

**WAYNE TOWNSHIP PUBLIC SCHOOLS**

**Wayne Township Public Schools District  
Board of Education  
Wayne, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual  
Financial Report**

**of the**

**Wayne Township Public Schools  
Board of Education**

**Wayne, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

**Wayne Township Public Schools District  
Board of Education**

**Finance Department**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal .....	1
Organizational Chart .....	5
Roster of Officials .....	6
Consultants and Advisors.....	7
ASBO International Certificate of Excellence .....	8

FINANCIAL SECTION..... 9

Independent Auditors' Report.....	10
-----------------------------------	----

Required Supplementary Information.....	13
---	----

Management's Discussion and Analysis (Unaudited) .....	14
--	----

Basic Financial Statements (Sections A. and B.).....	28
--	----

A. District-Wide Financial Statements.....	29
--	----

A-1 Statement of Net Position .....	30
-------------------------------------	----

A-2 Statement of Activities.....	31
----------------------------------	----

B. Fund Financial Statements.....	33
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds .....	34
--	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	35
---	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	36
--	----

B-4 Statement of Net Position – Proprietary Funds.....	37
--	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	38
--	----

B-6 Statement of Cash Flows – Proprietary Funds.....	39
--	----

B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	40
--	----

B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	41
--	----

Notes to the Basic Financial Statements.....	42
--	----

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	75
--	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System .....	75
--	----

L-2 Schedule of District Contributions – Public Employees' Retirement System.....	76
---	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teacher's Pension and Annuity Fund.....	77
--	----

L-4 Schedule of State Contributions – Teacher's Pension and Annuity Fund .....	78
--	----

Notes to Required Supplementary Information .....	79
---	----

C. Budgetary Comparison Schedules (Unaudited).....	80
--	----

C-1 Budgetary Comparison Schedule – General Fund.....	81
---	----

C-2 Budgetary Comparison Schedule – Special Revenue Fund .....	95
--	----

C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information .....	96
--	----

WAYNE TOWNSHIP PUBLIC SCHOOLS  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D. to I.)

D. School Level Schedules (Not Applicable).....	98
E. Special Revenue Fund .....	99
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	100
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	104
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	105
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – District-Wide Energy Savings Improvement Program.....	106
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Hills High School – Partial Roof Replacement Project .....	107
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Hills High School – New ADA Restroom Project.....	108
F-1d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – George Washington Middle School – Exterior Window Replacement Project.....	109
F-1e Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Lafayette Elementary School – Partial Roof Replacement Project.....	110
F-1f Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Valley High School Shelter Emergency Generator.....	111
G. Proprietary Funds.....	112
Enterprise Funds:	
G-1 Combining Statement of Net Position .....	113
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	114
G-3 Combining Statement of Cash Flows.....	115
H. Fiduciary Funds .....	116
H-1 Combining Statement of Fiduciary Net Position .....	117
H-2 Statement of Changes in Fiduciary Net Position .....	118
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements.....	119
H-4 Student Activity Agency Fund Statement of Activity .....	120
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements .....	121
I. Long-Term Debt.....	122
I-1 Schedule of Serial Bonds.....	123
I-2 Schedule of Obligations Under Capital Leases.....	124
I-3 Debt Service Fund Budgetary Comparison Schedule.....	125

WAYNE TOWNSHIP PUBLIC SCHOOLS  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

STATISICAL SECTION

J.	Statistical Section (Unaudited) .....	126
J-1	Net Position by Component .....	127
J-2	Changes in Net Position .....	128
J-3	Fund Balances - Governmental Funds .....	130
J-4	Changes in Fund Balances - Governmental Funds .....	131
J-5	General Fund Other Local Revenue by Source .....	133
J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	134
J-7	Direct and Overlapping Property Tax Rates .....	135
J-8	Principal Property Taxpayers .....	136
J-9	Property Tax Levies and Collections .....	137
J-10	Ratios of Outstanding Debt by Type .....	138
J-11	Ratios of Net General Bonded Debt Outstanding .....	139
J-12	Ratios of Overlapping Governmental Activities Debt .....	140
J-13	Legal Debt Margin Information .....	141
J-14	Demographic and Economic Statistics .....	142
J-15	Principal Employers .....	143
J-16	Full-Time Equivalent District Employees by Function/Program .....	144
J-17	Operating Statistics .....	145
J-18	School Building Information .....	146
J-19	Schedule of Required Maintenance for School Facilities .....	149
J-20	Insurance Schedule .....	150
K.	SINGLE AUDIT SECTION .....	151
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	152
K-2	Independent Auditor's Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance .....	154
	Schedule of Expenditures of Federal Awards .....	156
	Schedule of Expenditures of State Awards .....	158
	Notes to Schedules of Expenditures of Federal and State Awards .....	160
	Schedule of Findings and Questioned Costs .....	162
	Summary Schedule of Prior Audit Findings .....	164

**INTRODUCTORY SECTION**



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 Wayne, NJ 07470  
[www.wayneschools.com](http://www.wayneschools.com)  
 Phone: (973) 633-3000

November 15, 2016

The Honorable President and Members of  
 the Board of Education  
 Wayne Township Public Schools  
 County of Passaic, New Jersey

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Township of Wayne Public Schools (the "District") for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. 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 financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the 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' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

#### 1) REPORTING ENTITY AND ITS SERVICES:

The Township of Wayne Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds and the District-Wide financial statements of the District are included in this report. The Township of Wayne Public Schools District and all its schools institute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12 for the students residing in the Township of Wayne. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 8,026 students, a decrease of 66 students from the previous year's enrollment. This is consistent with the most recent demographic study conducted by the District for the update of the District's Long Range Facility Plan.

The Honorable President and Members of  
the Board of Education  
Wayne Township Public Schools  
Page 2  
November 15, 2016

2) ECONOMIC CONDITION AND OUTLOOK: Wayne Township is located approximately 20 miles from Manhattan and is considered part of the greater New York metropolitan region. The community has a land area of almost 26.6 square miles with a population density of 2,055 residents per square mile. The school district has benefited from a high property tax base due to the location of several corporate headquarters and large shopping centers within the community.

The Township is served by major highways such as Interstate Highways 80 and 287, U.S. Highways 46 and 202 and State Highway 23. This ideal location for distribution of products within the New York metropolitan area has earned the Township the term of "Optimum Point" among business circles. The Township also benefits from the services of New Jersey Transit, which provides passenger service. All major airports, Kennedy, LaGuardia, Newark and Teterboro, as well as the New York and New Jersey ports, are accessible to Wayne. The District continues to exhibit wealth and income levels that are well above State medians.

In spite of its location, however, the community has been negatively impacted by the slow national and state economy. From the five year period of 2011-2015, total assessed valuations decreased by an average of \$27,193,960, down from the previous five year period average loss of \$34,589,400 each year. This cycle of decreasing assessments, even though showing a slowing decline, has had a negative impact on the District's ability to develop school district budgets within the 2% tax levy cap and keep the tax rates at a stable level. It is hoped that the decrease in total valuations will continue to slow its downward trend and provide a more stable tax base for the future.

3) DISTRICT GOALS AND INITIATIVES: The Wayne Township School District continues to rank high on State and National tests, scoring well above the State and Nation in S.A.T. scores, and has had numerous high school students recognized for their achievements in the National Merit Scholarship Program. The District continued to monitor its instructional programs, enhancing them where necessary, with the following major goals and initiatives:

- a. The creation of a unified approach for reading comprehension and language arts instruction from kindergarten through eighth grade that includes the introduction of an early intervention program at the elementary grades. During the 15-16 school year, the District provided Wilson reading Tier 3 training and level 1 certifications to a group of teacher which impacted and raised the fluency levels of students that received this multi-sensory reading instruction and has continued in the 16-17 school year. Additionally, the Foundations program is being offered to all students in Kindergarten and First grade.
- b. Implementation of the Envision 2.0 math program at grades K through 6 has been extended to include grade 7 in the 16-17 school year.
- c. To develop a World Class Science Education program
- d. Successful Implementation of the Kindergarten Wrap Program
- e. To further develop the concept of college and career readiness by enhancing our curriculum to better integrate career ready standards into our daily instruction in a meaningful way; to create additional post-secondary partnerships by offering dual enrollment options for college credit; to establish additional local business partnerships
- f. To conduct an analysis of the PARCC school wide performance information against the academic standards to make adjustments at each school and at the district level to aid our students with meeting these standards
- g. An assessment of the current schedules at both high schools and at all three middle schools to serve as a basis to collaboratively develop an action plan that will be used to inform the schedule development process for the upcoming school year.



The Honorable President and Members of  
the Board of Education  
Wayne Township Public Schools  
Page 3  
November 15, 2016

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 recipient of federal and state financial assistance, 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 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 federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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. 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 year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND CONTROLS: 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 Financial Statements," Note 1.

7) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board appointed Nisivoccia, LLP of Mount Arlington, New Jersey to conduct its independent audit. 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 auditor's report on the basic financial statements, and specific required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

8) AWARDS: The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This is the third consecutive year that the District applied and received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Honorable President and Members of  
the Board of Education  
Wayne Township Public Schools  
Page 4  
November 15, 2016

The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program's requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2015-2016 certificate.

9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Wayne Board of Education 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,



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Dr. Mark Toback  
Superintendent of Schools

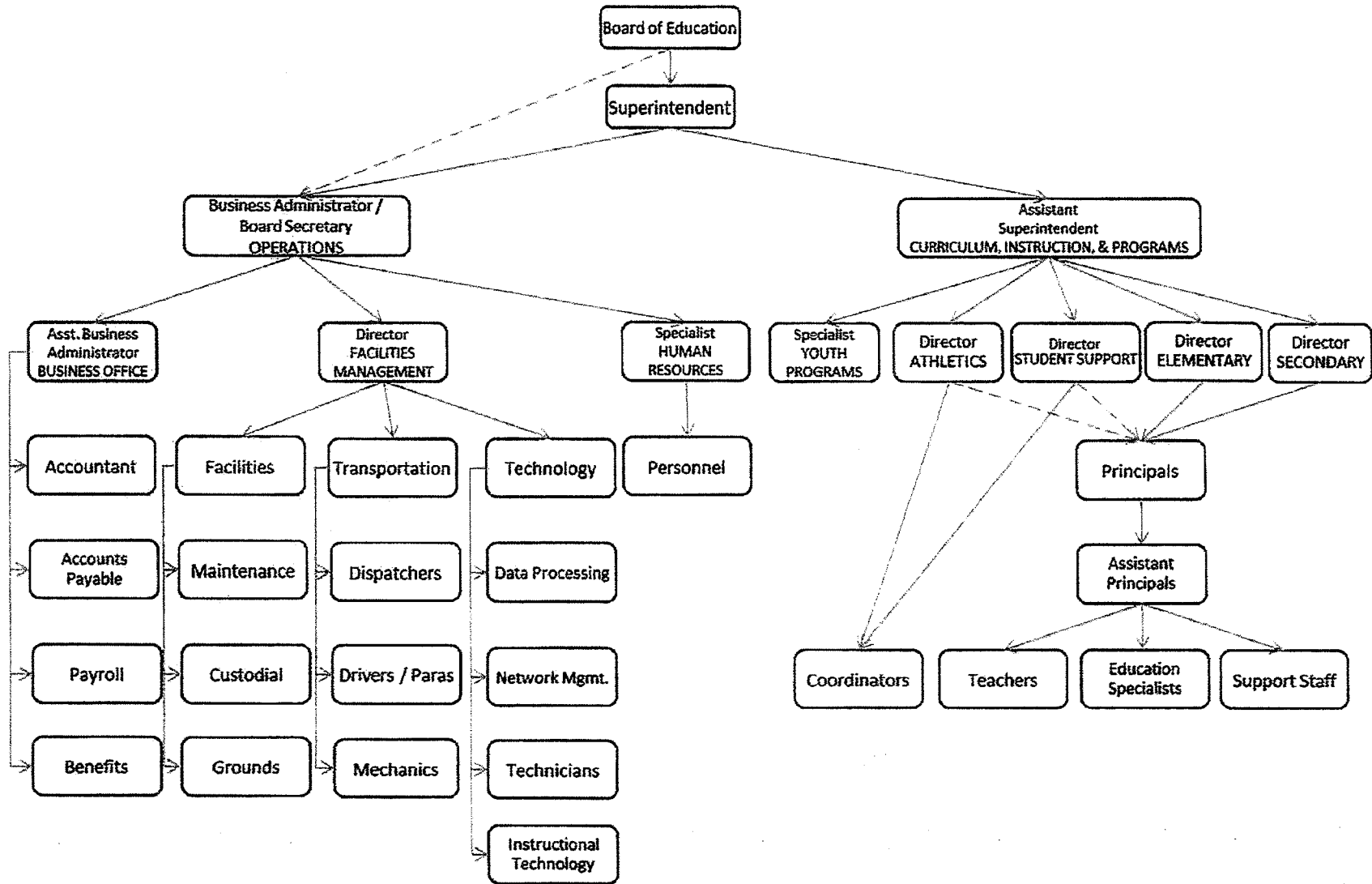


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Emidio D'Andrea  
Business Administrator/Board Secretary

# WAYNE TOWNSHIP PUBLIC SCHOOLS

## Organizational Chart



**WAYNE TOWNSHIP BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eileen P. Albanese, President	2018
Donal Pavlak, Jr., Vice President	2017
Michael L. Bubba	2016
Mitchell Badiner	2016
Robert Ceberio	2016
Catherine Kazan	2017
Allan R. Mordkoff	2016
Gail Okun	2018
Christian Smith	2017

Other OfficialsTitle

Dr. Mark Toback	Superintendent of Schools
Emidio D'Andrea	School Business Administrator/Board Secretary
Heather L. McNamara-Kreitz	Treasurer

**WAYNE TOWNSHIP BOARD OF EDUCATION**  
**Consultants and Advisors**

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856-1320

**Attorney**

Machado Law Group  
136 Central Avenue, 2<sup>nd</sup> floor  
Clark, NJ 07066

**Bond Counsel**

Rogut McCarthy LLC  
37 Alden Street  
Cranford, NJ 07016

**Architect of Record**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, NJ 07866

**Official Depositories**

Bank of America Merrill Lynch  
709 Hamburg Turnpike  
Wayne NJ, 07470

TD Bank  
1000 MacArthur Boulevard  
Mahwah, NJ 07430



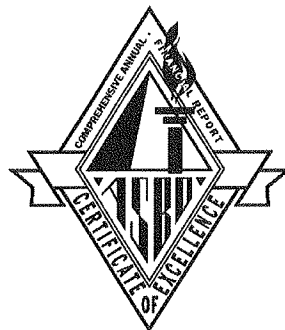
**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting Award  
is presented to**

**Wayne Township Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



*Brenda Burkett*

**Brenda R. Burkett, CPA, CSBA, SFO**  
President

*John D. Musso*

**John D. Musso, CAE, RSBA**  
Executive Director

**FINANCIAL SECTION**



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Wayne Township Public Schools  
 County of Passaic, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools (the "District") in the County of Passaic, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



The Honorable President and Members  
of the Board of Education  
Wayne Township Public Schools  
Page 2

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools, in the County of Passaic, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members  
of the Board of Education  
Wayne Township Public Schools  
Page 3

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Nisivoccia, LLP*

Mount Arlington, New Jersey  
November 15, 2016

NISIVOCCIA LLP

*Kathryn L. Mantell*

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

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

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

This section of Wayne Township Public School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status improved \$2,222,818 on a District-wide basis.
- Overall revenue was \$191,559,971 on a District-wide basis.
- Overall expenditures were \$189,337,153 on a District-wide basis.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food service, community education, the wrap around and extended day programs.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Figure A-1  
Organization of Wayne Township Public Schools' Financial Report**

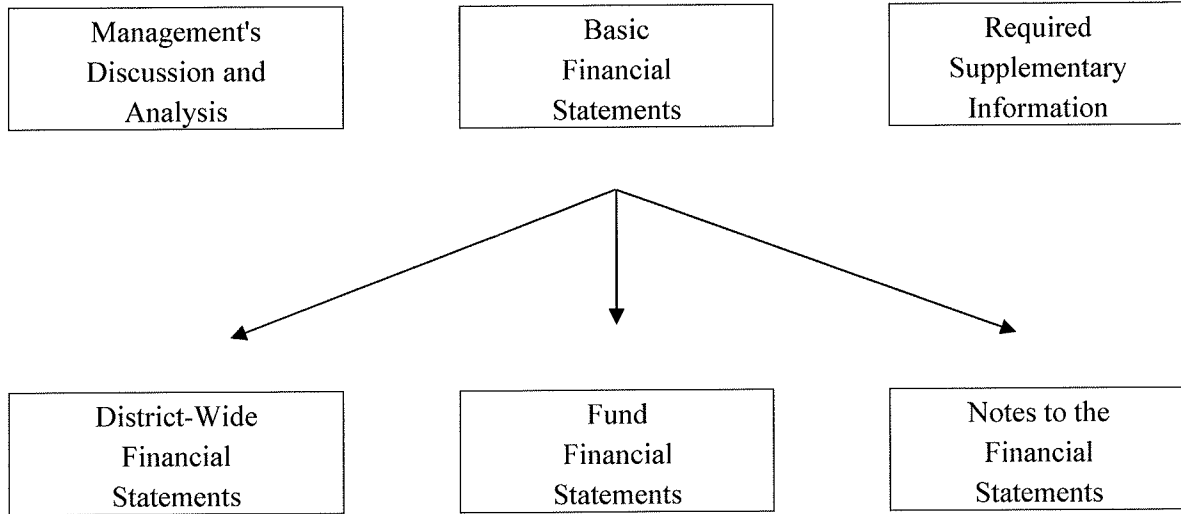


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

Figure A-2

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food service, community education, wrap around and extended day programs	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

### **District-wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service, community education, wrap around and extended day programs are included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Fund Financial Statements**

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to the basic financial statements:* The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

**Financial Analysis of the District as a Whole**

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change 2015/16
Current and							
Other Assets	\$ 10,205,446	\$ 16,045,069	\$ 1,109,987	\$ 1,062,541	\$ 11,315,433	\$ 17,107,610	-33.86%
Capital Assets, Net	61,608,395	55,292,164	160,685	175,717	61,769,080	55,467,881	11.36%
Total Assets	<u>71,813,841</u>	<u>71,337,233</u>	<u>1,270,672</u>	<u>1,238,258</u>	<u>73,084,513</u>	<u>72,575,491</u>	0.70%
Deferred Outflows of Resources	<u>14,431,682</u>	<u>2,118,821</u>			<u>14,431,682</u>	<u>2,118,821</u>	581.12%
Long-Term Liabilities							
Outstanding	94,808,421	84,398,751			94,808,421	84,398,751	12.33%
Other Liabilities	4,780,777	2,504,228	422,366	326,322	5,203,143	2,830,550	83.82%
Total Liabilities	<u>99,589,198</u>	<u>86,902,979</u>	<u>422,366</u>	<u>326,322</u>	<u>100,011,564</u>	<u>87,229,301</u>	14.65%
Deferred Inflows of Resources	<u>3,784,937</u>	<u>5,968,135</u>			<u>3,784,937</u>	<u>5,968,135</u>	-36.58%
Net Position:							
Net Investment in Capital Assets	27,685,819	18,284,152	160,685	175,717	27,846,504	18,459,869	50.85%
Restricted	4,016,194	8,165,563			4,016,194	8,165,563	-50.82%
Unrestricted (Deficit)	<u>(48,830,625)</u>	<u>(45,864,775)</u>	<u>687,621</u>	<u>736,219</u>	<u>(48,143,004)</u>	<u>(45,128,556)</u>	-6.68%
Total Net Position (Deficit)	<u>\$ (17,128,612)</u>	<u>\$ (19,415,060)</u>	<u>\$ 848,306</u>	<u>\$ 911,936</u>	<u>\$ (16,280,306)</u>	<u>\$ (18,503,124)</u>	12.01%



**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$(16,280,306) on June 30, 2016, \$2,222,818 or 12.01% more than it was the year before (See Figure A-3). Net investment in capital assets increased by \$9,386,635 due to \$9,108,571 and \$16,243 of capital additions related to governmental and business-type capital assets, respectively, the retirement of \$2,855,000 of bonded debt and \$2,044,354 of capital leases offset by \$2,792,340 and \$31,275 of depreciation related to governmental and business-type capital assets, respectively, a new capital lease of \$1,700,000 and the current year amortization of the deferred amount on the refunding of \$113,918.

Restricted net position decreased by \$4,149,369 due to capital projects expenditures of \$4,788,365 and a net decrease in debt service fund balance of \$33,975 offset by a net increase in the capital reserve of \$156,100 and current year excess surplus of \$516,871.

Unrestricted net position decreased by \$3,014,448 primarily due to capital projects expenditures of \$212,747, a decrease in assigned fund balance of \$1,919,761, an increase in net pension liability of \$14,181,147 and a decrease of \$48,598 in the operations of the business-type activities offset by a \$178,252 net decrease in compensated absences, a decrease in accrued interest of \$14,581, changes in proportion in pensions of \$5,007,571, change in pension assumptions of \$4,587,990, change in investment gains in pensions of \$1,528,230, an increase in the difference between expected and actual pension experience of \$1,301,111, \$393,871 of bond premiums amortized and an increase of \$336,199 in unassigned fund balance,

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Financial Analysis of the District as a Whole**

*Changes in Net Position.* The District's combined net position increased by \$2,222,818, or 12.01%. Net position from governmental activities increased \$2,286,448 and net position from business-type activities decreased by \$63,630 (See Figure A-4).

