

**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, 2018**

**Comprehensive Annual  
Financial Report**

**of the**

**Wayne Township Public Schools  
Board of Education**

**Wayne, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by**

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

**Finance Department**

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**INTRODUCTORY SECTION**



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*www.wayneschools.com*  
Phone: (973) 633-3000

January 18, 2019

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, 2018. 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 2017-2018 fiscal year with an average daily enrollment of 7,932 students, a decrease of 12 students from the previous year's enrollment. This is consistent with the most recent demographic study conducted by the District for the update of the District's Long-Range Facility Plan.

The District's enrollment reported, on the application for State School Aid, in October 2018 was 7,819 students compared to 7,869 as of October 2017. Enrollment has declined slightly slower than anticipated and represents a change in 50 students, or 1.0%, from 2017 to 2018. The District's demographer forecasted a more rapid decrease of 2.0%, or 169 students, in the total K-12 population over the same period. The demographer projected a continued decline 1.0%, or 98 students, in the student population moving from the 2018-2019 school year into 2019-2020.

1) REPORTING ENTITY AND ITS SERVICES:

The District continues to assess its buildings to identify major capital projects required. The District's high school facilities are exceptionally well maintained. Wayne Valley High School, main building built in 1955, and Wayne Hills High School, built in 1965, respectively, both structures were updated in 1972 and 2004. During the 17-18 school year, the District completed Phase 2 – Next Generation Science Standards at Wayne Valley and Wayne Hills High Schools. This Next Generation project provides for significant facilities upgrades and renovations to science classrooms and puts the District in better environments in which to deliver instruction. High school science facilities will continue with Phase 3 will continue into 19-20 along with potential turf and track renovations. In addition, the District replaced gym windows at Anthony Wayne Middle School and a roof at Randall Carter Elementary School. All of these projects were funded through the District's Capital Project and Reserve Accounts.

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 tax base continues to recover. From the five-year period of 2012-2016, total assessed valuations decreased by 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 and was followed by increased by \$71,225,000 between 2017 and 2018. Hopefully this continued increase in assessments will have a positive impact on the District's ability to develop school district budgets within the 2% tax levy cap.

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.



### 3) DISTRICT GOALS AND INITIATIVES (Cont'd)

- 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.
- 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 and social media communication. A new website social media accounts, and system to push out email 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, 2018.

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, 2017. This is the fifth 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 2017-2018 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,



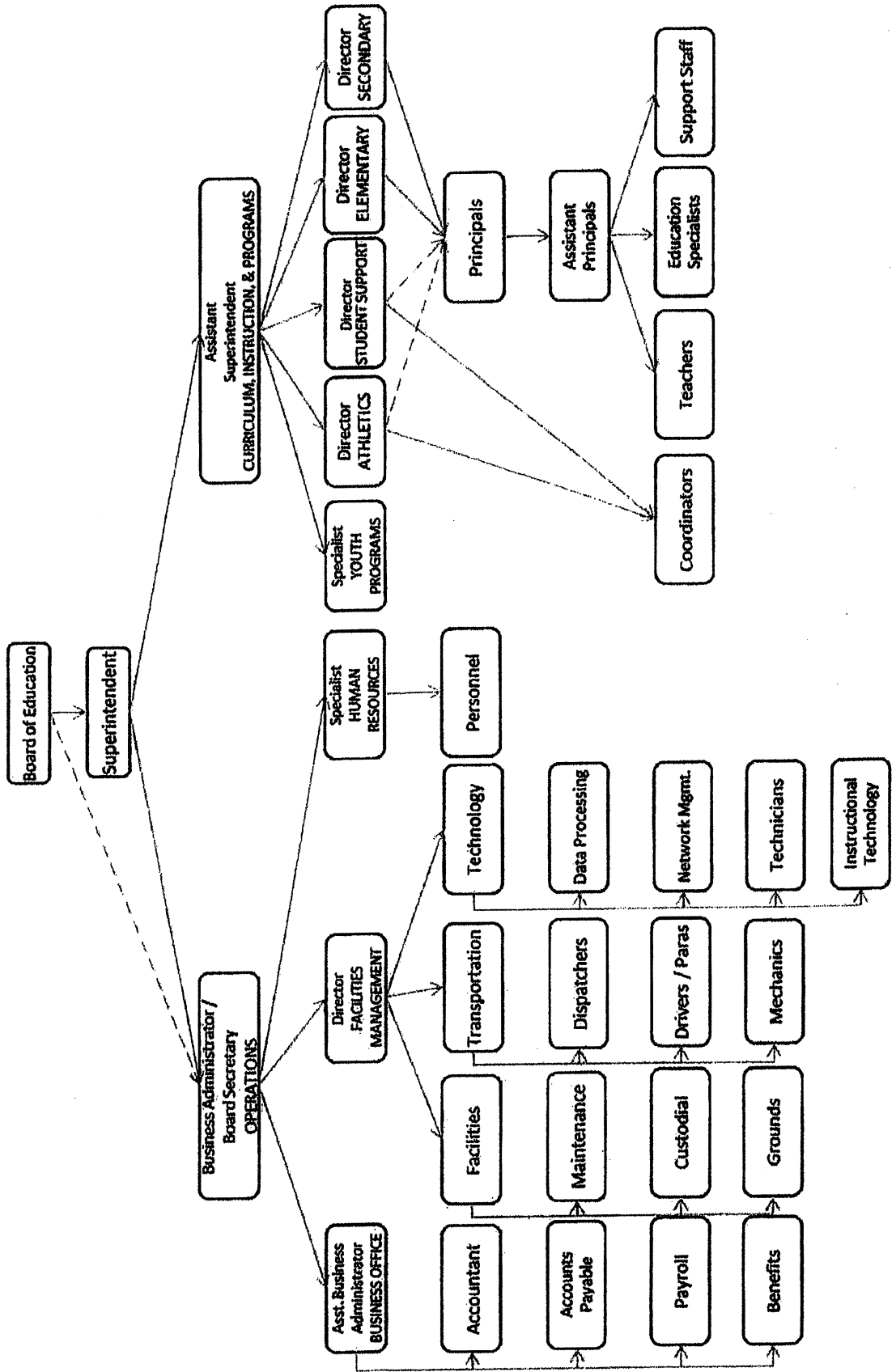
Dr. Mark Toback  
Superintendent of Schools



William P. Moffitt  
Business Administrator / Board Secretary

# WAYNE TOWNSHIP PUBLIC SCHOOLS

## Organizational Chart



**WAYNE TOWNSHIP BOARD OF EDUCATION  
 ROSTER OF OFFICIALS  
 JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Donald Pavlak, Jr., President	2020
Mitchell Badiner, Vice President	2019
Eileen P. Albanese	2018
Michael L. Bubba	2019
Catherine Kazan	2020
Gail Okun	2018
Suzanne Pudup	2019
Stacey Scher	2018
Sean Duffy	2020

<u>Other Officials</u>	<u>Title</u>
Dr. Mark Toback	Superintendent of Schools
Michael J. Donow	Interim School Business Administrator/ Board Secretary (to 10/20/17)
Daisy Ayala	School Business Administrator/ Board Secretary (from 10/23/17 to 3/30/18)
Edward J. Appleton	Interim School Business Administrator/ Board Secretary (from 4/17/18)
Heather L. McNamara-Kreitz	Treasurer

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

**Audit Firm**

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**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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director

**FINANCIAL SECTION**



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## 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, 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.

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

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 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 January 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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  
January 18, 2019

NISIVOCCIA LLP

*Kathryn L. Mantell*

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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, 2018**

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, 2018. 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.

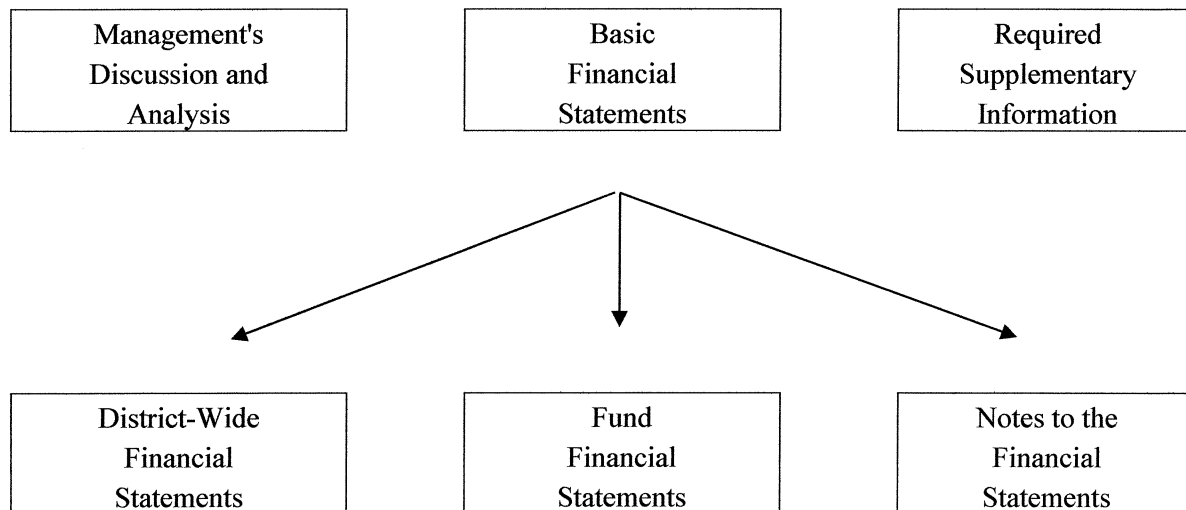
**Overview of the Financial Statements**

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.

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



**WAYNE TOWNSHIP PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.

**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 & extended day programs	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	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 where cash is received during or soon after year-end; expenditures when goods or services have been received and related liability is due/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, 2018**

**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, 2018**

**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 2017/18
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	
Current and							
Other Assets	\$ 15,269,187	\$ 12,532,846	\$ 1,268,773	\$ 1,389,112	\$ 16,537,960	\$ 13,921,958	
Capital Assets, Net	67,389,564	66,853,762	188,563	242,141	67,578,127	67,095,903	
Total Assets	<u>82,658,751</u>	<u>79,386,608</u>	<u>1,457,336</u>	<u>1,631,253</u>	<u>84,116,087</u>	<u>81,017,861</u>	3.82%
Deferred Outflows of Resources	<u>20,352,886</u>	<u>26,136,335</u>			<u>20,352,886</u>	<u>26,136,335</u>	-22.13%
Other Liabilities	5,208,570	4,904,366	384,577	748,339	5,593,147	5,652,705	
Long-Term Liabilities	90,867,635	109,045,056	26,579	26,058	90,894,214	109,071,114	
Total Liabilities	<u>96,076,205</u>	<u>113,949,422</u>	<u>411,156</u>	<u>774,397</u>	<u>96,487,361</u>	<u>114,723,819</u>	-15.90%
Deferred Inflows of Resources	<u>11,719,057</u>	<u>2,253,086</u>			<u>11,719,057</u>	<u>2,253,086</u>	420.13%
Net Position:							
Net Investment in							
Capital Assets	40,016,473	36,187,950	188,563	242,141	40,205,036	36,430,091	
Restricted	6,766,027	4,906,123			6,766,027	4,906,123	
Unrestricted							
(Deficit)	<u>(51,566,125)</u>	<u>(51,773,638)</u>	<u>857,617</u>	<u>614,715</u>	<u>(50,708,508)</u>	<u>(51,158,923)</u>	
Total Net Position (Deficit)	<u>\$ (4,783,625)</u>	<u>\$ (10,679,565)</u>	<u>\$ 1,046,180</u>	<u>\$ 856,856</u>	<u>\$ (3,737,445)</u>	<u>\$ (9,822,709)</u>	61.95%

**WAYNE TOWNSHIP PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

*Changes in Net Position:* The District's total net position increased \$6,085,264 over the course of the 2017-2018 fiscal year. Net position invested in capital assets increased \$3,774,945, restricted net position increased \$1,859,904 and unrestricted net position increased \$450,415. (See Figure A-3) Net position invested in capital assets increased primarily due to \$3,667,940 of capital expenditures from budgeted capital outlay, the Capital Projects Fund and from the Food Service Enterprise Fund offset by a \$3,397,840 reduction in related bond and lease debt. Restricted net position increased due to increases in the Capital Reserve and excess surplus offset by Capital Projects Fund expenditures. Unrestricted net position increased largely from unexpended appropriations and increases in year-end encumbrances offset by changes in deferred inflows and outflows related to pensions and the net pension liability.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2017/18
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	
Revenue:							
Program Revenue:							
Charges for Services	\$ 599,861	\$ 569,932	\$ 4,357,985	\$ 3,983,747	\$ 4,957,846	\$ 4,553,679	
Grants and Contributions:							
Operating	59,880,754	58,118,004	502,470	520,459	60,383,224	58,638,463	
Capital	151,753				151,753		
General Revenue:							
Property Taxes	149,184,756	146,388,776			149,184,756	146,388,776	
Unrestricted State/ Federal Aid	524,393	507,514			524,393	507,514	
Other	1,547,628	608,636			1,547,628	608,636	
Total Revenue	<u>211,889,145</u>	<u>206,192,862</u>	<u>4,860,455</u>	<u>4,504,206</u>	<u>216,749,600</u>	<u>210,697,068</u>	2.87%
Expenses:							
Instruction	126,888,618	126,208,366			126,888,618	126,208,366	
Pupil and Instruction Services	38,832,838	38,191,466			38,832,838	38,191,466	
Administration and Business	15,765,186	15,974,861			15,765,186	15,974,861	
Maintenance and Operations	15,603,490	15,893,651			15,603,490	15,893,651	
Transportation	7,649,639	7,433,794			7,649,639	7,433,794	
Other	1,206,603	1,337,900	4,717,962	4,663,675	5,924,565	6,001,575	
Total Expenses	<u>205,946,374</u>	<u>205,040,038</u>	<u>4,717,962</u>	<u>4,663,675</u>	<u>210,664,336</u>	<u>209,703,713</u>	0.46%
Transfers	<u>(46,831)</u>	<u>(40,097)</u>	<u>46,831</u>	<u>40,097</u>			
Increase/(Decrease) in Net Position	<u>\$ 5,895,940</u>	<u>\$ 1,112,727</u>	<u>\$ 189,324</u>	<u>\$ (119,372)</u>	<u>\$ 6,085,264</u>	<u>\$ 993,355</u>	512.60%

The District's net position increased \$6,085,264 – \$5,895,940 from its governmental activities and \$189,324 from its business-type activities. (See Figure A-4)



**WAYNE TOWNSHIP PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Governmental Activities**

The financial position of the District improved significantly 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-5 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-5  
Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017/2018</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2016/2017</u>
Instruction	\$ 126,888,618	\$ 126,208,366	\$ 80,627,367	\$ 80,990,572
Pupil and Instruction Services	38,832,838	38,191,466	28,591,549	28,402,272
Administration and Business	15,765,186	15,974,861	12,291,597	12,755,441
Maintenance and Operations	15,603,490	15,893,651	15,451,737	15,893,651
Transportation	7,649,639	7,433,794	7,145,153	6,972,266
Other	1,206,603	1,337,900	1,206,603	1,337,900
	<u>\$ 205,946,374</u>	<u>\$ 205,040,038</u>	<u>\$ 145,314,006</u>	<u>\$ 146,352,102</u>

**Business-Type Activities**

The net position of the District's business-type activities increased by \$189,324, which was comprised of increases in net position of \$58,696 for the extended day program, \$368 for the community education program for the Safety Town Program and \$183,838 for the Kindergarten Wrap Around Program as a result of increased participation in the programs and related revenue. These increases were offset by a decrease of \$53,578 in the net position of the Food Service Fund due to depreciation of its capital assets. (Refer to Figure A-4).

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

The District's General Fund fund balance increased \$3,017,214 on the GAAP basis during the fiscal year primarily due to a net excess of \$1,287,813 in actual revenue and \$5,877,875 of unexpended budget appropriations, offset by prior year encumbrances liquidated of \$1,098,117 as well as \$2,000,000 of fund balance and \$1,225,000 of capital reserve utilized in the 2017-2018 budget. The District's Capital Projects Fund fund balance decreased \$509,554 as a result of current year expenditures.

**WAYNE TOWNSHIP PUBLIC SCHOOLS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

The District was able to deposit \$2,069,939 into the Capital Reserve Account during the fiscal year as a result of spending under budgeted amounts and had excess surplus of \$1,750,000 which will be appropriated in the 2019-20 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, 2018 the District’s 2% limit is \$3,038,263 plus adjustments for certain additional unbudgeted State Aid of \$61,347, for a total of \$3,099,610 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.

**Capital Assets**

The District’s capital assets increased by \$482,224, or 0.72%, during the fiscal year.

