

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, 2019**

**Comprehensive Annual
Financial Report**

of the

**Wayne Township Public Schools
Board of Education**

Wayne, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

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

Finance Department

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INTRODUCTORY SECTION



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Phone: (973) 633-3000

November 15, 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, 2019. 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 2018-2019 fiscal year with an average daily enrollment of 7,801 students, a decrease of 131 students, or a decrease 1.65%, from the previous year's enrollment. This is consistent with the most recent demographic study conducted by the District for the update of the District's Long Range Facility Plan.

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

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

Once plagued by a steep downward trend of decreasing valuations, the tax base seems to be stabilizing. From the five-year period from 2015 to 2019, total assessed valuations increased by \$113,266,000, representing a 2.21% increase, up from the previous five-year period from 2010 to 2015 which decreased by \$120,133,200, which was a decline of 2.28%. Unfortunately, total ratables decreased by \$14,649,700 between 2017 to 2018 and further declined by \$6,238,800 from 2018 to 2019 which may indicate a slower downward trend in the years to come. Hopefully, a stabilization in assessments will take hold and 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:

Wellness: To promote overall student and staff wellness and increase personal growth and self-awareness through an increase in programming in schools, communication, and community engagement with specific focus on mindfulness and resiliency skills, nutrition and movement. Investments have been made in programs and material for student, staff and parent use to reduce stress associated with competition for acceptance at top universities, the stress connected with ever increasing performance standards, anxiety created through social media, endless athletic seasons, and the ever present threat of school violence.

QSAC Preparations: To maintain our excellent standard of performance in the QSAC process by studying and shifting monitored areas of operation to comply with new standards. Although this goal is managed by administration, investments in time are made by district teachers, school level staff, central office administration as well and supporting department personnel. QSAC is a system focused on monitoring and evaluating school districts in five key components that, based on research, have been identified to be key factors in effective school districts. These components are Instruction & Program, Fiscal, Governance, Operations and Personnel.

3) DISTRICT GOALS AND INITIATIVES (CONT'D)

Student Data: To empower teachers and support use of various software programs to help them meet the needs of their students through professional development and collegial team meetings where teachers will have the opportunity to create plans and apply their training. Investments have been made in acquiring a software package, and related professional development activities, for implementation. The new software provides a reporting platform and includes a wealth of data on student performance in a readily accessible and high visible format. The strength of the software is our ability to locally collect student performance information from a variety of sources, analyze data, and create action plans at a very specific level.

Safety and Security: To develop and propose another special question for safety and security projects to be decided upon by voters and to successfully gain enough voter support to move ahead with the identified projects. Administration advanced a number of potential safety and security projects during the fiscal year and the Board of Education is in the process of prioritizing and will continue planning for a related public question in the future. The district moved forward with security vestibule projects in a number of elementary and middle schools which improved school level safety during the fiscal year.

Strings Program Development: To develop a new strings program at the elementary level and to then continue to expand the program through the middle school level. The district made investments in part time elementary staffing, and instructional material, to introduce the strings program at the elementary level and looks toward middle school in the future. This new program, which expanded investments in performing and creative arts, is a new offering that addresses community interest and parents' desire for a seamless continuation of musical instruction for students from elementary through high school.

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 at line item accounts within each 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, 2019.

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.

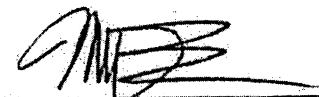
7) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board appointed Nisivoccia, LLP of Mount Arlington, New Jersey to conduct its independent audit. In addition to meeting the requirements 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, 2018. 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.

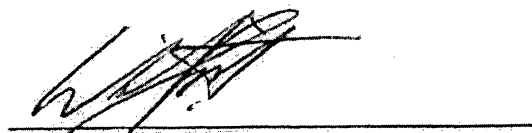
The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program's requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2018-2019 certificate.

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,

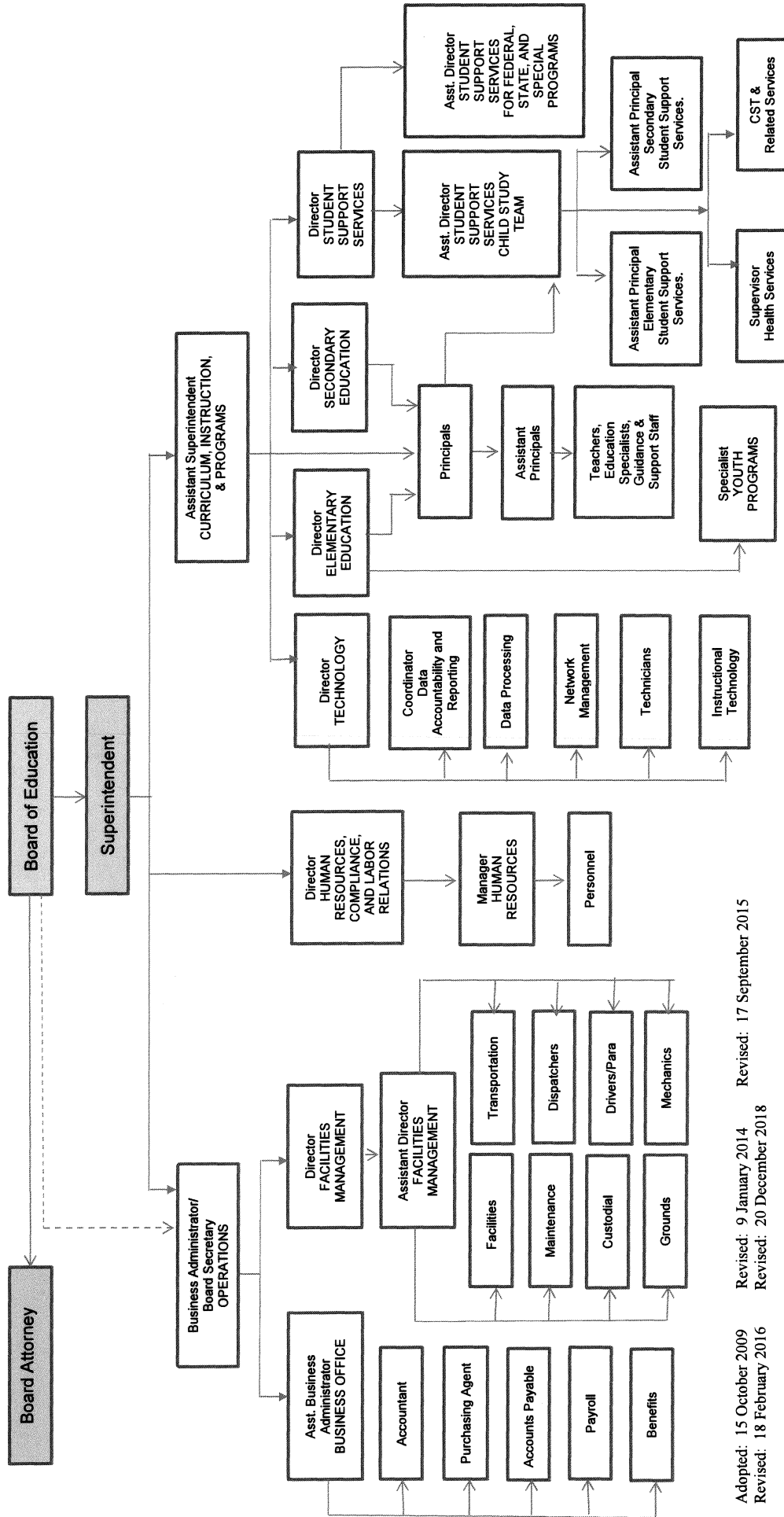


Dr. Mark Toback
Superintendent of Schools



William P. Moffitt
Business Administrator / Board Secretary

1110
ORGANIZATIONAL CHART



Adopted: 15 October 2009
Revised: 18 February 2016
Revised: 9 January 2014
Revised: 20 December 2018
Revised: 17 September 2015

**WAYNE TOWNSHIP BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael L. Bubba, President	2019
Stacey Scher, Vice President	2021
Eileen Albanese	2021
Mitchell Badiner	2019
Sean Duffy	2020
Matthew Giordano	2021
Catherine Kazan	2020
Donald Pavlak, Jr.	2020
Suzanne Pudup	2019

<u>Other Officials</u>	<u>Title</u>
Dr. Mark Toback	Superintendent of Schools
William P. Moffitt	School Business Administrator/Board Secretary (from 12/1/18)
Edward J. Appleton	Interim School Business Administrator/ Board Secretary (to 11/30/18)
Heather L. McNamara	Treasurer

WAYNE TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
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Mount Arlington, NJ 07856-1320

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Lyndhurst, NJ 07071

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Metuchen, NJ 08840

Bond Counsel

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Cranford, NJ 07016

Architect of Record

Parette Somjen Architects
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Rockaway, NJ 07866

Official Depository

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, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION



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Lawrence Business Center
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973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools (the "District") in the County of Passaic, as of and for the fiscal year ended June 30, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension 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 other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

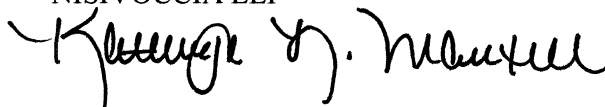
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP

Mount Arlington, New Jersey
November 15, 2019

NISIVOCCIA LLP


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, 2019**

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, 2019. 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.

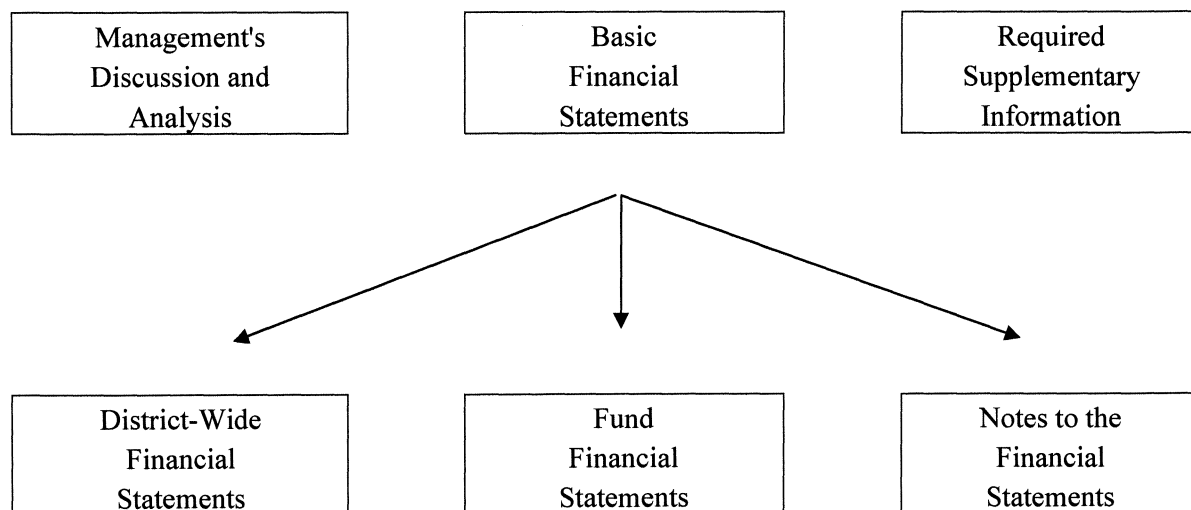
Overview of the Financial Statements

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, 2019**

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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	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, 2019**