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change 2015/16
Revenue:							
Program Revenue:							
Charges for Services	\$ 350,496	\$ 272,919	\$ 3,289,598	\$ 3,346,008	\$ 3,640,094	\$ 3,618,927	0.58%
Grants and Contributions:							
Operating	44,603,509	38,255,280	451,225	503,077	45,054,734	38,758,357	16.25%
Capital	250,000	45,427			250,000	45,427	450.33%
General Revenue:							
Property Taxes	141,548,472	136,725,121			141,548,472	136,725,121	3.53%
Unrestricted State/ Federal Aid	382,787	387,365			382,787	387,365	-1.18%
Other	683,884	711,361		315	683,884	711,676	-3.91%
Total Revenue	<u>187,819,148</u>	<u>176,397,473</u>	<u>3,740,823</u>	<u>3,849,400</u>	<u>191,559,971</u>	<u>180,246,873</u>	6.28%
Expenses:							
Instruction	109,820,121	101,949,678			109,820,121	101,949,678	7.72%
Pupil and Instruction Services	36,870,890	33,660,218			36,870,890	33,660,218	9.54%
Administration and Business	15,094,559	15,895,909			15,094,559	15,895,909	-5.04%
Maintenance and Operations	16,158,309	16,096,278			16,158,309	16,096,278	0.39%
Transportation	6,671,942	6,483,219			6,671,942	6,483,219	2.91%
Other	895,531	767,092	3,825,801	3,826,365	4,721,332	4,593,457	2.78%
Total Expenses	<u>185,511,352</u>	<u>174,852,394</u>	<u>3,825,801</u>	<u>3,826,365</u>	<u>189,337,153</u>	<u>178,678,759</u>	5.97%
Transfers	(21,348)	(63,686)	21,348	63,686			0.00%
Increase/(Decrease) in Net Position	<u>\$ 2,286,448</u>	<u>\$ 1,481,393</u>	<u>\$ (63,630)</u>	<u>\$ 86,721</u>	<u>\$ 2,222,818</u>	<u>\$ 1,568,114</u>	41.75%

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Financial Analysis of the District as a Whole**

*Revenue Sources.* The District's total revenue for the 2015/2016 school year was \$191,559,971 (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$141,548,472 of the total, or 73.89 percent (See Figure A-5). The remaining 26.11 percent of revenue is comprised of 23.85 percent from federal and state grants and contributions and unrestricted federal and state aid, 1.90 percent from charges for services and .36 percent from other miscellaneous sources. The \$45,304,734 of federal and state grants and contributions includes \$11,118,491 of funds that are not paid to the District, but are included in funding for TPAF Post-Retirement Medical Benefits and Pension Contributions that the State of New Jersey is paying on behalf of the District as well as \$4,681,705 of reimbursed TPAF Social Security Contributions. The Wayne Township Public Schools District primarily conducts its operations from the revenue it receives from its local taxpayers and State Aid.

**Figure A-5  
Sources of Revenue for Fiscal Year 2016 and 2015**

Sources of Income:	2015/16		2014/15	
	Amount	Percentage	Amount	Percentage
Grants and Contributions	\$ 45,304,734	23.65%	\$ 38,803,784	21.53%
Property Taxes	141,548,472	73.89%	136,725,121	75.85%
Unrestricted Federal and State Aid	382,787	0.20%	387,365	0.22%
Charges for Services	3,640,094	1.90%	3,618,927	2.01%
Other	683,884	0.36%	711,676	0.39%
	<u>\$ 191,559,971</u>	<u>100.00%</u>	<u>\$ 180,246,873</u>	<u>100.00%</u>

The total cost of all programs and services was \$189,337,153. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (80.99 percent) (See Figure A-6). The District's administrative and business costs accounted for 7.97 percent of total costs and maintenance and operations costs accounted for 8.53 percent of total costs. It is important to note that other expenses included \$66,474 for charter schools, \$829,057 of interest on long-term debt and \$3,825,801 for business-type activities expenses and represented 2.49 percent of total costs.

**Figure A-6  
Expenses for Fiscal Year 2016 and 2015**

Expense Category:	2015/16		2014/15	
	Amount	Percentage	Amount	Percentage
Instruction	\$ 109,820,121	58.00%	\$ 101,949,678	57.06%
Pupil and Instruction Services	36,870,890	19.47%	33,660,218	18.84%
Administration and Business	15,094,559	7.98%	15,895,909	8.89%
Maintenance and Operations	16,158,309	8.54%	16,096,278	9.01%
Transportation	6,671,942	3.52%	6,483,219	3.63%
Other	4,721,332	2.49%	4,593,457	2.57%
	<u>\$ 189,337,153</u>	<u>100.00%</u>	<u>\$ 178,678,759</u>	<u>100.00%</u>

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Governmental Activities**

The financial position of the District improved from the prior year. However, maintaining existing programs, the provision of a multitude of special programs/services for disabled pupils and the cost of employee benefits has placed great demands on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7  
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2015/2016	2014/2015	2015/2016	2014/2015
Instruction	\$ 109,820,121	\$ 101,949,678	\$ 75,601,274	\$ 72,216,943
Pupil and Instruction Services	36,870,890	33,660,218	29,025,090	27,413,236
Administration and Business	15,094,559	15,895,909	12,616,439	13,752,439
Maintenance and Operations	16,158,309	16,096,278	15,908,309	16,050,851
Transportation	6,671,942	6,483,219	6,260,704	6,078,207
Other	895,531	767,092	895,531	767,092
	<u>\$ 185,511,352</u>	<u>\$ 174,852,394</u>	<u>\$ 140,307,347</u>	<u>\$ 136,278,768</u>

- The cost of all governmental activities this fiscal year was \$185,511,352.
- The federal and state governments subsidized certain programs with grants and contributions (\$44,603,509).
- Most of the District's costs, however, were financed by District taxpayers (\$141,548,472).

**Business-Type Activities**

The net position of the District's business-type activities decreased by \$63,630, which was comprised of decreases in net position of \$15,032 for the food service fund and \$52,406 for the extended day program. These were offset by an increase of \$3,808 in the net position of the community education program for the Safety Town Program. (Refer to Figure A-4).

**Financial Analysis of the District's Funds**

The District's General Fund fund balance decreased \$910,591 on the budgetary basis during the fiscal year primarily due to a net excess of \$440,136 in actual revenue, \$1,381 of interest transferred from the capital projects fund and \$2,340,615 of unexpended budget appropriations, offset by prior year encumbrances appropriated of \$322,388, \$3,000,000 of fund balance and \$347,900 of capital reserve utilized in the 2015-2016 budget (net of unexpended funds).

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$(16,280,306) on June 30, 2016, \$2,222,818 or 12.01% more than it was the year before (See Figure A-3). Net investment in capital assets increased by \$9,386,635 due to \$9,108,571 and \$16,243 of capital additions related to governmental and business-type capital assets, respectively, the retirement of \$2,855,000 of bonded debt and \$2,044,354 of capital leases offset by \$2,792,340 and \$31,275 of depreciation related to governmental and business-type capital assets, respectively, a new capital lease of \$1,700,000 and deferred amount on refunding of \$113,918.

Restricted net position decreased by \$4,149,369 due to capital projects expenditures of \$4,788,365 and a net decrease in debt service fund balance of \$33,975 offset by a net increase in the capital reserve of \$156,100 and current year excess surplus of \$516,871.

Unrestricted net position decreased by \$3,014,448 primarily due to capital projects expenditures of \$212,747, a decrease in assigned fund balance of \$1,919,761, an increase in net pension liability of \$14,181,147 and a decrease of \$48,598 in the operations of the business-type activities offset by a \$178,252 net decrease in compensated absences, a decrease in accrued interest of \$14,581, changes in proportion in pensions of \$5,007,571, change in pension assumptions of \$4,587,990, change in investment gains in pensions of \$1,528,230, an increase in difference between expected and actual pension experience of \$1,301,111, \$393,871 of bond premiums amortized and an increase of \$336,199 in unassigned fund balance,

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Financial Analysis of the District's Funds**

The District was able to deposit \$500,000 into the Capital Reserve Account during the fiscal year as a result of spending under budgeted amounts and had excess surplus of \$516,871 which will be appropriated in the 2017-2018 budget.

The District's Capital Projects Fund fund balance decreased \$5,001,112 on the budgetary basis during the fiscal year as a result of \$5,600,393 of capital project expenditures offset by \$599,281 in revenue and other financing sources from capital reserve, a FEMA grant and interest earnings.

The District's Debt Service Fund fund balance decreased \$33,975 on the budgetary basis during the fiscal year as a result of fund balance utilized in the 2015-2016 budget.

The State imposes spending and tax levy limits on the District in its budget process. Legislation titled "S1701" reduced the amount of allowable General Fund unassigned fund balance to 2% of adjusted expenditures. At June 30, 2016 the District's 2% limit is \$2,925,371 plus adjustments for additional State Aid of \$518,225, for a total of \$3,443,596 as allowable General Fund unassigned fund balance.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget between budgetary line items for changes in school-based needs. Tuition decreased 8.3% in comparison to last year's increase of 9.1%, extraordinary services for special education decreased .01% as compared to last year's increase of 6.2% and administration information technology decreased .05% as compared to last year's increase of 6.4% above budgeted amounts.

**Capital Assets**

The District's capital assets increased by \$6,301,199, or 11.36%, during the fiscal year.

**Figure A-8  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change 2015/16
Sites (Land)	\$ 9,263,696	\$ 9,263,696			\$ 9,263,696	\$ 9,263,696	0.00%
Construction in Progress	10,957,662	5,358,650			10,957,662	5,358,650	104.49%
Land Improvements	3,255,966	3,594,674			3,255,966	3,594,674	-9.42%
Buildings and Building Improvements	32,942,284	33,168,117			32,942,284	33,168,117	-0.68%
Machinery and Equipment	5,188,787	3,907,027	\$ 160,685	\$ 175,717	5,349,472	4,082,744	31.03%
Total Capital Assets, Net of Depreciation	\$ 61,608,395	\$ 55,292,164	\$ 160,685	\$ 175,717	\$ 61,769,080	\$ 55,467,881	11.36%

The District expended \$9,124,814 in capital assets, (\$5,599,012 from capital projects and \$3,509,559 from capital outlay for equipment purchases and facilities acquisition and construction services for a total of \$9,108,571 in governmental activities, and \$16,243 from business-type activities). The District incurred \$2,792,340 and \$31,275 of depreciation related to governmental and business-type capital assets, respectively. (More detailed information about the District's capital assets is presented in Note 6 to the Basic Financial Statements).

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Long-term Liabilities**

The District's long-term liabilities increased by \$10,409,670, or 12.33%, during the fiscal year. At fiscal year-end, the District had \$20,795,000 in general obligation bonds outstanding, \$3,021,197 in compensated absences payable, \$54,539,067 in net pension liability and \$13,863,409 in capital leases payable as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements).

**Figure A-9  
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2015/16	2014/15	2015/16
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 20,795,000	\$ 23,650,000	-12.07%
Net Pension Liability	54,539,067	40,357,920	35.14%
Unamortized Bond Issuance Premium	2,589,748	2,983,619	-13.20%
Other Long-Term Liabilities	16,884,606	17,407,212	-3.00%
	<u>\$ 94,808,421</u>	<u>\$ 84,398,751</u>	<u>12.33%</u>

- The District retired \$2,855,000 of its general obligation bonds during the fiscal year.
- The District's net pension liability increased by \$14,181,147.
- The District's liability for compensated absences decreased by the net amount of \$178,252.
- The District paid down \$2,044,354 of capital leases payable and entered into a new capital lease for \$1,700,000 for equipment and buses during the 2015-2016 fiscal year.
- The District amortized \$393,871 of bond issuance premium related to its bonded debt.

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The continued implementation of the State imposed budget tax levy cap of 2% and the State's practice of providing for flat State Aid each year, continue to create budgetary challenges, limiting the District's ability to continue to improve upon and in some cases, maintain, its instructional range of programs and services. Fixed costs such as insurance as well as increases granted through negotiations generally exceed a 2% increase each year, requiring Districts to either continue to find efficiencies in current programs or eliminate programs, or try to identify other miscellaneous revenues to support the expenditure increases.
- The continued reduction of total assessed valuations for the Township will continue to impact increases in the local tax burden of the community, even if the Board continues to stay within the 2% tax levy cap and not exercise any allowable budget waivers. During budget development for 2016-2017, the reduction of total assessed valuations reduced from by approximately \$15M. If this trend continues, the District might expect to have flat or slightly increased valuations for the development of its 2017-2018 budget.

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Factors Bearing on the District's Future**

- The 2013 State legislation for pension and medical/dental benefit reforms (Chapter 78) continues through its implementation. All staff is now in various stages Tier 4 of the law's four-tier implementation cycle, which yields the highest percentage of benefit contributions to the district and offsets increasing health insurance costs. However, even with the employee contributions, the overall increases year- after- year for health benefits puts a huge strain on the district's ability to maintain programs under the 2% cap. Administration continues to work with the District's insurance broker to formulate a strategy for the upcoming negotiations cycle to continue to make incremental changes to its benefit plan offerings.
- Over the last several years, the District has relied on budgeted fund balance to support its budget. Budgeted fund balance is created from excess, unspent budget balances in the prior year, which are carried forward to support future budgets. For the past five years, the District has averaged generating \$3.1M each year, which is then budgeted as a revenue in the next budget cycle as Budgeted Fund Balance. This form of revenue budgeting is dangerous to continue since the District's ability to generate surpluses at year end continues to decrease, mainly because of the 2% tax levy cap placed impacting the ability of the District to provide for any contingencies in its budget development from year to year. During budget development for the 2016-2017 budget, the Administration was successful in educating the Board on the dangers of continued reliance of Budgeted Fund Balance as a form of revenue, and the Board was amenable to begin to reduce its reliance on using fund balance with only \$1.3M appropriated for the 16-17 school year
- Further impeding the District's ability to general surplus is the past practice of the Board directing Administration to budget for reductions in salary savings (breakage) that might be achieved from the retirement of staff members for example. Over the past several years, the amount that salaries have been reduced has exceeded one million dollars each year. Fortunately, with changes in the pension laws at the State level, many of Wayne's more senior staff members have opted to retire with their replacements hired at much lower salaries, so the District has not encountered a problem in reaching its "budgeted surplus" calculation. However, as Administration pointed out and the Board acknowledged, the ability to generate this type of savings in the future will be more difficult, especially as the number of more seasoned staff members decreases. During budget development for the 2016-2017 budget cycle, the Board did support Administration's recommendation to not anticipate any breakage in the budget. This will put the District in a better position to generate some surplus at year end that may be used to support the 2017-2018 budget.
- The District continues to assess its buildings to identify major capital projects required. As a result of the defeated March 2015 referendum for safety and security improvements, the District included and completed some of those projects deemed necessary in the 15-16 school year, such as the replacement of the PA/Intercom systems at Schuyler Colfax Middle and Lafayette Elementary Schools and a fire alarm upgrade at Pines Lake Elementary. Additional projected completed during the 2015-2016 school year included partial roof replacements at Wayne Hills and Wayne Valley High and Ryerson Elementary Schools, and the installation of an emergency generator at Wayne Valley High School, which were all funded through the District's Capital Reserve Account and/or grant funds. Work also continues to proceed on the Energy Savings Improvement Plan, with all boiler work, lighting replacements and system controls completed. This project was funded through a capital lease program totaling just over 11 million dollars.



**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

**Factors Bearing on the District's Future**

- At year end, the District was able to deposit \$500,000 into its capital reserve account for required future capital project work.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Wayne Board of Education Office, 50 Nellis Drive, New Jersey 07470.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

Exhibit A-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,479,579	\$ 953,552	\$ 5,433,131
Internal Balances	(21,348)	21,348	
Receivables from Other Governments	3,574,230	74,695	3,648,925
Other Receivables	411,084	19,946	431,030
Inventory		40,446	40,446
Restricted Assets:			
Cash and Cash Equivalents:			
Capital Reserve Account	1,761,901		1,761,901
Capital Assets, Net:			
Sites (Land) and Construction in Progress	20,221,358		20,221,358
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	41,387,037	160,685	41,547,722
<b>Total Assets</b>	<b>71,813,841</b>	<b>1,270,672</b>	<b>73,084,513</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	735,833		735,833
Changes in Assumptions - Pensions	5,857,060		5,857,060
Changes in Proportions - Pensions	4,352,603		4,352,603
Difference between Expected and Actual Experience - Pensions	1,301,111		1,301,111
District Contribution Subsequent to the Measurement Date - Pensions	2,185,075		2,185,075
<b>Total Deferred Outflows of Resources</b>	<b>14,431,682</b>		<b>14,431,682</b>
<b>LIABILITIES</b>			
Payable to State Government	55,477		55,477
Accounts Payable	3,629,855	295,610	3,925,465
Accrued Interest Payable	811,684		811,684
Unearned Revenue	283,761	126,756	410,517
Noncurrent Liabilities:			
Due Within One Year	4,964,846		4,964,846
Due Beyond One Year	89,843,575		89,843,575
<b>Total Liabilities</b>	<b>99,589,198</b>	<b>422,366</b>	<b>100,011,564</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Investment Gains - Pensions	876,883		876,883
Changes in Proportions - Pensions	2,908,054		2,908,054
<b>Total Deferred Inflows of Resources</b>	<b>3,784,937</b>		<b>3,784,937</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	27,685,819	160,685	27,846,504
Restricted for:			
Capital Projects	3,499,323		3,499,323
Excess Surplus	516,871		516,871
Unrestricted (Deficit)	(48,830,625)	687,621	(48,143,004)
<b>Total Net Position (Deficit)</b>	<b>\$ (17,128,612)</b>	<b>\$ 848,306</b>	<b>\$ (16,280,306)</b>

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 78,905,505	\$ 350,496	\$ 18,865,927		\$ (59,689,082)		\$ (59,689,082)
Special Education	20,890,532		12,782,333		(8,108,199)		(8,108,199)
Other Special Instruction	4,378,608		1,102,450		(3,276,158)		(3,276,158)
School Sponsored/Other Instruction	5,645,476		1,117,641		(4,527,835)		(4,527,835)
Support Services:							
Tuition	5,161,154				(5,161,154)		(5,161,154)
Student & Instruction Related Services	31,709,736		7,845,800		(23,863,936)		(23,863,936)
General Administrative Services	1,654,085				(1,654,085)		(1,654,085)
School Administrative Services	10,098,969		2,478,120		(7,620,849)		(7,620,849)
Central Services	1,945,289				(1,945,289)		(1,945,289)
Administrative Information Technology	1,396,216				(1,396,216)		(1,396,216)
Plant Operations and Maintenance	16,158,309			\$ 250,000	(15,908,309)		(15,908,309)
Pupil Transportation	6,671,942		411,238		(6,260,704)		(6,260,704)
Transfer of Funds to Charter Schools	66,474				(66,474)		(66,474)
Interest on Long-Term Debt	829,057				(829,057)		(829,057)
<b>Total Governmental Activities</b>	<b>185,511,352</b>	<b>350,496</b>	<b>44,603,509</b>	<b>250,000</b>	<b>(140,307,347)</b>		<b>(140,307,347)</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 2,813,044	\$ 2,325,439	\$ 451,225		\$ (36,380)	\$ (36,380)	
Community Education Program	6,608	10,416			3,808	3,808	
Extended Day Program	1,006,149	953,743			(52,406)	(52,406)	
Total Business-Type Activities	<u>3,825,801</u>	<u>3,289,598</u>	<u>451,225</u>		<u>(84,978)</u>	<u>(84,978)</u>	
Total Primary Government	<u>\$ 189,337,153</u>	<u>\$ 3,640,094</u>	<u>\$ 45,054,734</u>	<u>\$ 250,000</u>	<u>\$ (140,307,347)</u>	<u>(84,978)</u>	<u>(140,392,325)</u>
General Revenues:							
Taxes:							
					137,763,672		137,763,672
					3,784,800		3,784,800
					382,787		382,787
					1,381		1,381
					682,503		682,503
					(21,348)	21,348	
					<u>142,593,795</u>	<u>21,348</u>	<u>142,615,143</u>
					2,286,448	(63,630)	2,222,818
					<u>(19,415,060)</u>	<u>911,936</u>	<u>(18,503,124)</u>
					<u>\$ (17,128,612)</u>	<u>\$ 848,306</u>	<u>\$ (16,280,306)</u>

