

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, 2017**

**Comprehensive Annual
Financial Report**

of the

**Wayne Township Public Schools
Board of Education**

Wayne, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

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

Finance Department

WAYNE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2017

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	14
Basic Financial Statements (Sections A. and B.).....	26
A. District-Wide Financial Statements.....	27
A-1 Statement of Net Position	28
A-2 Statement of Activities	29
B. Fund Financial Statements	31
B-1 Balance Sheet – Governmental Funds	32
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	33
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34
B-4 Statement of Net Position – Proprietary Funds	35
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	36
B-6 Statement of Cash Flows – Proprietary Funds.....	37
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	38
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	39
Notes to the Basic Financial Statements.....	40
Required Supplementary Information (Unaudited)	76
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System	77
L-2 Schedule of District Contributions – Public Employees' Retirement System.....	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teacher's Pension and Annuity Fund	79
L-4 Schedule of State Contributions – Teacher's Pension and Annuity Fund	80
Notes to Required Supplementary Information.....	81
C. Budgetary Comparison Schedules	83
C-1 Budgetary Comparison Schedule – General Fund.....	84
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	98
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information.....	99

WAYNE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D. to I.)

D. School Level Schedules (Not Applicable).....	101
E. Special Revenue Fund	102
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	103
E-2 Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	107
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis.....	108
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – District-Wide Energy Savings Improvement Program	109
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Hills High School – Partial Roof Replacement Project	110
F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Hills High School – New ADA Restroom Project.....	111
F-1d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – George Washington Middle School – Exterior Window Replacement Project.....	112
F-1e Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Lafayette Elementary School – Partial Roof Replacement Project.....	113
F-1f Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Wayne Valley High School Shelter Emergency Generator	114
G. Proprietary Funds	115
Enterprise Funds:	
G-1 Combining Statement of Net Position	116
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position	117
G-3 Combining Statement of Cash Flows	118
H. Fiduciary Funds	119
H-1 Combining Statement of Fiduciary Net Position	120
H-2 Statement of Changes in Fiduciary Net Position	121
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	122
H-4 Student Activity Agency Fund Statement of Activity	123
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements	124
I. Long-Term Debt.....	125
I-1 Schedule of Serial Bonds.....	126
I-2 Schedule of Obligations Under Capital Leases	127
I-3 Debt Service Fund Budgetary Comparison Schedule.....	128

WAYNE TOWNSHIP PUBLIC SCHOOLS
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

STATISICAL SECTION

J.	Statistical Section (Unaudited)	129
J-1	Net Position by Component.....	130
J-2	Changes in Net Position.....	131
J-3	Fund Balances - Governmental Funds.....	133
J-4	Changes in Fund Balances - Governmental Funds	134
J-5	General Fund Other Local Revenue by Source	136
J-6	Assessed Value and Estimated Actual Value of Taxable Property	137
J-7	Direct and Overlapping Property Tax Rates.....	138
J-8	Principal Property Taxpayers	139
J-9	Property Tax Levies and Collections.....	140
J-10	Ratios of Outstanding Debt by Type	141
J-11	Ratios of Net General Bonded Debt Outstanding.....	142
J-12	Ratios of Overlapping Governmental Activities Debt.....	143
J-13	Legal Debt Margin Information.....	144
J-14	Demographic and Economic Statistics	145
J-15	Principal Employers.....	146
J-16	Full-Time Equivalent District Employees by Function/Program	147
J-17	Operating Statistics.....	148
J-18	School Building Information	149
J-19	Schedule of Required Maintenance for School Facilities.....	152
J-20	Insurance Schedule	153
K.	SINGLE AUDIT SECTION.....	154
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>	155
K-2	Independent Auditor's Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance.....	157
K-3	Schedule of Expenditures of Federal Awards.....	159
K-4	Schedule of Expenditures of State Awards.....	161
K-5	Notes to Schedules of Expenditures of Federal and State Awards.....	163
K-6	Schedule of Findings and Questioned Costs.....	165
K-7	Summary Schedule of Prior Audit Findings.....	167

INTRODUCTORY SECTION



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Phone: (973) 633-3000

November 10, 2017

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, 2017. 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 2016-2017 fiscal year with an average daily enrollment of 7,920 students, a decrease of 106 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.

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.

Once plagued by a downward trend of decreasing valuations, the community seems to be recovering. From the five year period of 2012-2016, total assessed valuations decreased by only an average of \$7,564,220, up significantly from the previous five year period average loss of \$27,193,960 each year. The increase of assessed valuations alone between 2016 and 2017 was a staggering \$62,929,500. This significant net increase is due in part to the major renovations at the Willowbrook and West Belt Mall properties which increased their tax base by approximately \$87,600,000 and several successful tax appeals in the amount of approximately \$21,896,100. Hopefully this increase in assessments will bring a positive 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.

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. and ACT 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. A new one-to-one computing program has been implemented at both high schools. Investments have been made to build the technology infrastructure, devices were purchased, and a comprehensive teacher training program was delivered to ensure a shared vision that focuses on student learning and improved instruction results from this technology initiative.
- b. Enhancing school security and emergency preparedness in our schools has been prioritized through the simulation of a host of emergency drills. After each drill, written feedback is provided to the building administrators to provide insight into potential problems responding and to improve overall safety for students and employees.
- c. A *No Place for Hate*® program developed by the Anti-Defamation League (ADL) has been implemented in all 14 of the Wayne Schools to build inclusive and safe communities in which respect is the goal, and all students can thrive. Students, faculty, administration and families have engaged in anti-bias activities to establish a clear, unified message that all students have a place to belong.

3) DISTRICT GOALS AND INITIATIVES (CONT'D)

- d. A new K-5 Science program, *Exploring Science*, was implemented to support the mandated instruction of the Next Generation Science Standards (NGSS). Additionally, the district purchased the *Schoolwide* comprehensive literacy program to complement our previously implemented Wilson and Foundations foundational skills programs. New curriculum was developed to outline the standards, goals and objectives and intended outcomes for student learning in both areas.
- e. The district is establishing a better foundation for electronic communication. A new website has been rolled out and a marketing plan was developed to enhance our ability to connect with parents, staff, students and residents in a convenient manner.

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. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within each individual fund. 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, 2017.

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.

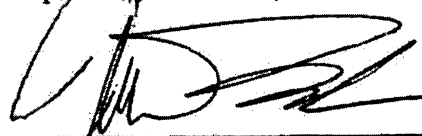
7) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board appointed Nisivoccia, LLP of Mount Arlington, New Jersey to conduct its independent audit. In addition to meeting the requirements 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, 2016. This is the fourth 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.

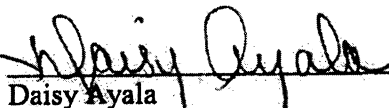
The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program's requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2016-2017 certificate.

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,



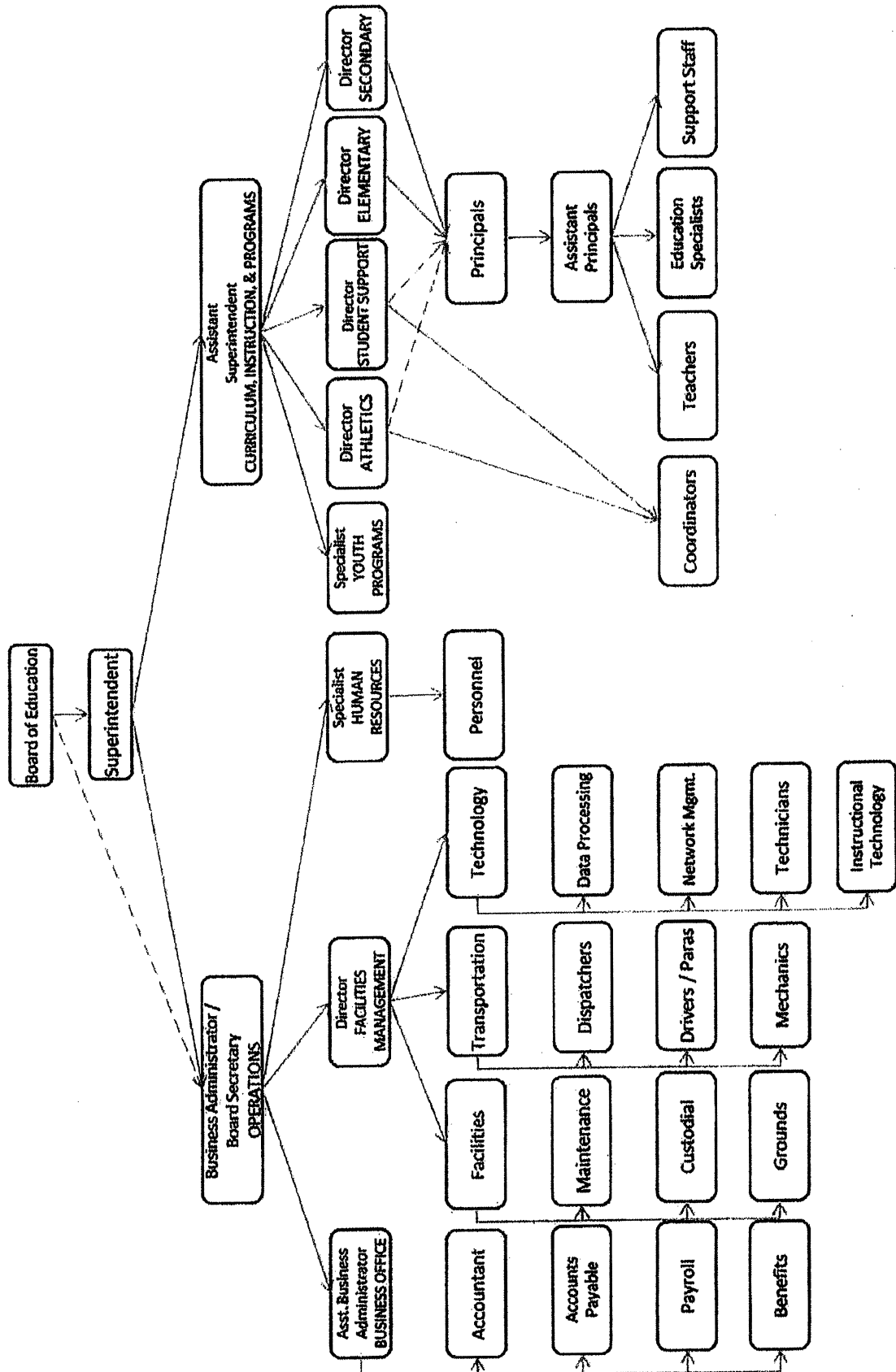
Dr. Mark Toback
Superintendent of Schools



Daisy Ayala
Business Administrator/Board Secretary

WAYNE TOWNSHIP PUBLIC SCHOOLS

Organizational Chart



**WAYNE TOWNSHIP BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Donald Pavlak, Jr., President	2017
Mitchell Badiner, Vice President	2019
Eileen P. Albanese	2018
Michael L. Bubba	2019
Catherine Kazan	2017
Gail Okun	2018
Suzanne Pudup	2019
Stacey Scher	2018
Christian Smith	2017

<u>Other Officials</u>	<u>Title</u>
Dr. Mark Toback	Superintendent of Schools
Emidio D'Andrea	School Business Administrator/Board Secretary (to 4/28/17)
Michael J. Donow	Interim School Business Administrator/ Board Secretary (from 5/19/17)
Heather L. McNamara-Kreitz	Treasurer

WAYNE TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

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Bond Counsel

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Cranford, NJ 07016

Architect of Record

Parette Somjen Architects
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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
is presented to**

Wayne Township School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written over a horizontal line.

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools, in the County of Passaic, as of June 30, 2017, 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 10, 2017 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 10, 2017

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, 2017**

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, 2017. 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 \$993,355 on a District-wide basis.
- Overall revenue was \$210,697,068 on a District-wide basis.
- Overall expenditures were \$209,703,713 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, 2017**

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

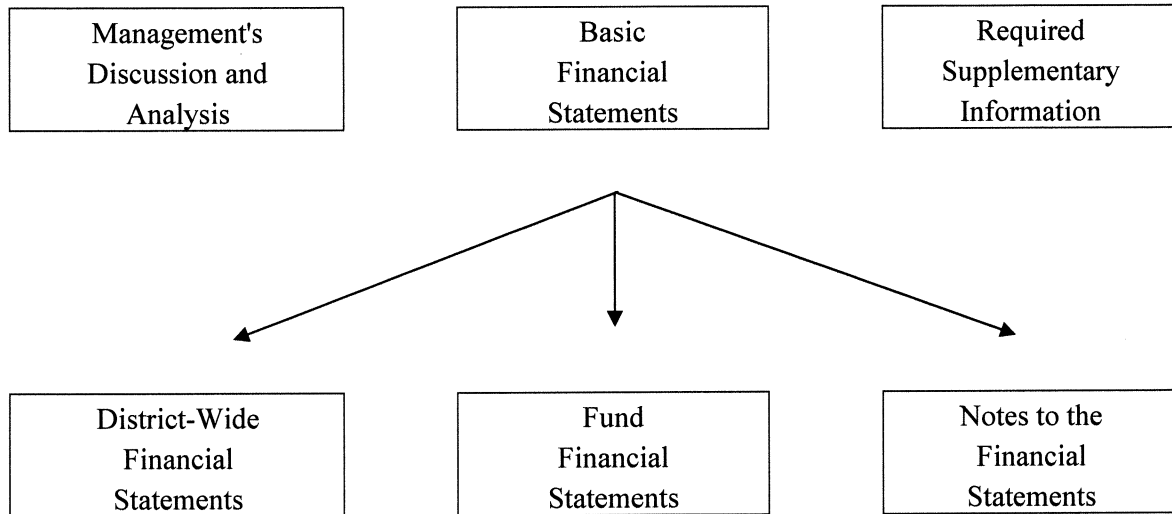


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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, 2017**

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, 2017**

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 Change 2016/17
	2016/17	2015/16*	2016/17	2015/16*	2016/17	2015/16*	
Current and							
Other Assets	\$ 12,532,846	\$ 10,205,446	\$ 1,389,112	\$ 1,109,987	\$ 13,921,958	\$ 11,315,433	23.04%
Capital Assets, Net	66,853,762	66,944,715	242,141	288,607	67,095,903	67,233,322	-0.20%
Total Assets	<u>79,386,608</u>	<u>77,150,161</u>	<u>1,631,253</u>	<u>1,398,594</u>	<u>81,017,861</u>	<u>78,548,755</u>	3.14%
Deferred Outflows of Resources	<u>26,136,335</u>	<u>14,431,682</u>			<u>26,136,335</u>	<u>14,431,682</u>	81.10%
Other Liabilities	4,904,366	4,780,777	748,339	422,366	5,652,705	5,203,143	8.64%
Long-Term Liabilities	109,045,056	94,808,421	26,058		109,071,114	94,808,421	15.04%
Total Liabilities	<u>113,949,422</u>	<u>99,589,198</u>	<u>774,397</u>	<u>422,366</u>	<u>114,723,819</u>	<u>100,011,564</u>	14.71%
Deferred Inflows of Resources	<u>2,253,086</u>	<u>3,784,937</u>			<u>2,253,086</u>	<u>3,784,937</u>	-40.47%
Net Position:							
Net Investment in							
Capital Assets	36,187,950	33,022,139	242,141	288,607	36,430,091	33,310,746	9.36%
Restricted	4,906,123	4,016,194			4,906,123	4,016,194	22.16%
Unrestricted (Deficit)	<u>(51,773,638)</u>	<u>(48,830,625)</u>	<u>614,715</u>	<u>687,621</u>	<u>(51,158,923)</u>	<u>(48,143,004)</u>	-6.26%
Total Net Position (Deficit)	<u>\$ (10,679,565)</u>	<u>\$ (11,792,292)</u>	<u>\$ 856,856</u>	<u>\$ 976,228</u>	<u>\$ (9,822,709)</u>	<u>\$ (10,816,064)</u>	9.18%

* Restated

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$(9,822,709) on June 30, 2017, \$993,355 or 9.18% more than it was the year before (See Figure A-3). Net investment in capital assets increased by \$3,119,345 due to \$3,037,148 and \$11,149 of capital additions related to governmental and business-type capital assets, respectively, the retirement of \$2,510,000 of bonded debt and \$2,084,883 of capital leases offset by \$3,128,101 and \$57,615 of depreciation related to governmental and business-type capital assets, respectively, a new capital lease of \$1,233,000 and the current year amortization of the deferred amount on the refunding of \$105,119.