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, 2019**

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 2018/19
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	
Current and							
Other Assets	\$ 16,312,629	\$ 15,269,187	\$ 1,684,652	\$ 1,268,773	\$ 17,997,281	\$ 16,537,960	
Capital Assets, Net	64,728,648	67,389,564	245,819	188,563	64,974,467	67,578,127	
Total Assets	<u>81,041,277</u>	<u>82,658,751</u>	<u>1,930,471</u>	<u>1,457,336</u>	<u>82,971,748</u>	<u>84,116,087</u>	-1.36%
Deferred Outflows of Resources	<u>14,191,107</u>	<u>20,352,886</u>			<u>14,191,107</u>	<u>20,352,886</u>	-30.27%
Other Liabilities	6,537,604	5,208,570	812,044	384,577	7,349,648	5,593,147	
Long-Term Liabilities	78,282,167	90,867,635	12,571	26,579	78,294,738	90,894,214	
Total Liabilities	<u>84,819,771</u>	<u>96,076,205</u>	<u>824,615</u>	<u>411,156</u>	<u>85,644,386</u>	<u>96,487,361</u>	-11.24%
Deferred Inflows of Resources	<u>18,454,835</u>	<u>11,719,057</u>			<u>18,454,835</u>	<u>11,719,057</u>	57.48%
Net Position:							
Net Investment in Capital Assets	38,273,044	40,016,473	245,819	188,563	38,518,863	40,205,036	
Restricted	8,891,913	6,766,027			8,891,913	6,766,027	
Unrestricted (Deficit)	<u>(55,207,179)</u>	<u>(51,566,125)</u>	<u>860,037</u>	<u>857,617</u>	<u>(54,347,142)</u>	<u>(50,708,508)</u>	
Total Net Position (Deficit)	<u>\$ (8,042,222)</u>	<u>\$ (4,783,625)</u>	<u>\$ 1,105,856</u>	<u>\$ 1,046,180</u>	<u>\$ (6,936,366)</u>	<u>\$ (3,737,445)</u>	-85.59%

**WAYNE TOWNSHIP PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Analysis of the District as a Whole

Changes in Net Position: The District's total net position decreased \$3,198,921 over the course of the 2018-2019 fiscal year. Net position invested in capital assets decreased \$1,686,173, restricted net position increased \$2,125,886 and unrestricted net position decreased \$3,638,634. (See Figure A-3) Net position invested in capital assets decreased primarily due to annual depreciation offset by a reduction in related bond debt and capital additions. Restricted net position increased due to increases in the Capital Reserve and excess surplus. Unrestricted net position decreased largely from an increase in compensated absences and decreases in year-end encumbrances, changes in deferred inflows and outflows related to pensions and fund balance used to support the operating budget, offset by a decrease in the net pension liability.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 606,147	\$ 599,861	\$ 4,082,205	\$ 4,357,985	\$ 4,688,352	\$ 4,957,846	
Grants and Contributions:							
Operating	53,888,274	59,880,754	507,167	502,470	54,395,441	60,383,224	
Capital		151,753				151,753	
General Revenue:							
Property Taxes	152,448,320	149,184,756			152,448,320	149,184,756	
Unrestricted State/ Federal Aid	284,446	524,393			284,446	524,393	
Other	1,039,607	1,547,628			1,039,607	1,547,628	
Total Revenue	208,266,794	211,889,145	4,589,372	4,860,455	212,856,166	216,749,600	-1.80%
Expenses:							
Instruction	127,505,554	126,888,618			127,505,554	126,888,618	
Pupil and Instruction Services	37,299,202	38,832,838			37,299,202	38,832,838	
Administration and Business	16,728,163	15,765,186			16,728,163	15,765,186	
Maintenance and Operations	18,325,665	15,603,490			18,325,665	15,603,490	
Transportation	8,752,095	7,649,639			8,752,095	7,649,639	
Other	2,800,373	1,206,603	4,644,035	4,717,962	7,444,408	5,924,565	
Total Expenses	211,411,052	205,946,374	4,644,035	4,717,962	216,055,087	210,664,336	2.56%
Transfers	(114,339)	(46,831)	114,339	46,831			
Increase/(Decrease) in Net Position	\$ (3,258,597)	\$ 5,895,940	\$ 59,676	\$ 189,324	\$ (3,198,921)	\$ 6,085,264	-152.57%

The District's net position decreased \$3,198,921 – a decrease of \$3,258,597 from its governmental activities offset by an increase of \$59,676 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, 2019**

Governmental Activities

Net position from the District's governmental activities decreased by \$3,258,597 in 2018-2019. 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**

	Total Cost of Services		Net Cost of Services	
	2018/2019	2017/2018	2018/2019	2017/2018
Instruction	\$ 127,505,554	\$ 126,888,618	\$ 85,551,909	\$ 80,627,367
Pupil and Instruction Services	37,299,202	38,832,838	29,252,566	28,591,549
Administration and Business	16,728,163	15,765,186	13,697,093	12,291,597
Maintenance and Operations	18,325,665	15,603,490	18,325,665	15,451,737
Transportation	8,752,095	7,649,639	7,289,025	7,145,153
Other	2,800,373	1,206,603	2,800,373	1,206,603
	<u>\$ 211,411,052</u>	<u>\$ 205,946,374</u>	<u>\$ 156,916,631</u>	<u>\$ 145,314,006</u>

Business-Type Activities

The net position of the District's business-type activities increased by \$59,676, which was comprised of increases in net position of \$46,302 for the extended day program, \$418 for the community education program for the Safety Town Program and \$57,256 for the Food Service Fund. These increases were offset by a decrease of \$44,300 for the Kindergarten Wrap Around Program. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's General Fund fund balance decreased \$440,232 on the GAAP basis during the fiscal year primarily due to prior year encumbrances being liquidated.

The District was able to deposit \$3,379,173 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 2020-21 budget.

**WAYNE TOWNSHIP PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Analysis of the District's Funds

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, 2019 the District's 2% limit is \$3,196,868 plus adjustments for certain additional unbudgeted State Aid of \$939,772, for a total of \$4,136,640 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.

The following is an analysis of significant variations between original and final budget and final budget and actual:

	Original Budget	Final Budget	Actual
Revenues:			
Unrestricted Miscellaneous Revenue	\$ 118,000	\$ 118,000	\$ 703,861
Expenditures:			
Current Expense:			
Instruction:			
Regular Programs - Undistributed Instruction:			
General Supplies	2,814,489	2,171,065	1,894,089
Special Education - Instruction:			
Learning and/or Language Disabilities:			
Other Salaries for Instruction	906,887	1,667,702	1,640,231
Multiple Disabilities:			
Other Salaries for Instruction	237,920	609,266	609,266
Preschool Disabilities - Full-Time:			
Other Salaries for Instruction	273,034	573,248	558,750
School-Sponsored Cocurricular Athletics - Instruction:			
Salaries	1,939,817	1,620,577	1,610,663
Undistributed Expenditures:			
Instruction:			
Tuition to CSSS/Regional Day Schools	470,054	846,346	494,817
Tuition to Private Schools for the Disabled - Within State	3,355,399	4,989,544	4,585,709

**WAYNE TOWNSHIP PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

General Fund Budgetary Highlights

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Expenditures:			
Current Expense:			
Undistributed Expenditures:			
Students - Extrordinary Services:			
Salaries	\$2,230,392	\$ 1,197,553	\$ 1,188,010
Support Services - School Administration:			
Other Salries	-0-	703,442	703,442
Custodial Services:			
Lease Purchase Payments - ESIP	780,000	1,210,912	1,206,847
Student Transportation Services:			
Salaries for Pupil Transportation:			
Between Home and School - Special	1,713,371	2,091,942	2,089,203
Between Home and School - Nonpublic Schools	64,524	334,154	304,342
Unallocated Benefits:			
Health Benefits	30,389,649	28,076,973	26,931,160
Capital Outlay:			
Equipemnt:			
Regular Programs - Instruction:			
Grades 9-12	515,000	448,911	29,012
Facilities Acquisition and Construction Services:			
Construction Services	3,324,635	3,976,045	3,703,952

Capital Assets

The District's capital assets decreased by \$2,603,660, or 3.85%, during the fiscal year.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		%
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Sites (Land)	\$ 9,263,696	\$ 9,263,696			\$ 9,263,696	\$ 9,263,696	
Construction in Progress	12,101,782	12,080,982			12,101,782	12,080,982	
Land Improvements	2,484,169	2,933,556			2,484,169	2,933,556	
Buildings and Building Improvements	36,209,732	36,650,034			36,209,732	36,650,034	
Machinery and Equipment	4,669,269	6,461,296	\$ 245,819	\$ 188,563	4,915,088	6,649,859	
Total Capital Assets, Net of Depreciation	<u>\$ 64,728,648</u>	<u>\$ 67,389,564</u>	<u>\$ 245,819</u>	<u>\$ 188,563</u>	<u>\$ 64,974,467</u>	<u>\$ 67,578,127</u>	<u>-3.85%</u>

**WAYNE TOWNSHIP PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Capital Assets

The District expended \$2,316,298 for equipment purchases and facilities acquisition and construction services (\$20,800 from capital projects and \$2,200,697 from capital outlay for a total of \$2,221,497 in governmental activities, and \$94,801 from business-type activities). The District incurred \$4,882,413 and \$37,545 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).

Long-term Liabilities

The District's long-term liabilities decreased by \$12,599,476, or 13.86%, during the fiscal year. At fiscal year-end, the District had \$13,070,000 in general obligation bonds outstanding, \$3,688,809 in compensated absences payable, \$47,729,849 in net pension liability and \$12,326,224 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
	2018/19	2017/18	Change 2018/19
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 13,070,000	\$ 15,670,000	
Net Pension Liability	47,729,849	58,383,082	
Unamortized Bond Issuance Premium	1,479,856	1,849,820	
Capital Leases	12,326,224	12,228,686	
Compensated Absences	3,688,809	2,762,626	
	<u>\$ 78,294,738</u>	<u>\$ 90,894,214</u>	<u>-13.86%</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.