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

**FUND FINANCIAL STATEMENTS**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,097,562		\$ 1,382,017		\$ 4,479,579
Interfund Receivable	112,495				112,495
Receivables from Other Governments	2,818,531	\$ 495,111	260,588		3,574,230
Other Receivables	372,307	38,777			411,084
Restricted Cash and Cash Equivalents	1,761,901				1,761,901
<b>Total Assets</b>	<u>\$ 8,162,796</u>	<u>\$ 533,888</u>	<u>\$ 1,642,605</u>	<u>\$ - 0 -</u>	<u>\$ 10,339,289</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable	\$ 21,348	\$ 112,495			\$ 133,843
Payable to State Government		55,477			55,477
Accounts Payable	1,310,071	121,245	\$ 13,464		1,444,780
Unearned Revenue	39,090	244,671			283,761
<b>Total Liabilities</b>	<u>1,370,509</u>	<u>533,888</u>	<u>13,464</u>		<u>1,917,861</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	1,761,901				1,761,901
Excess Surplus	516,871				516,871
Capital Projects Fund			1,737,422		1,737,422
<b>Assigned:</b>					
Encumbrances	102,627				102,627
Designated for Subsequent Year's Expenditures	1,300,000				1,300,000
Unassigned (Deficit)	3,110,888		(108,281)		3,002,607
<b>Total Fund Balances</b>	<u>6,792,287</u>		<u>1,629,141</u>		<u>8,421,428</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,162,796</u>	<u>\$ 533,888</u>	<u>\$ 1,642,605</u>	<u>\$ - 0 -</u>	<u>\$ 10,339,289</u>

Amounts reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances (From Above)	\$ 8,421,428
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$132,501,233 and the accumulated depreciation is \$70,892,838.	61,608,395
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:	
Changes in Assumptions - Pensions	5,857,060
Investment Gains - Pensions	(876,883)
Changes in Proportions - Pensions	1,444,549
Difference between Expected and Actual Experience - Pensions	1,301,111
Long-Term Liabilities, including the Net Pension Liability for PERS, and Bonds Payable are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(92,218,673)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(811,684)
Bond Premiums are reported as revenue in the Funds. These premiums total \$4,127,361 and the accumulated amortization is \$1,537,613.	(2,589,748)
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure. The Deferred amount is \$1,185,342 and the accumulated amortization is \$449,509.	735,833
<b>Net Position (Deficit) of Governmental Activities</b>	<u>\$ (17,128,612)</u>

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



WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 137,763,672			\$ 3,784,800	\$ 141,548,472
Tuition	350,496				350,496
Miscellaneous Revenues	682,503	\$ 132,260	\$ 1,381		816,144
Total - Local Sources	138,796,671	132,260	1,381	3,784,800	142,715,112
State Sources	22,296,249	619,529			22,915,778
Federal Sources	85,215	2,342,652	250,000		2,677,867
Total Revenues	161,178,135	3,094,441	251,381	3,784,800	168,308,757
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	43,098,011	113,526			43,211,537
Special Education Instruction	10,167,171	2,381,308			12,548,479
Other Special Instruction	2,387,187				2,387,187
School Sponsored/Other Instruction	3,626,614				3,626,614
Support Services and Undistributed Costs:					
Tuition	5,161,154				5,161,154
Student & Instruction Related Services	17,596,839	579,271			18,176,110
General Administrative Services	1,403,870				1,403,870
School Administrative Services	5,495,187				5,495,187
Central Services	1,488,974				1,488,974
Administration Information Technology	1,549,262				1,549,262
Plant Operations and Maintenance	14,246,617				14,246,617
Pupil Transportation	5,722,993				5,722,993
Unallocated Benefits	47,393,283				47,393,283
Transfer of Funds to Charter Schools	66,474				66,474
Capital Outlay	4,017,223	20,336	5,599,012		9,636,571
Debt Service:					
Principal				2,855,000	2,855,000
Interest and Other Charges				963,775	963,775
Total Expenditures	163,420,859	3,094,441	5,599,012	3,818,775	175,933,087
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(2,242,724)		(5,347,631)	(33,975)	(7,624,330)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Capital Leases (non-budgeted)	1,700,000				1,700,000
Transfers In	1,381		347,900		349,281
Transfers Out	(369,248)		(1,381)		(370,629)
Total Other Financing Sources/(Uses)	1,332,133		346,519		1,678,652
Net Change in Fund Balances	(910,591)		(5,001,112)	(33,975)	(5,945,678)
Fund Balance - July 1	7,702,878	- 0 -	6,630,253	33,975	14,367,106
Fund Balance - June 30	\$ 6,792,287	\$ - 0 -	\$ 1,629,141	\$ - 0 -	\$ 8,421,428

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
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, 2016

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$ (5,945,678)								
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:									
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.									
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Depreciation expense</td> <td style="width: 10%; text-align: right;">\$ (2,792,340)</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Capital outlays</td> <td style="text-align: right;"><u>9,108,571</u></td> <td style="text-align: right;">6,316,231</td> </tr> </table>		Depreciation expense	\$ (2,792,340)			Capital outlays	<u>9,108,571</u>	6,316,231
	Depreciation expense	\$ (2,792,340)							
	Capital outlays	<u>9,108,571</u>	6,316,231						
Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.	(1,700,000)								
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	2,044,354								
Repayment of debt service principal 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.	2,855,000								
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	14,581								
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	(14,181,147)								
Deferred Outflows:									
Changes in Assumptions	4,587,990								
Changes in Proportion	4,352,603								
Difference between Expected and Actual Experience	1,301,111								
Deferred Inflows:									
Changes in Proportions	654,968								
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,528,230								
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and other post employment benefits 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	178,252								
The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)	393,871								
The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)	<u>(113,918)</u>								
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 2,286,448</u>								

Exhibit B-4

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		
	Major Fund		Totals
	Food Service	Non-Major Funds	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 156,832	\$ 796,720	\$ 953,552
Accounts Receivable:			
Interfund - General Fund	21,348		21,348
Other Governments:			
Federal	71,641		71,641
State	3,054		3,054
Other	16,433	3,513	19,946
Inventories	40,446		40,446
Total Current Assets	309,754	800,233	1,109,987
Non-Current Assets:			
Capital Assets	811,350		811,350
Less: Accumulated Depreciation	(650,665)		(650,665)
Total Non-Current Assets	160,685	- 0 -	160,685
Total Assets	470,439	800,233	1,270,672
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	267,488	28,122	295,610
Unearned Revenue	42,266	84,490	126,756
Total Current Liabilities	309,754	112,612	422,366
Total Liabilities	309,754	112,612	422,366
<b>NET POSITION:</b>			
Investment in Capital Assets	160,685		160,685
Unrestricted		687,621	687,621
Total Net Position	\$ 160,685	\$ 687,621	\$ 848,306

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

Exhibit B-5

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Funds	Totals
	Food Service		
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 394,990		\$ 394,990
Daily Sales - Non-Reimbursable Programs	1,810,123		1,810,123
Special Events	120,326		120,326
Program Fees		\$ 964,159	964,159
Total Operating Revenue	2,325,439	964,159	3,289,598
Operating Expenses:			
Cost of Sales - Reimbursable Programs	348,987		348,987
Cost of Sales - Non-Reimbursable Programs	619,219		619,219
Salaries	990,066	553,529	1,543,595
Employee Benefits	305,004	109,558	414,562
Purchased Property Services	17,633	2,749	20,382
Other Purchased Services		339,300	339,300
Management Fee	294,176		294,176
Supplies and Materials	206,684	7,621	214,305
Depreciation Expense	31,275		31,275
Total Operating Expenses	2,813,044	1,012,757	3,825,801
Operating Loss	(487,605)	(48,598)	(536,203)
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program	335,225		335,225
School Breakfast Program	27,868		27,868
Special Milk Program	2,820		2,820
Food Distribution Program	69,699		69,699
State Sources:			
School Lunch Program	15,613		15,613
Total Non-Operating Revenue	451,225		451,225
Change in Net Position Before Transfer	(36,380)	(48,598)	(84,978)
Transfer In - General Fund	21,348		21,348
Change in Net Position	(15,032)	(48,598)	(63,630)
Net Position - Beginning of Year	175,717	736,219	911,936
Net Position - End of Year	\$ 160,685	\$ 687,621	\$ 848,306

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

Exhibit B-6

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,332,486	\$ 1,049,916	\$ 3,382,402
Payments to Employees	(8,227)	(553,529)	(561,756)
Payments to Food Service Vendor	(2,596,441)		(2,596,441)
Payments to Suppliers	(93,394)	(457,411)	(550,805)
Net Cash Provided by/(Used for) Operating Activities	<u>(365,576)</u>	<u>38,976</u>	<u>(326,600)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets	(16,243)		(16,243)
Net Cash Used for Capital Financing Activities	<u>(16,243)</u>	<u>- 0 -</u>	<u>(16,243)</u>
Cash Flows from Noncapital Financing Activities:			
Federal Sources	328,109		328,109
State Sources	14,503		14,503
Transfer - General Fund	90,770		90,770
Net Cash Provided by Noncapital Financing Activities	<u>433,382</u>	<u>- 0 -</u>	<u>433,382</u>
Net Increase in Cash and Cash Equivalents	51,563	38,976	90,539
Cash and Cash Equivalents, July 1	<u>105,269</u>	<u>757,744</u>	<u>863,013</u>
Cash and Cash Equivalents, June 30	<u>\$ 156,832</u>	<u>\$ 796,720</u>	<u>\$ 953,552</u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (487,605)	\$ (48,598)	\$ (536,203)
Adjustment to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	31,275		31,275
Federal Food Distribution Program	69,699		69,699
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	8,249	8,398	16,647
(Increase) in Inventory	(4,061)		(4,061)
Increase in Accounts Payable	18,069	1,817	19,886
Increase/(Decrease) in Unearned Revenue	(1,202)	77,359	76,157
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (365,576)</u>	<u>\$ 38,976</u>	<u>\$ (326,600)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$66,488 and \$69,699, respectively, for the fiscal year ended June 30, 2016.

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

Exhibit B-7

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,125,503	\$ 347,707	\$ 47,111	
Investments				\$ 34,277
Accounts Receivable - Other	588			
<b>Total Assets</b>	<u>2,126,091</u>	<u>347,707</u>	<u>47,111</u>	<u>34,277</u>
<b>LIABILITIES:</b>				
Accounts Payable - Vendors	7,482			
Payroll Deductions and Withholdings	1,595,294			
Due to Student Groups	523,315			
<b>Total Liabilities</b>	<u>2,126,091</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		347,707		
Flexible Spending Claims			47,111	
Restricted for Scholarships				34,277
<b>Total Net Position</b>	<u>\$ - 0 -</u>	<u>\$ 347,707</u>	<u>\$ 47,111</u>	<u>\$ 34,277</u>

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

Exhibit B-8

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30,2016

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 232,360	\$ 167,687	
Total Contributions	232,360	167,687	
Investment Earnings:			
Interest			\$ 26
Net Investment Earnings			26
Total Additions	232,360	167,687	26
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	202,595		
Flexible Spending Claims		150,490	
Total Deductions	202,595	150,490	
Change in Net Position	29,765	17,197	26
Net Position - Beginning of the Year	317,942	29,914	34,251
Net Position - End of the Year	\$ 347,707	\$ 47,111	\$ 34,277

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Wayne Township 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 publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include nine elementary schools, three middle schools and two high schools which comprise the Wayne Township School District. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

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 in the 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.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

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

B. Basis of Presentation: (Cont'd)

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

Enterprise (Food Service, Community Education, Wrap Around and Extended Day Programs) Funds: The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fiduciary fund types:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund, the Unemployment Compensation Insurance Trust Fund, the Flexible Spending Account Trust Fund and the Private Purpose Scholarship Trust Fund.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first supply cost-reimbursement grant resources to such programs, followed by general revenue.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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, 2016 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 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 budget during the year).

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund 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.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 161,179,222	\$ 3,094,256
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.		
Current Year Encumbrances		(20,402)
Prior Year Encumbrances		20,587
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	331,621	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(332,708)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 161,178,135	\$ 3,094,441

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 163,420,859	\$ 3,094,256
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.		
Current Year Encumbrances		(20,402)
Prior Year Encumbrances		20,587
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 163,420,859	\$ 3,094,441
		Capital Projects Fund Balance
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance(Budgetary Basis)		\$ 1,896,576
Reconciliation to Governmental Funds Statement (GAAP):		
Grant Revenue/Receivable Recognized/(Not Recognized) on GAAP Basis:		
State SDA		(267,435)
Fund Balance per Governmental Funds (GAAP)		\$ 1,629,141

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

E. Cash and Cash Equivalents and Investments: (Cont'd)

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.

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 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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 which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the 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 and general funds represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	20-50 years
Building Improvements	25 years
Land Improvements	20 years
Machinery and Equipment	10 to 20 years
Office and Computer Equipment	5 to 10 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages for this purpose as of June 30, 2016.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation, personal and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation and personal time. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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 beyond one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

P. Fund Balance Appropriated:

General Fund: Of the \$6,792,287 General Fund balance at June 30, 2016, \$102,627 is assigned for encumbrances; \$1,300,000 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2017; \$1,761,901 is restricted in the capital reserve account; \$516,871 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018; and \$3,110,888 is unassigned which is \$332,708 less on the GAAP basis than the calculated maximum unassigned fund balance due to the June state aid payments that are not recognized until the fiscal year ending June 30, 2017.

Capital Projects Fund: Of the \$1,629,141 Capital Projects Fund balance at June 30, 2016, \$1,737,422 is restricted and (\$108,281) is an unassigned deficit for capital projects which is \$267,435 less than the committed fund balance on the GAAP basis due to SDA grants which have not been recognized on the GAAP basis.

Debt Service Fund: The Debt Service Fund balance at June 30, 2016 is \$-0-.

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 year's budget. The District has excess surplus as outlined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$332,708 as reported in the fund statements (modified accrual basis). N.J.A.C. 6A:23A-8.5(j) provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. 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.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

Fund balance restrictions have been established for excess surplus, capital reserve and the Capital Projects Fund.

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 committed resources in the Capital Projects Fund at June 30, 2016 on a budgetary basis.

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 \$102,627 for encumbrances and \$1,300,000 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2016.

R. Deficit Net Position:

The District has a \$48,830,625 deficit in unrestricted net position and a \$17,128,612 deficit in total net position from governmental activities, primarily due to the accrual of \$3,021,197 in compensated absences payable, \$811,684 in accrued interest payable, \$2,589,748 of unamortized bond issuance premiums, investment gains in pensions of \$876,883, changes in proportion in pensions of \$2,908,054 and net pension liability of \$54,539,067, offset by changes in pension assumptions of \$5,857,060, changes in proportion of \$4,352,603, difference between expected and actual experience of \$1,301,111 and Governmental Funds committed, assigned and unassigned fund balances. The deficit balances do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

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, 2016 for the deferred amount on refunding of debt related to the District's 2010 and 2012 refunding bonds and changes in assumptions in pensions, the difference between expected and actual pension experience and the changes in proportion and the District contribution subsequent to the measurement date related to pensions at June 30, 2016.

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, 2016 for the net difference between projected and actual investment earnings on pension plan investments and changes in proportion in pensions.

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

S. Net Position: (Cont'd)

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. For the School District, these revenues are charges for sales of food for food service and program fees for the community education and extended day programs. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

V. Management Estimates:

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

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the governmental 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, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. 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 Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board 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 Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed 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 District to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

Investments: (Cont'd)

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital Reserve Account	Investments	Total
Checking Accounts	\$ 7,953,452	\$ 1,761,901		\$ 9,715,353
Certificates of Deposit			\$ 34,277	34,277
	<u>\$ 7,953,452</u>	<u>\$ 1,761,901</u>	<u>\$ 34,277</u>	<u>\$ 9,749,630</u>

During the period ended June 30, 2016, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2016 was \$9,749,630 and the bank balance was \$11,112,062.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board 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 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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 1,605,801
Unexpended Balance Returned - Capital Outlay	4,000
Unexpended Balance Returned - Capital Projects Fund	35,050
Deposit by Board Resolution - June 2016	500,000
Withdrawals:	
Budgeted - Capital Projects Fund	<u>(382,950)</u>
Ending Balance, June 30, 2016	<u>\$ 1,761,901</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2016 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: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District transferred \$109,356 to the capital outlay for equipment for which approval from the County Superintendent was not required.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 9,263,696			\$ 9,263,696
Construction in Progress	5,358,650	\$ 5,599,012		10,957,662
Total Capital Assets Not Being Depreciated	<u>14,622,346</u>	<u>5,599,012</u>		<u>20,221,358</u>
Capital Assets Being Depreciated:				
Land Improvements	9,250,748			9,250,748
Buildings and Building Improvements	78,156,351	1,227,838		79,384,189
Machinery and Equipment	21,363,217	2,281,721		23,644,938
Total Capital Assets Being Depreciated	<u>108,770,316</u>	<u>3,509,559</u>		<u>112,279,875</u>
Governmental Activities Capital Assets	<u>123,392,662</u>	<u>9,108,571</u>		<u>132,501,233</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,656,074)	(338,708)		(5,994,782)
Buildings and Building Improvements	(44,988,234)	(1,453,671)		(46,441,905)
Machinery and Equipment	(17,456,190)	(999,961)		(18,456,151)
	<u>(68,100,498)</u>	<u>(2,792,340)</u>		<u>(70,892,838)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 55,292,164</u>	<u>\$ 6,316,231</u>	<u>\$ -0-</u>	<u>\$ 61,608,395</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 795,107	\$ 16,243		\$ 811,350
Less Accumulated Depreciation	(619,390)	(31,275)		(650,665)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 175,717</u>	<u>\$ (15,032)</u>	<u>\$ -0-</u>	<u>\$ 160,685</u>

The increases totaling \$9,124,814 represent current year capitalized expenditures in the general fund, the capital projects fund and the food service enterprise fund. As of June 30, 2016, the District has \$10,957,662 in active construction projects including \$1,737,422 of encumbrances.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,624,152
Student and Instruction Related Services	425,158
General Administrative Services	36,797
School Administrative Services	147,362
Central Services	36,986
Administration Information Technology	49,295
Plant Operations and Maintenance	331,087
Pupil Transportation	141,503
	<u>\$ 2,792,340</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2015	Issued/ Added	Retired	Balance 6/30/2016	Balance Due Within One Year
Serial Bonds Payable	\$ 23,650,000		\$ 2,855,000	\$ 20,795,000	\$ 2,510,000
Unamortized Bond					
Issuance Premium	2,983,619		393,871	2,589,748	369,964
Net Pension Liability	40,357,920	\$ 14,181,147		54,539,067	- 0 -
Capital Leases Payable	14,207,763	1,700,000	2,044,354	13,863,409	2,084,882
Compensated Absences Payable	3,199,449	79,959	258,211	3,021,197	- 0 -
	<u>\$ 84,398,751</u>	<u>\$ 15,961,106</u>	<u>\$ 5,551,436</u>	<u>\$ 94,808,421</u>	<u>\$ 4,964,846</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2016 as follows:

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds	07/15/23	4.00% - 5.00%	<u>\$ 20,795,000</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on the District's serial bonds outstanding is as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 2,510,000	\$ 846,975	\$ 3,356,975
2018	2,615,000	744,475	3,359,475
2019	2,600,000	640,175	3,240,175
2020	2,610,000	535,975	3,145,975
2021	2,615,000	431,475	3,046,475
Thereafter:			
2022-2024	7,845,000	555,938	8,400,938
	<u>\$ 20,795,000</u>	<u>\$ 3,755,013</u>	<u>\$ 24,550,013</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District has five capital leases payable for equipment, buses and one capital lease payable for the energy savings improvement program as of June 30, 2016. The six leases for equipment and buses are for five years with the final payments occurring in fiscal years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 while the energy savings improvement program lease is for fifteen years with the final payment occurring in fiscal year 2029-30. The District has entered into capital leases totaling \$17,955,864 of which \$4,092,455 has been liquidated as of June 30, 2016. The schedule of the future minimum lease payments under the District's capital leases and the present value of the net minimum lease payments at June 30, 2016 are detailed below.

<u>Year</u>	<u>Amount</u>
2017	\$ 2,439,946
2018	1,803,516
2019	1,587,586
2020	1,316,611
2021-2025	4,465,358
2026-2030	4,799,250
	<u>16,412,267</u>
Less: Amount representing interest	<u>(2,548,858)</u>
Present value of net minimum lease payments	<u>\$ 13,863,409</u>

The current portion of capital leases payable at June 30, 2016 is \$2,084,882 and the long-term portion is \$11,778,527. The General Fund will be used to liquidate capital leases payable.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The long-term liability balance of compensated absences is \$3,021,197 at June 30, 2016. No portion of the compensated absences balance represents a current liability.

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, 2016, no liability existed for compensated absences in the Proprietary Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$54,539,067. See Note 8 for further information on the PERS.

F. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$369,964 and is separated from the long-term liability balance of \$2,219,784.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members 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 50 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. 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 \$2,098,522 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. 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, 2016, the District reported a liability of \$54,539,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.24%, which was an increase of 0.02% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$3,844,953. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 1,167,455	
	2015	5.72	4,689,605	
Difference Between Expected & Actual Experience	2015	5.72	1,301,111	
Changes in Proportion	2014	6.44		\$ 2,908,054
	2015	5.72	4,352,603	
Net Difference Between Projected and Actual	2014	5		2,033,140
Investment Earnings on Pension Plan Investments	2015	5		(1,156,257)
District Contribution Subsequent to the Measurement Date	2015	1	2,185,075	
			<u>\$ 13,695,849</u>	<u>\$ 3,784,937</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. 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 the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 1,143,511
2017	1,143,511
2018	1,143,511
2019	1,821,224
2020	1,029,531
	<u>\$ 6,281,288</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

The long-term expected rate of return was determined using a building block 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. 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, 2015 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:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 67,785,387	\$ 54,539,067	\$ 43,433,448

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$5,075,259 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$24,585,650.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$402,653,972. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.637%, which was a decrease of 0.006% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability	
Attributable to the District	402,653,972
Total	<u>\$ 402,653,972</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$24,585,650 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions - 2014	8.5	\$ 1,999,074,013	
Changes in Assumptions - 2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience - 2014	8.5		\$ 19,039,817
Difference Between Expected and Actual Experience - 2015	8.3	321,224,871	
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2014	5		1,305,927,430
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2015	5		(770,568,242)
		<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,596
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,250</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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 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, 2015 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. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District 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, 2015 calculated using the discount rate as disclosed above, as well as what the State's 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:

	Fiscal Year Ended June 30, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 478,539,196	\$ 402,653,972	\$ 337,274,311

Pension Plan Fiduciary Net Position- TPAF

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

For DCRP, the District recognized pension expense of \$53,315 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$84,056 for the year ended June 30, 2016.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributed to P.L. 1992, c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members for Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$6,043,232, \$5,467,704 and \$4,463,528 for 2016, 2015 and 2014, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. 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. The District has health benefits coverage for its employees under Horizon Blue Cross Blue Shield of New Jersey.

Property and Liability Insurance

The Wayne Township Public Schools District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards 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.

Selected, summarized financial information for the Group as of June 30, 2016 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 311,014,416
Net Position	\$ 68,222,364
Total Revenue	\$ 124,872,219
Total Expenses	\$ 113,965,181
Change in Net Position	\$ 10,907,038
Member Dividends	\$ -0-

Financial statements for the Group are available at the Group's Office or website:

New Jersey Schools Insurance Group  
6000 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060  
www.njsig.org

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 District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ - 0 -	\$ - 0 -	\$ 232,360	\$ 202,595	\$ 347,707
2014-2015	- 0 -	83	234,162	156,628	317,942
2013-2014	- 0 -	34	231,467	203,424	240,325

NOTE 11. 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 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 112,495	\$ 21,348
Special Revenue Fund		112,495
Proprietary Fund - Food Service Enterprise Fund	21,348	
	<u>\$ 133,843</u>	<u>\$ 133,843</u>

The interfund payable from the Special Revenue Fund due to the General Fund is for an interfund loan due to the timing lag between requests for reimbursement and actual receipt of federal grant funds from the State. The interfund payable from the General Fund due to the Food Service Enterprise Fund is for the current year board contribution not yet turned over.

During the fiscal year, the General Fund transferred \$347,900 to the Capital Projects Fund for the local share of certain capital projects, and the Capital Projects Fund transferred \$1,381 of interest earnings to the General Fund.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following 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 years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 13. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

<u>403(b)</u>	<u>457</u>
MetLife	Equitable
AXA Equitable	VALIC
VALIC	Northern Life
TIAA-CREF	
Lincoln Investment Planning, Inc.	
Vanguard	

NOTE 14. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities 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 mutually agreed-upon schedule.

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2016:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			<u>Proprietary Funds</u>
Salaries	\$ 131,266				\$ 131,266	\$ 119,298
Vendors	1,178,805	\$ 121,245	\$ 13,464		1,313,514	176,312
Due to:						
State of New Jersey				\$ 2,185,075	2,185,075	
	<u>\$ 1,310,071</u>	<u>\$ 121,245</u>	<u>\$ 13,464</u>	<u>\$ 2,185,075</u>	<u>\$ 3,629,855</u>	<u>\$ 295,610</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 16. CONTINGENCIES

Litigation

The Board is periodically involved in claims and lawsuits, including personnel matters, arising in the normal course of business. The Board does not believe that the ultimate outcome of these claims will have a material adverse effect on the District's financial position.

Grant Programs

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

Encumbrances

At June 30, 2016, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 102,627	\$ 20,402	\$ 110,270	\$ 233,299

On the District's Governmental Funds Balance Sheet as of June 30, 2016, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$20,402 less than the actual encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$110,270 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the (\$108,281) unassigned deficit on a GAAP basis at June 30, 2016 which is \$267,435 less on the GAAP basis due to SDA grants which have not been recognized.

NOTE 17. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2016:

	Governmental Activities				Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds	Proprietary Funds
Federal	\$ 29,984	\$ 477,109	\$ 250,000	\$ 757,093	\$ 71,641
State	2,788,547	18,002	10,588	2,817,137	3,054
	\$ 2,818,531	\$ 495,111	\$ 260,588	\$ 3,574,230	\$ 74,695



**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

L-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,	
	2015	2016
District's Proportion of the Net Pension Liability	0.2155556877%	0.2429573956%
District's Proportionate Share of the Net Pension Liability	\$ 40,357,920	\$ 54,539,067
District's Covered Employee Payroll	\$ 16,021,395	\$ 16,439,285
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	251.90%	331.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%

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

L-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 1,777,010	\$ 2,098,522
Contributions in Relation to the Contractually Required Contribution	<u>(1,777,010)</u>	<u>(2,098,522)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 16,439,285	\$ 16,931,535
Contributions as a Percentage of Covered Employee Payroll	10.81%	12.39%

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
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 TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's Proportion of the Net Pension Liability Attributable to the District	0.6435044679%	0.6370676705%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 343,932,194	\$ 402,653,972
District's Covered Employee Payroll	\$ 56,451,143	\$ 63,474,257
State's Proportionate Share of the Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	609.26%	634.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Year	
	Ending June 30,	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 18,506,781	\$ 24,585,650
Contributions in relation to the contractually required contribution	<u>(4,792,326)</u>	<u>(5,075,259)</u>
Contribution deficiency/(excess)	<u>\$ 13,714,455</u>	<u>\$ 19,510,391</u>
District's covered employee payroll	\$ 63,474,257	\$ 64,836,221
Contributions as a percentage of covered employee payroll	7.55%	7.83%

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

**BUDGETARY COMPARISON SCHEDULES**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 137,763,672		\$ 137,763,672	\$ 137,763,672	
Tuition from Individuals	300,000		300,000	222,384	\$ (77,616)
Tuition from Other LEA's	65,000		65,000	128,112	63,112
Rents and Royalties	235,000		235,000	272,466	37,466
Miscellaneous Revenues	299,203		299,203	248,879	(50,324)
Other Restricted Miscellaneous Revenues	141,600		141,600	161,158	19,558
Advertising Fees - School Buses	65,000		65,000		(65,000)
<b>Total - Local Sources</b>	<b>138,869,475</b>		<b>138,869,475</b>	<b>138,796,671</b>	<b>(72,804)</b>
State Sources:					
Categorical Transportation Aid	345,809		345,809	345,809	
Special Education Categorical Aid	3,302,952		3,302,952	3,302,952	
Categorical Security Aid	136,223		136,223	136,223	
Per Pupil Growth Aid	80,715		80,715	80,715	
PARCC Readiness Aid	80,715		80,715	80,715	
Nonpublic School Transportation Costs	81,000		81,000	65,525	(15,475)
Extraordinary Special Education Costs Aid	1,966,963		1,966,963	2,485,188	518,225
On-Behalf TPAF Contributions:					
Post-Retirement Medical (Non-Budgeted)				6,043,232	6,043,232
Pension (Non-Budgeted)				5,075,259	5,075,259
Reimbursed TPAF Social Security (Non-Budgeted)				4,681,718	4,681,718
<b>Total State Sources</b>	<b>5,994,377</b>		<b>5,994,377</b>	<b>22,297,336</b>	<b>16,302,959</b>
Federal Sources:					
Medicaid Reimbursement (SEMI)	75,025		75,025	85,215	10,190
<b>Total Federal Sources</b>	<b>75,025</b>		<b>75,025</b>	<b>85,215</b>	<b>10,190</b>
<b>TOTAL REVENUES</b>	<b>144,938,877</b>		<b>144,938,877</b>	<b>161,179,222</b>	<b>16,240,345</b>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers		\$ 335,042	\$ 335,042	\$ 332,991	\$ 2,051
Kindergarten - Salaries of Teachers	\$ 850,356	94,130	944,486	944,485	1
Grades 1-5 - Salaries of Teachers	13,276,270	(551,889)	12,724,381	12,646,851	77,530
Grades 6-8 - Salaries of Teachers	9,545,154	346,043	9,891,197	9,891,197	
Grades 9-12 - Salaries of Teachers	16,160,609	103,889	16,264,498	16,264,059	439
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	(23,254)	61,746	61,746	
Purchased Professional - Educational Services	15,000	30,760	45,760	41,742	4,018
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction		171,013	171,013	171,013	
Purchased Professional - Educational Services	275		275		275
Purchased Technical Services	388,352	(35,027)	353,325	345,202	8,123
Other Purchased Services (400-500 series)	730,810	25,082	755,892	740,212	15,680
General Supplies	1,272,634	(49,413)	1,223,221	1,131,429	91,792
Textbooks	702,394	(171,636)	530,758	526,476	4,282
Other Objects	20,850	(15,779)	5,071	608	4,463
Total Regular Programs - Instruction	43,047,704	258,961	43,306,665	43,098,011	208,654
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,158,388	(39,931)	1,118,457	1,118,457	
Other Salaries for Instruction	354,236	114,304	468,540	468,540	
General Supplies	43,920	(18,503)	25,417	25,417	
Total Learning and/or Language Disabilities	1,556,544	55,870	1,612,414	1,612,414	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	\$ 490,021	\$ (46,779)	\$ 443,242	\$ 442,918	\$ 324
Other Salaries for Instruction	78,309	(18,422)	59,887	59,303	584
Purchased Professional - Educational Services	128,000	3,750	131,750	131,750	
General Supplies	12,184	(3,118)	9,066	7,795	1,271
Total Multiple Disabilities	<u>708,514</u>	<u>(64,569)</u>	<u>643,945</u>	<u>641,766</u>	<u>2,179</u>
Resource Room/Resource Center:					
Salaries of Teachers	6,510,009	700,880	7,210,889	7,210,736	153
Other Salaries for Instruction	70,895	(25,387)	45,508	45,508	
General Supplies	13,350		13,350	13,007	343
Total Resource Room/Resource Center	<u>6,594,254</u>	<u>675,493</u>	<u>7,269,747</u>	<u>7,269,251</u>	<u>496</u>
Autism:					
Salaries of Teachers	118,725	2,525	121,250	120,906	344
Other Salaries for Instruction		23,409	23,409	16,445	6,964
General Supplies	300	1,350	1,650	1,337	313
Total Autism	<u>119,025</u>	<u>27,284</u>	<u>146,309</u>	<u>138,688</u>	<u>7,621</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	303,080	(303,080)			
Other Salaries for Instruction	129,805	(129,805)			
General Supplies	3,846	(3,846)			
Total Preschool Disabilities - Part-Time	<u>436,731</u>	<u>(436,731)</u>			

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 423,362	\$ (156,672)	\$ 266,690	\$ 266,453	\$ 237
Other Salaries for Instruction	118,292	16,340	134,632	134,252	380
General Supplies	11,924	(9,500)	2,424	1,529	895
Total Preschool Disabilities - Full-Time	<u>553,578</u>	<u>(149,832)</u>	<u>403,746</u>	<u>402,234</u>	<u>1,512</u>
Special Education - Home Instruction:					
Salaries of Teachers	25,000	9,805	34,805	34,805	
Purchased Professional - Educational Services		69,117	69,117	68,013	1,104
Total Special Education - Home Instruction	<u>25,000</u>	<u>78,922</u>	<u>103,922</u>	<u>102,818</u>	<u>1,104</u>
Total Special Education Instruction	<u>9,993,646</u>	<u>186,437</u>	<u>10,180,083</u>	<u>10,167,171</u>	<u>12,912</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,268,371	(542,681)	1,725,690	1,725,690	
General Supplies	10,137	342	10,479	9,015	1,464
Total Basic Skills/Remedial - Instruction	<u>2,278,508</u>	<u>(542,339)</u>	<u>1,736,169</u>	<u>1,734,705</u>	<u>1,464</u>
Bilingual Education - Instruction:					
Salaries of Teachers	642,592	6,381	648,973	644,264	4,709
General Supplies	7,562	1,021	8,583	8,218	365
Textbooks	626		626	626	626
Total Bilingual Education - Instruction	<u>650,780</u>	<u>7,402</u>	<u>658,182</u>	<u>652,482</u>	<u>5,700</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 704,379	\$ 18,661	\$ 723,040	\$ 716,246	\$ 6,794
Purchased Services (300-500 series)	20,500	(3,809)	16,691	9,882	6,809
Supplies and Materials	13,094	246	13,340	11,156	2,184
Other Objects	10,795	(4,177)	6,618	4,797	1,821
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>748,768</b>	<b>10,921</b>	<b>759,689</b>	<b>742,081</b>	<b>17,608</b>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,589,323	(830)	1,588,493	1,529,187	59,306
Purchased Services (300-500 series)	455,900	(1,200)	454,700	386,673	68,027
Supplies and Materials	259,798	(17,249)	242,549	213,677	28,872
Other Objects	69,000	6,493	75,493	74,969	524
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>2,374,021</b>	<b>(12,786)</b>	<b>2,361,235</b>	<b>2,204,506</b>	<b>156,729</b>
Before/After School Programs - Instruction:					
Salaries of Teachers		21,825	21,825	21,675	150
<b>Total Before/After School Programs - Instruction</b>		<b>21,825</b>	<b>21,825</b>	<b>21,675</b>	<b>150</b>
Summer School - Instruction:					
Purchased Professional and Technical Services	300,000	3,310	303,310	303,310	
Purchased Services (300-500 series)		1,502	1,502	1,502	
Supplies and Materials		2,126	2,126	2,126	
<b>Total Summer School - Instruction</b>	<b>300,000</b>	<b>6,938</b>	<b>306,938</b>	<b>306,938</b>	
Alternative Education Programs - Instruction:					
Salaries of Teachers	65,000	(6,300)	58,700	58,700	
Purchased Professional and Technical Services	20,000	17,820	37,820	37,820	
Supplies and Materials		750	750	319	431
<b>Total Alternative Education Programs - Instruction</b>	<b>85,000</b>	<b>12,270</b>	<b>97,270</b>	<b>96,839</b>	<b>431</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Alternative Education Programs - Support:					
Salaries	\$ 9,500	\$ (9,500)			
Total Alternative Education Programs - Support	9,500	(9,500)			
Total Alternative Education Programs	94,500	2,770	\$ 97,270	\$ 96,839	\$ 431
Community Services Programs/Operations:					
Salaries	70,000	7,698	77,698	76,803	895
Purchased Services (300-500 series)	180,000	(2,228)	177,772	177,772	
Total Community Services Programs/Operations	250,000	5,470	255,470	254,575	895
Total Instruction	59,737,927	(54,401)	59,683,526	59,278,983	404,543
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular		6,175	6,175	6,106	69
Tuition to Other LEAs Within the State - Special	460,009	(187,556)	272,453	237,539	34,914
Tuition to County Vocational Schools - Regular	661,998		661,998	661,998	
Tuition to County Vocational Schools - Special	239,145	18,551	257,696	243,835	13,861
Tuition to County Special Services Schools and Reg. Day Schools	317,870	98,562	416,432	416,431	1
Tuition to Private Schools for the Disabled - Within the State	3,650,422	(465,028)	3,185,394	3,148,311	37,083
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	354,221	42,407	396,628	396,628	
Tuition - State Facilities	35,465		35,465	35,465	
Tuition - Other	5,000	10,513	15,513	14,841	672
Total Undistributed Expenditures - Instruction	5,724,130	(476,376)	5,247,754	5,161,154	86,600

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 1,545,268	\$ 25,781	\$ 1,571,049	\$ 1,571,049	
Purchased Professional and Technical Services	81,650	(1,250)	80,400	70,440	\$ 9,960
Other Purchased Services (400-500 series)	16,060		16,060	15,742	318
Supplies and Materials	29,844	66	29,910	28,139	1,771
<b>Total Health Services</b>	<b>1,672,822</b>	<b>24,597</b>	<b>1,697,419</b>	<b>1,685,370</b>	<b>12,049</b>
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	2,475,451	3,359	2,478,810	2,478,810	
Purchased Professional - Educational Services	356,548	50,688	407,236	381,430	25,806
Supplies and Materials	76,715	(16,633)	60,082	41,704	18,378
<b>Total Other Support Services - Speech, OT, PT and Related Services</b>	<b>2,908,714</b>	<b>37,414</b>	<b>2,946,128</b>	<b>2,901,944</b>	<b>44,184</b>
Other Support Services - Students - Extraordinary Services:					
Salaries	3,455,740	(2,275)	3,453,465	3,453,465	
Purchased Professional - Educational Services	852,236	61,900	914,136	911,438	2,698
Other Purchased Services (400-500 series)		1	1		1
Supplies and Materials	70,000	(19,031)	50,969	7,219	43,750
<b>Total Other Support Services - Students - Extraordinary Services</b>	<b>4,377,976</b>	<b>40,595</b>	<b>4,418,571</b>	<b>4,372,122</b>	<b>46,449</b>
Guidance:					
Salaries of Other Professional Staff	2,725,688	36,845	2,762,533	2,760,647	1,886
Salaries of Secretarial and Clerical Assistants	329,821	(6,186)	323,635	323,635	
Other Salaries	56,308	6,579	62,887	62,887	
Purchased Professional - Educational Services	12,102	(495)	11,607	11,305	302
Other Purchased Services (400-500 series)	9,413	(8,918)	495	495	
Supplies and Materials	36,087	9,578	45,665	35,293	10,372
Other Objects	5,200		5,200	3,480	1,720
<b>Total Guidance</b>	<b>3,174,619</b>	<b>37,403</b>	<b>3,212,022</b>	<b>3,197,742</b>	<b>14,280</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
<b>Undistributed Expenditures:</b>					
Child Study Team:					
Salaries of Other Professional Staff	\$ 2,579,925	\$ (81,030)	\$ 2,498,895	\$ 2,432,206	\$ 66,689
Other Salaries	41,100	23,279	64,379	64,379	
Other Purchased Professional and Technical Services	181,455	1,800	183,255	138,215	45,040
Other Purchased Services (400-500 series)	14,618	(5,000)	9,618	9,618	
Supplies and Materials	20,176	893	21,069	20,640	429
Other Objects	1,000	318	1,318	1,318	
Total Child Study Team	<u>2,838,274</u>	<u>(59,740)</u>	<u>2,778,534</u>	<u>2,666,376</u>	<u>112,158</u>
Improvement of Instructional Services:					
Salaries of Other Professional Staff	247,965	(20,915)	227,050	227,050	
Salaries of Secretarial and Clerical Assistants	127,913	20,510	148,423	137,094	11,329
Other Salaries	354,362	263,264	617,626	604,061	13,565
Supplies and Materials		3,988	3,988	3,988	
Other Objects		144	144	144	
Total Improvement of Instructional Services	<u>730,240</u>	<u>266,991</u>	<u>997,231</u>	<u>972,337</u>	<u>24,894</u>
Educational Media Services/School Library:					
Salaries	1,274,450	(16,691)	1,257,759	1,256,448	1,311
Purchased Professional and Technical Services	20,000		20,000	18,660	1,340
Supplies and Materials	236,004	3,599	239,603	229,771	9,832
Total Educational Media Services/School Library	<u>1,530,454</u>	<u>(13,092)</u>	<u>1,517,362</u>	<u>1,504,879</u>	<u>12,483</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	285,525	(47,794)	237,731	202,872	34,859
Other Purchased Professional and Technical Services	35,000	36,500	71,500	52,140	19,360
Other Purchased Services (400-500 series)	8,000	30,381	38,381	34,326	4,055
Supplies and Materials	4,000		4,000	2,328	1,672
Other Objects		4,619	4,619	4,403	216
Total Instructional Staff Training Services	<u>332,525</u>	<u>23,706</u>	<u>356,231</u>	<u>296,069</u>	<u>60,162</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 626,748	\$ (57,784)	\$ 568,964	\$ 568,964	
Legal Services	185,000	166,853	351,853	331,203	\$ 20,650
Audit Fees	76,500	(5,250)	71,250	71,250	
Other Purchased Professional Services	42,500	22,664	65,164	65,164	
Communications/Telephone	131,790	(36,766)	95,024	95,024	
BOE Other Purchased Services	15,000	(14,102)	898	898	
Miscellaneous Purchased Services (400-500 series)	263,997	(18,064)	245,933	233,992	11,941
General Supplies	13,500	(6,709)	6,791	6,791	
Miscellaneous Expenditures	6,500	(2,579)	3,921	3,921	
BOE Membership Dues and Fees	27,500	(837)	26,663	26,663	
<b>Total Support Services - General Administration</b>	<b>1,389,035</b>	<b>47,426</b>	<b>1,436,461</b>	<b>1,403,870</b>	<b>32,591</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	4,296,576	(230,083)	4,066,493	4,066,493	
Salaries of Secretarial and Clerical Assistants	1,266,896	(6,134)	1,260,762	1,260,762	
Other Purchased Services (400-500 series)	72,000	(31,416)	40,584	40,584	
Supplies and Materials	56,431	(1,839)	54,592	52,180	2,412
Other Objects	107,050	(26,278)	80,772	75,168	5,604
<b>Total Support Services - School Administration</b>	<b>5,798,953</b>	<b>(295,750)</b>	<b>5,503,203</b>	<b>5,495,187</b>	<b>8,016</b>
Central Services:					
Salaries	1,188,228	(70,313)	1,117,915	1,117,915	
Purchased Professional Services	156,413	142,644	299,057	299,057	
Miscellaneous Purchased Services (400-500 series)	104,776	(83,879)	20,897	20,897	
Supplies and Materials	24,000	(8,584)	15,416	15,416	
Miscellaneous Expenditures	11,500	(9,121)	2,379	2,379	
Other Objects		33,310	33,310	33,310	
<b>Total Central Services</b>	<b>1,484,917</b>	<b>4,057</b>	<b>1,488,974</b>	<b>1,488,974</b>	



WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Administration Information Technology:					
Salaries	\$ 977,642	\$ 29,048	\$ 1,006,690	\$ 1,006,690	
Purchased Technical Services	364,736	(103,796)	260,940	260,940	
Other Purchased Services (400-500 series)	178,971	(38,220)	140,751	140,751	
Supplies and Materials	106,500	31,685	138,185	138,185	
Other Objects	2,000	732	2,732	2,696	\$ 36
Total Administration Information Technology	<u>1,629,849</u>	<u>(80,551)</u>	<u>1,549,298</u>	<u>1,549,262</u>	<u>36</u>
Required Maintenance for School Facilities:					
Salaries	972,069	(31,024)	941,045	920,162	20,883
Purchased Professional and Technical Services	55,000	(20,000)	35,000	33,810	1,190
Cleaning, Repair and Maintenance Services	995,879	146,884	1,142,763	1,133,876	8,887
Other Purchased Services (400-500 series)	8,000	157,629	165,629	162,886	2,743
General Supplies	420,000	(117,282)	302,718	296,733	5,985
Total Required Maintenance for School Facilities	<u>2,450,948</u>	<u>136,207</u>	<u>2,587,155</u>	<u>2,547,467</u>	<u>39,688</u>
Custodial Services:					
Salaries	5,040,157	(214,131)	4,826,026	4,826,011	15
Salaries of Non-Instructional Aides	479,608	(19,411)	460,197	459,832	365
Purchased Professional and Technical Services	91,843	(36,173)	55,670	54,168	1,502
Cleaning, Repair and Maintenance Services	1,025,628	(42,992)	982,636	981,973	663
Rental of Land & Bldg. Other Than Lease Purchase Agreement	6,000	(6,000)			
Lease Purchase Payments - Energy Savings Improvement Program	1,205,633	255,582	1,461,215	1,461,215	
Other Purchased Property Services	105,000	44,637	149,637	148,551	1,086
Insurance	689,065	(3,613)	685,452	685,452	
Miscellaneous Purchased Services	117,598	(73,046)	44,552	44,552	
General Supplies	390,895	(92,721)	298,174	295,485	2,689
Energy (Natural Gas)	850,000	(291,667)	558,333	558,333	
Energy (Electricity)	826,815	816,373	1,643,188	1,643,188	
Energy (Gasoline)		28,213	28,213	28,213	
Other Objects	8,100	(3,955)	4,145	3,020	1,125
Total Custodial Services	<u>10,836,342</u>	<u>361,096</u>	<u>11,197,438</u>	<u>11,189,993</u>	<u>7,445</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 297,525	\$ 31,024	\$ 328,549	\$ 328,549	
Cleaning, Repair and Maintenance Services	298,970	(144,698)	154,272	154,272	
General Supplies	70,000	(43,664)	26,336	26,336	
Total Care and Upkeep of Grounds	<u>666,495</u>	<u>(157,338)</u>	<u>509,157</u>	<u>509,157</u>	
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	1,740,051	(106,745)	1,633,306	1,633,306	
Between Home and School - Special	1,671,880	152,241	1,824,121	1,824,121	
Between Home and School - Nonpublic Schools	244,974	74,171	319,145	314,519	\$ 4,626
Lease Purchase Payments - School Buses	513,362	1,818	515,180	515,180	
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	322,580	(15,872)	306,708	303,095	3,613
Between Home and School - Vendors	70,000	(35,181)	34,819	34,819	
Other Than Between Home and School - Vendors	24,500	(7,232)	17,268	16,293	975
Special Education Students - Vendors	400,000	(29,313)	370,687	369,791	896
Miscellaneous Purchased Services	122,780	103,402	226,182	220,407	5,775
General Supplies	721,975	(223,388)	498,587	489,921	8,666
Fuel Costs Funded by Advertising Revenue	65,000	(65,000)			
Other Objects	2,200		2,200	1,541	659
Total Student Transportation Services	<u>5,899,302</u>	<u>(151,099)</u>	<u>5,748,203</u>	<u>5,722,993</u>	<u>25,210</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 1,640,000	\$ 206,980	\$ 1,846,980	\$ 1,846,980	
Unused Vacation Payments		162,095	162,095	162,095	
Other Retirement Contributions - PERS	2,020,709	77,813	2,098,522	2,098,522	
Other Retirement Contributions - Regular	45,000	19,702	64,702	64,702	
Workmen's Compensation	910,750	(67,648)	843,102	843,099	\$ 3
Health Benefits	27,106,677	(97,956)	27,008,721	26,194,499	814,222
Tuition Reimbursement	120,000	1,121	121,121	86,655	34,466
Other Employee Benefits	506,500	(121,635)	384,865	296,535	88,330
Total Unallocated Benefits	<u>32,349,636</u>	<u>180,472</u>	<u>32,530,108</u>	<u>31,593,087</u>	<u>937,021</u>
On-Behalf TPAF Contributions:					
Post-Retirement Medical (Non-Budgeted)				6,043,232	(6,043,232)
Pension (Non-Budgeted)				5,075,259	(5,075,259)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,681,705	(4,681,705)
Total On-Behalf and Reimbursed Contributions				<u>15,800,196</u>	<u>(15,800,196)</u>
Total Personal Services - Employee Benefits	<u>32,349,636</u>	<u>180,472</u>	<u>32,530,108</u>	<u>47,393,283</u>	<u>(14,863,175)</u>
Total Undistributed Expenses	<u>85,795,231</u>	<u>(73,982)</u>	<u>85,721,249</u>	<u>100,058,179</u>	<u>(14,336,930)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>145,533,158</u>	<u>(128,383)</u>	<u>145,404,775</u>	<u>159,337,162</u>	<u>(13,932,387)</u>
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	25,000	15,007	40,007	40,007	
School Sponsored and Other Instructional Programs		12,785	12,785	12,785	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	14,529	\$ (10,402)	\$ 4,127	\$ 4,127	
Support Services - Students - Regular	\$ 6,000	(626)	5,374	5,374	
Administration Information Technology	790		790	790	
Required Maintenance for School Facilities	153,847	92,592	246,439	246,439	
Total Equipment	<u>200,166</u>	<u>109,356</u>	<u>309,522</u>	<u>309,522</u>	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	215,075	(215,075)			
Other Purchased Professional and Technical Services	10,850	169,125	179,975	43,413	\$ 136,562
Construction Services	2,133,196	(49,027)	2,084,169	1,748,329	335,840
Land and Improvements		62,295	62,295	61,904	391
Other Objects (Debt Service Assessment)	154,055		154,055	154,055	
Total Facilities Acquisition and Construction Services	<u>2,513,176</u>	<u>(32,682)</u>	<u>2,480,494</u>	<u>2,007,701</u>	<u>472,793</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment:					
Undistributed Expenditures:					
Instruction				1,700,000	(1,700,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				<u>1,700,000</u>	<u>(1,700,000)</u>
TOTAL CAPITAL OUTLAY	<u>2,713,342</u>	<u>76,674</u>	<u>2,790,016</u>	<u>4,017,223</u>	<u>(1,227,207)</u>
Transfer of Funds to Charter Schools	<u>14,765</u>	<u>51,709</u>	<u>66,474</u>	<u>66,474</u>	
TOTAL EXPENDITURES	<u>148,261,265</u>		<u>148,261,265</u>	<u>163,420,859</u>	<u>(15,159,594)</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (3,322,388)		\$ (3,322,388)	\$ (2,241,637)	\$ 1,080,751
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				1,700,000	1,700,000
Transfer In - Capital Projects Fund Interest				1,381	1,381
Transfers Out:					
Board Contribution:					
Food Service Enterprise Fund				(21,348)	(21,348)
Capital Projects Fund - Capital Reserve	(382,950)		(382,950)	(347,900)	35,050
Total Other Financing Sources/(Uses)	(382,950)		(382,950)	1,332,133	1,715,083
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,705,338)		(3,705,338)	(909,504)	2,795,834
Fund Balance, July 1	8,034,499		8,034,499	8,034,499	
Fund Balance, June 30	\$ 4,329,161	\$ -0-	\$ 4,329,161	\$ 7,124,995	\$ 2,795,834
Recapitulation:					
Restricted:					
Excess Surplus				\$ 516,871	
Capital Reserve				1,761,901	
Assigned:					
Encumbrances				102,627	
Designated for Subsequent Year's Expenditures				1,300,000	
Unassigned				3,443,596	
				7,124,995	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(332,708)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,792,287	

Exhibit C-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 470,295	\$ 143,897	\$ 614,192	\$ 614,191	\$ (1)
Federal Sources	2,283,313	721,212	3,004,525	2,341,627	(662,898)
Local Sources		242,065	242,065	138,438	(103,627)
<b>Total Revenues</b>	<b>2,753,608</b>	<b>1,107,174</b>	<b>3,860,782</b>	<b>3,094,256</b>	<b>(766,526)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	198,150	(53,017)	145,133	99,975	45,158
Purchased Professional/Educational Services	200,445	168,086	368,531	360,776	7,755
Other Purchased Services	1,906,583	62,912	1,969,495	1,944,138	25,357
General Supplies	64,850	27,795	92,645	11,582	81,063
Textbooks	68,800	9,563	78,363	78,363	
<b>Total Instruction</b>	<b>2,438,828</b>	<b>215,339</b>	<b>2,654,167</b>	<b>2,494,834</b>	<b>159,333</b>
<b>Support Services</b>					
Personal Services - Salaries		32,767	32,767	32,442	325
Personal Services - Employee Benefits	94,030	49,847	143,877	69,379	74,498
Purchased Professional/Educational Services	118,500	59,710	178,210	161,730	16,480
Purchased Technical Services	3,000	154,871	157,871	123,095	34,776
Other Purchased Services	89,250	42,575	131,825	18,121	113,704
Supplies and Materials		255,967	255,967	116,844	139,123
Other Objects		264,057	264,057	57,475	206,582
<b>Total Support Services</b>	<b>304,780</b>	<b>859,794</b>	<b>1,164,574</b>	<b>579,086</b>	<b>585,488</b>
<b>Facilities Acquisition:</b>					
Instructional Equipment	10,000	32,041	42,041	20,336	21,705
<b>Total Facilities Acquisition</b>	<b>10,000</b>	<b>32,041</b>	<b>42,041</b>	<b>20,336</b>	<b>21,705</b>
<b>Total Expenditures</b>	<b>2,753,608</b>	<b>1,107,174</b>	<b>3,860,782</b>	<b>3,094,256</b>	<b>766,526</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 161,179,222	\$ 3,094,256
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.		
Current Year Encumbrances		(20,402)
Prior Year Encumbrances		20,587
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	331,621	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(332,708)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 161,178,135	\$ 3,094,441
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 163,420,859	\$ 3,094,256
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, not in the Year the Supplies are Received for Financial Reporting Purposes		
Current Year Encumbrances		(20,402)
Prior Year Encumbrances		20,587
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 163,420,859	\$ 3,094,441

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Unaudited)

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 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. 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 budgets during the year).

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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



**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	No Child Left Behind				Carl Perkins Vocational Education
	Title I	Title IIA	Title III	Title III Immigrant	
REVENUE:					
State Sources					
Federal Sources	\$ 210,911	\$ 58,471	\$ 4,593	\$ 24,128	\$ 26,625
Local Sources					
Total Revenue	<u>\$ 210,911</u>	<u>\$ 58,471</u>	<u>\$ 4,593</u>	<u>\$ 24,128</u>	<u>\$ 26,625</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 99,975				
Purchased Professional/Educational Services			\$ 2,829	\$ 499	\$ 1,500
Other Purchased Services		\$ 50,334			
General Supplies	3,737		1,764	1,579	4,502
Textbooks					
Total Instruction	<u>103,712</u>	<u>50,334</u>	<u>4,593</u>	<u>2,078</u>	<u>6,002</u>
Support Services:					
Personal Services - Salaries	32,442				
Personal Services - Employee Benefits	69,379				
Purchased Professional/Educational Services				22,050	
Purchased Technical Services					
Other Purchased Services		8,137			5,665
Supplies and Materials					
Other Objects					
Total Support Services	<u>101,821</u>	<u>8,137</u>		<u>22,050</u>	<u>5,665</u>
Facilities Acquisition:					
Instructional Equipment	5,378				14,958
Total Facilities Acquisition	<u>5,378</u>				<u>14,958</u>
Total Expenditures	<u>\$ 210,911</u>	<u>\$ 58,471</u>	<u>\$ 4,593</u>	<u>\$ 24,128</u>	<u>\$ 26,625</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	I.D.E.A. - Part B, Basic		NJ Nonpublic		
	Regular	Preschool	Technology Initiative	Textbooks	Nursing
REVENUE:					
State Sources			\$ 35,163	\$ 78,363	\$ 139,680
Federal Sources	\$ 1,946,846	\$ 70,053			
Local Sources					
Total Revenue	<u>\$ 1,946,846</u>	<u>\$ 70,053</u>	<u>\$ 35,163</u>	<u>\$ 78,363</u>	<u>\$ 139,680</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services			\$ 35,163		
Other Purchased Services	\$ 1,823,751	\$ 70,053			
General Supplies					
Textbooks				\$ 78,363	
Total Instruction	<u>1,823,751</u>	<u>70,053</u>	<u>35,163</u>	<u>78,363</u>	
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services					\$ 139,680
Purchased Technical Services	123,095				
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services	<u>123,095</u>				<u>139,680</u>
Facilities Acquisition:					
Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,946,846</u>	<u>\$ 70,053</u>	<u>\$ 35,163</u>	<u>\$ 78,363</u>	<u>\$ 139,680</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Nonpublic Auxiliary Services (Chapter 192)</u>				
	<u>NJ Nonpublic Security</u>	<u>Compensatory Education</u>	<u>English as a Second Language</u>	<u>Transportation</u>	<u>Home Instruction</u>
REVENUE:					
State Sources	\$ 35,881	\$ 103,296	\$ 7,247	\$ 24,495	\$ 18,002
Federal Sources					
Local Sources					
<b>Total Revenue</b>	<u>\$ 35,881</u>	<u>\$ 103,296</u>	<u>\$ 7,247</u>	<u>\$ 24,495</u>	<u>\$ 18,002</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services		\$ 103,296	\$ 7,247	\$ 24,495	\$ 18,002
Other Purchased Services					
General Supplies					
Textbooks					
<b>Total Instruction</b>		<u>103,296</u>	<u>7,247</u>	<u>24,495</u>	<u>18,002</u>
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services					
Purchased Technical Services					
Other Purchased Services					
Supplies and Materials	\$ 35,881				
Other Objects					
<b>Total Support Services</b>	<u>35,881</u>				
Facilities Acquisition:					
Instructional Equipment					
<b>Total Facilities Acquisition</b>					
<b>Total Expenditures</b>	<u>\$ 35,881</u>	<u>\$ 103,296</u>	<u>\$ 7,247</u>	<u>\$ 24,495</u>	<u>\$ 18,002</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Nonpublic Handicapped Services (Chapter 193)</u>				<u>Local Programs</u>	<u>Totals June 30, 2016</u>
	<u>Anti-Bullying</u>	<u>Supplementary Instruction</u>	<u>Examination &amp; Classification</u>	<u>Corrective Speech</u>		
<b>REVENUE:</b>						
State Sources	\$ 4,319	\$ 66,231	\$ 85,045	\$ 16,469		\$ 614,191
Federal Sources						2,341,627
Local Sources					\$ 138,438	138,438
<b>Total Revenue</b>	<b>\$ 4,319</b>	<b>\$ 66,231</b>	<b>\$ 85,045</b>	<b>\$ 16,469</b>	<b>\$ 138,438</b>	<b>\$ 3,094,256</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Personal Services - Salaries						\$ 99,975
Purchased Professional/Educational Services		\$ 66,231	\$ 85,045	\$ 16,469		360,776
Other Purchased Services						1,944,138
General Supplies						11,582
Textbooks						78,363
<b>Total Instruction</b>		<b>66,231</b>	<b>85,045</b>	<b>16,469</b>		<b>2,494,834</b>
<b>Support Services:</b>						
Personal Services - Salaries						32,442
Personal Services - Employee Benefits						69,379
Purchased Professional/Educational Services						161,730
Purchased Technical Services						123,095
Other Purchased Services	\$ 4,319					18,121
Supplies and Materials					\$ 80,963	116,844
Other Objects					57,475	57,475
<b>Total Support Services</b>	<b>4,319</b>				<b>138,438</b>	<b>579,086</b>
<b>Facilities Acquisition:</b>						
Instructional Equipment						20,336
<b>Total Facilities Acquisition</b>						<b>20,336</b>
<b>Total Expenditures</b>	<b>\$ 4,319</b>	<b>\$ 66,231</b>	<b>\$ 85,045</b>	<b>\$ 16,469</b>	<b>\$ 138,438</b>	<b>\$ 3,094,256</b>

**CAPITAL PROJECTS FUND**

Exhibit F-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 347,900
Interest Revenue	1,381
FEMA Hazard Mitigation Grant Program	<u>250,000</u>
Total Revenue and Other Financing Sources	<u>599,281</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	71,242
Construction Services	5,527,770
Transfer to General Fund - Interest Earned	<u>1,381</u>
Total Expenditures and Other Financing Uses	<u>5,600,393</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(5,001,112)
Fund Balance - Beginning	<u>6,897,688</u>
Fund Balance - Ending	<u><u>\$ 1,896,576</u></u>
<u>Recapitulation of Fund Balance at June 30, 2016:</u>	
Restricted	\$ 1,737,422
Committed - Year-End Encumbrances	110,270
Committed	<u>48,884</u>
Fund Balance per Governmental Funds (Budgetary Basis)	1,896,576
Reconciliation to Governmental Funds Statement (GAAP):	
Grants not Recognized on the GAAP Basis:	
SDA Grants	<u>(267,435)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 1,629,141</u></u>



Exhibit F-1a

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
DISTRICT-WIDE ENERGY SAVINGS IMPROVEMENT PROGRAM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds	\$ 11,065,064		\$ 11,065,064	\$ 11,065,064
Total Revenue and Other Financing Sources	11,065,064		11,065,064	11,065,064
Expenditures:				
Purchased Professional and Technical Services	683,192	\$ 71,242	754,434	716,482
Construction Services	3,743,715	4,717,123	8,460,838	10,235,462
Other	112,370		112,370	113,120
Total Expenditures	4,539,277	4,788,365	9,327,642	11,065,064
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 6,525,787	\$ (4,788,365)	\$ 1,737,422	\$ -0-

## Additional Project Information:

Project Number	5570-X01-14-1000
Capital Lease Authorization Date	May 29, 2014
Capital Lease Authorized	\$ 11,065,064
Capital Lease Issued	\$ 11,065,064
Original Authorized Cost	\$ 11,065,064
Change Orders	\$ -0-
Revised Authorized Cost	\$ 11,065,064
Change Order Percentage	0.00%
Percentage Completion	84.30%
Original Target Completion Date	06/01/15
Revised Target Completion Date	06/30/17

Exhibit F-1b

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WAYNE HILLS HIGH SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 122,932		\$ 122,932	\$ 122,932
Transfer from Capital Reserve	483,215		483,215	483,215
<b>Total Revenue and Other Financing Sources</b>	<b>606,147</b>		<b>606,147</b>	<b>606,147</b>
Expenditures:				
Purchased Professional and Technical Services	25,587		25,587	25,650
Construction Services	546,163	\$ 31,203	577,366	580,497
<b>Total Expenditures</b>	<b>571,750</b>	<b>31,203</b>	<b>602,953</b>	<b>606,147</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 34,397</u>	<u>\$ (31,203)</u>	<u>\$ 3,194</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number	5570-055-14-1002
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 307,330
Additional Authorization	\$ 298,817
Change Orders	\$ -0-
Revised Authorized Cost	\$ 606,147
Change Order Percentage	0.00%
Percentage Completion	99.47%
Original Target Completion Date	June 2015
Revised Target Completion Date	January 2016

Exhibit F-1c

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WAYNE HILLS HIGH SCHOOL - NEW ADA RESTROOM PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 36,601		\$ 36,601	\$ 36,601
Federal Sources - I.D.E.A. - Part B, Basic Regular	54,901		54,901	54,901
Total Revenue and Other Financing Sources	91,502		91,502	91,502
Expenditures:				
Purchased Professional and Technical Services	10,771		10,771	8,765
Construction Services	70,420		70,420	82,737
Total Expenditures	81,191		81,191	91,502
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 10,311	\$ -0-	\$ 10,311	\$ -0-