Restricted net position increased by \$889,929 due to an increase in the capital reserve of \$1,212,686 and current year excess surplus of \$869,572 offset by capital projects expenditures of \$1,192,329.

Unrestricted net position decreased by \$3,015,919 primarily due to an increase in net pension liability of \$18,307,280 offset by an increase in the changes in pension assumptions of \$9,232,812 and an increase in the change in the net difference between projected and actual investment earnings in pensions of \$3,654,580.

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Financial Analysis of the District as a Whole

Changes in Net Position. Net position from governmental activities increased \$1,112,727 and net position from business-type activities decreased by \$119,372 (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	Change 2016/17
Revenue:							
Program Revenue:							
Charges for Services	\$ 569,932	\$ 350,496	\$ 3,983,747	\$ 3,289,598	\$ 4,553,679	\$ 3,640,094	25.10%
Grants and Contributions:							
Operating	58,118,004	44,603,509	520,459	451,225	58,638,463	45,054,734	30.15%
Capital		250,000				250,000	-100.00%
General Revenue:							
Property Taxes	146,388,776	141,548,472			146,388,776	141,548,472	3.42%
Unrestricted State/ Federal Aid	507,514	382,787			507,514	382,787	32.58%
Other	608,636	683,884			608,636	683,884	-11.00%
Total Revenue	206,192,862	187,819,148	4,504,206	3,740,823	210,697,068	191,559,971	9.99%
Expenses:							
Instruction	126,208,366	109,820,121			126,208,366	109,820,121	14.92%
Pupil and Instruction Services	38,191,466	36,870,890			38,191,466	36,870,890	3.58%
Administration and Business	15,974,861	15,094,559			15,974,861	15,094,559	5.83%
Maintenance and Operations	15,893,651	16,158,309			15,893,651	16,158,309	-1.64%
Transportation	7,433,794	6,671,942			7,433,794	6,671,942	11.42%
Other	1,337,900	895,531	4,663,675	3,825,801	6,001,575	4,721,332	27.12%
Total Expenses	205,040,038	185,511,352	4,663,675	3,825,801	209,703,713	189,337,153	10.76%
Transfers	(40,097)	(21,348)	40,097	21,348			0.00%
Increase/(Decrease) in Net Position	\$ 1,112,727	\$ 2,286,448	\$ (119,372)	\$ (63,630)	\$ 993,355	\$ 2,222,818	-55.31%

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Financial Analysis of the District as a Whole

Revenue Sources. The District's total revenue for the 2016/2017 school year was \$210,697,068 (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$146,388,776 of the total, or 69.48 percent (See Figure A-5). The remaining 30.52 percent of revenue is comprised of 28.07 percent from federal and state grants and contributions and unrestricted federal and state aid, 2.16 percent from charges for services and .29 percent from other miscellaneous sources. 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 2017 and 2016**

Sources of Income:	2016/17		2015/16	
	Amount	Percentage	Amount	Percentage
Grants and Contributions	\$ 58,638,463	27.83%	\$ 45,304,734	23.65%
Property Taxes	146,388,776	69.48%	141,548,472	73.89%
Unrestricted Federal and State Aid	507,514	0.24%	382,787	0.20%
Charges for Services	4,553,679	2.16%	3,640,094	1.90%
Other	608,636	0.29%	683,884	0.36%
	<u>\$ 210,697,068</u>	<u>100.00%</u>	<u>\$ 191,559,971</u>	<u>100.00%</u>

The total cost of all programs and services was \$209,703,713. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (81.94 percent) (See Figure A-6). The District's administrative and business costs accounted for 7.62 percent of total costs and maintenance and operations costs accounted for 7.58 percent of total costs. It is important to note that other expenses included \$44,328 for charter schools, \$637,953 of interest on long-term debt, \$655,619 of unallocated depreciation and \$4,663,675 for business-type activities expenses and represented 2.86 percent of total costs.

**Figure A-6
Expenses for Fiscal Year 2017 and 2016**

Expense Category:	2016/17		2015/16	
	Amount	Percentage	Amount	Percentage
Instruction	\$ 126,208,366	60.19%	\$ 109,820,121	58.00%
Pupil and Instruction Services	38,191,466	18.21%	36,870,890	19.47%
Administration and Business	15,974,861	7.62%	15,094,559	7.97%
Maintenance and Operations	15,893,651	7.58%	16,158,309	8.54%
Transportation	7,433,794	3.54%	6,671,942	3.53%
Other	6,001,575	2.86%	4,721,332	2.49%
	<u>\$ 209,703,713</u>	<u>100.00%</u>	<u>\$ 189,337,153</u>	<u>100.00%</u>

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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	
	2016/2017	2015/2016	2016/2017	2015/2016
Instruction	\$ 126,208,366	\$ 109,820,121	\$ 80,990,572	\$ 75,601,274
Pupil and Instruction Services	38,191,466	36,870,890	28,402,272	29,025,090
Administration and Business	15,974,861	15,094,559	12,755,441	12,616,439
Maintenance and Operations	15,893,651	16,158,309	15,893,651	15,908,309
Transportation	7,433,794	6,671,942	6,972,266	6,260,704
Other	1,337,900	895,531	1,337,900	895,531
	\$ 205,040,038	\$ 185,511,352	\$ 146,352,102	\$ 140,307,347

- The cost of all governmental activities this fiscal year was \$205,040,038.
- The federal and state governments subsidized certain programs with grants and contributions (\$58,118,004).
- Most of the District's costs, however, were financed by District taxpayers (\$146,388,776).

Business-Type Activities

The net position of the District's business-type activities decreased by \$119,372, which was comprised of decreases in net position of \$46,466 for the food service fund, \$137,760 for the extended day program and \$653 for the community education program for the Safety Town Program. These were offset by an increase of \$65,507 in the net position of the Kindergarten Wrap Around Program. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's General Fund fund balance increased \$3,495,712 on the GAAP basis during the fiscal year primarily due to a net excess of \$1,042,222 in actual revenue and \$2,340,615 of unexpended budget appropriations, offset by prior year encumbrances appropriated of \$102,627 as well as \$1,300,000 of fund balance and \$787,314 of capital reserve utilized in the 2016-2017 budget (net of unexpended funds). The District's Capital Projects Fund fund balance decreased \$1,211,666 as a result of current year expenditures.

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Financial Analysis of the District's Funds

The District was able to deposit \$2,000,000 into the Capital Reserve Account during the fiscal year as a result of spending under budgeted amounts and had excess surplus of \$869,572 which will be appropriated in the 2018-19 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, 2017 the District's 2% limit is \$2,956,997 plus adjustments for certain additional unbudgeted State Aid of \$718,138, for a total of \$3,675,135 as the maximum 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 increased 2.6% in comparison to last year's decrease of 8.3%, extraordinary services for special education decreased 24.4. % as compared to last year's decrease of .01% with overall special education instruction increasing by 7.7% as compared to last year's increase of 1.9%. General administration increased by 10% as compared to last year's increase of 3.4%, required maintenance for School Facilities decreased by 10% and administration information technology decreased again by 4.7% as compared to last year's decrease of .05% as related to budgeted amounts.

Capital Assets

The District's capital assets decreased by \$137,419, or 0.20%, during the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2016/17	2015/16*	2016/17	2015/16*	2016/17	2015/16*	Change
Sites (Land)	\$ 9,263,696	\$ 9,263,696			\$ 9,263,696	\$ 9,263,696	0.00%
Construction in Progress	12,502,426	10,957,662			12,502,426	10,957,662	14.10%
Land Improvements	3,384,474	3,835,392			3,384,474	3,835,392	-11.76%
Buildings and Building Improvements	35,894,548	37,548,982			35,894,548	37,548,982	-4.41%
Machinery and Equipment	5,808,618	5,338,983	\$ 242,141	\$ 288,607	6,050,759	5,627,590	7.52%
Total Capital Assets, Net of Depreciation	\$ 66,853,762	\$ 66,944,715	\$ 242,141	\$ 288,607	\$ 67,095,903	\$ 67,233,322	-0.20%

* Restated

The District expended \$3,048,297 in capital assets, (\$1,211,666 from capital projects and \$1,825,482 from capital outlay for equipment purchases and facilities acquisition and construction services for a total of \$3,037,148 in governmental activities, and \$11,149 from business-type activities). The District incurred \$3,128,101 and \$57,615 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, 2017**

Long-term Liabilities

The District's long-term liabilities increased by \$14,262,693, or 15.04%, during the fiscal year. At fiscal year-end, the District had \$18,285,000 in general obligation bonds outstanding, \$2,708,457 in compensated absences payable, \$72,846,347 in net pension liability and \$13,011,526 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
	2016/17	2015/16	Change 2016/17
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 18,285,000	\$ 20,795,000	-12.07%
Net Pension Liability	72,846,347	54,539,067	33.57%
Unamortized Bond Issuance Premium	2,219,784	2,589,748	-14.29%
Other Long-Term Liabilities	15,719,983	16,884,606	-6.90%
	<u>\$ 109,071,114</u>	<u>\$ 94,808,421</u>	<u>15.04%</u>

- The District retired \$2,510,000 of its general obligation bonds during the fiscal year.
- The District's net pension liability increased by \$18,307,280.
- The District's liability for compensated absences decreased by the net amount of \$312,740.
- The District paid down \$2,084,883 of capital leases payable and entered into a new capital lease for \$1,233,000 for equipment and buses during the 2016-2017 fiscal year.
- The District amortized \$369,964 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 continuation 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. Beginning in 2017, the continued reduction seems to be slowing down. During budget development for 2017-2018, the Township experienced an increase of \$62,929,500 in total assessed valuations. Hopefully this increase will continue moving forward and will have a positive impact on future budget development.

**Wayne Township Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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 of 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 future negotiations to continue to make incremental changes to its benefit plan offerings.
- The District continues to assess its buildings to identify major capital projects required. During the 16-17 school year, the District completed the Wayne Valley Softball field. In addition, the District began several capital projects such as the renovation of the gymnasium bleachers and installation of ADA chairlifts at both high schools, exterior ADA ramps and railings at Wayne Hills High School and George Washington Middle School, electrical power distribution panel upgrades at Lafayette, Packanack, and Randall Carter elementary schools, and locker replacements at Schuyler Colfax Middle School and both high schools. All of these projects were funded through the District's Capital Reserve Account. 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.
- At year end, the District was able to deposit \$2,000,000 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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,082,313	\$ 1,191,896	\$ 5,274,209
Internal Balances	(34,777)	34,777	
Receivables from Other Governments	4,160,547	77,318	4,237,865
Other Receivables	1,350,176	50,336	1,400,512
Inventory		34,785	34,785
Restricted Assets:			
Cash and Cash Equivalents:			
Capital Reserve Account	2,974,587		2,974,587
Capital Assets, Net:			
Sites (Land) and Construction in Progress	21,766,122		21,766,122
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	45,087,640	242,141	45,329,781
Total Assets	79,386,608	1,631,253	81,017,861
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	630,714		630,714
Changes in Assumptions - Pensions	15,089,872		15,089,872
Changes in Proportions - Pensions	3,919,792		3,919,792
Difference between Expected and Actual Experience - Pensions	1,354,721		1,354,721
Net Difference between Projected and Actual Investment			
Earnings - Pensions	2,777,697		2,777,697
District Contribution Subsequent to the Measurement Date - Pensions	2,363,539		2,363,539
Total Deferred Outflows of Resources	26,136,335		26,136,335
LIABILITIES			
Payable to State Government	90,253		90,253
Accounts Payable	3,841,694	563,031	4,404,725
Accrued Interest Payable	713,455		713,455
Unearned Revenue	258,964	185,308	444,272
Noncurrent Liabilities:			
Due Within One Year	4,819,251		4,819,251
Due Beyond One Year	104,225,805	26,058	104,251,863
Total Liabilities	113,949,422	774,397	114,723,819
DEFERRED INFLOWS OF RESOURCES			
Changes in Proportions - Pensions	2,253,086		2,253,086
Total Deferred Inflows of Resources	2,253,086		2,253,086
NET POSITION			
Net Investment in Capital Assets	36,187,950	242,141	36,430,091
Restricted for:			
Capital Projects	3,519,680		3,519,680
Excess Surplus	1,386,443		1,386,443
Unrestricted (Deficit)	(51,773,638)	614,715	(51,158,923)
Total Net Position (Deficit)	\$ (10,679,565)	\$ 856,856	\$ (9,822,709)

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, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 88,567,172	\$ 569,932	\$ 26,036,650		\$ (61,960,590)	\$	\$ (61,960,590)
Special Education	26,092,880		15,520,070		(10,572,810)		(10,572,810)
Other Special Instruction	5,421,181		1,654,493		(3,766,688)		(3,766,688)
School Sponsored/Other Instruction	6,127,133		1,436,649		(4,690,484)		(4,690,484)
Support Services:							
Tuition	5,271,592				(5,271,592)		(5,271,592)
Student & Instruction Related Services	32,919,874		9,789,194		(23,130,680)		(23,130,680)
General Administrative Services	1,697,118				(1,697,118)		(1,697,118)
School Administrative Services	10,914,958		3,219,420		(7,695,538)		(7,695,538)
Central Services	1,910,214				(1,910,214)		(1,910,214)
Administrative Information Technology	1,452,571				(1,452,571)		(1,452,571)
Plant Operations and Maintenance	15,893,651				(15,893,651)		(15,893,651)
Pupil Transportation	7,433,794		461,528		(6,972,266)		(6,972,266)
Transfer of Funds to Charter Schools	44,328				(44,328)		(44,328)
Interest on Long-Term Debt	637,953				(637,953)		(637,953)
Unallocated Depreciation*	655,619				(655,619)		(655,619)
Total Governmental Activities	205,040,038	569,932	58,118,004		(146,352,102)		(146,352,102)

* - Excludes direct depreciation expenses of the various programs.

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 3,100,585	\$ 2,493,563	\$ 520,459		\$ (86,563)	\$ (86,563)	
Community Education Program	7,548	6,895			(653)	(653)	
Wrap Around Program	448,609	401,866			(46,743)	(46,743)	
Extended Day Program	1,106,933	1,081,423			(25,510)	(25,510)	
Total Business-Type Activities	4,663,675	3,983,747	520,459		(159,469)	(159,469)	
Total Primary Government	\$ 209,703,713	\$ 4,553,679	\$ 58,638,463	\$ -0-	\$ (146,352,102)	(159,469)	(146,511,571)

General Revenues:

Taxes:							
Property Taxes, Levied for General Purposes, Net				143,031,801			143,031,801
Taxes Levied for Debt Service				3,356,975			3,356,975
Federal and State Aid not Restricted				507,514			507,514
Investment Earnings				21,596			21,596
Miscellaneous Income				587,040			587,040
Transfers				(40,097)	40,097		
Total General Revenues and Transfers				147,464,829	40,097		147,504,926
Change in Net Position				1,112,727	(119,372)		993,355
Net Position (Deficit) - Beginning - Restated				(11,792,292)	976,228		(10,816,064)
Net Position (Deficit) - Ending				\$ (10,679,565)	\$ 856,856		\$ (9,822,709)

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,801,356		\$ 280,957		\$ 4,082,313
Interfund Receivable	347,201				347,201
Receivables from Other Governments	3,238,760	\$ 661,199	260,588		4,160,547
Other Receivables	1,330,125	20,051			1,350,176
Restricted Cash and Cash Equivalents	2,974,587				2,974,587
Total Assets	\$ 11,692,029	\$ 681,250	\$ 541,545	\$ - 0 -	\$ 12,914,824
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 34,777	\$ 275,109	\$ 72,092		\$ 381,978
Payable to State Government		90,253			90,253
Accounts Payable	1,320,255	105,922	51,978		1,478,155
Unearned Revenue	48,998	209,966			258,964
Total Liabilities	1,404,030	681,250	124,070		2,209,350
Fund Balances:					
Restricted:					
Capital Reserve Account	2,974,587				2,974,587
Excess Surplus - Designated for Subsequent Year's Expenditures	516,871				516,871
Excess Surplus	869,572				869,572
Capital Projects Fund			545,093		545,093
Assigned:					
Encumbrances	1,098,117				1,098,117
Designated for Subsequent Year's Expenditures	1,483,129				1,483,129
Unassigned (Deficit)	3,345,723		(127,618)		3,218,105
Total Fund Balances	10,287,999		417,475		10,705,474
Total Liabilities and Fund Balances	\$ 11,692,029	\$ 681,250	\$ 541,545	\$ - 0 -	\$ 12,914,824

