%
2015	18,561	88,335	1,639,585,935	4.30%
2016	18,522	91,148	1,688,243,256	3.50%
2017	18,511	93,633	1,733,240,463	3.40%
2018	18,354	97,819	1,795,369,926	3.20%
2019	18,140	101,646	1,843,858,440	2.70%
2020	18,039	101,646 *	1,833,592,194	6.60%

* - Latest Morris County per capita personal income available (2019) 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

	2020		2011			
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System		7,642	2.98%	Novartis Corporation	4,990	1.99%
Picatinny Arsenal		6,000	2.34%	Atlantic Health	4,933	1.97%
Novartis		5,200	2.03%	Picatinny Arsenal	4,442	1.77%
Bayer		3,483	1.36%	County of Morris	2,675	1.07%
Barclays		2,560	1.00%	UPS	2,332	0.93%
ADP		2,400	0.93%	ADP	1,924	0.77%
Accenture		1,826	0.71%	AT&T	1,550	0.62%
Honeywell		1,704	0.66%	St. Clare's Health System	1,531	0.61%
St. Clare's Health System		1,638	0.64%	BASF	1,400	0.56%
County of Morris		1,469	0.57%	Avis Budget Group, Inc.	1,378	0.55%
		<u>33,922</u>	<u>13.21%</u>		<u>27,155</u>	<u>10.83%</u>
Total Employment *		<u>256,698</u>			<u>250,640</u>	

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

Source: Morris County Treasurer's Office.

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	181.00	176.80	177.20	179.60	174.40	169.40	169.80	168.60	167.00	161.40
Special Education	40.00	43.00	40.40	39.40	41.20	37.80	36.40	38.90	35.80	37.80
Support Services:										
Student & Instruction-Related Services	55.50	53.00	49.00	48.00	46.00	51.00	52.00	51.88	55.00	54.00
General Administration	3.00	5.00	8.00	8.00	8.00	7.00	7.20	5.90	5.90	6.20
School Administration	14.60	16.50	20.50	20.50	21.30	21.60	19.60	19.30	20.80	18.50
Central Services	4.00	4.00	4.00	5.80	5.60	5.80	5.60	5.20	5.20	5.20
Administrative Information Technology	4.00	4.00	5.60	5.00	5.00	7.00	7.00	8.00	7.00	7.00
Plant Operations/Maintenance	31.00	31.00	30.00	30.00	30.10	30.00	31.00	30.00	30.00	30.00
Student Transportation	4.00	4.00	2.80	2.80	2.80	2.80	2.80	2.90	2.80	2.90
Total	337.10	337.30	337.50	339.10	334.40	332.40	331.40	330.68	329.50	323.00

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 ^a	Costs per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Senior High School	School				
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%
2020	2,431	56,100,949	23,077	4.17%	225	10.8:1	10.8:1	2,364	2,247	-2.64%	95.05%
2021	2,241	58,406,745	26,063	12.94%	217	10.3:1	10.3:1	2,217	2,136	-6.22%	96.35%

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

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d Costs per pupil is calculated based upon the operating costs and enrollment presented which may differ from other per pupil cost calculations.

Source: West Morris Regional High School District records.

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

<u>District Buildings</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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)	1,370	1,340	1,318	1,315	1,304	1,318	1,260	1,251	1,193	1,099
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	1,366	1,426	1,417	1,407	1,359	1,317	1,264	1,244	1,238	1,142
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)										
Square Feet										
West Morris Central Maintenance Garage #2 (2001)										
Square Feet										
West Morris Central Storage Building (1985)										
Square Feet										
West Morris Mendham Maintenance Garage (1970)										
Square Feet										
West Morris Mendham Storage Building (1980)										
Square Feet										

Number of Schools at June 30, 2021:
 High Schools = 2

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: West Morris Regional High School District Business Office.

