

**WEST MORRIS REGIONAL
HIGH SCHOOL DISTRICT**

**West Morris Regional High School District Board of Education
Chester, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

**West Morris Regional
High School District**

Chester, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

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

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INTRODUCTORY SECTION
(UNAUDITED)



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L. DOUGLAS PECHANEC
BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT
DIRECTOR OF SPECIAL EDUCATION

November 28, 2022

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 Annual Comprehensive Financial Report of the West Morris Regional High School District (the “District”) for the fiscal year ended June 30, 2022 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 Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials and consultants. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** West Morris Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The West Morris Regional High School District Board of Education and all its schools constitute the District's reporting entity.

The District, serving the Boroughs of Chester and Mendham and the Townships of Chester, Mendham and Washington, was formed on 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 Township School District” and the remaining three municipalities constitute separate districts.

While some residents commute to jobs in the Newark-New York City area, many residents work in nearby communities. They primarily are professionals, executives, clerical and skilled workers, a few farmers and local independent business people. Housing throughout the School District varies from apartments, townhouses, colonial and Victorian residences to new developments and large contemporary homes on several acres.

The School District operates two, grade 9-12, comprehensive high schools: West Morris Mendham High School, which is located in Mendham Borough, and West Morris Central High School, which is located in Washington Township. Students residing in Washington Township generally attend West Morris Central High; students residing in Chester Borough, Chester Township, Mendham Township and Mendham Borough generally attend West Morris Mendham High.

The School District is administered by a nine-member Board of Education (“the Board”), with three members elected each year for three-year terms. A candidate for the Board must have resided in the School District for at least one year and not be interested directly in any claim or contract with the Board. Board members serve without compensation. The Board annually chooses a President and a Vice President from among its members and also appoints the Treasurer of School Monies, Board Secretary/Business Administrator and Assistant Board Secretary. The Superintendent of Schools is appointed by the Board on a renewable contractual basis for a minimum of three and a maximum of five years. In January 2012, the Board voted to move the election to November as allowed by NJ Statutes, forgoing a budget vote for four years, provided the budget is at or below the tax cap indicated within state statute. Bonds authorized by the Board for capital projects must be approved or disapproved by the voters in the School District in a referendum election which may be held at various specific times in accordance with State statute.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational as well as special education for students with educational disabilities. The District completed the 2021/2022 fiscal year with an average daily enrollment of 2,178 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> |
|--------------------|---------------------------|-----------------------|
| 2021-2022 | 2,178 | (1.76%) |
| 2020-2021 | 2,217 | (5.94%) |
| 2019-2020 | 2,357 | (2.92%) |
| 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 | (2.78%) |
| 2013-2014 | 2,735 | (1.41%) |
| 2012-2013 | 2,774 | 1.62% |

2. ECONOMIC CONDITION AND OUTLOOK: The five communities which comprise the District have been affected by the after effects of COVID. 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 94% of our students continue their education at two or four year colleges. For the 21-22 school year, students took 854 AP tests with 645 scores of three (3) or higher. For the 614 students in the WMRHSD class of 2022, 180 (29%) were AP Scholars, with 63 (10%) students earning an International Baccalaureate Diploma and 134 (22%) students earning the International Baccalaureate Career Program 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 a vote 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 canceled 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, 2022.

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.

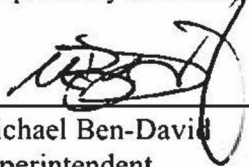
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under 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.

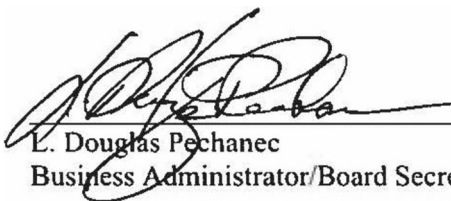
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in 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

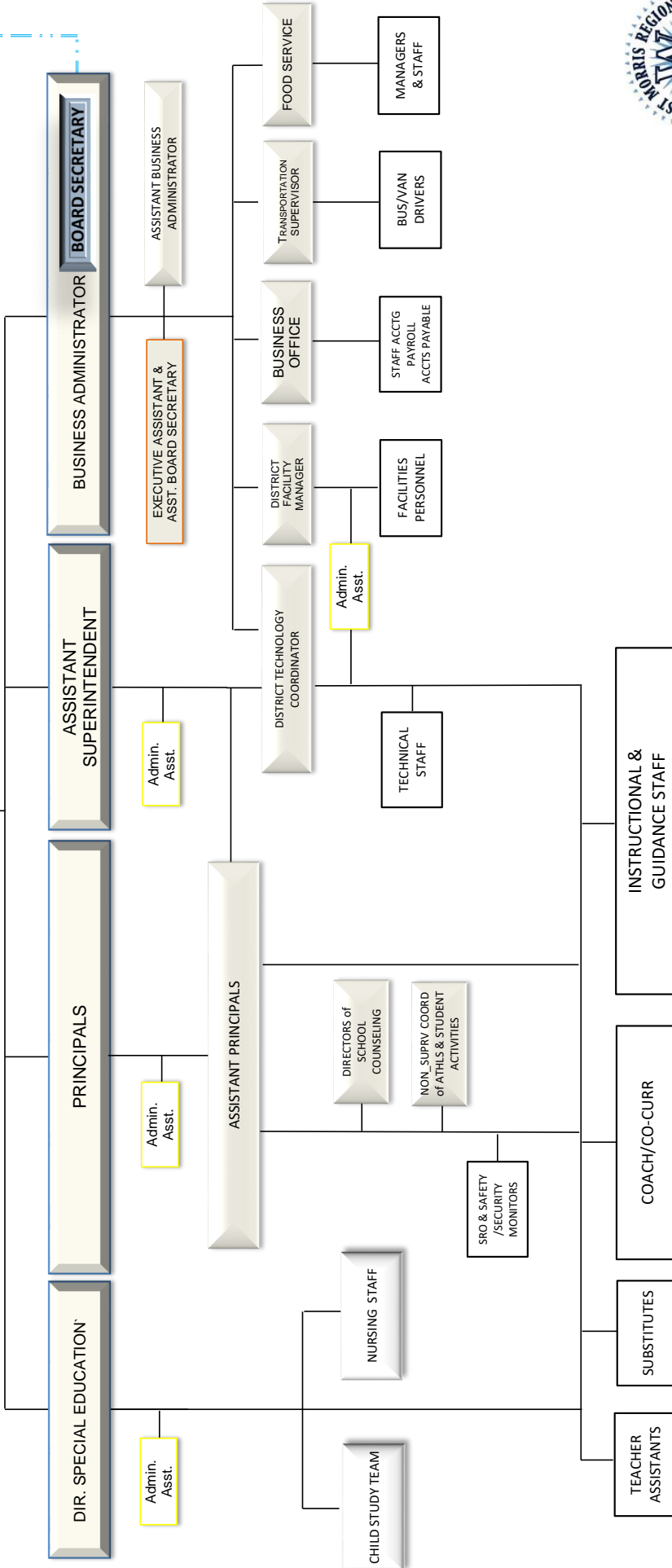


WEST MORRIS REGIONAL HIGH SCHOOL
BOARD of EDUCATION
 10 South Four Bridges Road, Chester, New Jersey



SUPERINTENDENT

EXECUTIVE/CONFIDENTIAL SECRETARY & Support Staff





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BUSINESS ADMINISTRATOR/BOARD SECRETARY

MICHAEL REINKNECHT
DIRECTOR OF SPECIAL EDUCATION

ROSTER OF OFFICIALS AS OF JUNE 30, 2022

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 |
| Armand Czapkowski | Member | December | 2024 |
| Michael Golabek | Member | December | 2022 |
| John Sheppard | Member | December | 2024 |
| Don Storms | Member | December | 2024 |

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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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 Audit of the Financial Statements

Qualified Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District’s note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 post-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information 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*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022 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 District's internal control over financial reporting and compliance.

November 28, 2022
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, 2022
(Unaudited)

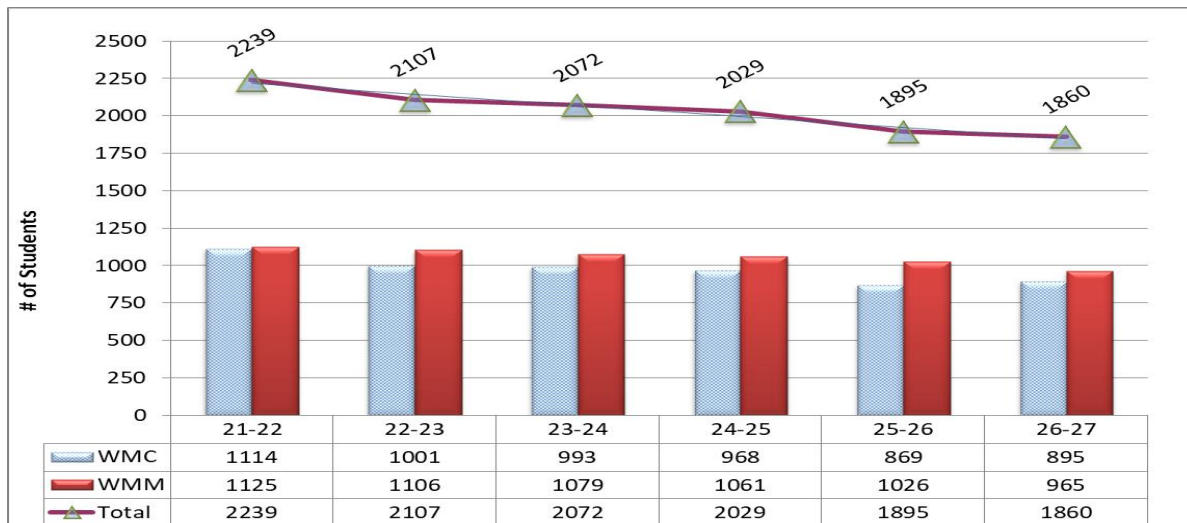
Management’s Discussion and Analysis:

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, 2022. 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, 2022 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, 2022
(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 prior year 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 2021-2022 fiscal year budget and the change from the prior year budget.

| SOURCE of REVENUES | 2020-21 | 2021-22 | \$ inc/(dec) |
|--|----------------------------------|---------------------|--------------------|
| Tax Revenue | \$46,061,758 | \$46,752,684 | \$690,926 |
| Debt Svc. (Bonds) | \$2,269,175 | \$2,075,913 | -\$193,263 |
| TAX LEVY TOTALS: | \$48,330,933 | \$48,828,597 | \$497,664 |
| | overall tax increase: | | 1.03% |
| State Aid Revenue | \$4,188,895 | \$4,028,117 | -\$160,778 |
| Fund Balance | \$2,183,000 | \$3,724,549 | \$1,541,549 |
| Misc. Revenues | \$1,431,511 | \$1,409,709 | -\$21,802 |
| Special Revenue-State/Fed Funds | \$661,298 | \$649,195 | -\$12,103 |
| Capital Reserve withdrawl | \$1,747,611 | \$2,049,986 | \$302,375 |
| OTHER REVENUE TOTALS: | \$10,212,315 | \$11,861,556 | \$1,649,242 |
| TOTAL REVENUE/BUDGET: | \$58,543,248 | \$60,690,153 | \$2,146,905 |
| | overall revenue increase: | | 3.67% |

The state mandated tax levy cap of 2%, plus allowable 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 1.5% resulting in a 1.03% calendar year increase. State aid revenue for 2021-2022 decreased \$160,778 or (3.08%) below the 2020-21 level. The state aid revenue above 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 \$3,298,414 to be allocated in fiscal year 2023-2024. The excess surplus, when compared to prior years appears to be significantly higher. This is due to funds budgeted that were not needed as anticipated. The law changed to modify the percentage of unassigned surplus allowable under N.J.S.A. 18A:7F-7 for fiscal years 2020-2021 and 2021-2022. 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.

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



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2022 (Unaudited)

The Annual Comprehensive Financial Report presents the district's financial position as of June 30, 2022 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 Activities, 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 Activities, 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, 2022
(Unaudited)

District-Wide Viewpoint:

Statement of Net Position During 2021-2022 the district's total Net Position increased \$1,452,405, or 3.21%. Net Position for Governmental Activities increased \$1,446,113, and Net Position from Business Activities increased by \$6,292.

| | Governmental Activities | | Business Activities | | TOTAL | TOTAL | % |
|-----------------------------------|-------------------------|-----------------------|---------------------|------------------|-----------------------|-----------------------|----------------|
| | 2021-22 | 2020-21* | 2021-22 | 2020-21* | 2021-22 | 2020-21* | |
| ASSETS: | | | | | | | |
| Current & Other Assets | \$18,117,387 | \$17,264,956 | \$ 77,160 | \$ 64,542 | \$18,194,547 | \$17,329,498 | |
| Capital Assets, Net | \$ 52,621,844 | \$ 53,845,604 | \$ 9,554 | \$ 12,851 | \$ 52,631,398 | \$ 53,858,455 | |
| TOTAL ASSETS | \$70,739,231 | \$71,110,560 | \$ 86,714 | \$ 77,393 | \$70,825,945 | \$71,187,953 | -0.51% |
| Deferred Outflows of Resources | \$ 1,711,651 | \$ 2,818,733 | - | - | \$ 1,711,651 | \$ 2,818,733 | -39.28% |
| LIABILITIES: | | | | | | | |
| Other Liabilities | \$ 2,357,850 | \$ 2,094,318 | \$ 48,661 | \$ 45,632 | \$ 2,406,511 | \$ 2,139,950 | |
| Long Term Liabilities | \$ 19,330,895 | \$ 24,302,020 | \$ 5,000 | \$ 5,000 | \$ 19,335,895 | \$ 24,307,020 | |
| TOTAL LIABILITIES | \$ 21,688,745 | \$ 26,396,338 | \$ 53,661 | \$ 50,632 | \$ 21,742,406 | \$ 26,446,970 | -17.79% |
| Deferred Inflows of Resources | \$ 4,114,278 | \$ 3,515,124 | \$ - | \$ - | \$ 4,114,278 | \$ 3,515,124 | 17.05% |
| NET POSITION: | | | | | | | |
| Investment in | | | | | | | |
| Capital Assets | \$ 43,164,091 | \$ 42,135,862 | \$ - | \$ - | \$ 43,173,645 | \$ 42,148,713 | |
| Restricted | \$ 7,878,011 | \$ 8,756,183 | \$ 9,554 | \$ 12,851 | \$ 7,878,011 | \$ 8,756,183 | |
| Unrestricted (Deficit) | <u>\$ (4,394,243)</u> | <u>\$ (5,690,299)</u> | <u>\$ 23,499</u> | <u>\$ 13,910</u> | <u>\$ (4,370,744)</u> | <u>\$ (5,676,389)</u> | |
| TOTAL NET POSITION | \$ 46,647,859 | \$ 45,201,746 | \$ 33,053 | \$ 26,761 | \$ 46,680,912 | \$ 45,228,507 | 3.21% |

Net Position: Investment in Capital Assets increased \$1,024,932 primarily due to capital asset additions and reductions in bonds, financed purchases and leases payable offset by current year depreciation and disposal of capital assets and increases in financed purchases and leases payable during the fiscal year.

Restricted Net Position decreased (\$878,172) primarily due to reductions in excess surplus, capital reserve, maintenance reserve and student activities.

Unrestricted Net Position increased \$1,305,645 primarily due to unexpended balances of current year budget appropriations offset by the decreases in the PERS Net Pension Liability and related deferred inflows and outflows.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2022 (Unaudited)

Statement of Activities - Operating Results:

The overall impact of school operations resulted in a decrease of (\$2,129,407) over 2020-2021 results. Revenues decreased in total by (2.61%) or (\$1,816,822) primarily attributable to a decrease in operating grants and contributions. Expenses increased by 0.47% or \$312,585. The increase in expenses is due primarily to the increases in Admin./Business/Technology, Maintenance & Operations and Transportation spending.

Statement of Changes

| Changes in Net Position from Operating Results | Governmental Activities | | Business Activities | | TOTAL | TOTAL | VARIANCE | |
|--|-------------------------|----------------------|---------------------|-------------------|----------------------|----------------------|-----------------------|----------------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | \$'s | % |
| REVENUES: | | | | | | | | |
| Program Revenues | | | | | | | | |
| Charges for Service | \$ 732,863 | \$ 616,850 | \$ 690,898 | \$ 3,177 | \$ 1,423,761 | \$ 620,027 | \$ 803,734 | |
| Operating Grants & Contrib. | \$ 14,734,494 | \$ 19,177,249 | | | \$ 14,734,494 | \$ 19,177,249 | \$ (4,442,755) | |
| Capital Grants & Contrib. | \$ 784,314 | \$ - | | | \$ 784,314 | \$ - | \$ 784,314 | |
| General Revenues | | | | | | | | |
| Property Taxes | \$ 48,860,064 | \$ 48,330,933 | | | \$ 48,860,064 | \$ 48,330,933 | \$ 529,131 | |
| Federal & State Aid (unrestricted) | \$ 599,213 | \$ 722,731 | | | \$ 599,213 | \$ 722,731 | \$ (123,518) | |
| Other | \$ 1,492,022 | \$ 859,759 | \$ 13 | \$ 4 | \$ 1,492,035 | \$ 859,763 | \$ 632,272 | |
| TOTAL REVENUES: | \$ 67,202,970 | \$69,707,522 | \$690,911 | \$3,181 | \$ 67,893,881 | \$ 69,710,703 | \$ (1,816,822) | -2.61% |
| EXPENSES: | | | | | | | | |
| Instruction | \$ 31,413,123 | \$ 35,192,472 | | | \$ 31,413,123 | \$ 35,192,472 | \$ (3,779,349) | |
| Pupil & Instruction Services | \$ 13,762,398 | \$ 14,429,711 | | | \$ 13,762,398 | \$ 14,429,711 | \$ (667,313) | |
| Admin./Business/Technology | \$ 6,748,024 | \$ 5,569,433 | | | \$ 6,748,024 | \$ 5,569,433 | \$ 1,178,591 | |
| Maintenance & Operations | \$ 6,434,112 | \$ 4,403,391 | | | \$ 6,434,112 | \$ 4,403,391 | \$ 2,030,721 | |
| Transportation | \$ 5,037,244 | \$ 3,925,786 | | | \$ 5,037,244 | \$ 3,925,786 | \$ 1,111,458 | |
| Other Expenses | \$ 2,361,956 | \$ 2,511,484 | \$ 684,619 | \$ 96,614 | \$ 3,046,575 | \$ 2,608,098 | \$ 438,477 | |
| TOTAL EXPENSES | \$ 65,756,857 | \$ 66,032,277 | \$ 684,619 | \$ 96,614 | \$ 66,441,476 | \$ 66,128,891 | \$ 312,585 | 0.47% |
| Other Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Transfers | \$ - | \$ (43,561) | \$ - | \$ 43,561 | \$ - | \$ - | \$ - | 0.00% |
| CHANGE IN NET POSITION | \$ 1,446,113 | \$ 3,631,684 | \$ 6,292 | \$(49,872) | \$ 1,452,405 | \$ 3,581,812 | \$(2,129,407) | -59.45% |

As seen above in the Statement of Changes in Net Position, the majority of activity is driven by the Governmental Activities. These activities constitute 98.98% of the total revenues and 98.97% of expenses shown on this statement.

Net Cost of Governmental Activities:

| Cost Category | 2021-22 Total Cost of Services | 2020-21 Total Cost of Services | 2021-22 Net Cost of Services | 2020-21 Net Cost of Services |
|---------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Governmental Activities: | | | | |
| Instruction | \$ 31,413,123 | \$ 35,192,472 | \$ 21,440,634 | \$ 21,700,570 |
| Pupil & Instruction Services | \$ 13,762,398 | \$ 14,429,711 | \$ 10,483,469 | \$ 10,490,306 |
| Admin./Business/Technology | \$ 6,748,024 | \$ 5,569,433 | \$ 6,167,228 | \$ 4,656,512 |
| Maintenance & Operations | \$ 6,434,112 | \$ 4,403,391 | \$ 5,649,798 | \$ 4,403,391 |
| Transportation | \$ 5,037,244 | \$ 3,925,786 | \$ 3,402,101 | \$ 2,475,915 |
| Other | \$ 2,361,956 | \$ 2,511,484 | \$ 2,361,956 | \$ 2,511,484 |
| TOTAL | \$ 65,756,857 | \$ 66,032,277 | \$ 49,505,186 | \$ 46,238,178 |

The Total Cost of Governmental Activities decreased from the prior year as a result of annual cost increases offset by a \$5,531,231 reduction in the District's contractually required TPAF On-behalf Pension Contribution.

The Net Cost of Services (Total Expenses offset by Charges for Service and Operating and Capital Grants and Contributions) increased \$3,267,008 from the prior year for annual cost increases.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis
for Fiscal Year End June 30, 2022
(Unaudited)

Capital Assets (Net of Depreciation):

At the end of fiscal year 2022, the district had a total of \$52,631,398 invested in land, building, furniture, equipment and vehicles, net of depreciation. The table below compares this balance to fiscal year 2020-2021. The overall decrease of (\$1,227,057) or (2.28%) is primarily attributable to (\$1,598,340) reduction of Machinery & Equipment and (\$999,701) decrease in Site Improvements offset by an increase in Building and Improvements of \$1,370,984. (Additional information regarding the District's Capital Assets is contained in Note 7 to the Basic Financial Statements).

Furthermore, capital additions of \$4,223,893 consisted of completed projects of \$920,783 from Capital Outlay, \$626,730 from the Special Revenue Fund and \$2,676,380 from the Capital Project Funds. Depreciation was \$2,949,814 for governmental activities and \$3,297 for business type activities. Disposals, net of depreciation, were \$2,497,839 for governmental activities and \$-0- for business type activities.

| Capital Assets | Governmental Activities | | Business Activities | | TOTAL | | VARIANCE | |
|--------------------------|-------------------------|---------------------|---------------------|-----------------|---------------------|---------------------|-----------------------|---------------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | \$'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 | \$ 4,207,555 | \$ 5,207,256 | | | \$ 4,207,555 | \$ 5,207,256 | \$ (999,701) | -19.20% |
| Building & Improv. | \$43,082,250 | \$41,711,266 | | | \$43,082,250 | \$41,711,266 | \$ 1,370,984 | 3.29% |
| Machinery & Equip. | \$ 1,210,170 | \$ 2,805,213 | \$ 9,554 | \$12,851 | \$ 1,219,724 | \$ 2,818,064 | \$ (1,598,340) | -56.72% |
| TOTAL | \$52,621,844 | \$53,845,604 | \$9,554 | \$12,851 | \$52,631,398 | \$53,858,455 | \$ (1,227,057) | -2.28% |

Outstanding Long-Term Liabilities:

The District's total outstanding Long-Term Liabilities at the end of fiscal year 2022 total \$19,335,895, a decrease of \$4,971,125, or (20.45%) from 2021. The decrease resulted from annual Bond, Financed Purchases and Lease payments, amortization of Bond Premiums, and a reduction in the District's PERS Net Pension Liability offset by the issuance of new Financed Purchases and Leases Payable. (Additional information regarding the District's Long-Term Liabilities is contained in Note 9 to the Basic Financial Statements).

| Outstanding Long Term Debt | 2021-22 | 2020-21* | VARIANCE | |
|--|----------------------|----------------------|-----------------------|----------------|
| | Long-Term Debt | Long-Term Debt | \$'s | % |
| General Obligation Bonds (Financed w/Property Taxes) | \$ 4,160,000 | \$ 6,230,000 | \$ (2,070,000) | -33.23% |
| Unamortized Bond Premiums | \$ 444,430 | \$ 666,645 | \$ (222,215) | -33.33% |
| Capital Leases Payable | \$ 5,702,150 | \$ 6,079,791 | \$ (377,641) | -6.21% |
| Net Pension Liability | \$ 1,554,222 | \$ 1,348,342 | \$ 205,880 | 15.27% |
| Other Long-Term Liabilities | \$ 6,037,635 | \$ 8,616,972 | \$ (2,579,337) | -29.93% |
| Governmental Activities | \$ 1,432,458 | \$ 1,360,270 | \$ 72,188 | 5.31% |
| Business-Type Activities | \$ 5,000 | \$ 5,000 | \$ - | 0.00% |
| TOTAL | \$ 19,335,895 | \$ 24,307,020 | \$ (4,971,125) | -20.45% |

- As restated for GASB 87 Leases.



WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis for Fiscal Year End June 30, 2022 (Unaudited)

Food Service Performance:

In the Statement of Net Position and Statement of Activities the financial activity for the district's food service program is presented as Business Type Activities. The following points highlight its activities during fiscal year 2021-2022: The Food Service Program experienced a \$56,164 increase in net position this year. The District's revenues increased significantly \$687,730 over fiscal year 2020-2021. The return of students to full time participation in school activities bolstered the Food Service Operation. There was a correlated increase in expenses of \$588,005. Under normal circumstances, charges for Service constitute 99.96% of its total revenue and represent the 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 is consistent year over year of approximately 20 participants.

| Changes in Net Position from Operating Results | Business Activities | | VARIANCE | |
|---|---------------------|-------------------|-----------|-----------------|
| | 2021-22 | 2020-21 | \$"s | % |
| REVENUES: | | | | |
| Program Revenues | | | | |
| Charges for Service | \$ 690,898 | \$ 3,177 | | |
| Operating Grants & Contrib. | | | | |
| Capital Grants & Contrib. | | | | |
| General Revenues | | | | |
| Property Taxes | | | | |
| Federal & State Aid (unrestricted) | | | | |
| Other | \$13 | \$4 | | |
| TOTAL REVENUES: | \$690,911 | \$3,181 | \$687,730 | |
| EXPENSES: | | | | |
| Instruction | | | | |
| Pupil & Instruction Services | | | | |
| Admin/Business/Technology | | | | |
| Maintenance & Operations | | | | |
| Transportation | | | | |
| Other Expenses | \$ 684,619 | \$ 96,614 | | |
| TOTAL EXPENSES | \$684,619 | \$96,614 | \$588,005 | |
| Other Resources | \$0 | | | |
| Transfers | \$0 | \$43,561 | | |
| CHANGE IN NET POSITION | \$6,292 | (\$49,872) | \$56,164 | -112.62% |

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's 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 sources of revenue for the year as we fulfilled the Free & Reduced lunch recipients and experienced minimal sales from other students.

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.

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.



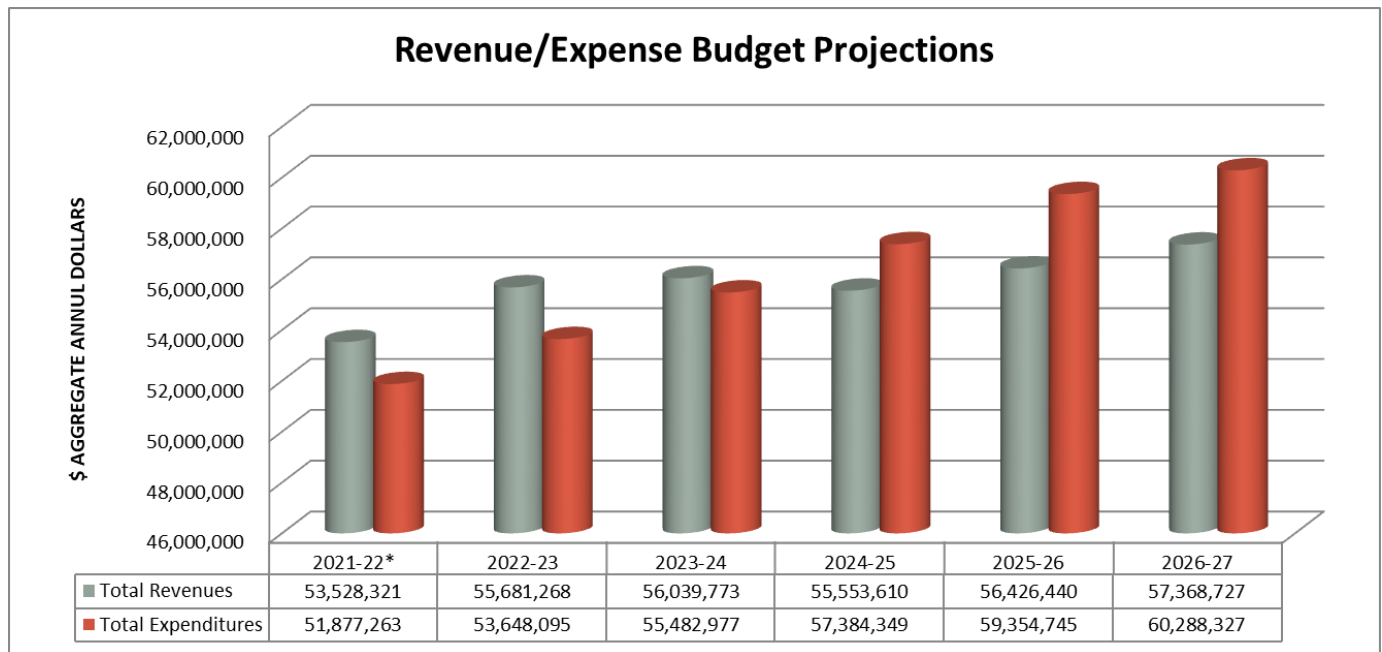
WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis
for Fiscal Year End June 30, 2022
(Unaudited)

Factors Bearing on District's Future:

The district continues to excel in academic performance. The financial health of the district continues to remain stable. In looking forward to the next five years, management is preparing for a reduction in enrollment and determining the possible cost reductions that may occur due to lower demand. Furthermore, we intend to continue investing in classroom technology and the infrastructure that supports academic and co-curricular activities. However, several areas are of great concern: rising healthcare costs, the demands for increased spending for special education services and declining state aid.

The chart below provides an estimate of financial operating needs the district will face over the next five years. The starting point for the projection is the 2021-22 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 2-4%
- 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 2021-2022 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@wmrhsd.org).

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BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 9,260,251 | \$ 52,453 | \$ 9,312,704 |
| Receivables from Other Governments | 3,679,884 | | 3,679,884 |
| Internal Balances | (11,754) | 11,754 | |
| Other Receivables | | | |
| Inventory | | 12,953 | 12,953 |
| Restricted Assets - Cash and Cash Equivalents: | | | |
| Capital Reserve | 2,579,717 | | 2,579,717 |
| Maintenance Reserve | 996 | | 996 |
| Unemployment Compensation | 198,559 | | 198,559 |
| Student Activities | 343,233 | | 343,233 |
| Scholarships | 79,878 | | 79,878 |
| 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 | 48,499,975 | 9,554 | 48,509,529 |
| Lease Assets, Net | 1,549,091 | | 1,549,091 |
| Total Assets | 70,739,231 | 86,714 | 70,825,945 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount on Refunding | 409,528 | | 409,528 |
| Deferred Outflows of Resources Related to Pensions | 1,302,123 | | 1,302,123 |
| Total Deferred Outflows of Resources | 1,711,651 | | 1,711,651 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 2,236,319 | 17,072 | 2,253,391 |
| Accrued Interest Expense | 4,160 | | 4,160 |
| Payable to State Government | 7,985 | | 7,985 |
| Payable to Federal Government | 467 | | 467 |
| Unearned Revenue | 108,919 | 31,589 | 140,508 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 3,949,890 | | 3,949,890 |
| Due Beyond One Year | 15,381,005 | 5,000 | 15,386,005 |
| Total Liabilities | 21,688,745 | 53,661 | 21,742,406 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows of Resources Related to Pensions | 4,114,278 | | 4,114,278 |
| Total Deferred Inflows of Resources | 4,114,278 | | 4,114,278 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 43,164,091 | 9,554 | 43,173,645 |
| Restricted for: | | | |
| Capital Projects | 2,579,717 | | 2,579,717 |
| Maintenance | 996 | | 996 |
| Excess Surplus | 4,235,762 | | 4,235,762 |
| Unemployment Compensation | 198,559 | | 198,559 |
| Student Activities | 343,233 | | 343,233 |
| Scholarships | 79,878 | | 79,878 |
| Laptop Replacement | 437,532 | | 437,532 |
| Debt Service | 2,334 | | 2,334 |
| Unrestricted (Deficit) | (4,394,243) | 23,499 | (4,370,744) |
| Total Net Position | \$ 46,647,859 | \$ 33,053 | \$ 46,680,912 |

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, 2022

| 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 | \$ 22,634,294 | \$ 144,224 | \$ 4,889,147 | | \$ (17,745,147) | | \$ (17,745,147) |
| Special Education | 5,018,914 | 588,639 | 4,356,869 | | (662,045) | | (662,045) |
| Other Instruction | 3,759,915 | | 726,473 | | (3,033,442) | | (3,033,442) |
| Support Services: | | | | | | | |
| Tuition | 5,105,929 | \$ 144,224 | 912,101 | | (4,049,604) | | (4,049,604) |
| Student & Instruction Related Services | 8,656,469 | 588,639 | 1,633,965 | | (6,433,865) | | (6,433,865) |
| General Administration Services | 1,389,612 | | | | (1,389,612) | | (1,389,612) |
| School Administration Services | 2,691,433 | | 580,796 | | (2,110,637) | | (2,110,637) |
| Central Services | 661,382 | | | | (661,382) | | (661,382) |
| Administrative Information Technology | 2,005,597 | | | | (2,005,597) | | (2,005,597) |
| Plant Operations and Maintenance | 6,434,112 | | | \$ 784,314 | (5,649,798) | | (5,649,798) |
| Pupil Transportation | 5,037,244 | | 1,635,143 | | (3,402,101) | | (3,402,101) |
| Interest on Long-Term Debt | 17,859 | | | | (17,859) | | (17,859) |
| Unallocated Depreciation | 2,344,097 | | | | (2,344,097) | | (2,344,097) |
| Total Governmental Activities | 65,756,857 | 732,863 | 14,734,494 | 784,314 | (49,505,186) | | (49,505,186) |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Functions/Programs | Program Revenues | | | Net (Expenses)/Revenues and Changes in Net Position | | | |
|---|------------------|----------------------------|--|--|----------------------------|-----------------------------|--------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Business-Type Activities: Food Service | \$ 684,619 | \$ 690,898 | | | \$ 6,279 | \$ 6,279 | 6,279 |
| Total Business-Type Activities | 684,619 | 690,898 | | | 6,279 | 6,279 | 6,279 |
| Total Primary Government | \$ 66,441,476 | \$ 1,423,761 | \$ 14,734,494 | \$ 784,314 | \$ (49,505,186) | 6,279 | (49,498,907) |

General Revenues:

| | | | | | | | |
|--|--|--|--|---------------|-----------|--|---------------|
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | 46,752,684 | | | 46,752,684 |
| Taxes Levied for Debt Service | | | | 2,107,380 | | | 2,107,380 |
| Federal and State Aid Not Restricted | | | | 599,213 | | | 599,213 |
| Investment Earnings | | | | 15,549 | 13 | | 15,562 |
| Other Miscellaneous Income | | | | 208,125 | | | 208,125 |
| Total General Revenues | | | | 49,682,951 | 13 | | 49,682,964 |
| Change in Net Position | | | | 177,765 | 6,292 | | 184,057 |
| Net Position - Beginning (Restated) | | | | 45,201,746 | 26,761 | | 45,228,507 |
| Net Position - Ending | | | | \$ 45,379,511 | \$ 33,053 | | \$ 45,412,564 |

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, 2022

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 8,919,475 | | \$ 338,442 | \$ 2,334 | \$ 9,260,251 |
| Receivables from Federal Government | | \$ 1,023,634 | | | 1,023,634 |
| Receivables from State Government | 1,212,485 | 3,809 | | | 1,216,294 |
| Tax Levy Receivable | 1,408,489 | | | 31,467 | 1,439,956 |
| Interfund Receivable | 941,539 | | 1,042,590 | | 1,984,129 |
| Restricted Cash and Cash Equivalents | 2,779,272 | 860,643 | | | 3,639,915 |
| Total Assets | \$ 15,261,260 | \$ 1,888,086 | \$ 1,381,032 | \$ 33,801 | \$ 18,564,179 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 1,548,142 | | \$ 22,548 | | \$ 1,570,690 |
| Payable to State Government | | \$ 7,985 | | | 7,985 |
| Payable to Federal Government | | 467 | | | 467 |
| Interfund Payable | 1,054,344 | 910,072 | | \$ 31,467 | 1,995,883 |
| Unearned Revenue | | 108,919 | | | 108,919 |
| Total Liabilities | 2,602,486 | 1,027,443 | 22,548 | 31,467 | 3,683,944 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Capital Reserve | 2,579,717 | | | | 2,579,717 |
| Maintenance Reserve | 996 | | | | 996 |
| Excess Surplus (For 2023-2024) | 3,298,414 | | | | 3,298,414 |
| Excess Surplus (For 2022-2023) | 937,348 | | | | 937,348 |
| Unemployment Compensation | 198,559 | | | | 198,559 |
| Student Activities | | 343,233 | | | 343,233 |
| Scholarships | | 79,878 | | | 79,878 |
| Laptop Replacement | | 437,532 | | | 437,532 |
| Debt Service | | | | 2,334 | 2,334 |
| Committed | | | 1,358,484 | | 1,358,484 |
| Assigned: | | | | | |
| Year-End Encumbrances | 194,236 | | | | 194,236 |
| For Subsequent Year's Expenditures | 2,486,524 | | | | 2,486,524 |
| Unassigned | 2,962,980 | | | | 2,962,980 |
| Total Fund Balances | 12,658,774 | 860,643 | 1,358,484 | 2,334 | 14,880,235 |
| Total Liabilities and Fund Balances | \$ 15,261,260 | \$ 1,888,086 | \$ 1,381,032 | \$ 33,801 | \$ 18,564,179 |

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

| | |
|---|----------------------|
| Total Fund Balances - Governmental Funds (Above) | \$ 14,880,235 |
| Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds | 52,621,844 |
| Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds | 1,549,091 |
| 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 | 636,494 |
| Deferred Inflows of Resources Related to Pensions | (4,114,278) |
| Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure | 409,528 |
| Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due. | (4,160) |
| 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. | (19,330,895) |
| Net Position of Governmental Activities (Exhibit A-1) | \$ 46,647,859 |

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, 2022

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---------------|----------------------|-----------------------|-------------------|--------------------------|
| REVENUE: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 46,752,684 | | | \$ 2,107,380 | \$ 48,860,064 |
| Tuition Revenue | 144,224 | | | | 144,224 |
| Miscellaneous - Restricted | 1,268,348 | \$ 609,940 | | | 1,878,288 |
| Miscellaneous - Unrestricted | 223,441 | | \$ 233 | | 223,674 |
| Total - Local Sources | 48,388,697 | 609,940 | 233 | 2,107,380 | 51,106,250 |
| State Sources | 16,255,876 | 158,721 | | | 16,414,597 |
| Federal Sources | 6,246 | 1,714,765 | | | 1,721,011 |
| Total Revenue | 64,650,819 | 2,483,426 | 233 | 2,107,380 | 69,241,858 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular Instruction | 15,156,836 | 71,466 | | | 15,228,302 |
| Special Education Instruction | 3,184,028 | 19,786 | | | 3,203,814 |
| Other Instruction | 2,565,474 | | | | 2,565,474 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 4,193,828 | 912,101 | | | 5,105,929 |
| Student & Instruction Related Services | 5,490,181 | 580,790 | | | 6,070,971 |
| General Administration Services | 1,284,739 | | | | 1,284,739 |
| School Administration Services | 1,719,033 | | | | 1,719,033 |
| Central Services | 550,380 | | | | 550,380 |
| Administrative Information Technology | 410,862 | | | | 410,862 |
| Plant Operations and Maintenance | 4,188,186 | | | | 4,188,186 |
| Pupil Transportation | 4,594,105 | 187,314 | | | 4,781,419 |
| Unallocated Benefits | 18,342,688 | | | | 18,342,688 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| EXPENDITURES (Cont'd): | | | | | |
| Debt Service: | | | | \$ 2,070,000 | \$ 2,070,000 |
| Principal | | | | 37,380 | 37,380 |
| Interest and Other Charges | \$ 2,655,122 | \$ 626,730 | \$ 2,676,380 | | 5,958,232 |
| Capital Outlay | | | | | |
| Total Expenditures | 64,335,462 | 2,398,187 | 2,676,380 | 2,107,380 | 71,517,409 |
| Excess/(Deficit) of Revenue Over/(Under) Expenditures | 315,357 | 85,239 | (2,676,147) | - 0 - | (2,275,551) |
| OTHER FINANCING SOURCES/(USES): | | | | | |
| Financed Purchases (Non-Budgeted) | 677,100 | | | | 677,100 |
| Leases (Non-Budgeted) | 727,500 | | | | 727,500 |
| Cancellation of Financed Purchase Proceeds | | | (22,548) | | (22,548) |
| Transfers In | 15,233 | | 1,339,819 | | 1,355,052 |
| Transfers Out | (1,339,819) | | (15,233) | | (1,355,052) |
| Total Other Financing Sources/(Uses) | 80,014 | - 0 - | 1,302,038 | - 0 - | 1,382,052 |
| Net Change in Fund Balances | 395,371 | 85,239 | (1,374,109) | - 0 - | (893,499) |
| Fund Balance—July 1 | 12,263,403 | 775,404 | 2,732,593 | 2,334 | 15,773,734 |
| Fund Balance—June 30 | \$ 12,658,774 | \$ 860,643 | \$ 1,358,484 | \$ 2,334 | \$ 14,880,235 |

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, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (870,951)

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 differ from capital outlays in the period.

| | |
|---|--------------------|
| Depreciation Expense | \$ (2,949,814) |
| Capital Outlays | 4,223,893 |
| Disposal of Capital Assets, Net of Accumulated Depreciation | <u>(2,497,839)</u> |
| | (1,223,760) |

Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

| | |
|-----------------------|----------------|
| Amortization Expense | (512,508) |
| Lease Asset Additions | <u>727,500</u> |
| | 214,992 |

Financed purchases 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.

(677,100)

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.

(727,500)

Repayment of financed purchases 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.

1,054,741

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, 2022

| | |
|--|---------------------|
| Repayment of 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. | \$ 521,620 |
| The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds: | |
| Change in Net Pension Liability | 2,579,337 |
| Change in Deferred Outflows of Resources Related to Pensions | (971,081) |
| Change in Deferred Inflows of Resources Related to Pensions | (448,970) |
| 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 (+). | (72,188) |
| 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. | 2,070,000 |
| In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the Governmental Funds, interest is reported when it is due. The accrued interest is an addition in the reconciliation. (+) | 2,070 |
| The Governmental Funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities (+) | 222,215 |
| The Governmental Funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the Statement of Activities (-) | (204,764) |
| Change in Net Position of Governmental Activities (Exhibit A-2) | <u>\$ 1,468,661</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, 2022

| | Business-type Activities - Enterprise Funds |
|--------------------------------------|---|
| | Food Service |
| ASSETS: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 52,453 |
| Inventories | 12,953 |
| Interfund Receivable - General Fund | 11,754 |
| Total Current Assets | 77,160 |
| Non-Current Assets: | |
| Capital Assets | 152,944 |
| Less: Accumulated Depreciation | (143,390) |
| Total Non-Current Assets | 9,554 |
| Total Assets | 86,714 |
| LIABILITIES: | |
| Current Liabilities: | |
| Accounts Payable - Vendors | 17,072 |
| Unearned Revenue | 31,589 |
| Total Current Liabilities | 48,661 |
| Non-Current Liabilities: | |
| Accrued Compensated Absences Payable | 5,000 |
| Total Liabilities | 53,661 |
| NET POSITION: | |
| Investment in Capital Assets | 9,554 |
| Unrestricted | 23,499 |
| Total Net Position | \$ 33,053 |

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, 2022

| | Business-type Activities - Enterprise Funds |
|---|---|
| | Food Service |
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales - Non-reimbursable Programs | \$ 689,507 |
| Special Events | 1,391 |
| | 690,898 |
| Total Operating Revenue | 690,898 |
| Operating Expenses: | |
| Cost of Sales - Non-Reimbursable Programs | 287,145 |
| Salaries, Benefits & Payroll Taxes | 307,958 |
| Supplies, Insurance and Other Costs | 86,219 |
| Depreciation Expense | 3,297 |
| | 684,619 |
| Total Operating Expenses | 684,619 |
| Operating Income | 6,279 |
| Non-Operating Revenue: | |
| Interest Income | 13 |
| | 13 |
| Total Non-Operating Revenue | 13 |
| Change in Net Position | 6,292 |
| Net Position - Beginning of Year | 26,761 |
| Net Position - End of Year | \$ 33,053 |

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, 2022

| | <u>Business-type Activities - Enterprise Funds Food Service</u> |
|---|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 684,341 |
| Payments to Food Service Vendor | (626,707) |
| Payments to Employees | (40,395) |
| Payments to Suppliers | (3,677) |
| | 13,562 |
| Net Cash Provided by Operating Activities | 13,562 |
| Cash Flows from Investing Activities: | |
| Interest Income | 13 |
| | 13 |
| Net Cash Provided by Investing Activities | 13 |
| Net Increase in Cash and Cash Equivalents | 13,575 |
| Cash and Cash Equivalents, July 1 | 38,878 |
| Cash and Cash Equivalents, June 30 | \$ 52,453 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating Income | \$ 6,279 |
| Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation | 3,297 |
| Changes in Assets and Liabilities: | |
| Decrease in Inventory | 957 |
| Increase in Accounts Payable | 9,586 |
| (Decrease) in Unearned Revenue | (6,557) |
| | 13,562 |
| Net Cash Provided by/(Used for) Operating Activities | \$ 13,562 |

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, 2022

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, 2022
(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, 2022
(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 or lease 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, 2022
(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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases or 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, 2022 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, 2022
(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 | \$ 64,635,195 | \$ 2,491,635 |
| 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. | | (8,209) |
| State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes (Prior Year) | 396,033 | |
| State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year) | <u>(380,409)</u> | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 64,650,819</u> | <u>\$ 2,483,426</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 64,335,462 | \$ 2,406,396 |
| 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>(8,209)</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 64,335,462</u> | <u>\$ 2,398,187</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022
(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, 2022.

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, 2022
(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. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. 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.

N. 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, 2022.

O. 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, 2022
(Continued)

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

P. Leases Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. 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.

R. Fund Balance Appropriated:

General Fund: Of the \$12,658,774 General Fund balance at June 30, 2022, \$2,579,717 is restricted in the capital reserve account; \$996 is restricted in the maintenance reserve account; \$198,559 restricted for Unemployment Compensation; \$2,486,524 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2023; 194,236 is assigned for encumbrances; \$4,235,762 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$937,348 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2023 and the remaining \$3,298,414 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2024); and \$2,962,980 is unassigned which is \$380,409 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, 2023.

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2022 of \$860,643 is restricted for student activities, scholarships, and laptop replacement costs.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2022 of \$1,358,484 is committed for capital projects.