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

Total Fund Balances (From Above)	\$ 10,705,474
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$137,016,774 and the accumulated depreciation is \$70,163,012.	66,853,762
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	15,089,872
Net Difference between Projected and Actual Investment Earnings - Pensions	2,777,697
Changes in Proportions - Pensions	1,666,706
Difference between Expected and Actual Experience - Pensions	1,354,721
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.	(106,825,272)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(713,455)
Bond Premiums are reported as revenue in the Funds. These premiums total \$4,127,361 and the accumulated amortization is \$1,907,577.	(2,219,784)
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 \$554,628.	630,714
Net Position (Deficit) of Governmental Activities	\$ (10,679,565)

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 143,031,801			\$ 3,356,975	\$ 146,388,776
Tuition	569,932				569,932
Miscellaneous Revenues	608,636	\$ 182,406			791,042
Total - Local Sources	144,210,369	182,406		3,356,975	147,749,750
State Sources	24,730,122	524,381			25,254,503
Federal Sources	121,336	2,462,608			2,583,944
Total Revenues	169,061,827	3,169,395		3,356,975	175,588,197
EXPENDITURES					
Current:					
Regular Instruction	43,469,597	713,482			44,183,079
Special Education Instruction	11,794,107	1,931,823			13,725,930
Other Special Instruction	2,639,084				2,639,084
School Sponsored/Other Instruction	3,711,348				3,711,348
Support Services and Undistributed Costs:					
Tuition	5,271,592				5,271,592
Student & Instruction Related Services	16,849,721	512,292			17,362,013
General Administrative Services	1,435,840				1,435,840
School Administrative Services	5,371,249				5,371,249
Central Services	1,439,510				1,439,510
Administration Information Technology	1,607,019				1,607,019
Plant Operations and Maintenance	13,977,739				13,977,739
Pupil Transportation	5,908,667				5,908,667
Unallocated Benefits	51,129,789				51,129,789
Transfer of Funds to Charter Schools	44,328				44,328
Capital Outlay	2,109,428	11,798	\$ 1,211,666		3,332,892
Debt Service:					
Principal				2,510,000	2,510,000
Interest and Other Charges				846,975	846,975
Total Expenditures	166,759,018	3,169,395	1,211,666	3,356,975	174,497,054
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	2,302,809		(1,211,666)		1,091,143
OTHER FINANCING SOURCES/(USES)					
Capital Leases (non-budgeted)	1,233,000				1,233,000
Transfers Out	(40,097)				(40,097)
Total Other Financing Sources/(Uses)	1,192,903				1,192,903
Net Change in Fund Balances	3,495,712		(1,211,666)		2,284,046
Fund Balance - July 1	6,792,287		1,629,141		8,421,428
Fund Balance - June 30	\$ 10,287,999	\$ - 0 -	\$ 417,475	\$ - 0 -	\$ 10,705,474

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, 2017

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 2,284,046
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.	Depreciation expense \$ (3,128,101)
	Capital outlays 3,037,148
	(90,953)
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.	(1,233,000)
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.	2,084,883
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.	2,510,000
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 (+).	98,229
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:	(18,307,280)
Change in Net Pension Liability	
Deferred Outflows:	
Changes in Assumptions	9,232,812
Changes in Proportion	(432,811)
Difference between Expected and Actual Experience	53,610
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,654,580
Deferred Inflows:	
Changes in Proportions	654,968
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 (+).	338,798
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. (+)	369,964
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. (-)	(105,119)
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 1,112,727</u>

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Non-Major Funds</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 417,903	\$ 773,993	\$ 1,191,896
Accounts Receivable:			
Interfund - General Fund	34,777		34,777
Other Governments:			
Federal	74,137		74,137
State	3,181		3,181
Other	48,653	1,683	50,336
Inventories	34,785		34,785
Total Current Assets	<u>613,436</u>	<u>775,676</u>	<u>1,389,112</u>
Non-Current Assets:			
Capital Assets	1,080,335		1,080,335
Less: Accumulated Depreciation	<u>(838,194)</u>		<u>(838,194)</u>
Total Non-Current Assets	<u>242,141</u>	<u>- 0 -</u>	<u>242,141</u>
Total Assets	<u>855,577</u>	<u>775,676</u>	<u>1,631,253</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	545,692	17,339	563,031
Unearned Revenue	67,744	117,564	185,308
Long-term Liabilities:			
Compensated absences payable		<u>26,058</u>	<u>26,058</u>
Total Liabilities	<u>613,436</u>	<u>160,961</u>	<u>774,397</u>
NET POSITION:			
Investment in Capital Assets	242,141		242,141
Unrestricted		<u>614,715</u>	<u>614,715</u>
Total Net Position	<u>\$ 242,141</u>	<u>\$ 614,715</u>	<u>\$ 856,856</u>

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,2017

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Funds	Totals
	Food Service		
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,107,513		\$ 1,107,513
Daily Sales - Non-Reimbursable Programs	1,215,431		1,215,431
Special Events	170,619		170,619
Program Fees		\$ 1,490,184	1,490,184
Total Operating Revenue	2,493,563	1,490,184	3,983,747
Operating Expenses:			
Cost of Sales - Reimbursable Programs	530,910		530,910
Cost of Sales - Non-Reimbursable Programs	625,314		625,314
Salaries	1,030,451	911,108	1,941,559
Employee Benefits	319,491	117,830	437,321
Purchased Property Services		8,109	8,109
Other Purchased Services		338,138	338,138
Management Fee	295,632		295,632
Supplies and Materials	240,541	180,571	421,112
Other Objects	631	7,334	7,965
Depreciation Expense	57,615		57,615
Total Operating Expenses	3,100,585	1,563,090	4,663,675
Operating Loss	(607,022)	(72,906)	(679,928)
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program	342,880		342,880
School Breakfast Program	26,374		26,374
Special Milk Program	1,155		1,155
Food Distribution Program	134,535		134,535
State Sources:			
School Lunch Program	15,515		15,515
Total Non-Operating Revenue	520,459		520,459
Change in Net Position Before Transfers	(86,563)	(72,906)	(159,469)
Transfer In - General Fund	40,097		40,097
Change in Net Position After Transfers	(46,466)	(72,906)	(119,372)
Net Position - Beginning of Year (Restated)	288,607	687,621	976,228
Net Position - End of Year	\$ 242,141	\$ 614,715	\$ 856,856

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food</u>	<u>Non-Major</u>	<u>Totals</u>
	<u>Service</u>	<u>Funds</u>	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,486,821	\$ 1,525,088	\$ 4,011,909
Payments to Employees		(885,050)	(885,050)
Payments to Food Service Vendor	(2,384,029)		(2,384,029)
Payments to Suppliers	(240,541)	(662,765)	(903,306)
Net Cash Used for Operating Activities	<u>(137,749)</u>	<u>(22,727)</u>	<u>(160,476)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets	(11,149)		(11,149)
Net Cash Used for Capital Financing Activities	<u>(11,149)</u>	<u>- 0 -</u>	<u>(11,149)</u>
Cash Flows from Noncapital Financing Activities:			
Federal Sources	367,913		367,913
State Sources	15,388		15,388
Transfer - General Fund	26,668		26,668
Net Cash Provided by Noncapital Financing Activities	<u>409,969</u>	<u>- 0 -</u>	<u>409,969</u>
Net Increase (Decrease) in Cash and Cash Equivalents	261,071	(22,727)	238,344
Cash and Cash Equivalents, July 1	156,832	796,720	953,552
Cash and Cash Equivalents, June 30	<u>\$ 417,903</u>	<u>\$ 773,993</u>	<u>\$ 1,191,896</u>
Reconciliation of Operating Loss to Net Cash			
Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (607,022)	\$ (72,906)	\$ (679,928)
Adjustment to Reconcile Operating Loss to			
Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	57,615		57,615
Federal Food Distribution Program	134,535		134,535
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(32,220)	1,830	(30,390)
Decrease in Inventory	5,661		5,661
Increase/(Decrease) in Accounts Payable	278,204	(10,783)	267,421
Increase in Compensated Absences Payable		26,058	26,058
Increase in Unearned Revenue	25,478	33,074	58,552
Net Cash Used for Operating Activities	<u>\$ (137,749)</u>	<u>\$ (22,727)</u>	<u>\$ (160,476)</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 \$131,355 and \$134,535 respectively, for the fiscal year ended June 30, 2017.

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,336,736	\$ 287,836	\$ 49,621	
Investments				\$ 34,354
Total Assets	<u>2,336,736</u>	<u>287,836</u>	<u>49,621</u>	<u>34,354</u>
LIABILITIES:				
Accounts Payable - Vendors	38,731			
Payroll Deductions and Withholdings	1,723,492			
Due to Student Groups	574,513			
Total Liabilities	<u>2,336,736</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
NET POSITION:				
Held in Trust for:				
Unemployment Claims		287,836		
Flexible Spending Claims			49,621	
Restricted for Scholarships				34,354
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 287,836</u>	<u>\$ 49,621</u>	<u>\$ 34,354</u>

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30,2017

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 241,576	\$ 189,621	
Total Contributions	241,576	189,621	
Investment Earnings:			
Interest			\$ 77
Net Investment Earnings			77
Total Additions	241,576	189,621	77
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	301,447		
Flexible Spending Claims		187,111	
Total Deductions	301,447	187,111	
Change in Net Position	(59,871)	2,510	77
Net Position - Beginning of the Year	347,707	47,111	34,277
Net Position - End of the Year	\$ 287,836	\$ 49,621	\$ 34,354

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, 2017

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

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.

The District reports the following proprietary funds:

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

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.

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, 2017 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 169,058,531	\$ 3,207,361
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		(58,368)
Prior Year Encumbrances		20,402
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	332,708	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	<u>(329,412)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 169,061,827</u>	<u>\$ 3,169,395</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 166,759,018	\$ 3,207,361
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		(58,368)
Prior Year Encumbrances		20,402
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 166,759,018</u>	<u>\$ 3,169,395</u>
		<u>Capital Projects Fund Balance</u>
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance(Budgetary Basis)		\$ 684,910
Reconciliation to Governmental Funds Statement (GAAP):		
Grant Revenue/Receivable Recognized/(Not Recognized) on GAAP Basis:		
State SDA		<u>(267,435)</u>
Fund Balance per Governmental Funds (GAAP)		<u>\$ 417,475</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories 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, 2017.

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:

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

K. Capital Assets: (Cont'd)

	<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.

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, 2017.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$10,287,999 General Fund balance at June 30, 2017, \$1,098,117 is assigned for encumbrances; \$1,483,129 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2018; \$2,974,587 is restricted in the capital reserve account; \$869,572 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, 2019; \$516,871 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018; and \$3,345,723 is unassigned which is \$329,412 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, 2018.

Capital Projects Fund: Of the \$417,475 Capital Projects Fund balance at June 30, 2017, \$545,093 is restricted and (\$127,618) is an unassigned deficit for capital projects which is \$267,435 less than the committed fund balance on the budgetary 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, 2017 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 \$329,412 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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.

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, 2017 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 \$1,098,117 for encumbrances and \$1,483,129 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2017.

R. Deficit Net Position/Fund Balance:

The District has a \$51,773,638 deficit in unrestricted net position and a \$10,679,565 deficit in total net position from governmental activities, primarily due to the accrual of \$2,682,399 in compensated absences payable, \$2,219,784 of unamortized bond issuance premiums and net pension liability of \$72,846,347 and the related deferred inflow and outflows. The District also has a \$127,618 deficit in unassigned fund balance in the Capital Projects Fund. These 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, 2017 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, the

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

S. Net Position: (Cont'd)

net difference between projected and actual investment earnings on pension plan investments and the District contribution subsequent to the measurement date related to pensions at June 30, 2017.

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 a deferred inflow of resources at June 30, 2017 for the changes in proportion in pensions.

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

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

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

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

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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 wrap around and extended day programs. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

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.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

Deposits:

New Jersey statutes 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 Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (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;

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Investments: (Cont'd)

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

- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, 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	\$ 7,948,402	\$ 2,974,587		\$ 10,922,989
Certificates of Deposit			\$ 34,354	34,354
	\$ 7,948,402	\$ 2,974,587	\$ 34,354	\$ 10,957,343

During the period ended June 30, 2017, 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, 2017 was \$10,957,343 and the bank balance was \$12,266,273.

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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 1,761,901
Deposit by Board Resolution - June 2017	2,000,000
Budgeted Withdrawal from Capital Reserve	(787,314)
Ending Balance, June 30, 2017	\$ 2,974,587

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2017 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, 2017, the District transferred \$356,081 to the capital outlay for equipment which did not require County Superintendent approval.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	(Restated) 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	10,957,662	\$ 1,544,764		12,502,426
Total Capital Assets Not Being Depreciated	<u>20,221,358</u>	<u>1,544,764</u>		<u>21,766,122</u>
Capital Assets Being Depreciated:				
Land Improvements	10,703,195			10,703,195
Buildings and Building Improvements	84,553,954			84,553,954
Machinery and Equipment	18,501,119	1,492,384		19,993,503
Total Capital Assets Being Depreciated	<u>113,758,268</u>	<u>1,492,384</u>		<u>115,250,652</u>
Governmental Activities Capital Assets	<u>133,979,626</u>	<u>3,037,148</u>		<u>137,016,774</u>
Less Accumulated Depreciation for:				
Land Improvements	(6,867,803)	(450,918)		(7,318,721)
Buildings and Building Improvements	(47,004,972)	(1,654,434)		(48,659,406)
Machinery and Equipment	(13,162,136)	(1,022,749)		(14,184,885)
	<u>(67,034,911)</u>	<u>(3,128,101)</u>		<u>(70,163,012)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 66,944,715</u>	<u>\$ (90,953)</u>	<u>\$ -0-</u>	<u>\$ 66,853,762</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,069,186	\$ 11,149		\$ 1,080,335
Less Accumulated Depreciation	<u>(780,579)</u>	<u>(57,615)</u>		<u>(838,194)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 288,607</u>	<u>\$ (46,466)</u>	<u>\$ -0-</u>	<u>\$ 242,141</u>

The increases totaling \$3,048,297 represent current year capitalized expenditures in the general fund, the capital projects fund and the food service enterprise fund. As of June 30, 2017, the District has \$11,662,964 in active construction projects with unexpended balances of \$636,026 of which \$593,326 represents open encumbrances.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,940,103
Student and Instruction Related Services	20,910
General Administrative Services	1,029
School Administrative Services	1,528
Central Services	2,899
Plant Operations and Maintenance	38,658
Pupil Transportation	467,355
Unallocated	655,619
	<u>\$ 3,128,101</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2016	Issued/ Added	Retired	Balance 6/30/2017	Balance Due Within One Year
Serial Bonds Payable	\$20,795,000		\$ 2,510,000	\$ 18,285,000	\$ 2,615,000
Unamortized Bond					
Issuance Premium	2,589,748		369,964	2,219,784	369,964
Net Pension Liability	54,539,067	\$18,307,280		72,846,347	- 0 -
Capital Leases Payable	13,863,409	1,233,000	2,084,883	13,011,526	1,751,751
Compensated Absences Payable	3,021,197	115,810	428,550	2,708,457	82,536
	<u>\$94,808,421</u>	<u>\$19,656,090</u>	<u>\$ 5,393,397</u>	<u>\$109,071,114</u>	<u>\$ 4,819,251</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, 2017 as follows:

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds	07/15/23	4.00% - 5.00%	<u>\$ 18,285,000</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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
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
2022	2,610,000	313,925	2,923,925
Thereafter:			
2023-2024	5,235,000	242,013	5,477,013
	<u>\$ 18,285,000</u>	<u>\$ 2,908,038</u>	<u>\$ 21,193,038</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2017, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District has six capital leases payable for equipment, buses and one capital lease payable for the energy savings improvement program as of June 30, 2017. The six leases for equipment and buses are for five years with the final payments occurring in fiscal years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 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 \$18,588,864 of which \$5,577,338 has been liquidated as of June 30, 2017. 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, 2017 are detailed below.

<u>Year</u>	<u>Amount</u>
2018	\$ 2,084,224
2019	1,868,295
2020	1,597,319
2021	1,278,421
2022	1,748,867
2023-2027	4,686,085
2028-2030	2,944,356
	<u>16,207,567</u>
Less: Amount representing interest	<u>(3,196,041)</u>
Present value of net minimum lease payments	<u>\$ 13,011,526</u>

The current portion of capital leases payable at June 30, 2017 is \$1,751,751 and the long-term portion is \$11,259,775. 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, 2017

(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. The current portion of the compensated absences balance of the governmental funds at June 30, 2017 is \$82,536 and is shown separately from the long-term liability balance of compensated absences of \$2,599,863.