**WAYNE TOWNSHIP PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Factors Bearing on the District's Future

- 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 2018, the continued reduction seemed to be turning around. At the start of the budget development for 2018-2019, the Township experienced an increase of \$71,225,000 in total assessed valuations and, unfortunately, experienced a decreased of \$14,649,700 at the beginning of 2019-2020. Hopefully an improving trend will return which will have a positive impact on future budgets.
- 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's enrollment reported, on the application for State School Aid, in October 2019 was 7,667 students compared to 7,819 as of October 2018. Enrollment has declined more than anticipated and represents a change in 152 students, or 2.0%, from 2018 to 2019. The District's demographer forecasted a less rapid decrease of 1.0%, or 98 students, in the total K-12 population over the same period. The demographer projected a continued decline of 0.01%, or 24 students, in the student population moving from the 2019-2020 school year into 2020-2021.
- 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 2018-2019 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 into 2020-2021 with Phase 4. In addition, the District renovated athletic facilities, in 2018-2019, at both high schools and included field turf replacement and track repairs. The District created security vestibules for Schuyler-Colfax Middle School, Pines Lake Elementary School and Randall Carter Elementary School. All of these projects were funded through the District's Capital Project Fund and Reserve Account.
- At year end, the District was able to deposit \$3,379,173 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, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,709,950	\$ 1,418,051	\$ 5,128,001
Internal Balances	(178,980)	178,980	
Receivables from Other Governments	5,269,508	34,935	5,304,443
Other Receivables	2,225,910	22,346	2,248,256
Inventory		30,340	30,340
Restricted Assets:			
Cash and Cash Equivalents:			
Capital Reserve Account	5,286,241		5,286,241
Capital Assets, Net:			
Sites (Land) and Construction in Progress	21,365,478		21,365,478
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	43,363,170	245,819	43,608,989
Total Assets	<u>81,041,277</u>	<u>1,930,471</u>	<u>82,971,748</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	420,476		420,476
Deferred Outflows - District Contribution Subsequent to the Measurement Date - Pensions	2,463,434		2,463,434
Deferred Outflows - Pensions	11,307,197		11,307,197
Total Deferred Outflows of Resources	<u>14,191,107</u>		<u>14,191,107</u>
LIABILITIES			
Payable to State Government	44,363		44,363
Accounts Payable	5,816,331	577,725	6,394,056
Accrued Interest Payable	513,643		513,643
Unearned Revenue	163,267	234,319	397,586
Noncurrent Liabilities:			
Due Within One Year	5,149,274		5,149,274
Due Beyond One Year	73,132,893	12,571	73,145,464
Total Liabilities	<u>84,819,771</u>	<u>824,615</u>	<u>85,644,386</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pensions	18,454,835		18,454,835
Total Deferred Inflows of Resources	<u>18,454,835</u>		<u>18,454,835</u>
NET POSITION			
Net Investment in Capital Assets	38,273,044	245,819	38,518,863
Restricted for:			
Capital Projects	5,391,913		5,391,913
Excess Surplus	3,500,000		3,500,000
Unrestricted (Deficit)	(55,207,179)	860,037	(54,347,142)
Total Net Position (Deficit)	<u>\$ (8,042,222)</u>	<u>\$ 1,105,856</u>	<u>\$ (6,936,366)</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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 87,112,898	\$ 606,147	\$ 22,435,369	\$	(64,071,382)	\$	(64,071,382)
Special Education	28,841,050		16,138,387		(12,702,663)		(12,702,663)
Other Special Instruction	5,228,923		1,429,972		(3,798,951)		(3,798,951)
School Sponsored/Other Instruction	6,322,683		1,343,770		(4,978,913)		(4,978,913)
Support Services:							
Tuition	6,790,714				(6,790,714)		(6,790,714)
Student & Instruction Related Services	30,508,488		8,046,636		(22,461,852)		(22,461,852)
General Administrative Services	1,759,643				(1,759,643)		(1,759,643)
School Administrative Services	11,507,811		3,031,070		(8,476,741)		(8,476,741)
Central Services	1,896,944				(1,896,944)		(1,896,944)
Administrative Information Technology	1,563,765				(1,563,765)		(1,563,765)
Plant Operations and Maintenance	18,325,665				(18,325,665)		(18,325,665)
Pupil Transportation	8,752,095		1,463,070		(7,289,025)		(7,289,025)
Transfer of Funds to Charter Schools	60,109				(60,109)		(60,109)
Interest on Long-Term Debt	429,526				(429,526)		(429,526)
Unallocated Depreciation*	2,310,738				(2,310,738)		(2,310,738)
Total Governmental Activities	211,411,052	606,147	53,888,274		(156,916,631)		(156,916,631)

* - Excludes direct depreciation expenses of the various programs.

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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	\$ 3,079,994	\$ 2,515,744	\$ 507,167		\$ (57,083)	\$	\$ (57,083)
Community Education Program	7,392	7,810			418		418
Wrap Around Program	462,403	418,103			(44,300)		(44,300)
Extended Day Program	1,094,246	1,140,548			46,302		46,302
Total Business-Type Activities	4,644,035	4,082,205	507,167		(54,663)		(54,663)
Total Primary Government	\$ 216,055,087	\$ 4,688,352	\$ 54,395,441	\$ -0-	\$ (156,916,631)	(54,663)	(156,971,294)

General Revenues and Transfers:

Taxes:							
Property Taxes, Levied for General Purposes, Net					149,208,145		149,208,145
Taxes Levied for Debt Service					3,240,175		3,240,175
Federal and State Aid not Restricted					284,446		284,446
Investment Earnings					119,697		119,697
Miscellaneous Income					919,910		919,910
Transfers					(114,339)	114,339	
Total General Revenues and Transfers					153,658,034	114,339	153,772,373
Change in Net Position					(3,258,597)	59,676	(3,198,921)
Net Position (Deficit) - Beginning					(4,783,625)	1,046,180	(3,737,445)
Net Position (Deficit) - Ending					\$ (8,042,222)	\$ 1,105,856	\$ (6,936,366)

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,748,266	\$ 961,684			\$ 3,709,950
Interfund Receivable	1,978,426				1,978,426
Receivables from Other Governments	3,736,363	1,522,557	\$ 10,588		5,269,508
Other Receivables	2,224,120	1,790			2,225,910
Restricted Cash and Cash Equivalents	5,286,241				5,286,241
Total Assets	\$ 15,973,416	\$ 2,486,031	\$ 10,588	\$ - 0 -	\$ 18,470,035
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 178,980	\$ 1,854,959	\$ 123,467		\$ 2,157,406
Payable to State Government		44,363			44,363
Accounts Payable	2,929,455	423,442			3,352,897
Unearned Revenue		163,267			163,267
Total Liabilities	3,108,435	2,486,031	123,467		5,717,933
Fund Balances:					
Restricted:					
Capital Reserve Account	5,286,241				5,286,241
Excess Surplus - Designated for Subsequent Year's Expenditures	1,750,000				1,750,000
Excess Surplus	1,750,000				1,750,000
Capital Projects Fund			105,672		105,672
Assigned:					
Encumbrances	388,092				388,092
Unassigned (Deficit)	3,690,648		(218,551)		3,472,097
Total Fund Balances (Deficit)	12,864,981		(112,879)		12,752,102
Total Liabilities and Fund Balances	\$ 15,973,416	\$ 2,486,031	\$ 10,588	\$ - 0 -	\$ 18,470,035

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

Total Fund Balances (From Above)	\$ 12,752,102
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$137,016,774 and the accumulated depreciation is \$70,163,012.	64,728,648
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(47,729,849)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows of Resources Related to Pensions	11,307,197
Deferred Inflows of Resources Related to Pensions	(18,454,835)
Long-Term Liabilities, including Bonds Payable, Capital Leases Payable and Compensated Absences Payable are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(29,072,462)
Bond Premiums are reported in the Governmental Funds as revenue in the year that Bonds are issued.	(1,479,856)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(513,643)
The Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.	420,476
Net Position (Deficit) of Governmental Activities	\$ (8,042,222)

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 149,208,145			\$ 3,240,175	\$ 152,448,320
Tuition	606,147				606,147
Miscellaneous Revenues	1,039,607	\$ 68,893			1,108,500
Total - Local Sources	150,853,899	68,893		3,240,175	154,162,967
State Sources	31,804,152	746,780			32,550,932
Federal Sources	111,523	2,712,513			2,824,036
Total Revenues	182,769,574	3,528,186		3,240,175	189,537,935
EXPENDITURES					
Current:					
Regular Instruction	45,177,586	832,419			46,010,005
Special Education Instruction	14,274,866	1,907,902			16,182,768
Other Special Instruction	2,785,254				2,785,254
School Sponsored/Other Instruction	3,993,718				3,993,718
Support Services and Undistributed Costs:					
Tuition	6,790,714				6,790,714
Student & Instruction Related Services	17,157,233	741,522			17,898,755
General Administrative Services	1,547,586				1,547,586
School Administrative Services	6,034,633				6,034,633
Central Services	1,483,872				1,483,872
Administration Information Technology	1,900,735				1,900,735
Plant Operations and Maintenance	14,846,336				14,846,336
Pupil Transportation	6,810,239				6,810,239
Unallocated Benefits	56,068,325				56,068,325
Intergovernmental:					
Transfer of Funds to Charter Schools	60,109				60,109
Capital Outlay	6,197,065	46,343	\$ 20,800		6,264,208
Debt Service:					
Principal				2,600,000	2,600,000
Interest and Other Charges				640,175	640,175
Total Expenditures	185,128,271	3,528,186	20,800	3,240,175	191,917,432
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(2,358,697)		(20,800)		(2,379,497)
OTHER FINANCING SOURCES/(USES)					
Capital Leases (non-budgeted)	2,032,804				2,032,804
Transfers Out	(114,339)				(114,339)
Total Other Financing Sources/(Uses)	1,918,465				1,918,465
Net Change in Fund Balances	(440,232)		(20,800)		(461,032)
Fund Balance/(Deficit) - July 1	13,305,213		(92,079)		13,213,134
Fund Balanc/(Deficit) - June 30	\$ 12,864,981	\$ - 0 -	\$ (112,879)	\$ - 0 -	\$ 12,752,102

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, 2019

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (461,032)

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	\$ (4,882,413)
Capital outlays	<u>2,221,497</u>
	(2,660,916)

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.

(2,032,804)

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

1,935,266

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.

2,600,000

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 (+).

99,859

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	10,653,233
Change in Deferred Outflows	(5,981,079)
Change in Deferred Inflows	(6,735,778)

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 (+).

(940,191)

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)

\$ (3,258,597)

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Major Fund		
	Food Service	Non-Major Funds	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 123,407	\$ 1,294,644	\$ 1,418,051
Accounts Receivable:			
Interfund - General Fund	178,980		178,980
Other Governments:			
Federal	31,678		31,678
State	3,257		3,257
Other	21,502	844	22,346
Inventories	30,340		30,340
Total Current Assets	389,164	1,295,488	1,684,652
Non-Current Assets:			
Capital Assets	1,179,173		1,179,173
Less: Accumulated Depreciation	(933,354)		(933,354)
Total Non-Current Assets	245,819	- 0 -	245,819
Total Assets	634,983	1,295,488	1,930,471
LIABILITIES:			
Current Liabilities:			
Accounts Payable	297,495	280,230	577,725
Unearned Revenue:			
Donated Commodities	6,315		6,315
Prepaid Sales	85,354		85,354
Program Fees		142,650	142,650
Long-term Liabilities:			
Compensated absences payable		12,571	12,571
Total Liabilities	389,164	435,451	824,615
NET POSITION:			
Investment in Capital Assets	245,819		245,819
Unrestricted		860,037	860,037
Total Net Position	\$ 245,819	\$ 860,037	\$ 1,105,856

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 30,2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Totals</u>
Operating Revenue:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 1,028,466		\$ 1,028,466
Daily Sales - Non-Reimbursable Programs	1,207,329		1,207,329
Special Events	279,949		279,949
Program Fees		\$ 1,566,461	1,566,461
Total Operating Revenue	<u>2,515,744</u>	<u>1,566,461</u>	<u>4,082,205</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	530,621		530,621
Cost of Sales - Non-Reimbursable Programs	622,903		622,903
Salaries	1,067,000	1,038,854	2,105,854
Employee Benefits	289,360	120,083	409,443
Purchased Property Services		234,000	234,000
Other Purchased Services		25,919	25,919
Management Fee	308,737		308,737
Supplies and Materials	221,842	145,185	367,027
Other Objects	1,986		1,986
Depreciation Expense	37,545		37,545
Total Operating Expenses	<u>3,079,994</u>	<u>1,564,041</u>	<u>4,644,035</u>
Operating Income (Loss)	<u>(564,250)</u>	<u>2,420</u>	<u>(561,830)</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program	336,706		336,706
School Breakfast Program	23,359		23,359
Special Milk Program	1,145		1,145
Food Distribution Program	128,428		128,428
State Sources:			
School Lunch Program	17,529		17,529
Total Non-Operating Revenue	<u>507,167</u>		<u>507,167</u>
Change in Net Position Before Transfers	<u>(57,083)</u>	<u>2,420</u>	<u>(54,663)</u>
Transfer In - General Fund	<u>114,339</u>		<u>114,339</u>
Change in Net Position	57,256	2,420	59,676
Net Position - Beginning of Year	<u>188,563</u>	<u>857,617</u>	<u>1,046,180</u>
Net Position - End of Year	<u>\$ 245,819</u>	<u>\$ 860,037</u>	<u>\$ 1,105,856</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, 2019

	<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	\$ 2,571,966	\$ 1,710,620	\$ 4,282,586
Payments to Employees		(1,052,862)	(1,052,862)
Payments to Food Service Vendor	(2,652,549)		(2,652,549)
Payments to Suppliers	(221,842)	(280,908)	(502,750)
Net Cash Provided by/(Used for) Operating Activities	(302,425)	376,850	74,425
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets	(94,801)		(94,801)
Net Cash Used for Capital Financing Activities	(94,801)	- 0 -	(94,801)
Cash Flows from Noncapital Financing Activities:			
Federal Sources	361,163		361,163
State Sources	15,950		15,950
Net Cash Provided by Noncapital Financing Activities	377,113	- 0 -	377,113
Net Increase (Decrease) in Cash and Cash Equivalents	(20,113)	376,850	356,737
Cash and Cash Equivalents, July 1	143,520	917,794	1,061,314
Cash and Cash Equivalents, June 30	<u>\$ 123,407</u>	<u>\$ 1,294,644</u>	<u>\$ 1,418,051</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income (Loss)	\$ (564,250)	\$ 2,420	\$ (561,830)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	37,545		37,545
Federal Food Distribution Program	128,428		128,428
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	47,966	1,509	49,475
(Increase)/Decrease in Inventory	7,348		7,348
Increase/(Decrease) in Accounts Payable	32,282	244,279	276,561
Increase/(Decrease) in Compensated Absences Payable		(14,008)	(14,008)
Increase/(Decrease) in Unearned Revenue	8,256	142,650	150,906
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (302,425)</u>	<u>\$ 376,850</u>	<u>\$ 74,425</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 \$127,594 and \$128,428 respectively, for the fiscal year ended June 30, 2019.