Debt Service Fund: The Debt Service Fund balance at June 30, 2022 of \$2,334 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, 2022 as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$380,409 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, 2022
(Continued)

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

S. 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, 2022 of \$1,711,651 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, 2022 of \$4,114,278 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, and lease assets, net of accumulated amortization 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.

T. Deficit Net Position:

The District has a \$4,394,243 deficit in unrestricted net position in governmental activities as of June 30, 2022 is primarily due to the non-recognition of the June state aid payments as explained in Note 1R on the previous page, unamortized bond premiums, 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, 2022
(Continued)

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

U. 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 \$1,358,484 of committed resources in the Capital Projects Fund at June 30, 2022.

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 \$194,236 for year-end encumbrances and \$2,486,524 for amounts designated for the subsequent fiscal year's expenditures in the General Fund at June 30, 2022.

V. 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, 2022
(Continued)

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

V. 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.

W. 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.

X. 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.

Y. 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, 2022
(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 in the investments section of this note.

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, 2022
(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)

- (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, 2022
(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, 2022, 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 | \$ 9,130,800 | \$ 2,574,170 | \$ 996 | \$ 198,559 |
| New Jersey Cash Management Fund | 181,904 | 5,547 | | |
| | \$ 9,312,704 | \$ 2,579,717 | \$ 996 | \$ 198,559 |

| | Cash and Cash Equivalents | | | |
|---------------------------------|---------------------------|--------------|--------------------|---------------|
| | Student Activities | Restricted | | |
| | | Scholarships | Laptop Replacement | Total |
| Checking/Savings Accounts | \$ 343,233 | \$ 79,878 | \$ 437,532 | \$ 12,765,168 |
| New Jersey Cash Management Fund | | | | 187,451 |
| | \$ 343,233 | \$ 79,878 | \$ 437,532 | \$ 12,952,619 |

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$12,952,619 and the bank balance was \$15,061,209. The \$187,451 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, 2022
(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, 2021 to June 30, 2022 fiscal year is as follows:

| | |
|---|---------------------|
| Beginning Balance, July 1, 2021 | \$ 4,583,972 |
| Interest Earnings | 2,705 |
| Unexpended Funds Returned | 28,026 |
| Unexpended Funds Returned (Prior Year Projects) | 15,000 |
| Budgeted Withdrawal | <u>(2,049,986)</u> |
| Ending Balance, June 30, 2022 | <u>\$ 2,579,717</u> |

The balance in the capital reserve account at June 30, 2022 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, 2022
(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, 2021 to June 30, 2022 fiscal year is as follows:

| | |
|---|------------------|
| Beginning Balance, July 1, 2021 | \$ 400,000 |
| Interest Earnings | 996 |
| Budgeted Withdrawal, Net of Unexpended Funds Returned | <u>(400,000)</u> |
| Ending Balance, June 30, 2022 | <u>\$ 996</u> |

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the District transferred \$639,937 to the capital outlay accounts for equipment which did not require County Superintendent approval and \$-0- to the capital outlay accounts for facilities acquisition and construction services.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 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 | 7,832,739 | | \$ (776,482) | 7,056,257 |
| Buildings and Building Improvements | 77,954,726 | \$ 3,772,710 | (547,871) | 81,179,565 |
| Machinery and Equipment | 7,305,421 | 451,183 | (3,219,604) | 4,537,000 |
| Total Capital Assets Being Depreciated | <u>93,092,886</u> | <u>4,223,893</u> | <u>(4,543,957)</u> | <u>92,772,822</u> |
| Governmental Activities Capital Assets | <u>97,214,755</u> | <u>4,223,893</u> | <u>(4,543,957)</u> | <u>96,894,691</u> |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (2,625,483) | (336,456) | 113,237 | (2,848,702) |
| Buildings and Building Improvements | (36,243,460) | (1,959,730) | 105,875 | (38,097,315) |
| Machinery and Equipment | (4,500,208) | (653,628) | 1,827,006 | (3,326,830) |
| | <u>(43,369,151)</u> | <u>(2,949,814)</u> | <u>2,046,118</u> | <u>(44,272,847)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 53,845,604</u> | <u>\$ 1,274,079</u> | <u>\$ (2,497,839)</u> | <u>\$ 52,621,844</u> |
| Business-Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Machinery and Equipment | \$ 152,944 | | | \$ 152,944 |
| Less Accumulated Depreciation | <u>(140,093)</u> | <u>\$ (3,297)</u> | | <u>(143,390)</u> |
| Business-Type Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 12,851</u> | <u>\$ (3,297)</u> | <u>\$ - 0 -</u> | <u>\$ 9,554</u> |

The District had active construction projects totaling \$4,377,819 with unexpended balances of \$1,358,484 as of June 30, 2022. The District had no outstanding construction commitments at June 30, 2022.

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, 2022
(Continued)

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

| | (Restated) | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Beginning | | Adjustments/ | Ending |
| | Balance | Increases | Decreases | Balance |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Governmental Activities: | | | | |
| Lease Assets Being Amortized: | | | | |
| Machinery and Equipment | \$2,050,031 | \$727,500 | \$ (727,911) | \$2,049,620 |
| Total Lease Assets Being Amortized | <u>2,050,031</u> | <u>727,500</u> | <u>(727,911)</u> | <u>2,049,620</u> |
| Governmental Activities Lease Assets | <u>2,050,031</u> | <u>727,500</u> | <u>(727,911)</u> | <u>2,049,620</u> |
| Less Accumulated Amortization for: | | | | |
| Machinery and Equipment | (715,932) | (512,508) | 727,911 | (500,529) |
| | <u>(715,932)</u> | <u>(512,508)</u> | <u>727,911</u> | <u>(500,529)</u> |
| Governmental Activities Lease Assets, Net of Accumulated Amortization | <u>\$1,334,099</u> | <u>\$214,992</u> | <u>\$ -0-</u> | <u>\$1,549,091</u> |

Amortization expense was charged to governmental functions as follows:

| | |
|---------------------|-------------------|
| Regular Instruction | <u>\$ 512,508</u> |
|---------------------|-------------------|

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the District-wide financial statements:

| | (Restated) | | | |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Balance | Issued/ | | Balance |
| | 6/30/2021 | Added | Retired | 6/30/2022 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Serial Bonds Payable | \$ 6,230,000 | | \$ 2,070,000 | \$ 4,160,000 |
| Unamortized Bond Premiums | 666,645 | | 222,215 | 444,430 |
| Financed Purchases Payable | 6,079,791 | \$ 677,100 | 1,054,741 | 5,702,150 |
| Leases Payable | 1,348,342 | 727,500 | 521,620 | 1,554,222 |
| Net Pension Liability | 8,616,972 | | 2,579,337 | 6,037,635 |
| Compensated Absences Payable: | | | | |
| Governmental Funds | 1,360,270 | 199,288 | 127,100 | 1,432,458 |
| Proprietary Funds | 5,000 | | | 5,000 |
| | <u>\$ 24,307,020</u> | <u>\$ 1,603,888</u> | <u>\$ 6,575,013</u> | <u>\$ 19,335,895</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund.

The District had bonds outstanding as of June 30, 2022 as follows:

| <u>Purpose</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Amount</u> |
|------------------------|---------------------------|--------------------------|---------------------|
| Refunding School Bonds | 05/01/2024 | 0.60% | <u>\$ 4,160,000</u> |

The current portion of bonds payable at June 30, 2022 is \$2,080,000 and the long-term portion is \$2,080,000. Principal and interest due on serial bonds outstanding are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|------------------|---------------------|
| 2023 | \$ 2,080,000 | \$ 24,960 | \$ 2,104,960 |
| 2024 | <u>2,080,000</u> | <u>12,480</u> | <u>2,092,480</u> |
| | <u>\$ 4,160,000</u> | <u>\$ 37,440</u> | <u>\$ 4,197,440</u> |

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board has no bonds authorized but not issued.

C. Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

| <u>Leases Payable</u> | | | | |
|--------------------------------|---------------------------------|------------------------------------|--------------------------|---------------------|
| <u>Purpose</u> | <u>Frequency of Payment</u> | <u>Final Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u> |
| Classroom Technology Equipment | Annual | 08/15/22 | 2.1701% | \$ 64,372 |
| Classroom Technology Equipment | Annual | 08/15/23 | 1.2540% | 104,467 |
| Classroom Technology Equipment | Annual | 08/15/24 | 1.3500% | 203,630 |
| Classroom Technology Equipment | Annual | 08/15/24 | 0.6870% | 454,253 |
| Classroom Technology Equipment | Annual | 08/15/26 | 1.4980% | <u>727,500</u> |
| | | | | <u>\$ 1,554,222</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

C. Leases Payable: (Cont'd)

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|---------------------|------------------|
| 2023 | \$ 480,844 | \$ 11,909 |
| 2024 | 413,699 | 13,285 |
| 2025 | 365,222 | 8,544 |
| 2026 | 146,134 | 4,411 |
| 2027 | 148,323 | 2,222 |
| | <u>\$ 1,554,222</u> | <u>\$ 40,371</u> |

D. Financed Purchases Payable:

In fiscal year 2022, the District entered into one financed purchase totaling \$677,100 for a PA system, weight room, buses and a truck. The District has seven financed purchases totaling \$8,446,348 of which \$2,744,198 has been liquidated as of June 30, 2022. With the exception of the ESIP financed purchase which is for fifteen years with the final payment occurring in fiscal year 2032-33, all financed purchases are for three to five years. The schedule of the future minimum financed purchase payments under the District's financed purchases and the present value of the net minimum financed purchase payments at June 30, 2022 are detailed below.

| <u>Year</u> | <u>Amount</u> |
|---|---------------------|
| 2023 | \$ 1,268,612 |
| 2024 | 1,210,468 |
| 2025 | 917,777 |
| 2026 | 917,764 |
| 2027 | 355,222 |
| 2028-2032 | 1,198,237 |
| 2033 | 387,062 |
| | <u>6,255,142</u> |
| Less: Amount representing interest | <u>(552,992)</u> |
| Present value of net minimum financed purchase payments | <u>\$ 5,702,150</u> |

The current portion of financed purchases payable at June 30, 2022 is \$1,166,831 and the long-term portion is \$4,535,319. The General Fund will be used to liquidate financed purchases payable.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

E. 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, 2022, the current portion of the liability is \$222,215, and the long-term portion is \$222,215

F. Compensated Absences Payable:

The liability for compensated absences of the Governmental Fund types as of June 30, 2022 is recorded in the current and long-term liabilities. The compensated absences balance in Governmental Activities of \$1,432,458 is reported as a long-term portion. The General Fund will be used to liquidate the Governmental Activities Compensated Absences Payable.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, the entire \$5,000 of compensated absences is reported as a long-term portion and will be liquidated through the Food Service Enterprise Fund.

G. 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, 2022 is \$0- and the long-term portion is \$6,037,635. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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.

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 \$597,348 for fiscal year 2022.

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, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the District reported a liability of \$6,037,635 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.05097%, which was a decrease of 0.00187% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized pension benefit of \$562,419.

At June 30, 2022, 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, 2022
(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: | 2017 | 5.48 | | \$ 255,151 |
| | 2018 | 5.63 | | 478,356 |
| | 2019 | 5.21 | | 421,993 |
| | 2020 | 5.16 | | 993,937 |
| | 2021 | 5.13 | \$ 31,444 | |
| Subtotal | | | <u>31,444</u> | <u>2,149,437</u> |
| Changes in Proportion: | 2017 | 5.48 | 101,046 | |
| | 2018 | 5.63 | 90,528 | |
| | 2019 | 5.21 | | 1,866 |
| | 2020 | 5.16 | 318,255 | |
| | 2021 | 5.13 | | 329,281 |
| Subtotal | | | <u>509,829</u> | <u>331,147</u> |
| Difference Between Expected and Actual Experience: | 2017 | 5.48 | 7,588 | |
| | 2018 | 5.63 | | 18,216 |
| | 2019 | 5.21 | 32,257 | |
| | 2020 | 5.16 | 55,376 | |
| | 2021 | 5.13 | | 25,006 |
| Subtotal | | | <u>95,221</u> | <u>43,222</u> |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments: | 2018 | 5.00 | | 47,163 |
| | 2019 | 5.00 | | (15,218) |
| | 2020 | 5.00 | | (342,962) |
| | 2021 | 5.00 | | 1,901,489 |
| Subtotal | | | | <u>1,590,472</u> |
| District Contribution Subsequent to the Measurement Date | 2021 | 1.00 | 665,629 | |
| | | | <u>\$ 1,302,123</u> | <u>\$ 4,114,278</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 as a pension benefit as follows:

| Fiscal Year Ending June 30, | Total |
|--------------------------------|----------------|
| 2022 | \$ (1,424,619) |
| 2023 | (1,017,175) |
| 2024 | (693,540) |
| 2025 | (521,336) |
| 2026 | 204 |
| | \$ (3,656,466) |

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022
(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, 2021) 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, 2021 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% | 8.09% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.71% |
| Emerging Market Equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Estate | 8.00% | 9.15% |
| Real Assets | 3.00% | 7.40% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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, 2022
(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, 2021 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, 2021 | | |
|--|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| District's proportionate share of the Net Pension Liability | \$ 8,222,035 | \$ 6,037,635 | \$ 4,183,863 |

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, 2022
(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 2021, 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$7,567,134 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,035,903.

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, 2022
(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, 2022, the State's proportionate share of the net pension liability associated with the District was \$86,522,082. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.1800%, which was a decrease of 0.0074% from its proportion measured as of June 30, 2020.

| | |
|---|----------------------|
| District's Proportionate Share of the Net Pension Liability | \$ -0- |
| State's Proportionate Share of the Net Pension Liability Associated with the District | <u>86,522,082</u> |
| Total | <u>\$ 86,522,082</u> |

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$2,035,903 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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 | \$ 153,774,925 | |
| | 2015 | 8.30 | 926,219,611 | |
| | 2016 | 8.30 | 3,000,278,784 | |
| | 2017 | 8.30 | | \$ 5,282,196,290 |
| | 2018 | 8.29 | | 3,527,661,165 |
| | 2019 | 8.04 | | 2,510,940,613 |
| | 2020 | 7.99 | 1,209,286,241 | |
| | 2021 | 7.93 | | 12,903,483,645 |
| Difference Between Expected and Actual Experience: | 2014 | 8.50 | | 1,464,605 |
| | 2015 | 8.30 | 57,204,429 | |
| | 2016 | 8.30 | | 37,311,034 |
| | 2017 | 8.30 | 93,981,436 | |
| | 2018 | 8.29 | 618,845,893 | |
| | 2019 | 8.04 | | 97,553,990 |
| | 2020 | 7.99 | | 6,444,940 |
| | 2021 | 7.93 | 171,234,070 | |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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)

| | Deferral Year | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments: | 2018 | 5.00 | | \$ 96,030,373 |
| | 2019 | 5.00 | | (72,441,385) |
| | 2020 | 5.00 | | (724,186,621) |
| | 2021 | 5.00 | | 3,554,633,811 |
| | | | <u>\$ 6,230,825,389</u> | <u>\$ 27,221,092,460</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> |
|------------------------------------|----------------------------|
| 2022 | \$ (2,914,282,899) |
| 2023 | (3,500,098,875) |
| 2024 | (4,665,036,366) |
| 2025 | (4,192,375,542) |
| 2026 | (2,350,648,872) |
| Total Thereafter | (3,367,824,517) |
| | <u>\$ (20,990,267,071)</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2022
(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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 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% | 8.09% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.71% |
| Emerging Market Equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Estate | 8.00% | 9.15% |
| Real Assets | 3.00% | 7.40% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 7.00% as of June 30, 2021. 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments 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, 2021 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, 2021 | | |
|---|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| State's Proportionate Share of the Net Pension Liability Associated with the District | \$ 102,370,075 | \$ 86,522,082 | \$ 73,210,763 |

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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 \$6,476 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$8,794 for the fiscal year ended June 30, 2022.

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.

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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)

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

| | |
|---|-----------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments | 149,304 |
| Active Plan Members | <u>216,804</u> |
| Total | <u><u>366,108</u></u> |

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 which was rolled forward to June 30, 2020.

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.

| | TPAF/ABP | PERS |
|-------------------|---------------------------|---------------------------|
| Salary Increases: | | |
| Through 2026 | 1.55 - 4.45% | 2.00 - 6.00% |
| | based on service years | based on service years |
| Thereafter | 1.55 - 4.45% | 3.00 - 7.00% |
| | based on service years | based on service years |

The actuarial assumptions used in the June 30, 2019 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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2019 | \$ 71,924,442 |
| Changes for Year: | |
| Service Cost | 2,841,393 |
| Interest Cost | 2,583,169 |
| Difference Between Expected and Actual Experience | 18,453,186 |
| Changes in Assumptions | 20,977,505 |
| Member Contributions | 60,598 |
| Gross Benefit Payments | (1,999,287) |
| Net Changes | 42,916,564 |
| Balance at June 30, 2020 | \$ 114,841,006 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020 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, 2020 | | |
|---|------------------------------|--------------------------------|------------------------------|
| | At 1% Decrease (1.21%) | At Discount Rate (2.21%) | At 1% Increase (3.21%) |
| Total OPEB Liability Attributable to the District | \$ 138,446,760 | \$ 114,841,006 | \$ 96,383,580 |

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020 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, 2020 | | |
|---|----------------|-------------------------------|----------------|
| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
| Total OPEB Liability Attributable to the District | \$ 92,703,533 | \$ 114,841,006 | \$ 141,201,816 |

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$5,285,275 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, 2020, the State had deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District from the following sources:

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

| | Year of Deferral | Original Amortization Period | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|------------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2017 | 9.54 years | | \$ 6,969,518 |
| | 2018 | 9.51 years | | 6,134,491 |
| | 2019 | 9.29 years | \$ 826,864 | |
| | 2020 | 9.24 years | 18,707,213 | |
| | | | <u>19,534,077</u> | <u>13,104,009</u> |
| Difference Between Expected and Actual Experience | 2018 | 9.51 years | | 5,799,003 |
| | 2019 | 9.29 years | | 9,732,237 |
| | 2020 | 9.24 years | 17,435,856 | |
| | | | <u>17,435,856</u> | <u>15,531,240</u> |
| Changes in Proportion | N/A | N/A | <u>577,245</u> | <u>2,104,409</u> |
| | | | <u>\$ 37,547,178</u> | <u>\$ 30,739,658</u> |

N/A - Not Available

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 |
|--------------------------------|---------------------|
| 2021 | \$ 73,569 |
| 2022 | 73,569 |
| 2023 | 73,569 |
| 2024 | 73,569 |
| 2025 | 73,569 |
| Total Thereafter | <u>7,966,835</u> |
| | <u>\$ 8,334,684</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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 Annual Comprehensive Financial Report.

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

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

The June 30, 2022 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, 2021 is as follows:

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

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

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

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:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|------------------------|-------------------------------|--------------------------|-----------------------|
| 2021-2022 | \$ -0- | \$ 51 | \$ 41,299 | \$ 710 | \$ 198,559 |
| 2020-2021 | -0- | 85 | 38,450 | 16,529 | 157,919 |
| 2019-2020 | -0- | 278 | 37,661 | 30,043 | 135,913 |

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.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 14. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds.

| Governmental Funds | | |
|--------------------|--------------------|------------|
| General | Special Revenue | Total |
| \$ 194,236 | \$ 8,209 | \$ 202,445 |

In the District's Governmental Funds Balance Sheet as of June 30, 2022, no amount is assigned for encumbrances in the Special Revenue Fund since encumbrances are not recognized on the GAAP basis until they are paid. Actual encumbrances of \$8,209 on the budgetary basis are instead reflected as either a reduction of grants receivable or an increase in unearned revenue on the GAAP basis in the Special Revenue Fund.

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

During the fiscal year, the General Fund transferred \$1,339,819 to the Capital Projects Fund for the local share of capital projects and the Capital Projects Fund transferred \$233 of interest earnings and \$15,000 of unexpended local share of capital projects to the General Fund.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Cont'd)

The following interfund balances remained on the balance sheet at June 30, 2022:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|----------------------------------|---------------------------------|------------------------------|
| General Fund | \$ 941,539 | \$ 1,054,344 |
| Special Revenue Fund | | 910,072 |
| Capital Projects Fund | 1,042,590 | |
| Debt Service Fund | | 31,467 |
| Proprietary Funds - Food Service | 11,754 | |
| | <u>\$ 1,995,883</u> | <u>\$ 1,995,883</u> |

At June 30, 2022, the Special Revenue Fund owes the General Fund \$910,072 for cash advanced while awaiting federal grant reimbursements and the Capital Projects Fund owes the General Fund \$31,467 for cash advanced while awaiting tax levy receivable. The General Fund owes the Capital Projects Fund \$1,042,590 for the 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 balance of the prior year operating deficit.

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities and Business-Type Activities as of June 30, 2022 consisted of the following:

| | <u>Governmental Funds</u> | | <u>District Contribution</u> | <u>Total</u> | <u>Business-Type Activities</u> |
|-------------------------------------|-------------------------------|--------------------------------------|---|------------------------------------|-------------------------------------|
| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Subsequent to Measurement Date</u> | <u>Governmental Activities</u> | <u>Proprietary Funds</u> |
| Payroll Deductions and Withholdings | \$ 304,791 | | | \$ 304,791 | |
| Vendors | 1,243,351 | \$ 22,548 | | 1,265,899 | \$ 17,072 |
| Due to: | | | | | |
| State of New Jersey | | | \$ 665,629 | 665,629 | |
| | <u>\$ 1,548,142</u> | <u>\$ 22,548</u> | <u>\$ 665,629</u> | <u>\$ 2,236,319</u> | <u>\$ 17,072</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 19. TAX ABATEMENTS

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

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

The Borough of Chester recognized revenue in the amount of \$27,440 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on this property for 2021 without the abatement would have been \$72,852 of which \$14,934 would have been regional school taxes.