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, 2017, there was a long-term liability of \$26,058 for compensated absences in the Extended Day Program Fund.

Compensated Absences Payable will be liquidated by the General Fund with the exception of the compensated absences in the Proprietary Funds, which will be liquidated by the Extended Day Program Fund.

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, 2017 is \$-0- and the long-term portion is \$72,846,347. 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 \$1,849,820.

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/annrprts.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, 2017
(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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$2,230,045 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017
(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, 2017, the District reported a liability of \$72,846,347 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.25%, which was an increase of 0.003% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$7,338,809. At June 30, 2017, 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	\$ 915,694	
	2015	5.72	3,741,725	
	2016	5.57	10,432,453	
			<u>15,089,872</u>	
Difference Between Expected & Actual Experience	2015	5.72	1,038,125	
	2016	5.57	316,596	
			<u>1,354,721</u>	
Changes in Proportion	2014	6.44		\$ 2,253,086
	2015	5.72	3,430,440	
	2016	5.57	489,352	
			<u>3,919,792</u>	<u>2,253,086</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(1,372,179)	
	2015	5.00	877,911	
	2016	5.00	3,271,965	
			<u>2,777,697</u>	
District Contribution Subsequent to the Measurement Date	2016	1.00	<u>2,363,539</u>	
			<u>\$ 25,505,621</u>	<u>\$ 2,253,086</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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:

Fiscal Year Ending June 30,	Total
2017	\$ 4,327,724
2018	4,327,724
2019	5,013,814
2020	4,212,337
2021	1,340,691
	\$ 19,222,290

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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 method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 89,264,696	\$ 72,846,347	\$ 59,291,577

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, 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 2016, 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 2017, the State of New Jersey contributed \$6,863,222 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$37,467,887.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017, the State's proportionate share of the net pension liability associated with the District was \$498,667,015. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.634%, which was a decrease of 0.003% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability	
Attributable to the District	498,667,015
Total	\$ 498,667,015

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$37,467,887 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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)

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			<u>15,702,750,875</u>	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3		118,421,979
			<u>277,221,464</u>	<u>134,532,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			<u>1,434,728,663</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>	

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

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	<u>\$ 17,280,168,408</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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 method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, 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, 2017
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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, 2016 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:

	June 30, 2016		
	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 595,519,856	\$ 498,667,015	\$ 419,574,172

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.

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 \$69,454 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$107,755 for the year ended June 30, 2017.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 premiums changed from a prefunding 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members for Fiscal Year 2016.

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 publicly 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 \$5,925,825, \$6,043,232 and \$5,467,704 for 2017, 2016 and 2015, respectively.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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, 2017 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 328,998,652
Net Position	\$ 78,662,630
Total Revenue	\$ 131,811,793
Total Expenses	\$ 121,371,527
Change in Net Position	\$ 10,440,266
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 Suite 300 North
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, 2017
(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>
2016-2017	\$ - 0 -	\$ - 0 -	\$ 241,576	\$ 301,447	\$ 287,836
2015-2016	- 0 -	- 0 -	232,360	202,595	347,707
2014-2015	- 0 -	83	234,162	156,628	317,942

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, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 347,201	\$ 34,777
Special Revenue Fund		275,109
Capital Projects Fund		72,092
Proprietary Fund - Food Service Enterprise Fund	34,777	
	<u>\$ 381,978</u>	<u>\$ 381,978</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 Capital Projects Fund due to the General Fund is for miscellaneous revenues deposited into the Capital Projects fund that is due to General Fund. The interfund payable from the General Fund due to the Food Service Enterprise Fund is for a portion of the current year board contribution not yet turned over.

During the fiscal year, the General Fund transferred \$40,097 to the Food Service Enterprise Fund for the current year board contribution and \$112,250 to the Wrap Around Enterprise Fund for start-up costs. During the year the Extended Day Enterprise Fund made an equity transfer of \$112,250 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, 2017
(Continued)

NOTE 13. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

<u>403(b)</u> MetLife AXA Equitable VALIC TIAA-CREF Lincoln Investment Planning, Inc. Vanguard	<u>457</u> Equitable VALIC Northern Life
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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, 2017:

	Governmental Funds			District	Total	Business-
	General	Special	Capital	Contribution		Type
	Fund	Revenue	Projects	Subsequent to	Governmental	Proprietary
	Fund	Fund	Fund	the Measure-	Activities	Funds
	Fund	Fund	Fund	ment Date	Activities	Funds
Salaries	\$ 119,488				\$ 119,488	\$ 15,941
Vendors	1,200,767	\$ 105,922	\$ 51,978		1,358,667	547,090
Due to:						
State of New Jersey		90,253		\$ 2,363,539	2,453,792	
	<u>\$ 1,320,255</u>	<u>\$ 196,175</u>	<u>\$ 51,978</u>	<u>\$ 2,363,539</u>	<u>\$ 3,931,947</u>	<u>\$ 563,031</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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, 2017, 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
\$ 1,098,117	\$ 58,368	\$ 593,326	\$ 1,749,811

On the District's Governmental Funds Balance Sheet as of June 30, 2017, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$58,368 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. Of the \$593,326 fiscal year-end encumbrances in the Capital Projects Fund, \$502,393 is restricted and \$90,933 is committed on a budgetary basis and are included in the (\$127,618) unassigned deficit on a GAAP basis at June 30, 2017 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, 2017:

	Governmental Activities			Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities
Federal		\$ 656,615	\$ 250,000	\$ 906,615
State	\$ 3,238,760	4,584	10,588	3,253,932
	\$ 3,238,760	\$ 661,199	\$ 260,588	\$ 4,160,547
				\$ 77,318

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment to the District Wide Financial Statements to record corrections per the updated appraisal report provided as of June 30, 2016.

	Balance 6/30/16 as Previously Reported	Retroactive Adjustments	Balance 6/30/2016 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
Assets:			
Capital Assets:			
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	\$ 112,279,875	\$ 1,478,393	\$ 113,758,268
Accumulated Depreciation	(70,892,838)	3,857,927	(67,034,911)
Total Assets - Governmental Activities	61,608,395	5,336,320	66,944,715
Net Position/(Deficit):			
Net Investment in Capital Assets	27,685,819	5,336,320	33,022,139
Total Net Position/(Deficit) - Governmental Activities	(17,128,612)	5,336,320	(11,792,292)
<u>Business-Type Activities:</u>			
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	811,349	257,837	1,069,186
Accumulated Depreciation	(650,664)	(129,915)	(780,579)
Total Assets	160,685	127,922	288,607
Net Position:			
Investment in Capital Assets	160,685	127,922	288,607
Total Net Position	848,306	127,922	976,228

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 19. TAX ABATEMENTS

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

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

The Township of Wayne recognized revenue in the amount of \$434,668 from four payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2016 without the abatement would have been \$2,503,494 of which \$1,298,403 would have been for the local school tax.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the Net Pension Liability	0.2155556877%	0.2429573956%	0.2459601678%
District's proportionate share of the Net Pension Liability	\$ 40,357,920	\$ 54,539,067	\$ 72,846,347
District's Covered Employee Payroll	\$ 16,021,395	\$ 16,439,285	\$ 16,931,535
District's proportionate share of the Net Pension Liability as a percentage of its Covered Employee Payroll	251.90%	331.76%	430.24%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%

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
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually Required Contribution	\$ 1,777,010	\$ 2,098,522	\$ 2,230,045
Contributions in relation to the Contractually Required Contribution	<u>(1,777,010)</u>	<u>(2,098,522)</u>	<u>(2,230,045)</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 15,700,967	\$ 16,021,395	\$ 16,439,285
Contributions as a percentage of Covered Employee Payroll	11.32%	13.10%	13.57%

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 ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the Net Pension Liability attributable to the District	0.6435044679%	0.6370676705%	0.6339011628%
State's proportionate share of the Net Pension Liability attributable to the District	\$ 343,932,194	\$ 402,653,972	\$ 498,667,015
District's Covered Employee Payroll	\$ 63,282,036	\$ 63,474,257	\$ 64,836,221
State's proportionate share of the Net Pension Liability attributable to the District as a percentage of the District's Covered Employee Payroll	543.49%	634.36%	769.12%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually Required Contribution	\$ 18,506,781	\$ 24,585,650	\$ 37,467,887
Contributions in relation to the Contractually Required Contribution	<u>(4,792,326)</u>	<u>(5,075,259)</u>	<u>(6,863,222)</u>
Contribution Deficiency/(Excess)	<u>\$ 13,714,455</u>	<u>\$ 19,510,391</u>	<u>\$ 30,604,665</u>
District's Covered Employee Payroll	\$ 63,474,257	\$ 64,836,221	\$ 65,828,000
Contributions as a percentage of Covered Employee Payroll	7.55%	7.83%	10.43%

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 143,031,801		\$ 143,031,801	\$ 143,031,801	
Tuition from Individuals	300,000		300,000	301,079	\$ 1,079
Tuition from Other LEA's	55,000		55,000	249,537	194,537
Tuition from Summer School	25,000		25,000	19,316	(5,684)
Rents and Royalties	265,000		265,000	321,204	56,204
Unrestricted Miscellaneous Revenues	82,500		82,500	282,432	199,932
Other Restricted Miscellaneous Revenues	175,125		175,125	5,000	(170,125)
Total - Local Sources	143,934,426		143,934,426	144,210,369	275,943
State Sources:					
Categorical Transportation Aid	392,872		392,872	392,872	
Special Education Categorical Aid	3,256,758		3,256,758	3,256,758	
Categorical Security Aid	154,816		154,816	154,816	
Per Pupil Growth Aid	80,715		80,715	80,715	
PARCC Readiness Aid	80,715		80,715	80,715	
Professional Learning Community Aid	76,870		76,870	76,870	
Nonpublic School Transportation Costs	53,087		53,087	71,514	18,427
Extraordinary Special Education Costs Aid	2,236,682		2,236,682	2,936,393	699,711
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				5,925,825	5,925,825
TPAF On-Behalf Pension Contributions (Non-Budgeted)				6,863,222	6,863,222
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				248,670	248,670
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				14,273	14,273
TPAF Social Security (Reimbursed - Non-Budgeted)				4,624,183	4,624,183
Total State Sources	6,332,515		6,332,515	24,726,826	18,394,311
Federal Sources:					
Medicaid Assistance Program	73,195		73,195	121,336	48,141
Total Federal Sources	73,195		73,195	121,336	48,141
TOTAL REVENUES	150,340,136		150,340,136	169,058,531	18,718,395

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 533,520	\$ 181,962	\$ 715,482	\$ 697,802	\$ 17,680
Kindergarten - Salaries of Teachers	1,044,410	(100,649)	943,761	837,230	106,531
Grades 1-5 - Salaries of Teachers	12,877,800	(109,532)	12,768,268	12,712,134	56,134
Grades 6-8 - Salaries of Teachers	9,756,990	155,735	9,912,725	9,906,089	6,636
Grades 9-12 - Salaries of Teachers	16,212,010	(74,313)	16,137,697	15,931,379	206,318
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	(13,595)	71,405	58,697	12,708
Purchased Professional - Educational Services	60,000		60,000	43,560	16,440
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	150	(120)	30		30
Purchased Technical Services	636,864	37,384	674,248	557,518	116,730
Other Purchased Services (400-500 series)	714,094	7,068	721,162	676,706	44,456
General Supplies	1,847,886	(5,158)	1,842,728	1,653,559	189,169
Textbooks	422,397	(16,687)	405,710	394,741	10,969
Other Objects	12,900	(246)	12,654	182	12,472
Total Regular Programs - Instruction	44,204,021	61,849	44,265,870	43,469,597	796,273
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,239,912	(35,994)	1,203,918	1,161,544	42,374
Other Salaries for Instruction	602,342	260,846	863,188	853,847	9,341
General Supplies	140,160	(77,866)	62,294	40,661	21,633
Total Learning and/or Language Disabilities	1,982,414	146,986	2,129,400	2,056,052	73,348

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	\$ 546,500	\$ (59,508)	\$ 486,992	\$ 480,010	\$ 6,982
Other Salaries for Instruction	173,121	(79,621)	93,500	69,271	24,229
Purchased Professional - Educational Services	131,750	(131,750)			
General Supplies	5,000	4,000	9,000	6,472	2,528
Total Multiple Disabilities	856,371	(266,879)	589,492	555,753	33,739
Resource Room/Resource Center:					
Salaries of Teachers	7,209,663	366,063	7,575,726	7,575,726	
Other Salaries for Instruction	326,937	756,675	1,083,612	1,083,612	
General Supplies	15,000	3,389	18,389	18,360	29
Total Resource Room/Resource Center	7,551,600	1,126,127	8,677,727	8,677,698	29
Autism:					
Salaries of Teachers	123,800		123,800	118,891	4,909
Other Salaries for Instruction		20,513	20,513	15,320	5,193
General Supplies	2,000		2,000	1,378	622
Total Autism	125,800	20,513	146,313	135,589	10,724

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 275,000	\$ (52,849)	\$ 222,151	\$ 222,151	
Other Salaries for Instruction	208,457	(128,643)	79,814	79,814	
General Supplies	5,000	1,349	6,349	6,329	\$ 20
Total Preschool Disabilities - Full-Time	488,457	(180,143)	308,314	308,294	20
Special Education - Home Instruction:					
Other Salaries for Instruction	25,000	17,071	42,071	42,071	
Purchased Professional - Educational Services	25,804	(3,506)	22,298	18,650	3,648
Total Special Education - Home Instruction	50,804	13,565	64,369	60,721	3,648
Total Special Education Instruction	11,055,446	860,169	11,915,615	11,794,107	121,508
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,504,710	(530,068)	1,974,642	1,920,896	53,746
General Supplies	16,875	2,840	19,715	16,029	3,686
Total Basic Skills/Remedial - Instruction	2,521,585	(527,228)	1,994,357	1,936,925	57,432
Bilingual Education - Instruction:					
Salaries of Teachers	656,545	46,352	702,897	701,010	1,887
Other Salaries		864	864	864	
General Supplies	7,525	(1,181)	6,344	285	6,059
Textbooks	525		525		525
Total Bilingual Education - Instruction	664,595	46,035	710,630	702,159	8,471

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 699,301	\$ 40,573	\$ 739,874	\$ 735,581	\$ 4,293
Other Salaries		6,051	6,051	6,051	
Purchased Services (300-500 series)	12,500	9,000	21,500	8,260	13,240
Supplies and Materials	53,094	(26,926)	26,168	13,995	12,173
Other Objects	11,195	6,241	17,436	13,180	4,256
Total School-Sponsored Cocurricular Activities - Instruction	776,090	34,939	811,029	777,067	33,962
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,596,885	2,630	1,599,515	1,535,804	63,711
Unused Vacation Payments		9,323	9,323	9,323	
Purchased Services (300-500 series)	458,098	(7,298)	450,800	406,229	44,571
Supplies and Materials	292,535	(6,455)	286,080	238,452	47,628
Other Objects	79,000	(3,130)	75,870	66,936	8,934
Total School-Sponsored Cocurricular Athletics - Instruction	2,426,518	(4,930)	2,421,588	2,256,744	164,844
Before/After School Programs - Instruction:					
Salaries of Reading Specialists	4,500	11,550	16,050	14,887	1,163
Total Before/After School Programs - Instruction	4,500	11,550	16,050	14,887	1,163
Summer School - Instruction:					
Purchased Professional and Technical Services	319,553	(15,550)	304,003	304,003	760
General Supplies	2,000	4,000	6,000	5,240	760
Total Summer School - Instruction	321,553	(11,550)	310,003	309,243	760
Alternative Education Programs - Instruction:					
Salaries of Teachers	79,349		79,349	68,141	11,208
Purchased Professional and Technical Services	15,000	9,000	24,000	23,530	470
Supplies and Materials	2,000		2,000	228	1,772
Total Alternative Education Programs - Instruction	96,349	9,000	105,349	91,899	13,450