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, 2019

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,721,899	\$ 307,949	\$ 45,305	
Investments				\$ 83,897
Total Assets	<u>2,721,899</u>	<u>307,949</u>	<u>45,305</u>	<u>83,897</u>
LIABILITIES:				
Accounts Payable - Vendors	49,183			
Payroll Deductions and Withholdings	2,037,870			
Due to Student Groups	634,846			
Total Liabilities	<u>2,721,899</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
NET POSITION:				
Held in Trust for:				
Unemployment Claims		307,949		
Flexible Spending Claims			45,305	
Restricted for Scholarships				83,897
Total Net Position	<u>\$ - 0 -</u>	<u>\$ 307,949</u>	<u>\$ 45,305</u>	<u>\$ 83,897</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 30,2019

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 248,857	\$ 218,439	
Donations			\$ 72,511
Total Contributions	<u>248,857</u>	<u>218,439</u>	<u>72,511</u>
Investment Earnings:			
Interest			81
Net Investment Earnings			<u>81</u>
Total Additions	<u>248,857</u>	<u>218,439</u>	<u>72,592</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	207,879		
Flexible Spending Claims		209,322	
Scholarships Awarded			23,100
Total Deductions	<u>207,879</u>	<u>209,322</u>	<u>23,100</u>
Change in Net Position	40,978	9,117	49,492
Net Position - Beginning of the Year	<u>266,971</u>	<u>36,188</u>	<u>34,405</u>
Net Position - End of the Year	<u>\$ 307,949</u>	<u>\$ 45,305</u>	<u>\$ 83,897</u>

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, 2019

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, 2019

(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, 2019
(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 are financed or recovered primarily through user charges.

Additionally, the District reports the following fiduciary fund types:

Fiduciary Funds: The Fiduciary Funds include Trust and Agency Funds which are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. Trust Funds include Unemployment Compensation, Flexible Spending, Private Purpose Scholarship Trust Fund and are accounted for in the same manner as governmental funds. Unemployment and Flexible Spending Funds are used to record employee contributions and related payments. The Private Purpose Scholarship Fund is used to record donations and scholarship payments. Agency Funds are purely custodial (assets equal liabilities and do not involve measurements of results of operations).

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, 2019
(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, 2019 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, 2019

(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	\$ 182,867,776	\$ 3,527,277
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		(9,365)
Prior Year Encumbrances		10,274
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	347,790	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(445,992)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 182,769,574	\$ 3,528,186
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 185,128,271	\$ 3,527,277
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		(9,365)
Prior Year Encumbrances		10,274
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 185,128,271	\$ 3,528,186
		Capital Projects Fund Balance
Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance(Budgetary Basis)		\$ 154,556
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)		\$ (112,879)

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019

(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, 2019.

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 of 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, 2019
(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, 2019.

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, 2019

(Continued)

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$12,864,981 General Fund balance at June 30, 2019, \$388,092 is assigned for encumbrances; \$5,286,241 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, 2021; \$1,750,000 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2020; and \$3,690,648 is unassigned which is \$445,992 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, 2020.

Capital Projects Fund: Of the (\$112,879) Capital Projects Fund balance at June 30, 2019, \$105,672 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, 2019 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 \$445,992 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, 2019
(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, 2019 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 \$388,092 for encumbrances in the General Fund at June 30, 2019.

R. Deficit Net Position/Fund Balance:

The District has a \$55,207,179 deficit in unrestricted net position and a \$8,042,222 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 a \$112,879 deficit 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, 2019 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, 2019

(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, 2019 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, 2019
(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, 2019

(Continued)

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

Custodial Credit Risk – The District’s policy with respect to custodial credit risk 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, 2019

(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, 2019
(Continued)

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

Investments: (Cont'd)

As of June 30, 2019, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	<u>Restricted Cash and Cash Equivalents</u> Capital Reserve Account	Investments	Total
Checking Accounts	\$ 8,203,154	\$ 5,286,241		\$ 13,489,395
Certificates of Deposit			\$ 83,897	83,897
	<u>\$ 8,203,154</u>	<u>\$ 5,286,241</u>	<u>\$ 83,897</u>	<u>\$ 13,573,292</u>

During the period ended June 30, 2019, 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, 2019 was \$13,573,292 and the bank balance was \$14,589,924.

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 4,019,983
Interest Earnings	10,050
Unexpended Balance Returned - Capital Outlay	77,035
Deposit by Board Resolution - June 2019	3,379,173
Withdrawals by Board Resolution	(600,000)
Budgeted Withdrawal from Capital Reserve - Capital Outlay	<u>(1,600,000)</u>
Ending Balance, June 30, 2019	<u>\$ 5,286,241</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2019 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, 2019, the District transferred \$668,280 to facilities acquisition and construction line items which consisted of transfers of \$68,280 for which County Superintendent approval was required and a \$600,000 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, 2019 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Sites (Land)	\$ 9,263,696			\$ 9,263,696
Construction in Progress	12,080,982	\$ 20,800		12,101,782
Total Capital Assets Not Being Depreciated	<u>21,344,678</u>	<u>20,800</u>		<u>21,365,478</u>
Capital Assets Being Depreciated:				
Land Improvements	10,703,195			10,703,195
Buildings and Building Improvements	86,963,874	1,310,529		88,274,403
Machinery and Equipment	21,668,930	890,168	\$ (191,112)	22,367,986
Total Capital Assets Being Depreciated	<u>119,335,999</u>	<u>2,200,697</u>	<u>(191,112)</u>	<u>121,345,584</u>
Governmental Activities Capital Assets	<u>140,680,677</u>	<u>2,221,497</u>	<u>(191,112)</u>	<u>142,711,062</u>
Less Accumulated Depreciation for:				
Land Improvements	(7,769,639)	(449,387)		(8,219,026)
Buildings and Building Improvements	(50,313,840)	(1,750,831)		(52,064,671)
Machinery and Equipment	(15,207,634)	(2,682,195)	191,112	(17,698,717)
	<u>(73,291,113)</u>	<u>(4,882,413)</u>	<u>191,112</u>	<u>(77,982,414)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 67,389,564</u>	<u>\$ (2,660,916)</u>	<u>\$ - 0 -</u>	<u>\$ 64,728,648</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,084,372	\$ 94,801		\$ 1,179,173
Less Accumulated Depreciation	(895,809)	(37,545)		(933,354)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 188,563</u>	<u>\$ 57,256</u>	<u>\$ - 0 -</u>	<u>\$ 245,819</u>

The increases totaling \$2,316,298 represent current year capitalized expenditures in the general fund, the capital projects fund and the food service enterprise fund. As of June 30, 2019, the District has \$12,101,782 in active construction projects with unexpended balances of \$154,556.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,489,263
School Sponsored/Other Instruction	32,606
Student and Instruction Related Services	70,662
General Administrative Services	167
School Administrative Services	1,129
Central Services	294
Plant Operations and Maintenance	351,482
Pupil Transportation	626,072
Unallocated	2,310,738
	<u>\$ 4,882,413</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2018	Issued/ Added	Retired	Balance 6/30/2019	Balance Due Within One Year
Governmental Funds:					
Serial Bonds Payable	\$ 15,670,000		\$ 2,600,000	\$ 13,070,000	\$ 2,610,000
Unamortized Bond					
Issuance Premium	1,849,820		369,964	1,479,856	369,964
Net Pension Liability	58,383,082		10,653,233	47,729,849	- 0 -
Capital Leases Payable	12,228,686	\$ 2,032,804	1,935,266	12,326,224	1,896,577
Compensated Absences Payable	2,736,047	1,468,501	528,310	3,676,238	272,733
Total Governmental Funds	<u>90,867,635</u>	<u>3,501,305</u>	<u>16,086,773</u>	<u>78,282,167</u>	<u>5,149,274</u>
Proprietary Funds:					
Compensated Absences Payable	26,579		14,008	12,571	- 0 -
Total All Funds	<u>\$ 90,894,214</u>	<u>\$ 3,501,305</u>	<u>\$ 16,100,781</u>	<u>\$ 78,294,738</u>	<u>\$ 5,149,274</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, 2019
(Continued)

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

A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2019 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>\$ 13,070,000</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>
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
2024	2,615,000	58,838	2,673,838
	<u>\$ 13,070,000</u>	<u>\$ 1,523,388</u>	<u>\$ 14,593,388</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District has capital leases payable for equipment, buses, chromebooks turf fields and an energy savings improvement program as of June 30, 2019. The leases for equipment, buses, chromebooks and turf fields are for five years with the final payments occurring in fiscal years 2019-20, 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 while the energy savings improvement program lease is for fifteen years with the final payment occurring in fiscal year 2029-30. The gross amount of assets acquired under capital leases have been classified as building improvements and machinery and equipment in the District's capital assets. The District has entered into capital leases totaling \$22,556,968 of which \$10,230,744 has been liquidated as of June 30, 2019. The capital lease amount liquidated for building and building improvements was \$524,541. The capital lease amount liquidated for machinery and equipment was \$1,410,725.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019 are detailed below.

<u>Year</u>	<u>Amount</u>
2020	\$ 2,210,474
2021	2,002,970
2022	1,590,612
2023	1,295,300
2024	1,207,064
2025-2029	4,803,419
2030	<u>1,003,716</u>
	14,113,555
Less: Amount representing interest	<u>(1,787,331)</u>
Present value of net minimum lease payments	<u>\$ 12,326,224</u>

The current portion of capital leases payable at June 30, 2019 is \$1,896,577 and the long-term portion is \$10,429,647. 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, 2019 is \$272,733 and is shown separately from the long-term portion of compensated absences of \$3,403,505.

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, 2019, there was a long-term liability of \$12,571 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, 2019 is \$-0- and the long-term portion is \$47,729,849. 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 \$1,109,892.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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

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

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began 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 \$2,424,001 for fiscal year 2019.