NOTE 20. PRIOR YEAR ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to reclassify an intangible right-to-use asset and a lease liability from a financed purchases payable as of June 30, 2021:

| | Balance at June 30, 2021 as Previously Reported | Retroactive Adjustments | Balance at June 30, 2021 as Restated |
|---|--|----------------------------|--|
| <u>Statement of Net Position - Governmental Activities:</u> | | | |
| Assets: | | | |
| Lease Assets, Net | \$ -0- | \$ 1,334,099 | \$ 1,334,099 |
| Total Assets | 71,110,560 | 1,334,099 | 72,444,659 |
| Net Position: | | | |
| Net Investment in Capital Assets | 40,801,763 | 1,334,099 | 42,135,862 |
| Total Net Position | 43,867,647 | 1,334,099 | 45,201,746 |

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 EIGHT 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 | 2022 | | |
| District's Proportion of the Net Pension Liability | 0.0505326671% | 0.0528409188% | 0.0509655649% | | |
| District's Proportionate Share of the Net Pension Liability | \$ 9,105,220 | \$ 8,616,972 | \$ 6,037,635 | | |
| District's Covered Employee Payroll | \$ 3,606,656 | \$ 3,677,383 | \$ 3,926,825 | | |
| District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll | 252.46% | 234.32% | 153.75% | | |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 56.27% | 58.32% | 70.33% | | |

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT 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 | (405,770) | (387,403) | (389,774) | (461,763) | (504,995) |
| 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 | 2022 |
| Contractually Required Contribution | \$ 493,674 | \$ 578,053 | \$ 597,348 |
| Contributions in relation to the Contractually Required Contribution | (493,674) | (578,053) | (597,348) |
| Contribution Deficiency/(Excess) | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| District's Covered Employee Payroll | \$ 3,677,383 | \$ 3,926,825 | \$ 3,793,827 |
| Contributions as a percentage of Covered Employee Payroll | 13.42% | 14.72% | 15.75% |

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

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT 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 | 2022 | | |
| State's Proportion of the Net Pension Liability attributable to the District | 0.1947448553% | 0.1874197360% | 0.1799724225% | | |
| State's Proportionate Share of the Net Pension Liability attributable to the District | \$ 119,516,756 | \$ 123,413,641 | \$ 86,522,082 | | |
| District's Covered Employee Payroll | \$ 19,710,835 | \$ 20,669,891 | \$ 20,330,020 | | |
| 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% | 425.59% | | |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 26.95% | 24.60% | 35.52% | | |

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 EIGHT 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 | <u>(1,153,262)</u> | <u>(1,657,148)</u> | <u>(2,123,905)</u> | <u>(2,965,981)</u> | <u>(3,830,161)</u> |
| 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 | 2022 | | |
| Contractually Required Contribution | \$ 7,049,418 | \$ 7,674,386 | \$ 2,035,903 | | |
| Contributions in relation to the Contractually Required Contribution | <u>(4,110,833)</u> | <u>(5,231,580)</u> | <u>(7,567,134)</u> | | |
| Contribution Deficiency/(Excess) | <u>\$ 2,938,585</u> | <u>\$ 2,442,806</u> | <u>\$ (5,531,231)</u> | | |
| District's Covered Employee Payroll | \$ 20,669,891 | \$ 20,330,020 | \$ 20,788,780 | | |
| Contributions as a percentage of Covered Employee Payroll | 19.89% | 25.73% | 36.40% | | |

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 FOUR FISCAL YEARS

| | Fiscal Year Ending June 30, | | | |
|---|-----------------------------|----------------------|----------------------|-----------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Total OPEB Liability | | | | |
| Service Cost | \$ 3,709,580 | \$ 3,069,605 | \$ 2,663,261 | \$ 2,841,393 |
| Interest Cost | 2,912,060 | 3,372,919 | 3,153,336 | 2,583,169 |
| Difference Between Expected and Actual Experience | | (7,502,525) | (12,701,460) | 18,453,186 |
| Changes in Assumptions | (11,886,287) | (9,166,552) | 1,072,399 | 20,977,505 |
| Member Contributions | 78,609 | 73,822 | 65,447 | 60,598 |
| Gross Benefit Payments | (2,134,806) | (2,135,945) | (2,207,866) | (1,999,287) |
| Net Change in Total OPEB Liability | (7,320,844) | (12,288,676) | (7,954,883) | 42,916,564 |
| Total OPEB Liability - Beginning | 99,488,845 | 92,168,001 | 79,879,325 | 71,924,442 |
| Total OPEB Liability - Ending | <u>\$ 92,168,001</u> | <u>\$ 79,879,325</u> | <u>\$ 71,924,442</u> | <u>\$ 114,841,006</u> |
| District's Covered Employee Payroll * | \$ 23,709,189 | \$ 23,984,659 | \$ 23,774,797 | \$ 23,317,491 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 389% | 333% | 303% | 493% |

* - Covered payroll for the fiscal years ending June 30, 2020, 2019, 2018 and 2017 is based on the payroll on the June 30, 2019, 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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, 2022

| REVENUE: | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Local Sources: | | | | | |
| Local Tax Levy | \$ 46,752,684 | | \$ 46,752,684 | \$ 46,752,684 | |
| Tuition - From Individuals | 260,820 | \$ (209,520) | 51,300 | 48,680 | \$ (2,620) |
| Tuition - Other LEA's Within State | | 207,520 | 207,520 | 89,544 | (117,976) |
| Tuition - Other | | 2,000 | 2,000 | 6,000 | 4,000 |
| Unrestricted Miscellaneous Revenue | 327,775 | | 327,775 | 219,740 | (108,035) |
| Interest on Capital Reserve | 20,000 | | 20,000 | 2,705 | (17,295) |
| Interest on Maintenance Reserve | 3,194 | | 3,194 | 996 | (2,198) |
| Other Restricted Miscellaneous Revenue | 797,916 | | 797,916 | 1,268,348 | 470,432 |
| Total - Local Sources | 48,162,389 | | 48,162,389 | 48,388,697 | 226,308 |
| 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 | 25,837 | | 25,837 | 25,837 | |
| Extraordinary Special Education Costs Aid | | | | 1,154,833 | 1,154,833 |
| Nonpublic Transportation Costs | | | | 50,704 | 50,704 |
| Securing Our Children's Future Bond Act | | | | 157,584 | 157,584 |
| K-12 School COVID-19 Screening Testing Program | | | | 24,636 | 24,636 |
| On-Behalf TPAF Contributions: | | | | | |
| Post-Retirement Medical Benefits (Non-Budgeted) | | | | 1,792,932 | 1,792,932 |
| Pension (Non-Budgeted) | | | | 7,567,134 | 7,567,134 |
| Non-Contributory Insurance (Non-Budgeted) | | | | 106,762 | 106,762 |
| Long-Term Disability Insurance (Non-Budgeted) | | | | 2,826 | 2,826 |
| Reimbursed TPAF Contributions: | | | | | |
| Social Security Aid (Non-Budgeted) | | | | 1,354,724 | 1,354,724 |
| Total State Sources | 4,028,117 | | 4,028,117 | 16,240,252 | 12,212,135 |
| Federal Sources: | | | | | |
| Medicaid Reimbursement (SEMI) | 15,062 | | 15,062 | 6,246 | (8,816) |
| Total Federal Sources | 15,062 | | 15,062 | 6,246 | (8,816) |
| TOTAL REVENUE | 52,205,568 | | 52,205,568 | 64,635,195 | 12,429,627 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 9-12 - Salaries of Teachers | \$ 14,776,320 | \$ (290,324) | \$ 14,485,996 | \$ 13,777,047 | \$ 708,949 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 125,000 | (77,342) | 47,658 | 46,778 | 880 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Purchased Services (400-500 series) | 372,996 | (52,309) | 320,687 | 284,742 | 35,945 |
| General Supplies | 638,449 | 18,371 | 656,820 | 580,716 | 76,104 |
| Textbooks | 429,179 | (396,560) | 32,619 | 22,583 | 10,036 |
| Other Objects | 500 | 451,283 | 451,783 | 444,970 | 6,813 |
| Total Regular Programs - Instruction | 16,342,444 | (346,881) | 15,995,563 | 15,156,836 | 838,727 |
| Special Education - Instruction: | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 2,535,587 | 42,303 | 2,577,890 | 2,561,917 | 15,973 |
| Other Salaries for Instruction | 642,052 | 44,568 | 686,620 | 604,458 | 82,162 |
| General Supplies | 5,000 | 8,650 | 13,650 | 10,131 | 3,519 |
| Textbooks | 15,000 | (2,650) | 12,350 | 7,522 | 4,828 |
| Total Resource Room/Resource Center | 3,197,639 | 92,871 | 3,290,510 | 3,184,028 | 106,482 |
| Special Education - Instruction: | | | | | |
| Home Instruction: | | | | | |
| Other Purchased Services (400-500 series) | 1,200 | | 1,200 | | 1,200 |
| Total Home Instruction | 1,200 | | 1,200 | | 1,200 |
| Total Special Education - Instruction | 3,198,839 | 92,871 | 3,291,710 | 3,184,028 | 107,682 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| School-Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | \$ 494,873 | \$ 36,004 | \$ 530,877 | \$ 530,735 | \$ 142 |
| Purchased Services (300-500 series) | 10,808 | (1,800) | 9,008 | 7,309 | 1,699 |
| Supplies and Materials | 49,737 | 18 | 49,755 | 43,503 | 6,252 |
| Other Objects | 15,386 | (700) | 14,686 | 5,695 | 8,991 |
| Total School-Sponsored Cocurricular Activities - Instruction | 570,804 | 33,522 | 604,326 | 587,242 | 17,084 |
| School-Sponsored Cocurricular Athletics - Instruction: | | | | | |
| Salaries | 1,450,844 | 104,789 | 1,555,633 | 1,552,923 | 2,710 |
| Purchased Services (300-500 series) | 7,925 | (975) | 6,950 | 3,630 | 3,320 |
| Supplies and Materials | 179,195 | (3,732) | 175,463 | 165,202 | 10,261 |
| Other Objects | 271,316 | 7,190 | 278,506 | 256,477 | 22,029 |
| Total School-Sponsored Cocurricular Athletics - Instruction | 1,909,280 | 107,272 | 2,016,552 | 1,978,232 | 38,320 |
| Other Instructional Programs - Instruction: | | | | | |
| Salaries | 8,000 | | 8,000 | | 8,000 |
| Purchased Services (300-500 series) | 15,062 | | 15,062 | | 15,062 |
| Total Other Instructional Programs - Instruction | 23,062 | | 23,062 | | 23,062 |
| Total Instruction Expenditures | 22,044,429 | (113,216) | 21,931,213 | 20,906,338 | 1,024,875 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | 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 | \$ 425,208 | \$ (25,815) | \$ 399,393 | \$ 287,629 | \$ 111,764 |
| Tuition to County Vocational School District - Regular | 417,570 | 180,000 | 597,570 | 447,174 | 150,396 |
| Tuition to County Vocational School District - Special | 43,962 | 54,278 | 98,240 | 98,240 | |
| Tuition to Private Schools for the Disabled - Within State | 4,351,417 | (466,957) | 3,884,460 | 3,360,785 | 523,675 |
| Tuition to Private Schools for the Disabled and Other LEAs | | | | | |
| Special - Outside the State | 198,000 | (198,000) | | | |
| Total Undistributed Expenditures - Instruction | <u>5,436,157</u> | <u>(456,494)</u> | <u>4,979,663</u> | <u>4,193,828</u> | <u>785,835</u> |
| Attendance & Social Work Services: | | | | | |
| Salaries | 25,863 | | 25,863 | 20,980 | 4,883 |
| Supplies and Materials | 2,888 | | 2,888 | 2,045 | 843 |
| Total Attendance & Social Work Services | <u>28,751</u> | | <u>28,751</u> | <u>23,025</u> | <u>5,726</u> |
| Health Services: | | | | | |
| Salaries | 495,264 | 6,089 | 501,353 | 498,775 | 2,578 |
| Purchased Professional and Technical Services | 39,000 | (1,463) | 37,537 | 36,295 | 1,242 |
| Supplies and Materials | 11,288 | 55,028 | 66,316 | 63,666 | 2,650 |
| Other Objects | 1,096 | (176) | 920 | 296 | 624 |
| Total Health Services | <u>546,648</u> | <u>59,478</u> | <u>606,126</u> | <u>599,032</u> | <u>7,094</u> |
| Speech, OT, PT & Related Services: | | | | | |
| Purchased Professional - Educational Services | 110,000 | 31,665 | 141,665 | 125,849 | 15,816 |
| Supplies and Materials | 800 | (17) | 783 | 782 | 1 |
| Other Objects | 46,500 | (46,500) | | | |
| Total Speech, OT, PT & Related Services | <u>157,300</u> | <u>(14,852)</u> | <u>142,448</u> | <u>126,631</u> | <u>15,817</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| Undistributed Expenditures: | | | | | |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 1,358,605 | | \$ 1,358,605 | \$ 1,341,798 | \$ 16,807 |
| Salaries of Secretarial and Clerical Assistants | 161,150 | | 161,150 | 161,150 | |
| Other Purchased Professional and Technical Services | 17,740 | \$ (2,314) | 15,426 | 14,619 | 807 |
| Other Purchased Services (400-500 series) | 13,856 | | 13,856 | 13,356 | 500 |
| Supplies and Materials | 7,506 | (344) | 7,162 | 5,266 | 1,896 |
| Other Objects | 6,750 | | 6,750 | 6,636 | 114 |
| Total Guidance | 1,565,607 | (2,658) | 1,562,949 | 1,542,825 | 20,124 |
| Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 970,831 | 107,622 | 1,078,453 | 1,077,739 | 714 |
| Salaries of Secretarial and Clerical Assistants | 159,845 | | 159,845 | 159,845 | |
| Purchased Professional - Educational Services | 611,300 | (21,855) | 589,445 | 351,684 | 237,761 |
| Other Purchased Services (400-500 series) | 48,600 | (43,990) | 4,610 | 647 | 3,963 |
| Miscellaneous Purchased Services (400-500 series Other than Residential Costs) | | 22,895 | 22,895 | 22,038 | 857 |
| Supplies and Materials | 17,100 | (6,389) | 10,711 | 10,561 | 150 |
| Other Objects | 21,500 | (8,541) | 12,959 | 12,565 | 394 |
| Total Child Study Team | 1,829,176 | 49,742 | 1,878,918 | 1,635,079 | 243,839 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | 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 | \$ 193,000 | \$ 1,842 | \$ 194,842 | \$ 194,842 | |
| Salaries of Other Professional Staff | 55,000 | 39,028 | 94,028 | 94,028 | |
| Salaries of Secretarial and Clerical Assistants | 137,521 | 13,368 | 150,889 | 150,889 | |
| Other Purchased Professional and Technical Services | 129,000 | (16,922) | 112,078 | 77,665 | \$ 34,413 |
| Other Purchased Services (400-500 series) | 4,000 | | 4,000 | 250 | 3,750 |
| Supplies and Materials | 220,630 | (34,876) | 185,754 | 111,351 | 74,403 |
| Other Objects | 4,250 | | 4,250 | 237 | 4,013 |
| Total Improvement of Instructional Services | 743,401 | 2,440 | 745,841 | 629,262 | 116,579 |
| Educational Media Services/School Library: | | | | | |
| Salaries | 162,684 | 1,051 | 163,735 | 163,060 | 675 |
| Salaries of Technology Coordinators | 405,581 | 1,039 | 406,620 | 406,620 | |
| Supplies and Materials | 86,786 | (1,000) | 85,786 | 76,114 | 9,672 |
| Other Objects | 984 | | 984 | 407 | 577 |
| Total Educational Media Services/School Library | 656,035 | 1,090 | 657,125 | 646,201 | 10,924 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | 244,187 | (2,090) | 242,097 | 194,818 | 47,279 |
| Purchased Professional - Educational Services | 61,500 | | 61,500 | 56,394 | 5,106 |
| Other Purchased Professional and Technical Services | 11,000 | | 11,000 | 5,400 | 5,600 |
| Other Purchased Services (400-500 series) | 82,625 | | 82,625 | 31,514 | 51,111 |
| Supplies and Materials | 2,500 | | 2,500 | | 2,500 |
| Total Instructional Staff Training Services | 401,812 | (2,090) | 399,722 | 288,126 | 111,596 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Undistributed Expenditures: | | | | | |
| General Administration: | | | | | |
| Salaries | \$ 481,198 | \$ (8,009) | \$ 473,189 | \$ 448,051 | \$ 25,138 |
| Unused Vacation Payment to Terminated/Retired Staff | | 2,427 | 2,427 | 2,427 | |
| Legal Services | 80,000 | 23,357 | 103,357 | 102,265 | 1,092 |
| Audit Fees | 65,036 | 17,499 | 82,535 | 82,185 | 350 |
| Other Purchased Professional Services | 30,700 | (10,058) | 20,642 | 20,141 | 501 |
| Communications/Telephone | 52,200 | 1,058 | 53,258 | 27,895 | 25,363 |
| BOE Other Purchased Services | 4,000 | (1,737) | 2,263 | | 2,263 |
| Miscellaneous Purchased Services (400-500 series) | 398,473 | 157,745 | 556,218 | 544,339 | 11,879 |
| General Supplies | 5,700 | | 5,700 | 1,751 | 3,949 |
| Miscellaneous Expenditures | 14,156 | 24,273 | 38,429 | 35,245 | 3,184 |
| BOE Membership Dues and Fees | 24,200 | (3,760) | 20,440 | 20,440 | |
| Total General Administration | 1,155,663 | 202,795 | 1,358,458 | 1,284,739 | 73,719 |
| School Administration: | | | | | |
| Salaries of Principals/Assistant Principals/Program Directors | 1,016,205 | (8,920) | 1,007,285 | 1,002,205 | 5,080 |
| Salaries of Other Professional Staff | 298,087 | 8,919 | 307,006 | 307,006 | |
| Salaries of Secretarial and Clerical Assistants | 361,688 | | 361,688 | 356,620 | 5,068 |
| Purchased Professional and Technical Services | 20,000 | (16,719) | 3,281 | | 3,281 |
| Other Purchased Services (400-500 series) | 15,687 | | 15,687 | 6,192 | 9,495 |
| Supplies and Materials | 2,482 | 157 | 2,639 | 1,000 | 1,639 |
| Other Objects | 59,591 | | 59,591 | 46,010 | 13,581 |
| Total School Administration | 1,773,740 | (16,563) | 1,757,177 | 1,719,033 | 38,144 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|----------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Undistributed Expenditures: | | | | | |
| Central Services: | | | | | |
| Salaries | \$ 468,213 | \$ 26,333 | \$ 494,546 | \$ 493,275 | \$ 1,271 |
| Unused Vacation Payment to Terminated/Retired Staff | | 968 | 968 | 968 | |
| Purchased Professional Services | 47,225 | (11,568) | 35,657 | 28,247 | 7,410 |
| Purchased Technical Services | 12,500 | 15,000 | 27,500 | 12,764 | 14,736 |
| Miscellaneous Purchased Services (400-500 series) | 9,500 | 15,000 | 24,500 | 5,001 | 19,499 |
| Supplies and Materials | 7,550 | 3,345 | 10,895 | 7,871 | 3,024 |
| Miscellaneous Expenditures | 3,250 | | 3,250 | 2,254 | 996 |
| Total Central Services | 548,238 | 49,078 | 597,316 | 550,380 | 46,936 |
| Administrative Information Technology: | | | | | |
| Salaries | 118,933 | 2,142 | 121,075 | 119,937 | 1,138 |
| Purchased Technical Services | 75,000 | 30,000 | 105,000 | 10,240 | 94,760 |
| Other Purchased Services (400-500 series) | 239,709 | 12,743 | 252,452 | 206,889 | 45,563 |
| Supplies and Materials | 78,818 | 55 | 78,873 | 71,896 | 6,977 |
| Other Objects | 1,900 | | 1,900 | 1,900 | |
| Total Administrative Information Technology | 514,360 | 44,940 | 559,300 | 410,862 | 148,438 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 68,468 | | 68,468 | 6,665 | 61,803 |
| Purchased Professional and Technical Services | | 5,000 | 5,000 | 4,534 | 466 |
| Cleaning, Repair and Maintenance Services | 430,825 | 15,125 | 445,950 | 396,115 | 49,835 |
| General Supplies | 108,500 | (3,000) | 105,500 | 69,253 | 36,247 |
| Total Required Maintenance for School Facilities | 607,793 | 17,125 | 624,918 | 476,567 | 148,351 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Undistributed Expenditures: | | | | | |
| Custodial Services: | | | | | |
| Salaries | \$ 1,405,509 | \$ (79,345) | \$ 1,326,164 | \$ 1,242,825 | \$ 83,339 |
| Unused Vacation Payment to Terminated/Retired Staff | | 1,000 | 1,000 | | 1,000 |
| Purchased Professional and Technical Services | 204,271 | (68,380) | 135,891 | 106,884 | 29,007 |
| Cleaning, Repair and Maintenance Services | 170,596 | (43,449) | 127,147 | 91,521 | 35,626 |
| Rental of Land & Buildings Other than Lease Purchase Agreements | 146,495 | 900 | 147,395 | 117,684 | 29,711 |
| Lease Purchase Payments - ESIP | 210,000 | | 210,000 | 210,000 | |
| Other Purchased Property Services | 83,097 | (8,304) | 74,793 | 71,536 | 3,257 |
| Insurance | 42,000 | | 42,000 | 42,000 | |
| Miscellaneous Purchased Services | 5,800 | (1,975) | 3,825 | 2,754 | 1,071 |
| General Supplies | 277,000 | (91,286) | 185,714 | 155,176 | 30,538 |
| Energy (Natural Gas) | 258,290 | 70,655 | 328,945 | 304,047 | 24,898 |
| Energy (Electricity) | 443,074 | 25,449 | 468,523 | 450,743 | 17,780 |
| Other Objects | 4,000 | 680 | 4,680 | 4,520 | 160 |
| Interest on Lease Purchase Payments - ESIP | 79,601 | | 79,601 | 79,601 | |
| Total Custodial Services | <u>3,329,733</u> | <u>(194,055)</u> | <u>3,135,678</u> | <u>2,879,291</u> | <u>256,387</u> |
| Care & Upkeep of Grounds: | | | | | |
| Salaries | 260,480 | 82,047 | 342,527 | 289,012 | 53,515 |
| Unused Vacation Payment to Terminated/Retired Staff | | 649 | 649 | | |
| Purchased Professional and Technical Services | 20,000 | (14,352) | 5,648 | | 5,648 |
| Cleaning, Repair and Maintenance Services | 207,995 | 35,125 | 243,120 | 206,784 | 36,336 |
| General Supplies | 64,000 | 40,000 | 104,000 | 66,723 | 37,277 |
| Total Care & Upkeep of Grounds | <u>552,475</u> | <u>143,469</u> | <u>695,944</u> | <u>563,168</u> | <u>132,776</u> |
| Security: | | | | | |
| Salaries | 49,725 | 7,367 | 57,092 | 53,026 | 4,066 |
| Purchased Professional and Technical Services | 265,767 | | 265,767 | 200,850 | 64,917 |
| Cleaning, Repair and Maintenance Services | 33,000 | (10,000) | 23,000 | 9,317 | 13,683 |
| Miscellaneous Purchased Services | | 3,600 | 3,600 | 3,300 | 300 |
| General Supplies | 13,600 | (3,600) | 10,000 | 2,330 | 7,670 |
| Other Objects | 31,070 | (20,600) | 10,470 | 337 | 10,133 |
| Total Security | <u>393,162</u> | <u>(23,233)</u> | <u>369,929</u> | <u>269,160</u> | <u>100,769</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | 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 | \$ 122,122 | \$ 88,297 | \$ 210,419 | \$ 210,419 | |
| Between Home and School - Special | 7,000 | 12,778 | 19,778 | 19,778 | |
| Other than Between Home and School | 126,645 | 69,583 | 196,228 | 196,227 | \$ 1 |
| Between Home and School - Nonpublic Schools | 26,117 | (26,117) | | | |
| Unused Vacation Payment to Terminated/Retired Staff | 1,307 | 1,307 | 1,307 | 1,307 | |
| Management Fee - ESC & CTSA Transportation Program | 79,731 | (28,967) | 50,764 | 44,656 | 6,108 |
| Other Purchased Professional and Technical Services | 10,060 | 2,618 | 12,678 | 12,264 | 414 |
| Cleaning, Repair and Maintenance Services | 66,400 | 5,233 | 71,633 | 67,707 | 3,926 |
| Contracted Services: | | | | | |
| Aid in Lieu of Payments - Nonpublic Students | 117,000 | (3,099) | 113,901 | 113,901 | |
| Other than Between Home and School - Vendors | 353,300 | (148,322) | 204,978 | 204,978 | |
| Between Home and School - Joint Agreements | 1,369,738 | (40,029) | 1,329,709 | 1,329,709 | |
| Special Education Students - Vendors | 34,860 | 34,441 | 69,301 | 69,301 | |
| Special Education Students - Joint Agreements | 12,000 | (12,000) | | | |
| Regular Students - ESC's & CTSA's | 300,000 | 89,551 | 389,551 | 352,963 | 36,588 |
| Special Education Students - ESC's & CTSA's | 1,758,214 | 400,617 | 2,158,831 | 1,926,461 | 232,370 |
| Miscellaneous Purchased Services | 14,762 | (6,832) | 7,930 | 7,930 | |
| General Supplies | 33,703 | 20,166 | 53,869 | 35,629 | 18,240 |
| Other Objects | 2,300 | (1,425) | 875 | 875 | |
| Total Student Transportation Services | 4,433,952 | 457,800 | 4,891,752 | 4,594,105 | 297,647 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Undistributed Expenditures: | | | | | |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | \$ 624,507 | \$ 74,689 | \$ 699,196 | \$ 681,616 | \$ 17,580 |
| Other Retirement Contributions - PERS | 509,937 | 87,411 | 597,348 | 597,348 | |
| Other Retirement Contributions - Regular | | 6,476 | 6,476 | 6,476 | |
| Unemployment Compensation | 25,000 | | 25,000 | | 25,000 |
| Workmen's Compensation | 296,575 | (63,893) | 232,682 | 232,682 | |
| Health Benefits | 6,663,734 | (81,523) | 6,582,211 | 5,834,997 | 747,214 |
| Tuition Reimbursement | 133,356 | (78,159) | 55,197 | 42,990 | 12,207 |
| Other Employee Benefits | 305,510 | (79,567) | 225,943 | 122,201 | 103,742 |
| Total Unallocated Benefits | 8,558,619 | (134,566) | 8,424,053 | 7,518,310 | 905,743 |
| On-Behalf TPAF Contributions: | | | | | |
| Post-Retirement Medical Benefits (Non-Budgeted) | | | | 1,792,932 | (1,792,932) |
| Pension (Non-Budgeted) | | | | 7,567,134 | (7,567,134) |
| Non-Contributory Insurance (Non-Budgeted) | | | | 106,762 | (106,762) |
| Long-Term Disability Insurance (Non-Budgeted) | | | | 2,826 | (2,826) |
| Reimbursed TPAF Contributions: | | | | | |
| Social Security Aid (Non-Budgeted) | | | | 1,354,724 | (1,354,724) |
| Total On-Behalf and Reimbursed Contributions | | | | 10,824,378 | (10,824,378) |
| Total Personal Services - Employee Benefits | 8,558,619 | (134,566) | 8,424,053 | 18,342,688 | (9,918,635) |
| Total Undistributed Expenditures | 33,232,622 | 183,446 | 33,416,068 | 40,774,002 | (7,357,934) |
| TOTAL CURRENT EXPENSE | 55,277,051 | 70,230 | 55,347,281 | 61,680,340 | (6,333,059) |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | 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) | \$ 9,310 | \$ 4,450 | \$ 4,860 |
| School-Sponsored and Other Instructional Programs | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | 154,099 | | 154,099 | 153,256 | 843 |
| Support Services - Students - Related & Extraordinary | 2,162 | | 2,162 | | 2,162 |
| Instructional Staff | 12,000 | (7,299) | 4,701 | 2,801 | 1,900 |
| Custodial Services | 150,000 | (51,825) | 98,175 | 49,103 | 49,072 |
| Care and Upkeep of Grounds | 100,078 | 662,423 | 762,501 | 734,475 | 28,026 |
| Student Transportation - Non-Instructional Equipment | 107,981 | 42,238 | 150,219 | 150,219 | |
| Total Equipment | 541,230 | 639,937 | 1,181,167 | 1,094,304 | 86,863 |
| Facilities Acquisition and Construction Services: | | | | | |
| Other Purchased Professional and Technical Services | 6,624 | | 6,624 | 6,235 | 389 |
| Construction Services | 192,153 | | 192,153 | 47,122 | 145,031 |
| Other Objects - Debt Service Assessment | 102,861 | | 102,861 | 102,861 | |
| Total Facilities Acquisition and Construction Services | 301,638 | | 301,638 | 156,218 | 145,420 |
| Assets Acquired Under Financed Purchases (Non-Budgeted): | | | | | |
| Undistributed Expenditures: | | | | | |
| Care and Upkeep of Grounds | | | | 519,600 | (519,600) |
| School Buses - Regular | | | | 157,500 | (157,500) |
| Total Assets Acquired Under Financed Purchases (Non-Budgeted) | | | | 677,100 | (677,100) |
| Assets Acquired Under Leases (Non-Budgeted): | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 9-12 | | | | 727,500 | (727,500) |
| Total Assets Acquired Under Leases (Non-Budgeted) | | | | 727,500 | (727,500) |
| TOTAL CAPITAL OUTLAY | 842,868 | 639,937 | 1,482,805 | 2,655,122 | (1,172,317) |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------------|-------------------------------------|
| TOTAL EXPENDITURES | \$ 56,119,919 | \$ 710,167 | \$ 56,830,086 | \$ 64,335,462 | \$ (7,505,376) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,914,351)</u> | <u>(710,167)</u> | <u>(4,624,518)</u> | 299,733 | <u>4,924,251</u> |
| Other Financing Sources/(Uses): | | | | | |
| Financed Purchases (Non-Budgeted) | | | | 677,100 | 677,100 |
| Leases (Non-Budgeted) | | | | 727,500 | 727,500 |
| Transfer from Capital Reserve to Capital Projects Fund | (2,049,986) | 710,167 | (1,339,819) | (1,339,819) | |
| Transfer from Capital Projects Fund: | | | | | |
| Capital Reserve Unexpended Funds Returned | | | | 15,000 | 15,000 |
| Interest Earned | | | | 233 | 233 |
| Total Other Financing Sources/(Uses) | <u>(2,049,986)</u> | <u>710,167</u> | <u>(1,339,819)</u> | <u>80,014</u> | <u>1,419,833</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) | <u>(5,964,337)</u> | | <u>(5,964,337)</u> | 379,747 | 6,344,084 |
| Fund Balance, July 1 | 12,659,436 | | 12,659,436 | 12,659,436 | |
| Fund Balance, June 30 | <u>\$ 6,695,099</u> | <u>\$ - 0 -</u> | <u>\$ 6,695,099</u> | <u>\$ 13,039,183</u> | <u>\$ 6,344,084</u> |
| Recapitulation: | | | | | |
| Restricted for: | | | | \$ 2,579,717 | |
| Capital Reserve | | | | 996 | |
| Maintenance Reserve | | | | 3,298,414 | |
| Excess Surplus | | | | 937,348 | |
| Excess Surplus - For Subsequent Year's Expenditures | | | | 198,559 | |
| Unemployment Compensation | | | | | |
| Assigned: | | | | | |
| Year-End Encumbrances | | | | 194,236 | |
| For Subsequent Year's Expenditures | | | | 2,486,524 | |
| Unassigned | | | | <u>3,343,389</u> | |
| Total Fund Balance - Budgetary Basis | | | | 13,039,183 | |
| Reconciliation to Governmental Fund Statements (GAAP): | | | | | |
| June State Aid payments not recognized on a GAAP basis | | | | <u>(380,409)</u> | |
| Fund Balance per Governmental Funds on Exhibit B-1 | | | | <u>\$ 12,658,774</u> | |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| REVENUES: | | | | | |
| State Sources | | \$ 169,314 | \$ 169,314 | \$ 161,329 | \$ (7,985) |
| Federal Sources | \$ 13,817 | 1,746,574 | 1,760,391 | 1,720,266 | (40,125) |
| Local Sources | 96,485 | 611,381 | 707,866 | 610,040 | (97,826) |
| Total Revenues | 110,302 | 2,527,269 | 2,637,571 | 2,491,635 | (145,936) |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Personal Services - Salaries | | 32,799 | 32,799 | | 32,799 |
| Other Purchased Services | | 80,898 | 80,898 | 72,913 | 7,985 |
| Tuition | 13,817 | 900,926 | 914,743 | 912,101 | 2,642 |
| Textbooks | | 20,947 | 20,947 | 20,947 | |
| Total Instruction | 13,817 | 1,035,570 | 1,049,387 | 1,005,961 | 43,426 |
| Support Services | | | | | |
| Personal Services - Salaries | | 48,904 | 48,904 | 47,033 | 1,871 |
| Purchased Professional/Technical Services | | 1,800 | 1,800 | | 1,800 |
| Transportation | | 187,314 | 187,314 | 187,314 | |
| Supplies and Materials | 64,774 | 18,706 | 83,480 | 20,264 | 63,216 |
| Other Objects | 31,711 | 19,606 | 51,317 | 15,694 | 35,623 |
| Student Activities | | 378,123 | 378,123 | 319,347 | 58,776 |
| Scholarships Awarded | | 58,303 | 58,303 | 31,840 | 26,463 |
| Laptop Replacement | | 152,213 | 152,213 | 152,213 | |
| Total Support Services | 96,485 | 864,969 | 961,454 | 773,705 | 187,749 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Building Improvements | \$ 626,730 | | \$ 626,730 | \$ 626,730 | |
| Total Facilities Acquisition and Construction Services | 626,730 | | 626,730 | 626,730 | |
| Total Expenditures | \$ 110,302 | 2,527,269 | 2,637,571 | 2,406,396 | \$ 231,175 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ -0- | \$ -0- | \$ -0- | \$ 85,239 | \$ (85,239) |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 64,635,195 | \$ 2,491,635 |
| 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. | | (8,209) |
| State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements (Prior Year) | 396,033 | |
| State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements (Current Year) | <u>(380,409)</u> | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 64,650,819</u> | <u>\$ 2,483,426</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 64,335,462 | \$ 2,406,396 |
| 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 | | <u>(8,209)</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 64,335,462</u> | <u>\$ 2,398,187</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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, 2022 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, 2022