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Alternative Education Programs - Support:					
Salaries	\$ 9,500		\$ 9,500		\$ 9,500
Total Alternative Education Programs - Support	9,500		9,500		9,500
Total Alternative Education Programs	105,849	\$ 9,000	114,849	\$ 91,899	22,950
Community Services Programs/Operations:					
Salaries	70,000	10,480	80,480	80,480	
Purchased Services (300-500 series)	200,000		200,000	181,028	18,972
Total Community Services Programs/Operations	270,000	10,480	280,480	261,508	18,972
Total Instruction	62,350,157	490,314	62,840,471	61,614,136	1,226,335
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular		28,674	28,674	28,674	
Tuition to Other LEAs Within the State - Special	239,564	10,768	250,332	250,332	
Tuition to County Vocational Schools - Regular	727,567		727,567	727,567	
Tuition to County Vocational Schools - Special	155,308	12,461	167,769	167,769	
Tuition to County Special Services Schools and Reg. Day Schools	419,650	94,658	514,308	511,686	2,622
Tuition to Private Schools for the Disabled - Within the State	3,232,775	(76,205)	3,156,570	3,116,205	40,365
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	340,399	(12,040)	328,359	320,679	7,680
Tuition - State Facilities	67,771		67,771	67,771	
Tuition - Other	5,672	75,237	80,909	80,909	
Total Undistributed Expenditures - Instruction	5,188,706	133,553	5,322,259	5,271,592	50,667

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 1,561,147	\$ 16,574	\$ 1,577,721	\$ 1,577,721	
Purchased Professional and Technical Services	82,150	(500)	81,650	73,576	\$ 8,074
Other Purchased Services (400-500 series)	17,459	(760)	16,699	16,483	216
Supplies and Materials	33,155	(547)	32,608	18,490	14,118
Total Health Services	1,693,911	14,767	1,708,678	1,686,270	22,408
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	2,726,424	(83,353)	2,643,071	2,633,680	9,391
Purchased Professional - Educational Services	529,120	(35,952)	493,168	424,627	68,541
Supplies and Materials	12,873	5,000	17,873	16,001	1,872
Total Other Support Services - Speech, OT, PT and Related Services	3,268,417	(114,305)	3,154,112	3,074,308	79,804
Other Support Services - Students - Extraordinary Services:					
Salaries	3,078,718	(1,115,566)	1,963,152	1,951,925	11,227
Other Purchased Services (400-500 series)	1,035,612	108,288	1,143,900	1,143,900	
Supplies and Materials	10,500		10,500	5,963	4,537
Total Other Support Services - Students - Extraordinary Services	4,124,830	(1,007,278)	3,117,552	3,101,788	15,764
Guidance:					
Salaries of Other Professional Staff	2,827,284	(6,697)	2,820,587	2,795,756	24,831
Salaries of Secretarial and Clerical Assistants	334,014	700	334,714	319,111	15,603
Other Salaries	69,298	9,126	78,424	73,201	5,223
Purchased Professional - Educational Services	14,813	(2,025)	12,788	9,494	3,294
Purchased Professional Services	59,948	59,948	59,948	59,948	
Supplies and Materials	56,935	1,398	58,333	37,069	21,264
Other Objects	5,450		5,450	3,212	2,238
Total Guidance	3,307,794	62,450	3,370,244	3,297,791	72,453

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Team:					
Salaries of Other Professional Staff	\$ 2,742,262	\$ (46,766)	\$ 2,695,496	\$ 2,695,496	
Other Salaries		101,781	101,781	101,781	
Other Purchased Professional and Technical Services	145,020	53,678	198,698	183,650	\$ 15,048
Other Purchased Services (400-500 series)	19,451	(1,000)	18,451	18,451	
Supplies and Materials	21,600	540	22,140	22,124	16
Other Objects	1,000	543	1,543	1,543	
Total Child Study Team	2,929,333	108,776	3,038,109	3,023,045	15,064
Improvement of Instructional Services:					
Salaries of Other Professional Staff	852,381	(4,346)	848,035	794,508	53,527
Salaries of Secretarial and Clerical Assistants	144,881	75,824	220,705	216,595	4,110
Other Salaries	1,500	5,087	6,587	6,294	293
Supplies and Materials	3,000	(1,402)	1,598	1,262	336
Total Improvement of Instructional Services	1,001,762	75,163	1,076,925	1,018,659	58,266
Educational Media Services/School Library:					
Salaries	1,292,700		1,292,700	1,205,196	87,504
Purchased Professional and Technical Services	20,000		20,000	18,659	1,341
Supplies and Materials	143,707	8,505	152,212	148,095	4,117
Total Educational Media Services/School Library	1,456,407	8,505	1,464,912	1,371,950	92,962
Instructional Staff Training Services:					
Salaries of Other Professional Staff	329,692	1,550	331,242	234,179	97,063
Other Salaries		7,796	7,796	7,796	
Other Purchased Professional and Technical Services	79,000		79,000	1,975	77,025
Other Purchased Services (400-500 series)	82,100	(13,615)	68,485	31,731	36,754
Supplies and Materials	2,000		2,000	229	1,771
Total Instructional Staff Training Services	492,792	(4,269)	488,523	275,910	212,613

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 632,409	\$ (23,067)	\$ 609,342	\$ 605,330	\$ 4,012
Legal Services	238,150	227,225	465,375	422,403	42,972
Audit Fees	69,750	11,808	81,558	81,558	
Other Purchased Professional Services	42,500	(35,935)	6,565	6,565	
Communications/Telephone	71,850	7,881	79,731	78,468	1,263
BOE Other Purchased Services	15,000	(11,677)	3,323	3,055	268
Miscellaneous Purchased Services (400-500 series)	234,632	(30,334)	204,298	202,415	1,883
General Supplies	13,500	(9,651)	3,849	3,849	
Miscellaneous Expenditures	5,840	(301)	5,539	5,534	5
BOE Membership Dues and Fees	27,500	(837)	26,663	26,663	
Total Support Services - General Administration	1,351,131	135,112	1,486,243	1,435,840	50,403
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	4,137,207	(159,963)	3,977,244	3,863,429	113,815
Salaries of Secretarial and Clerical Assistants	1,280,111	(39,983)	1,240,128	1,240,128	
Unused Vacation Payments		116,999	116,999	116,999	
Other Purchased Services (400-500 series)	125,125	(124)	125,001	34,821	90,180
Supplies and Materials	64,156	(3,224)	60,932	48,260	12,672
Other Objects	90,450	(463)	89,987	67,612	22,375
Total Support Services - School Administration	5,697,049	(86,758)	5,610,291	5,371,249	239,042
Central Services:					
Salaries	1,161,066	(71,945)	1,089,121	1,088,100	1,021
Unused Vacation Payments		35,050	35,050	21,723	13,327
Purchased Professional Services	153,050	(61,147)	91,903	91,903	
Miscellaneous Purchased Services (400-500 series)	123,799	72,023	195,822	186,063	9,759
Supplies and Materials	26,000	(6,845)	19,155	18,696	459
Miscellaneous Expenditures	14,488	19,299	33,787	33,025	762
Total Central Services	1,478,403	(13,565)	1,464,838	1,439,510	25,328

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Administration Information Technology:					
Salaries	\$ 977,629	\$ 16,930	\$ 994,559	\$ 994,559	
Unused Vacation Payments		1,099	1,099	1,099	
Purchased Technical Services	326,291	(91,013)	235,278	201,998	\$ 33,280
Other Purchased Services (400-500 series)	176,354	14,225	190,579	189,150	1,429
Supplies and Materials	241,500	(21,734)	219,766	219,518	248
Other Objects	2,000		2,000	695	1,305
Total Administration Information Technology	1,723,774	(80,493)	1,643,281	1,607,019	36,262
Required Maintenance for School Facilities:					
Salaries	1,001,587	(19,175)	982,412	924,205	58,207
Unused Vacation Payments		5,130	5,130	5,130	
Purchased Professional and Technical Services	76,000	214,340	290,340	277,740	12,600
Cleaning, Repair and Maintenance Services	1,236,250	(375,999)	860,251	793,106	67,145
Other Purchased Services (400-500 series)	77,000	65,705	142,705	142,705	
General Supplies	598,585	(187,228)	411,357	258,549	152,808
Total Required Maintenance for School Facilities	2,989,422	(297,227)	2,692,195	2,401,435	290,760
Custodial Services:					
Salaries	4,967,163	1,817	4,968,980	4,968,980	
Salaries of Non-Instructional Aides	469,568	22,858	492,426	491,996	430
Unused Vacation Payments		51,316	51,316	51,316	
Purchased Professional and Technical Services	91,502	98,448	189,950	132,785	57,165
Cleaning, Repair and Maintenance Services	1,059,128	(45,219)	1,013,909	993,616	20,293
Rental of Land & Bldg. Other Than Lease Purchase Agreement	190,952	(12,964)	177,988	177,089	899
Lease Purchase Payments - Energy Savings Improvement Program	1,213,137		1,213,137	1,213,137	
Other Purchased Property Services	110,000	(7,545)	102,455	81,169	21,286
Insurance	708,759		708,759	699,995	8,764
Miscellaneous Purchased Services	72,150	(32,149)	40,001	39,219	782
General Supplies	399,945	(30,847)	369,098	349,978	19,120
Energy (Natural Gas)	890,000	(254,994)	635,006	635,006	
Energy (Electricity)	875,000	337,638	1,212,638	1,212,638	
Energy (Gasoline)		36,104	36,104	30,167	5,937
Other Objects	14,500	(7,500)	7,000	5,786	1,214
Total Custodial Services	11,061,804	156,963	11,218,767	11,082,877	135,890

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 302,225	\$ (22,033)	\$ 280,192	\$ 279,713	\$ 479
Cleaning, Repair and Maintenance Services	205,000		205,000	156,799	48,201
General Supplies	85,000	(4,794)	80,206	56,915	23,291
Total Care and Upkeep of Grounds	592,225	(26,827)	565,398	493,427	71,971
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	1,620,599	46,458	1,667,057	1,665,245	1,812
Between Home and School - Special	1,808,435	38,404	1,846,839	1,843,712	3,127
Between Home and School - Nonpublic Schools	257,466	41,347	298,813	295,425	3,388
Lease Purchase Payments - School Buses	496,329		496,329	493,061	3,268
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	300,560	50,000	350,560	324,670	25,890
Aid in Lieu Payments - Charter Schools		3,536	3,536	3,536	
Between Home and School - Vendors	36,050	(29,429)	6,621	6,621	
Other Than Between Home and School - Vendors	24,500	1,024	25,524	16,028	9,496
Special Education Students - Vendors	380,000	240,717	620,717	589,148	31,569
Miscellaneous Purchased Services	238,100	(5,866)	232,234	138,817	93,417
Transportation Supplies	699,500	(125,170)	574,330	531,474	42,856
Other Objects	2,200		2,200	930	1,270
Total Student Transportation Services	5,863,739	261,021	6,124,760	5,908,667	216,093

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 1,731,739	\$ 100,000	\$ 1,831,739	\$ 1,822,718	\$ 9,021
Other Retirement Contributions - PERS	2,275,000	(44,955)	2,230,045	2,230,045	
Other Retirement Contributions - Regular	55,000	23,137	78,137	78,137	
Workmen's Compensation	927,300	(72,290)	855,010	855,010	
Health Benefits	28,918,667	(141,921)	28,776,746	27,980,265	796,481
Tuition Reimbursement	130,350	(1,099)	129,251	91,153	38,098
Other Employee Benefits	436,996	(40,507)	396,489	396,288	201
Total Unallocated Benefits	34,475,052	(177,635)	34,297,417	33,453,616	843,801
On-Behalf TPAF Contributions:					
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				5,925,825	(5,925,825)
TPAF On-Behalf Pension Contributions (Non-Budgeted)				6,863,222	(6,863,222)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				248,670	(248,670)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				14,273	(14,273)
TPAF Social Security (Reimbursed - Non-Budgeted)				4,624,183	(4,624,183)
Total On-Behalf and Reimbursed Contributions				17,676,173	(17,676,173)
Total Personal Services - Employee Benefits	34,475,052	(177,635)	34,297,417	51,129,789	(16,832,372)
Total Undistributed Expenses	88,696,551	(852,047)	87,844,504	102,991,126	(15,146,622)
TOTAL GENERAL CURRENT EXPENSE	151,046,708	(361,733)	150,684,975	164,605,262	(13,920,287)

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12		\$ 20,168	\$ 20,168	\$ 20,103	\$ 65
School Sponsored and Other Instructional Programs		13,596	13,596	12,516	1,080
Undistributed Expenditures:					
Instruction		6,336	6,336	3,168	3,168
Support Service - Students - Regular		1,300	1,300	1,000	300
Support Service - Instructional Staff		2,099	2,099	2,099	
Administrative Information Technology		17,871	17,871	17,871	
Required Maintenance for School Facilities		201,730	201,730	83,848	117,882
Care and Upkeep of Grounds		4,794	4,794	4,794	
Student Transportation - Non Instructional Equipment		41,712	41,712	4,512	37,200
School Buses - Special		46,475	46,475	46,475	
Total Equipment		356,081	356,081	196,386	159,695
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	\$ 95,087	19,053	114,140	102,935	11,205
Construction Services	1,122,969	(19,053)	1,103,916	423,052	680,864
Other Objects (Debt Service Assessment)	154,055		154,055	154,055	
Total Facilities Acquisition and Construction Services	1,372,111		1,372,111	680,042	692,069
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment:					
Undistributed Expenditures - Instruction and School Buses				1,233,000	(1,233,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				1,233,000	(1,233,000)
TOTAL CAPITAL OUTLAY		356,081	1,728,192	2,109,428	(381,236)
Transfer of Funds to Charter Schools	81,258	(4,445)	76,813	44,328	32,485
TOTAL EXPENDITURES	152,500,077	(10,097)	152,489,980	166,759,018	(14,269,038)

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,159,941)	\$ 10,097	\$ (2,149,844)	\$ 2,299,513	\$ 4,449,357
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				1,233,000	1,233,000
Transfers Out:					
Board Contribution:					
Food Service Enterprise Fund	(30,000)	(10,097)	(40,097)	(40,097)	
Total Other Financing Sources/(Uses)	(30,000)	(10,097)	(40,097)	1,192,903	1,233,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,189,941)		(2,189,941)	3,492,416	5,682,357
Fund Balance, July 1	7,124,995		7,124,995	7,124,995	
Fund Balance, June 30	\$ 4,935,054	\$ -0-	\$ 4,935,054	\$ 10,617,411	\$ 5,682,357
Recapitulation:					
Restricted:					
Excess Surplus				\$ 869,572	
Excess Surplus - Designated for Subsequent Year's Expenditures				516,871	
Capital Reserve				2,974,587	
Assigned:					
Encumbrances				1,098,117	
Designated for Subsequent Year's Expenditures				1,483,129	
Unassigned				3,675,135	
				10,617,411	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(329,412)	
Fund Balance per Governmental Funds (GAAP)				\$ 10,287,999	

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 673,168	\$ (94,569)	\$ 578,599	\$ 578,599	
Federal Sources	2,560,369	791,555	3,351,924	2,463,125	\$ (888,799)
Local Sources		289,610	289,610	165,637	(123,973)
Total Revenues	<u>3,233,537</u>	<u>986,596</u>	<u>4,220,133</u>	<u>3,207,361</u>	<u>(1,012,772)</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	133,623	77,985	211,608	161,766	49,842
Salaries of Teachers		277,155	277,155		277,155
Purchased Professional/Educational Services	427,224	(146,998)	280,226	278,997	1,229
Other Purchased Services	1,875,864	(67,746)	1,808,118	1,803,592	4,526
General Supplies	422,125	91,849	513,974	199,226	314,748
Textbooks	67,464	7,903	75,367	75,367	
Total Instruction	<u>2,926,300</u>	<u>240,148</u>	<u>3,166,448</u>	<u>2,518,948</u>	<u>647,500</u>
Support Services					
Personal Services - Salaries		5,000	5,000	5,000	
Personal Services - Salaries of Other Professional Staff		22,608	22,608		22,608
Personal Services - Employee Benefits	24,157	137,144	161,301	90,346	70,955
Purchased Professional/Educational Services	139,680	304,995	444,675	379,755	64,920
Other Purchased Services	104,600	46,526	151,126	53,182	97,944
Supplies and Materials	38,800	35,742	74,542	69,342	5,200
Other Objects		179,838	179,838	78,990	100,848
Total Support Services	<u>307,237</u>	<u>731,853</u>	<u>1,039,090</u>	<u>676,615</u>	<u>362,475</u>
Facilities Acquisition:					
Instructional Equipment		14,595	14,595	11,798	2,797
Total Facilities Acquisition		<u>14,595</u>	<u>14,595</u>	<u>11,798</u>	<u>2,797</u>
Total Expenditures	<u>3,233,537</u>	<u>986,596</u>	<u>4,220,133</u>	<u>3,207,361</u>	<u>1,012,772</u>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 169,058,531	\$ 3,207,361
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		(58,368)
Prior Year Encumbrances		20,402
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	332,708	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(329,412)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 169,061,827</u>	<u>\$ 3,169,395</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 166,759,018	\$ 3,207,361
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		(58,368)
Prior Year Encumbrances		20,402
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 166,759,018</u>	<u>\$ 3,169,395</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