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		%
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	Change 2017/18
Sites (Land)	\$ 9,263,696	\$ 9,263,696			\$ 9,263,696	\$ 9,263,696	
Construction in Progress	12,080,982	12,502,426			12,080,982	12,502,426	
Land Improvements	2,933,556	3,384,474			2,933,556	3,384,474	
Buildings and Building Improvements	36,650,034	35,894,548			36,650,034	35,894,548	
Machinery and Equipment	6,461,296	5,808,618	\$ 188,563	\$ 242,141	6,649,859	6,050,759	
Total Capital Assets, Net of Depreciation	<u>\$ 67,389,564</u>	<u>\$ 66,853,762</u>	<u>\$ 188,563</u>	<u>\$ 242,141</u>	<u>\$ 67,578,127</u>	<u>\$ 67,095,903</u>	<u>0.72%</u>

The District expended \$3,667,940 in capital assets, (\$468,286 from capital projects and \$3,199,654 from capital outlay for equipment purchases and facilities acquisition and construction services for a total of \$3,663,903 in governmental activities, and \$4,037 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, 2018**

**Long-term Liabilities**

The District's long-term liabilities decreased by \$18,176,900, or 16.67%, during the fiscal year. At fiscal year-end, the District had \$15,670,000 in general obligation bonds outstanding, \$2,762,626 in compensated absences payable, \$58,383,082 in net pension liability and \$12,228,686 in capital leases payable as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements).

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Percentage
	2017/18	2016/17	Change 2017/18
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 15,670,000	\$ 18,285,000	
Net Pension Liability	58,383,082	72,846,347	
Unamortized Bond Issuance Premium	1,849,820	2,219,784	
Other Long-Term Liabilities	14,991,312	15,719,983	
	<u>\$ 90,894,214</u>	<u>\$ 109,071,114</u>	<u>-16.67%</u>

**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 past 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 turning around. At the start of the budget development for 2017-2018, the Township experienced an increase of \$62,929,500 in total assessed valuations and \$71,225,000 at the beginning of 2018-2019. Hopefully this increasing trend will continue and have a positive impact on future budget development.

**WAYNE TOWNSHIP PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 17-18 school year, the District completed Phase 2 – Next Generation Science Standards at Wayne Valley and Wayne Hills High Schools. This Next Generation project provides for significant facilities upgrades and renovations to science classrooms and puts the District in better environments in which to deliver instruction. In addition, the District replaced gym windows at Anthony Wayne Middle School and a roof at Randall Carter Elementary School. All of these projects were funded through the District's Capital Project and Reserve Accounts.
- At year end, the District was able to deposit \$1,045,396 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, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,544,393	\$ 1,061,314	\$ 5,605,707
Internal Balances	(64,641)	64,641	
Receivables from Other Governments	5,081,024	33,309	5,114,333
Other Receivables	1,688,428	71,821	1,760,249
Inventory		37,688	37,688
Restricted Assets:			
Cash and Cash Equivalents:			
Capital Reserve Account	4,019,983		4,019,983
Capital Assets, Net:			
Sites (Land) and Construction in Progress	21,344,678		21,344,678
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	46,044,886	188,563	46,233,449
Total Assets	<u>82,658,751</u>	<u>1,457,336</u>	<u>84,116,087</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	525,595		525,595
Deferred Outflows - Pensions	19,827,291		19,827,291
Total Deferred Outflows of Resources	<u>20,352,886</u>		<u>20,352,886</u>
<b>LIABILITIES</b>			
Payable to State Government	158,762		158,762
Accounts Payable	4,312,977	301,164	4,614,141
Accrued Interest Payable	613,502		613,502
Unearned Revenue	123,329	83,413	206,742
Noncurrent Liabilities:			
Due Within One Year	5,102,725		5,102,725
Due Beyond One Year	85,764,910	26,579	85,791,489
Total Liabilities	<u>96,076,205</u>	<u>411,156</u>	<u>96,487,361</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Pensions	11,719,057		11,719,057
Total Deferred Inflows of Resources	<u>11,719,057</u>		<u>11,719,057</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,016,473	188,563	40,205,036
Restricted for:			
Capital Projects	4,146,455		4,146,455
Excess Surplus	2,619,572		2,619,572
Unrestricted (Deficit)	<u>(51,566,125)</u>	<u>857,617</u>	<u>(50,708,508)</u>
Total Net Position (Deficit)	<u>\$ (4,783,625)</u>	<u>\$ 1,046,180</u>	<u>\$ (3,737,445)</u>

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, 2018

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
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 88,119,809	\$ 599,861	\$ 26,724,287		\$ (60,795,661)		\$ (60,795,661)
Special Education	26,965,209		15,593,100		(11,372,109)		(11,372,109)
Other Special Instruction	5,670,549		1,807,357		(3,863,192)		(3,863,192)
School Sponsored/Other Instruction	6,133,051		1,536,648		(4,596,403)		(4,596,403)
<b>Support Services:</b>							
Tuition	5,480,487				(5,480,487)		(5,480,487)
Student & Instruction Related Services	33,352,351		10,241,288		(23,111,063)		(23,111,063)
General Administrative Services	1,659,477				(1,659,477)		(1,659,477)
School Administrative Services	11,095,588		3,473,588		(7,622,000)		(7,622,000)
Central Services	1,811,717				(1,811,717)		(1,811,717)
Administrative Information Technology	1,198,404				(1,198,404)		(1,198,404)
Plant Operations and Maintenance	15,603,490			\$ 151,753	(15,451,737)		(15,451,737)
Pupil Transportation	7,649,639		504,486		(7,145,153)		(7,145,153)
Transfer of Funds to Charter Schools	17,252				(17,252)		(17,252)
Interest on Long-Term Debt	533,732				(533,732)		(533,732)
Unallocated Depreciation*	655,619				(655,619)		(655,619)
<b>Total Governmental Activities</b>	<b>205,946,374</b>	<b>599,861</b>	<b>59,880,754</b>	<b>151,753</b>	<b>(145,314,006)</b>		<b>(145,314,006)</b>

\* - Excludes direct depreciation expenses of the various programs.



WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	\$ 3,139,472	\$ 2,536,593	\$ 502,470		\$ (100,409)	\$	(100,409)
Community Education Program	8,267	8,635			368		368
Wrap Around Program	476,961	660,799			183,838		183,838
Extended Day Program	1,093,262	1,151,958			58,696		58,696
Total Business-Type Activities	4,717,962	4,357,985	502,470		142,493		142,493
Total Primary Government	\$ 210,664,336	\$ 4,957,846	\$ 60,383,224	\$ 151,753	\$ (145,314,006)	142,493	(145,171,513)

General Revenues and Transfers:

Taxes:							
Property Taxes, Levied for General Purposes, Net				145,825,281			145,825,281
Taxes Levied for Debt Service				3,359,475			3,359,475
Federal and State Aid not Restricted				524,393			524,393
Investment Earnings				64,401			64,401
Miscellaneous Income				1,483,227			1,483,227
Transfers				(46,831)	46,831		
Total General Revenues and Transfers				151,209,946	46,831		151,256,777
Change in Net Position				5,895,940	189,324		6,085,264
Net Position (Deficit) - Beginning				(10,679,565)	856,856		(9,822,709)
Net Position (Deficit) - Ending				\$ (4,783,625)	\$ 1,046,180		\$ (3,737,445)

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,544,393				\$ 4,544,393
Interfund Receivable	1,957,626				1,957,626
Receivables from Other Governments	2,609,326	\$ 2,461,110	\$ 10,588		5,081,024
Other Receivables	1,688,428				1,688,428
Restricted Cash and Cash Equivalents	4,019,983				4,019,983
<b>Total Assets</b>	<u>\$14,819,756</u>	<u>\$ 2,461,110</u>	<u>\$ 10,588</u>	<u>\$ - 0 -</u>	<u>\$ 17,291,454</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable	\$ 64,641	\$ 1,854,959	\$ 102,667		\$ 2,022,267
Payable to State Government		158,762			158,762
Accounts Payable	1,449,902	324,060			1,773,962
Unearned Revenue		123,329			123,329
<b>Total Liabilities</b>	<u>1,514,543</u>	<u>2,461,110</u>	<u>102,667</u>		<u>4,078,320</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	4,019,983				4,019,983
Excess Surplus - Designated for Subsequent Year's Expenditures	869,572				869,572
Excess Surplus	1,750,000				1,750,000
Capital Projects Fund			126,472		126,472
<b>Assigned:</b>					
Encumbrances	2,805,968				2,805,968
Designated for Subsequent Year's Expenditures	1,107,870				1,107,870
Unassigned (Deficit)	2,751,820		(218,551)		2,533,269
<b>Total Fund Balances (Deficit)</b>	<u>13,305,213</u>		<u>(92,079)</u>		<u>13,213,134</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$14,819,756</u>	<u>\$ 2,461,110</u>	<u>\$ 10,588</u>	<u>\$ - 0 -</u>	<u>\$ 17,291,454</u>

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

Total Fund Balances (From Above)	\$ 13,213,134
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	67,389,564
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	17,288,276
Deferred Inflows	(11,719,057)
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.	(89,017,815)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(613,502)
Bond Premiums are reported in the Governmental Funds as revenue in the year that Bonds are issued.	(1,849,820)
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.	525,595
<b>Net Position (Deficit) of Governmental Activities</b>	<u>\$ (4,783,625)</u>

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 145,825,281			\$ 3,359,475	\$ 149,184,756
Tuition	599,861				599,861
Miscellaneous Revenues	1,547,628	\$ 101,193			1,648,821
Total - Local Sources	147,972,770	101,193		3,359,475	151,433,438
State Sources	27,489,930	664,516			28,154,446
Federal Sources	130,732	2,490,135	\$ 151,753		2,772,620
Total Revenues	175,593,432	3,255,844	151,753	3,359,475	182,360,504
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	44,837,305	780,866			45,618,171
Special Education Instruction	12,669,884	1,847,684			14,517,568
Other Special Instruction	2,845,871				2,845,871
School Sponsored/Other Instruction	3,731,458				3,731,458
Support Services and Undistributed Costs:					
Tuition	5,480,487				5,480,487
Student & Instruction Related Services	17,662,728	613,277			18,276,005
General Administrative Services	1,441,276				1,441,276
School Administrative Services	5,650,418				5,650,418
Central Services	1,422,533				1,422,533
Administration Information Technology	1,657,803				1,657,803
Plant Operations and Maintenance	13,583,270				13,583,270
Pupil Transportation	6,549,294				6,549,294
Unallocated Benefits	53,202,474				53,202,474
Transfer of Funds to Charter Schools	17,252				17,252
Capital Outlay	3,335,655	14,017	468,286		3,817,958
Debt Service:					
Principal				2,615,000	2,615,000
Interest and Other Charges				744,475	744,475
Total Expenditures	174,087,708	3,255,844	468,286	3,359,475	181,171,313
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	1,505,724		(316,533)		1,189,191
<b>OTHER FINANCING SOURCES/(USES)</b>					
Capital Leases (non-budgeted)	1,365,300				1,365,300
Transfers In	193,021				193,021
Transfers Out	(46,831)		(193,021)		(239,852)
Total Other Financing Sources/(Uses)	1,511,490		(193,021)		1,318,469
Net Change in Fund Balances	3,017,214		(509,554)		2,507,660
Fund Balance - July 1	10,287,999		417,475		10,705,474
Fund Balanc/(Deficit) - June 30	\$ 13,305,213	\$ - 0 -	\$ (92,079)	\$ - 0 -	\$ 13,213,134

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, 2018

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 2,507,660

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	<u>3,663,903</u>
	535,802

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. (1,365,300)

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. 2,148,140

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. 2,615,000

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 (+). 99,953

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	14,463,265
Change in Deferred Outflows	(5,853,806)
Change in Deferred Inflows	(9,465,971)

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 (+). (53,648)

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) \$ 5,895,940

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Food Service	Non-Major Funds	Totals
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 143,520	\$ 917,794	\$ 1,061,314
Accounts Receivable:			
Interfund - General Fund	64,641		64,641
Other Governments:			
Federal	31,631		31,631
State	1,678		1,678
Other	69,468	2,353	71,821
Inventories	37,688		37,688
Total Current Assets	348,626	920,147	1,268,773
Non-Current Assets:			
Capital Assets	1,084,372		1,084,372
Less: Accumulated Depreciation	(895,809)		(895,809)
Total Non-Current Assets	188,563	- 0 -	188,563
Total Assets	537,189	920,147	1,457,336
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	265,213	35,951	301,164
Unearned Revenue:			
Donated Commodities	7,149		7,149
Prepaid Sales	76,264		76,264
Long-term Liabilities:			
Compensated absences payable		26,579	26,579
Total Liabilities	348,626	62,530	411,156
<b>NET POSITION:</b>			
Investment in Capital Assets	188,563		188,563
Unrestricted		857,617	857,617
Total Net Position	\$ 188,563	\$ 857,617	\$ 1,046,180

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 30,2018

	Business-Type Activities - Enterprise Funds		
	Major Fund		Totals
	Food Service	Non-Major Funds	
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,053,046		\$ 1,053,046
Daily Sales - Non-Reimbursable Programs	1,236,184		1,236,184
Special Events	247,363		247,363
Program Fees		\$ 1,821,392	1,821,392
Total Operating Revenue	<u>2,536,593</u>	<u>1,821,392</u>	<u>4,357,985</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	540,388		540,388
Cost of Sales - Non-Reimbursable Programs	634,368		634,368
Salaries	1,058,065	1,020,500	2,078,565
Employee Benefits	282,470	119,447	401,917
Purchased Property Services		5,143	5,143
Other Purchased Services		232,376	232,376
Management Fee	300,000		300,000
Supplies and Materials	266,157	194,139	460,296
Other Objects	409	6,885	7,294
Depreciation Expense	57,615		57,615
Total Operating Expenses	<u>3,139,472</u>	<u>1,578,490</u>	<u>4,717,962</u>
Operating Income (Loss)	<u>(602,879)</u>	<u>242,902</u>	<u>(359,977)</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program	332,231		332,231
School Breakfast Program	24,811		24,811
Special Milk Program	1,490		1,490
Food Distribution Program	126,092		126,092
State Sources:			
School Lunch Program	17,846		17,846
Total Non-Operating Revenue	<u>502,470</u>		<u>502,470</u>
Change in Net Position Before Transfers	(100,409)	242,902	142,493
Transfer In - General Fund	46,831		46,831
Change in Net Position After Transfers	(53,578)	242,902	189,324
Net Position - Beginning of Year	<u>242,141</u>	<u>614,715</u>	<u>856,856</u>
Net Position - End of Year	<u>\$ 188,563</u>	<u>\$ 857,617</u>	<u>\$ 1,046,180</u>

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, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,531,447	\$ 1,703,158	\$ 4,234,605
Payments to Employees		(1,019,979)	(1,019,979)
Payments to Food Service Vendor	(2,972,990)		(2,972,990)
Payments to Suppliers	(266,157)	(539,378)	(805,535)
Net Cash Provided by/(Used for) Operating Activities	<u>(707,700)</u>	<u>143,801</u>	<u>(563,899)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets	(4,037)		(4,037)
Net Cash Used for Capital Financing Activities	<u>(4,037)</u>	<u>- 0 -</u>	<u>(4,037)</u>
Cash Flows from Noncapital Financing Activities:			
Federal Sources	401,038		401,038
State Sources	19,349		19,349
Payments from General Fund	16,967		16,967
Net Cash Provided by Noncapital Financing Activities	<u>437,354</u>	<u>- 0 -</u>	<u>437,354</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(274,383)	143,801	(130,582)
Cash and Cash Equivalents, July 1	417,903	773,993	1,191,896
Cash and Cash Equivalents, June 30	<u>\$ 143,520</u>	<u>\$ 917,794</u>	<u>\$ 1,061,314</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income (Loss)	\$ (602,879)	\$ 242,902	\$ (359,977)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	57,615		57,615
Federal Food Distribution Program	126,092		126,092
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(20,815)	(670)	(21,485)
(Increase)/Decrease in Inventory	(2,903)		(2,903)
Increase/(Decrease) in Accounts Payable	(280,479)	18,612	(261,867)
Increase/(Decrease) in Compensated Absences Payable		521	521
Increase/(Decrease) in Unearned Revenue	15,669	(117,564)	(101,895)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (707,700)</u>	<u>\$ 143,801</u>	<u>\$ (563,899)</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 \$130,419 and \$126,092 respectively, for the fiscal year ended June 30, 2018.

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, 2018

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,415,931	\$ 266,971	\$ 36,188	
Investments				\$ 34,405
Total Assets	<u>2,415,931</u>	<u>266,971</u>	<u>36,188</u>	<u>34,405</u>
<b>LIABILITIES:</b>				
Accounts Payable - Vendors	44,475			
Payroll Deductions and Withholdings	1,760,362			
Due to Student Groups	611,094			
Total Liabilities	<u>2,415,931</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		266,971		
Flexible Spending Claims			36,188	
Restricted for Scholarships				34,405
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 266,971</u>	<u>\$ 36,188</u>	<u>\$ 34,405</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 30,2018

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
<b>ADDITIONS:</b>			
Contributions:			
Plan Members	\$ 248,939	\$ 204,737	
Total Contributions	248,939	204,737	
Investment Earnings:			
Interest			\$ 51
Net Investment Earnings			51
Total Additions	248,939	204,737	51
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports and Unemployment Benefit Claims	269,804		
Flexible Spending Claims		218,170	
Total Deductions	269,804	218,170	
Change in Net Position	(20,865)	(13,433)	51
Net Position - Beginning of the Year	287,836	49,621	34,354
Net Position - End of the Year	\$ 266,971	\$ 36,188	\$ 34,405

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, 2018

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, 2018  
(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, 2018  
(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, 2018  
(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, 2018 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, 2018  
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 175,611,810	\$ 3,208,292
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		(10,384)
Prior Year Encumbrances		57,936
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	329,412	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(347,790)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 175,593,432	\$ 3,255,844
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 174,087,708	\$ 3,208,292
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		(10,384)
Prior Year Encumbrances		57,936
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 174,087,708	\$ 3,255,844
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance(Budgetary Basis)		\$ 175,356
Reconciliation to Governmental Funds Statement (GAAP):		
Grant Revenue/Receivable Recognized/(Not Recognized) on GAAP Basis: State SDA		(267,435)
Fund Balance/(Deficit) per Governmental Funds (GAAP)		\$ (92,079)

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018  
(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, 2018.