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

Undistributed Expenditures - Required Maintenance for School Facilities*

Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended</u> <u>June 30</u>	<u>Central</u> <u>High</u> <u>School</u>	<u>Mendham</u> <u>High</u> <u>School</u>	<u>Total</u> <u>School</u> <u>Facilities*</u>
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
2020	120,920	130,756	251,676
2021	199,506	196,074	395,580

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

Source: West Morris Regional High School District records.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2021UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
PROPERTY:	American Alternative Ins. Co.		
Property - Blanket and Contents			
School Limit Per Statement of Values		\$ 109,542,819	\$ 5,000
Flood:			
Outside Zones A, V, or B		5,000,000	50,000
Zone B		2,000,000	100,000
Zones A or V		1,000,000	500,000
Earthquake		5,000,000	5%
Business Income and Extra Expense		5,000,000	(72 Hours)
Contractors Equipment (\$10,000 Per Item Limit)		250,000	1,000
Musical Instruments, Athletic Equipment'			
Band Uniforms and Theatrical Equipment		250,000	1,000
Valuable Papers		5,000,000	1,000
Electronic Data Processing Equipment		2,500,000	5,000
Accounts Receivable		100,000	1,000
BOILER & MACHINERY:	American Alternative Ins. Co.		
Property Damage (Blanket)		50,000,000	5,000
GENERAL LIABILITY:	American Alternative Ins. Co.		
General Aggregate		2,000,000	
Each Occurrence		1,000,000	
COMMERCIAL AUTOMOBILE LIABILITY:	American Alternative Ins. Co.		
20 Vehicles Combined Single Limit		1,000,000	
Comprehensive			1,000
Collision			1,000
COMMERCIAL UMBRELLA	American Alternative Ins. Co.	10,000,000	10,000
EXCESS COMMERCIAL UMBRELLA	Fireman's Fund		
(Note: Shared Limits)			
Per Occurrence		50,000,000	
Aggregate		50,000,000	
EXCESS COMMERCIAL LIABILITY			
(Note: Unshared Limits)			
StarStone		15,000,000	
Markel		15,000,000	

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

Type of Policy	Insurance Company	Policy Limits	Deductible
CYBER & TECHNOLOGY LIABILITY	XL Group Insurance		
1st Party Coverage		\$ 1,000,000	\$ 15,000
3rd Party Coverage		2,000,000	
Group Aggregate		4,000,000	
WORKERS' COMPENSATION:	Morris Essex Insurance Group		
Limit of Indemnity Per Occurrence:			
(1) Part-One Workers' Compensation		Statutory	
(2) Part-Two - Employer's Liability		5,000,000	
CRIME:	American Alternative Ins. Co.		
Employee Theft		500,000	5,000
Forgery and Alterations		50,000	1,000
EDUCATORS' LEGAL LIABILITY	XL Catlin	1,000,000	10,000
EMPLOYMENT PRACTICES LIABILITY	XL Catlin	1,000,000	20,000
INDIVIDUAL SURETY BONDS:			
Business Administrator/Board Secretary	Selective Insurance Company	500,000	
Treasurer	Selective Insurance Company	300,000	
ATHLETIC ACCIDENT:			
Student Accident Athletics	Arch/US Fire Insurance Company	5,000,000	
Disability Plan - All Athletes	Arch/US Fire Insurance Company	1,000,000	

Source: West Morris Regional High School District records.

SINGLE AUDIT SECTION



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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, 2021, 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 23, 2021.

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) as a basis for designing 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 financial statements. 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.

November 23, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the West Morris Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with 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.