	<u>No Child Left Behind</u>				Carl Perkins Vocational Education
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	
REVENUE:					
State Sources					
Federal Sources	\$ 243,092	\$ 167,084	\$ 84,673	\$ 9,912	\$ 26,541
Local Sources					
Total Revenue	<u>\$ 243,092</u>	<u>\$ 167,084</u>	<u>\$ 84,673</u>	<u>\$ 9,912</u>	<u>\$ 26,541</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 130,366	\$ 31,400			
Purchased Professional/Educational Services				\$ 9,912	\$ 2,250
Other Purchased Services					
General Supplies	25,165		46,466		11,643
Textbooks					
Total Instruction	<u>155,531</u>	<u>31,400</u>	<u>46,466</u>	<u>9,912</u>	<u>13,893</u>
Support Services:					
Personal Services - Salaries			5,000		
Personal Services - Employee Benefits	87,561	2,402	383		
Purchased Professional/Educational Services		80,100	32,824		
Other Purchased Services		53,182			
Supplies and Materials					
Other Objects					850
Total Support Services	<u>87,561</u>	<u>135,684</u>	<u>38,207</u>		<u>850</u>
Facilities Acquisition:					
Instructional Equipment					11,798
Total Facilities Acquisition					<u>11,798</u>
Total Expenditures	<u>\$ 243,092</u>	<u>\$ 167,084</u>	<u>\$ 84,673</u>	<u>\$ 9,912</u>	<u>\$ 26,541</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	I.D.E.A. - Part B, Basic		NJ Nonpublic		
	Regular	Preschool	Technology Initiative	Textbooks	Nursing
REVENUE:					
State Sources			\$ 28,455	\$ 75,367	\$ 138,600
Federal Sources	\$ 1,861,014	\$ 70,809			
Local Sources					
Total Revenue	<u>\$ 1,861,014</u>	<u>\$ 70,809</u>	<u>\$ 28,455</u>	<u>\$ 75,367</u>	<u>\$ 138,600</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services					
Other Purchased Services	\$ 1,732,783	\$ 70,809	\$ 28,455		
General Supplies				\$ 75,367	
Textbooks					
Total Instruction	<u>1,732,783</u>	<u>70,809</u>	<u>28,455</u>	<u>75,367</u>	
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services	128,231				\$ 138,600
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services	<u>128,231</u>				<u>138,600</u>
Facilities Acquisition:					
Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,861,014</u>	<u>\$ 70,809</u>	<u>\$ 28,455</u>	<u>\$ 75,367</u>	<u>\$ 138,600</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Nonpublic Auxiliary Services (Chapter 192)</u>			
	<u>NJ Nonpublic Security</u>	<u>Compensatory Education</u>	<u>English as a Second Language</u>	<u>Home Instruction</u>
REVENUE:				
State Sources	\$ 69,342	\$ 71,127	\$ 24,025	\$ 4,584
Federal Sources				
Local Sources				
Total Revenue	<u>\$ 69,342</u>	<u>\$ 71,127</u>	<u>\$ 24,025</u>	<u>\$ 4,584</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Purchased Professional/Educational Services		\$ 71,127	\$ 24,025	\$ 4,584
Other Purchased Services				
General Supplies				
Textbooks				
Total Instruction		<u>71,127</u>	<u>24,025</u>	<u>4,584</u>
Support Services:				
Personal Services - Salaries				
Personal Services - Employee Benefits				
Purchased Professional/Educational Services				
Other Purchased Services				
Supplies and Materials	\$ 69,342			
Other Objects				
Total Support Services	<u>69,342</u>			
Facilities Acquisition:				
Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	<u>\$ 69,342</u>	<u>\$ 71,127</u>	<u>\$ 24,025</u>	<u>\$ 4,584</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Nonpublic Handicapped Services (Chapter 193)</u>			Local Programs	Totals June 30, 2017
	<u>Supplementary Instruction</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>		
REVENUE:					
State Sources	\$ 73,762	\$ 73,723	\$ 19,614		\$ 578,599
Federal Sources					2,463,125
Local Sources				\$ 165,637	165,637
					<hr/>
Total Revenue	<u>\$ 73,762</u>	<u>\$ 73,723</u>	<u>\$ 19,614</u>	<u>\$ 165,637</u>	<u>\$ 3,207,361</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					\$ 161,766
Purchased Professional/Educational Services	\$ 73,762	\$ 73,723	\$ 19,614		278,997
Other Purchased Services					1,803,592
General Supplies				87,497	199,226
Textbooks					75,367
					<hr/>
Total Instruction	<u>73,762</u>	<u>73,723</u>	<u>19,614</u>	<u>87,497</u>	<u>2,518,948</u>
Support Services:					
Personal Services - Salaries					5,000
Personal Services - Employee Benefits					90,346
Purchased Professional/Educational Services					379,755
Other Purchased Services					53,182
Supplies and Materials					69,342
Other Objects				78,140	78,990
					<hr/>
Total Support Services				<u>78,140</u>	<u>676,615</u>
Facilities Acquisition:					
Instructional Equipment					11,798
					<hr/>
Total Facilities Acquisition					<u>11,798</u>
					<hr/>
Total Expenditures	<u>\$ 73,762</u>	<u>\$ 73,723</u>	<u>\$ 19,614</u>	<u>\$ 165,637</u>	<u>\$ 3,207,361</u>

CAPITAL PROJECTS FUND

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, 2017

Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	\$ 20,464
Construction Services	1,191,202
	1,211,666
Total Expenditures and Other Financing Uses	1,211,666
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(1,211,666)
Fund Balance - Beginning	1,896,576
Fund Balance - Ending	\$ 684,910
<u>Recapitulation of Fund Balance at June 30, 2017</u>	
Restricted - Other Purposes	\$ 42,700
Restricted - Year-End Encumbrances	502,393
Committed - Year-End Encumbrances	90,933
Committed - Other Purposes	48,884
	684,910
Fund Balance per Governmental Funds (Budgetary Basis)	684,910
Reconciliation to Governmental Funds Statement (GAAP):	
Grants not Recognized on the GAAP Basis:	
SDA Grants	(267,435)
	(267,435)
Fund Balance per Governmental Funds (GAAP)	\$ 417,475

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, 2017

	<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	754,434	\$ 20,464	774,898	716,482
Construction Services	8,460,838	1,171,865	9,632,703	10,235,462
Other Objects	112,370		112,370	113,120
Total Expenditures	9,327,642	1,192,329	10,519,971	11,065,064
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 1,737,422</u>	<u>\$ (1,192,329)</u>	<u>\$ 545,093</u>	<u>\$ -0-</u>

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
Percentage Completion	95.07%
Original Target Completion Date	06/01/15
Revised Target Completion Date	12/31/17

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, 2017

	Prior Periods	Current Year	Totals	Revised Project Authorization
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
Total Revenue and Other Financing Sources	606,147		606,147	606,147
Expenditures:				
Purchased Professional and Technical Services	25,587		25,587	25,650
Construction Services	577,366		577,366	580,497
Total Expenditures	602,953	-0-	602,953	606,147
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 3,194	\$ -0-	\$ 3,194	\$ -0-

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
Revised Authorized Cost	\$ 606,147
Percentage Completion	99.47%
Original Target Completion Date	June 2015
Revised Target Completion Date	January 2016

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
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
Percentage Completion	88.73%
Original Target Completion Date	June 2015
Revised Target Completion Date	August 2015

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, 2017

	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
Total Revenue and Other Financing Sources	184,825		184,825	184,825
Expenditures:				
Purchased Professional and Technical Services	12,392		12,392	12,825
Construction Services	141,778		141,778	172,000
Total Expenditures	154,170		154,170	184,825
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 30,655</u>	<u>\$ -0-</u>	<u>\$ 30,655</u>	<u>\$ -0-</u>

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
Revised Authorized Cost	\$ 184,825
Percentage Completion	83.41%
Original Target Completion Date	June 2015
Revised Target Completion Date	January 2016

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, 2017

	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	304,076	-0-	304,076	308,800
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 4,724	\$ -0-	\$ 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
Revised Authorized Cost	\$ 308,800
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, 2017

	Prior Periods	Current Year	Totals	Project Authorization
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	597,900		597,900	597,900
Expenditures:				
Construction Services	487,630	\$ 19,337	506,967	597,900
Total Expenditures	487,630	19,337	506,967	597,900
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 110,270	\$ (19,337)	\$ 90,933	\$ -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
Percentage Completion	84.79%
Original Target Completion Date	June 2017
Revised Target Completion Date	12/01/17

PROPRIETARY FUNDS

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program	Non-Major Funds	
<u>ASSETS:</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 417,903	\$ 11,235	\$ 176,674	\$ 586,084	\$ 773,993	\$ 1,191,896
Accounts Receivable:						
Interfund - General Fund	34,777					34,777
Other Governments:						
Federal	74,137					74,137
State	3,181					3,181
Other	48,653			1,683	1,683	50,336
Inventories	34,785					34,785
Total Current Assets	<u>613,436</u>	<u>11,235</u>	<u>176,674</u>	<u>587,767</u>	<u>775,676</u>	<u>1,389,112</u>
Non-Current Assets:						
Capital Assets	1,080,335					1,080,335
Less: Accumulated Depreciation	(838,194)					(838,194)
Total Non-Current Assets	<u>242,141</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>242,141</u>
Total Assets	<u>855,577</u>	<u>11,235</u>	<u>176,674</u>	<u>587,767</u>	<u>775,676</u>	<u>1,631,253</u>
<u>LIABILITIES:</u>						
Current Liabilities:						
Accounts Payable	545,692		1,683	15,656	17,339	563,031
Unearned Revenue	67,744	8,080	109,484		117,564	185,308
Long-term Liabilities:						
Compensated absences payable				26,058	26,058	26,058
Total Liabilities	<u>613,436</u>	<u>8,080</u>	<u>111,167</u>	<u>41,714</u>	<u>160,961</u>	<u>774,397</u>
<u>NET POSITION:</u>						
Investment in Capital Assets	242,141					242,141
Unrestricted		3,155	65,507	546,053	614,715	614,715
Total Net Position	<u>\$ 242,141</u>	<u>\$ 3,155</u>	<u>\$ 65,507</u>	<u>\$ 546,053</u>	<u>\$ 614,715</u>	<u>\$ 856,856</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	\$ 1,107,513					\$ 1,107,513
Daily Sales - Non-Reimbursable Programs	1,215,431					1,215,431
Special Events	170,619					170,619
Program Fees		\$ 6,895	\$ 401,866	\$ 1,081,423	\$ 1,490,184	1,490,184
Total Operating Revenue	<u>2,493,563</u>	<u>6,895</u>	<u>401,866</u>	<u>1,081,423</u>	<u>1,490,184</u>	<u>3,983,747</u>
Operating Expenses:						
Cost of Sales - Reimbursable Programs	530,910					530,910
Cost of Sales - Non-Reimbursable Programs	625,314					625,314
Salaries	1,030,451	6,254	276,691	628,163	911,108	1,941,559
Employee Benefits	319,491			117,830	117,830	437,321
Purchased Property Services				8,109	8,109	8,109
Other Purchased Services				338,138	338,138	338,138
Management Fee	295,632					295,632
Supplies and Materials	240,541	1,294	164,584	14,693	180,571	421,112
Other Objects	631		7,334		7,334	7,965
Depreciation Expense	57,615					57,615
Total Operating Expenses	<u>3,100,585</u>	<u>7,548</u>	<u>448,609</u>	<u>1,106,933</u>	<u>1,563,090</u>	<u>4,663,675</u>
Operating Loss	<u>(607,022)</u>	<u>(653)</u>	<u>(46,743)</u>	<u>(25,510)</u>	<u>(72,906)</u>	<u>(679,928)</u>
Non-Operating Revenue:						
Federal Sources:						
National School Lunch Program	342,880					342,880
School Breakfast Program	26,374					26,374
Special Milk Program	1,155					1,155
Food Distribution Program	134,535					134,535
State Sources:						
School Lunch Program	15,515					15,515
Total Non-Operating Revenue	<u>520,459</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>520,459</u>
Change in Net Position Before Transfers	(86,563)	(653)	(46,743)	(25,510)	(72,906)	(159,469)
Transfers In - General Fund	40,097		112,250			152,347
Transfers Out - General Fund				(112,250)		(112,250)
Change in Net Position After Transfers	(46,466)	(653)	65,507	(137,760)	(72,906)	(119,372)
Net Position - Beginning of Year (Restated)	288,607	3,808		683,813	687,621	976,228
Net Position - End of Year	<u>\$ 242,141</u>	<u>\$ 3,155</u>	<u>\$ 65,507</u>	<u>\$ 546,053</u>	<u>\$ 614,715</u>	<u>\$ 856,856</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	\$ 2,486,821	\$ 8,985	\$ 432,850	\$ 1,083,253	\$ 1,525,088	\$ 4,011,909
Payments to Employees		(6,254)	(276,691)	(602,105)	(885,050)	(885,050)
Payments to Food Service Vendor	(2,384,029)					(2,384,029)
Payments to Suppliers	(240,541)	(1,294)	(170,235)	(491,236)	(662,765)	(903,306)
Net Cash Provided by/(Used for) Operating Activities	(137,749)	1,437	(14,076)	(10,088)	(22,727)	(160,476)
Cash Flows from Capital Financing Activities:						
Acquisition of Capital Assets	(11,149)					(11,149)
Net Cash Used for Capital Financing Activities	(11,149)	- 0 -	- 0 -	- 0 -	- 0 -	(11,149)
Cash Flows from Noncapital Financing Activities:						
Federal Sources	367,913					367,913
State Sources	15,388					15,388
Transfer In			112,250			112,250
Transfer Out	26,668			(112,250)		(85,582)
Net Cash Provided by (Used for) Noncapital Financing Activities	409,969	- 0 -	112,250	(112,250)	- 0 -	409,969
Net Increase/(Decrease) in Cash and Cash Equivalents	261,071	1,437	98,174	(122,338)	(22,727)	238,344
Cash and Cash Equivalents, July 1	156,832	9,798	78,500	708,422	796,720	953,552
Cash and Cash Equivalents, June 30	<u>\$ 417,903</u>	<u>\$ 11,235</u>	<u>\$ 176,674</u>	<u>\$ 586,084</u>	<u>\$ 773,993</u>	<u>\$ 1,191,896</u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:						
Operating Loss	\$ (607,022)	\$ (653)	\$ (46,743)	\$ (25,510)	\$ (72,906)	\$ (679,928)
Adjustment to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation	57,615					57,615
Federal Food Distribution Program	134,535					134,535
Changes in Assets and Liabilities:						
(Increase)/Decrease in Accounts Receivable	(32,220)			1,830	1,830	(30,390)
(Increase)/Decrease in Inventory	5,661					5,661
Increase/(Decrease) in Accounts Payable	278,204		1,683	(12,466)	(10,783)	267,421
Increase/(Decrease) in Compensated Absences Payable				26,058	26,058	26,058
Increase/(Decrease) in Unearned Revenue	25,478	2,090	30,984		33,074	58,552
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (137,749)</u>	<u>\$ 1,437</u>	<u>\$ (14,076)</u>	<u>\$ (10,088)</u>	<u>\$ (22,727)</u>	<u>\$ (160,476)</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 \$131,355 and \$134,535 respectively, for the fiscal year ended June 30, 2017.