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, donated works or art and similar items are valued at their acquisition cost. 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, 2018  
(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 premiums 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, 2018.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation, 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, 2018  
(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 \$13,305,213 General Fund balance at June 30, 2018, \$2,805,968 is assigned for encumbrances; \$1,107,870 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2019; \$4,019,983 is restricted in the capital reserve account; \$1,750,000 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, 2020; \$869,572 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2019; and \$2,751,820 is unassigned which is \$347,790 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, 2019.

Capital Projects Fund: Of the (\$92,079) Capital Projects Fund balance at June 30, 2018, \$126,472 is restricted and (\$218,551) 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, 2018 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 \$347,790 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, 2018  
(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, 2018 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 \$2,805,968 for encumbrances and \$1,107,870 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2018.

R. Deficit Net Position/Fund Balance:

The District has a \$51,566,125 deficit in unrestricted net position and a \$4,783,625 deficit in total net position from governmental activities, primarily due to the accrual of compensated absences payable, unamortized bond issuance premiums, net pension liability and the related deferred inflow and outflows. The District also has a \$218,551 deficit in unassigned fund balance and \$92,079 in total fund balance in the Capital Projects Fund due to SDA grants which have not been realized as revenue on the GAAP basis. 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, 2018 for the deferred amount on refunding of debt related to the District's 2012 refunding bonds and pensions.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

S. Net Position: (Cont'd)

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, 2018 for 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, 2018  
(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, 2018  
(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 of the school district or bonds or other obligations of the local units or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.



**WAYNE TOWNSHIP PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
(Continued)

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

**Investments: (Cont'd)**

As of June 30, 2018, 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	\$ 8,324,797	\$ 4,019,983		\$ 12,344,780
Certificates of Deposit			\$ 34,405	34,405
	\$ 8,324,797	\$ 4,019,983	\$ 34,405	\$ 12,379,185

During the period ended June 30, 2018, 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, 2018 was \$12,379,185 and the bank balance was \$14,298,416.

**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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 2,974,587
Interest Earnings	7,436
Unexpended Balance Returned - Capital Projects Fund	193,021
Deposit by Board Resolution - June 2018	2,069,939
Withdrawals:	
Board Resolution	(1,225,000)
Ending Balance, June 30, 2018	\$ 4,019,983

**WAYNE TOWNSHIP PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
(Continued)

**NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)**

The balance in the capital reserve account at June 30, 2018 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, 2018, the District transferred \$227,663 to the capital outlay for equipment which did not require County Superintendent approval and \$1,512,271 for facilities which consisted of transfers of \$287,271 for which County Superintendent approval was obtained and a \$1,225,000 transfer from Capital Reserve that was authorized by Board resolution.

**NOTE 6. CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Sites (Land)	\$ 9,263,696			\$ 9,263,696
Construction in Progress	12,502,426	\$ 468,286	\$ (889,730)	12,080,982
<b>Total Capital Assets Not Being Depreciated</b>	<b>21,766,122</b>	<b>468,286</b>	<b>(889,730)</b>	<b>21,344,678</b>
Capital Assets Being Depreciated:				
Land Improvements	10,703,195			10,703,195
Buildings and Building Improvements	84,553,954	1,520,190	889,730	86,963,874
Machinery and Equipment	19,993,503	1,675,427		21,668,930
<b>Total Capital Assets Being Depreciated</b>	<b>115,250,652</b>	<b>3,195,617</b>	<b>889,730</b>	<b>119,335,999</b>
<b>Governmental Activities Capital Assets</b>	<b>137,016,774</b>	<b>3,663,903</b>		<b>140,680,677</b>
Less Accumulated Depreciation for:				
Land Improvements	(7,318,721)	(450,918)		(7,769,639)
Buildings and Building Improvements	(48,659,406)	(1,654,434)		(50,313,840)
Machinery and Equipment	(14,184,885)	(1,022,749)		(15,207,634)
	<u>(70,163,012)</u>	<u>(3,128,101)</u>		<u>(73,291,113)</u>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 66,853,762</b>	<b>\$ 535,802</b>	<b>\$ - 0 -</b>	<b>\$ 67,389,564</b>
<b>Business Type Activities:</b>				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,080,335	\$ 4,037		\$ 1,084,372
Less Accumulated Depreciation	(838,194)	(57,615)		(895,809)
<b>Business Type Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 242,141</b>	<b>\$ (53,578)</b>	<b>\$ - 0 -</b>	<b>\$ 188,563</b>

The increases totaling \$3,667,940 represent current year capitalized expenditures in the general fund, the capital projects fund and the food service enterprise fund. As of June 30, 2018, the District has \$12,080,982 in active construction projects with unexpended balances of \$175,356 of which \$21,176 represents open encumbrances.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2017</u>	<u>Issued/</u> <u>Added</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2018</u>	<u>Balance Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Funds:</b>					
Serial Bonds Payable	\$ 18,285,000		\$ 2,615,000	\$ 15,670,000	\$ 2,600,000
Unamortized Bond					
Issuance Premium	2,219,784		369,964	1,849,820	369,964
Net Pension Liability	72,846,347		14,463,265	58,383,082	- 0 -
Capital Leases Payable	13,011,526	1,365,300	2,148,140	12,228,686	1,842,057
Compensated Absences Payable	2,682,399	403,886	349,717	2,736,568	290,704
<b>Total Governmental Funds</b>	<u>109,045,056</u>	<u>1,769,186</u>	<u>19,946,086</u>	<u>90,868,156</u>	<u>5,102,725</u>
<b>Proprietary Funds:</b>					
Compensated Absences Payable	26,058	521		26,579	
<b>Total All Funds</b>	<u>\$ 109,071,114</u>	<u>\$ 1,769,707</u>	<u>\$ 19,946,086</u>	<u>\$ 90,894,735</u>	<u>\$ 5,102,725</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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2018 as follows:

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
School Refunding Bonds	07/15/23	4.00% - 5.00%	<u>\$ 15,670,000</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2023	2,620,000	183,175	2,803,175
Thereafter:			
2024	<u>2,615,000</u>	<u>58,838</u>	<u>2,673,838</u>
	<u>\$ 15,670,000</u>	<u>\$ 2,163,563</u>	<u>\$ 17,833,563</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District has seven capital leases payable for equipment and buses and one capital lease payable for the energy savings improvement program as of June 30, 2018. The seven leases for equipment and buses are for five years with the final payments occurring in fiscal years 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 \$19,129,164 of which \$6,900,478 has been liquidated as of June 30, 2018.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

C. Capital Leases Payable: (Cont'd)

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, 2018 are detailed below.

<u>Year</u>	<u>Amount</u>
2019	\$ 2,154,449
2020	1,883,474
2021	1,564,575
2022	1,152,217
2023	856,905
2024-2028	4,587,215
2029-2030	1,984,999
	<u>14,183,834</u>
Less: Amount representing interest	<u>(1,955,148)</u>
Present value of net minimum lease payments	<u>\$ 12,228,686</u>

The current portion of capital leases payable at June 30, 2018 is \$1,842,057 and the long-term portion is \$10,386,629. The General Fund will be used to liquidate capital leases payable.

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, 2018 is \$290,704 and is shown separately from the long-term liability balance of compensated absences of \$2,445,343.

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, 2018, there was a long-term liability of \$26,579 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, 2018 is \$0- and the long-term portion is \$58,383,082. 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 \$1,479,856.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

Benefits Provided

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

The following represents the membership tiers for PERS:

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$2,363,539 for fiscal year 2018.

The employee contribution rate was 7.34% effective July 1, 2017. 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, 2018, the District reported a liability of \$58,383,082 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.251%, which was an increase of 0.005% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$4,806,818. At June 30, 2018, 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	\$ 662,294	
	2015	5.72	2,789,761	
	2016	5.57	8,310,124	
	2017	5.48	<u>11,762,179</u>	\$ (11,719,057)
			<u>11,762,179</u>	<u>(11,719,057)</u>
Difference Between Expected & Actual Experience	2015	5.72	774,007	
	2016	5.57	252,189	
	2017	5.48	<u>348,524</u>	
			<u>1,374,720</u>	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	2014	6.44		
	2015	5.72	2,508,278	
	2016	5.57	382,272	
	2017	5.48	863,278	
			<u>3,753,828</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(699,600)	
	2015	5.00	596,799	
	2016	5.00	2,502,298	
	2017	5.00	(2,001,948)	
			<u>397,549</u>	
District Contribution Subsequent to the Measurement Date	2017	1.00	2,539,015	
			<u>\$ 19,827,291</u>	<u>\$ (11,719,057)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ 1,374,393
2019	2,073,994
2020	1,256,735
2021	(1,671,460)
2022	(1,218,271)
	<u>\$ 1,815,391</u>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2017 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, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 72,428,175	\$ 58,383,082	\$ 46,681,778

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.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

Benefits Provided

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial 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 2018, the State of New Jersey contributed \$9,492,666 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$29,532,266.

The employee contribution rate was 7.34% effective July 1, 2017. 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  
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(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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$426,305,207. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.632%, which was a decrease of 0.002% from its proportion measured as of June 30, 2016.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability	
Attributable to the District	<u>426,305,207</u>
Total	<u>\$ 426,305,207</u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$29,532,266 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
				<u>13,378,255,364</u>
Difference Between Expected and Actual Experience	2014	8.5		13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
				<u>441,116,389</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(435,309,142)	
	2015	5	385,284,122	
	2016	5	1,295,565,574	
	2017	5	(904,033,050)	
			<u>341,507,504</u>	
			<u>\$ 14,160,879,257</u>	<u>\$ 11,800,239,661</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
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
	<u>\$ 2,360,639,596</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

WAYNE TOWNSHIP PUBLIC SCHOOLS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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 TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 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, 2017		
	At 1% Decrease (3.25%)	At Current Discount Rate (4.25%)	At 1% Increase (5.25%)
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 506,463,958	\$ 426,305,207	\$ 360,270,079

Pension Plan Fiduciary Net Position- TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

For DCRP, the District recognized pension expense of \$101,979 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$130,149 for the year ended June 30, 2018.

NOTE 9. 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, 2018 was not yet available at the time of audit. Information 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-

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

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.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ - 0 -	\$ - 0 -	\$ 248,939	\$ 269,804	\$ 266,971
2016-2017	- 0 -	- 0 -	241,576	301,447	287,836
2015-2016	- 0 -	- 0 -	232,360	202,595	347,707

NOTE 10. 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 11. 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.

The plan administrators are as follows:

403(b)

MetLife  
AXA Equitable  
VALIC  
TIAA-CREF  
Lincoln Investment Planning, Inc.  
Vanguard

457

Equitable  
VALIC  
Northern Life

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,957,626	\$ 64,641
Special Revenue Fund		1,854,959
Capital Projects Fund		102,667
Proprietary Fund - Food Service Enterprise Fund	64,641	
	<u>\$2,022,267</u>	<u>\$2,022,267</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 the remaining unexpended balance of a capital project that is due to General Fund. The interfund payable from the General Fund due to the Food Service Enterprise Fund is for the current year and a portion of the prior year board contribution not yet turned over.

During the fiscal year, the Capital Projects Fund transferred \$193,021 to General Fund – Capital Reserve for the unexpended balance of completed projects and the General Fund transferred \$46,831 to the Food Service Enterprise Fund for the current year board contribution.

NOTE 13. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2018:

	<u>Governmental Activities</u>			<u>Business- Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>
Federal	\$ 13,378	\$ 2,455,238		\$ 2,468,616
State	2,595,948	5,872	\$ 10,588	2,612,408
	<u>\$ 2,609,326</u>	<u>\$ 2,461,110</u>	<u>\$ 10,588</u>	<u>\$ 5,081,024</u>
				<u>\$ 33,309</u>

All receivables are expected to be collected within one year of the end of the fiscal year.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 14. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2018:

	<u>Governmental Funds</u>		District Contribution Subsequent	Total Governmental Activities	Business- Type Activities
	General Fund	Special Revenue Fund	to the Measurement Date		Proprietary Funds
Salaries	\$ 171,174			\$ 171,174	
Vendors	1,278,728	\$ 324,060		1,602,788	\$ 301,164
Due to:					
State of New Jersey		158,762	\$ 2,539,015	2,697,777	
	<u>\$ 1,449,902</u>	<u>\$ 482,822</u>	<u>\$ 2,539,015</u>	<u>\$ 4,471,739</u>	<u>\$ 301,164</u>

NOTE 15. 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, 2018, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>Governmental Funds</u>			
<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<u>\$ 2,805,968</u>	<u>\$ 10,384</u>	<u>\$ 21,176</u>	<u>\$ 2,837,528</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$10,384 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. All of the \$21,176 year-end encumbrances in the Capital Projects Fund are included in the \$126,472 restricted fund balance.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 16. 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 17. 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 \$438,942 from four payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2017 without the abatement would have been \$2,539,131 of which \$1,316,691 would have been for the local school tax.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	366,078

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the State's Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u>\$53,639,841,858</u>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
	_____	_____	_____
Total OPEB Liability Attributable to the District	\$ 355,768,152	\$ 299,702,215	\$ 255,230,181

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
	_____	_____	_____
Total OPEB Liability Attributable to the District	\$ 386,766,666	\$ 322,837,907	\$ 272,517,780

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 246,476,100	\$ 299,702,215	\$ 370,385,870
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 264,897,492	\$ 322,837,907	\$ 400,298,722

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

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$18,981,706 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

WAYNE TOWNSHIP PUBLIC SCHOOLS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

**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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the Net Pension Liability	0.2155556877%	0.2429573956%	0.2459601678%	0.2508036542%
District's proportionate share of the Net Pension Liability	\$ 40,357,920	\$ 54,539,067	\$ 72,846,347	\$ 58,383,082
District's Covered Employee Payroll	\$ 16,021,395	\$ 16,439,285	\$ 16,931,535	\$ 16,711,030
District's proportionate share of the Net Pension Liability as a % of its Covered Employee Payroll	251.90%	331.76%	430.24%	349.37%
Plan Fiduciary Net Position as a % of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually Required Contribution	\$ 1,777,010	\$ 2,098,522	\$ 2,230,045	\$ 2,363,539
Contributions in relation to the Contractually Required Contribution	<u>(1,777,010)</u>	<u>(2,098,522)</u>	<u>(2,230,045)</u>	<u>(2,363,539)</u>
Contribution Deficiency/(Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
District's Covered Employee Payroll	\$ 15,700,967	\$ 16,021,395	\$ 16,439,285	\$ 16,931,535
Contributions as a percentage of Covered Employee Payroll	11.32%	13.10%	13.57%	13.96%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the Net Pension Liability attributable to the District	0.6435044679%	0.6370676705%	0.6339011628%	0.6322788603%
State's proportionate share of the Net Pension Liability attributable to the District	\$ 343,932,194	\$ 402,653,972	\$ 498,667,015	\$ 426,305,207
District's Covered Employee Payroll	\$ 63,282,036	\$ 63,474,257	\$ 64,836,221	\$ 65,828,000
State's proportionate share of the Net Pension Liability attributable to the District as a % of the District's Covered Employee Payroll	543.49%	634.36%	769.12%	647.60%
Plan Fiduciary Net Position as a % of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%

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 FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually Required Contribution	\$ 18,506,781	\$ 24,585,650	\$ 37,467,887	\$ 29,532,266
Contributions in relation to the Contractually Required Contribution	<u>(4,792,326)</u>	<u>(5,075,259)</u>	<u>(6,863,222)</u>	<u>(9,492,666)</u>
Contribution Deficiency/(Excess)	<u>\$ 13,714,455</u>	<u>\$ 19,510,391</u>	<u>\$ 30,604,665</u>	<u>\$ 20,039,600</u>
District's Covered Employee Payroll	\$ 63,282,036	\$ 63,474,257	\$ 64,836,221	\$ 65,828,000
Contributions as a percentage of Covered Employee Payroll	7.57%	8.00%	10.59%	14.42%

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 CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	<u>(1,223,298,019)</u>	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	<u>46,849,651,824</u>	<u>57,831,784,184</u>
Total OPEB Liability - Ending	<u>\$ 57,831,784,184</u>	<u>\$ 53,639,841,858</u>
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