| | <u>IDEA - Part B, Basic Regular</u> | | | | <u>COVID-19</u> |
|---|-------------------------------------|------------------|-------------------|-------------------|--|
| | <u>2021-22</u> | <u>2020-21</u> | <u>ARP</u> | <u>ACSERS</u> | <u>ARP</u> <u>ESSER III</u> <u>Non-Title I</u> |
| REVENUE: | | | | | |
| State Sources | | | | | |
| Federal Sources | \$ 487,190 | \$ 13,817 | \$ 106,464 | \$ 504,276 | \$ 559,261 |
| Local Sources | | | | | |
| Total Revenue | <u>487,190</u> | <u>13,817</u> | <u>106,464</u> | <u>504,276</u> | <u>559,261</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Other Purchased Services | | | | | |
| Tuition | 474,858 | 13,817 | 106,464 | 316,962 | |
| Textbooks | | | | | |
| Total Instruction | <u>474,858</u> | <u>13,817</u> | <u>106,464</u> | <u>316,962</u> | |
| Support Services: | | | | | |
| Personal Services - Salaries | 6,912 | | | | |
| Transportation | | | | 187,314 | |
| Supplies and Materials | 5,000 | | | | |
| Other Objects | 420 | | | | |
| Student Activities | | | | | |
| Scholarships Awarded | | | | | |
| Laptop Replacement | | | | | |
| Total Support Services | <u>12,332</u> | | | <u>187,314</u> | |
| Facilities Acquisition and Construction Services: | | | | | |
| Building Improvements | | | | | 559,261 |
| Total Facilities Acquisition and Construction Services | | | | | <u>559,261</u> |
| Total Expenditures | <u>\$ 487,190</u> | <u>\$ 13,817</u> | <u>\$ 106,464</u> | <u>\$ 504,276</u> | <u>\$ 559,261</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, 2022

| | NJ Nonpublic | | | | |
|---|--------------|--|------------------------------------|------------------------------|---------------------------------|
| | FEMA | Auxiliary Services (Chapter 192) | Handicapped Services (Chapter 193) | | |
| | | Home Instruction | Corrective Speech | Supplementary Instruction | Examination & Classification |
| REVENUE: | | | | | |
| State Sources | | \$ 3,809 | \$ 1,674 | \$ 7,434 | \$ 9,477 |
| Federal Sources | \$ 49,258 | | | | |
| Local Sources | | | | | |
| Total Revenue | 49,258 | 3,809 | 1,674 | 7,434 | 9,477 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Other Purchased Services | | 3,809 | 1,674 | 7,434 | 9,477 |
| Tuition | | | | | |
| Textbooks | | | | | |
| Total Instruction | | 3,809 | 1,674 | 7,434 | 9,477 |
| Support Services: | | | | | |
| Personal Services - Salaries | 40,121 | | | | |
| Transportation | | | | | |
| Supplies and Materials | 9,137 | | | | |
| Other Objects | | | | | |
| Student Activities | | | | | |
| Scholarships Awarded | | | | | |
| Laptop Replacement | | | | | |
| Total Support Services | 49,258 | | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Building Improvements | | | | | |
| Total Facilities Acquisition and Construction Services | | | | | |
| Total Expenditures | \$ 49,258 | \$ 3,809 | \$ 1,674 | \$ 7,434 | \$ 9,477 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Textbooks | NJ Nonpublic Technology Initiative | Nursing | SDA Emergent and Capital Maintenance Needs Grant | Other Local Projects |
|---|------------------|--|------------------|--|-------------------------|
| REVENUE: | | | | | |
| State Sources | \$ 20,947 | \$ 11,431 | \$ 39,088 | \$ 67,469 | |
| Federal Sources | | | | | |
| Local Sources | | | | | \$ 21,401 |
| Total Revenue | <u>20,947</u> | <u>11,431</u> | <u>39,088</u> | <u>67,469</u> | <u>21,401</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Other Purchased Services | | 11,431 | 39,088 | | |
| Tuition | | | | | |
| Textbooks | 20,947 | | | | |
| Other Objects | | | | | |
| Total Instruction | <u>20,947</u> | <u>11,431</u> | <u>39,088</u> | | |
| Support Services: | | | | | |
| Personal Services - Salaries | | | | | |
| Transportation | | | | | |
| Supplies and Materials | | | | | 6,127 |
| Other Objects | | | | | 15,274 |
| Student Activities | | | | | |
| Scholarships Awarded | | | | | |
| Laptop Replacement | | | | | |
| Total Support Services | | | | | <u>21,401</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Building Improvements | | | | 67,469 | |
| Total Facilities Acquisition and Construction Services | | | | <u>67,469</u> | |
| Total Expenditures | <u>\$ 20,947</u> | <u>\$ 11,431</u> | <u>\$ 39,088</u> | <u>\$ 67,469</u> | <u>\$ 21,401</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, 2022

| | Student Activities | Scholarships | Laptop Replacement | Totals June 30, 2022 |
|---|-----------------------|------------------|-----------------------|-------------------------|
| REVENUE: | | | | |
| State Sources | | | | \$ 161,329 |
| Federal Sources | | | | 1,720,266 |
| Local Sources | \$ 378,123 | \$ 58,303 | \$ 152,213 | 610,040 |
| Total Revenue | 378,123 | 58,303 | 152,213 | 2,491,635 |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Other Purchased Services | | | | 72,913 |
| Tuition | | | | 912,101 |
| Textbooks | | | | 20,947 |
| Total Instruction | | | | 1,005,961 |
| Support Services: | | | | |
| Personal Services - Salaries | | | | 47,033 |
| Transportation | | | | 187,314 |
| Supplies and Materials | | | | 20,264 |
| Other Objects | | | | 15,694 |
| Student Activities | 319,347 | | | 319,347 |
| Scholarships Awarded | | 31,840 | | 31,840 |
| Laptop Replacement | | | 152,213 | 152,213 |
| Total Support Services | 319,347 | 31,840 | 152,213 | 773,705 |
| Facilities Acquisition and Construction Services: | | | | |
| Building Improvements | | | | 626,730 |
| Total Facilities Acquisition and Construction Services | | | | 626,730 |
| Total Expenditures | \$ 319,347 | \$ 31,840 | \$ 152,213 | \$ 2,406,396 |

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, 2022

| | |
|--|--------------|
| Revenue and Other Financing Sources: | |
| Transfer from Capital Reserve | \$ 1,339,819 |
| Interest Revenue | 233 |
| | <hr/> |
| Total Revenue and Other Financing Sources | 1,340,052 |
| | <hr/> |
| Expenditures and Other Financing Uses: | |
| Construction Services | 2,676,380 |
| Cancellation of Financed Purchase Proceeds | 22,548 |
| Transfer to General Fund: | |
| Capital Reserve Unexpended Funds Returned | 15,000 |
| Interest Earned | 233 |
| | <hr/> |
| Total Expenditures and Other Financing Uses | 2,714,161 |
| | <hr/> |
| Excess/(Deficit) of Revenue & Other Financing Sources Over/(Under) | |
| Expenditures & Other Financing Uses | (1,374,109) |
| | <hr/> |
| Fund Balance - Beginning | 2,732,593 |
| | <hr/> |
| Fund Balance - Ending | \$ 1,358,484 |
| | <hr/> <hr/> |
| Recapitulation of Fund Balance: | |
| Committed | \$ 1,358,484 |
| | <hr/> |
| Fund Balance per Governmental Funds (Budgetary Basis and GAAP Basis) | \$ 1,358,484 |
| | <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 HIGH SCHOOL -
D-WING ROOFING SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <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 | | \$ 477,640 | \$ 477,640 | \$ 477,640 |
| Total Revenue and Other Financing Sources | \$ - 0 - | 477,640 | 477,640 | 477,640 |
| Expenditures: | | | | |
| Construction Services | | | | 477,640 |
| Total Expenditures | - 0 - | - 0 - | - 0 - | 477,640 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ - 0 - | \$ 477,640 | \$ 477,640 | \$ - 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 | \$ 457,640 |
| Transfer | \$ 20,000 |
| Change Orders | \$ - 0 - |
| Revised Authorized Cost | \$ 477,640 |
| Change Order Percentage | 0.00% |
| Percentage Completion | 0.00% |
| Original Target Completion Date | 06/30/25 |
| Revised Target Completion Date | 06/30/25 |

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 -
BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Project Authorization</u> |
|---|----------------------|---------------------|---------------|----------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Transfer from Capital Reserve | | \$ 375,000 | \$ 375,000 | \$ 375,000 |
| Total Revenue and Other Financing Sources | \$ - 0 - | 375,000 | 375,000 | 375,000 |
| Expenditures: | | | | |
| Construction Services | | 297,987 | 297,987 | 375,000 |
| Total Expenditures | - 0 - | 297,987 | 297,987 | 375,000 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ - 0 - | \$ 77,013 | \$ 77,013 | \$ - 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 | \$ 375,000 |
| Change Orders | \$ - 0 - |
| Revised Authorized Cost | \$ 375,000 |
| Change Order Percentage | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 08/15/22 |
| Revised Target Completion Date | 08/15/22 |

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, 2022

| | <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 | | \$ 137,179 | \$ 137,179 | \$ 137,179 |
| Total Revenue and Other Financing Sources | \$ - 0 - | 137,179 | 137,179 | 137,179 |
| Expenditures: | | | | |
| Purchased Professional and Technical Services | | | | 137,179 |
| Total Expenditures | - 0 - | - 0 - | - 0 - | 137,179 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ - 0 - | \$ 137,179 | \$ 137,179 | \$ - 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 | \$ 157,179 |
| Transfer | \$ (20,000) |
| Change Orders | \$ - 0 - |
| Revised Authorized Cost | \$ 137,179 |
| Change Order Percentage | 0.00% |
| Percentage Completion | 0.00% |
| Original Target Completion Date | 06/30/22 |
| Revised Target Completion Date | 06/30/22 |

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 -
CULINARY ARTS ROOM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Project Authorization</u> |
|---|----------------------|---------------------|---------------|----------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Transfer from Capital Reserve | | \$ 350,000 | \$ 350,000 | \$ 350,000 |
| Total Revenue and Other Financing Sources | \$ - 0 - | 350,000 | 350,000 | 350,000 |
| Expenditures: | | | | |
| Construction Services | | | | 350,000 |
| Total Expenditures | - 0 - | - 0 - | - 0 - | 350,000 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ - 0 - | \$ 350,000 | \$ 350,000 | \$ - 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 | | \$ 350,000 | | |
| Change Orders | | \$ - 0 - | | |
| Revised Authorized Cost | | \$ 350,000 | | |
| Change Order Percentage | | 0.00% | | |
| Percentage Completion | | 0.00% | | |
| Original Target Completion Date | | 06/30/25 | | |
| Revised Target Completion Date | | 06/30/25 | | |

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, 2022

| | <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 | \$ 279,500 | \$ (15,000) | \$ 264,500 | \$ 264,500 |
| Total Revenue and Other Financing Sources | <u>279,500</u> | <u>(15,000)</u> | <u>264,500</u> | <u>264,500</u> |
| Expenditures: | | | | |
| Construction Services | 264,500 | | 264,500 | 264,500 |
| Total Expenditures | <u>264,500</u> | <u>- 0 -</u> | <u>264,500</u> | <u>264,500</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 15,000</u> | <u>\$ (15,000)</u> | <u>\$ -0-</u> | <u>\$ - 0 -</u> |

Additional Project Information:

| | |
|---------------------------------|-------------|
| Project Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 279,500 |
| Change Orders | \$ - 0 - |
| Unexpended Balances Canceled | \$ (15,000) |
| Revised Authorized Cost | \$ 264,500 |
| 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, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Project Authorization</u> |
|---|----------------------|---------------------|----------------|--|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 315,500 | \$ (22,010) | \$ 293,490 | \$ 293,490 |
| Total Revenue and Other Financing Sources | <u>315,500</u> | <u>(22,010)</u> | <u>293,490</u> | <u>293,490</u> |
| Expenditures: | | | | |
| Construction Services | 293,490 | | 293,490 | 293,490 |
| Total Expenditures | <u>293,490</u> | <u>- 0 -</u> | <u>293,490</u> | <u>293,490</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 22,010</u> | <u>\$ (22,010)</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 | \$ 313,500 | | | |
| Additional Authorization | \$ 2,000 | | | |
| Change Orders | \$ - 0 - | | | |
| Unexpended Balances Canceled | \$ (22,010) | | | |
| Revised Authorized Cost | \$ 293,490 | | | |
| Change Order Percentage | 0.00% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | 09/15/20 | | | |
| Revised Target Completion Date | 09/09/20 | | | |

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 -
SOUND SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Project Authorization</u> |
|---|----------------------|---------------------|---------------|--|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 60,000 | \$ (538) | \$ 59,462 | \$ 59,462 |
| Total Revenue and Other Financing Sources | <u>60,000</u> | <u>(538)</u> | <u>59,462</u> | <u>59,462</u> |
| Expenditures: | | | | |
| Construction Services | 59,462 | | 59,462 | 59,462 |
| Total Expenditures | <u>59,462</u> | <u>- 0 -</u> | <u>59,462</u> | <u>59,462</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 538</u> | <u>\$ (538)</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 | \$ 60,000 | | | |
| Change Orders | \$ - 0 - | | | |
| Unexpended Balances Canceled | \$ (538) | | | |
| Revised Authorized Cost | \$ 59,462 | | | |
| 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 MENDHAM HIGH SCHOOL -
ROOFING SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | <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 | <u>540,000</u> | <u>\$ - 0 -</u> | <u>540,000</u> | <u>540,000</u> |
| Expenditures: | | | | |
| Construction Services | 342,955 | 189,062 | 532,017 | 540,000 |
| Total Expenditures | <u>342,955</u> | <u>189,062</u> | <u>532,017</u> | <u>540,000</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 197,045</u> | <u>\$ (189,062)</u> | <u>\$ 7,983</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 | \$ 540,000 |
| Change Orders | \$ - 0 - |
| Revised Authorized Cost | \$ 540,000 |
| Change Order Percentage | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | 08/01/21 |
| Revised Target Completion Date | 12/15/22 |