FIDUCIARY FUNDS

WAYNE TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	<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	\$ 613,244	\$ 1,723,492	\$ 2,336,736	\$ 287,836	\$ 49,621
Investments					\$ 34,354
Total Assets	<u>613,244</u>	<u>1,723,492</u>	<u>2,336,736</u>	<u>287,836</u>	<u>49,621</u>
<u>LIABILITIES:</u>					
Accounts Payable - Vendors	38,731		38,731		
Payroll Deductions and Withholdings		1,723,492	1,723,492		
Due to Student Groups	574,513		574,513		
Total Liabilities	<u>613,244</u>	<u>1,723,492</u>	<u>2,336,736</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims			287,836		
Flexible Spending Claims				49,621	
Restricted for Scholarships					34,354
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 287,836</u>	<u>\$ 49,621</u>
				<u>\$ 34,354</u>	

WAYNE TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 241,576	\$ 189,621	
Total Contributions	<u>241,576</u>	<u>189,621</u>	
Investment Earnings:			
Interest			\$ 77
Net Investment Earnings			<u>77</u>
Total Additions	<u>241,576</u>	<u>189,621</u>	<u>77</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	301,447		
Flexible Spending Claims		187,111	
Total Deductions	<u>301,447</u>	<u>187,111</u>	
Change in Net Position	(59,871)	2,510	77
Net Position - Beginning of the Year	<u>347,707</u>	<u>47,111</u>	<u>34,277</u>
Net Position - End of the Year	<u>\$ 287,836</u>	<u>\$ 49,621</u>	<u>\$ 34,354</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 530,209	\$ 1,060,751	\$ 977,716	\$ 613,244
Accounts Receivable - Other	588		588	
Total Assets	<u>\$ 530,797</u>	<u>\$ 1,060,751</u>	<u>\$ 978,304</u>	<u>\$ 613,244</u>
<u>LIABILITIES:</u>				
Liabilities:				
Accounts Payable	\$ 7,482	\$ 38,731	\$ 7,482	\$ 38,731
Due to Student Groups	523,315	1,022,020	970,822	574,513
Total Liabilities	<u>\$ 530,797</u>	<u>\$ 1,060,751</u>	<u>\$ 978,304</u>	<u>\$ 613,244</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2017</u>
Elementary Schools:					
A.P. Terhune	\$ 1,375	\$ 5,354	\$ 3,253	\$ 771	\$ 2,705
Theunis Dey	5,208	3,815	4,464		4,559
James Fallon	781	7,971	4,295	2,606	1,851
John F. Kennedy	1,320	8,869	6,883	2,766	540
Lafayette	640	5,457	5,727		370
Pines Lake	3,563	6,425	2,935	1,014	6,039
Ryerson	2,402	2,050	2,084		2,368
Randall Carter	1,762	5,510	3,629	1,530	2,113
Packanack	7,823	5,845	4,469		9,199
Middle Schools:					
George Washington	49,306	155,620	157,518	3,131	44,277
Schuyler Colfax	39,152	174,447	144,276	10,152	59,171
Anthony Wayne	30,408	131,389	130,387	3,011	28,399
High Schools:					
Wayne Valley	165,874	256,914	231,202	2,782	188,804
Wayne Hills	213,701	252,354	230,969	10,968	224,118
Total All Schools	<u>\$ 523,315</u>	<u>\$ 1,022,020</u>	<u>\$ 932,091</u>	<u>\$ 38,731</u>	<u>\$ 574,513</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	<u>\$ 1,595,294</u>	<u>\$ 106,925,466</u>	<u>\$ 106,797,268</u>	<u>\$ 1,723,492</u>
Total Assets	<u><u>\$ 1,595,294</u></u>	<u><u>\$ 106,925,466</u></u>	<u><u>\$ 106,797,268</u></u>	<u><u>\$ 1,723,492</u></u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	<u>1,595,294</u>	<u>\$ 106,925,466</u>	<u>\$ 106,797,268</u>	<u>\$ 1,723,492</u>
Total Liabilities	<u><u>\$ 1,595,294</u></u>	<u><u>\$ 106,925,466</u></u>	<u><u>\$ 106,797,268</u></u>	<u><u>\$ 1,723,492</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, 2016	Retired/ Matured	Balance June 30, 2017
			Date	June 30, 2017	Amount				
School Refunding Bonds	11/01/12	\$ 25,440,000	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%			
						\$ 20,795,000	\$ 2,510,000	\$ 18,285,000	
						<u>\$ 20,795,000</u>	<u>\$ 2,510,000</u>	<u>\$ 18,285,000</u>	

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

Item	Interest Rate	Original Issue	Balance July 1, 2016	Issued	Retired/ Matured	Balance June 30, 2017
Equipment and Buses	1.07%	\$ 825,000	\$ 85,210		\$ 85,210	
Equipment and Buses	1.28%	1,000,000	305,358		202,920	\$ 102,438
Equipment and Buses	1.52%	1,250,000	636,860		251,847	385,013
Equipment and Buses	1.65%	1,515,800	1,074,064		300,598	773,466
Equipment and Buses	1.82%	1,700,000	1,536,853		330,766	1,206,087
Equipment and Buses	1.82%	420,000		\$ 420,000		420,000
Equipment and Buses	1.93%	813,000		813,000		813,000
Energy Savings Improvement Program	2.93%	11,065,064	10,225,064		913,542	9,311,522
			<u>\$ 13,863,409</u>	<u>\$ 1,233,000</u>	<u>\$ 2,084,883</u>	<u>\$ 13,011,526</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,356,975		\$ 3,356,975	\$ 3,356,975	
Total Revenues	<u>3,356,975</u>		<u>3,356,975</u>	<u>3,356,975</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	846,975		846,975	846,975	
Redemption of Principal	2,510,000		2,510,000	2,510,000	
Total Regular Debt Service	<u>3,356,975</u>		<u>3,356,975</u>	<u>3,356,975</u>	
Total Expenditures	<u>3,356,975</u>		<u>3,356,975</u>	<u>3,356,975</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 82,669,427	\$ 82,499,868	\$ 86,411,538	\$ 85,819,477	\$ 87,266,186	\$ 91,042,891	\$ 92,381,582	\$ 73,184,000	\$ 78,905,505	\$ 88,567,172
Special Education								19,201,430	20,890,532	26,092,880
Other Special Instruction								4,738,040	4,378,608	5,421,181
School Sponsored/Other Instruction								4,826,208	5,645,476	6,127,133
Support Services:										
Tuition	17,234,748	17,751,392	22,440,126	22,013,472	22,976,908	25,110,264	24,387,990	5,314,728	5,161,154	5,271,592
Student & Instruction Related Services	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	1,697,118
General Administrative Services	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	10,914,958
School Administrative Services								1,862,301	1,945,289	1,910,214
Central Services								2,655,557	1,396,216	1,452,571
Administrative Information Technology	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	15,893,651
Plant Operations and Maintenance	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	7,433,794
Pupil Transportation	4,365,077	4,637,736	4,012,777	3,499,718	2,536,016	3,567,886	3,448,376			
Other Support Services		622,319	618,098							
Special Schools		9,818	15,528			1,105	21,826	22,279	66,474	44,328
Charter Schools	1,890,086	1,694,647	1,603,066	1,535,058	1,415,635	826,922	1,143,735	744,813	829,057	637,953
Interest on Long-term Debt										
Unallocated Depreciation										655,619
Total Governmental Activities Expenses	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	205,040,038
Business-Type Activities:										
Food Service	2,693,454	2,774,039	2,854,815	2,867,111	2,994,123	2,892,281	2,986,474	2,960,246	2,813,044	3,100,585
Community Education Program	343,938	306,178	256,970	278,243	353,037	46,689	9,809	7,023	6,608	7,548
Wrap Around Program										448,609
Extended Day Program	791,158	799,382	724,062	659,868	767,195	804,658	887,558	859,096	1,006,149	1,106,933
Total Business-Type Activities Expenses	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	4,663,675
Total District-Wide Expenses	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	209,703,713
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular	87,195	676,835	369,001	232,591	233,126	262,215	232,479	257,341	350,496	569,932
Special Education	744,847					15,578				
Operating Grants and Contributions	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	58,118,004
Capital Grants and Contributions	841,450	697	186,380			20,062		45,427	250,000	
Total Governmental Activities Program Revenues	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	58,687,936

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 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	\$ 2,493,563
Community Education Program	368,215	282,816	230,891	241,343	244,045	53,397	7,305	2,819	10,416	6,895
Wrap Around Program										401,866
Extended Day Program	800,665	787,227	790,783	876,623	898,991	911,525	961,643	936,108	953,743	1,081,423
Operating Grants and Contributions	302,996	314,446	373,860	398,778	429,446	432,168	487,792	503,077	451,225	520,459
Total Business-Type Activities Revenues	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	4,504,206
Total District-wide Program Revenues	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	63,192,142
Net (Expense)/Revenue:										
Governmental Activities	(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)	(146,352,102)
Business-Type Activities	(99,760)	(32,429)	43,704	139,214	(13,959)	82,444	(44,007)	22,720	(84,978)	(159,469)
Total District-wide Net (Expense)/Revenue	(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)	(146,511,571)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	143,031,801
Taxes Levied for Debt Service	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	3,356,975
Unrestricted Grants and Contributions	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	507,514
Donations		67,331								
Gain (Loss) on Disposal of Fixed Assets	(33,822)									
Investment Earnings	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	3,298	1,381	21,596
Premium on Issuance of Note		18								
Miscellaneous Income	344,510	704,630	329,679	686,554	398,512	809,653	484,270	708,063	682,503	587,040
Transfers	(29,734)	(34,224)			(136,523)			(63,686)	(21,348)	(40,097)
Total Governmental Activities General Revenues and Other Changes in Net Position	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	147,464,829
Business-type Activities:										
Investment Earnings	23,119	8,602	10,606	86	454	315				
Transfers	29,734	34,224			136,523			63,686	21,348	40,097
Total Business-type Activities General Revenues and Other Changes in Net Position	52,853	42,826	10,606	86	136,977	64,001	21,348	86,001	21,348	40,097
Total District-wide General Revenues and Other Changes in Net Position	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	147,504,926
Change in Net Position:										
Governmental Activities	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	1,112,727
Business-Type Activities	(46,907)	10,397	54,310	139,300	123,018	82,444	(44,007)	86,721	(63,630)	(119,372)
Total District-Wide Change in Net Position	\$ 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	\$ 993,355

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Tax Levy	\$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	\$146,388,776
Tuition Charges	832,042	676,835	369,001	232,591	233,126	262,215	232,479	272,919	350,496	569,932
Interest Earnings	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	340		21,596
Miscellaneous	384,576	839,726	454,115	802,606	524,640	867,370	688,456	838,941	816,144	769,446
State Sources	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	25,254,503
Federal Sources	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	2,583,944
Total Revenues	140,914,333	137,349,132	142,192,764	144,818,021	149,091,240	155,474,722	156,540,212	161,334,913	168,308,757	175,588,197
Expenditures:										
Instruction:	81,475,077	81,029,907	59,385,126	57,343,735	57,765,509	58,340,405	59,089,833	41,929,364	43,211,537	44,183,079
Regular Instruction								12,174,471	12,548,479	13,725,930
Special Education Instruction								2,729,696	2,387,187	2,639,084
Other Special Instruction								3,257,086	3,626,614	3,711,348
School Sponsored/Other Instruction										
Support Services:										
Tuition								5,314,728	5,161,154	5,271,592
Student & Instruction Related Service:	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	17,362,013
General Administrative Services	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	1,435,840
School Administrative Services	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	5,371,249
Central Services								1,429,949	1,488,974	1,439,510
Administrative Information Technology								1,905,868	1,549,262	1,607,019
Plant Operations and Maintenance	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	13,977,739
Pupil Transportation	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	5,908,667
Other Support Services	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	51,129,789
Transfer of Fund to Charter Schools			15,528			1,105	21,826	22,279	66,474	44,328
Special Schools			425,598							
Capital Outlay	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	3,332,892
Debt Service:										
Principal	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	2,510,000
Interest and Other Charges	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	846,975
Cost of issuance			66,933			231,086	112,370			
Total Expenditures	142,329,068	142,114,773	145,444,469	144,465,654	147,760,263	156,521,123	159,684,068	167,085,595	175,933,087	174,497,054

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	\$ (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)	\$ 1,091,143
Other Financing Sources (Uses):										
Capital Leases (non-budgeted)	315,748	561,465	495,815	600,000	825,000	1,000,000	1,250,000	1,515,800	1,700,000	1,233,000
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	3,754,758	799	468,585	177	84	587,061	693,275	167,255	349,281	
Transfers Out	(3,784,492)	(35,023)	(468,585)	(177)	(136,607)	(587,061)	(693,275)	(230,941)	(370,629)	(40,097)
Total Other Financing Sources (Uses)	286,014	527,259	495,815	666,933	688,477	1,231,086	12,315,064	1,452,114	1,678,652	1,192,903
Net Change in Fund Balances	\$ (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)	\$ 2,284,046
Debt Service as a Percentage of										
Noncapital Expenditures	3.16%	3.20%	2.85%	2.89%	2.82%	2.95%	2.99%	2.38%	2.30%	1.96%

Source: Wayne Township Public Schools District Financial Reports.

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 on Investments	Rents	Refunds	Misc.	Total
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
2017	569,932		21,596	321,204	61,139	204,697	1,178,568

* - 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 ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
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
2016	61,455,000	3,782,207,300	1,405,200	94,200	1,084,395,800	174,597,300	87,685,600	5,191,840,400		5,191,840,400	9,520,997,642	2.769

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.

Source: Wayne Township Tax Assessor.

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 ^a	General Obligation Debt Service ^b	Total Direct	Wayne Township	Passaic County	
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	2.638	0.075	2.713	1.214	1.348	5.275
2016	2.695	0.074	2.769	1.199	1.370	5.338

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

		2016			2007		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willowbrook Mall	\$ 187,500,000	1	3.64%	Willowbrook Mall	\$ 156,000,000	1	2.91%
West Belt Fee	81,600,000	2	1.59%	Wayne Retail, LLC	39,000,000	2	0.73%
Toys R Us	38,527,100	3	0.75%	Toys R Us	38,527,100	3	0.72%
Wayne PSC, LLC	32,612,400	4	0.63%	Wayne PSC, LLC	32,612,400	4	0.61%
Mt View Crossings	31,970,400	5	0.62%	Mt View Crossings	31,970,400	5	0.60%
PL Wayne, LLC	26,000,000	6	0.51%	Macy's East	30,024,200	6	0.56%
Macy's East	25,500,000	7	0.50%	PL Wayne, % Kimco Realty	28,940,200	7	0.54%
St Joseph's Wayne Hospital	23,034,200	8	0.45%	Levco Associates	22,800,000	8	0.43%
Levco Associates	18,000,000	9	0.35%	Meadox Medicals Inc.	20,089,900	9	0.37%
Seritage SRC Finance	17,750,000	10	0.35%	Sears Roebuck	19,508,100	10	0.36%
Total	\$ 482,494,100		9.38%	Total	\$ 419,472,300		7.82%

Source: Wayne Township Tax Assessor.

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2017	146,388,776	146,388,776	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).

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases	Bond Anticipation Notes (BANs)			
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	* 26,633,619	-0-	14,207,763	-0-	40,841,382	1.70%	740.82
2016	* 23,384,748	-0-	13,863,409	-0-	37,248,157	1.43%	674.66
2017	* 20,504,784	-0-	13,011,526	-0-	33,516,310	1.30%	612.84

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.

* - Includes unamortized bond premiums.

Source: Wayne Township Public Schools District Financial Reports.

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			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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 *	26,633,619		26,633,619	0.52%	482.41
2016 *	23,384,748		23,384,748	0.46%	427.59
2017 *	20,504,784		20,504,784	0.39%	374.93

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.

* - Includes unamortized bond premiums.