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

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

**BUDGETARY COMPARISON SCHEDULES**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources:					
Local Tax Levy	\$ 145,825,281		\$ 145,825,281	\$ 145,825,281	
Tuition from Individuals		\$ 350,000	350,000	329,648	\$ (20,352)
Tuition from Other LEA's			100,000	224,066	124,066
Tuition from Other Sources	100,000				
Tuition from Summer School	350,000	(350,000)			
Rents and Royalties	20,000		20,000	46,147	26,147
Interest Earned on Capital Reserve Funds	283,375		283,375	267,511	(15,864)
Unrestricted Miscellaneous Revenues	77,500		117,500	7,436	7,436
Other Restricted Miscellaneous Revenues	140,000	(40,000)	100,000	1,271,271	1,153,771
<b>Total - Local Sources</b>	<b>146,796,156</b>		<b>146,796,156</b>	<b>147,972,770</b>	<b>1,176,614</b>
State Sources:					
Categorical Transportation Aid	392,872		392,872	392,872	
Special Education Categorical Aid	3,256,758	299,336	3,556,094	3,556,094	
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	58,974		58,974	111,070	52,096
Extraordinary Special Education Costs Aid	2,236,669		2,236,669	2,245,920	9,251
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				6,279,898	6,279,898
TPAF On-Behalf Pension Contributions (Non-Budgeted)				9,492,666	9,492,666
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				230,363	230,363
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				12,009	12,009
TPAF Social Security (Reimbursed - Non-Budgeted)				4,794,300	4,794,300
<b>Total State Sources</b>	<b>6,338,389</b>	<b>299,336</b>	<b>6,637,725</b>	<b>27,508,308</b>	<b>20,870,583</b>
Federal Sources:					
Medicaid Assistance Program	80,880		80,880	130,732	49,852
<b>Total Federal Sources</b>	<b>80,880</b>		<b>80,880</b>	<b>130,732</b>	<b>49,852</b>
<b>TOTAL REVENUES</b>	<b>153,215,425</b>	<b>299,336</b>	<b>153,514,761</b>	<b>175,611,810</b>	<b>22,097,049</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 994,156	\$ (275,003)	\$ 719,153	\$ 709,248	\$ 9,905
Kindergarten - Salaries of Teachers	870,703	155	870,858	858,306	12,552
Grades 1-5 - Salaries of Teachers	12,779,605	118,325	12,897,930	12,890,251	7,679
Grades 6-8 - Salaries of Teachers	10,152,710	150,162	10,302,872	10,302,376	496
Grades 9-12 - Salaries of Teachers	16,302,056	(465,918)	15,836,138	15,835,812	326
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000		85,000	56,430	28,570
Purchased Professional - Educational Services	72,500	(27,000)	45,500	27,774	17,726
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction		32,570	32,570	31,702	868
Purchased Professional - Educational Services	200		200		200
Purchased Technical Services	501,386	1,464	502,850	468,157	34,693
Other Purchased Services (400-500 series)	753,133	2,658	755,791	719,592	36,199
General Supplies	1,978,242	195,342	2,173,584	1,747,077	426,507
Textbooks	1,462,522	(26,591)	1,435,931	1,188,307	247,624
Other Objects	17,750	(972)	16,778	2,273	14,505
<b>Total Regular Programs - Instruction</b>	<b>45,969,963</b>	<b>(294,808)</b>	<b>45,675,155</b>	<b>44,837,305</b>	<b>837,850</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,191,280	50,854	1,242,134	1,242,134	
Other Salaries for Instruction	886,658	17,717	904,375	904,375	
General Supplies	139,066	(46,785)	92,281	92,273	8
<b>Total Learning and/or Language Disabilities</b>	<b>2,217,004</b>	<b>21,786</b>	<b>2,238,790</b>	<b>2,238,782</b>	<b>8</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	\$ 569,710	\$ 30,095	\$ 599,805	\$ 599,805	
Other Salaries for Instruction	234,113	(9,783)	224,330	224,330	
General Supplies	23,000	(8,650)	14,350	14,350	
Total Multiple Disabilities	826,823	11,662	838,485	838,485	
Resource Room/Resource Center:					
Salaries of Teachers	7,827,078	113,844	7,940,922	7,940,922	
Other Salaries for Instruction	1,022,298	(99,640)	922,658	922,658	
General Supplies	22,000		22,000	20,968	\$ 1,032
Total Resource Room/Resource Center	8,871,376	14,204	8,885,580	8,884,548	1,032
Autism:					
Salaries of Teachers	123,285	(65,708)	57,577	57,577	
Other Salaries for Instruction	21,336	1,156	22,492	22,492	
General Supplies	4,410	(3,457)	953	953	
Total Autism	149,031	(68,009)	81,022	81,022	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	293,828	(31,155)	262,673	262,673	
Other Salaries for Instruction	74,819	177,578	252,397	252,397	
General Supplies	20,800	6,672	27,472	27,358	114
Total Preschool Disabilities - Full-Time	389,447	153,095	542,542	542,428	114
Home Instruction:					
Other Salaries for Instruction	25,000	41,121	66,121	66,121	
Purchased Professional - Educational Services	75,000	(56,502)	18,498	18,498	
Total Home Instruction	100,000	(15,381)	84,619	84,619	
Total Special Education Instruction	12,553,681	117,357	12,671,038	12,669,884	1,154

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 1,905,879	\$ 261,609	\$ 2,167,488	\$ 2,019,950	\$ 147,538
General Supplies	16,499	(2,494)	14,005	9,834	4,171
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,922,378</b>	<b>259,115</b>	<b>2,181,493</b>	<b>2,029,784</b>	<b>151,709</b>
Bilingual Education - Instruction:					
Salaries of Teachers	791,633	18,341	809,974	808,640	1,334
Other Salaries		3,006	3,006	3,006	
General Supplies	7,925	7,925	7,925	4,441	3,484
Textbooks	525		525		525
<b>Total Bilingual Education - Instruction</b>	<b>800,083</b>	<b>21,347</b>	<b>821,430</b>	<b>816,087</b>	<b>5,343</b>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	725,980	52,249	778,229	777,460	769
Purchased Services (300-500 series)	21,850	(11,150)	10,700	8,825	1,875
Supplies and Materials	29,032	(17,311)	11,721	10,732	989
Other Objects	17,995	(5,180)	12,815	12,815	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>794,857</b>	<b>18,608</b>	<b>813,465</b>	<b>809,832</b>	<b>3,633</b>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,587,042	(1,850)	1,585,192	1,542,357	42,835
Purchased Services (300-500 series)	494,245	(6,791)	487,454	434,890	52,564
Supplies and Materials	276,415	7,916	284,331	255,325	29,006
Other Objects	79,500	(3,200)	76,300	71,129	5,171
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>2,437,202</b>	<b>(3,925)</b>	<b>2,433,277</b>	<b>2,303,701</b>	<b>129,576</b>
Before/After School Programs - Instruction:					
Salaries of Reading Specialists	20,000		20,000	7,838	12,162
<b>Total Before/After School Programs - Instruction</b>	<b>20,000</b>		<b>20,000</b>	<b>7,838</b>	<b>12,162</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Summer School - Instruction:					
Salaries	\$ 272,000	2,220	2,220	\$ 2,220	
Purchased Professional and Technical Services		(41,992)	230,008	229,198	\$ 810
Other Purchased Services (300-500 series)	2,500	(2,500)			
General Supplies	6,200	(212)	5,988	5,988	
Total Summer School - Instruction	280,700	(42,484)	238,216	237,406	810
Alternative Education Programs - Instruction:					
Salaries of Teachers	79,349	6,654	86,003	86,003	
Purchased Professional and Technical Services	65,000		65,000	33,594	31,406
Supplies and Materials	2,000		2,000	1,762	238
Total Alternative Education Programs - Instruction	146,349	6,654	153,003	121,359	31,644
Alternative Education Programs - Support:					
Salaries	9,500	(6,734)	2,766		2,766
Total Alternative Education Programs - Support	9,500	(6,734)	2,766		2,766
Total Alternative Education Programs	155,849	(80)	155,769	121,359	34,410
Community Services Programs/Operations:					
Salaries	90,000		90,000	66,832	23,168
Purchased Services (300-500 series)	184,490		184,490	184,490	
Total Community Services Programs/Operations	274,490		274,490	251,322	23,168
<b>Total Instruction</b>	<b>65,209,203</b>	<b>75,130</b>	<b>65,284,333</b>	<b>64,084,518</b>	<b>1,199,815</b>
<b>Undistributed Expenditures:</b>					
Instruction:					
Tuition to Other LEAs Within the State - Regular		14,500	14,500	14,500	
Tuition to Other LEAs Within the State - Special	83,048	205,455	288,503	288,503	
Tuition to County Vocational Schools - Regular	696,840	(18,582)	678,258	678,258	
Tuition to County Vocational Schools - Special	237,224	(161,781)	75,443	75,443	
Tuition to County Special Services Schools/Reg. Day Schools	368,495	47,265	415,760	403,610	12,150



WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Disabled - Within the State	\$ 3,414,318	\$ 387,825	\$ 3,802,143	\$ 3,786,451	\$ 15,692
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	141,815	13,431	155,246	155,157	89
Tuition - State Facilities	35,465		35,465	35,465	
Tuition - Other	10,000	60,125	70,125	43,100	27,025
Total Undistributed Expenditures - Instruction	4,987,205	548,238	5,535,443	5,480,487	54,956
Attendance and Social Work Services:					
Salaries		5,560	5,560	5,560	
Total Attendance and Social Work Services		5,560	5,560	5,560	
Health Services:					
Salaries	1,592,840	3,634	1,596,474	1,596,474	
Purchased Professional and Technical Services	75,000	5,272	80,272	77,289	2,983
Other Purchased Services (400-500 series)	15,472	1,527	16,999	16,622	377
Supplies and Materials	33,988	(6,814)	27,174	20,767	6,407
Total Health Services	1,717,300	3,619	1,720,919	1,711,152	9,767
Speech, OT, PT and Related Services:					
Salaries	2,791,645	(100,575)	2,691,070	2,680,361	10,709
Purchased Professional - Educational Services	601,355	(246,212)	355,143	355,143	
Supplies and Materials	103,641	(9,860)	93,781	86,915	6,866
Speech, OT, PT and Related Services	3,496,641	(356,647)	3,139,994	3,122,419	17,575
Students - Extraordinary Services:					
Salaries	1,998,023	225,574	2,223,597	2,223,597	
Other Purchased Services (400-500 series)	1,015,898	304,839	1,320,737	1,264,756	55,981
Supplies and Materials	5,500		5,500	5,421	79
Students - Extraordinary Services	3,019,421	530,413	3,549,834	3,493,774	56,060

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Guidance:					
Salaries of Other Professional Staff	\$ 2,877,075	\$ 2,500	\$ 2,879,575	\$ 2,871,968	\$ 7,607
Salaries of Secretarial and Clerical Assistants	328,335	7,551	335,886	335,886	
Other Salaries	76,210	9,622	85,832	78,301	7,531
Purchased Professional - Educational Services	8,315	67,590	75,905	72,111	3,794
Purchased Professional Services	62,000	(55,290)	6,710	6,710	
Supplies and Materials	66,960	(11,349)	55,611	38,474	17,137
Other Objects	5,075	50	5,125	4,156	969
Total Guidance	3,423,970	20,674	3,444,644	3,407,606	37,038
Child Study Team:					
Salaries of Other Professional Staff	2,740,200	146,668	2,886,868	2,886,868	
Other Salaries	103,000	22,184	125,184	125,184	
Other Purchased Professional and Technical Services	235,050	4,360	239,410	221,005	18,405
Other Purchased Services (400-500 series)	28,284	(1,000)	27,284	27,284	
Supplies and Materials	34,050	(12,385)	21,665	21,665	
Other Objects	1,100	39	1,139	1,139	
Total Child Study Team	3,141,684	159,866	3,301,550	3,283,145	18,405
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction		123	123	123	
Salaries of Other Professional Staff	1,069,288	(421,406)	647,882	604,916	42,966
Salaries of Secretarial and Clerical Assistants		229,026	229,026	227,849	1,177
Other Purchased Services (400-500 series)	7,000	107,285	114,285	88,404	25,881
Supplies and Materials	3,000	400	3,400	3,303	97
Other Objects	2,850	(1,015)	1,835	1,648	187
Total Improvement of Instructional Services	1,082,138	(85,587)	996,551	926,243	70,308

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	\$ 1,239,821	\$ (37,790)	\$ 1,202,031	\$ 1,184,548	\$ 17,483
Purchased Professional and Technical Services	20,000		20,000	19,224	776
Supplies and Materials	174,950	(2,250)	172,700	167,432	5,268
Total Educational Media Services/School Library	1,434,771	(40,040)	1,394,731	1,371,204	23,527
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	192,600	(192,600)			
Salaries of Other Professional Staff	96,815	30,530	127,345	127,345	
Other Salaries	5,000	180,224	185,224	135,988	49,236
Other Purchased Professional and Technical Services	59,000		59,000	39,609	19,391
Other Purchased Services (400-500 series)	76,600	(6,646)	69,954	38,321	31,633
Supplies and Materials	3,000		3,000	362	2,638
Total Instructional Staff Training Services	433,015	11,508	444,523	341,625	102,898
Support Services - General Administration:					
Salaries	631,363	(29,135)	602,228	597,781	4,447
Salaries of In-House Attorney		7,000	7,000	7,000	
Legal Services	330,251	135,301	465,552	395,632	69,920
Audit Fees	74,128	9,247	83,375	83,375	
Other Purchased Professional Services	6,600		6,600	6,575	25
Unused Vacation Payments		4,662	4,662	4,662	
Communications/Telephone	75,850	(7,317)	68,533	67,974	559
BOE Other Purchased Services	13,000	(8,099)	4,901	4,868	33
Miscellaneous Purchased Services (400-500 series)	218,643	16,913	235,556	232,395	3,161
General Supplies	8,000	(1,443)	6,557	5,791	766
Miscellaneous Expenditures	5,818	2,742	8,560	8,560	
BOE Membership Dues and Fees	27,000	(303)	26,697	26,663	34
Total Support Services - General Administration	1,390,653	129,568	1,520,221	1,441,276	78,945

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 4,129,732	\$ (486,390)	\$ 3,643,342	\$ 3,643,342	
Salaries of Secretarial and Clerical Assistants	1,265,195	(9,069)	1,256,126	1,256,126	
Other Salaries		547,078	547,078	547,078	
Unused Vacation Payments		43,958	43,958	43,958	
Other Purchased Services (400-500 series)	125,125	(94,088)	31,037	31,037	
Supplies and Materials	68,446	(8,939)	59,507	59,475	\$ 32
Other Objects	87,200	(15,394)	71,806	69,402	2,404
Total Support Services - School Administration	5,675,698	(22,844)	5,652,854	5,650,418	2,436
Central Services:					
Salaries	1,117,506	(27,075)	1,090,431	1,090,195	236
Unused Vacation Payments		20,680	20,680	20,680	
Purchased Professional Services	98,750	(3,470)	95,280	93,895	1,385
Miscellaneous Purchased Services (400-500 series)	185,900	14,307	200,207	188,832	11,375
Supplies and Materials	20,250	(3,500)	16,750	15,340	1,410
Miscellaneous Expenditures	21,900	(500)	21,400	20,944	456
Total Central Services	1,444,306	442	1,444,748	1,429,886	14,862
Administration Information Technology:					
Salaries	1,003,548	18,774	1,022,322	1,021,388	934
Unused Vacation Payments		4,197	4,197	4,197	
Purchased Technical Services	354,205	(107,926)	246,279	230,053	16,226
Other Purchased Services (400-500 series)	86,273	235,362	321,635	321,635	
Supplies and Materials	33,200	52,699	85,899	81,443	4,456
Other Objects	2,000		2,000	695	1,305
Total Administration Information Technology	1,479,226	203,106	1,682,332	1,659,411	22,921
Required Maintenance for School Facilities:					
Salaries	828,103	167,502	995,605	938,992	56,613
Unused Vacation Payments		1,477	1,477	1,477	
Cleaning, Repair and Maintenance Services	1,640,011	(307,307)	1,332,704	907,818	424,886
General Supplies	595,340	(280,491)	314,849	291,728	23,121
Total Required Maintenance for School Facilities	3,063,454	(418,819)	2,644,635	2,140,015	504,620

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 5,153,190	\$ 4,995	\$ 5,158,185	\$ 5,158,185	
Salaries of Non-Instructional Aides	515,547	(16,888)	498,659	498,659	
Unused Vacation Payments		13,292	13,292	13,292	
Purchased Professional and Technical Services	55,465	30	55,495	50,123	\$ 5,372
Cleaning, Repair and Maintenance Services	1,051,551	(111,636)	939,915	938,632	1,283
Rental of Land/Bldg. Other Than Lease Purchase	236,272	(236,272)			
Lease Purchase Payments - ESIP	765,471	287,027	1,052,498	1,051,720	778
Other Purchased Property Services	112,170	(9,873)	102,297	97,395	4,902
Insurance	727,579	(34,244)	693,335	676,198	17,137
Miscellaneous Purchased Services	39,800	(16,329)	23,471	22,088	1,383
General Supplies	342,365	65,855	408,220	404,703	3,517
Energy (Natural Gas)	703,770	74,493	778,263	778,142	121
Energy (Electricity)	1,174,500	4,311	1,178,811	1,178,811	
Other Objects	10,000	(5,890)	4,110	4,110	
<b>Total Custodial Services</b>	<b>10,887,680</b>	<b>18,871</b>	<b>10,906,551</b>	<b>10,872,058</b>	<b>34,493</b>
Care and Upkeep of Grounds:					
Salaries	287,422	8,006	295,428	295,428	
Cleaning, Repair and Maintenance Services	202,000	(35,705)	166,295	161,270	5,025
General Supplies	86,000	(13,259)	72,741	59,262	13,479
<b>Total Care and Upkeep of Grounds</b>	<b>575,422</b>	<b>(40,958)</b>	<b>534,464</b>	<b>515,960</b>	<b>18,504</b>
Security:					
Purchased Professional and Technical Services		90,921	90,921	81,049	9,872
<b>Total Security</b>		<b>90,921</b>	<b>90,921</b>	<b>81,049</b>	<b>9,872</b>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	1,811,924	(42,981)	1,768,943	1,758,227	10,716
Between Home and School - Special	1,833,693	166,087	1,999,780	1,967,409	32,371
Between Home and School - Nonpublic Schools	294,500	(3,259)	291,241	289,286	1,955