## Additional Project Information:

Project Number	5570-055-14-1005
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 91,502
Change Orders	\$ -0-
Revised Authorized Cost	\$ 91,502
Change Order Percentage	0.00%
Percentage Completion	88.73%
Original Target Completion Date	June 2015
Revised Target Completion Date	August 2015

Exhibit F-1d

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
GEORGE WASHINGTON MIDDLE SCHOOL - EXTERIOR WINDOW REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 61,000		\$ 61,000	\$ 61,000
Transfer from Capital Reserve	123,825		123,825	123,825
<b>Total Revenue and Other Financing Sources</b>	<b>184,825</b>		<b>184,825</b>	<b>184,825</b>
Expenditures:				
Purchased Professional and Technical Services	12,392		12,392	12,825
Construction Services	141,778		141,778	172,000
<b>Total Expenditures</b>	<b>154,170</b>		<b>154,170</b>	<b>184,825</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 30,655	\$ -0-	\$ 30,655	\$ -0-

## Additional Project Information:

Project Number	5570-083-14-1003
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 152,500
Additional Authorization	\$ 32,325
Change Orders	\$ -0-
Revised Authorized Cost	\$ 184,825
Change Order Percentage	0.00%
Percentage Completion	83.41%
Original Target Completion Date	June 2015
Revised Target Completion Date	January 2016

Exhibit F-1e

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
LAFAYETTE ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 57,490		\$ 57,490	\$ 57,490
Transfer from Capital Reserve	251,310		251,310	251,310
Total Revenue and Other Financing Sources	308,800		308,800	308,800
Expenditures:				
Purchased Professional and Technical Services	12,262		12,262	11,800
Construction Services		\$ 291,814	291,814	297,000
Total Expenditures	12,262	291,814	304,076	308,800
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 296,538	\$ (291,814)	\$ 4,724	\$ -0-

## Additional Project Information:

Project Number	5570-090-14-1004
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 143,725
Additional Authorization	\$ 165,075
Change Orders	\$ -0-
Revised Authorized Cost	\$ 308,800
Change Order Percentage	0.00%
Percentage Completion	98.47%
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WAYNE VALLEY HIGH SCHOOL - SHELTER EMERGENCY GENERATOR  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 347,900	\$ 347,900	\$ 347,900
Federal Sources - FEMA Hazard Mitigation Grant Program		250,000	250,000	250,000
Total Revenue and Other Financing Sources	-0-	597,900	597,900	597,900
Expenditures:				
Construction Services		487,630	487,630	597,900
Total Expenditures	-0-	487,630	487,630	597,900
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ -0-	\$ 110,270	\$ 110,270	\$ -0-

## Additional Project Information:

Project Number	4086-NJ-268-R
Grant Date	May 6, 2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 597,900
Change Orders	\$ -0-
Revised Authorized Cost	\$ 597,900
Change Order Percentage	0.00%
Percentage Completion	81.56%
Original Target Completion Date	June 2017

**PROPRIETARY FUNDS**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total Non-Major Funds	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program		
<u>ASSETS:</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 156,832	\$ 9,798	\$ 78,500	\$ 708,422	\$ 796,720	\$ 953,552
Accounts Receivable:						
Interfund - General Fund	21,348					21,348
Other Governments:						
Federal	71,641					71,641
State	3,054					3,054
Other	16,433			3,513	3,513	19,946
Inventories	40,446					40,446
Total Current Assets	309,754	9,798	78,500	711,935	800,233	1,109,987
Non-Current Assets:						
Capital Assets	811,350					811,350
Less: Accumulated Depreciation	(650,665)					(650,665)
Total Non-Current Assets	160,685	-0-	-0-	-0-	-0-	160,685
Total Assets	470,439	9,798	78,500	711,935	800,233	1,270,672
<u>LIABILITIES:</u>						
Current Liabilities:						
Accounts Payable	267,488			28,122	28,122	295,610
Unearned Revenue	42,266	5,990	78,500		84,490	126,756
Total Current Liabilities	309,754	5,990	78,500	28,122	112,612	422,366
Total Liabilities	309,754	5,990	78,500	28,122	112,612	422,366
<u>NET POSITION:</u>						
Investment in Capital Assets	160,685					160,685
Unrestricted		3,808		683,813	687,621	687,621
Total Net Position	\$ 160,685	\$ 3,808	\$ -0-	\$ 683,813	\$ 687,621	\$ 848,306



WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total Non-Major Funds	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program		
Operating Revenue:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 394,990					\$ 394,990
Daily Sales - Non-Reimbursable Programs	1,810,123					1,810,123
Special Events	120,326					120,326
Program Fees		\$ 10,416		\$ 953,743	\$ 964,159	964,159
Total Operating Revenue	2,325,439	10,416	\$ -0-	953,743	964,159	3,289,598
Operating Expenses:						
Cost of Sales - Reimbursable Programs	348,987					348,987
Cost of Sales - Non-Reimbursable Programs	619,219					619,219
Salaries	990,066	4,784		548,745	553,529	1,543,595
Employee Benefits	305,004			109,558	109,558	414,562
Purchased Property Services	17,633			2,749	2,749	20,382
Other Purchased Services				339,300	339,300	339,300
Management Fee	294,176					294,176
Supplies and Materials	206,684	1,824		5,797	7,621	214,305
Depreciation Expense	31,275					31,275
Total Operating Expenses	2,813,044	6,608		1,006,149	1,012,757	3,825,801
Operating Income/(Loss)	(487,605)	3,808		(52,406)	(48,598)	(536,203)
Non-Operating Revenue:						
Federal Sources:						
National School Lunch Program	335,225					335,225
School Breakfast Program	27,868					27,868
Special Milk Program	2,820					2,820
Food Distribution Program	69,699					69,699
State Sources:						
School Lunch Program	15,613					15,613
Total Non-Operating Revenue	451,225	-0-	-0-	-0-	-0-	451,225
Change in Net Position Before Transfer	(36,380)	3,808		(52,406)	(48,598)	(84,978)
Transfer In - General Fund	21,348					21,348
Change in Net Position	(15,032)	3,808		(52,406)	(48,598)	(63,630)
Net Position - Beginning of Year	175,717			736,219	736,219	911,936
Net Position - End of Year	\$ 160,685	\$ 3,808	\$ -0-	\$ 683,813	\$ 687,621	\$ 848,306

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total Non-Major Funds	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program		
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 2,332,486	\$ 9,275	\$ 78,500	\$ 962,141	\$ 1,049,916	\$ 3,382,402
Payments to Employees	(8,227)	(4,784)		(548,745)	(553,529)	(561,756)
Payments to Food Service Vendor	(2,596,441)					(2,596,441)
Payments to Suppliers	(93,394)	(1,824)		(455,587)	(457,411)	(550,805)
Net Cash Provided by/(Used for) Operating Activities	<u>(365,576)</u>	<u>2,667</u>	<u>78,500</u>	<u>(42,191)</u>	<u>38,976</u>	<u>(326,600)</u>
Cash Flows from Capital Financing Activities:						
Acquisition of Capital Assets	(16,243)					(16,243)
Net Cash Used for Capital Financing Activities	<u>(16,243)</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>(16,243)</u>
Cash Flows from Noncapital Financing Activities:						
Federal Sources	328,109					328,109
State Sources	14,503					14,503
Transfer - General Fund	90,770					90,770
Net Cash Provided by Noncapital Financing Activities	<u>433,382</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>433,382</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	51,563	2,667	78,500	(42,191)	38,976	90,539
Cash and Cash Equivalents, July 1	105,269	7,131		750,613	757,744	863,013
Cash and Cash Equivalents, June 30	<u>\$ 156,832</u>	<u>\$ 9,798</u>	<u>\$ 78,500</u>	<u>\$ 708,422</u>	<u>\$ 796,720</u>	<u>\$ 953,552</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (487,605)	\$ 3,808	\$ -0-	\$ (52,406)	\$ (48,598)	\$ (536,203)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation	31,275					31,275
Federal Food Distribution Program	69,699					69,699
Changes in Assets and Liabilities:						
Decrease in Accounts Receivable	8,249			8,398	8,398	16,647
(Increase) in Inventory	(4,061)					(4,061)
Increase in Accounts Payable	18,069			1,817	1,817	19,886
Increase/(Decrease) in Unearned Revenue	(1,202)	(1,141)	78,500		77,359	76,157
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (365,576)</u>	<u>\$ 2,667</u>	<u>\$ 78,500</u>	<u>\$ (42,191)</u>	<u>\$ 38,976</u>	<u>\$ (326,600)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$66,488 and \$69,699, respectively, for the fiscal year ended June 30, 2016.

**FIDUCIARY FUNDS**

Exhibit H-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Agency</u>		<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
	<u>Student Activities</u>	<u>Payroll</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 530,209	\$ 1,595,294	\$ 2,125,503	\$ 347,707	\$ 47,111
Investments					\$ 34,277
Accounts Receivable - Other	588		588		
Total Assets	<u>530,797</u>	<u>1,595,294</u>	<u>2,126,091</u>	<u>347,707</u>	<u>47,111</u>
<u>LIABILITIES:</u>					
Accounts Payable - Vendors	7,482		7,482		
Payroll Deductions and Withholdings		1,595,294	1,595,294		
Due to Student Groups	523,315		523,315		
Total Liabilities	<u>530,797</u>	<u>1,595,294</u>	<u>2,126,091</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims			347,707		
Flexible Spending Claims				47,111	
Restricted for Scholarships					34,277
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 347,707</u>	<u>\$ 47,111</u>
				<u>\$ 34,277</u>	<u>\$ 34,277</u>

Exhibit H-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 232,360	\$ 167,687	
Total Contributions	<u>232,360</u>	<u>167,687</u>	
Investment Earnings:			
Interest			\$ 26
Net Investment Earnings			<u>26</u>
Total Additions	<u>232,360</u>	<u>167,687</u>	<u>26</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	202,595		
Flexible Spending Claims		150,490	
Total Deductions	<u>202,595</u>	<u>150,490</u>	
Change in Net Position	29,765	17,197	26
Net Position - Beginning of the Year	<u>317,942</u>	<u>29,914</u>	<u>34,251</u>
Net Position - End of the Year	<u>\$ 347,707</u>	<u>\$ 47,111</u>	<u>\$ 34,277</u>

Exhibit H-3

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 493,049	\$ 1,062,604	\$ 1,025,444	\$ 530,209
Accounts Receivable - Other	140	588	140	588
Total Assets	<u>\$ 493,189</u>	<u>\$ 1,063,192</u>	<u>\$ 1,025,584</u>	<u>\$ 530,797</u>
<u>LIABILITIES:</u>				
Liabilities:				
Accounts Payable	\$ 6,738	\$ 7,482	\$ 6,738	\$ 7,482
Due to Student Groups	486,451	1,055,710	1,018,846	523,315
Total Liabilities	<u>\$ 493,189</u>	<u>\$ 1,063,192</u>	<u>\$ 1,025,584</u>	<u>\$ 530,797</u>

Exhibit H-4

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Receivable</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools:						
A.P. Terhune	\$ 1,135	\$ 6,551	\$ 6,311			\$ 1,375
Theunis Dey	5,399	4,707	4,898			5,208
James Fallon	1,101	7,602	7,922			781
John F. Kennedy	138	9,361	8,347	\$ 168		1,320
Lafayette	1,261	4,322	4,943			640
Pines Lake	7,604	9,470	11,224		\$ 2,287	3,563
Ryerson	3,396	1,600	1,574		1,020	2,402
Randall Carter	1,679	4,705	4,622			1,762
Packanack	8,207	4,180	4,564			7,823
Middle Schools:						
George Washington	33,708	153,571	137,973			49,306
Schyler Colfax	32,711	153,911	147,114	40	396	39,152
Anthony Wayne	29,053	159,733	157,721		657	30,408
High Schools:						
Wayne Valley	157,725	288,841	278,622	100	2,170	165,874
Wayne Hills	203,334	246,568	235,529	280	952	213,701
Total All Schools	<u>\$ 486,451</u>	<u>\$ 1,055,122</u>	<u>\$ 1,011,364</u>	<u>\$ 588</u>	<u>\$ 7,482</u>	<u>\$ 523,315</u>

Exhibit H-5

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	<u>\$ 1,637,373</u>	<u>\$ 101,639,986</u>	<u>\$ 101,682,065</u>	<u>\$ 1,595,294</u>
Total Assets	<u><u>\$ 1,637,373</u></u>	<u><u>\$ 101,639,986</u></u>	<u><u>\$ 101,682,065</u></u>	<u><u>\$ 1,595,294</u></u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	<u>1,637,373</u>	<u>\$ 101,639,986</u>	<u>\$ 101,682,065</u>	<u>\$ 1,595,294</u>
Total Liabilities	<u><u>\$ 1,637,373</u></u>	<u><u>\$ 101,639,986</u></u>	<u><u>\$ 101,682,065</u></u>	<u><u>\$ 1,595,294</u></u>



**LONG-TERM DEBT**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2015	Retired/ Matured	Balance June 30, 2016
			Date	Amount				
School Refunding Bonds	11/16/10	\$ 2,470,000				\$ 475,000	\$ 475,000	
School Refunding Bonds	11/01/12	25,440,000	07/15/16	\$ 2,510,000	4.000%			
			07/15/17	2,615,000	4.000%			
			07/15/18	2,600,000	4.000%			
			07/15/19	2,610,000	4.000%			
			07/15/20	2,615,000	4.000%			
			07/15/21	2,610,000	5.000%			
			07/15/22	2,620,000	5.000%			
			07/15/23	2,615,000	4.500%			
						<u>23,175,000</u>	<u>2,380,000</u>	<u>\$ 20,795,000</u>
						<u>\$ 23,650,000</u>	<u>\$ 2,855,000</u>	<u>\$ 20,795,000</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance June 30, 2016</u>
Equipment and Buses	0.98%	\$ 600,000	\$ 128,064		\$ 128,064	
Equipment and Buses	1.07%	825,000	254,263		169,053	\$ 85,210
Equipment and Buses	1.28%	1,000,000	505,697		200,339	305,358
Equipment and Buses	1.52%	1,250,000	884,912		248,052	636,860
Equipment and Buses	1.65%	1,515,800	1,369,763		295,699	1,074,064
Equipment and Buses	1.82%	1,700,000		\$ 1,700,000	163,147	1,536,853
Energy Savings Improvement Program	2.93%	11,065,064	11,065,064		840,000	10,225,064
			<u>\$ 14,207,763</u>	<u>\$ 1,700,000</u>	<u>\$ 2,044,354</u>	<u>\$ 13,863,409</u>

Exhibit I-3

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,784,800		\$ 3,784,800	\$ 3,784,800	
Total Revenues	3,784,800		3,784,800	3,784,800	
EXPENDITURES:					
Regular Debt Service:					
Interest	963,775		963,775	963,775	
Redemption of Principal	2,855,000		2,855,000	2,855,000	
Total Regular Debt Service	3,818,775		3,818,775	3,818,775	
Total Expenditures	3,818,775		3,818,775	3,818,775	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(33,975)		(33,975)	(33,975)	
Fund Balance, July 1	33,975		33,975	33,975	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**STATISTICAL SECTION  
(UNAUDITED)**

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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



WAYNE TOWNSHIP PUBLIC SCHOOLS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:	\$ 79,868,696	\$ 82,669,427	\$ 82,499,868	\$ 86,411,538	\$ 85,819,477	\$ 87,266,186	\$ 91,042,891	\$ 92,381,582		
Regular									\$ 73,184,000	\$ 78,905,505
Special Education									19,201,430	20,890,532
Other Special Instruction									4,738,040	4,378,608
School Sponsored/Other Instruction									4,826,208	5,645,476
Support Services:										
Tuition									5,314,728	5,161,154
Student & Instruction Related Services	15,048,020	17,234,748	17,751,392	22,440,126	22,013,472	22,976,908	25,110,264	24,387,990	28,345,490	31,709,736
General Administrative Services	1,485,336	1,529,347	1,480,514	1,672,451	1,594,345	1,782,477	1,952,676	1,892,617	1,667,783	1,654,085
School Administrative Services	8,495,875	8,524,344	9,329,822	7,390,439	7,044,118	7,243,935	7,510,142	8,620,564	9,710,268	10,098,969
Central Services									1,862,301	1,945,289
Administrative Information Technology									2,655,557	1,396,216
Plant Operations and Maintenance	14,695,266	16,041,638	15,673,553	15,491,154	15,998,478	16,884,900	17,017,216	17,172,077	16,096,278	16,158,309
Pupil Transportation	5,620,682	5,902,081	5,611,903	6,080,974	6,025,662	6,209,541	7,307,819	7,827,146	6,483,219	6,671,942
Other Support Services	4,380,722	4,365,077	4,657,736	4,012,777	3,499,718	2,536,016	3,567,886	3,448,376		
Special Schools			622,319	618,098						
Charter Schools			9,818	15,528			1,105	21,826	22,279	66,474
Interest on Long-term Debt	2,062,946	1,890,086	1,694,647	1,603,066	1,535,058	1,415,635	826,922	1,143,735	744,813	829,057
Total Governmental Activities Expenses	131,657,543	138,156,748	139,331,572	145,736,151	143,530,328	146,315,598	154,336,921	156,895,913	174,852,394	185,511,352
Business-Type Activities:										
Food Service	2,442,455	2,695,454	2,774,039	2,854,815	2,867,111	2,994,123	2,892,281	2,986,474	2,960,246	2,813,044
Community Education Program	362,596	343,938	306,178	256,970	278,243	353,037	46,689	9,809	7,023	6,608
Extended Day Program	732,755	791,158	799,382	724,062	659,868	767,195	804,658	887,558	859,096	1,006,149
Total Business-Type Activities Expenses	3,537,806	3,830,550	3,879,599	3,835,847	3,805,222	4,114,355	3,743,628	3,883,841	3,826,365	3,825,801
Total District-Wide Expenses	135,195,349	141,987,298	143,211,171	149,571,998	147,335,550	150,429,953	158,080,549	160,779,754	178,678,759	189,337,153
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular	71,588	87,195	676,835	369,001	232,591	233,126	262,215	232,479	257,341	350,496
Special education	704,769	744,847							15,578	
Other Instruction	17,425									
Operating Grants and Contributions	21,280,074	22,414,520	2,797,692	4,257,925	4,070,283	3,436,583	3,307,946	3,141,872	38,255,280	44,603,509
Capital Grants and Contributions	319,096	841,450	697		186,380			20,062	45,427	250,000
Total Governmental Activities Program Revenues	22,392,952	24,088,012	3,475,224	4,626,926	4,489,254	3,669,709	3,570,161	3,394,413	38,573,626	45,204,005



WAYNE TOWNSHIP PUBLIC SCHOOLS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 2,178,437	\$ 2,258,914	\$ 2,462,681	\$ 2,484,017	\$ 2,427,692	\$ 2,527,914	\$ 2,428,982	\$ 2,383,094	\$ 2,407,081	\$ 2,325,439
Community Education Program	379,457	368,215	282,816	230,891	241,343	244,045	53,397	7,305	2,819	10,416
Extended Day Program	798,127	800,665	787,227	790,783	876,623	898,991	911,525	961,643	936,108	953,743
Operating Grants and Contributions	236,749	302,996	314,446	373,860	398,778	429,446	432,168	487,792	503,077	451,225
Total Business-Type Activities Revenues	3,592,770	3,730,790	3,847,170	3,879,551	3,944,436	4,100,396	3,826,072	3,839,834	3,849,085	3,740,823
Total District-wide Program Revenues	25,985,722	27,818,802	7,322,394	8,506,477	8,433,690	7,770,105	7,396,233	7,234,247	42,422,711	48,944,828
Net (Expense)/Revenue:										
Governmental Activities	(109,264,591)	(114,068,736)	(135,856,348)	(141,109,225)	(139,041,074)	(142,645,889)	(150,766,760)	(153,501,500)	(136,278,768)	(140,307,347)
Business-Type Activities	54,964	(99,760)	(32,429)	43,704	139,214	(13,959)	82,444	(44,007)	22,720	(84,978)
Total District-wide Net (Expense)/Revenue	(109,209,627)	(114,168,496)	(135,888,777)	(141,065,521)	(138,901,860)	(142,659,848)	(150,684,316)	(153,545,507)	(136,256,048)	(140,392,325)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	105,832,575	110,065,878	114,193,348	116,896,889	123,231,644	124,894,494	127,268,166	130,459,943	132,926,961	137,763,672
Taxes Levied for Debt Service	3,596,051	4,041,637	4,072,583	4,102,121	4,128,901	4,106,755	4,129,125	4,038,292	3,798,160	3,784,800
Unrestricted Grants and Contributions	1,179,019	1,367,782	14,659,356	16,177,806	12,274,239	16,012,559	19,686,274	18,157,591	387,365	382,787
Donations	31,850		67,331							
Gain (Loss) on Disposal of Fixed Assets		(33,822)								
Investment Earnings	1,166,445	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	3,298	1,381
Premium on Issuance of Note			18							
Miscellaneous Income	551,576	344,510	704,630	329,679	686,554	398,512	809,653	484,270	708,063	682,503
Transfers	(54,800)	(29,734)	(34,224)			(136,523)			(63,686)	(21,348)
Total Governmental Activities General Revenues and Other Changes in Net Position	112,302,716	116,762,765	133,907,033	137,565,838	140,328,767	145,285,008	151,904,561	153,145,799	137,760,161	142,593,795
Business-type Activities:										
Investment Earnings	13,835	23,119	8,602	10,606	86	454			315	
Transfers	54,800	29,734	34,224			136,523			63,686	21,348
Total Business-type Activities General Revenues and Other Changes in Net Position	68,635	52,853	42,826	10,606	86	136,977			64,001	21,348
Total District-wide General Revenues and Other Changes in Net Position	112,371,351	116,815,618	133,949,859	137,576,444	140,328,853	145,421,985	151,904,561	153,145,799	137,824,162	142,615,143
Change in Net Position:										
Governmental Activities	3,038,125	2,694,029	(1,949,315)	(3,543,387)	1,287,693	2,639,119	1,137,801	(355,701)	1,481,393	2,286,448
Business-Type Activities	123,599	(46,907)	10,397	54,310	139,300	123,018	82,444	(44,007)	86,721	(63,630)
Total District-Wide Change in Net Position	\$ 3,161,724	\$ 2,647,122	\$ (1,938,918)	\$ (3,489,077)	\$ 1,426,993	\$ 2,762,137	\$ 1,220,245	\$ (399,708)	\$ 1,568,114	\$ 2,222,818