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, 2022

| | Prior Periods | Current Year | Totals | Project Authorization |
|---|---------------|--------------|------------|--------------------------|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 949,000 | | \$ 949,000 | \$ 949,000 |
| Total Revenue and Other Financing Sources | 949,000 | \$ - 0 - | 949,000 | 949,000 |
| Expenditures: | | | | |
| Construction Services | | 854,100 | 854,100 | 949,000 |
| Total Expenditures | - 0 - | 854,100 | 854,100 | 949,000 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ 949,000 | \$ (854,100) | \$ 94,900 | \$ - 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 | \$ 949,000 | | | |
| Change Orders | \$ - 0 - | | | |
| Revised Authorized Cost | \$ 949,000 | | | |
| Change Order Percentage | | 0.00% | | |
| Percentage Completion | | 100.00% | | |
| 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, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Project Authorization</u> |
|---|----------------------|---------------------|---------------|----------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 949,000 | | \$ 949,000 | \$ 949,000 |
| Total Revenue and Other Financing Sources | 949,000 | \$ - 0 - | 949,000 | 949,000 |
| Expenditures: | | | | |
| Construction Services | | 854,100 | 854,100 | 949,000 |
| Total Expenditures | - 0 - | 854,100 | 854,100 | 949,000 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | \$ 949,000 | \$ (854,100) | \$ 94,900 | \$ - 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 | \$ 949,000 |
| Change Orders | \$ - 0 - |
| Revised Authorized Cost | \$ 949,000 |
| Change Order Percentage | 0.00% |
| Percentage Completion | 100.00% |
| 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, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Project Authorization</u> |
|--|----------------------|---------------------|------------------|----------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 275,000 | | \$ 275,000 | \$ 275,000 |
| Total Revenue and Other Financing Sources | <u>275,000</u> | <u>\$ - 0 -</u> | <u>275,000</u> | <u>275,000</u> |
| Expenditures: | | | | |
| Construction Services | | 250,591 | 250,591 | 275,000 |
| Total Expenditures | <u>- 0 -</u> | <u>250,591</u> | <u>250,591</u> | <u>275,000</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 275,000</u> | <u>\$ (250,591)</u> | <u>\$ 24,409</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 | \$ 275,000 | | | |
| Change Orders | \$ - 0 - | | | |
| Revised Authorized Cost | \$ 275,000 | | | |
| Change Order Percentage | | 0.00% | | |
| Percentage Completion | | 100.00% | | |
| Original Target Completion Date | | 07/30/21 | | |
| Revised Target Completion Date | | 10/21/21 | | |

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, 2022

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Project Authorization</u> |
|---|----------------------|---------------------|------------------|----------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Financed Purchase Proceeds | \$ 325,000 | | \$ 325,000 | \$ 325,000 |
| Total Revenue and Other Financing Sources | <u>325,000</u> | <u>\$ - 0 -</u> | <u>325,000</u> | <u>325,000</u> |
| Expenditures: | | | | |
| Construction Services | | 230,540 | 230,540 | 325,000 |
| Total Expenditures | <u>- 0 -</u> | <u>230,540</u> | <u>230,540</u> | <u>325,000</u> |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures | <u>\$ 325,000</u> | <u>\$ (230,540)</u> | <u>\$ 94,460</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 | \$ 325,000 | | | |
| Change Orders | \$ - 0 - | | | |
| Revised Authorized Cost | \$ 325,000 | | | |
| Change Order Percentage | | 0.00% | | |
| Percentage Completion | | 100.00% | | |
| Original Target Completion Date | | 08/15/21 | | |
| Revised Target Completion Date | | 12/31/21 | | |

PROPRIETARY FUNDS

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

| | |
|-------------------------------------|---------------|
| Cash and Cash Equivalents | \$ 52,453 |
| Inventories | 12,953 |
| Interfund Receivable - General Fund | <u>11,754</u> |

| | |
|----------------------|---------------|
| Total Current Assets | <u>77,160</u> |
|----------------------|---------------|

Non-Current Assets:

| | |
|--------------------------------|------------------|
| Capital Assets | 152,944 |
| Less: Accumulated Depreciation | <u>(143,390)</u> |

| | |
|--------------------------|--------------|
| Total Non-Current Assets | <u>9,554</u> |
|--------------------------|--------------|

| | |
|--------------|---------------|
| Total Assets | <u>86,714</u> |
|--------------|---------------|

LIABILITIES:

Current Liabilities:

| | |
|----------------------------|---------------|
| Accounts Payable - Vendors | 17,072 |
| Unearned Revenue | <u>31,589</u> |

| | |
|---------------------------|---------------|
| Total Current Liabilities | <u>48,661</u> |
|---------------------------|---------------|

Non-Current Liabilities:

| | |
|--------------------------------------|--------------|
| Accrued Compensated Absences Payable | <u>5,000</u> |
|--------------------------------------|--------------|

| | |
|-------------------------------|--------------|
| Total Non-Current Liabilities | <u>5,000</u> |
|-------------------------------|--------------|

| | |
|-------------------|---------------|
| Total Liabilities | <u>53,661</u> |
|-------------------|---------------|

NET POSITION:

| | |
|------------------------------|---------------|
| Investment in Capital Assets | 9,554 |
| Unrestricted | <u>23,499</u> |

| | |
|--------------------|-------------------------|
| Total Net Position | <u><u>\$ 33,053</u></u> |
|--------------------|-------------------------|

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, 2022

| | |
|---|-------------|
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales - Non-Reimbursable Programs | \$ 689,507 |
| Special Events | 1,391 |
| | <hr/> |
| Total Operating Revenue | 690,898 |
| | <hr/> |
| Operating Expenses: | |
| Cost of Sales - Non-Reimbursable Programs | 287,145 |
| Salaries, Benefits & Payroll Taxes | 307,958 |
| Supplies, Insurance & Other Costs | 86,219 |
| Depreciation Expense | 3,297 |
| | <hr/> |
| Total Operating Expenses | 684,619 |
| | <hr/> |
| Operating Income | 6,279 |
| Non-Operating Revenue: | |
| Interest Income | 13 |
| | <hr/> |
| Total Non-Operating Revenue | 13 |
| | <hr/> |
| Change in Net Position | 6,292 |
| Net Position - Beginning of Year | 26,761 |
| | <hr/> |
| Net Position - End of Year | \$ 33,053 |
| | <hr/> <hr/> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | |
|--|-------------------------|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 684,341 |
| Payments to Food Service Vendor | (626,707) |
| Payments to Employees | (40,395) |
| Payments to Suppliers | <u>(3,677)</u> |
| Net Cash Provided by Operating Activities | <u>13,562</u> |
| Cash Flows from Investing Activities: | |
| Interest Income | <u>13</u> |
| Net Cash Provided by Investing Activities | <u>13</u> |
| Net Increase in Cash and Cash Equivalents | 13,575 |
| Cash and Cash Equivalents, July 1 | <u>38,878</u> |
| Cash and Cash Equivalents, June 30 | <u><u>\$ 52,453</u></u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating Income | \$ 6,279 |
| Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation | 3,297 |
| Changes in Assets and Liabilities: | |
| Decrease in Inventory | 957 |
| Increase in Accounts Payable | 9,586 |
| (Decrease) in Unearned Revenue | <u>(6,557)</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 13,562</u></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, 2021 | Matured | Balance June 30, 2022 |
|------------------------|---------------|----------------|---------------------|----------------------------------|---------------|-----------------------|---------------------|-----------------------|
| | | | Date | Outstanding June 30, 2022 Amount | | | | |
| Refunding School Bonds | 02/17/21 | \$ 6,375,000 | 5/1/23 | \$ 2,080,000 | 0.60% | \$ 6,230,000 | \$ 2,070,000 | \$ 4,160,000 |
| | | | 5/1/24 | 2,080,000 | 0.60% | | | |
| | | | | | | <u>\$ 6,230,000</u> | <u>\$ 2,070,000</u> | <u>\$ 4,160,000</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

| <u>Item</u> | <u>Interest Rate</u> | <u>Original Issue</u> | <u>Balance July 1,2021</u> | <u>Issued</u> | <u>Retired/ Matured</u> | <u>Balance June 30, 2022</u> |
|---|--------------------------|---------------------------|--------------------------------|-------------------|-----------------------------|----------------------------------|
| Energy Savings Improvement Program | 3.2500% | \$ 3,246,767 | \$ 2,501,767 | | \$ 210,000 | \$ 2,291,767 |
| Loader | 2.1701% | 75,621 | 40,815 | | 20,189 | 20,626 |
| Buses and Truck | 2.2668% | 255,245 | 155,646 | | 50,724 | 104,922 |
| Bus | 2.1000% | 97,666 | 19,935 | | 19,935 | |
| Field Lights, HVAC, Vans and Sound System | 1.3424% | 959,805 | 578,628 | | 190,310 | 388,318 |
| Bus | 0.6870% | 20,000 | 20,000 | | 5,034 | 14,966 |
| Bleachers, Vans, Tractor, HVAC and Weight Room | 0.8058% | 2,763,000 | 2,763,000 | | 558,549 | 2,204,451 |
| PA System, Weight Room, Buses and Truck | 1.4980% | 677,100 | | \$ 677,100 | | 677,100 |
| | | | <u>\$ 6,079,791</u> | <u>\$ 677,100</u> | <u>\$ 1,054,741</u> | <u>\$ 5,702,150</u> |

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

| <u>Item</u> | <u>Interest Rate</u> | <u>Original Issue</u> | <u>Balance July 1, 2021</u> | <u>Issued</u> | <u>Retired/ Matured</u> | <u>Balance June 30, 2022</u> |
|-----------------------------------|--------------------------|---------------------------|---------------------------------|-------------------|-----------------------------|----------------------------------|
| Classroom Technology Equipment | 2.8519% | \$ 727,911 | \$ 187,111 | | \$ 187,111 | |
| Classroom Technology Equipment | 2.1701% | 235,996 | 127,376 | | 63,004 | \$ 64,372 |
| Classroom Technology Equipment | 1.2540% | 208,000 | 155,731 | | 51,264 | 104,467 |
| Classroom Technology Equipment | 1.3500% | 271,062 | 271,062 | | 67,432 | 203,630 |
| Classroom Technology Equipment | 0.6870% | 607,062 | 607,062 | | 152,809 | 454,253 |
| Classroom Technology Equipment | 1.4980% | 727,500 | <u> </u> | <u>\$ 727,500</u> | <u> </u> | <u>727,500</u> |
| | | | <u>\$ 1,348,342</u> | <u>\$ 727,500</u> | <u>\$ 521,620</u> | <u>\$ 1,554,222</u> |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------|--------------------|---------------------|------------------|------------------|-----------------------------|
| REVENUE: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,075,913 | \$ 31,467 | \$ 2,107,380 | \$ 2,107,380 | |
| Total Revenue | <u>2,075,913</u> | <u>31,467</u> | <u>2,107,380</u> | <u>2,107,380</u> | |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 45,913 | (8,533) | 37,380 | 37,380 | |
| Redemption of Principal | 2,030,000 | 40,000 | 2,070,000 | 2,070,000 | |
| Total Regular Debt Service | <u>2,075,913</u> | <u>31,467</u> | <u>2,107,380</u> | <u>2,107,380</u> | |
| Total Expenditures | <u>2,075,913</u> | <u>31,467</u> | <u>2,107,380</u> | <u>2,107,380</u> | |
| Excess of Revenue Over Expenditures | - 0 - | - 0 - | - 0 - | - 0 - | |
| Fund Balance, July 1 | <u>2,334</u> | | <u>2,334</u> | <u>2,334</u> | |
| Fund Balance, June 30 | <u>\$ 2,334</u> | <u>\$ - 0 -</u> | <u>\$ 2,334</u> | <u>\$ 2,334</u> | <u>\$ - 0 -</u> |

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s annual comprehensive 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 annual comprehensive 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, | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2019 | 2020 | 2021 (Restated) | 2022 |
| Governmental Activities: | | | | | |
| Net Investment in Capital Assets | \$ 35,979,627 | \$ 40,490,868 | \$ 42,372,781 | \$ 42,135,862 | \$ 43,164,091 |
| Restricted | 7,803,701 | 7,109,764 | 9,082,855 | 8,756,183 | 7,878,011 |
| Unrestricted/(Deficit) | (8,774,509) | (10,714,005) | (11,219,673) | (5,690,299) | (4,394,243) |
| Total Governmental Activities Net Position | <u>\$ 35,008,819</u> | <u>\$ 36,886,627</u> | <u>\$ 40,235,963</u> | <u>\$ 45,201,746</u> | <u>\$ 46,647,859</u> |
| Business-Type Activities: | | | | | |
| Investment in Capital Assets | \$ 21,473 | \$ 19,648 | \$ 16,147 | \$ 12,851 | \$ 9,554 |
| Unrestricted | 19,550 | 51,209 | 60,486 | 13,910 | 23,499 |
| Total Business-Type Activities Net Position | <u>\$ 41,023</u> | <u>\$ 70,857</u> | <u>\$ 76,633</u> | <u>\$ 26,761</u> | <u>\$ 33,053</u> |
| District-Wide: | | | | | |
| Net Investment in Capital Assets | \$ 36,001,100 | \$ 40,510,516 | \$ 42,388,928 | \$ 42,148,713 | \$ 43,173,645 |
| Restricted | 7,803,701 | 7,109,764 | 9,082,855 | 8,756,183 | 7,878,011 |
| Unrestricted/(Deficit) | (8,754,959) | (10,662,796) | (11,159,187) | (5,676,389) | (4,370,744) |
| Total District-Wide Net Position | <u>\$ 35,049,842</u> | <u>\$ 36,957,484</u> | <u>\$ 40,312,596</u> | <u>\$ 45,228,507</u> | <u>\$ 46,680,912</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, | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | | |
| Net Investment in Capital Assets | \$ 34,748,348 | \$ 34,368,305 | \$ 34,396,725 | \$ 35,713,071 | \$ 37,775,826 |
| Restricted | 6,253,644 | 6,439,065 | 5,244,474 | 5,489,939 | 6,792,605 |
| Unrestricted/(Deficit) | <u>(1,263,420)</u> | <u>(10,448,680)</u> | <u>(8,660,307)</u> | <u>(10,251,581)</u> | <u>(11,507,492)</u> |
| Total Governmental Activities Net Position | <u>\$ 39,738,572</u> | <u>\$ 30,358,690</u> | <u>\$ 30,980,892</u> | <u>\$ 30,951,429</u> | <u>\$ 33,060,939</u> |
| Business-Type Activities: | | | | | |
| Investment in Capital Assets | \$ 44,247 | \$ 38,034 | \$ 32,541 | \$ 27,555 | \$ 22,962 |
| Unrestricted | | | 16,110 | 21,321 | 22,067 |
| Total Business-Type Activities Net Position | <u>\$ 44,247</u> | <u>\$ 38,034</u> | <u>\$ 48,651</u> | <u>\$ 48,876</u> | <u>\$ 45,029</u> |
| District-Wide: | | | | | |
| Net Investment in Capital Assets | \$ 34,792,595 | \$ 34,406,339 | \$ 34,429,266 | \$ 35,740,626 | \$ 37,798,788 |
| Restricted | 6,253,644 | 6,439,065 | 5,244,474 | 5,489,939 | 6,792,605 |
| Unrestricted/(Deficit) | <u>(1,263,420)</u> | <u>(10,448,680)</u> | <u>(8,644,197)</u> | <u>(10,230,260)</u> | <u>(11,485,425)</u> |
| Total District-Wide Net Position | <u>\$ 39,782,819</u> | <u>\$ 30,396,724</u> | <u>\$ 31,029,543</u> | <u>\$ 31,000,305</u> | <u>\$ 33,105,968</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, | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental Activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 27,287,001 | \$ 26,692,095 | \$ 25,355,368 | \$ 25,451,289 | \$ 22,634,294 |
| Special Education | 5,208,030 | 5,021,062 | 5,056,548 | 5,799,528 | 5,018,914 |
| Other Instruction | 4,313,690 | 3,801,939 | 3,854,268 | 3,941,655 | 3,759,915 |
| Support Services: | | | | | |
| Tuition | 3,966,700 | 3,794,789 | 4,825,985 | 5,089,566 | 5,105,929 |
| Student and Instruction Related Services | 9,639,764 | 8,631,567 | 8,335,870 | 9,340,145 | 8,656,469 |
| General Administration Services | 1,076,809 | 1,082,688 | 1,075,116 | 1,106,379 | 1,389,612 |
| School Administration Services | 3,224,906 | 3,059,432 | 3,010,431 | 3,065,885 | 2,691,433 |
| Central Services | 606,281 | 604,359 | 620,695 | 633,495 | 661,382 |
| Administrative Information Technology | 596,194 | 519,913 | 654,804 | 763,674 | 2,005,597 |
| Plant Operations and Maintenance | 4,195,645 | 4,336,243 | 4,120,195 | 4,403,391 | 6,434,112 |
| Pupil Transportation | 3,487,483 | 3,918,831 | 4,364,495 | 3,925,786 | 5,037,244 |
| Interest on Long-Term Debt | 524,744 | 450,269 | 383,235 | 167,387 | 17,859 |
| Unallocated Depreciation | 2,119,788 | 2,238,163 | 2,297,026 | 2,344,097 | 2,344,097 |
| Total Governmental Activities Expenses | <u>66,247,035</u> | <u>64,151,350</u> | <u>63,954,036</u> | <u>66,032,277</u> | <u>65,756,857</u> |
| Business-Type Activities: | | | | | |
| Enterprise Funds | 587,218 | 625,422 | 541,455 | 96,614 | 684,619 |
| Total Business-Type Activities Expense | <u>587,218</u> | <u>625,422</u> | <u>541,455</u> | <u>96,614</u> | <u>684,619</u> |
| Total District-Wide Expenses | <u>\$ 66,834,253</u> | <u>\$ 64,776,772</u> | <u>\$ 64,495,491</u> | <u>\$ 66,128,891</u> | <u>\$ 66,441,476</u> |
| Program Revenues: | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| Tuition | \$ 274,918 | \$ 274,918 | \$ 263,876 | \$ 313,332 | \$ 144,224 |
| Student & Instruction Related Services | | | | 303,518 | 588,639 |
| Operating Grants and Contributions | 19,998,923 | 16,962,186 | 16,744,613 | 19,177,249 | 14,734,494 |
| Capital Grants and Contributions | 14,411 | 23,120 | 44,812 | | 784,314 |
| Total Governmental Activities | <u>20,288,252</u> | <u>17,260,224</u> | <u>17,053,301</u> | <u>19,794,099</u> | <u>16,251,671</u> |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Food Service Fund | 572,320 | 683,675 | 562,249 | 3,177 | 690,898 |
| Total Business Type Activities | <u>572,320</u> | <u>683,675</u> | <u>562,249</u> | <u>3,177</u> | <u>690,898</u> |
| Total District-Wide Program Revenues | <u>\$ 20,860,572</u> | <u>\$ 17,943,899</u> | <u>\$ 17,615,550</u> | <u>\$ 19,797,276</u> | <u>\$ 16,942,569</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, | | | | |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Net (Expense)/Revenue: | | | | | |
| Governmental Activities | \$ (45,958,783) | \$ (46,891,126) | \$ (46,900,735) | \$ (46,238,178) | \$ (49,505,186) |
| Business-Type Activities | (14,898) | 58,253 | 20,794 | (93,437) | 6,279 |
| Total District-Wide Net Expense/(Revenue) | <u>\$ (45,973,681)</u> | <u>\$ (46,832,873)</u> | <u>\$ (46,879,941)</u> | <u>\$ (46,331,615)</u> | <u>\$ (49,498,907)</u> |
| General Revenues & Other Changes in Net Position: | | | | | |
| Governmental Activities: | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 43,618,576 | \$ 44,490,948 | \$ 45,269,541 | \$ 46,061,758 | \$ 46,752,684 |
| Taxes Levied for Debt Service | 2,266,000 | 2,269,475 | 2,270,250 | 2,269,175 | 2,107,380 |
| Federal and State Aid Not Restricted | 1,264,103 | 895,450 | 856,184 | 722,731 | 599,213 |
| Investment Earnings | 86,444 | 207,487 | 118,170 | 18,965 | 15,549 |
| Miscellaneous Income | 674,581 | 876,853 | 886,857 | 840,794 | 208,125 |
| Transfers | (3,041) | 28,721 | 15,265 | (43,561) | |
| Total Governmental Activities | <u>47,906,663</u> | <u>48,768,934</u> | <u>49,416,267</u> | <u>49,869,862</u> | <u>49,682,951</u> |
| Business-Type Activities: | | | | | |
| Investment Earnings | 600 | 302 | 247 | 4 | 13 |
| Transfers | 3,041 | (28,721) | (15,265) | 43,561 | |
| Other Item - FSMC Contribution | 7,251 | | | | |
| Total Business-Type Activities | <u>10,892</u> | <u>(28,419)</u> | <u>(15,018)</u> | <u>43,565</u> | <u>13</u> |
| Total District-Wide Revenues & Other Changes in Net Position | <u>\$ 47,917,555</u> | <u>\$ 48,740,515</u> | <u>\$ 49,401,249</u> | <u>\$ 49,913,427</u> | <u>\$ 49,682,964</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ 1,947,880 | \$ 1,877,808 | \$ 2,515,532 | \$ 3,631,684 | \$ 177,765 |
| Business-Type Activities | (4,006) | 29,834 | 5,776 | (49,872) | 6,292 |
| Total District-Wide Change in Net Position | <u>\$ 1,943,874</u> | <u>\$ 1,907,642</u> | <u>\$ 2,521,308</u> | <u>\$ 3,581,812</u> | <u>\$ 184,057</u> |

Source: West Morris Regional High School District records.