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Student Transportation Services:					
Cleaning, Repair and Maintenance Services	\$ 6,500	\$ (6,500)	\$ 511,703	\$ 511,703	\$ 1,000
Lease Purchase Payments - School Buses	607,221	(95,518)			
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	321,776	51,483	373,259	372,259	
Between Home and School - Vendors	40,000	(40,000)			
Other Than Between Home and School - Vendors	18,600	(13,524)	5,076	2,631	2,445
Special Education Students - Vendors	407,000	422,315	829,315	816,328	12,987
Miscellaneous Purchased Services	256,842	(36,922)	219,920	210,880	9,040
Transportation Supplies	589,000	41,758	630,758	619,845	10,913
Other Objects	2,200	(1,474)	726	726	
<b>Total Student Transportation Services</b>	<b>6,189,256</b>	<b>441,465</b>	<b>6,630,721</b>	<b>6,549,294</b>	<b>81,427</b>
Unallocated Benefits:					
Social Security Contributions	1,873,286	49,963	1,923,249	1,923,249	
Other Retirement Contributions - PERS	2,409,677	(27,301)	2,382,376	2,363,539	18,837
Other Retirement Contributions - Regular	55,000	50,104	105,104	101,979	3,125
Workmen's Compensation	892,952	34,423	927,375	927,375	
Health Benefits	29,674,137	(1,583,817)	28,090,320	26,681,959	1,408,361
Tuition Reimbursement	135,350	24,249	159,599	105,268	54,331
Other Employee Benefits	386,785	(64,536)	322,249	255,096	67,153
<b>Total Unallocated Benefits</b>	<b>35,427,187</b>	<b>(1,516,915)</b>	<b>33,910,272</b>	<b>32,358,465</b>	<b>1,551,807</b>
On-Behalf TPAF Contributions (Nonbudgeted):					
TPAF Post Retirement Contributions				6,279,898	(6,279,898)
TPAF Pension Contributions				9,492,666	(9,492,666)
TPAF Non-Contributory Insurance				230,363	(230,363)
TPAF Long-Term Disability Insurance				12,009	(12,009)
Reimbursed TPAF Social Security Contributions				4,794,300	(4,794,300)
<b>Total On-Behalf and Reimbursed Contributions</b>				<b>20,809,236</b>	<b>(20,809,236)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>35,427,187</b>	<b>(1,516,915)</b>	<b>33,910,272</b>	<b>53,167,701</b>	<b>(19,257,429)</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Total Undistributed Expenses	\$ 88,869,027	\$ (317,559)	\$ 88,551,468	\$ 106,650,283	\$ (18,098,815)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>154,078,230</b>	<b>(242,429)</b>	<b>153,835,801</b>	<b>170,734,801</b>	<b>(16,899,000)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8	\$ 30,000	\$ (28,000)	\$ 2,000	\$ 2,000	\$ 930
Grades 9-12	60,000	(52,842)	7,158	7,158	279
School Sponsored and Other Instructional Programs		4,143	4,143	4,143	
Undistributed Expenditures:					
Instruction		103,206	103,206	102,276	
Support Services - Related and Extraordinary Services		9,860	9,860	9,581	
Required Maintenance for School Facilities	117,460	132,835	250,295	127,251	
Care and Upkeep of Grounds		13,872	13,872	6,870	
Student Transportation - Non Instructional Equipment	35,507	44,589	80,096	36,831	
<b>Total Equipment</b>	<b>242,967</b>	<b>227,663</b>	<b>470,630</b>	<b>296,110</b>	<b>174,520</b>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	142,008		142,008	100,939	
Construction Services	1,631,953	1,512,271	3,144,224	1,419,251	
Other Objects (Debt Service Assessment)	154,055		154,055	154,055	
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,928,016</b>	<b>1,512,271</b>	<b>3,440,287</b>	<b>1,674,245</b>	<b>1,766,042</b>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment:					
Undistributed Expenditures - Instruction and School Buses				1,365,300	(1,365,300)
<b>Total Assets Acquired Under Capital Leases (Non-Budgeted)</b>				<b>1,365,300</b>	<b>(1,365,300)</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>2,170,983</b>	<b>1,739,934</b>	<b>3,910,917</b>	<b>3,335,655</b>	<b>575,262</b>
Transfer of Funds to Charter Schools	44,329		44,329	17,252	
<b>TOTAL EXPENDITURES</b>	<b>156,293,542</b>	<b>1,497,505</b>	<b>157,791,047</b>	<b>174,087,708</b>	<b>(16,296,661)</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (3,078,117)	\$ (1,198,169)	\$ (4,276,286)	\$ 1,524,102	\$ 5,800,388
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				1,365,300	1,365,300
Transfer In - Capital Projects Fund - Unexpended Balances				193,021	193,021
Transfers Out:					
Board Contribution:					
Food Service Enterprise Fund	(20,000)	(26,831)	(46,831)	(46,831)	
Total Other Financing Sources/(Uses)	(20,000)	(26,831)	(46,831)	1,511,490	1,558,321
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,098,117)	(1,225,000)	(4,323,117)	3,035,592	7,358,709
Fund Balance, July 1	10,617,411		10,617,411	10,617,411	
Fund Balance, June 30	\$ 7,519,294	\$ (1,225,000)	\$ 6,294,294	\$ 13,653,003	\$ 7,358,709
Recapitulation:					
Restricted:					
Excess Surplus				\$ 1,750,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				869,572	
Capital Reserve				4,019,983	
Assigned:					
Encumbrances				2,805,968	
Designated for Subsequent Year's Expenditures				1,107,870	
Unassigned				3,099,610	
				13,653,003	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(347,790)	
Fund Balance per Governmental Funds (GAAP)				\$ 13,305,213	



WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 563,700	\$ 201,299	\$ 764,999	\$ 612,541	\$ (152,458)
Federal Sources	2,231,866	726,105	2,957,971	2,496,028	(461,943)
Local Sources	103,571	75,760	179,331	99,723	(79,608)
<b>Total Revenues</b>	<b>2,899,137</b>	<b>1,003,164</b>	<b>3,902,301</b>	<b>3,208,292</b>	<b>(694,009)</b>
<b>EXPENDITURES:</b>					
Instruction					
Personal Services - Salaries	272,804	79,673	352,477	269,264	83,213
Purchased Professional/Educational Services	314,100	77,380	391,480	255,402	136,078
Other Purchased Services	1,532,866	331,800	1,864,666	1,749,399	115,267
General Supplies	355,753	(127,382)	228,371	166,667	61,704
Textbooks	66,100	9,440	75,540	70,348	5,192
<b>Total Instruction</b>	<b>2,541,623</b>	<b>370,911</b>	<b>2,912,534</b>	<b>2,511,080</b>	<b>401,454</b>
Support Services					
Personal Services - Salaries		20,854	20,854	15,586	5,268
Personal Services - Employee Benefits		185,424	185,424	81,609	103,815
Purchased Professional/Educational Services	118,000	293,335	411,335	396,034	15,301
Other Purchased Services	102,000	586	102,586	48,694	53,892
Supplies and Materials	65,500	55,725	121,225	110,213	11,012
Other Objects	69,566	62,229	131,795	31,059	100,736
<b>Total Support Services</b>	<b>355,066</b>	<b>618,153</b>	<b>973,219</b>	<b>683,195</b>	<b>290,024</b>
Facilities Acquisition:					
Instructional Equipment	2,448	14,100	16,548	14,017	2,531
<b>Total Facilities Acquisition</b>	<b>2,448</b>	<b>14,100</b>	<b>16,548</b>	<b>14,017</b>	<b>2,531</b>
<b>Total Expenditures</b>	<b>2,899,137</b>	<b>1,003,164</b>	<b>3,902,301</b>	<b>3,208,292</b>	<b>694,009</b>
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, 2018  
(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	\$ 175,611,810	\$ 3,208,292
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(10,384)
Prior Year Encumbrances		57,936
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	329,412	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(347,790)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 175,593,432	\$ 3,255,844
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 174,087,708	\$ 3,208,292
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		(10,384)
Prior Year Encumbrances		57,936
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 174,087,708	\$ 3,255,844

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Unaudited)

Budgets/Budgetary Control:

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

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

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

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

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Elementary and Secondary Education Act</u>				<u>Carl Perkins Vocational Education</u>
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	
REVENUE:					
State Sources					
Federal Sources	\$ 395,793	\$ 140,934	\$ 54,528	\$ 20,025	\$ 37,064
Local Sources					
<b>Total Revenue</b>	<b>\$ 395,793</b>	<b>\$ 140,934</b>	<b>\$ 54,528</b>	<b>\$ 20,025</b>	<b>\$ 37,064</b>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 269,264				
Purchased Professional/Educational Services					\$ 453
Other Purchased Services					
General Supplies	17,662		\$ 1,109	\$ 10,460	14,273
Textbooks					
<b>Total Instruction</b>	<b>286,926</b>		<b>1,109</b>	<b>10,460</b>	<b>14,726</b>
Support Services:					
Personal Services - Salaries			6,021	9,565	
Personal Services - Employee Benefits	81,609				
Purchased Professional/Educational Services	21,956	\$ 98,171	41,494		2,714
Other Purchased Services	1,600	42,763	2,922		1,409
Supplies and Materials	3,702				2,964
Other Objects			2,982		1,234
<b>Total Support Services</b>	<b>108,867</b>	<b>140,934</b>	<b>53,419</b>	<b>9,565</b>	<b>8,321</b>
Facilities Acquisition:					
Non Instructional Equipment					14,017
<b>Total Facilities Acquisition</b>					<b>14,017</b>
<b>Total Expenditures</b>	<b>\$ 395,793</b>	<b>\$ 140,934</b>	<b>\$ 54,528</b>	<b>\$ 20,025</b>	<b>\$ 37,064</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>I.D.E.A. - Part B, Basic</u>		<u>NJ Nonpublic</u>		
	<u>Regular</u>	<u>Preschool</u>	<u>Technology Initiative</u>	<u>Textbooks</u>	<u>Nursing</u>
REVENUE:					
State Sources			\$ 51,023	\$ 70,348	\$ 132,674
Federal Sources	\$ 1,784,545	\$ 63,139			
Local Sources					
Total Revenue	<u>\$ 1,784,545</u>	<u>\$ 63,139</u>	<u>\$ 51,023</u>	<u>\$ 70,348</u>	<u>\$ 132,674</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services					
Other Purchased Services	\$ 1,685,520	\$ 63,139	\$ 740		
General Supplies			50,283		
Textbooks				\$ 70,348	
Total Instruction	<u>1,685,520</u>	<u>63,139</u>	<u>51,023</u>	<u>70,348</u>	
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services	99,025				\$ 132,674
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services	<u>99,025</u>				<u>132,674</u>
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,784,545</u>	<u>\$ 63,139</u>	<u>\$ 51,023</u>	<u>\$ 70,348</u>	<u>\$ 132,674</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Nonpublic Auxiliary Services (Chapter 192)</u>			
	<u>NJ Nonpublic</u>	<u>Compensatory</u>	<u>English as a</u>	<u>Home</u>
	<u>Security</u>	<u>Education</u>	<u>Second</u>	<u>Instruction</u>
			<u>Language</u>	
REVENUE:				
State Sources	\$ 103,547	\$ 66,438	\$ 19,603	\$ 5,872
Federal Sources				
Local Sources				
Total Revenue	<u>\$ 103,547</u>	<u>\$ 66,438</u>	<u>\$ 19,603</u>	<u>\$ 5,872</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				
Purchased Professional/Educational Services		\$ 66,438	\$ 19,603	\$ 5,872
Other Purchased Services				
General Supplies				
Textbooks				
Total Instruction		<u>66,438</u>	<u>19,603</u>	<u>5,872</u>
Support Services:				
Personal Services - Salaries				
Personal Services - Employee Benefits				
Purchased Professional/Educational Services				
Other Purchased Services				
Supplies and Materials	\$ 103,547			
Other Objects				
Total Support Services	<u>103,547</u>			
Facilities Acquisition:				
Non Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	<u>\$ 103,547</u>	<u>\$ 66,438</u>	<u>\$ 19,603</u>	<u>\$ 5,872</u>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Nonpublic Handicapped Services (Chapter 193)</u>			<u>Local Programs</u>	<u>Totals June 30, 2018</u>
	<u>Supplementary Instruction</u>	<u>Examination &amp; Classification</u>	<u>Corrective Speech</u>		
REVENUE:					
State Sources	\$ 63,833	\$ 86,793	\$ 12,410		\$ 612,541
Federal Sources					2,496,028
Local Sources				\$ 99,723	99,723
<b>Total Revenue</b>	<b>\$ 63,833</b>	<b>\$ 86,793</b>	<b>\$ 12,410</b>	<b>\$ 99,723</b>	<b>\$ 3,208,292</b>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					\$ 269,264
Purchased Professional/Educational Services	\$ 63,833	\$ 86,793	\$ 12,410		255,402
Other Purchased Services					1,749,399
General Supplies				\$ 72,880	166,667
Textbooks					70,348
<b>Total Instruction</b>	<b>63,833</b>	<b>86,793</b>	<b>12,410</b>	<b>72,880</b>	<b>2,511,080</b>
Support Services:					
Personal Services - Salaries					15,586
Personal Services - Employee Benefits					81,609
Purchased Professional/Educational Services					396,034
Other Purchased Services					48,694
Supplies and Materials					110,213
Other Objects				26,843	31,059
<b>Total Support Services</b>				<b>26,843</b>	<b>683,195</b>
Facilities Acquisition:					
Non Instructional Equipment					14,017
<b>Total Facilities Acquisition</b>					<b>14,017</b>
<b>Total Expenditures</b>	<b>\$ 63,833</b>	<b>\$ 86,793</b>	<b>\$ 12,410</b>	<b>\$ 99,723</b>	<b>\$ 3,208,292</b>

**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, 2018

Revenue:	
FEMA Hazard Mitigation Grant Program	\$ 151,753
Total Revenue	<u>151,753</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	9,351
Construction Services	458,935
Transfer to General Fund - Unexpended Balances	<u>193,021</u>
Total Expenditures and Other Financing Uses	<u>661,307</u>
Deficit of Revenue Under	
Expenditures and Other Financing Uses	(509,554)
Fund Balance - Beginning	<u>684,910</u>
Fund Balance - Ending	<u><u>\$ 175,356</u></u>
<u>Recapitulation of Fund Balance at June 30, 2018</u>	
Restricted - Other Purposes	\$ 105,296
Restricted - Year-End Encumbrances	21,176
Committed - Other Purposes	<u>48,884</u>
Fund Balance per Governmental Funds (Budgetary Basis)	175,356
Reconciliation to Governmental Funds Statement (GAAP):	
Grants not Recognized on the GAAP Basis:	
SDA Grants	<u>(267,435)</u>
Fund Balance (Deficit) per Governmental Funds (GAAP)	<u><u>\$ (92,079)</u></u>

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, 2018

	Prior Periods	Current Year	Totals	Project Authorization
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	774,898	\$ 9,351	784,249	716,482
Construction Services	9,632,703	409,270	10,041,973	10,235,462
Total Expenditures	10,519,971	418,621	10,938,592	11,065,064
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 545,093	\$ (418,621)	\$ 126,472	\$ -0-

## Additional Project Information:

Project Number	5570-X01-14-1000
Capital Lease Authorization Date	May 29, 2014
Capital Lease Authorized	\$ 11,065,064
Capital Lease Issued	\$ 11,065,064
Original Authorized Cost	\$ 11,065,064
Percentage Completion	100.00%
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, 2018

	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
<b>Total Revenue and Other Financing Sources</b>	<b>606,147</b>		<b>606,147</b>	<b>606,147</b>
Expenditures:				
Purchased Professional and Technical Services	25,587		25,587	25,650
Construction Services	577,366		577,366	580,497
<b>Total Expenditures</b>	<b>602,953</b>	<b>-0-</b>	<b>602,953</b>	<b>606,147</b>
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	100.00%
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, 2018

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

Additional Project Information:

Project Number	5570-055-14-1005
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 91,502
Percentage Completion	100.00%
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, 2018

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

## Additional Project Information:

Project Number	5570-083-14-1003
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 152,500
Additional Authorization	\$ 32,325
Revised Authorized Cost	\$ 184,825
Percentage Completion	100.00%
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, 2018

	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
<b>Total Revenue and Other Financing Sources</b>	<b>308,800</b>		<b>308,800</b>	<b>308,800</b>
Expenditures:				
Purchased Professional and Technical Services	12,262		12,262	11,800
Construction Services	291,814		291,814	297,000
<b>Total Expenditures</b>	<b>304,076</b>	<b>-0-</b>	<b>304,076</b>	<b>308,800</b>
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	100.00%
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, 2018