Source: Wayne Township Public Schools District Financial Reports.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Tax Levy	\$109,428,626	\$114,107,515	\$118,265,931	\$120,999,010	\$127,360,545	\$129,001,249	\$131,397,291	\$134,498,235	\$136,725,121	\$141,548,472
Tuition Charges	793,782	832,042	676,835	369,001	232,591	233,126	262,215	232,479	272,919	350,496
Interest Earnings	1,166,444	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	340	
Miscellaneous	605,360	384,576	839,726	454,115	802,606	524,640	867,370	688,456	838,941	816,144
State Sources	20,563,272	22,368,330	15,341,633	16,741,519	12,880,750	16,148,899	20,036,315	18,496,357	20,759,842	22,915,778
Federal Sources	2,161,134	2,215,356	1,981,016	3,569,776	3,534,100	3,174,115	2,900,188	2,618,982	2,737,750	2,677,867
<b>Total Revenues</b>	<b>134,718,618</b>	<b>140,914,333</b>	<b>137,349,132</b>	<b>142,192,764</b>	<b>144,818,021</b>	<b>149,091,240</b>	<b>155,474,722</b>	<b>156,540,212</b>	<b>161,334,913</b>	<b>168,308,757</b>
<b>Expenditures:</b>										
Instruction:	78,971,262	81,475,077	81,029,907	59,385,126	57,343,735	57,765,509	58,340,405	59,089,833		
Regular Instruction									41,929,364	43,211,537
Special Education Instruction									12,174,471	12,548,479
Other Special Instruction									2,729,696	2,387,187
School Sponsored/Other Instruction									3,257,086	3,626,614
Support Services:										
Tuition									5,314,728	5,161,154
Student & Instruction Related Service:	15,125,708	17,274,743	17,413,474	18,979,792	18,649,448	19,149,203	20,990,737	21,186,769	17,031,520	18,176,110
General Administrative Services	1,267,355	1,312,970	1,451,556	1,430,632	1,372,059	1,474,148	1,589,535	1,537,004	1,422,650	1,403,870
School Administrative Services	8,475,434	8,545,239	9,149,376	5,119,821	4,783,305	4,856,263	4,854,231	5,654,758	5,697,384	5,495,187
Central Services									1,429,949	1,488,974
Administrative Information Technology									1,905,868	1,549,262
Plant Operations and Maintenance	14,012,676	15,262,060	15,588,365	12,313,394	12,240,523	12,156,942	12,587,475	13,437,941	12,800,612	14,246,617
Pupil Transportation	5,196,264	5,475,611	5,611,395	5,107,810	4,874,217	5,035,745	4,545,411	4,710,812	5,470,868	5,722,993
Other Support Services	4,146,443	4,137,255	4,616,398	2,994,041	2,550,747	2,536,016	2,462,820	2,365,828		
Unallocated Benefits				34,270,255	36,991,629	39,236,134	44,184,502	43,746,870	44,901,072	47,393,283
Transfer of Fund to Charter Schools				15,528			1,105	21,826	22,279	66,474
Special Schools				425,598						
Capital Outlay	4,479,955	4,485,102	2,791,796	1,300,011	1,467,354	1,430,174	2,178,333	3,137,458	7,188,168	9,636,571
Debt Service:										
Principal	2,438,916	2,427,411	2,713,804	2,441,965	2,562,114	2,661,965	3,150,009	3,476,077	2,750,000	2,855,000
Interest and Other Charges	2,152,302	1,933,600	1,748,702	1,660,496	1,563,590	1,458,164	1,405,474	1,206,522	1,059,880	963,775
Cost of issuance					66,933		231,086	112,370		
<b>Total Expenditures</b>	<b>136,266,315</b>	<b>142,329,068</b>	<b>142,114,773</b>	<b>145,444,469</b>	<b>144,465,654</b>	<b>147,760,263</b>	<b>156,521,123</b>	<b>159,684,068</b>	<b>167,085,595</b>	<b>175,933,087</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,547,697)	\$ (1,414,735)	\$ (4,765,641)	\$ (3,251,705)	\$ 352,367	\$ 1,330,977	\$ (1,046,401)	\$ (3,143,856)	\$ (5,750,682)	\$ (7,624,330)
Other Financing Sources (Uses):										
Capital Leases (non-budgeted)	23,145	315,748	561,465	495,815	600,000	825,000	1,000,000	1,250,000	1,515,800	1,700,000
Proceeds from capital lease								11,065,064		
Refunding bonds issued					2,470,000		25,440,000			
Premium on bonds					150,245		3,977,116			
Payment to Refunding Bond Escrow Agent					(2,553,312)		(29,543,030)			
Prior Year Accounts Payable Canceled							357,000			
Premium on Issuance of Note			18							
Transfers In	2,208,731	3,754,758	799	468,585	177	84	587,061	693,275	167,255	349,281
Transfers Out	(2,263,531)	(3,784,492)	(35,023)	(468,585)	(177)	(136,607)	(587,061)	(693,275)	(230,941)	(370,629)
Total Other Financing Sources (Uses)	(31,655)	286,014	527,259	495,815	666,933	688,477	1,231,086	12,315,064	1,452,114	1,678,652
Net Change in Fund Balances	\$ (1,579,352)	\$ (1,128,721)	\$ (4,238,382)	\$ (2,755,890)	\$ 1,019,300	\$ 2,019,454	\$ 184,685	\$ 9,171,208	\$ (4,298,568)	\$ (5,945,678)
Debt Service as a Percentage of Noncapital Expenditures	3.48%	3.16%	3.20%	2.85%	2.89%	2.82%	2.95%	2.99%	2.38%	2.30%

Exhibit J-5

WAYNE TOWNSHIP PUBLIC SCHOOLS  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

Fiscal Year Ending June 30,	Tuition	Special School Programs*	Interest Investments	Rents	Refunds	Misc.	Total
2007	\$ 594,305	\$ 199,477	\$ 940,753	\$ 100,364	\$ 259,677	\$ 191,536	\$ 2,286,112
2008	674,605	157,437	882,817	43,684	193,836	106,990	2,059,369
2009	506,130	170,705	243,210	45,964	149,468	509,198	1,624,675
2010	369,001		59,343			454,115	882,459
2011	232,591		7,252	29,287	66,499	575,099	910,728
2012	233,126		9,127	81,837	11,276	305,399	640,765
2013	262,215		11,318	329,704	112,083	367,866	1,083,186
2014	232,479		5,703	270,927	5,279	207,788	722,176
2015	272,919		1,394	249,905	20,236	437,922	982,376
2016	350,496			272,466	65,816	344,221	1,032,999

\* - Community Education and Extended Day Programs became Enterprise Funds in the 2009-10 fiscal year.

Source: Wayne Township Public Schools District Financial Reports.

**WAYNE TOWNSHIP PUBLIC SCHOOLS**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**UNAUDITED**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2006	\$66,003,100	\$3,814,643,700	\$1,677,100	\$91,200	\$1,149,631,300	\$207,547,100	\$96,576,700	\$5,336,170,200	\$7,818,898	\$5,343,989,098	\$11,218,260,495	\$2.010
2007	68,260,300	3,838,488,400	1,405,200	75,100	1,127,402,400	206,519,700	92,400,400	5,334,551,500	7,875,618	5,342,427,118	11,627,460,676	2.090
2008	64,382,500	3,845,019,100	1,405,200	75,200	1,117,146,700	209,038,500	89,685,600	5,326,752,800	7,832,109	5,334,584,909	11,653,849,620	2.173
2009	60,695,200	3,846,590,300	1,405,200	94,100	1,096,721,100	205,217,100	87,685,600	5,298,408,600	7,898,604	5,306,307,204	11,135,789,407	2.244
2010	60,926,600	3,827,548,900	1,405,200	94,100	1,086,648,800	200,571,500	87,685,600	5,264,880,700	7,898,604	5,272,779,304	10,676,280,899	2.341
2011	62,112,500	3,810,021,900	1,405,200	94,100	1,072,707,700	195,634,500	87,685,600	5,229,661,500	495	5,229,661,995	9,548,405,644	2.435
2012	63,224,500	3,793,531,500	1,405,200	76,300	1,048,345,100	194,240,900	87,685,600	5,188,509,100	548	5,188,509,648	9,473,269,396	2.490
2013	63,316,400	3,781,558,800	1,405,200	94,200	1,036,406,200	183,339,400	87,685,600	5,153,805,800	548	5,153,806,348	9,435,749,447	2.562
2014	64,695,600	3,777,401,000	1,405,200	94,200	1,030,307,300	183,158,600	87,685,600	5,144,747,500	548	5,144,748,048	9,450,966,399	2.634
2015	60,953,800	3,780,615,800	1,405,200	94,200	1,017,080,400	181,075,900	87,685,600	5,128,910,900	548	5,128,911,448	9,285,439,839	2.713

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 value of assessed value.

Exhibit J-7

WAYNE TOWNSHIP PUBLIC SCHOOLS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(Rate per \$100 of Assessed Value)*

Year Ended December 31,	Wayne Township Public Schools Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Wayne Township	Passaic County	
2006	\$ 1.936	\$ 0.074	\$ 2.010	\$ 0.810	\$ 0.950	\$ 3.770
2007	2.021	0.069	2.090	0.880	1.010	3.980
2008	2.096	0.077	2.173	0.947	1.055	4.175
2009	2.167	0.077	2.244	0.997	1.084	4.325
2010	2.262	0.079	2.341	1.046	1.130	4.517
2011	2.356	0.079	2.435	1.093	1.161	4.689
2012	2.411	0.079	2.490	1.141	1.238	4.869
2013	2.481	0.081	2.562	1.171	1.221	4.954
2014	2.555	0.079	2.634	1.206	1.286	5.126
2015	2.353	0.360	2.713	1.214	1.348	5.275

**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.

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.

Source: A4F and County Abstract of Ratables.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Taxpayer	2016			Taxpayer	2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willowbrook Mall	\$ 156,000,000	1	3.03%	Willowbrook Mall	\$ 156,000,000	1	2.91%
Toys R Us	47,396,100	2	0.92%	Wayne Retail, LLC	39,000,000	2	0.73%
Wayne PSC, LLC	38,527,100	3	0.75%	Mountain View Crossings	38,527,100	3	0.72%
Mountain View Crossings	32,612,400	4	0.63%	Levco Associates	32,612,400	4	0.61%
PL Wayne	31,970,400	5	0.62%	1st Union Development Corp.	31,970,400	5	0.60%
Macy's East	26,000,000	6	0.51%	Wayne Preakness Associates	30,024,200	6	0.56%
West Belt Fee	25,500,000	7	0.50%	Macy's East Inc.	28,940,200	7	0.54%
Levco Associates	23,034,200	8	0.45%	Price Enterprises, Inc.	22,800,000	8	0.43%
Seritage SRC Finance	18,000,000	9	0.35%	GAF/ISP Realty Corp	20,089,900	9	0.37%
Maquest Cardiovascular	17,750,000	10	0.35%	Meadox Medicals Inc.	19,508,100	10	0.36%
Total	<u>\$ 416,790,200</u>		<u>8.10%</u>	Total	<u>\$ 419,472,300</u>		<u>7.82%</u>

Source: Wayne Township Tax Assessor.



## Exhibit J-9

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 109,035,289	\$ 109,035,289	100.00%	\$ -0-
2008	114,107,515	114,107,515	100.00%	-0-
2009	118,265,931	118,265,931	100.00%	-0-
2010	120,999,010	120,999,010	100.00%	-0-
2011	127,360,545	127,360,545	100.00%	-0-
2012	129,001,249	129,001,249	100.00%	-0-
2013	131,397,231	131,397,231	100.00%	-0-
2014	134,498,235	134,498,235	100.00%	-0-
2015	136,725,121	136,725,121	100.00%	-0-
2016	141,548,472	141,548,472	100.00%	-0-

**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.

Source: Wayne Township Public Schools District records, including the Certificate and Report of Report of School Taxes (A4F form).

Exhibit J-10

WAYNE TOWNSHIP PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases				
2007	\$47,261,000	\$48,752	\$ 149,980	\$3,500,000	\$50,959,732	2.44%	\$ 950.30
2008	45,021,000	41,787	285,282	2,500,000	47,848,069	2.24%	892.16
2009	42,686,000	34,822	474,908	1,800,000	44,995,730	2.14%	834.52
2010	40,251,000	27,857	512,901	-0-	40,791,758	1.87%	745.03
2011	37,668,000	20,893	765,188	-0-	38,454,081	1.69%	698.35
2012	35,013,000	13,928	1,231,262	-0-	36,258,190	1.58%	659.62
2013	29,275,000	6,963	1,853,218	-0-	31,135,181	1.35%	564.64
2014	26,400,000	-0-	13,574,168	-0-	39,974,168	1.66%	725.09
2015	23,650,000	-0-	14,207,763	-0-	37,857,763	1.57%	686.70
2016	20,795,000	-0-	13,863,409	-0-	34,658,409	1.44%	627.76

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

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

Source: Wayne Township Public Schools District Financial Reports.

Exhibit J-11

WAYNE TOWNSHIP PUBLIC SCHOOLS  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2007	\$ 47,261,000		\$47,261,000	0.88%	\$ 881.32
2008	45,021,000		45,021,000	0.84%	839.44
2009	42,686,000		42,686,000	0.80%	791.68
2010	40,251,000		40,251,000	0.76%	735.15
2011	37,668,000		37,668,000	0.71%	684.08
2012	35,013,000		35,013,000	0.67%	636.97
2013	29,275,000		29,275,000	0.56%	530.90
2014	26,400,000		26,400,000	0.51%	478.87
2015	23,650,000		23,650,000	0.46%	428.99
2016	20,795,000		20,795,000	0.41%	376.65

**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 for the prior calendar year.

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

Exhibit J-12

WAYNE TOWNSHIP PUBLIC SCHOOLS  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Wayne Township	\$ 57,963,876	100.00%	\$ 57,963,876
Passaic County General Obligation Debt (including Passaic County Utilities Authority debt)	345,384,061	20.77%	<u>71,732,878</u>
Subtotal, Overlapping Debt			425,481,903
Wayne Township Public Schools District Direct Debt			<u>20,795,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 446,276,903</u></u>

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.

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 governments that is borne by residents and businesses of Wayne. 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.

Sources: Wayne Township Administrator/ Passaic County Treasurer's Office

Exhibit J-13

WAYNE TOWNSHIP PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 395,282,342	\$ 425,657,259	\$ 450,435,032	\$ 458,894,663	\$ 290,827,604
Total Net Debt Applicable to Limit	47,261,000	45,021,000	42,686,000	40,251,000	37,668,000
Legal Debt Margin	<u>\$ 348,021,342</u>	<u>\$ 380,636,259</u>	<u>\$ 407,749,032</u>	<u>\$ 418,643,663</u>	<u>\$ 253,159,604</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.96%	10.58%	9.48%	8.77%	12.95%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 418,139,679	\$ 395,972,746	\$ 379,432,326	\$ 377,745,146	\$ 375,452,234
Total Net Debt Applicable to Limit	35,013,000	29,275,000	26,400,000	23,650,000	20,795,000
Legal Debt Margin	<u>\$ 383,126,679</u>	<u>\$ 366,697,746</u>	<u>\$ 353,032,326</u>	<u>\$ 354,095,146</u>	<u>\$ 354,657,234</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.37%	7.39%	6.96%	6.26%	5.54%

Legal Debt Margin Calculation for Fiscal Year 2016	
Year Ended December 31,	Equalized Valuation Basis
2013	\$ 9,499,284,328
2014	9,283,196,499
2015	9,376,436,746
	<u>\$ 28,158,917,573</u>
Average Equalized Valuation of Taxable Property	<u>\$ 9,386,305,858</u>
Debt Limit (4% of Average Equalization Value) <sup>a</sup>	\$ 375,452,234
Net Bonded School Debt	20,795,000
Legal Debt Margin	<u>\$ 354,657,234</u>

a - Limit set by NJSA 18A:24-19 for a K through 12 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Passaic County Per Capita Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2007	53,625	\$ 38,897	\$ 2,085,851,625	3.1%
2008	53,632	39,907	2,140,292,224	4.1%
2009	53,918	38,932	2,099,135,576	7.0%
2010	54,752	39,807	2,179,512,864	7.6%
2011	55,064	41,371	2,278,052,744	7.1%
2012	54,968	41,824	2,298,981,632	7.2%
2013	55,142	41,857	2,308,078,694	6.4%
2014	55,130	43,687	2,408,464,310	5.3%
2015	55,210	43,687 *	2,411,959,270 ***	4.5%
2016	55,210 **	43,687 *	2,411,959,270 ***	N/A

N/A - Information is not available

\* - Latest Passaic County per capita personal income data available (2014) was used for calculation purposes.

\*\* - Latest population data available (2015) was used for calculation purposes.

\*\*\*- Latest population data (2015) and latest per capita personal income (2014) was used for calculation purposes.

Source:

- a - Population information provided by the US Department of Census - Population Division.
- b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Information was not available as of the date of these financial statements.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	542	580	575	573	594	538	539	536	578	562
Special Education	218	211	216	243	225	250	257	329	353	340
Support Services:										
Student & Instruction Related Services				130	131	131	139	125	120	120
General Administrative Services	6	6	6	14	14	13	22	13	20	20
School Administrative Services	62	69	69	57	52	46	45	52	57	54
Central services	19	17	18	19	18	17	17	17	18	15
Administrative information technology	14	10	11	15	14	11	11	14	12	13
Plant Operations and Maintenance	178	112	115	116	115	104	103	125	130	151
Pupil Transportation	25	70	72	92	91	94	95	93	105	98
Business and Other Support Services	155	155	154	71	71	63	63	57	68	68
Special Schools	5	5	5	0	0	0	0	0	0	0
Total	<u>1,224</u>	<u>1,235</u>	<u>1,241</u>	<u>1,330</u>	<u>1,325</u>	<u>1,267</u>	<u>1,291</u>	<u>1,361</u>	<u>1,461</u>	<u>1,441</u>

Source: Wayne Township Public Schools District Financial Reports.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	8,874	\$ 127,195,142	\$14,333	5.63%	772	1:11.7	1:11.3	1:11.3	8,894	8,492	0.72%	95.48%
2008	8,799	133,482,955	15,170	5.84%	792	1:11.1	1:11.0	1:10.9	8,786	8,401	-1.21%	95.62%
2009	8,730	134,860,471	15,448	1.83%	791	1:10.6	1:9.8	1:10.4	8,749	8,372	-0.42%	95.69%
2010	8,834	140,041,997	15,853	2.62%	816	1:10.6	1:9.8	1:10.4	8,823	8,449	0.85%	95.76%
2011	8,684	138,805,663	15,984	0.83%	819	1:10.6	1:9.8	1:10.4	8,684	8,288	-1.58%	95.44%
2012	8,563	142,209,960	16,607	3.90%	788	1:14.3	1:10.7	1:11.4	8,563	8,198	-1.39%	95.74%
2013	8,502	149,556,221	17,591	5.92%	796	1:13.6	1:10.7	1:11.0	8,492	8,100	-0.83%	95.38%
2014	8,201	151,751,641	18,504	5.19%	864	1:15.3	1:11.0	1:12.0	8,356	7,907	-1.60%	94.63%
2015	8,144	156,087,547	19,166	3.58%	736	1:12.2	1:10.2	1:10.8	8,092	7,676	-3.16%	94.86%
2016	8,021	162,477,741	20,257	5.69%	741	1:12.2	1:10.2	1:10.8	8,026	7,644	-0.82%	95.24%

- a - Enrollment is obtained from October 15 Enrollment Summary, including students placed out of district.
- b - Operating expenditures equal total expenditures less debt service and capital outlay.
- c - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.
- d - Teaching staff includes only full-time equivalents of certificated staff.
- e - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Wayne Township Public Schools District records.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>District Building</u></b>										
<b><u>Elementary Schools</u></b>										
<b>Randall Carter</b>										
Square Feet	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,071
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	360	354	353	353	353	365	365	365	365	320
<b>Theunis Dey</b>										
Square Feet	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	470	469	447	447	447	441	441	441	441	431
<b>James Fallon</b>										
Square Feet	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	448	446	418	418	418	396	396	396	396	358
<b>John F. Kennedy</b>										
Square Feet	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	461	452	428	428	428	452	452	452	452	442
<b>Lafayette</b>										
Square Feet	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850
Capacity (students)	416	416	416	416	416	416	416	416	416	416
Enrollment	442	424	397	397	397	381	381	381	381	327
<b>Packanack Lake</b>										
Square Feet	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	521	517	496	496	496	510	510	510	510	462
<b>Pines Lake</b>										
Square Feet	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	489	466	448	448	448	429	429	429	429	367

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b>Ryerson</b>										
Square Feet	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715
Capacity (students)	424	424	424	424	424	424	424	424	424	424
Enrollment	302	305	282	282	282	262	262	262	262	263
<b>Albert Payson Terhune</b>										
Square Feet	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	423	413	412	412	412	412	412	412	412	420
<b><u>Middle Schools</u></b>										
<b>Schuyler Colfax</b>										
Square Feet	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395
Capacity (students)	758	758	758	758	758	758	758	758	758	758
Enrollment	754	725	717	717	717	780	780	780	780	733
<b>George Washington</b>										
Square Feet	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220
Capacity (students)	686	686	686	686	686	686	686	686	686	686
Enrollment	634	662	652	652	652	603	603	603	603	557
<b>Anthony Wayne</b>										
Square Feet	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Capacity (students)	497	497	497	497	497	497	497	497	497	497
Enrollment	731	725	756	756	756	714	714	714	714	654
<b><u>High Schools</u></b>										
<b>Wayne Valley</b>										
Square Feet	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260
Capacity (students)	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615
Enrollment	1,399	1,429	1,434	1,434	1,434	1,479	1,479	1,479	1,479	1,337
<b>Wayne Hills</b>										
Square Feet	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860
Capacity (students)	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
Enrollment	1,440	1,412	1,387	1,387	1,387	1,339	1,339	1,339	1,339	1,350

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Other</u></b>										
<b><u>Preakness Academy</u></b>										
Square Feet	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130
Capacity (students)	77	77	77	77	77	77	77	77	77	77
<b><u>Outdoor Lab</u></b>										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
<b><u>Child Study Team</u></b>										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
<b><u>Transportation Building</u></b>										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
<b><u>Maintenance Building</u></b>										
Square feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995

Number of Schools at June 30, 2016  
    Elementary School = 9  
    Middle School = 3  
    High School = 2  
    Other = 5

Note: Enrollment is based on the annual October District count and does not include out of district placements.