November 23, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP

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, 2021

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2021		Amount Provided to Sub- recipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	
US Department of Treasury:													
Passed-through State Department of Education:													
Special Revenue Fund:													
COVID-19 Coronavirus Relief Fund	21.019	N/A	3/1/20	12/31/20	\$ 62,546		\$ 62,546	\$ (62,546)					
Total US Department of Treasury							62,546	(62,546)					
US Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Education Stabilization Fund:													
COVID-19 Digital Divide Grant	84.425D	N/A	7/16/20	10/31/20	15,617		15,617	(15,617)					
COVID-19 CARES Emergency Rel	84.425D	CARES566020	7/1/20	6/30/22	59,537		59,537	(59,537)					
COVID-19 CRRSA:													
Non-Title I	84.425D	S425D210027	3/13/20	9/30/23	279,630			(279,630)		\$ (279,630)			
Learning Acceleration	84.425D	S425D210027	3/13/20	9/30/23	25,000			(25,000)		(25,000)			
Mental Health	84.425D	S425D210027	3/13/20	9/30/23	45,000			(45,000)		(45,000)			
Total Education Stabilization Fund							75,154	(424,784)			(349,630)		
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA-5660-17	7/1/16	6/30/17	42,714		\$ 2,270			\$ (2,270)			
Title II - Parts A and D	84.367	ESEA-5660-21	7/1/20	9/30/21	29,968			(24,193)			(24,193)		
Title II - Parts A and D	84.367	ESEA-5660-20	7/1/19	9/30/20	28,056		27,596	(26,631)					
Title II - Parts A and D	84.367	ESEA-5660-17	7/1/16	6/30/17	34,605		103	(103)					
Subtotal Title II - Parts A and D							27,596	(50,824)			(24,193)		
Total Elementary and Secondary Education Act							27,596	(50,824)			(24,193)		
Special Education Cluster:													
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-21	7/1/20	9/30/21	537,123		505,024	(523,306)			(18,282)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-20	7/1/19	9/30/20	570,276		40,576					\$ 935	
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-19	7/1/18	6/30/19	534,071		935						
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5660-17	7/1/16	6/30/17	535,917		31,416	(31,416)					
Total Special Education Cluster							31,416	(31,416)					
Total US Department of Education							545,600	(523,306)			(18,282)		935
Total Special Revenue Fund							573,196	(574,130)			(42,475)		935
TOTAL FEDERAL AWARDS							\$ 710,896	(1,061,460)			(392,105)		\$ -0-
							\$ 33,789	\$ (1,061,460)			\$ (33,789)		\$ -0-

N/A - Not Available/Applicable.