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 347,900	\$ (193,021)	\$ 154,879	\$ 347,900
Federal Sources - FEMA Hazard Mitigation Grant Program	250,000	151,753	401,753	250,000
Total Revenue and Other Financing Sources	597,900	(41,268)	556,632	597,900
Expenditures:				
Construction Services	506,967	49,665	556,632	597,900
Total Expenditures	506,967	49,665	556,632	597,900
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 90,933	\$ (90,933)	\$ -0-	\$ -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	100.00%
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, 2018

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total Non-Major Funds	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program		
<b>ASSETS:</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 143,520	\$ 3,751	\$ 253,320	\$ 660,723	\$ 917,794	\$ 1,061,314
Accounts Receivable:						
Interfund - General Fund	64,641					64,641
Other Governments:						
Federal	31,631					31,631
State	1,678					1,678
Other	69,468		1,500	853	2,353	71,821
Inventories	37,688					37,688
<b>Total Current Assets</b>	<b>348,626</b>	<b>3,751</b>	<b>254,820</b>	<b>661,576</b>	<b>920,147</b>	<b>1,268,773</b>
Non-Current Assets:						
Capital Assets	1,084,372					1,084,372
Less: Accumulated Depreciation	(895,809)					(895,809)
<b>Total Non-Current Assets</b>	<b>188,563</b>	<b>- 0 -</b>	<b>- 0 -</b>	<b>- 0 -</b>	<b>- 0 -</b>	<b>188,563</b>
<b>Total Assets</b>	<b>537,189</b>	<b>3,751</b>	<b>254,820</b>	<b>661,576</b>	<b>920,147</b>	<b>1,457,336</b>
<b>LIABILITIES:</b>						
Current Liabilities:						
Accounts Payable	265,213	228	5,475	30,248	35,951	301,164
Unearned Revenue:						
Donated Commodities	7,149					7,149
Prepaid Sales	76,264					76,264
Long-term Liabilities:						
Compensated absences payable				26,579	26,579	26,579
<b>Total Liabilities</b>	<b>348,626</b>	<b>228</b>	<b>5,475</b>	<b>56,827</b>	<b>62,530</b>	<b>411,156</b>
<b>NET POSITION:</b>						
Investment in Capital Assets	188,563					188,563
Unrestricted		3,523	249,345	604,749	857,617	857,617
<b>Total Net Position</b>	<b>\$ 188,563</b>	<b>\$ 3,523</b>	<b>\$ 249,345</b>	<b>\$ 604,749</b>	<b>\$ 857,617</b>	<b>\$ 1,046,180</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	\$ 1,053,046					\$ 1,053,046
Daily Sales - Non-Reimbursable Programs	1,236,184					1,236,184
Special Events	247,363					247,363
Program Fees		\$ 8,635	\$ 660,799	\$ 1,151,958	\$ 1,821,392	1,821,392
Total Operating Revenue	<u>2,536,593</u>	<u>8,635</u>	<u>660,799</u>	<u>1,151,958</u>	<u>1,821,392</u>	<u>4,357,985</u>
Operating Expenses:						
Cost of Sales - Reimbursable Programs	540,388					540,388
Cost of Sales - Non-Reimbursable Programs	634,368					634,368
Salaries	1,058,065	6,562	408,924	605,014	1,020,500	2,078,565
Employee Benefits	282,470			119,447	119,447	401,917
Purchased Property Services				5,143	5,143	5,143
Other Purchased Services				232,376	232,376	232,376
Management Fee	300,000					300,000
Supplies, Insurance and Other Costs	266,157	1,705	61,152	131,282	194,139	460,296
Other Objects	409		6,885		6,885	7,294
Depreciation Expense	57,615					57,615
Total Operating Expenses	<u>3,139,472</u>	<u>8,267</u>	<u>476,961</u>	<u>1,093,262</u>	<u>1,578,490</u>	<u>4,717,962</u>
Operating Income (Loss)	<u>(602,879)</u>	<u>368</u>	<u>183,838</u>	<u>58,696</u>	<u>242,902</u>	<u>(359,977)</u>
Non-Operating Revenue:						
Federal Sources:						
National School Lunch Program	332,231					332,231
School Breakfast Program	24,811					24,811
Special Milk Program	1,490					1,490
Food Distribution Program	126,092					126,092
State Sources:						
School Lunch Program	17,846					17,846
Total Non-Operating Revenue	<u>502,470</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>502,470</u>
Change in Net Position Before Transfers	(100,409)	368	183,838	58,696	242,902	142,493
Transfers In - General Fund	46,831					46,831
Change in Net Position After Transfers	(53,578)	368	183,838	58,696	242,902	189,324
Net Position - Beginning of Year	242,141	3,155	65,507	546,053	614,715	856,856
Net Position - End of Year	<u>\$ 188,563</u>	<u>\$ 3,523</u>	<u>\$ 249,345</u>	<u>\$ 604,749</u>	<u>\$ 857,617</u>	<u>\$ 1,046,180</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	\$ 2,531,447	\$ 555	\$ 549,815	\$ 1,152,788	\$ 1,703,158	\$ 4,234,605
Payments to Employees		(6,562)	(408,924)	(604,493)	(1,019,979)	(1,019,979)
Payments to Food Service Vendor	(2,972,990)					(2,972,990)
Payments to Suppliers	(266,157)	(1,477)	(64,245)	(473,656)	(539,378)	(805,535)
Net Cash Provided by/(Used for) Operating Activities	<u>(707,700)</u>	<u>(7,484)</u>	<u>76,646</u>	<u>74,639</u>	<u>143,801</u>	<u>(563,899)</u>
Cash Flows from Capital Financing Activities:						
Acquisition of Capital Assets	(4,037)					(4,037)
Net Cash Used for Capital Financing Activities	<u>(4,037)</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>(4,037)</u>
Cash Flows from Noncapital Financing Activities:						
Federal Sources	401,038					401,038
State Sources	19,349					19,349
Payments from General Fund	16,967					16,967
Net Cash Provided by Noncapital Financing Activities	<u>437,354</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>437,354</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(274,383)	(7,484)	76,646	74,639	143,801	(130,582)
Cash and Cash Equivalents, July 1	417,903	11,235	176,674	586,084	773,993	1,191,896
Cash and Cash Equivalents, June 30	<u>\$ 143,520</u>	<u>\$ 3,751</u>	<u>\$253,320</u>	<u>\$ 660,723</u>	<u>\$ 917,794</u>	<u>\$ 1,061,314</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income (Loss)	\$ (602,879)	\$ 368	\$ 183,838	\$ 58,696	\$ 242,902	\$ (359,977)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation	57,615					57,615
Federal Food Distribution Program	126,092					126,092
Changes in Assets and Liabilities:						
(Increase)/Decrease in Accounts Receivable	(20,815)		(1,500)	830	(670)	(21,485)
(Increase)/Decrease in Inventory	(2,903)					(2,903)
Increase/(Decrease) in Accounts Payable	(280,479)	228	3,792	14,592	18,612	(261,867)
Increase/(Decrease) in Compensated Absences Payable				521		521
Increase/(Decrease) in Unearned Revenue	15,669	(8,080)	(109,484)		(117,564)	(101,895)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (707,700)</u>	<u>\$ (7,484)</u>	<u>\$ 76,646</u>	<u>\$ 74,639</u>	<u>\$ 143,280</u>	<u>\$ (563,899)</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 \$130,419 and \$126,092 respectively, for the fiscal year ended June 30, 2018.

**FIDUCIARY FUNDS**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	<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>			
<b><u>ASSETS:</u></b>					
Cash and Cash Equivalents	\$ 655,569	\$ 1,760,362	\$ 266,971	\$ 36,188	
Investments					\$ 34,405
Total Assets	<u>655,569</u>	<u>1,760,362</u>	<u>266,971</u>	<u>36,188</u>	<u>34,405</u>
<b><u>LIABILITIES:</u></b>					
Accounts Payable - Vendors	44,475		44,475		
Payroll Deductions and Withholdings		1,760,362	1,760,362		
Due to Student Groups	611,094		611,094		
Total Liabilities	<u>655,569</u>	<u>1,760,362</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
<b><u>NET POSITION:</u></b>					
Held in Trust for:					
Unemployment Claims			266,971		
Flexible Spending Claims				36,188	
Restricted for Scholarships					34,405
Total Net Position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 266,971</u>	<u>\$ 36,188</u>	<u>\$ 34,405</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 248,939	\$ 204,737	
Total Contributions	<u>248,939</u>	<u>204,737</u>	
Investment Earnings:			
Interest			\$ 51
Net Investment Earnings			<u>51</u>
Total Additions	<u>248,939</u>	<u>204,737</u>	<u>51</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	269,804		
Flexible Spending Claims		218,170	
Total Deductions	<u>269,804</u>	<u>218,170</u>	
Change in Net Position	(20,865)	(13,433)	51
Net Position - Beginning of the Year	<u>287,836</u>	<u>49,621</u>	<u>34,354</u>
Net Position - End of the Year	<u>\$ 266,971</u>	<u>\$ 36,188</u>	<u>\$ 34,405</u>



WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 613,244	\$ 737,556	\$ 695,231	\$ 655,569
Total Assets	<u>\$ 613,244</u>	<u>\$ 737,556</u>	<u>\$ 695,231</u>	<u>\$ 655,569</u>
<u>LIABILITIES:</u>				
Liabilities:				
Accounts Payable	\$ 38,731	\$ 44,475	\$ 38,731	\$ 44,475
Due to Student Groups	<u>574,513</u>	<u>693,081</u>	<u>656,500</u>	<u>611,094</u>
Total Liabilities	<u>\$ 613,244</u>	<u>\$ 737,556</u>	<u>\$ 695,231</u>	<u>\$ 655,569</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Accounts Payable	Balance June 30, 2018
<b>Elementary Schools:</b>					
A.P. Terhune	\$ 2,705	\$ 5,351	\$ 1,929	\$ 1,066	\$ 5,061
Theunis Dey	4,559	4,283	3,199	1,244	4,399
James Fallon	1,851	9,115	7,883	958	2,125
John F. Kennedy	540	10,538	6,279	3,898	901
Lafayette	370	7,071	4,502	621	2,318
Pines Lake	6,039	7,367	4,394	2,925	6,087
Ryerson	2,368	3,620	2,063	13	3,912
Randall Carter	2,113	7,853	5,329	2,632	2,005
Packanack	9,199	4,870	4,384	1,043	8,642
<b>Middle Schools:</b>					
George Washington	44,277	58,509	59,573	1,364	41,849
Schuyler Colfax	59,171	49,303	47,264	4,164	57,046
Anthony Wayne	28,399	14,931	17,563		25,767
<b>High Schools:</b>					
Wayne Valley	188,804	270,454	241,018	13,167	205,073
Wayne Hills	224,118	239,816	206,645	11,380	245,909
<b>Total All Schools</b>	<b>\$ 574,513</b>	<b>\$ 693,081</b>	<b>\$ 612,025</b>	<b>\$ 44,475</b>	<b>\$ 611,094</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 1,723,492	\$ 108,892,309	\$ 108,855,439	\$ 1,760,362
Total Assets	<u>\$ 1,723,492</u>	<u>\$ 108,892,309</u>	<u>\$ 108,855,439</u>	<u>\$ 1,760,362</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	<u>1,723,492</u>	<u>\$ 108,892,309</u>	<u>\$ 108,855,439</u>	<u>\$ 1,760,362</u>
Total Liabilities	<u>\$ 1,723,492</u>	<u>\$ 108,892,309</u>	<u>\$ 108,855,439</u>	<u>\$ 1,760,362</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	Retired/Matured	Balance June 30, 2018
			Date	Amount			
School Refunding Bonds	11/01/12	\$ 25,440,000	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%		
						\$ 18,285,000	\$ 2,615,000
						\$ 18,285,000	\$ 15,670,000

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

Item	Interest Rate	Original Issue	Balance July 1, 2017	Issued	Retired/ Matured	Balance June 30, 2018
Equipment and Buses	1.28%	\$ 1,000,000	\$ 102,438		\$ 102,438	
Equipment and Buses	1.52%	1,250,000	385,013		255,700	\$ 129,313
Equipment and Buses	1.65%	1,515,800	773,466		305,578	467,888
Equipment and Buses	1.82%	1,700,000	1,206,087		336,820	869,267
Equipment and Buses	1.67%	1,365,300		\$ 1,365,300	396,390	968,910
Equipment and Buses	1.82%	420,000	420,000		102,164	317,836
Equipment and Buses	1.93%	813,000	813,000		156,408	656,592
Energy Savings Improvement Program	2.93%	11,065,064	9,311,522		492,642	8,818,880
			<u>\$ 13,011,526</u>	<u>\$ 1,365,300</u>	<u>\$ 2,148,140</u>	<u>\$ 12,228,686</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	\$ 3,359,475		\$ 3,359,475	\$ 3,359,475	
Total Revenues	<u>3,359,475</u>		<u>3,359,475</u>	<u>3,359,475</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	744,475		744,475	744,475	
Redemption of Principal	2,615,000		2,615,000	2,615,000	
Total Regular Debt Service	<u>3,359,475</u>		<u>3,359,475</u>	<u>3,359,475</u>	
Total Expenditures	<u>3,359,475</u>		<u>3,359,475</u>	<u>3,359,475</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental Activities:										
Instruction:	\$ 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	\$ 88,119,809
Regular							19,201,430	20,890,532	26,092,880	26,965,209
Special Education							4,738,040	4,378,608	5,421,181	5,670,549
Other Special Instruction							4,826,208	5,645,476	6,127,133	6,133,051
School Sponsored/Other Instruction										
Support Services:										
Tuition							5,314,728	5,161,154	5,271,592	5,480,487
Student & Instruction Related Services	17,751,392	22,440,126	22,013,472	22,976,908	25,110,264	24,387,990	28,345,490	31,709,736	32,919,874	33,352,351
General Administrative Services	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	1,659,477
School Administrative Services	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	11,095,588
Central Services							1,862,301	1,945,289	1,910,214	1,811,717
Administrative Information Technology							2,655,557	1,396,216	1,452,571	1,198,404
Plant Operations and Maintenance	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	15,603,490
Pupil Transportation	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	7,649,639
Other Support Services	4,657,736	4,012,777	3,499,718	2,536,016	3,567,886	3,448,376				
Special Schools	622,319	618,098								
Charter Schools	9,818	15,528			1,105	21,826	22,279	66,474	44,328	17,252
Interest on Long-term Debt	1,694,647	1,603,066	1,535,058	1,415,635	826,922	1,143,735	744,813	829,057	637,953	533,732
Unallocated Depreciation									655,619	655,619
<b>Total Governmental Activities Expenses</b>	<b>139,331,572</b>	<b>145,736,151</b>	<b>143,530,328</b>	<b>146,315,598</b>	<b>154,336,921</b>	<b>156,895,913</b>	<b>174,852,394</b>	<b>185,511,352</b>	<b>205,040,038</b>	<b>205,946,374</b>
Business-Type Activities:										
Food Service	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	3,139,472
Community Education Program	306,178	256,970	278,243	353,037	46,689	9,809	7,023	6,608	7,548	8,267
Wrap Around Program									448,609	476,961
Extended Day Program	799,382	724,062	659,868	767,195	804,658	887,558	859,096	1,006,149	1,106,933	1,093,262
<b>Total Business-Type Activities Expenses</b>	<b>3,879,599</b>	<b>3,835,847</b>	<b>3,805,222</b>	<b>4,114,355</b>	<b>3,743,628</b>	<b>3,883,841</b>	<b>3,826,365</b>	<b>3,825,801</b>	<b>4,663,675</b>	<b>4,717,962</b>
<b>Total District-Wide Expenses</b>	<b>143,211,171</b>	<b>149,571,998</b>	<b>147,335,550</b>	<b>150,429,953</b>	<b>158,080,549</b>	<b>160,779,754</b>	<b>178,678,759</b>	<b>189,337,153</b>	<b>209,703,713</b>	<b>210,664,336</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Regular	676,835	369,001	232,591	233,126	262,215	232,479	257,341	350,496	569,932	599,861
Special education							15,578			
Operating Grants and Contributions	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	59,880,754
Capital Grants and Contributions	697		186,380		20,062	45,427		250,000		151,753
<b>Total Governmental Activities Program Revenues</b>	<b>3,475,224</b>	<b>4,626,926</b>	<b>4,489,254</b>	<b>3,669,709</b>	<b>3,570,161</b>	<b>3,394,413</b>	<b>38,573,626</b>	<b>45,204,005</b>	<b>58,687,936</b>	<b>60,632,368</b>