Source: Wayne Township Public Schools District.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
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>School Facilities*</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
A.P Terhune Elementary School	\$ 72,028	\$ 81,202	\$ 73,587	\$ 49,843	\$ 56,021	\$ 67,568	\$ 74,929	\$ 76,112	\$ 75,183	\$ 80,245
Administration Building	36,571	41,228	37,363	25,307	28,444	34,307	27,682	28,138	27,795	29,550
Anthony Wayne Middle School	181,432	204,541	185,359	125,551	141,114	170,200	198,788	202,111	199,645	212,712
George Washington Middle School	195,232	220,098	199,457	135,100	151,846	183,145	199,630	203,316	200,835	213,477
James Fallon Elementary School	80,018	90,210	81,750	55,372	62,236	75,064	81,607	83,244	82,228	87,378
John F. Kennedy Elementary School	81,385	87,721	79,494	53,845	60,519	72,993	79,724	81,371	80,378	85,340
Lafayette Elementary School	69,445	78,290	70,948	48,056	54,012	65,145	71,154	72,664	71,777	76,169
Packanack Elementary School	87,934	99,137	89,840	60,852	68,395	82,492	91,386	93,370	92,231	97,822
Pines Lake Elementary School	85,106	95,943	86,945	58,891	66,191	79,835	85,845	87,761	86,690	91,709
Preakness	73,199	50,641	45,892	31,085	34,939	42,139	52,603	53,806	53,149	56,299
Randall Carter Elementary School	64,475	72,688	65,871	44,617	50,147	60,484	65,756	67,281	66,460	70,309
Ryerson Elementary School	83,503	94,139	85,310	57,784	64,947	78,334	85,162	87,171	86,107	91,199
Schuyler-Colfax Middle School	216,995	244,633	221,691	150,160	168,773	203,560	231,832	237,418	234,521	247,104
Theunis Dey Elementary School	77,506	87,378	79,184	53,634	60,283	72,708	79,029	81,037	80,048	84,576
Wayne Hills High School	410,877	463,210	419,770	284,326	319,570	385,439	471,087	483,244	477,347	503,888
Wayne Valley High School	427,679	482,152	436,935	295,951	332,639	401,202	485,896	499,565	493,469	519,690
Grand Total	<u>\$ 2,243,385</u>	<u>\$ 2,493,211</u>	<u>\$ 2,259,396</u>	<u>\$ 1,530,374</u>	<u>\$ 1,720,076</u>	<u>\$ 2,074,615</u>	<u>\$ 2,382,110</u>	<u>\$ 2,437,609</u>	<u>\$ 2,407,863</u>	<u>\$ 2,547,467</u>

Source: Wayne Township Public Schools District Financial Reports.

Exhibit J-20

WAYNE TOWNSHIP PUBLIC SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2015  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<b>New Jersey Schools Insurance Group</b>		
Commercial Property	\$ 400,000,000	\$ 5,000
Computer Equipment	3,338,675	1,000
Equipment Breakdown/Boiler and Machinery	100,000,000	5,000
Valuable Papers & Records	10,000,000	5,000
Automobile	16,000,000	1,000
General Liability	16,000,000	1,000
Environmental	1,000,000	10,000
Employee Dishonesty	500,000	1,000
Theft, Disappearance and Destruction-Loss of Money & Securities on or off premises	100,000	500
Theft, Disappearance and Destruction-Money Ordes & Counterfeit Paper Currency	25,000	500
Forgery or Alteration	25,000	500
Computer Fraud	100,000	1,000
	<b>Total Budget Payrolls</b>	
Workers Compensation	89,327,112	
<b>New Jersey Schools Insurance Group</b>		
School Leaders Errors & Omissions	16,000,000	25,000
<b>Torus National Insurance Company</b>		
High Excess Liability	24,000,000	
<b>QBE Insurance Corporation</b>		
Volunteer Liability	500,000	
<b>Hartford Fire Insurance Company</b>		
Treasurer of School Monies	550,000	
Board Secretary/Business Administrator	100,000	

Source: Wayne Township Public Schools District Financial Reports.

**SINGLE AUDIT SECTION**



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

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Wayne Township Public Schools  
 County of Passaic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools, in the County of Passaic (the "District") as of and for the fiscal year ended June 30, 2016, 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 15, 2016.

**Internal Control Over Financial Reporting**

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

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

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



The Honorable President and Members  
of the Board of Education  
Wayne Township Public Schools  
Page 2

**Compliance and Other Matters**

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

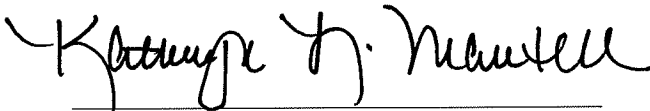
**Purpose of this Report**

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



NISIVOCCIA LLP

Mount Arlington, New Jersey  
November 15, 2016



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



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

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Wayne Township Public Schools  
 County of Passaic, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Wayne Township Public Schools 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, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

The Honorable President and Members  
of the Board of Education  
Wayne Township Public Schools  
Page 2

***Opinion on Each Major Federal and State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
November 15, 2016

*Nisivoccia, LLP*  
NISIVOCCIA LLP  
*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Balance at June 30, 2016		Amounts Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education - Passed-through												
State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-16	7/1/15	6/30/16	\$ 1,973,558			\$ 1,477,096	\$ (1,946,846)	\$ (469,750)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-15	7/1/14	6/30/15	2,015,231	\$ (1,960,140)		1,960,140				
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-16	7/1/15	6/30/16	70,053			70,053	(70,053)			
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-15	7/1/14	6/30/15	67,988	(67,988)		67,988				
Subtotal Special Education Cluster						(2,028,128)		3,575,277	(2,016,899)	(469,750)		
No Child Left Behind:												
Title I	84.010	NCLB-5570-16	7/1/15	6/30/16	627,667			291,120	(210,911)		\$ 80,209	
Title I	84.010	NCLB-5570-15	7/1/14	6/30/15	553,019	(22,287)		22,287				
Title II A	84.367A	NCLB-5570-16	7/1/15	6/30/16	150,614			81,414	(58,471)		22,943	
Title II A	84.367A	NCLB-5570-15	7/1/14	6/30/15	150,614	(102,332)		102,332				
Title III - Immigrant	84.365A	NCLB-5570-16	7/1/15	6/30/16	105,008			24,928	(24,128)		800	
Title III - Immigrant	84.365A	NCLB-5570-15	7/1/14	6/30/15	61,117	(7,827)		7,827				
Title III	84.365A	NCLB-5570-16	7/1/15	6/30/16	55,085			11,061	(4,593)		6,468	
Title III	84.365A	NCLB-5570-15	7/1/14	6/30/15	76,006	(54,137)		54,137				
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-16	7/1/15	6/30/16	40,281			24,082	(26,625)	(2,543)		
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-15	7/1/14	6/30/15	40,281	(38,284)		38,284				
Total Special Revenue Fund						(2,252,995)		4,232,749	(2,341,627)	(472,293)	110,420	
Capital Projects Fund:												
I.D.E.A. - Part B, Basic Regular:												
Wayne Hills High School:												
New ADA Restroom	84.027	IDEA-5570-15	7/1/14	6/30/15	45,247	(45,247)		45,247				
Total Capital Projects Fund						(45,247)		45,247				
Total U.S. Department of Education						(2,298,242)		4,277,996	(2,341,627)	(472,293)	110,420	
U.S. Department of Homeland Security:												
Passed-through Federal Emergency Management Agency:												
Capital Projects Fund:												
Hazard Mitigation Grant Program - FEMA	97.036	FEMA-DR-4086-NJ	4/29/15	4/29/18	250,000				(250,000)	(250,000)		
Special Revenue Fund:												
Disaster Grants - Public Assistance - FEMA	97.036	N/A	10/26/12	6/30/13	130,636	(35,685)		30,869		(4,816)		
Total U.S. Department of Homeland Security						(35,685)		30,869	(250,000)	(254,816)		

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Balance at June 30, 2016		Amounts Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:												
General Fund:												
Medical Assistance Program (SEMI)	93.778	N/A	7/1/15	6/30/16	\$ 85,215			\$ 55,231	\$ (85,215)	\$ (29,984)		
Medical Assistance Program (SEMI)	93.778	N/A	7/1/14	6/30/15	101,231	\$ (42,640)		42,640				
Total U.S. Department of Health and Human Services						(42,640)		97,871	(85,215)	(29,984)		
U.S. Department of Agriculture - Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Special Milk Program	10.556	N/A	7/1/15	6/30/16	2,820			2,281	(2,820)	(539)		
Special Milk Program	10.556	N/A	7/1/14	6/30/15	3,136	(270)		270				
School Breakfast Program	10.553	N/A	7/1/15	6/30/16	27,868			22,056	(27,868)	(5,812)		
School Breakfast Program	10.553	N/A	7/1/14	6/30/15	25,403	(2,625)		2,625				
National School Lunch Program	10.555	N/A	7/1/15	6/30/16	335,225			269,935	(335,225)	(65,290)		
National School Lunch Program	10.555	N/A	7/1/14	6/30/15	325,056	(30,942)		30,942				
Federal Food Distribution Program	10.555	N/A	7/1/15	6/30/16	66,488			66,488	(60,486)	\$ 6,002		
Federal Food Distribution Program	10.555	N/A	7/1/14	6/30/15	139,833	9,213			(9,213)			
Subtotal Child Nutrition Cluster						(24,624)		394,597	(435,612)	(71,641)	6,002	
Total U.S. Department of Agriculture						(24,624)		394,597	(435,612)	(71,641)	6,002	
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ (2,401,191)</b>	<b>\$ -0-</b>	<b>\$ 4,801,333</b>	<b>\$ (3,112,454)</b>	<b>\$ (828,734)</b>	<b>\$ 116,422</b>	<b>\$ -0-</b>

N/A - Not Available/Applicable

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2015			Repayment of Prior Years' Balances	Balance at June 30, 2016			MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received		Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>														
<b>General Fund:</b>														
Transportation Aid	16-495-034-5120-014	7/1/15	6/30/16	\$ 345,809			\$ 316,655	\$ (345,809)					\$ (29,154)	\$ 345,809
Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	345,809	\$ (29,058)		29,058							345,809
Special Education Categorical Aid	16-495-034-5120-089	7/1/15	6/30/16	3,302,952			3,024,492	(3,302,952)					(278,460)	3,302,952
Special Education Categorical Aid	15-495-034-5120-089	7/1/14	6/30/15	3,302,952	(277,550)		277,550							3,302,952
Security Aid	16-495-034-5120-084	7/1/15	6/30/16	136,223			124,739	(136,223)					(11,484)	136,223
Security Aid	15-495-034-5120-084	7/1/14	6/30/15	136,223	(11,447)		11,447							136,223
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15	6/30/16	80,715			73,910	(80,715)					(6,805)	80,715
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14	6/30/15	80,715	(6,783)		6,783							80,715
PARCC Readiness Aid	16-495-034-5120-098	7/1/15	6/30/16	80,715			73,910	(80,715)					(6,805)	80,715
PARCC Readiness Aid	15-495-034-5120-098	7/1/14	6/30/15	80,715	(6,783)		6,783							80,715
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15	6/30/16	2,485,188				(2,485,188)		\$ (2,485,188)			(2,485,188)	2,485,188
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14	6/30/15	2,485,201	(2,485,201)		2,485,201							2,485,201
Nonpublic School Transportation Costs	16-495-034-5120-014	7/1/15	6/30/16	65,525				(65,525)		(65,525)			(65,525)	65,525
Nonpublic School Transportation Costs	15-495-034-5120-014	7/1/14	6/30/15	58,986	(58,986)		58,986							58,986
TPAF Social Security Aid	16-495-034-5094-003	7/1/15	6/30/16	4,681,718			4,443,884	(4,681,718)		(237,834)			(237,834)	4,681,718
TPAF Social Security Aid	15-495-034-5094-003	7/1/14	6/30/15	4,792,326	(234,710)		234,710							4,792,326
<b>Total General Fund State Aid</b>					<b>(3,110,518)</b>		<b>11,168,108</b>	<b>(11,178,845)</b>		<b>(2,788,547)</b>			<b>(3,121,255)</b>	<b>22,461,772</b>
<b>Special Revenue Fund:</b>														
<b>NJ Nonpublic Aid:</b>														
Technology Initiative	16-100-034-5120-373	7/1/15	6/30/16	36,140			36,140	(35,163)					\$ 977	35,163
Technology Initiative	15-100-034-5120-373	7/1/14	6/30/15	43,488		\$ 1,271			\$ (1,271)					42,217
Textbook Aid (Chapter 194)	16-100-034-5120-064	7/1/15	6/30/16	79,369			79,369	(78,363)					1,006	78,363
Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14	6/30/15	80,969		10,085			(10,085)					70,884
Nursing Services (Chapter 226)	16-100-034-5120-070	7/1/15	6/30/16	139,680			139,680	(139,680)						139,680
Security Aid	16-100-034-5120-509	7/1/15	6/30/16	38,800			38,800	(35,881)					2,919	35,881
<b>Auxiliary Services (Chapter 192):</b>														
Compensatory Education	16-100-034-5120-067	7/1/15	6/30/16	104,485			104,485	(103,296)					1,189	103,296
Compensatory Education	15-100-034-5120-067	7/1/14	6/30/15	104,809		2,240			(2,240)					102,569
English as a Second Language	16-100-034-5120-067	7/1/15	6/30/16	13,804			13,804	(7,247)					6,557	7,247
English as a Second Language	15-100-034-5120-067	7/1/14	6/30/15	17,357		2,193			(2,193)					15,164
Transportation	16-100-034-5120-068	7/1/15	6/30/16	48,991			48,991	(24,495)					24,496	24,495
Home Instruction	16-100-034-5120-067	7/1/15	6/30/16	18,002				(18,002)		(18,002)			(18,002)	18,002
Home Instruction	15-100-034-5120-067	7/1/14	6/30/15	16,497	(16,497)		16,497							16,497
<b>Handicapped Services (Chapter 193):</b>														
Supplementary Instruction	16-100-034-5120-066	7/1/15	6/30/16	67,053			67,053	(66,231)					822	66,231
Supplementary Instruction	15-100-034-5120-066	7/1/14	6/30/15	59,638		2,982			(2,982)					56,656
Examination and Classification	16-100-034-5120-066	7/1/15	6/30/16	96,618			96,618	(85,045)					11,573	85,045
Corrective Speech	16-100-034-5120-066	7/1/15	6/30/16	22,407			22,407	(16,469)					5,938	16,469
Anti-Bullying Bill of Rights Act	N/A	7/1/15	6/30/16	11,838	4,774			(4,319)			\$ 455			5,319
<b>Total Special Revenue Fund</b>					<b>(11,723)</b>	<b>18,771</b>	<b>663,844</b>	<b>(614,191)</b>	<b>(18,771)</b>	<b>(18,002)</b>	<b>455</b>	<b>55,477</b>	<b>(18,002)</b>	<b>919,178</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2015			Repayment of Prior Years' Balances	Balance at June 30, 2016			MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received		Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>Enterprise Fund:</b>														
State School Lunch Program	16-100-010-3350-023	7/1/15	6/30/16	\$ 15,613			\$ 12,559	\$ (15,613)		\$ (3,054)		\$ (3,054)	\$ 15,613	
State School Lunch Program	15-100-010-3350-023	7/1/14	6/30/15	15,521	\$ (1,492)		1,492						15,521	
State School Lunch Program - Supplemental	15-100-010-3350-023	7/1/14	6/30/15	452	(452)		452						452	
<b>Total Enterprise Fund</b>														
					(1,944)		14,503	(15,613)		(3,054)		(3,054)	31,586	
<b>Schools Development Authority:</b>														
<b>Capital Projects Fund:</b>														
<b>Educational Facilities Construction &amp; Financing Act:</b>														
<b>Wayne Valley High School:</b>														
Roof Replacement	5570-050-09-0XAD	7/1/09	6/30/11	314,192	(186,380)		186,380						314,192	
<b>Wayne Hills High School:</b>														
Partial Roof Replacement	5570-055-14-1002	6/17/14	6/30/16	122,932	(122,932)				(4,445)			(122,932)	4,445	
New ADA Restroom	5570-055-14-1005	6/17/14	6/30/16	36,601	(36,601)							(36,601)		
<b>George Washington Middle School:</b>														
Exterior Window Replacement	5570-083-14-1003	6/17/14	6/30/16	61,000	(61,000)				(3,403)			(61,000)	3,403	
<b>Lafayette Elementary School:</b>														
Partial Roof Replacement	5570-090-14-1004	6/17/14	6/30/16	57,490	(57,490)				(2,740)			(57,490)	2,740	
<b>Total Capital Projects Fund</b>														
					(464,403)		186,380			(10,588)		(278,023)	324,780	
<b>TOTAL STATE AWARDS</b>														
					\$ (3,588,588)	\$ 18,771	\$ 12,032,835	\$ (11,808,649)	\$ (18,771)	\$ (2,820,191)	\$ 455	\$ 55,477	\$ (3,420,334)	\$ 23,737,316

N/A - Not Available/Applicable

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, Wayne Township Public Schools under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is 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 with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's 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. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. INDIRECT COST RATE

The District has 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 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 June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent 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.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,087) for the general fund and \$185 for the special revenue fund, (of which \$6,178 is for local awards and is not included in the table below). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefits and Pension Contributions revenue of \$6,043,232 and \$5,075,259, respectively. Awards and financial assistance revenue are reported on the Board's financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 85,215	\$ 22,296,249	\$22,381,464
Special Revenue Fund	2,342,652	619,529	2,962,181
Capital Projects Fund	250,000		250,000
Food Service Enterprise Fund	435,612	15,613	451,225
Total Financial Assistance	<u>\$ 3,113,479</u>	<u>\$ 22,931,391</u>	<u>\$26,044,870</u>

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

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. 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, 2016.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$592,215 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, \$324,780 has been expended and submitted for reimbursement and \$314,192 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

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

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. - Part B, Basic:				
Regular	84.027	7/1/15-6/30/16	\$ 1,973,558	\$ 1,946,846
Preschool	84.173	7/1/15-6/30/16	70,053	70,053
<u>State:</u>				
Reimbursed TPAF				
Social Security Aid	16-495-034-5094-003	7/1/15-6/30/16	4,681,718	4,681,718

- The threshold used for distinguishing between Type A and Type B federal programs 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 to be a "low-risk" auditee for both federal and state programs.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

- 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 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

The District had no prior year audit findings.