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Project Number	Grant Period		Program/ Award Amount	June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2021		MEMO	
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)
State Department of Education:													
General Fund:													
Transportation Aid	21-495-034-5120-014	7/1/20	6/30/21	\$ 1,396,979			\$ 1,264,904	\$ (1,396,979)				\$ (132,075)	\$ 1,396,979
Transportation Aid	20-495-034-5120-014	7/1/19	6/30/20	1,396,979			132,682						
Special Education	21-495-034-5120-089	7/1/20	6/30/21	2,078,066			1,881,598	(2,078,066)				(196,468)	2,078,066
Categorical Aid	20-495-034-5120-089	7/1/19	6/30/20	2,078,066			197,370						
Security Aid	21-495-034-5120-084	7/1/20	6/30/21	213,804			193,590	(213,804)				(20,214)	213,804
Security Aid	20-495-034-5120-084	7/1/19	6/30/20	213,804			20,306						
Equalization Aid	21-495-034-5120-078	7/1/20	6/30/21	313,431			283,798	(313,431)				(29,633)	313,431
Equalization Aid	20-495-034-5120-078	7/1/19	6/30/20	313,431			29,769						
Adjustment Aid	21-495-034-5120-085	7/1/20	6/30/21	186,615			168,972	(186,615)				(17,643)	186,615
Adjustment Aid	20-495-034-5120-085	7/1/19	6/30/20	276,868			26,296						
Extraordinary Special Education Costs	21-495-034-5120-044	7/1/20	6/30/21	990,293			608,980	(990,293)				(990,293)	990,293
Nonpublic School Transportation Costs	20-495-034-5120-044	7/1/19	6/30/20	608,980				(52,285)				(52,285)	52,285
On-Behalf TPAF Contributions:													
Post-Retirement Medical	21-495-034-5094-001	7/1/20	6/30/21	1,670,689			1,670,689	(1,670,689)					1,670,689
Pension	21-495-034-5094-002	7/1/20	6/30/21	5,231,580			5,231,580	(5,231,580)					5,231,580
Non-Contributory Insurance	21-495-034-5094-004	7/1/20	6/30/21	99,538			99,538	(99,538)					99,538
Long-Term Disability Insurance	21-495-034-5094-004	7/1/20	6/30/21	3,197			3,197	(3,197)					3,197
Reimbursed TPAF Contributions:													
Social Security Aid	21-495-034-5094-003	7/1/20	6/30/21	1,320,723			1,313,802	(1,320,723)				(6,921)	1,320,723
Social Security Aid	20-495-034-5094-003	7/1/19	6/30/20	1,447,034			7,717						
Total General Fund State Aid													
							(1,036,877)	(13,557,200)			(1,049,499)	(1,445,532)	13,557,200
Special Revenue Fund:													
State Department of Education:													
NJ Nonpublic Aid:													
Textbook Aid (Chapter 194)	21-100-034-5120-064	7/1/20	6/30/21	21,931			21,931	(21,931)					21,931
Nursing Services (Chapter 226)	21-100-034-5120-070	7/1/20	6/30/21	36,720			36,720	(36,720)					36,720
Handicapped Services (Chapter 193):													
Examination & Classification	21-100-034-5120-066	7/1/20	6/30/21	10,223			10,223	(8,733)					8,733
Examination & Classification	20-100-034-5120-066	7/1/19	6/30/20	12,267			1,226					\$ (4,644)	10,200
Supplementary Instruction	21-100-034-5120-066	7/1/20	6/30/21	10,200			10,200	(10,200)					10,200
Supplementary Instruction	20-100-034-5120-066	7/1/19	6/30/20	13,761			1,376					(4,047)	
Total State Department of Education													
							(2,602)	(77,584)			1,490	(8,691)	77,584
Total Special Revenue Fund							(2,602)	(77,584)			1,490	(8,691)	77,584

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program/Award Amount	June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Balances	June 30, 2021		MEMO		
				Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION													
				\$ (1,039,479)	\$ 8,691	\$ 13,230,221	\$ (13,634,784)	\$ (8,691)	\$ (1,049,499)	\$ - 0 -	\$ 1,490	\$ (1,445,532)	\$ 13,634,784
Less - State Awards Not Subject to Single Audit Major Program Determination:													
On-Behalf TPAF Pension System Contributions:													
Post-Retirement Medical							1,670,689						
Pension							5,231,580						
Non-Contributory Insurance							99,538						
Long-Term Disability Insurance							3,197						
Subtotal On-Behalf TPAF Pension System Contributions							7,005,004						
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION													
							\$ (6,629,780)						

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, 2021

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, 2021. 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, 2021

(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 \$10,390 for the General Fund and \$285 for the Special Revenue Fund (which are not attributable to federal and state grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. 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		\$ 13,567,590	\$13,567,590
Special Revenue Fund	\$ 1,061,460	77,584	1,139,044
 Total Financial Awards	 \$ 1,061,460	 \$13,645,174	 \$14,706,634

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, 2021.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal or state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's federal and state programs tested as major programs for the current fiscal year were the following:

	<u>CFDA or State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. - Part B, Basic:				
Regular	84.027	7/1/20-9/30/21	\$ 537,123	\$ 523,306
<u>State:</u>				
Reimbursed TPAF				
Contributions:				
Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	1,320,723	1,320,723
Extraordinary Special Education Costs	21-495-034-5120-044	7/1/20-6/30/21	990,293	990,293

- The threshold used for distinguishing between Type A and Type B federal and 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 not to be a "low-risk" auditee for federal programs.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

Summary of Auditors' Results: (Cont'd)

- The District was determined to be a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in the Uniform Guidance.

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, 2021

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2020.