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

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

At June 30, 2019, the District reported a liability of \$47,729,849 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.242%, which was a decrease of 0.009% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$2,876,728. At June 30, 2019, 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	\$ 377,785	
	2015	5.72	1,705,092	
	2016	5.57	5,782,211	
	2017	5.48		\$ (8,798,636)
	2018	5.63		(6,462,832)
			7,865,088	(15,261,468)
Difference Between Expected & Actual Experience	2015	5.72	473,070	
	2016	5.57	175,474	
	2017	5.48	261,671	
	2018	5.63		(246,111)
			910,215	(246,111)

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	2014	6.44		\$ (943,155)
	2015	5.72	\$ 1,586,116	
	2016	5.57	275,193	
	2017	5.48	670,585	
	2018	5.63		(1,556,393)
			<u>2,531,894</u>	<u>(2,499,548)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		288,417
	2016	5.00		1,612,387
	2017	5.00		(1,451,228)
	2018	5.00		(897,284)
				<u>(447,708)</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	<u>2,463,434</u>	
			<u>\$ 13,770,631</u>	<u>\$ (18,454,835)</u>

The District contribution subsequent to the measurement date is the contribution due April 1, 2020 and relates to the fiscal year ended June 30, 2018.

The \$2,463,434 resulting from the District's contribution subsequent to the measurement date is reported as a deferred outflow of resources related to pensions. The District has other deferred outflows of resources and deferred inflows of resources related to pensions which will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ 331,270
2020	(458,648)
2021	(3,288,877)
2022	(2,850,849)
2023	(912,880)
	<u>\$ (7,179,984)</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2018) 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, 2019
(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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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, 2019

(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, 2018 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, 2018		
	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 60,014,785	\$ 47,729,849	\$ 37,423,573

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$12,323,706 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$23,906,226.

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019, the State's proportionate share of the net pension liability associated with the District was \$410,079,926. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.645%, which was an increase of 0.013% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability	
Associated with the District	<u>410,079,926</u>
Total	<u>\$ 410,079,926</u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$23,906,226 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 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	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2017	8.29		<u>5,994,557,085</u>
			<u>11,053,759,853</u>	<u>16,078,750,001</u>
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2017	8.29	<u>1,051,605,259</u>	
			<u>1,420,239,017</u>	<u>96,229,812</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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)

	Amortization	Deferred	Deferred
	Year of	Period	Outflows of
	Deferral	in Years	Resources
			Resources
Net Difference Between Projected and	2015	5	\$ (192,642,062)
Actual Investment Earnings on Pension	2016	5	(863,710,381)
Plan Investments	2017	5	678,024,787
	2018	5	384,121,486
			<u>5,793,830</u>
			<u>\$12,473,998,870</u>
			<u>\$ 16,180,773,643</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
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	<u>(3,210,092,402)</u>
	<u>\$ (3,706,774,773)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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, 2019
(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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2040. Therefore, the long-term expected rate of return on pension 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.

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, 2018 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, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 484,706,685	\$ 410,079,926	\$ 348,216,161

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, 2019

(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 \$116,643 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$144,639 for the year ended June 30, 2019.

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.

There were no insurance settlements which exceeded insurance coverage in the past three years.

Selected, summarized financial information for the Group as of June 30, 2019 was not yet available at the time of audit. Information as of June 30, 2018 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 342,337,056
Net Position	\$ 82,580,855
Total Revenue	\$ 133,258,299
Total Expenses	\$ 129,340,074
Change in Net Position	\$ 3,918,225
Member Dividends	\$ -0-

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (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>
2018-2019	\$ - 0 -	\$ - 0 -	\$ 248,857	\$ 207,879	\$ 307,949
2017-2018	- 0 -	- 0 -	248,939	269,804	266,971
2016-2017	- 0 -	- 0 -	241,576	301,447	287,836

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,978,426	\$ 178,980
Special Revenue Fund		1,854,959
Capital Projects Fund		123,467
Proprietary Fund - Food Service Enterprise Fund	178,980	
	<u>\$2,157,406</u>	<u>\$2,157,406</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 General Fund transferred \$114,339 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, 2019:

	<u>Governmental Funds</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		\$ 1,521,611		\$ 1,521,611
State	\$ 3,736,363	946	\$ 10,588	\$ 31,678
	<u>\$ 3,736,363</u>	<u>\$ 1,522,557</u>	<u>\$ 10,588</u>	<u>\$ 3,257</u>
			<u>\$ 5,269,508</u>	<u>\$ 34,935</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 14. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2019:

	Governmental Funds		District Contribution	Total	Business-
	General Fund	Special Revenue Fund	Subsequent to the Measurement Date		Type Activities
Salaries	\$ 156,217			\$ 156,217	
Vendors	2,773,238	\$ 423,442		3,196,680	\$ 577,725
Due to:					
State of New Jersey		44,363	\$ 2,463,434	2,507,797	
	<u>\$ 2,929,455</u>	<u>\$ 467,805</u>	<u>\$ 2,463,434</u>	<u>\$ 5,860,694</u>	<u>\$ 577,725</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, 2019, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds		
General	Special Revenue	Total
<u>\$ 388,092</u>	<u>\$ 9,365</u>	<u>\$ 397,457</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2019, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$9,365 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 \$459,565 from four payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2018 without the abatement would have been \$2,562,577 of which \$1,344,356 would have been for the local school tax.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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.

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
Salary Increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. 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 Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 299,702,215
Changes for Year:	
Service Cost	11,298,745
Interest on the Total OPEB Liability	11,013,479
Changes of Assumptions	(30,153,674)
Differences between Expected and Actual Experience	(22,311,688)
Gross Benefit Payments by the State	(7,026,260)
Contributions from Members	242,839
Net Changes	(36,936,559)
Balance at June 30, 2018	\$ 262,765,656

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2018, 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, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 310,642,496	\$ 262,765,656	\$ 224,708,513

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, 2018 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, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 217,191,119	\$ 262,765,656	\$ 323,039,726

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$12,853,365 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the District had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ (31,917,324)
Changes in Assumptions	2018	9.51		(26,982,941)
			<u>\$ -0-</u>	<u>\$ (58,900,265)</u>
Differences Between Expected and Actual Experience	2018	9.51		(25,507,275)
Changes in Proportion	N/A	N/A	<u>\$ 6,171,553</u>	
			<u>\$ 6,171,553</u>	<u>\$ (84,407,540)</u>

N/A - Not Available

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ (10,401,130)
2020	(10,401,130)
2021	(10,401,130)
2022	(10,401,130)
2023	(10,401,130)
Thereafter	<u>(32,401,891)</u>
	<u>\$ (84,407,540)</u>

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 FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the Net Pension Liability	0.215556877%	0.2429573956%	0.2459601678%	0.2508036542%	0.2424126822%
District's proportionate share of the Net Pension Liability	\$ 40,357,920	\$ 54,539,067	\$ 72,846,347	\$ 58,383,082	\$ 47,729,849
District's Covered Employee Payroll	\$ 16,021,395	\$ 16,439,285	\$ 16,931,535	\$ 16,711,030	\$ 17,143,937
District's proportionate share of the Net Pension Liability as a % of its Covered Employee Payroll	251.90%	331.76%	430.24%	349.37%	278.41%
Plan Fiduciary Net Position as a % of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,777,010	\$ 2,098,522	\$ 2,230,045	\$ 2,363,539	\$ 2,424,001
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>	<u>(2,424,001)</u>
Contribution Deficiency/(Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
District's Covered Employee Payroll	\$ 16,439,285	\$ 16,931,535	\$ 16,711,030	\$ 17,143,937	\$ 17,401,283
Contributions as a percentage of Covered Employee Payroll	10.81%	12.39%	13.34%	13.79%	13.93%

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

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 FIVE FISCAL YEARS

	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%
				607.84%
				26.49%

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 FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 18,506,781	\$ 24,585,650	\$ 37,467,887	\$ 29,532,266	\$ 23,906,226
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>	<u>(12,323,706)</u>
Contribution Deficiency/(Excess)	<u>\$ 13,714,455</u>	<u>\$ 19,510,391</u>	<u>\$ 30,604,665</u>	<u>\$ 20,039,600</u>	<u>\$ 11,582,520</u>
District's Covered Employee Payroll	\$ 63,474,257	\$ 64,836,221	\$ 65,828,000	\$ 67,464,688	\$ 69,331,865
Contributions as a percentage of Covered Employee Payroll	7.55%	7.83%	10.43%	14.07%	17.77%

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 PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS

	Fiscal Year Ending June 30,	
	2017	2018
Service Cost	\$ 13,610,363	\$ 11,298,745
Interest Cost	9,494,168	11,013,479
Changes in Assumptions	(39,554,096)	(30,153,674)
Differences between Expected and Actual Experience		(22,311,688)
Member Contributions	255,612	242,839
Gross Benefit Payments	(6,941,739)	(7,026,260)
Net Change in Total OPEB Liability	(23,135,692)	(36,936,559)
Total OPEB Liability - Beginning	322,837,907	299,702,215
Total OPEB Liability - Ending	\$ 299,702,215	\$ 262,765,656
District's Covered Employee Payroll *	\$ 81,767,756	\$ 82,539,030
Total OPEB Liability as a Percentage of Covered Employee Payroll	367%	318%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 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, 2019

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

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 eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

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

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 149,208,145		\$ 149,208,145	\$ 149,208,145	
Tuition from Individuals	325,000		325,000	309,141	\$ (15,859)
Tuition from Other LEA's	168,931		168,931	277,680	108,749
Tuition from Other Sources	107,207		107,207	19,326	(87,881)
Tuition from Summer School	15,000		15,000		(15,000)
Rents and Royalties	288,000		288,000	325,696	37,696
Interest Earned on Capital Reserve Funds	30,043		30,043	10,050	(19,993)
Unrestricted Miscellaneous Revenues	118,000		118,000	703,861	585,861
Other Restricted Miscellaneous Revenues	100,000		100,000		(100,000)
Total - Local Sources	150,360,326		150,360,326	150,853,899	493,573
State Sources:					
Categorical Transportation Aid	1,229,232	\$ 220,349	1,449,581	1,449,581	
Special Education Categorical Aid	3,556,094		3,556,094	3,556,094	
Categorical Security Aid	154,816		154,816	154,816	
Nonpublic School Transportation Costs	50,000		50,000	107,300	57,300
Extraordinary Special Education Costs Aid	2,500,000		2,500,000	3,382,472	882,472
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				5,707,027	5,707,027
TPAF On-Behalf Pension Contributions (Non-Budgeted)				12,323,706	12,323,706
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				257,967	257,967
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				10,640	10,640
TPAF Social Security (Reimbursed - Non-Budgeted)				4,952,751	4,952,751
Total State Sources	7,490,142	220,349	7,710,491	31,902,354	24,191,863
Federal Sources:					
Medicaid Assistance Program	84,541		84,541	111,523	26,982
Total Federal Sources	84,541		84,541	111,523	26,982
TOTAL REVENUES	157,935,009	220,349	158,155,358	182,867,776	24,712,418

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 534,250	\$ (22,568)	\$ 511,682	\$ 510,794	\$ 888
Kindergarten - Salaries of Teachers	877,950	51,271	929,221	929,221	
Grades 1-5 - Salaries of Teachers	13,885,232	(159,400)	13,725,832	13,725,806	26
Grades 6-8 - Salaries of Teachers	10,532,596	(244,128)	10,288,468	10,257,658	30,810
Grades 9-12 - Salaries of Teachers	16,489,524	(195,169)	16,294,355	16,264,493	29,862
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	(22,437)	62,563	62,563	
Purchased Professional - Educational Services	85,000	(45,269)	39,731	23,014	16,717
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	214,788	(214,788)			
Purchased Professional - Educational Services	200		200		200
Purchased Technical Services	598,592	62,926	661,518	634,120	27,398
Other Purchased Services (400-500 series)	789,721	(17,652)	772,069	667,940	104,129
General Supplies	2,814,489	(643,424)	2,171,065	1,894,089	276,976
Textbooks	203,924	9,885	213,809	206,483	7,326
Other Objects	15,750		15,750	1,405	14,345
Total Regular Programs - Instruction	47,127,016	(1,440,753)	45,686,263	45,177,586	508,677
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,281,204	(15,312)	1,265,892	1,261,364	4,528
Other Salaries for Instruction	906,887	760,815	1,667,702	1,640,231	27,471
General Supplies	76,180		76,180	64,545	11,635
Total Learning and/or Language Disabilities	2,264,271	745,503	3,009,774	2,966,140	43,634