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

| Expenses: | Fiscal Year Ended June 30, | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Governmental Activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 21,984,326 | \$ 21,969,083 | \$ 24,814,290 | \$ 26,287,983 | \$ 28,124,143 |
| Special Education | 3,781,193 | 3,809,040 | 4,306,828 | 5,086,659 | 5,023,866 |
| Other Special Instruction | | | | | |
| Other Instruction | 3,055,851 | 3,088,277 | 3,508,063 | 3,837,507 | 3,813,738 |
| Support Services: | | | | | |
| Tuition | 2,547,951 | 2,803,150 | 3,300,090 | 3,674,161 | 4,004,449 |
| Student & Instruction Related Services | 6,457,607 | 6,219,532 | 7,608,338 | 8,170,208 | 9,458,104 |
| General Administration Services | 977,377 | 1,112,496 | 991,618 | 1,007,236 | 1,008,933 |
| School Administration Services | 2,543,345 | 2,361,168 | 2,550,334 | 3,079,417 | 3,236,507 |
| Central Services | 548,817 | 562,932 | 566,463 | 569,971 | 605,852 |
| Administrative Information Technology | 729,339 | 865,858 | 835,980 | 858,061 | 683,203 |
| Plant Operations and Maintenance | 3,381,931 | 3,612,729 | 3,667,203 | 3,520,619 | 3,810,907 |
| Pupil Transportation | 2,770,169 | 3,153,997 | 3,299,484 | 3,313,190 | 3,486,250 |
| Interest on Long-Term Debt | 863,136 | 783,095 | 721,298 | 668,437 | 590,665 |
| Unallocated Depreciation | 1,929,377 | 1,932,450 | 1,946,031 | 1,960,634 | 2,067,011 |
| Total Governmental Activities Expenses | <u>51,570,419</u> | <u>52,273,807</u> | <u>58,116,020</u> | <u>62,034,083</u> | <u>65,913,628</u> |
| Business-Type Activities: | | | | | |
| Enterprise Funds | 780,390 | 707,857 | 640,492 | 579,674 | 569,042 |
| Total Business-Type Activities Expense | <u>780,390</u> | <u>707,857</u> | <u>640,492</u> | <u>579,674</u> | <u>569,042</u> |
| Total District-Wide Expenses | <u>\$ 52,350,809</u> | <u>\$ 52,981,664</u> | <u>\$ 58,756,512</u> | <u>\$ 62,613,757</u> | <u>\$ 66,482,670</u> |
| Program Revenues: | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| Tuition | \$ 42,269 | \$ 80,615 | \$ 73,169 | \$ 120,688 | \$ 226,239 |
| Student & Instruction Related Services | | | | | |
| Operating Grants and Contributions | 8,391,960 | 7,939,395 | 13,529,836 | 16,008,812 | 19,796,280 |
| Capital Grants and Contributions | 39,222 | (795) | 155,800 | | 824,516 |
| Total Governmental Activities | <u>8,473,451</u> | <u>8,019,215</u> | <u>13,758,805</u> | <u>16,129,500</u> | <u>20,847,035</u> |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Food Service Fund | 737,156 | 655,801 | 616,779 | 546,202 | 531,618 |
| Total Business Type Activities | <u>737,156</u> | <u>655,801</u> | <u>616,779</u> | <u>546,202</u> | <u>531,618</u> |
| Total District-Wide Program Revenues | <u>\$ 9,210,607</u> | <u>\$ 8,675,016</u> | <u>\$ 14,375,584</u> | <u>\$ 16,675,702</u> | <u>\$ 21,378,653</u> |

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

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

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, | | | | | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 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 | \$ 7,015,034 |
| Assigned | 845,946 | 277,124 | 440,239 | 456,931 | 628,992 | 829,360 | 1,222,312 | 573,378 | 1,618,339 | 2,680,760 |
| Unassigned | 768,610 | 859,501 | 943,630 | 1,033,138 | 1,005,975 | 995,068 | 1,225,686 | 1,239,327 | 2,666,619 | 2,962,980 |
| Total General Fund | \$ 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 | \$ 12,658,774 |
| Other Governmental Funds: | | | | | | | | | | |
| Committed | \$ 182,598 | \$ 425,955 | \$ 1,537,387 | \$ 1,156,103 | \$ 129,433 | \$ 2,921,883 | \$ 335,407 | \$ 136,253 | \$ 2,732,593 | \$ 1,358,484 |
| Restricted | 87,769 | | | | | | | 697,891 | 777,738 | 862,977 |
| Total Other Governmental Funds | \$ 270,367 | \$ 425,955 | \$ 1,537,387 | \$ 1,156,103 | \$ 129,433 | \$ 2,921,883 | \$ 335,407 | \$ 834,144 | \$ 3,510,331 | \$ 2,221,461 |
| Total Governmental Funds | \$ 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 | \$ 14,880,235 |

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, | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 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 | \$ 48,860,064 |
| Tuition Charges | 42,269 | 80,615 | 73,169 | 120,688 | 226,239 | 263,007 | 274,918 | 263,876 | 313,332 | 144,224 |
| Interest Earned on Investments | 12,075 | 16,564 | 17,621 | 30,688 | 36,818 | 75,533 | 143,494 | 164,300 | 169,720 | 172,686 |
| Interest Earned on Capital Reserve Funds | 1,704 | 1,975 | 1,617 | 1,929 | 2,236 | 7,017 | 26,339 | 6,677 | 2,973 | 2,705 |
| Interest Earned on Maintenance Reserve Funds | 340 | 2,533 | 2,625 | 4,769 | 3,786 | 3,823 | 6,554 | 5,410 | 3,694 | 996 |
| Miscellaneous - Restricted | | | | | | | | | 341,568 | 1,878,288 |
| Miscellaneous - Unrestricted | 434,729 | 400,923 | 589,790 | 648,384 | 805,990 | 688,152 | 947,463 | 875,587 | 683,372 | 47,287 |
| State Sources | 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 | 16,414,597 |
| Federal Sources | 738,441 | 555,700 | 565,267 | 555,798 | 563,470 | 424,125 | 553,662 | 636,631 | 1,061,460 | 1,721,011 |
| Total Revenue | 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 | 69,241,858 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 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 | 15,228,302 |
| Special Education Instruction | 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 | 3,203,814 |
| Other Instruction | 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 | 2,565,474 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 5,105,929 |
| Student and Instruction Related Services | 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 | 6,070,971 |
| General Administration Services | 873,782 | 1,002,854 | 889,528 | 894,256 | 891,625 | 971,292 | 957,863 | 975,467 | 973,295 | 1,284,739 |
| School Administration Services | 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 | 1,719,033 |
| Central Services | 461,963 | 453,434 | 454,065 | 459,489 | 482,611 | 496,030 | 490,657 | 507,939 | 512,836 | 550,380 |
| Administrative Information Technology | 520,056 | 679,835 | 664,752 | 672,822 | 522,264 | 463,824 | 333,301 | 391,880 | 380,593 | 410,862 |
| Plant Operations and Maintenance | 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 | 4,188,186 |
| Pupil Transportation | 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 | 4,781,419 |

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, | | | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenditures: | | | | | | | | | | |
| Unallocated Benefits | \$ 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 | \$ 18,342,688 |
| Debt Service: | | | | | | | | | | |
| Principal | 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 | 2,070,000 |
| Interest and Other Charges | 923,238 | 862,206 | 798,550 | 746,050 | 669,800 | 606,000 | 529,475 | 465,250 | 238,000 | 37,380 |
| Capital Outlay | 410,249 | 435,598 | 1,101,533 | 836,151 | 2,990,923 | 2,941,938 | 7,057,753 | 3,426,523 | 4,019,753 | 5,958,232 |
| Total Expenditures | 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 | 71,517,409 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 639,607 | (33,888) | (52,316) | (29,619) | 420,894 | 248,113 | (3,862,285) | (128,208) | (142,272) | (2,275,551) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Financed Purchases (Non-Budgeted) | | | 216,401 | | | 501,168 | 727,911 | 566,862 | 1,533,095 | 677,100 |
| Cancellation of Financed Purchase Proceeds | | | | | | | | | | (22,548) |
| Lease Proceeds | | | | | | 3,246,767 | 448,810 | (149,079) | 3,393,500 | 727,500 |
| Superstorm Sandy Insurance Claims | 41,961 | | | | | | | | 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 | 1,355,052 |
| Transfers In | 1,257,985 | 573,161 | 1,455,477 | 153,496 | 445,179 | 910,071 | 2,343,143 | 1,643,508 | 1,049,951 | (1,355,052) |
| 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) | (1,355,052) |
| Total Other Financing Sources (Uses) | 11,031 | (15,265) | 216,401 | | | 3,744,894 | 1,205,442 | 433,048 | 4,884,193 | 1,382,052 |
| Net Change in Fund Balances | \$ 650,638 | \$ (49,153) | \$ 164,085 | \$ (29,619) | \$ 420,894 | \$ 3,993,007 | \$ (2,656,843) | \$ 304,840 | \$ 4,741,921 | \$ (893,499) |
| Debt Service as a Percentage of Noncapital Expenditures | 4.57% | 4.49% | 4.31% | 4.15% | 4.15% | 4.06% | 3.87% | 3.82% | 3.70% | 3.13% |

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 |
|----------------------------------|-----------|----------------------------|-----------------------------------|------------|------------|
| 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 |
| 2022 | 144,224 | 15,316 | | 1,476,473 | 1,636,013 |

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) |
|----------------------------|----------------|----------------|-------------------|---------------------|----------------|------------|--------------|----------------------------|----------------------------------|-----------------------------|------------------------|--|--|
| 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 | 976,500 | 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 |
| 2021 | 4,146,500 | 236,886,400 | 1,004,700 | 53,800 | 160,501,500 | - | 1,605,000 | 404,197,900 | - | 404,197,900 | 46,031,500 | 0.56 | 398,392,411 |

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) |
|----------------------------|----------------|------------------|-------------------|---------------------|---------------|--------------|------------|----------------------------|----------------------------------|-----------------------------|------------------------|--|--|
| 2012 | \$ 16,979,400 | \$ 1,668,358,200 | \$ 89,086,500 | \$ 1,213,200 | \$ 49,761,800 | \$ 3,908,600 | \$ 835,200 | \$ 1,830,142,900 | \$ 2,310,658 | \$ 1,832,453,558 | \$ 231,185,900 | \$ 0.52 | \$ 2,003,040,867 |
| 2013 | 14,619,500 | 1,664,309,100 | 88,383,100 | 1,228,000 | 48,990,700 | 2,469,700 | 835,200 | 1,820,835,300 | 442,529 | 1,821,277,829 | 232,195,400 | 0.55 | 1,917,321,277 |
| 2014 | 13,704,800 | 1,663,455,100 | 88,665,800 | 1,224,900 | 48,804,500 | 2,469,700 | 835,200 | 1,819,160,000 | 372,270 | 1,819,532,270 | 234,237,700 | 0.56 | 1,894,076,792 |
| 2015 | 13,628,900 | 1,664,376,400 | 87,702,100 | 1,241,000 | 47,568,100 | 2,543,100 | 835,200 | 1,817,894,800 | 373,557 | 1,818,268,357 | 235,597,400 | 0.55 | 1,873,066,563 |
| 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 | 1,900,570,565 |
| 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 | - | 1,820,670,600 | 409,774 | 1,820,470,374 | 257,537,000 | 0.57 | 1,876,249,396 |
| 2021 | 10,438,500 | 1,664,946,400 | 85,356,400 | 1,293,700 | 50,681,800 | 2,525,300 | - | 1,815,242,100 | 442,490 | 1,815,684,590 | 258,289,000 | 0.60 | 1,844,349,447 |

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) |
|----------------------------|----------------|------------------|-------------------|---------------------|----------------|------------|--------------|----------------------------|----------------------------------|-----------------------------|------------------------|--|--|
| 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 | 1,370,993,717 |
| 2017 | 9,704,800 | 1,096,803,000 | 69,563,800 | 403,900 | 101,655,100 | - | 2,342,200 | 1,280,472,800 | 1,939,588 | 1,282,412,388 | 124,867,500 | 0.57 | 1,377,174,538 |
| 2018 | 8,769,600 | 1,098,793,700 | 69,130,100 | 351,800 | 101,575,300 | - | 2,342,200 | 1,280,962,700 | 2,007,273 | 1,282,969,973 | 125,379,300 | 0.58 | 1,377,413,257 |
| 2019 | 8,306,100 | 1,095,646,700 | 65,860,900 | 348,400 | 100,209,700 | - | 2,342,200 | 1,279,714,000 | 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 | 0.61 | 1,367,265,859 |
| 2021 | 7,036,400 | 1,088,589,100 | 63,228,100 | 548,000 | 98,368,300 | - | 2,342,200 | 1,260,112,100 | 2,390,052 | 1,262,502,152 | 131,044,800 | 0.61 | 1,314,880,091 |

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) |
|----------------------------|----------------|------------------|-------------------|---------------------|---------------|------------|-----------|----------------------------|----------------------------------|-----------------------------|------------------------|--|--|
| 2012 | \$ 26,460,500 | \$ 1,746,400,700 | \$ 105,180,500 | \$ 607,200 | \$ 10,162,400 | \$ 2,100 | \$ - | \$ 1,888,813,400 | \$ 1,446,047 | \$ 1,890,259,447 | \$ 152,447,200 | \$ 0.50 | \$ 2,010,591,255 |
| 2013 | 26,692,700 | 1,743,151,500 | 104,058,700 | 622,500 | 10,162,400 | 2,100 | - | 1,884,689,900 | 1,537,902 | 1,886,227,802 | 152,592,200 | 0.52 | 1,951,547,561 |
| 2014 | 23,995,000 | 1,733,473,800 | 109,314,900 | 617,800 | 10,162,400 | 2,100 | - | 1,877,566,000 | 1,239,350 | 1,878,805,350 | 152,605,300 | 0.52 | 1,895,672,519 |
| 2015 | 22,888,000 | 1,729,916,200 | 111,919,200 | 624,700 | 10,162,400 | 2,100 | - | 1,875,512,600 | 1,226,793 | 1,876,739,393 | 152,605,300 | 0.55 | 1,963,383,307 |
| 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 |
| 2021 | 22,803,600 | 1,697,602,100 | 122,993,400 | 506,400 | 14,073,500 | 2,100 | - | 1,857,981,100 | 1,428,181 | 1,859,409,281 | 142,578,700 | 0.55 | 1,823,998,116 |

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) |
|----------------------------|----------------|------------------|-------------------|---------------------|----------------|---------------|---------------|----------------------------|----------------------------------|-----------------------------|------------------------|--|--|
| 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 |
| 2021 | 24,270,700 | 2,486,001,600 | 119,325,300 | 4,505,300 | 118,254,600 | 30,938,700 | 35,461,400 | 2,818,757,600 | - | 2,818,757,600 | 260,038,400 | 0.61 | 2,891,663,641 |

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 | | | |
| | | Obligation Debt ^b | Total Direct | Chester Borough | Chester Schools | Morris County | |
| 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 |
| 2021 | 0.53 | 0.03 | 0.56 | 0.97 | 0.94 | 0.26 | 2.73 |

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 | | | |
| | | Obligation Debt ^b | Total Direct | Chester Township | Chester Schools | Morris County | |
| 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 |
| 2021 | 0.57 | 0.03 | 0.60 | 0.53 | 1.01 | 0.27 | 2.41 |

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 Borough Schools | |
| 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 | 0.58 | 0.03 | 0.61 | 0.50 | 0.91 | 0.28 | 2.30 |
| 2021 | 0.58 | 0.03 | 0.61 | 0.52 | 0.94 | 0.27 | 2.34 |

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 Township Schools | |
| 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 |
| 2021 | 0.52 | 0.03 | 0.55 | 0.45 | 0.96 | 0.25 | 2.21 |

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 | |
| 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 | 2.64 |
| 2021 | 0.58 | 0.03 | 0.61 | 0.48 | 1.33 | 0.26 | 2.68 |

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

| | 2021 | | | 2012 | | |
|--|------------------------|--|-----------------------------|------------------------|--|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value | |
| DPF Chester LLC | \$40,760,000 | 10.08% | Chester Springs, LLC | \$ 34,533,100 | 9.14% | |
| CPP Streets of Chester, LLC | 13,750,000 | 3.40% | Continental Chester, LLC | 26,000,000 | 6.88% | |
| Savro/Chester Shopping Mall | 6,500,000 | 1.61% | NS-MPG, Inc. | 8,900,000 | 2.36% | |
| Williamson Associates | 3,915,000 | 0.97% | Savro/Chester Shopping Mall | 8,296,000 | 2.20% | |
| 2-4 Mill Ridge, LLC | 3,137,700 | 0.78% | Williamson Associates | 4,413,400 | 1.17% | |
| 95 West Main Associates, LLC | 2,864,000 | 0.71% | 95 West Main Associates | 3,698,500 | 0.98% | |
| Chester Public House, LLC | 2,325,000 | 0.58% | Individual Taxpayer #1 | 3,354,800 | 0.89% | |
| Group 6 Assoc. (Little Falls Shoprite) | 2,179,000 | 0.54% | Individual Taxpayer #2 | 2,713,300 | 0.72% | |
| Chester Franklin Associates | 2,175,000 | 0.54% | Turkey Farm Acquisition | 2,587,400 | 0.69% | |
| Individual Taxpayer #1 | 2,146,900 | 0.53% | Group 206 North Associates | 2,434,100 | 0.64% | |
| Total | \$79,752,600 | 19.74% | Total | \$ 96,930,600 | 25.67% | |

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

Source: Chester Borough Tax Assessor.

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

Chester Township

| | 2021 | | 2012 | |
|---------------------------------------|------------------------|--|------------------------|--|
| | 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 | 3,739,400 | 0.21% | 3,767,900 | 0.21% |
| Individual Taxpayer #2 | 3,140,800 | 0.17% | 3,732,500 | 0.20% |
| Individual Taxpayer #3 | 3,008,300 | 0.17% | 3,485,100 | 0.19% |
| Individual Taxpayer #4 | 2,968,600 | 0.16% | 3,008,300 | 0.16% |
| Inganamort Gladstone Realty Holding | 2,833,600 | 0.16% | 2,739,200 | 0.15% |
| Individual Taxpayer #5 | 2,728,200 | 0.15% | 2,732,100 | 0.15% |
| Pottersville Road Holding LLC | 2,715,400 | 0.15% | 1,731,000 | 0.09% |
| Individual Taxpayer #6 | 2,593,400 | 0.14% | 2,621,700 | 0.14% |
| Individual Taxpayer #7 | 2,536,100 | 0.14% | 2,570,000 | 0.14% |
| Total | <u>\$32,740,400</u> | <u>1.81%</u> | <u>\$ 31,271,000</u> | <u>1.70%</u> |

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may 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

| | 2021 | | | 2012 | | |
|------------------------|------------------------|--|------------------------|------------------------|--|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value | |
| V-Fee Realty | \$22,611,800 | 1.79% | V-Fee Realty | \$ 22,000,000 | 1.71% | |
| Shemy LLC | 9,347,300 | 0.74% | Roxiticus Golf Club | 14,178,100 | 1.10% | |
| Escada LLC | 8,564,900 | 0.68% | Holly Manor | 8,558,600 | 0.66% | |
| Holly Manor | 8,558,600 | 0.68% | Individual Taxpayer #1 | 6,430,800 | 0.50% | |
| Roxiticus Golf Club | 8,003,500 | 0.63% | Individual Taxpayer #2 | 5,652,500 | 0.44% | |
| Individual Taxpayer #1 | 5,652,500 | 0.45% | Individual Taxpayer #3 | 5,379,200 | 0.42% | |
| Individual Taxpayer #2 | 5,201,800 | 0.41% | Individual Taxpayer #4 | 5,224,100 | 0.41% | |
| Individual Taxpayer #3 | 5,000,000 | 0.40% | Individual Taxpayer #5 | 4,629,500 | 0.36% | |
| Individual Taxpayer #4 | 4,779,200 | 0.38% | Individual Taxpayer #6 | 4,607,900 | 0.36% | |
| Individual Taxpayer #5 | 4,396,300 | 0.35% | Individual Taxpayer #7 | 4,398,200 | 0.34% | |
| Total | <u>\$82,115,900</u> | <u>6.51%</u> | Total | <u>\$ 81,058,900</u> | <u>6.30%</u> | |

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

Source: Mendham Borough Tax Assessor.

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

Mendham Township

| | 2021 | | 2012 | |
|---------------------------------------|------------------------|--|------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Shemy, LLC | \$ 8,445,900 | 0.45% | \$ 8,135,000 | 0.43% |
| Woodland Lakes, Inc. | 8,148,000 | 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 | 3,985,300 | 0.21% | 5,083,400 | 0.27% |
| Hospitality Resources-Hillandale, LLC | 3,950,000 | 0.21% | 4,985,600 | 0.26% |
| Desiree Farm, LLC | 3,850,000 | 0.21% | 4,640,300 | 0.25% |
| Individual Taxpayer #3 | 3,800,000 | 0.20% | 4,448,800 | 0.24% |
| Individual Taxpayer #4 | 3,704,000 | 0.20% | 4,353,600 | 0.23% |
| Total | \$51,553,200 | 2.76% | \$ 54,125,100 | 2.87% |

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

Source: Mendham Township Tax Assessor.

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

Washington Township

| | 2021 | | | 2012 | | |
|-----------------------------|------------------------|--|---------------------------|------------------------|--|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value | |
| Heath Village | \$21,864,400 | 0.78% | Heath Village | \$ 21,761,200 | 0.77% | |
| Target Corp | 13,650,000 | 0.48% | Target Corp. | 15,900,000 | 0.56% | |
| Hackettstown 57 MP RK6 LLC | 11,694,100 | 0.41% | 2085 Realty Partners | 12,225,800 | 0.43% | |
| Peachtree Village | 10,250,000 | 0.36% | Peachtree Village | 10,250,000 | 0.36% | |
| Bay Ridge Motor Sales | 7,940,000 | 0.28% | Transistor Devices | 7,605,500 | 0.27% | |
| GPT Hackettstown Owner LLC | 6,841,200 | 0.24% | Kings Hwy Invest Co. | 7,399,000 | 0.26% | |
| Amerace ESNA Corp | 6,178,400 | 0.22% | Amerace ESNA Corp | 6,178,400 | 0.22% | |
| Columbia Gas Transmission | 5,872,300 | 0.21% | Columbia Gas Transmission | 5,872,300 | 0.21% | |
| Black Oak Golf Club | 5,036,500 | 0.18% | Regency at Long Valley | 5,500,000 | 0.19% | |
| Long Valley Shopping Center | 4,800,000 | 0.17% | Regency at Long Valley | 5,049,400 | 0.18% | |
| Total | \$94,126,900 | 3.33% | Total | \$ 97,741,600 | 3.45% | |

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 | |
| 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 - |
| 2022 | 2,172,729 | 2,171,330 | 99.94% | 1,399 |

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 | |
| 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 - |
| 2022 | 11,341,675 | 11,334,371 | 99.94% | 7,304 |

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 | |
| 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 |
| 2022 | 7,738,952 | 7,733,968 | 99.94% | 4,984 |

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 | |
| 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 |
| 2022 | 9,942,954 | 9,936,550 | 99.94% | 6,404 |

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

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

Washington Township

| <u>Fiscal Year Ended June 30,</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy^a</u> | | <u>Collections in Subsequent Years</u> |
|---------------------------------------|---|---|-------------------------------|--|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 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 |
| 2022 | 17,663,754 | 16,243,889 | 91.96% | 1,419,865 |

^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 | Financed Purchases/ Leases | | | |
| 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 | 0.40% | 392.26 |
| 2020 | 351,954 | - 0 - | 171,314 | 523,268 | 0.32% | 323.00 |
| 2021 | 301,853 | - 0 - | 359,904 | 661,757 | 0.41% | 395.79 |
| 2022 | 184,988 | - 0 - | 322,679 | 507,667 | 0.31% | 303.63 |

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 | Financed Purchases/ Leases | | | |
| 2013 | \$ 4,430,418 | \$ - 0 - | \$ - 0 - | \$ 4,430,418 | 0.69% | \$ 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 | 0.44% | 425.17 |
| 2019 | 2,228,312 | - 0 - | 933,608 | 3,161,920 | 0.42% | 412.73 |
| 2020 | 1,751,030 | - 0 - | 852,315 | 2,603,345 | 0.33% | 341.69 |
| 2021 | 1,363,315 | - 0 - | 1,625,503 | 2,988,818 | 0.38% | 387.71 |
| 2022 | 965,643 | - 0 - | 1,684,390 | 2,650,033 | 0.34% | 343.76 |

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 | Financed Purchases/ Leases | | | |
| 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 | 0.46% | 454.71 |
| 2020 | 1,275,567 | - 0 - | 620,883 | 1,896,450 | 0.38% | 392.15 |
| 2021 | 1,046,174 | - 0 - | 1,247,370 | 2,293,544 | 0.48% | 461.20 |
| 2022 | 658,903 | - 0 - | 1,149,338 | 1,808,241 | 0.37% | 363.61 |

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 | Financed Purchases/ Leases | | | |
| 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 | 0.62% | 599.67 |
| 2019 | 2,208,271 | - 0 - | 925,211 | 3,133,482 | 0.56% | 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 | 0.48% | 495.68 |
| 2022 | 846,554 | - 0 - | 1,476,662 | 2,323,216 | 0.40% | 386.82 |