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-Type Activities:</b>										
<b>Changes for Services:</b>										
Food Service	\$ 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	\$ 2,536,593
Community Education Program	282,816	230,891	241,343	244,045	53,397	7,305	2,819	10,416	6,895	8,635
Wrap Around Program									401,866	660,799
Extended Day Program	787,227	790,783	876,623	898,991	911,525	961,643	936,108	953,743	1,081,423	1,151,958
Operating Grants and Contributions	314,446	373,860	398,778	429,446	432,168	487,792	503,077	451,225	520,459	502,470
<b>Total Business-Type Activities Revenues</b>	<b>3,847,170</b>	<b>3,879,551</b>	<b>3,944,436</b>	<b>4,100,396</b>	<b>3,826,072</b>	<b>3,839,834</b>	<b>3,849,085</b>	<b>3,740,823</b>	<b>4,504,206</b>	<b>4,860,455</b>
<b>Total District-wide Program Revenues</b>	<b>7,322,394</b>	<b>8,506,477</b>	<b>8,433,690</b>	<b>7,770,105</b>	<b>7,396,233</b>	<b>7,234,247</b>	<b>42,422,711</b>	<b>48,944,828</b>	<b>63,192,142</b>	<b>65,492,823</b>
<b>Net (Expense)/Revenue:</b>										
<b>Governmental Activities</b>	<b>(135,856,348)</b>	<b>(141,109,225)</b>	<b>(139,041,074)</b>	<b>(142,645,889)</b>	<b>(150,766,760)</b>	<b>(153,501,500)</b>	<b>(136,278,768)</b>	<b>(140,307,347)</b>	<b>(146,352,102)</b>	<b>(145,314,006)</b>
<b>Business-Type Activities</b>	<b>(32,429)</b>	<b>43,704</b>	<b>139,214</b>	<b>(13,959)</b>	<b>82,444</b>	<b>(44,007)</b>	<b>22,720</b>	<b>(84,978)</b>	<b>(159,469)</b>	<b>142,493</b>
<b>Total District-wide Net (Expense)/Revenue</b>	<b>(135,888,777)</b>	<b>(141,065,521)</b>	<b>(138,901,860)</b>	<b>(142,659,848)</b>	<b>(150,684,316)</b>	<b>(153,545,507)</b>	<b>(136,256,048)</b>	<b>(140,392,325)</b>	<b>(146,511,571)</b>	<b>(145,171,513)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	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	145,825,281
Taxes Levied for Debt Service	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	3,359,475
Unrestricted Grants and Contributions	14,659,356	16,177,806	12,274,239	16,012,559	19,686,274	18,157,591	387,365	382,787	507,514	524,393
Donations	67,331									
Investment Earnings	243,991	59,343	7,429	9,211	11,343	5,703	3,298	1,381	21,596	64,401
Premium on Issuance of Note	18									
Miscellaneous Income	704,630	329,679	686,554	398,512	809,653	484,270	708,063	682,503	587,040	1,483,227
Transfers	(34,224)			(136,523)			(63,686)	(21,348)	(40,097)	(46,831)
<b>Total Governmental Activities General Revenues and Other Changes in Net Position</b>	<b>133,907,033</b>	<b>137,565,838</b>	<b>140,328,767</b>	<b>145,285,008</b>	<b>151,904,561</b>	<b>153,145,799</b>	<b>137,760,161</b>	<b>142,593,795</b>	<b>147,464,829</b>	<b>151,209,946</b>
<b>Business-type Activities:</b>										
Investment Earnings	8,602	10,606	86	454			315			
Transfers	34,224			136,523			63,686	21,348	40,097	46,831
<b>Total Business-type Activities General Revenues and Other Changes in Net Position</b>	<b>42,826</b>	<b>10,606</b>	<b>86</b>	<b>136,977</b>			<b>64,001</b>	<b>21,348</b>	<b>40,097</b>	<b>46,831</b>
<b>Total District-wide General Revenues and Other Changes in Net Position</b>	<b>133,949,859</b>	<b>137,576,444</b>	<b>140,328,853</b>	<b>145,421,985</b>	<b>151,904,561</b>	<b>153,145,799</b>	<b>137,824,162</b>	<b>142,615,143</b>	<b>147,504,926</b>	<b>151,256,777</b>
<b>Change in Net Position:</b>										
<b>Governmental Activities</b>	<b>(1,949,315)</b>	<b>(3,543,387)</b>	<b>1,287,693</b>	<b>2,639,119</b>	<b>1,137,801</b>	<b>(355,701)</b>	<b>1,481,393</b>	<b>2,286,448</b>	<b>1,112,727</b>	<b>5,895,940</b>
<b>Business-Type Activities</b>	<b>10,397</b>	<b>54,310</b>	<b>139,300</b>	<b>123,018</b>	<b>82,444</b>	<b>(44,007)</b>	<b>86,721</b>	<b>(63,630)</b>	<b>(119,372)</b>	<b>189,324</b>
<b>Total District-Wide Change in Net Position</b>	<b>\$ (1,938,918)</b>	<b>\$ (3,489,077)</b>	<b>\$ 1,426,993</b>	<b>\$ 2,762,137</b>	<b>\$ 1,220,245</b>	<b>\$ (399,708)</b>	<b>\$ 1,568,114</b>	<b>\$ 2,222,818</b>	<b>\$ 993,355</b>	<b>\$ 6,085,264</b>

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Tax Levy	\$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	\$149,184,756
Tuition Charges	676,835	369,001	232,591	233,126	262,215	232,479	272,919	350,496	569,932	599,861
Interest Earnings	243,991	59,343	7,429	9,211	11,343	5,703	340	21,596	64,401	64,401
Miscellaneous	839,726	454,115	802,606	524,640	867,370	688,456	838,941	816,144	769,446	1,584,420
State Sources	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	28,154,446
Federal Sources	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	2,772,620
<b>Total Revenues</b>	<b>137,349,132</b>	<b>142,192,764</b>	<b>144,818,021</b>	<b>149,091,240</b>	<b>155,474,722</b>	<b>156,540,212</b>	<b>161,334,913</b>	<b>168,308,757</b>	<b>175,588,197</b>	<b>182,360,504</b>
<b>Expenditures:</b>										
Instruction:	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	45,618,171
Regular Instruction							12,174,471	12,548,479	13,725,930	14,517,568
Special Education Instruction							2,729,696	2,387,187	2,639,084	2,845,871
Other Special Instruction							3,257,086	3,626,614	3,711,348	3,731,458
School Sponsored/Other Instruction							5,314,728	5,161,154	5,271,592	5,480,487
Support Services:							17,031,520	18,176,110	17,362,013	18,276,005
Tuition							1,422,650	1,403,870	1,435,840	1,441,276
Student & Instruction Related Service:	17,413,474	18,979,792	18,649,448	19,149,203	20,990,737	21,186,769	5,697,384	5,495,187	5,371,249	5,650,418
General Administrative Services	1,451,556	1,430,632	1,372,059	1,474,148	1,589,535	1,537,004	1,429,949	1,488,974	1,439,510	1,422,533
School Administrative Services	9,149,376	5,119,821	4,783,305	4,856,263	4,854,231	5,654,758	1,905,868	1,549,262	1,607,019	1,657,803
Central Services							12,800,612	14,246,617	13,977,739	13,583,270
Administrative Information Technology							5,470,868	5,722,993	5,908,667	6,549,294
Plant Operations and Maintenance	15,588,365	12,313,394	12,240,523	12,156,942	12,587,475	13,437,941	44,901,072	47,393,283	51,129,789	53,202,474
Pupil Transportation	5,611,395	5,107,810	4,874,217	5,035,745	4,545,411	4,710,812	22,279	66,474	44,328	17,252
Other Support Services	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				
Transfer of Fund to Charter Schools		15,528			1,105	21,826				
Special Schools		425,598								
Capital Outlay	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	3,817,958
Debt Service:										
Principal	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	2,615,000
Interest and Other Charges	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	744,475
Cost of issuance		66,933			231,086	112,370				
<b>Total Expenditures</b>	<b>142,114,773</b>	<b>145,444,469</b>	<b>144,465,654</b>	<b>147,760,263</b>	<b>156,521,123</b>	<b>159,684,068</b>	<b>167,085,595</b>	<b>175,933,087</b>	<b>174,497,054</b>	<b>181,171,313</b>

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (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	\$ 1,189,191
Other Financing Sources (Uses):										
Capital Leases (non-budgeted)	561,465	495,815	600,000	825,000	1,000,000	1,250,000	1,515,800	1,700,000	1,233,000	1,365,300
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	799	468,585	177	84	587,061	693,275	167,255	349,281	193,021	
Transfers Out	(35,023)	(468,585)	(177)	(136,607)	(587,061)	(693,275)	(230,941)	(370,629)	(40,097)	(239,852)
Total Other Financing Sources (Uses)	527,259	495,815	666,933	688,477	1,231,086	12,315,064	1,452,114	1,678,652	1,192,903	1,318,469
Net Change in Fund Balances	\$ (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	\$ 2,507,660
Debt Service as a Percentage of Noncapital Expenditures	3.20%	2.85%	2.89%	2.82%	2.95%	2.99%	2.38%	2.30%	1.96%	1.89%

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
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
2018	599,861		64,401	267,511	75,698	1,140,018 #	2,147,489

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

# - Includes \$815,360 of ESIP program rebates.

Source: Wayne Township Public Schools District Financial Reports.

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
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
2017	73,991,500	3,787,140,800	1,405,200	94,200	1,137,887,300	174,860,800	87,685,600	5,263,065,400		5,263,065,400	10,104,904,128	2.808

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Wayne Township	Passaic County	
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
2017	2.744	0.064	2.808	1.189	1.417	5.414

**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

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willowbrook Mall	\$ 187,500,000	1	3.56%	\$ 156,000,000	1	2.92%
West Belt Fee	75,896,100	2	1.44%	39,000,000	2	0.73%
Toys R Us	38,527,100	3	0.73%	38,527,100	3	0.72%
Wayne PSC, LLC	32,612,400	4	0.62%	32,612,400	4	0.61%
Mt View Crossings	31,970,400	5	0.61%	31,970,400	5	0.60%
PL Wayne, LLC	26,000,000	6	0.49%	30,024,200	6	0.56%
Macy's East	25,500,000	7	0.48%	28,940,200	7	0.54%
St Joseph's Wayne Hospital	23,034,200	8	0.44%	22,800,000	8	0.43%
Passaic Valley Water Commission	19,000,000	9	0.36%	20,089,900	9	0.38%
Levco Associates	18,000,000	10	0.34%	19,508,100	10	0.37%
<b>Total</b>	<b>\$ 478,040,200</b>		<b>9.08%</b>	<b>\$ 419,472,300</b>		<b>7.86%</b>

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2018	149,184,756	149,184,756	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,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases				
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	1.29%	612.84
2018	* 17,519,820	-0-	12,228,686	-0-	29,748,506	1.14%	540.17

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		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	372.33
2018	* 17,519,820		17,519,820	0.33%	318.13

**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, 2017  
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Wayne Township	\$ 57,963,876	100.00%	\$ 57,963,876
Passaic County General Obligation Debt (including Passaic County Utilities Authority debt)	356,654,874	21.40%	<u>76,340,789</u>
Subtotal, Overlapping Debt			134,304,665
Wayne Township Public Schools District Direct Debt			<u>29,748,506</u>
Total Direct and Overlapping Debt			<u><u>\$ 164,053,171</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				
	2009	2010	2011	2012	2013
Debt Limit	\$ 450,435,032	\$ 458,894,663	\$ 290,827,604	\$ 418,139,679	\$ 395,972,746
Total Net Debt Applicable to Limit	42,686,000	40,251,000	37,668,000	35,013,000	29,275,000
Legal Debt Margin	<u>\$ 407,749,032</u>	<u>\$ 418,643,663</u>	<u>\$ 253,159,604</u>	<u>\$ 383,126,679</u>	<u>\$ 366,697,746</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.48%	8.77%	12.95%	8.37%	7.39%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 379,432,326	\$ 377,745,146	\$ 375,452,234	\$ 381,155,605	\$ 390,310,519
Total Net Debt Applicable to Limit	26,400,000	26,633,619	23,384,748	20,504,784	17,519,820
Legal Debt Margin	<u>\$ 353,032,326</u>	<u>\$ 351,111,527</u>	<u>\$ 352,067,486</u>	<u>\$ 360,650,821</u>	<u>\$ 372,790,699</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.96%	7.05%	6.23%	5.38%	4.49%

<u>Legal Debt Margin Calculation for Fiscal Year 2018</u>	
<u>Year Ended</u> <u>December 31,</u>	<u>Equalized</u> <u>Valuation Basis</u>
2015	\$ 9,376,436,746
2016	9,927,037,094
2017	9,969,815,116
	<u>\$29,273,288,956</u>
Average Equalized Valuation of Taxable Property	<u>\$ 9,757,762,985</u>
Debt Limit (4% of Average Equalization Value)	\$ 390,310,519
Net Bonded School Debt	<u>17,519,820</u>
Legal Debt Margin	<u>\$ 372,790,699</u>

a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Passaic County Per Capita Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
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	47,547	2,600,345,430	3.9%
2017	55,072	47,547 *	2,618,508,384	3.7%
2018	55,072 **	47,547 *	2,618,508,384 ***	N/A

N/A - Information is not available

\* - Latest Passaic County per capita personal income data available (2016) was used for calculation purposes.

\*\* - Latest population data available (2017) was used for calculation purposes.

\*\*\*- Latest population data (2017) and latest per capita personal income (2016) 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

Employer	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment
BAE Systems	1,400	1	1.04%	Geoffrey, Inc.	1,500	1	0.99%
Toys R Us, Inc.	1,300	2	0.97%	BAE Systems Communication	1,375	2	0.91%
St. Joseph's Wayne Hospital	1,000	3	0.74%	Toys R Us, Inc.	1,300	3	0.86%
William Paterson University	1,000	4	0.74%	St. Joseph's Wayne Hospital	1,300	4	0.86%
Bayer Health Pharmaceuticals	700	5	0.52%	William Paterson University	1,000	5	0.66%
Valley National Bancorp	500	6	0.37%	International Specialty Products	850	6	0.56%
Sears	300	7	0.22%	Bayer Health Pharmaceuticals	700	7	0.46%
Cheesecake Factory	250	8	0.19%	Preakness Health Care Center	700	8	0.46%
Saint-Gobain Performance Plastic	250	9	0.19%	Boston Scientific - Wayne Plant	500	9	0.33%
	240	10	0.18%	Fortunoff	500	10	0.33%
	<u>6,940</u>		<u>5.16%</u>		<u>9,725</u>		<u>6.41%</u>

Source: Passaic County Treasurer's Office and Economic Development Commission.

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	2018
<b>Instruction:</b>											
Regular	580	575	573	594	538	539	536	578	562	560	567
Special Education	211	216	243	225	250	257	329	353	340	340	339
<b>Support Services:</b>											
Student & Instruction Related Services			130	131	131	139	125	120	120	120	124
General Administrative Services	6	6	14	14	13	22	13	20	20	20	20
School Administrative Services	69	69	57	52	46	45	52	57	54	49	52
Central services	17	18	19	18	17	17	17	18	15	15	15
Administrative information technology	10	11	15	14	11	11	14	12	13	12	12
Plant Operations and Maintenance	112	115	116	115	104	103	125	130	151	150	150
Pupil Transportation	70	72	92	91	94	95	93	105	98	104	104
Business and Other Support Services	155	154	71	71	63	63	57	68	68	68	68
Special Schools	5	5	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,235</b>	<b>1,241</b>	<b>1,330</b>	<b>1,325</b>	<b>1,267</b>	<b>1,291</b>	<b>1,361</b>	<b>1,461</b>	<b>1,441</b>	<b>1,438</b>	<b>1,451</b>

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Elementary School	Middle School	High School						
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%		
2018	7,869	173,993,880	22,111	4.93%	796	1:13.6	1:10.7	1:11.0	7,932	7,469	0.15%	94.16%		

**a** - Enrollment is obtained from October 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	2018
<b>District Building</b>											
<b>Elementary Schools</b>											
<b>Randall Carter</b>											
Square Feet	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,071	36,071	36,071
Capacity (students)	415	415	415	415	415	415	415	415	415	415	415
Enrollment	354	353	353	353	365	365	365	365	320	336	334
<b>Theunis Dey</b>											
Square Feet	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360
Capacity (students)	454	454	454	454	454	454	454	454	454	454	454
Enrollment	469	447	447	447	441	441	441	441	431	445	435
<b>James Fallon</b>											
Square Feet	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765
Capacity (students)	351	351	351	351	351	351	351	351	351	351	351
Enrollment	446	418	418	418	396	396	396	396	358	357	381
<b>John F. Kennedy</b>											
Square Feet	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530
Capacity (students)	428	428	428	428	428	428	428	428	428	428	428
Enrollment	452	428	428	428	452	452	452	452	442	416	417
<b>Lafayette</b>											
Square Feet	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850
Capacity (students)	416	416	416	416	416	416	416	416	416	416	416
Enrollment	424	397	397	397	381	381	381	381	327	334	301
<b>Packanack Lake</b>											
Square Feet	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195
Capacity (students)	404	404	404	404	404	404	404	404	404	404	404
Enrollment	517	496	496	496	510	510	510	510	462	447	441
<b>Pines Lake</b>											
Square Feet	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610
Capacity (students)	446	446	446	446	446	446	446	446	446	446	446
Enrollment	466	448	448	448	429	429	429	429	367	398	380

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>District Building</b>											
<b>Ryerson</b>											
Square Feet	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715
Capacity (students)	424	424	424	424	424	424	424	424	424	424	424
Enrollment	305	282	282	282	262	262	262	262	263	284	275
<b>Albert Payson Terhune</b>											
Square Feet	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295
Capacity (students)	454	454	454	454	454	454	454	454	454	454	454
Enrollment	413	412	412	412	412	412	412	412	420	396	398
<b>Middle Schools</b>											
<b>Schuyler Colfax</b>											
Square Feet	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395
Capacity (students)	758	758	758	758	758	758	758	758	758	758	758
Enrollment	725	717	717	717	780	780	780	780	733	752	693
<b>George Washington</b>											
Square Feet	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220
Capacity (students)	686	686	686	686	686	686	686	686	686	686	686
Enrollment	662	652	652	652	603	603	603	603	557	582	556
<b>Anthony Wayne</b>											
Square Feet	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Capacity (students)	497	497	497	497	497	497	497	497	497	497	497
Enrollment	725	756	756	756	714	714	714	714	654	632	653
<b>High Schools</b>											
<b>Wayne Valley</b>											
Square Feet	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260
Capacity (students)	1,615	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	1,255
<b>Wayne Hills</b>											
Square Feet	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860
Capacity (students)	1,673	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	1,286