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	\$ 599,280	\$ 53	\$ 599,333	\$ 597,093	\$ 2,240
Other Salaries for Instruction	237,920	371,346	609,266	609,266	
General Supplies	10,000	(32)	9,968	8,494	1,474
Total Multiple Disabilities	847,200	371,367	1,218,567	1,214,853	3,714
Resource Room/Resource Center:					
Salaries of Teachers	8,380,836	43,519	8,424,355	8,421,169	3,186
Other Salaries for Instruction	865,755	(199,714)	666,041	664,077	1,964
General Supplies	5,235	13,224	18,459	18,288	171
Total Resource Room/Resource Center	9,251,826	(142,971)	9,108,855	9,103,534	5,321
Autism:					
Salaries of Teachers	60,400	(16,678)	43,722	43,597	125
Other Salaries for Instruction	22,647	46,599	69,246	69,246	
General Supplies	2,000	(2,000)			
Total Autism	85,047	27,921	112,968	112,843	125
Preschool Disabilities - Part-Time:					
Other Salaries for Instruction		5,077	5,077	5,077	
General Supplies		2,000	2,000	1,800	200
Total Preschool Disabilities - Part-Time		7,077	7,077	6,877	200
Preschool Disabilities - Full-Time:					
Salaries of Teachers	246,900	17,939	264,839	259,655	5,184
Other Salaries for Instruction	273,034	300,214	573,248	558,750	14,498
General Supplies	12,580		12,580	3,109	9,471
Total Preschool Disabilities - Full-Time	532,514	318,153	850,667	821,514	29,153
Home Instruction:					
Other Salaries for Instruction	35,000	21,952	56,952	36,936	20,016
Purchased Professional - Educational Services	65,000	(42,291)	22,709	12,169	10,540
Total Home Instruction	100,000	(20,339)	79,661	49,105	30,556
Total Special Education Instruction	13,080,858	1,306,711	14,387,569	14,274,866	112,703

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 2,051,220	\$ (51,813)	\$ 1,999,407	\$ 1,930,773	\$ 68,634
General Supplies	13,400		13,400	11,199	2,201
Total Basic Skills/Remedial - Instruction	2,064,620	(51,813)	2,012,807	1,941,972	70,835
Bilingual Education - Instruction:					
Salaries of Teachers	839,300	4,928	844,228	833,929	10,299
Other Salaries	1,000	3,847	4,847	4,847	
General Supplies	9,075		9,075	4,506	4,569
Textbooks	525		525		525
Total Bilingual Education - Instruction	849,900	8,775	858,675	843,282	15,393
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	827,604	46,556	874,160	865,357	8,803
Purchased Services (300-500 series)	15,185	(4,400)	10,785	8,939	1,846
Supplies and Materials	88,873	(4,515)	84,358	77,474	6,884
Other Objects	14,310		14,310	5,534	8,776
Total School-Sponsored Cocurricular Activities - Instruction	945,972	37,641	983,613	957,304	26,309
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,939,817	(319,240)	1,620,577	1,610,663	9,914
Unused Vacation Payments	10,000	(10,000)			
Purchased Services (300-500 series)	667,010	(46,298)	620,712	451,312	169,400
Supplies and Materials	433,525	4,921	438,446	354,464	83,982
Other Objects	79,600	(3,632)	75,968	66,877	9,091
Total School-Sponsored Cocurricular Athletics - Instruction	3,129,952	(374,249)	2,755,703	2,483,316	272,387
Before/After School Programs - Instruction:					
Salaries of Reading Specialists	15,000		15,000	8,132	6,868
Total Before/After School Programs - Instruction	15,000		15,000	8,132	6,868

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Summer School - Instruction:					
Purchased Professional and Technical Services	\$ 270,000	\$ (16,250)	\$ 253,750	\$ 226,185	\$ 27,565
General Supplies	7,000		7,000	5,682	1,318
Total Summer School - Instruction	277,000	(16,250)	260,750	231,867	28,883
Alternative Education Programs - Instruction:					
Salaries of Teachers	72,500	45,943	118,443	118,443	
Purchased Professional and Technical Services	65,000		65,000	34,602	30,398
Total Alternative Education Programs - Instruction	137,500	45,943	183,443	153,045	30,398
Alternative Education Programs - Support:					
Salaries	10,000		10,000		10,000
Total Alternative Education Programs - Support	10,000		10,000		10,000
Total Alternative Education Programs	147,500	45,943	193,443	153,045	40,398
Other Instructional Programs - Instruction:					
Supplies and Materials	8,000		8,000	5,998	2,002
Total Other Instructional Programs - Instruction	8,000		8,000	5,998	2,002
Community Services Programs/Operations:					
Salaries		78,392	78,392	78,392	
Purchased Services (300-500 series)	193,702	(118,038)	75,664	75,664	
Total Community Services Programs/Operations	193,702	(39,646)	154,056	154,056	
Total Instruction	67,839,520	(523,641)	67,315,879	66,231,424	1,084,455
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	206,799	103,476	310,275	253,220	57,055
Tuition to County Vocational Schools - Regular	1,065,260	3,228	1,068,488	1,045,260	23,228
Tuition to County Vocational Schools - Special	57,458		57,458	34,524	22,934
Tuition to County Special Services Schools/Reg. Day Schools	470,054	376,292	846,346	494,817	351,529

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Disabled - Within the State	\$ 3,355,399	\$ 1,634,145	\$ 4,989,544	\$ 4,585,709	\$ 403,835
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	141,912	45,901	187,813	187,010	803
Tuition - State Facilities	41,791	(40,528)	1,263		1,263
Tuition - Other	51,025	139,876	190,901	190,174	727
Total Undistributed Expenditures - Instruction	5,389,698	2,262,390	7,652,088	6,790,714	861,374
Attendance and Social Work Services:					
Salaries	20,000		20,000		20,000
Total Attendance and Social Work Services	20,000		20,000		20,000
Health Services:					
Salaries	1,552,273	184,477	1,736,750	1,735,350	1,400
Purchased Professional and Technical Services	83,000	(4,334)	78,666	78,666	
Other Purchased Services (400-500 series)	10,110	(761)	9,349	9,347	2
Supplies and Materials	39,260	8,532	47,792	47,168	624
Total Health Services	1,684,643	187,914	1,872,557	1,870,531	2,026
Speech, OT, PT and Related Services:					
Salaries	2,822,924	(164,940)	2,657,984	2,649,610	8,374
Purchased Professional - Educational Services	543,700	(112,733)	430,967	378,889	52,078
Supplies and Materials	110,800	(20,000)	90,800	81,442	9,358
Speech, OT, PT and Related Services	3,477,424	(297,673)	3,179,751	3,109,941	69,810
Students - Extraordinary Services:					
Salaries	2,230,392	(1,032,839)	1,197,553	1,188,010	9,543
Purchased Professional - Educational Services	1,801,817	(78,281)	1,723,536	1,723,477	59
Supplies and Materials	1,500		1,500	1,491	9
Students - Extraordinary Services	4,033,709	(1,111,120)	2,922,589	2,912,978	9,611

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Guidance:					
Salaries of Other Professional Staff	\$ 2,934,963	\$ (102,971)	\$ 2,831,992	\$ 2,811,906	\$ 20,086
Salaries of Secretarial and Clerical Assistants	343,135	(16,252)	326,883	324,685	2,198
Other Salaries	7,500	56,930	64,430	61,963	2,467
Other Purchased Professional and Technical Services	84,568	24,111	108,679	74,849	33,830
Supplies and Materials	61,600	13,750	75,350	58,327	17,023
Other Objects	5,600		5,600	4,760	840
Total Guidance	3,437,366	(24,432)	3,412,934	3,336,490	76,444
Child Study Team:					
Salaries of Other Professional Staff	2,939,820	(37,585)	2,902,235	2,898,426	3,809
Other Salaries	250,000	(122,171)	127,829	127,829	
Other Purchased Professional and Technical Services	285,500	8,733	294,233	260,791	33,442
Other Purchased Services (400-500 series)	25,242	(7,576)	17,666	17,666	
Supplies and Materials	29,500	(5,337)	24,163	16,997	7,166
Other Objects	1,200		1,200	856	344
Total Child Study Team	3,531,262	(163,936)	3,367,326	3,322,565	44,761
Improvement of Instructional Services:					
Salaries of Other Professional Staff	501,042	209,533	710,575	696,216	14,359
Salaries of Secretarial and Clerical Assistants	232,691	(55,856)	176,835	176,206	629
Other Salaries		1,190	1,190		1,190
Other Purchased Services (400-500 series)	28,000	(28,000)			
Supplies and Materials	5,800	(1,221)	4,579	3,187	1,392
Other Objects	48,100	(48,100)			
Total Improvement of Instructional Services	815,633	77,546	893,179	875,609	17,570

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	\$ 1,220,760	\$ 36,064	\$ 1,256,824	\$ 1,249,817	\$ 7,007
Purchased Professional and Technical Services	22,000	(2,295)	19,705	19,705	
Supplies and Materials	142,765		142,765	139,436	3,329
Total Educational Media Services/School Library	1,385,525	33,769	1,419,294	1,408,958	10,336
Instructional Staff Training Services:					
Salaries of Other Professional Staff	98,300	11,124	109,424	98,875	10,549
Other Salaries		130,488	130,488	129,549	939
Other Purchased Professional and Technical Services	106,680	(55,270)	51,410	49,860	1,550
Other Purchased Services (400-500 series)	136,850	(87,227)	49,623	41,877	7,746
Supplies and Materials	1,500	(1,500)			
Total Instructional Staff Training Services	343,330	(2,385)	340,945	320,161	20,784
Support Services - General Administration:					
Salaries	404,958	174,263	579,221	578,911	310
Salaries of In-House Attorney	7,000	(7,000)			
Legal Services	471,974	81,245	553,219	508,794	44,425
Audit Fees	80,000	(4,350)	75,650	75,650	
Other Purchased Professional Services	6,600	(1,701)	4,899	4,899	
Unused Vacation Payments	45,000	(45,000)			
Communications/Telephone	78,850	(2,625)	76,225	75,809	416
BOE Other Purchased Services	10,400	(228)	10,172	10,172	
Miscellaneous Purchased Services (400-500 series)	260,000	(7,365)	252,635	252,485	150
General Supplies	7,050	(391)	6,659	6,659	
Miscellaneous Expenditures	8,000	(456)	7,544	7,544	
BOE Membership Dues and Fees	27,000	(337)	26,663	26,663	
Total Support Services - General Administration	1,406,832	186,055	1,592,887	1,547,586	45,301