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 | Financed Purchases/ Leases | | | |
| 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 | 0.27% | 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% | 260.76 |
| 2022 | 1,503,912 | - 0 - | 2,623,303 | 4,127,215 | 0.22% | 227.19 |

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 |
| 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% | 180.53 |
| 2022 | 184,988 | - 0 - | 184,988 | 0.046% | 110.64 |

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 |
| 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% | 176.85 |
| 2022 | 965,643 | - 0 - | 965,643 | 0.053% | 125.26 |

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 |
| 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% | 210.37 |
| 2022 | 658,903 | - 0 - | 658,903 | 0.052% | 132.50 |

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 |
| 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% | 226.10 |
| 2022 | 846,554 | - 0 - | 846,554 | 0.046% | 140.95 |

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 | | |
| 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% | 118.94 |
| 2022 | 1,503,912 | - 0 - | 1,503,912 | 0.053% | 82.79 |

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, 2021
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 | \$ 3,535,550 | 100.00% | \$ 3,535,550 |
| Township of Chester | 14,880,000 | 100.00% | 14,880,000 |
| Borough of Mendham | 969,237 | 100.00% | 969,237 |
| Township of Mendham | 13,344,702 | 100.00% | 13,344,702 |
| Township of Washington | 10,350,000 | 100.00% | 10,350,000 |
| County of Morris General Obligation Debt (all constituent municipalities) | 235,030,042 | 8.25% | <u>19,379,071</u> |
| Subtotal, Overlapping Debt | | | 62,458,560 |
| West Morris Regional School District Direct Debt | | | <u>4,160,000</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 66,618,560</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 | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Debt Limit | \$ 265,007,516 | \$ 257,201,826 | \$ 253,650,778 | \$ 253,032,514 | \$ 254,342,414 |
| Total Net Debt Applicable to Limit | 19,305,000 | 17,850,000 | 16,375,000 | 14,850,000 | 13,255,000 |
| Legal Debt Margin | <u>\$ 245,702,516</u> | <u>\$ 239,351,826</u> | <u>\$ 237,275,778</u> | <u>\$ 238,182,514</u> | <u>\$ 241,087,414</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 7.28% | 6.94% | 6.46% | 5.87% | 5.21% |

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Debt Limit | \$ 254,406,183 | \$ 254,843,729 | \$ 253,898,898 | \$ 251,755,855 | \$ 252,497,211 |
| Total Net Debt Applicable to Limit | 11,595,000 | 9,855,000 | 8,050,000 | 6,230,000 | 4,160,000 |
| Legal Debt Margin | <u>\$ 242,811,183</u> | <u>\$ 244,988,729</u> | <u>\$ 245,848,898</u> | <u>\$ 245,525,855</u> | <u>\$ 248,337,211</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 4.56% | 3.87% | 3.17% | 2.47% | 1.65% |

Legal Debt Margin Calculation for Fiscal Year 2022

| Year Ended December 31, | Chester Borough | Chester Township | Mendham Borough | Mendham Township | Washington Township | Equalized Valuation Basis |
|----------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|--|
| 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 |
| 2021 | 407,006,243 | 1,893,243,742 | 1,363,610,107 | 1,896,479,637 | 2,993,264,946 | 8,553,604,675 |
| | <u>\$ 1,196,853,197</u> | <u>\$5,620,546,537</u> | <u>\$4,050,040,446</u> | <u>\$5,616,566,365</u> | <u>\$8,765,714,558</u> | <u>\$ 25,249,721,103</u> |
| | | | | | | Average Equalized Valuation of Taxable Property |
| | | | | | | <u>\$ 8,416,573,701</u> |
| | | | | | | Debt Limit ^a (3% of Average Equalization Value) |
| | | | | | | \$ 252,497,211 |
| | | | | | | Net Bonded School Debt |
| | | | | | | <u>4,160,000</u> |
| | | | | | | Legal Debt Margin |
| | | | | | | <u>\$ 248,337,211</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 |
|------|------------------------------------|--|--|--|
| 2012 | 1,660 | \$ 79,856 | \$ 132,560,960 | 8.80% |
| 2013 | 1,662 | 81,026 | 134,665,212 | 6.50% |
| 2014 | 1,661 | 84,287 | 140,000,707 | 3.80% |
| 2015 | 1,657 | 88,298 | 146,309,786 | 3.70% |
| 2016 | 1,652 | 91,252 | 150,748,304 | 3.30% |
| 2017 | 1,648 | 93,544 | 154,160,512 | 3.40% |
| 2018 | 1,640 | 97,244 | 159,480,160 | 2.30% |
| 2019 | 1,623 | 99,140 | 160,904,220 | 2.00% |
| 2020 | 1,620 | 102,227 | 165,607,740 | 5.60% |
| 2021 | 1,672 | 102,227 * | 170,923,544 | 3.90% |

Chester Township

| Year | Township Population ^a | Morris County Per Capita Personal Income ^b | Township Personal Income ^c | Township Unemployment Rate ^d |
|------|-------------------------------------|--|---|---|
| 2012 | 7,886 | \$ 79,856 | \$ 629,744,416 | 5.00% |
| 2013 | 7,887 | 81,026 | 639,052,062 | 5.80% |
| 2014 | 7,862 | 84,287 | 662,664,394 | 4.40% |
| 2015 | 7,853 | 88,298 | 693,404,194 | 3.70% |
| 2016 | 7,826 | 91,252 | 714,138,152 | 3.40% |
| 2017 | 7,803 | 93,544 | 729,923,832 | 3.20% |
| 2018 | 7,752 | 97,244 | 753,835,488 | 3.00% |
| 2019 | 7,661 | 99,140 | 759,511,540 | 2.50% |
| 2020 | 7,619 | 102,227 | 778,867,513 | 5.90% |
| 2021 | 7,709 | 102,227 * | 788,067,943 | 4.50% |

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 |
|------|------------------------------------|--|--|--|
| 2012 | 5,016 | \$ 79,856 | \$ 400,557,696 | 3.30% |
| 2013 | 5,001 | 81,026 | 405,211,026 | 6.70% |
| 2014 | 4,979 | 84,287 | 419,664,973 | 4.70% |
| 2015 | 4,961 | 88,298 | 438,046,378 | 3.70% |
| 2016 | 4,945 | 91,252 | 451,241,140 | 3.80% |
| 2017 | 4,924 | 93,544 | 460,610,656 | 3.60% |
| 2018 | 4,900 | 97,244 | 476,495,600 | 3.50% |
| 2019 | 4,845 | 99,140 | 480,333,300 | 3.00% |
| 2020 | 4,836 | 102,227 | 494,369,772 | 6.20% |
| 2021 | 4,973 | 102,227 * | 508,374,871 | 4.80% |

Mendham Township

| Year | Township Population ^a | Morris County Per Capita Personal Income ^b | Township Personal Income ^c | Township Unemployment Rate ^d |
|------|-------------------------------------|--|---|---|
| 2012 | 5,892 | \$ 79,856 | \$ 470,511,552 | 2.10% |
| 2013 | 5,871 | 81,026 | 475,703,646 | 2.00% |
| 2014 | 5,847 | 84,287 | 492,826,089 | 4.00% |
| 2015 | 5,834 | 88,298 | 515,130,532 | 3.30% |
| 2016 | 5,805 | 91,252 | 529,717,860 | 3.20% |
| 2017 | 5,776 | 93,544 | 540,310,144 | 3.10% |
| 2018 | 5,730 | 97,244 | 557,208,120 | 2.70% |
| 2019 | 5,661 | 99,140 | 561,231,540 | 2.40% |
| 2020 | 5,633 | 102,227 | 575,844,691 | 5.30% |
| 2021 | 6,006 | 102,227 * | 613,975,362 | 3.90% |

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

Washington Township

| <u>Year</u> | <u>Township Population^a</u> | <u>Morris County Per Capita Personal Income^b</u> | <u>Township Personal Income^c</u> | <u>Township Unemployment Rate^d</u> |
|-------------|--|---|---|---|
| 2012 | 18,675 | \$ 79,856 | \$ 1,491,310,800 | 6.70% |
| 2013 | 18,634 | 81,026 | 1,509,838,484 | 5.00% |
| 2014 | 18,575 | 84,287 | 1,565,631,025 | 4.60% |
| 2015 | 18,561 | 88,298 | 1,638,899,178 | 4.30% |
| 2016 | 18,522 | 91,252 | 1,690,169,544 | 3.50% |
| 2017 | 18,511 | 93,544 | 1,731,592,984 | 3.40% |
| 2018 | 18,354 | 97,244 | 1,784,816,376 | 3.20% |
| 2019 | 18,140 | 99,140 | 1,798,399,600 | 2.70% |
| 2020 | 18,039 | 102,227 | 1,844,072,853 | 6.60% |
| 2021 | 18,166 | 102,227 * | 1,857,055,682 | 4.80% |

* - Latest Morris County per capita personal income available (2020) 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

| | 2021 | | 2012 | | | |
|--|---------------------------|----------------|--------------------------------|-------------------------|----------------|--------------------------------|
| | Employer | Employees | Percentage of Total Employment | Employer | Employees | Percentage of Total Employment |
| | Atlantic Health System | 7,642 | 2.91% | Novartis | 6,200 | 2.25% |
| | Picatinny Arsenal | 6,000 | 2.28% | Picatinny Arsenal | 5,274 | 1.91% |
| | Novartis | 5,200 | 1.98% | Atlantic Health Systems | 5,013 | 1.82% |
| | Bayer | 3,483 | 1.33% | ADP, Inc. | 1,947 | 0.71% |
| | Barclays | 2,560 | 0.97% | County of Morris | 1,914 | 0.69% |
| | ADP | 2,400 | 0.91% | St. Clare's | 1,841 | 0.67% |
| | Accenture | 1,826 | 0.70% | Accenture | 1,498 | 0.54% |
| | Honeywell | 1,704 | 0.65% | Wyndham Worldwide | 1,444 | 0.52% |
| | St. Clare's Health System | 1,638 | 0.62% | Chilton Memorial | 1,440 | 0.52% |
| | County of Morris | 1,469 | 0.56% | BASF Corporation | 1,400 | 0.51% |
| | | <u>33,922</u> | <u>12.91%</u> | | <u>27,971</u> | <u>10.14%</u> |
| | Total Employment * | <u>262,719</u> | | | <u>275,962</u> | |

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

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

| <u>Function/Program</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> | <u>2022</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Instruction: | | | | | | | | | | |
| Regular | 176.80 | 177.20 | 179.60 | 174.40 | 169.40 | 169.80 | 168.60 | 167.00 | 161.40 | 149.00 |
| Special Education | 43.00 | 40.40 | 39.40 | 41.20 | 37.80 | 36.40 | 38.90 | 35.80 | 37.80 | 40.80 |
| Support Services: | | | | | | | | | | |
| Student & Instruction-Related Services | 53.00 | 49.00 | 48.00 | 46.00 | 51.00 | 52.00 | 51.88 | 55.00 | 54.00 | 52.50 |
| General Administration | 5.00 | 8.00 | 8.00 | 8.00 | 7.00 | 7.20 | 5.90 | 5.90 | 6.20 | 6.20 |
| School Administration | 16.50 | 20.50 | 20.50 | 21.30 | 21.60 | 19.60 | 19.30 | 20.80 | 18.50 | 17.50 |
| Central Services | 4.00 | 4.00 | 5.80 | 5.60 | 5.80 | 5.60 | 5.20 | 5.20 | 5.20 | 5.40 |
| Administrative Information Technology | 4.00 | 5.60 | 5.00 | 5.00 | 7.00 | 7.00 | 8.00 | 7.00 | 7.00 | 7.00 |
| Plant Operations/Maintenance | 31.00 | 30.00 | 30.00 | 30.10 | 30.00 | 31.00 | 30.00 | 30.00 | 30.00 | 31.50 |
| Student Transportation | 4.00 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.90 | 2.80 | 2.90 | 4.20 |
| Total | 337.30 | 337.50 | 339.10 | 334.40 | 332.40 | 331.40 | 330.68 | 329.50 | 323.00 | 314.10 |

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 | | | | |
| 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% |
| 2022 | 2,239 | 63,451,797 | 28,352 | 22.86% | 208 | 10.8:1 | 10.8:1 | 2,178 | 2,067 | -7.87% | 94.90% |

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.

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

| District Buildings | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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) | 1,340 | 1,318 | 1,315 | 1,304 | 1,318 | 1,260 | 1,251 | 1,193 | 1,099 | 1,114 |
| 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 | 1,426 | 1,417 | 1,407 | 1,359 | 1,317 | 1,264 | 1,244 | 1,238 | 1,142 | 1,125 |
| 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, 2022:
 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> |
|--|--|--|---|
| 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 |
| 2022 | 276,474 | 200,093 | 476,567 |

* - 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, 2022UNAUDITED

| Type of Policy | Insurance Company | Policy Limits | Deductible |
|---|-------------------------------|----------------|------------|
| PROPERTY: | American Alternative Ins. Co. | | |
| Property - Blanket and Contents | | | |
| School Limit Per Statement of Values | | \$ 117,342,269 | \$ 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) | | 117,342,269 | 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 | | 25,000 | |
| Aggregate | | 25,000 | |
| EXCESS COMMERCIAL LIABILITY | | | |
| (Note: Unshared Limits) | | | |
| Aggregate | Allied/Hudson/Evanston | 30,000,000 | |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

| Type of Policy | Insurance Company | Policy Limits | Deductible |
|---|-------------------------------|---------------|------------|
| CYBER & TECHNOLOGY LIABILITY | XL Group Insurance | | |
| 1st Party Coverage (7/1/2021 thru 1/1/2022) | | \$ 1,000,000 | \$ 100,000 |
| 1st Party Coverage (1/1/2022 thru 1/1/2023) - RPIS Individual | | 1,000,000 | 15,000 |
| | | | 15,000 |
| 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 | | 250,000 | 5,000 |
| SCHOOL BOARD LEGAL AND EMPLOYMENT PRACTICES LIABILITY: | XL Catlin | | |
| Aggregate | | 1,000,000 | |
| School Board Legal | | | 10,000 |
| | | | 20,000 |
| INDIVIDUAL SURETY BONDS: | | | |
| Business Administrator/Board Secretary | Selective Insurance Company | 500,000 | |
| Treasurer | Selective Insurance Company | 300,000 | |

Source: West Morris Regional High School District records.

SINGLE AUDIT SECTION

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 "Office"), 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, 2022, 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 28, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on 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.

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

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 or significant deficiencies may exist that were not identified.

Report on 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 28, 2022
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

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



Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

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

Opinion on 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
West Morris Regional High School District
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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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

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

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 28, 2022
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, 2022

| Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period | | Program or Award Amount | June 30, 2021 | | Cash Received | Budgetary Expenditures | Repayment of Balances | June 30, 2022 | | Amount Provided to Sub- recipients |
|--|---------------------------------|----------------------------------|--------------|----------|----------------------------------|---|-------------------|------------------|---------------------------|-----------------------------|--------------------------|--------------------|---|
| | | | From | To | | Uncame/ Revenue/ (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Uncame/ Revenue | |
| U.S. Department of Health and Human Services - Passed-through State Department of Human Services: Medicaid Cluster: | | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | N/A | 7/1/21 | 6/30/22 | \$ 6,246 | | \$ 6,246 | \$ (6,246) | | | | | |
| Total Total U.S. Department of Health and Human Services/Medicaid Cluster - General Fund | | | | | | | | | | | | | |
| US Department of Treasury: Passed-through State Department of Education: Special Revenue Fund: American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds: ACRS | | | | | | | | | | | | | |
| | 21.027 | N/A | 7/1/21 | 6/30/22 | 504,276 | | \$ 127,134 | \$ (504,276) | | | \$ (377,142) | | |
| Total US Department of Treasury | | | | | | | | | | | | | |
| US Department of Education: Passed-through State Department of Education: Special Revenue Fund: Education Stabilization Fund: COVID-19 - CRRSA: | | | | | | | | | | | | | |
| Learning Acceleration | 84.425D | S425D210027 | 3/13/20 | 9/30/23 | 25,000 | | | (25,000) | | | | | |
| Mental Health | 84.425D | S425D210027 | 3/13/20 | 9/30/23 | 45,000 | | | (45,000) | | | | | |
| Non-Title I | 84.425D | S425D210027 | 3/13/20 | 9/30/23 | 279,630 | | | (279,630) | | | | | |
| COVID-19 - ARP: Non-Title I | 84.425U | N/A | 1/1/22 | 12/31/22 | 559,261 | | | | (559,261) | | | | |
| Total Education Stabilization Fund | | | | | | | | | | | | | |
| Elementary and Secondary Education Act: Title II - Parts A and D | | | | | | | | | | | | | |
| | 84.367 | ESEA-5660-21 | 7/1/20 | 9/30/21 | 29,878 | | 349,630 | (559,261) | | | | | |
| Subtotal Title II - Parts A and D | | | | | | | | | | | | | |
| Total Elementary and Secondary Education Act | | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| I.D.E.A. - Part B, Basic | 84.027 | IDEA-5660-22 | 7/1/21 | 9/30/22 | 490,074 | | 490,074 | (487,190) | | | \$ 2,884 | | |
| I.D.E.A. - Part B, Basic | 84.027 | IDEA-5660-21 | 7/1/20 | 9/30/21 | 537,123 | | 32,099 | (13,817) | | | | | |
| I.D.E.A. - Part B, Basic | 84.027 | IDEA-5660-19 | 7/1/18 | 6/30/19 | 534,071 | | 935 | | | | \$ (935) | | |
| COVID-19 - ARP: I.D.E.A. - Part B, Basic | | | | | | | | | | | | | |
| | 84.027X | IDEA-5660-22 | 7/1/21 | 9/30/22 | 109,106 | | 19,233 | (106,464) | | | | | |
| Total Special Education Cluster | | | | | | | | | | | | | |
| Total US Department of Education | | | | | | | | | | | | | |
| N/A - Not Available/Applicable. | | | | | | | | | | | | | |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period From To | Program or Award Amount | June 30, 2021 | | Cash Received | Budgetary Expenditures | Repayment of Balances | June 30, 2022 | | Amount Provided to Sub- recipients |
|--|---------------------------------|----------------------------------|-------------------------|----------------------------------|---|-------------------|------------------|---------------------------|-----------------------------|--------------------------|----------------|---|
| | | | | | Uncame/Revenue/ (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Uncame/Revenue | |
| US Department of Homeland Security: Passed-through Federal Emergency Management Agency: Special Revenue Fund: Disaster Grants - Public Assistance - FEMA January 2021 Snowstorm | 97.036 | N/A | 1/31/21 2/2/21 | \$ 49,258 | | | \$ 49,258 | \$ (49,258) * | | | | |
| Total US Department of Homeland Security | | | | | | | 49,258 | (49,258) | | | | |
| Total Special Revenue Fund | | | | | | | 1,092,088 | (1,720,266) | \$ (935) | \$ (1,023,634) | \$ 2,884 | \$ 467 |
| TOTAL FEDERAL AWARDS | | | | | | | \$ 1,098,334 | \$ (1,726,512) | \$ (935) | \$ (1,023,634) | \$ 2,884 | \$ 467 |
| | | | | | | | \$ -0- | \$ (1,726,512) | \$ (935) | \$ (1,023,634) | \$ 2,884 | \$ -0- |

N/A - Not Available/Applicable.

* - Expended in prior year

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| State Grantor/Program Title | Grant or State Project Number | Grant Period | | Program/Award Amount | June 30, 2021 | | June 30, 2022 | | | MEMO | | | |
|--|-------------------------------|--------------|---------|----------------------|--|-----------------|---------------|------------------------|-----------------------|----------------------------|----------------------------|----------------|---------------------------------|
| | | From | To | | Budgetary Unearned Revenue/(Accounts Receivable) | Due to Grantor | Cash Received | Budgetary Expenditures | Repayment of Balances | GAAP (Accounts Receivable) | Budgetary Unearned Revenue | Due to Grantor | Budgetary (Accounts Receivable) |
| Special Revenue Fund: New Jersey Schools Development Authority: Schools Development Authority - Emergent and Capital Maintenance Needs Grant | N/A | 7/1/21 | 6/30/22 | \$ 67,469 | \$ 67,469 | \$ (67,469) | | | | | | | \$ 67,469 |
| Total New Jersey Schools Development | | | | | 67,469 | (67,469) | | | | | | | 67,469 |
| Total Special Revenue Fund | | | | | 165,505 | (161,329) | | | | | | | 161,329 |
| TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION | | | | | \$ 1,490 | \$ (1,490) | | | | | | | \$ 7,985 |
| | | | | | \$ (1,445,532) | \$ (16,401,581) | | | | | | | \$ (1,596,703) |
| | | | | | \$ 16,258,395 | \$ (16,401,581) | | | | | | | \$ (1,596,703) |
| | | | | | \$ 16,258,395 | \$ (16,401,581) | | | | | | | \$ (1,596,703) |

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

On-Behalf TPAF Pension System Contributions:
Post-Retirement Medical Pension
Non-Contributory Insurance
Long-Term Disability Insurance
Subtotal On-Behalf TPAF Pension System Contributions

1,792,932
7,567,134
106,762
2,826
9,469,654
\$ (6,931,927)

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION

N/A - Not Available/Applicable.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022

(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 \$15,624 for the General Fund and \$(8,209) for the Special Revenue Fund of which \$100 is 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 | \$ 6,246 | \$ 16,255,876 | \$16,262,122 |
| Special Revenue Fund | 1,714,765 | 158,721 | 1,873,486 |
| Total Financial Awards | \$ 1,721,011 | \$16,414,597 | \$18,135,608 |

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, 2022.

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- 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 and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- 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>Assistance Listing/ State Grant Numbers</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 | 84.027 | 7/1/21-9/30/22 | \$ 490,074 | \$ 487,190 |
| I.D.E.A. - Part B, Basic | 84.027 | 7/1/20-9/30/21 | 537,123 | 13,817 |
| COVID-19 - ARP: | | | | |
| I.D.E.A. - Part B, Basic | 84.027X | 7/1/21-9/30/22 | 109,106 | 106,464 |
| Education Stabilization Fund: | | | | |
| COVID-19 - ARP: | | | | |
| Non-Title I | 84.425U | 1/1/22-12/31/22 | 559,261 | 559,261 |

WEST MORRIS REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

Summary of Auditors' Results: (Cont'd)

| | <u>Assistance Listing/ State Grant Numbers</u> | <u>Grant Period</u> | <u>Award Amount</u> | <u>Budgetary Expenditures</u> |
|--------------------------|--|---------------------|-------------------------|-----------------------------------|
| <u>State:</u> | | | | |
| Special Education | | | | |
| Categorical Aid | 22-495-034-5120-089 | 7/1/21-6/30/22 | 2,078,066 | 2,078,066 |
| Security Aid | 22-495-034-5120-084 | 7/1/21-6/30/22 | 213,804 | 213,804 |
| Equalization Aid | 22-495-034-5120-078 | 7/1/21-6/30/22 | 313,431 | 313,431 |
| Adjustment Aid | 22-495-034-5120-085 | 7/1/21-6/30/22 | 25,837 | 25,837 |
| Transportation Aid | 22-495-034-5120-014 | 7/1/21-6/30/22 | 1,396,979 | 1,396,979 |
| Nonpublic Transportation | | | | |
| Costs | 22-495-034-5120-014 | 7/1/21-6/30/22 | 50,704 | 50,704 |

- 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.
- 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 2 CFR 200.516(a) of 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, 2022

Status of Prior Fiscal Year Findings:

There were no findings or questioned costs for the prior fiscal year ended June 30, 2021.