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>District Building</u></b>											
<b><u>Other</u></b>											
<b><u>Preakness Academy</u></b>											
Square Feet	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130
Capacity (students)	77	77	77	77	77	77	77	77	77	77	77
<b><u>Outdoor Lab</u></b>											
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
<b><u>Child Study Team</u></b>											
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
<b><u>Transportation Building</u></b>											
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
<b><u>Maintenance Building</u></b>											
Square feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995

Number of Schools at June 30, 2018

- Elementary School = 9
- Middle School = 3
- High School = 2
- Other = 5

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

Source: Wayne Township Public Schools District.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance  
 For School Facilities - Account #11-000-261-XXX:

School Facilities*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
A.P Terhune Elementary School	\$ 73,587	\$ 49,843	\$ 56,021	\$ 67,568	\$ 74,929	\$ 76,112	\$ 75,183	\$ 80,245	\$ 76,185	\$ 69,698
Administration Building	37,363	25,307	28,444	34,307	27,682	28,138	27,795	29,550	201,916	35,389
Anthony Wayne Middle School	185,359	125,551	141,114	170,200	198,788	202,111	199,645	212,712	28,048	175,565
George Washington Middle School	199,457	135,100	151,846	183,145	199,630	203,316	200,835	213,477	202,615	188,918
James Fallon Elementary School	81,750	55,372	62,236	75,064	81,607	83,244	82,228	87,378	82,953	77,430
John F. Kennedy Elementary School	79,494	53,845	60,519	72,993	79,724	81,371	80,378	85,340	81,014	75,294
Lafayette Elementary School	70,948	48,056	54,012	65,145	71,154	72,664	71,777	76,169	72,309	67,199
Packanaek Elementary School	89,840	60,852	68,395	82,492	91,386	93,370	92,231	97,822	92,863	85,093
Pines Lake Elementary School	86,945	58,891	66,191	79,835	85,845	87,761	86,690	91,709	87,030	82,351
Preakness	45,892	31,085	34,939	42,139	52,603	53,806	53,149	56,299	54,736	43,467
Randall Carter Elementary School	65,871	44,617	50,147	60,484	65,756	67,281	66,460	70,309	66,732	62,390
Ryerson Elementary School	85,310	57,784	64,947	78,334	85,162	87,171	86,107	91,199	86,582	80,804
Schuyler-Colfax Middle School	221,691	150,160	168,773	203,560	231,832	237,418	234,521	247,104	234,389	209,978
Theunis Dey Elementary School	79,184	53,634	60,283	72,708	79,029	81,037	80,048	84,576	80,284	75,000
Wayne Hills High School	419,770	284,326	319,570	385,439	471,087	483,244	477,347	503,888	478,245	397,589
Wayne Valley High School	436,935	295,951	332,639	401,202	485,896	499,565	493,469	519,690	475,534	413,850
<b>Grand Total</b>	<b>\$ 2,259,396</b>	<b>\$ 1,530,374</b>	<b>\$ 1,720,076</b>	<b>\$ 2,074,615</b>	<b>\$ 2,382,110</b>	<b>\$ 2,437,609</b>	<b>\$ 2,407,863</b>	<b>\$ 2,547,467</b>	<b>\$ 2,401,435</b>	<b>\$ 2,140,015</b>

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<b>New Jersey Schools Insurance Group</b>		
Commercial Property	\$ 500,000,000	\$ 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	100,000	500
Forgery or Alteration	25,000	500
Computer Fraud	100,000	1,000
	Total Budget Payrolls	
Workers Compensation	92,646,945	
<b>New Jersey Schools Insurance Group</b>		
School Leaders Errors & Omissions	16,000,000	25,000
<b>Torus National Insurance Company</b>		
High Excess Liability	30,000,000	
<b>QBE Insurance Corporation</b>		
Volunteer Liability	500,000	
<b>Hartford Fire Insurance Company</b>		
Treasurer of School Monies	550,000	
Interim Board Secretary/Business Administrator	100,000	

Source: Wayne Township Public Schools District Financial Reports.



**SINGLE AUDIT SECTION**



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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

**Internal Control Over Financial Reporting**

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

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

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

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

### Compliance and Other Matters

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

### Purpose of this Report

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

*Nisivoccia, LLP*

Mount Arlington, New Jersey  
January 18, 2019

NISIVOCCIA LLP

*Kathryn L. Mantell*

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



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200 Valley Road, Suite 300  
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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, 2018. 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, 2018.

**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  
January 18, 2019

*Nisivoccia, LLP*

NISIVOCCIA LLP

*Kathryn L. Mantell*

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Balance at June 30, 2018	
			From	To		Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor			(Accounts Receivable)	Unearned Revenue
U.S. Department of Education - Passed-through											
State Department of Education:											
Special Revenue Fund:											
Special Education Cluster:											
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-18	7/1/17	6/30/18	\$ 1,794,514				\$ (1,784,545)	\$ (1,784,545)	
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-17	7/1/16	6/30/17	1,861,014	\$ (416,285)	\$ 416,285		(63,139)	(63,139)	
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-18	7/1/17	6/30/18	70,152	(416,285)	416,285		(1,847,684)	(1,847,684)	
Subtotal Special Education Cluster											
Elementary and Secondary Education Act:											
Title I	84.010	ESEA-5570-18	7/1/17	6/30/18	680,332				(395,793)	(395,793)	
Title I	84.010	NCLB-5570-17	7/1/16	6/30/17	1,016,928	(243,092)	243,092		(140,934)	(140,934)	
Title II A	84.367A	ESEA-5570-18	7/1/17	6/30/18	190,565						
Title II A	84.367A	NCLB-5570-17	7/1/16	6/30/17	204,791	(166,044)	166,044		(20,025)	(20,025)	
Title III - Immigrant	84.365A	ESEA-5570-18	7/1/17	6/30/18	36,649	(9,912)	9,912		(54,528)	(54,528)	
Title III - Immigrant	84.365A	NCLB-5570-17	7/1/16	6/30/17	74,978	(83,703)	83,703		(37,064)	(37,064)	
Title III	84.365A	ESEA-5570-18	7/1/17	6/30/18	70,115	(26,542)	26,542				
Title III	84.365A	NCLB-5570-17	7/1/16	6/30/17	90,684	(945,578)	979,958		(2,496,028)	(2,461,648)	
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-18	7/1/17	6/30/18	37,681		34,380				
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-17	7/1/16	6/30/17	40,281		26,542				
Total Special Revenue Fund											
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	401,753	(250,000)	401,753		(151,753)	(151,753)	
Total U.S. Department of Homeland Security											

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2017		Due to Grantor	Cash Received	Budgetary Expenditures	Balance at June 30, 2018		Amounts Provided to Subrecipients
			From	To		Unearned Revenue/ (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	7/1/17	6/30/18	\$ 130,732			\$ 117,354	\$ (130,732)		\$ (13,378)		
Total U.S. Department of Health and Human Services/Total Medicaid Cluster								117,354	(130,732)		(13,378)		
U.S. Department of Agriculture - Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Special Milk Program	10-556	N/A	7/1/17	6/30/18	1,490			1,374	(1,490)		(116)		
Special Milk Program	10-556	N/A	7/1/16	6/30/17	1,155		(151)	151					
School Breakfast Program	10-553	N/A	7/1/17	6/30/18	24,811			22,648	(24,811)		(2,163)		
School Breakfast Program	10-553	N/A	7/1/16	6/30/17	26,374		(5,538)	5,538					
National School Lunch Program	10-555	N/A	7/1/17	6/30/18	332,231			302,879	(332,231)		(29,352)		
National School Lunch Program	10-555	N/A	7/1/16	6/30/17	342,880		(68,448)	68,448					
Federal Food Distribution Program	10-555	N/A	7/1/17	6/30/18	130,419			130,419	(123,270)		\$ 7,149		
Federal Food Distribution Program	10-555	N/A	7/1/16	6/30/17	131,355		2,822		(2,822)				
Subtotal Child Nutrition Cluster							(71,315)	531,457	(484,624)		(31,631)	7,149	
Total U.S. Department of Agriculture							(71,315)	531,457	(484,624)		(31,631)	7,149	
TOTAL FEDERAL AWARDS							\$ (1,266,893)	\$ - 0 -	\$ (3,263,137)	\$ (2,506,657)	\$ 7,149	\$ - 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, 2018

State Grantor/Program Title	Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2017		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO		
				Budgetary Unearned Revenue/ (Accounts Receivable)	GAAP (Accounts Receivable)						Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
General Fund:															
Transportation Aid	18-495-034-5120-014	7/1/17 6/30/18	\$ 392,872	\$	\$ 361,404		\$	\$ (392,872)					\$ (31,468)	\$ 392,872	
Transportation Aid	17-495-034-5120-014	7/1/16 6/30/17	392,872	\$ (32,012)	32,012									392,872	
Special Education Categorical Aid	18-495-034-5120-089	7/1/17 6/30/18	3,556,094		3,271,259		(3,556,094)						(284,835)	3,556,094	
Special Education Categorical Aid	17-495-034-5120-089	7/1/16 6/30/17	3,256,758	(265,368)	2,653,68									3,256,758	
Security Aid	18-495-034-5120-084	7/1/17 6/30/18	154,816	(12,615)	142,416		(154,816)						(12,400)	154,816	
Security Aid	17-495-034-5120-084	7/1/16 6/30/17	154,816		12,615									154,816	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 6/30/18	80,715	(6,577)	74,250		(80,715)						(6,465)	80,715	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 6/30/17	80,715		6,577									80,715	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 6/30/18	80,715	(6,577)	74,250		(80,715)						(6,465)	80,715	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 6/30/17	80,715		6,577									80,715	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 6/30/18	76,870	(6,263)	70,713		(76,870)						(6,157)	76,870	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 6/30/17	76,870		6,263									76,870	
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17 6/30/18	2,245,920	(2,936,393)	2,936,393		(2,245,920)						(2,245,920)	2,245,920	
Extraordinary Special Education Costs Aid	17-495-034-5120-044	7/1/16 6/30/17	2,936,393		2,936,393									2,936,393	
Nonpublic School Transportation Costs	18-495-034-5120-014	7/1/17 6/30/18	111,070	(71,514)	71,514		(111,070)						(111,070)	111,070	
Nonpublic School Transportation Costs	17-495-034-5120-014	7/1/16 6/30/17	71,514		71,514									71,514	
TPAF Social Security Aid	18-495-034-5094-003	7/1/17 6/30/18	4,794,300	(230,853)	4,555,342		(4,794,300)						(238,958)	4,794,300	
TPAF Social Security Aid	17-495-034-5094-003	7/1/16 6/30/17	4,624,183		230,853									4,624,183	
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17 6/30/18	6,279,898		6,279,898		(6,279,898)							6,279,898	
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17 6/30/18	9,492,666		9,492,666		(9,492,666)							9,492,666	
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17 6/30/18	230,363		230,363		(230,363)							230,363	
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17 6/30/18	12,009		12,009		(12,009)							12,009	
Total General Fund State Aid				(3,568,172)	28,132,742		(27,508,308)					(2,595,948)	(2,943,738)	39,183,144	
Special Revenue Fund:															
NJ Nonpublic Aid:															
Technology Initiative	18-100-034-5120-373	7/1/17 6/30/18	51,023		51,023		(51,023)							51,023	
Technology Initiative	17-100-034-5120-373	7/1/16 6/30/17	35,074										\$ 432	28,023	
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/17 6/30/18	75,540		75,540		(70,348)						5,192	70,348	
Textbook Aid (Chapter 194)	17-100-034-5120-064	7/1/16 6/30/17	77,757		2,390								(2,390)	75,367	
Nursing Services (Chapter 226)	18-100-034-5120-070	7/1/17 6/30/18	139,971		139,971		(132,674)						7,297	132,674	
Security Aid	18-100-034-5120-509	7/1/17 6/30/18	108,225		108,225		(103,547)						4,678	103,547	
Security Aid	17-100-034-5120-509	7/1/16 6/30/17	77,000		7,658								(7,658)	69,342	
Auxiliary Services (Chapter 192):															
Compensatory Education	18-100-034-5120-067	7/1/17 6/30/18	160,337		160,337		(66,438)							66,438	
Compensatory Education	17-100-034-5120-067	7/1/16 6/30/17	102,121		30,994								(30,994)	71,127	
English as a Second Language	18-100-034-5120-067	7/1/17 6/30/18	21,319		21,319		(19,603)						1,716	19,603	
Transportation	17-100-034-5120-068	7/1/16 6/30/17	22,707		22,707								(22,707)		
Home Instruction	18-100-034-5120-067	7/1/17 6/30/18	5,872				(5,872)						(5,872)	5,872	
Home Instruction	17-100-034-5120-067	7/1/16 6/30/17	4,584		4,584									4,584	



WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2017		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO	
				Budgetary Unearned Revenue/ (Accounts Receivable)	GAAP (Accounts Receivable)						Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>Special Revenue Fund:</b>														
NJ Nonpublic Aid:														
Handicapped Services (Chapter 193):														
Supplementary Instruction	18-100-034-5120-066	7/1/17 6/30/18	\$ 89,604	\$ (4,584)	90,253	\$ 2,511	\$ 89,604	\$ (63,833)		\$ (2,511)	\$ (5,872)	\$ 25,771	\$	\$ 63,833
Supplementary Instruction	17-100-034-5120-066	7/1/16 6/30/17	76,273											73,762
Examination and Classification	18-100-034-5120-066	7/1/17 6/30/18	97,553			14,724	97,553	(86,793)		(14,724)		10,760		86,793
Examination and Classification	17-100-034-5120-066	7/1/16 6/30/17	88,447											73,723
Corrective Speech	18-100-034-5120-066	7/1/17 6/30/18	21,427			2,650	21,427	(12,410)		(2,650)		9,017		12,410
Corrective Speech	17-100-034-5120-066	7/1/16 6/30/17	22,264											19,614
<b>Total Special Revenue Fund</b>				\$ (4,584)	90,253	769,583	(612,541)	432	(90,253)	(5,872)	158,762	(5,872)		1,028,083
<b>Enterprise Fund:</b>														
State School Lunch Program	18-100-010-3350-023	7/1/17 6/30/18	17,846			16,168	16,168	(17,846)		(1,678)				17,846
State School Lunch Program	17-100-010-3350-023	7/1/16 6/30/17	15,515	(3,181)		3,181								15,515
<b>Total Enterprise Fund</b>				(3,181)		19,349	(17,846)			(1,678)				33,813
<b>Schools Development Authority:</b>														
<b>Capital Projects Fund:</b>														
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
New ADA Restroom	5570-055-14-1005	6/17/14 6/30/16	36,601					(36,601)			(4,445)			(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)
Lafayette Elementary School:														
Partial Roof Replacement	5570-090-14-1004	6/17/14 6/30/16	57,490					(57,490)			(2,740)			(57,490)
<b>Total Capital Projects Fund</b>				(278,023)				(10,588)						10,588
<b>TOTAL STATE AWARDS</b>				\$ (3,853,960)	\$ 90,253	\$ 28,921,674	\$ (28,138,695)	432	\$ (90,253)	\$ (2,614,086)	\$ -0-	\$ 158,762	\$ (3,229,311)	\$ 40,255,628
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17 6/30/18	6,279,898											
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17 6/30/18	9,492,666											
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17 6/30/18	230,363											
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17 6/30/18	12,009											
<b>Subtotal - On-Behalf TPAF Pension System Contributions</b>			16,014,936											
<b>Total State Awards Subject to Single Audit Major Program Determination</b>			\$ (12,123,759)											

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, 2018

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, 2018. 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, 2018  
(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$18,378) for the general fund and \$47,552 for the special revenue fund, (of which (\$1,470) 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	\$ 130,732	\$ 27,489,930	\$27,620,662
Special Revenue Fund	2,490,135	664,516	3,154,651
Capital Projects Fund	151,753		151,753
Food Service Enterprise Fund	484,624	17,846	502,470
Total Financial Assistance	<u>\$ 3,257,244</u>	<u>\$ 28,172,292</u>	<u>\$31,429,536</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, 2018.

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. The grants have been realized in full and are receivable on the budgetary basis. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement. As of June 30, 2018, \$10,588 has been expended and submitted for reimbursement (GAAP basis) and \$-0- has been received.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	7/1/17-6/30/18	\$ 1,794,514	\$ 1,784,545
Preschool	84.173	7/1/17-6/30/18	70,152	63,139
<u>State:</u>				
Extraordinary Special				
Education Costs Aid	18-495-034-5120-044	7/1/17-6/30/18	2,245,920	2,245,920
TPAF Social				
Security Aid	18-495-034-5094-003	7/1/17-6/30/18	4,794,300	4,794,300

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018

Status of Prior Year Findings:

The District had no prior year audit findings.