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 3,736,135	\$ 146,898	\$ 3,883,033	\$ 3,872,441	\$ 10,592
Salaries of Secretarial and Clerical Assistants	1,238,170	66,257	1,304,427	1,294,651	9,776
Other Salaries		703,442	703,442	703,442	
Unused Vacation Payments	75,000	(75,000)			
Other Purchased Services (400-500 series)	92,000	(51,775)	40,225	34,314	5,911
Supplies and Materials	68,902	(8,019)	60,883	53,041	7,842
Other Objects	88,936	(10,422)	78,514	76,744	1,770
Total Support Services - School Administration	5,299,143	771,381	6,070,524	6,034,633	35,891
Central Services:					
Salaries	1,090,345	52,431	1,142,776	1,127,762	15,014
Unused Vacation Payments	21,000	(21,000)			
Purchased Professional Services	99,106	(1,638)	97,468	97,468	
Miscellaneous Purchased Services (400-500 series)	195,957	26,791	222,748	215,648	7,100
Supplies and Materials	23,550	(5,675)	17,875	17,872	3
Miscellaneous Expenditures	22,799	2,323	25,122	25,122	
Total Central Services	1,452,757	53,232	1,505,989	1,483,872	22,117
Administration Information Technology:					
Salaries	993,012	153,101	1,146,113	1,144,997	1,116
Unused Vacation Payments	3,000	(3,000)			
Purchased Technical Services	356,225	20,748	376,973	370,559	6,414
Other Purchased Services (400-500 series)	190,000	61,989	251,989	216,307	35,682
Supplies and Materials	59,307	141,445	200,752	168,177	32,575
Other Objects	3,005	(2,310)	695	695	
Total Administration Information Technology	1,604,549	371,973	1,976,522	1,900,735	75,787
Required Maintenance for School Facilities:					
Salaries	954,928	(115,619)	839,309	836,930	2,379
Unused Vacation Payments	5,000	(5,000)			
Cleaning, Repair and Maintenance Services	1,949,228	209,665	2,158,893	2,109,672	49,221
General Supplies	366,622	(48,058)	318,564	302,556	16,008
Total Required Maintenance for School Facilities	3,275,778	40,988	3,316,766	3,249,158	67,608

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 5,515,304	\$ (214,637)	\$ 5,300,667	\$ 5,276,416	\$ 24,251
Salaries of Non-Instructional Aides	524,213	(28,215)	495,998	495,375	623
Unused Vacation Payments	45,000	(45,000)			
Purchased Professional and Technical Services	55,372	36,086	91,458	66,626	24,832
Cleaning, Repair and Maintenance Services	1,000,275	(257,352)	742,923	736,550	6,373
Rental of Land/Bldg. Other Than Lease Purchase	237,000	(237,000)			
Lease Purchase Payments - ESIP	780,000	430,912	1,210,912	1,206,847	4,065
Other Purchased Property Services	108,200	403	108,603	108,603	
Insurance	708,470	(115,627)	592,843	592,843	
Miscellaneous Purchased Services	28,419	(157)	28,262	27,899	363
General Supplies	376,679	(7,363)	369,316	365,981	3,335
Energy (Natural Gas)	705,000	(50,694)	654,306	654,306	
Energy (Electricity)	1,150,000	164,100	1,314,100	1,314,100	
Other Objects	3,750	(110)	3,640	2,940	700
Total Custodial Services	11,237,682	(324,654)	10,913,028	10,848,486	64,542
Care and Upkeep of Grounds:					
Salaries	213,240	93,605	306,845	301,050	5,795
Cleaning, Repair and Maintenance Services	178,955	5,805	184,760	177,290	7,470
General Supplies	75,000	(6,527)	68,473	64,868	3,605
Total Care and Upkeep of Grounds	467,195	92,883	560,078	543,208	16,870
Security:					
Salaries	189,991	(189,991)			
Purchased Professional and Technical Services	169,000	24,369	193,369	178,020	15,349
Cleaning, Repair and Maintenance Services	42,850	(20,000)	22,850	22,736	114
General Supplies	64,517	(57,664)	6,853	4,728	2,125
Total Security	466,358	(243,286)	223,072	205,484	17,588
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	1,686,492	81,730	1,768,222	1,754,703	13,519
Between Home and School - Special	1,713,371	378,571	2,091,942	2,089,203	2,739
Between Home and School - Nonpublic Schools	64,524	269,630	334,154	304,342	29,812

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Lease Purchase Payments - School Buses	\$ 529,239	\$ 113,779	\$ 643,018	\$ 643,018	\$ 69,575
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	421,000		421,000	351,425	22,912
Between Home and School - Vendors	40,000	(17,088)	22,912	8,659	9,941
Other Than Between Home and School - Vendors	18,600		18,600	768,292	243,948
Special Education Students - Vendors	827,828	(59,536)	768,292	644,973	30,388
Miscellaneous Purchased Services	290,391	(13,734)	276,657	1,676	524
Transportation Supplies	604,393	70,968	675,361		
Other Objects	2,200		2,200		
Total Student Transportation Services	6,198,038	824,320	7,022,358	6,810,239	212,119
Unallocated Benefits:					
Social Security Contributions	1,912,500	103,621	2,016,121	2,016,121	98,980
Unused Vacation Payments	250,000		250,000	151,020	
Other Retirement Contributions - PERS	2,539,015	(115,014)	2,424,001	2,424,001	54
Other Retirement Contributions - Regular	80,000	36,697	116,697	116,643	
Unemployment Compensation	100,000	(100,000)			
Workmen's Compensation	978,381	(172,942)	805,439	690,679	114,760
Health Benefits	30,389,649	(2,312,676)	28,076,973	26,931,160	1,145,813
Tuition Reimbursement	151,350	3,980	155,330	97,021	58,309
Other Employee Benefits	311,785	221,020	532,805	389,589	143,216
Total Unallocated Benefits	36,462,680	(2,085,314)	34,377,366	32,816,234	1,561,132
On-Behalf TPAF Contributions (Nonbudgeted):					
TPAF Post Retirement Contributions				5,707,027	(5,707,027)
TPAF Pension Contributions				12,323,706	(12,323,706)
TPAF Non-Contributory Insurance				257,967	(257,967)
TPAF Long-Term Disability Insurance				10,640	(10,640)
Reimbursed TPAF Social Security Contributions				4,952,751	(4,952,751)
Total On-Behalf and Reimbursed Contributions				23,252,091	(23,252,091)
Total Personal Services - Employee Benefits	36,462,680	(2,085,314)	34,377,366	56,068,325	(21,690,959)

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Total Undistributed Expenses	\$ 91,989,602	\$ 649,651	\$ 92,639,253	\$ 112,639,673	\$ (20,000,420)
TOTAL GENERAL CURRENT EXPENSE	159,829,122	126,010	159,955,132	178,871,097	(18,915,965)
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	50,000	(4,037)	45,963	3,997	41,966
Grades 6-8	78,000	(4,037)	73,963	14,805	59,158
Grades 9-12	515,000	(66,089)	448,911	29,012	419,899
Undistributed Expenditures:					
Administrative Information Technology		12,111	12,111	12,111	
Required Maintenance for School Facilities	164,203	(6,228)	157,975	152,839	5,136
Student Transportation:					
Student Transportation - Non Instructional Equipment	42,950		42,950	42,950	
Total Equipment	850,153	(68,280)	781,873	255,714	526,159
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	39,921	6,228	46,149	45,792	357
Construction Services	3,324,635	651,410	3,976,045	3,703,952	272,093
Other Objects		10,642	10,642	4,748	5,894
Other Objects (Debt Service Assessment)	154,055		154,055	154,055	
Total Facilities Acquisition and Construction Services	3,518,611	668,280	4,186,891	3,908,547	278,344
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment:					
Undistributed Expenditures - Instruction and School Buses				996,000	(996,000)
Operation and Maintenance of Plant Services				1,036,804	(1,036,804)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				2,032,804	(2,032,804)
TOTAL CAPITAL OUTLAY	4,368,764	600,000	4,968,764	6,197,065	(1,228,301)
Transfer of Funds to Charter Schools	70,490		70,490	60,109	10,381
TOTAL EXPENDITURES	164,268,376	726,010	164,994,386	185,128,271	(20,133,885)

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (6,333,367)	\$ (505,661)	\$ (6,839,028)	\$ (2,260,495)	\$ 4,578,533
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)	(20,000)	(94,339)	(114,339)	2,032,804	2,032,804
Transfers Out:					
Board Contribution:					
Food Service Enterprise Fund		(94,339)	(114,339)	(114,339)	
Total Other Financing Sources/(Uses)	(20,000)	(94,339)	(114,339)	1,918,465	2,032,804
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(6,353,367)	(600,000)	(6,953,367)	(342,030)	6,611,337
Fund Balance, July 1	13,653,003		13,653,003	13,653,003	
Fund Balance, June 30	\$ 7,299,636	\$ (600,000)	\$ 6,699,636	\$ 13,310,973	\$ 6,611,337
Recapitulation:					
Restricted:					
Excess Surplus				\$ 1,750,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,750,000	
Capital Reserve				5,286,241	
Assigned:					
Encumbrances				388,092	
Unassigned				4,136,640	
Reconciliation to Governmental Funds Statement (GAAP):				13,310,973	
June State Aid Payments not Recognized on GAAP Basis				(445,992)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,864,981	

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 373,879	\$ 420,851	\$ 794,730	\$ 744,991	\$ (49,739)
Federal Sources	2,671,149	296,345	2,967,494	2,708,527	(258,967)
Local Sources	103,118	107,202	210,320	73,759	(136,561)
Total Revenues	3,148,146	824,398	3,972,544	3,527,277	(445,267)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	329,821	17,683	347,504	276,352	71,152
Purchased Professional/Educational Services	8,500	313,708	322,208	275,650	46,558
Other Purchased Services	1,864,666	43,236	1,907,902	1,809,211	98,691
General Supplies	108,368	137,244	245,612	175,041	70,571
Textbooks	73,531	472	74,003	72,277	1,726
Other Objects	90,957	28,556	119,513	37,709	81,804
Total Instruction	2,475,843	540,899	3,016,742	2,646,240	370,502
Support Services					
Personal Services - Salaries	53,500	2,500	56,000	56,000	
Personal Services - Employee Benefits	119,039	1,089	120,128	87,754	32,374
Purchased Professional/Educational Services	287,989	91,055	379,044	378,958	86
Other Purchased Services	61,535	21,866	83,401	81,961	1,440
Supplies and Materials	124,450	130,754	255,204	227,022	28,182
Other Objects	6,990	5,500	12,490	2,999	9,491
Total Support Services	653,503	252,764	906,267	834,694	71,573
Facilities Acquisition:					
Instructional Equipment	18,800	24,582	43,382	40,255	3,127
Non-Instructional Equipment		6,153	6,153	6,088	65
Total Facilities Acquisition	18,800	30,735	49,535	46,343	3,192
Total Expenditures	3,148,146	824,398	3,972,544	3,527,277	445,267
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

WAYNE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 182,867,776	\$ 3,527,277
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		(9,365)
Prior Year Encumbrances		10,274
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	347,790	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(445,992)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 182,769,574	\$ 3,528,186
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 185,128,271	\$ 3,527,277
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		(9,365)
Prior Year Encumbrances		10,274
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 185,128,271	\$ 3,528,186

WAYNE TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019

	Elementary and Secondary Education Act			
	Title I	Title II A	Title III	Title IV
REVENUE:				
State Sources			Title III	
Federal Sources			Immigrant	
Local Sources				
	Title I	Title II A	Title III	Title IV
	Reallocated			
Total Revenue	\$ 536,326	\$ 9,348	\$ 145,294	\$ 51,565
	\$ 536,326	\$ 9,348	\$ 145,294	\$ 51,565
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	\$ 274,920	\$ 1,432		\$ 1,150
Purchased Professional/Educational Services			\$ 1,150	
Other Purchased Services	49,088	7,916	13,687	8,507
General Supplies				\$ 6,668
Textbooks				
Other Objects				
Total Instruction	324,008	9,348	14,837	8,507
Support Services:				
Personal Services - Salaries		\$ 51,000	5,000	
Personal Services - Employee Benefits	87,754			
Purchased Professional/Educational Services	68,813	44,955	24,553	
Other Purchased Services	21,779	49,339	4,176	6,667
Supplies and Materials	8,706			3,332
Other Objects			2,999	
Total Support Services	187,052	145,294	36,728	9,999
Facilities Acquisition:				
Instructional Equipment	25,266			
Non-Instructional Equipment				
Total Facilities Acquisition	25,266			
Total Expenditures	\$ 536,326	\$ 9,348	\$ 145,294	\$ 51,565
	\$ 536,326	\$ 9,348	\$ 145,294	\$ 51,565