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Wayne Township	\$ 70,699,774	100.00%	\$ 70,699,774
Passaic County General Obligation Debt (including Passaic County Utilities Authority debt)	361,427,569	20.43%	<u>73,848,762</u>
Subtotal, Overlapping Debt			425,481,903
Wayne Township Public Schools District Direct Debt			<u>33,516,310</u>
Total Direct and Overlapping Debt			<u><u>\$ 458,998,213</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

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 425,657,259	\$ 450,435,032	\$ 458,894,663	\$ 290,827,604	\$ 418,139,679
Total Net Debt Applicable to Limit	45,021,000	42,686,000	40,251,000	37,668,000	35,013,000
Legal Debt Margin	<u>\$ 380,636,259</u>	<u>\$ 407,749,032</u>	<u>\$ 418,643,663</u>	<u>\$ 253,159,604</u>	<u>\$ 383,126,679</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.58%	9.48%	8.77%	12.95%	8.37%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 395,972,746	\$ 379,432,326	\$ 377,745,146	\$ 375,452,234	\$ 381,155,605
Total Net Debt Applicable to Limit	29,275,000	26,400,000	26,633,619	23,384,748	20,504,784
Legal Debt Margin	<u>\$ 366,697,746</u>	<u>\$ 353,032,326</u>	<u>\$ 351,111,527</u>	<u>\$ 352,067,486</u>	<u>\$ 360,650,821</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.39%	6.96%	7.05%	6.23%	5.38%

<u>Legal Debt Margin Calculation for Fiscal Year 2017</u>	
<u>Year Ended</u> <u>December 31,</u>	<u>Equalized</u> <u>Valuation Basis</u>
2014	\$ 9,283,196,499
2015	9,376,436,746
2016	<u>9,927,037,094</u>
	<u>\$28,586,670,339</u>
Average Equalized Valuation of Taxable 1	<u>\$ 9,528,890,113</u>
Debt Limit (4% of Average Equalization) ^	\$ 381,155,605
Net Bonded School Debt	<u>20,504,784</u>
Legal Debt Margin	<u>\$ 360,650,821</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

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Passaic County Per Capita Personal Income^c</u>	<u>Township Unemployment Rate^d</u>
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	47,189	2,605,304,690	4.5%
2016	54,690	47,189 *	2,580,766,410	3.9%
2017	54,690 **	47,189 *	2,580,766,410 ***	N/A

N/A - Information is not available

* - Latest Passaic County per capita personal income data available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

***- Latest population data (2016) and latest per capita personal income (2015) 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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	580	575	573	594	538	539	536	578	562	560
Special Education	211	216	243	225	250	257	329	353	340	340
Support Services:										
Student & Instruction Related Services			130	131	131	139	125	120	120	120
General Administrative Services	6	6	14	14	13	22	13	20	20	20
School Administrative Services	69	69	57	52	46	45	52	57	54	49
Central services	17	18	19	18	17	17	17	18	15	15
Administrative information technology	10	11	15	14	11	11	14	12	13	12
Plant Operations and Maintenance	112	115	116	115	104	103	125	130	151	150
Pupil Transportation	70	72	92	91	94	95	93	105	98	104
Business and Other Support Services	155	154	71	71	63	63	57	68	68	68
Special Schools	5	5	0	0	0	0	0	0	0	0
Total	1,235	1,241	1,330	1,325	1,267	1,291	1,361	1,461	1,441	1,438

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio			High School	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School					
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	1:09.8	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	1:09.8	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	1:09.8	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%	
2017	7,963	167,807,187	21,073	4.03%	795	1:13.6	1:10.7	1:11.0	7,920	7,488	-1.32%	94.55%	

a - Enrollment is obtained from October 14 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary Schools</u>										
<u>Randall Carter</u>										
Square Feet	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,071	36,071
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	354	353	353	353	365	365	365	365	320	336
<u>Theunis Dey</u>										
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	469	447	447	447	441	441	441	441	431	445
<u>James Fallon</u>										
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	446	418	418	418	396	396	396	396	358	357
<u>John F. Kennedy</u>										
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	452	428	428	428	452	452	452	452	442	416
<u>Lafayette</u>										
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	424	397	397	397	381	381	381	381	327	334
<u>Packanack Lake</u>										
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	517	496	496	496	510	510	510	510	462	447
<u>Pines Lake</u>										
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	466	448	448	448	429	429	429	429	367	398

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

<u>District Building</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Ryerson</u>										
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	305	282	282	282	262	262	262	262	263	284
<u>Albert Payson Terhune</u>										
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	413	412	412	412	412	412	412	412	420	396
<u>Middle Schools</u>										
<u>Schuyler Colfax</u>										
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	725	717	717	717	780	780	780	780	733	752
<u>George Washington</u>										
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	662	652	652	652	603	603	603	603	557	582
<u>Anthony Wayne</u>										
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	725	756	756	756	714	714	714	714	654	632
<u>High Schools</u>										
<u>Wayne Valley</u>										
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	1,429	1,434	1,434	1,434	1,479	1,479	1,479	1,479	1,337	1,302
<u>Wayne Hills</u>										
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	1,412	1,387	1,387	1,387	1,339	1,339	1,339	1,339	1,350	1,329

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Other</u>										
<u>Preakness Academy</u>										
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
<u>Outdoor Lab</u>										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
<u>Child Study Team</u>										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
<u>Transportation Building</u>										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
<u>Maintenance Building</u>										
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, 2017
 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 #111-000-261-XXXX:

School Facilities*	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A.P Terhune Elementary School	\$ 81,202	\$ 73,587	\$ 49,843	\$ 56,021	\$ 67,568	\$ 74,929	\$ 76,112	\$ 75,183	\$ 80,245	\$ 76,185
Administration Building	41,228	37,363	25,307	28,444	34,307	27,682	28,138	27,795	29,550	201,916
Anthony Wayne Middle School	204,541	185,359	125,551	141,114	170,200	198,788	202,111	199,645	212,712	28,048
George Washington Middle School	220,098	199,457	135,100	151,846	183,145	199,630	203,316	200,835	213,477	202,615
James Fallon Elementary School	90,210	81,750	55,372	62,236	75,064	81,607	83,244	82,228	87,378	82,953
John F. Kennedy Elementary School	87,721	79,494	53,845	60,519	72,993	79,724	81,371	80,378	85,340	81,014
Lafayette Elementary School	78,290	70,948	48,056	54,012	65,145	71,154	72,664	71,777	76,169	72,309
Packanack Elementary School	99,137	89,840	60,852	68,395	82,492	91,386	93,370	92,231	97,822	92,863
Pines Lake Elementary School	95,943	86,945	58,891	66,191	79,835	85,845	87,761	86,690	91,709	87,030
Preakness	50,641	45,892	31,085	34,939	42,139	52,603	53,806	53,149	56,299	54,736
Randall Carter Elementary School	72,688	65,871	44,617	50,147	60,484	65,756	67,281	66,460	70,309	66,732
Ryerson Elementary School	94,139	85,310	57,784	64,947	78,334	85,162	87,171	86,107	91,199	86,582
Schuyler-Colfax Middle School	244,633	221,691	150,160	168,773	203,560	231,832	237,418	234,521	247,104	234,389
Theunis Dey Elementary School	87,378	79,184	53,634	60,283	72,708	79,029	81,037	80,048	84,576	80,284
Wayne Hills High School	463,210	419,770	284,326	319,570	385,439	471,087	483,244	477,347	503,888	478,245
Wayne Valley High School	482,152	436,935	295,951	332,639	401,202	485,896	499,565	493,469	519,690	475,534
Grand Total	\$ 2,493,211	\$ 2,259,396	\$ 1,530,374	\$ 1,720,076	\$ 2,074,615	\$ 2,382,110	\$ 2,437,609	\$ 2,407,863	\$ 2,547,467	\$ 2,401,435

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
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 Orders & Counterfeit Paper Currency	25,000	500
Forgery or Alteration	25,000	500
Computer Fraud	100,000	1,000
	Total Budget Payrolls	
Workers Compensation	89,110,000	
New Jersey Schools Insurance Group		
School Leaders Errors & Omissions	16,000,000	25,000
Torus National Insurance Company		
High Excess Liability	24,000,000	
QBE Insurance Corporation		
Volunteer Liability	500,000	
Hartford Fire Insurance Company		
Treasurer of School Monies	550,000	
Board Secretary/Business Administrator	100,000	

Source: Wayne Township Public Schools District Financial Reports.

SINGLE AUDIT 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

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, 2017, 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 10, 2017.

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

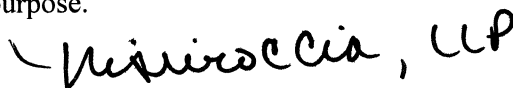
Compliance and Other Matters

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*.

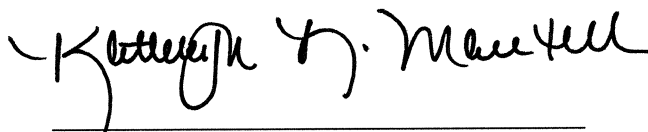
Purpose of this Report

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.

Mount Arlington, New Jersey
November 10, 2017



NISIVOCCIA LLP



Kathryn L. Mantell
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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, 2017. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

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

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

The Honorable President and Members
of the Board of Education
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, 2017.

Report on Internal Control Over Compliance

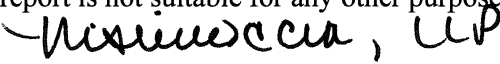
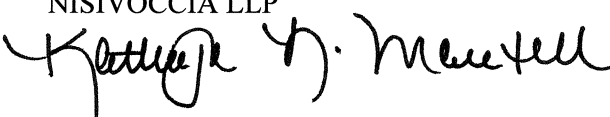
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 10, 2017


NISIVOCCIA LLP

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, 2017

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Canceled	Balance at June 30, 2017		Amounts Provided to Subrecipients
			From	To								(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-5570-17	7/1/16	6/30/17	\$ 1,861,014			\$ 1,444,729	\$ (1,861,014)			\$ (416,285)		
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-16	7/1/15	6/30/16	1,973,558	\$ (469,750)		469,750						
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-17	7/1/16	6/30/17	70,809	(469,750)		70,809	(70,809)			(416,285)		
Subtotal Special Education Cluster														
No Child Left Behind:														
Title I	84.010	NCLB-5570-17	7/1/16	6/30/17	1,016,928		\$ 80,209	210,911	(243,092)			\$ 48,028		
Title I	84.010	NCLB-5570-16	7/1/15	6/30/16	627,667	80,209	(80,209)							
Title II A	84.367A	NCLB-5570-17	7/1/16	6/30/17	204,791		22,943	13,075	(167,084)			(131,066)		
Title II A	84.367A	NCLB-5570-16	7/1/15	6/30/16	143,379	22,943	(22,943)							
Title III - Immigrant	84.365A	NCLB-5570-17	7/1/16	6/30/17	74,978		800		(9,912)			(9,912)		
Title III - Immigrant	84.365A	NCLB-5570-16	7/1/15	6/30/16	105,008	800	(800)							
Title III	84.365A	NCLB-5570-17	7/1/16	6/30/17	90,684		6,468	4,594	(84,673)			(73,611)		
Title III	84.365A	NCLB-5570-16	7/1/15	6/30/16	55,085	6,468	(6,468)							
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-17	7/1/16	6/30/17	40,281	(2,543)		2,543	(26,541)			(26,541)		
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-16	7/1/15	6/30/16	40,281									
Total Special Revenue Fund														
						(361,873)		2,216,411	(2,463,125)			(656,615)	48,028	
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	(4,816)					\$ 4,816	(250,000)		
						(254,816)					4,816	(250,000)		
Total U.S. Department of Homeland Security														

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Canceled	Balance at June 30, 2017								
			From	To						(Accounts Receivable)	Unearned Revenue							
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:																		
General Fund:																		
Medicaid Cluster:																		
Medical Assistance Program	93.778	N/A	7/1/16	6/30/17	\$ 120,940		\$ 120,940	\$ (120,940)										
Medical Assistance Program	93.778	N/A	7/1/15	6/30/16	85,215		29,984											
ARRA - Medical Assistance Program	93.778	N/A	4/1/09	12/31/09	396		396	(396)										
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						(29,984)	151,320	(121,336)										
U.S. Department of Agriculture - Passed-through State Department of Agriculture:																		
Child Nutrition Cluster:																		
Special Milk Program	10.556	N/A	7/1/16	6/30/17	1,155		1,004	(1,155)		\$ (151)								
Special Milk Program	10.556	N/A	7/1/15	6/30/16	2,820		539											
School Breakfast Program	10.553	N/A	7/1/16	6/30/17	26,374		20,836	(26,374)		(5,538)								
School Breakfast Program	10.553	N/A	7/1/15	6/30/16	27,868		5,812											
National School Lunch Program	10.555	N/A	7/1/16	6/30/17	342,880		274,432	(342,880)		(68,448)								
National School Lunch Program	10.555	N/A	7/1/15	6/30/16	335,225		65,290											
Federal Food Distribution Program	10.555	N/A	7/1/16	6/30/17	131,355		131,355	(128,533)		\$ 2,822								
Federal Food Distribution Program	10.555	N/A	7/1/15	6/30/16	66,488			(6,002)										
Subtotal Child Nutrition Cluster						(65,639)	499,268	(504,944)		(74,137)	2,822							
Total U.S. Department of Agriculture						(65,639)	499,268	(504,944)		(74,137)	2,822							
TOTAL FEDERAL AWARDS										\$ (712,312)	\$ -0-	\$ -0-	\$ 2,866,999	\$ (3,089,405)	\$ 4,816	\$ (980,752)	\$ 50,850	\$ -0-

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, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2016		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO		
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures	
Special Revenue Fund:															
NJ Nonpublic Aid:															
Handicapped Services (Chapter 193):															
Supplementary Instruction	17-100-034-5120-066	7/1/16	6/30/17	\$ 76,273	\$ 822	\$ 76,273	\$ (822)				\$ 2,511	\$	\$ 73,762		
Supplementary Instruction	16-100-034-5120-066	7/1/15	6/30/16	67,053									66,231		
Examination and Classification	17-100-034-5120-066	7/1/16	6/30/17	88,447		88,447	(73,723)				14,724		73,723		
Examination and Classification	16-100-034-5120-066	7/1/15	6/30/16	96,618						(11,573)			85,045		
Corrective Speech	17-100-034-5120-066	7/1/16	6/30/17	22,264		22,264	(19,614)			(5,938)			19,614		
Corrective Speech	16-100-034-5120-066	7/1/15	6/30/16	22,407									16,469		
Anti-Bullying Bill of Rights Act	N/A	7/1/13	6/30/16	11,838							\$ 455		11,383		
Total Special Revenue Fund					(17,547)	682,270	(578,599)			(55,477)	(4,584)	455	90,253	(4,584)	1,060,174
Enterprise Fund:															
State School Lunch Program	17-100-010-3350-023	7/1/16	6/30/17	15,515		12,334	(15,515)				(3,181)			(3,181)	15,515
State School Lunch Program	16-100-010-3350-023	7/1/15	6/30/16	15,613		3,054									15,613
Total Enterprise Fund					(3,054)	15,388	(15,515)				(3,181)			(3,181)	31,580
Schools Development Authority:															
Capital Projects Fund:															
Educational Facilities Construction & Financing Act:															
Wayne Hills High School:															
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)	
George Washington Middle School:															
Exterior Window Replacement	5570-083-14-1003	6/17/14	6/30/16	61,000			(61,000)				(3,403)			(61,000)	3,403
Lafayette Elementary School:															
Partial Roof Replacement	5570-090-14-1004	6/17/14	6/30/16	57,490			(57,490)				(2,740)			(57,490)	2,740
Total Capital Projects Fund					(278,023)						(10,588)			(278,023)	10,588
TOTAL STATE AWARDS					\$ (3,419,879)	\$ 24,977,567	\$ (25,320,940)			\$ (55,477)	\$ (3,257,113)	\$ 455	\$ 90,253	\$ (3,853,960)	\$ 37,008,013
Less: State Awards Not Subject to Single Audit Major Program Determination															
On-Behalf TPAF Pension System Contributions:															
On-Behalf TPAF Pension System Contributions	17-495-034-5094-001	7/1/16	6/30/17				5,925,825								
On-Behalf TPAF Pension System Contributions	17-495-034-5094-002	7/1/16	6/30/17				6,863,222								
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16	6/30/17				248,670								
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16	6/30/17				14,273								
Subtotal - On-Behalf TPAF Pension System Contributions							13,051,990								
Total State Awards Subject to Single Audit Major Program Determination							\$ (12,268,950)								
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, 2017

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, 2017. 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 not 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, 2017
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,296 for the general fund and \$(37,966) for the special revenue fund, (of which (\$16,769) 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. 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	\$ 121,336	\$ 24,730,122	\$24,851,458
Special Revenue Fund	2,462,608	524,381	2,986,989
Food Service Enterprise Fund	<u>504,944</u>	<u>15,515</u>	<u>520,459</u>
Total Financial Assistance	<u>\$ 3,088,888</u>	<u>\$ 25,270,018</u>	<u>\$28,358,906</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, 2017.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$278,023 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2017, \$10,588 has been expended and submitted for reimbursement and \$-0- has been 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, 2017

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	7/1/16-6/30/17	\$ 1,861,014	\$ 1,861,014
Preschool	84.173	7/1/16-6/30/17	70,809	70,809
<u>State:</u>				
Special Education				
Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	3,256,758	3,256,758
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	154,816	154,816
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	80,715	80,715
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	80,715	80,715
Professional Learning				
Community Aid	17-495-034-5120-101	7/1/16-6/30/17	76,870	76,870

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Summary of Auditors' Results: (Cont'd)

- 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.

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, 2017

Status of Prior Year Findings:

The District had no prior year audit findings.