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Carl Perkins Vocational Education	I.D.E.A. - Part B, Basic		Technology Initiative	NJ Nonpublic Textbooks
		Regular	Preschool		
REVENUE:					
State Sources	\$ 32,918	\$ 1,828,771	\$ 79,131	\$ 49,572	\$ 72,277
Federal Sources					
Local Sources					
Total Revenue	\$ 32,918	\$ 1,828,771	\$ 79,131	\$ 49,572	\$ 72,277
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	\$ 7,768				
Purchased Professional/Educational Services		\$ 1,730,080	\$ 79,131		
Other Purchased Services	3,553			\$ 49,572	\$ 72,277
General Supplies					
Textbooks					
Other Objects					
Total Instruction	11,321	1,730,080	79,131	49,572	72,277
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits	520	98,691			
Purchased Professional/Educational Services					
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services	520	98,691			
Facilities Acquisition:					
Instructional Equipment	14,989				
Non-Instructional Equipment	6,088				
Total Facilities Acquisition	21,077				
Total Expenditures	\$ 32,918	\$ 1,828,771	\$ 79,131	\$ 49,572	\$ 72,277

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	NJ Nonpublic		Nonpublic Auxiliary Services (Chapter 192)		
	Nursing	NJ Nonpublic Security	Compensatory Education	English as a Second Language	Home Instruction
REVENUE:					
State Sources	\$ 141,426	\$ 214,984	\$ 94,587	\$ 11,044	\$ 946
Federal Sources					
Local Sources					
Total Revenue	\$ 141,426	\$ 214,984	\$ 94,587	\$ 11,044	\$ 946
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services			\$ 94,587	\$ 11,044	\$ 946
Other Purchased Services					
General Supplies					
Textbooks					
Other Objects					
Total Instruction			94,587	11,044	946
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services	\$ 141,426				
Other Purchased Services					
Supplies and Materials		\$ 214,984			
Other Objects					
Total Support Services	141,426	214,984			
Facilities Acquisition:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	\$ 141,426	\$ 214,984	\$ 94,587	\$ 11,044	\$ 946

WAYNE TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Nonpublic Handicapped Services (Chapter 193)</u>			<u>Totals</u>
	<u>Supplementary</u>	<u>Examination &</u>	<u>Corrective</u>	<u>June 30, 2019</u>
	<u>Instruction</u>	<u>Classification</u>	<u>Speech</u>	
REVENUE:				
State Sources	\$ 67,562	\$ 80,451	\$ 12,142	\$ 744,991
Federal Sources				2,708,527
Local Sources		\$ 73,759		73,759
Total Revenue	<u>\$ 67,562</u>	<u>\$ 80,451</u>	<u>\$ 12,142</u>	<u>\$ 3,527,277</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries				\$ 276,352
Purchased Professional/Educational Services	\$ 67,562	\$ 80,451	\$ 12,142	275,650
Other Purchased Services				1,809,211
General Supplies				175,041
Textbooks		\$ 36,050		72,277
Other Objects				37,709
Total Instruction	<u>67,562</u>	<u>80,451</u>	<u>12,142</u>	<u>2,646,240</u>
Support Services:				
Personal Services - Salaries				56,000
Personal Services - Employee Benefits				87,754
Purchased Professional/Educational Services				378,958
Other Purchased Services				81,961
Supplies and Materials				227,022
Other Objects				2,999
Total Support Services				<u>834,694</u>
Facilities Acquisition:				
Instructional Equipment				40,255
Non-Instructional Equipment				6,088
Total Facilities Acquisition				<u>46,343</u>
Total Expenditures	<u>\$ 67,562</u>	<u>\$ 80,451</u>	<u>\$ 12,142</u>	<u>\$ 3,527,277</u>

CAPITAL PROJECTS FUND

WAYNE TOWNSHIP PUBLIC SCHOOLS
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Expenditures:	
Construction Services	\$ 20,800
Total Expenditures:	<u>20,800</u>
Deficit of Revenue Under Expenditures	(20,800)
Fund Balance - Beginning	<u>175,356</u>
Fund Balance - Ending	<u><u>\$ 154,556</u></u>
 <u>Recapitulation of Fund Balance at June 30, 2019</u>	
Restricted - Other Purposes	\$ 105,672
Committed - Other Purposes	48,884
Fund Balance per Governmental Funds (Budgetary Basis)	<u>154,556</u>
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>\$ (112,879)</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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Capital Lease Proceeds	\$ 11,065,064		\$ 11,065,064	\$ 11,065,064
Total Revenue and Other Financing Sources	11,065,064		11,065,064	11,065,064
Expenditures:				
Purchased Professional and Technical Services	784,249		784,249	716,482
Construction Services	10,041,973	\$ 20,800	10,062,773	10,235,462
Total Expenditures	10,938,592	20,800	10,959,392	11,065,064
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 126,472	\$ (20,800)	\$ 105,672	\$ -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	12/31/18

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, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 122,932		\$ 122,932	\$ 122,932
Transfer from Capital Reserve	483,215		483,215	483,215
Total Revenue and Other Financing Sources	606,147		606,147	606,147
Expenditures:				
Purchased Professional and Technical Services	25,587		25,587	25,650
Construction Services	577,366		577,366	580,497
Total Expenditures	602,953	-0-	602,953	606,147
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 3,194</u>	<u>\$ -0-</u>	<u>\$ 3,194</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number	5570-055-14-1002			
Grant Date	June 17, 2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 307,330			
Additional Authorization	\$ 298,817			
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, 2019

	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, 2019

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 61,000		\$ 61,000	\$ 61,000
Transfer from Capital Reserve	123,825		123,825	123,825
Total Revenue and Other Financing Sources	184,825		184,825	184,825
Expenditures:				
Purchased Professional and Technical Services	12,392		12,392	12,825
Construction Services	141,778		141,778	172,000
Total Expenditures	154,170		154,170	184,825
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 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, 2019

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

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

PROPRIETARY FUNDS

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Enterprise Funds					Total
	Major Fund	Non-Major Fund			Total Non-Major Funds	
	Food Service	Community Education Program	Wrap Around Program	Extended Day Program		
<u>ASSETS:</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 123,407	\$ 14,533	\$ 360,146	\$ 919,965	\$ 1,294,644	\$ 1,418,051
Accounts Receivable:						
Interfund - General Fund	178,980					178,980
Other Governments:						
Federal	31,678					31,678
State	3,257					3,257
Other	21,502			844	844	22,346
Inventories	30,340					30,340
Total Current Assets	389,164	14,533	360,146	920,809	1,295,488	1,684,652
Non-Current Assets:						
Capital Assets	1,179,173					1,179,173
Less: Accumulated Depreciation	(933,354)					(933,354)
Total Non-Current Assets	245,819	- 0 -	- 0 -	- 0 -	- 0 -	245,819
Total Assets	634,983	14,533	360,146	920,809	1,295,488	1,930,471
<u>LIABILITIES:</u>						
Current Liabilities:						
Accounts Payable	297,495	442	22,601	257,187	280,230	577,725
Unearned Revenue:						
Donated Commodities	6,315					6,315
Prepaid Sales	85,354					85,354
Program Fees		10,150	132,500		142,650	142,650
Long-term Liabilities:						
Compensated absences payable				12,571	12,571	12,571
Total Liabilities	389,164	10,592	155,101	269,758	435,451	824,615
<u>NET POSITION:</u>						
Investment in Capital Assets	245,819					245,819
Unrestricted		3,941	205,045	651,051	860,037	860,037
Total Net Position	\$ 245,819	\$ 3,941	\$ 205,045	\$ 651,051	\$ 860,037	\$ 1,105,856

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	\$ 1,028,466					\$ 1,028,466
Daily Sales - Non-Reimbursable Programs	1,207,329					1,207,329
Special Events	279,949					279,949
Program Fees		\$ 7,810	\$ 418,103	\$ 1,140,548	\$ 1,566,461	1,566,461
Total Operating Revenue	<u>2,515,744</u>	<u>7,810</u>	<u>418,103</u>	<u>1,140,548</u>	<u>1,566,461</u>	<u>4,082,205</u>
Operating Expenses:						
Cost of Sales - Reimbursable Programs	530,621					530,621
Cost of Sales - Non-Reimbursable Programs	622,903					622,903
Salaries	1,067,000	6,750	421,486	610,618	1,038,854	2,105,854
Employee Benefits	289,360			120,083	120,083	409,443
Purchased Property Services				234,000	234,000	234,000
Other Purchased Services				25,919	25,919	25,919
Management Fee	308,737					308,737
Supplies, Insurance and Other Costs	221,842	642	40,917	103,626	145,185	367,027
Other Objects	1,986					1,986
Depreciation Expense	37,545					37,545
Total Operating Expenses	<u>3,079,994</u>	<u>7,392</u>	<u>462,403</u>	<u>1,094,246</u>	<u>1,564,041</u>	<u>4,644,035</u>
Operating Income (Loss)	<u>(564,250)</u>	<u>418</u>	<u>(44,300)</u>	<u>46,302</u>	<u>2,420</u>	<u>(561,830)</u>
Non-Operating Revenue:						
Federal Sources:						
National School Lunch Program	336,706					336,706
School Breakfast Program	23,359					23,359
Special Milk Program	1,145					1,145
Food Distribution Program	128,428					128,428
State Sources:						
School Lunch Program	17,529					17,529
Total Non-Operating Revenue	<u>507,167</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>507,167</u>
Change in Net Position Before Transfers	(57,083)	418	(44,300)	46,302	2,420	(54,663)
Transfers In - General Fund	114,339					114,339
Change in Net Position After Transfers	57,256	418	(44,300)	46,302	2,420	59,676
Net Position - Beginning of Year	188,563	3,523	249,345	604,749	857,617	1,046,180
Net Position - End of Year	<u>\$ 245,819</u>	<u>\$ 3,941</u>	<u>\$ 205,045</u>	<u>\$ 651,051</u>	<u>\$ 860,037</u>	<u>\$ 1,105,856</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	\$ 2,571,966	\$ 17,960	\$ 552,103	\$ 1,140,557	\$ 1,710,620	\$ 4,282,586
Payments to Employees		(6,750)	(421,486)	(624,626)	(1,052,862)	(1,052,862)
Payments to Food Service Vendor	(2,652,549)					(2,652,549)
Payments to Suppliers	(221,842)	(428)	(23,791)	(256,689)	(280,908)	(502,750)
Net Cash Provided by/(Used for) Operating Activities	(302,425)	10,782	106,826	259,242	376,850	74,425
Cash Flows from Capital Financing Activities:						
Acquisition of Capital Assets	(94,801)					(94,801)
Net Cash Used for Capital Financing Activities	(94,801)	- 0 -	- 0 -	- 0 -	- 0 -	(94,801)
Cash Flows from Noncapital Financing Activities:						
Federal Sources	361,163					361,163
State Sources	15,950					15,950
Net Cash Provided by Noncapital Financing Activities	377,113	- 0 -	- 0 -	- 0 -	- 0 -	377,113
Net Increase/(Decrease) in Cash and Cash Equivalents	(20,113)	10,782	106,826	259,242	376,850	356,737
Cash and Cash Equivalents, July 1	143,520	3,751	253,320	660,723	917,794	1,061,314
Cash and Cash Equivalents, June 30	<u>\$ 123,407</u>	<u>\$ 14,533</u>	<u>\$360,146</u>	<u>\$ 919,965</u>	<u>\$1,294,644</u>	<u>\$ 1,418,051</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income (Loss)	\$ (564,250)	\$ 418	\$ (44,300)	\$ 46,302	\$ 2,420	\$ (561,830)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation	37,545					37,545
Federal Food Distribution Program	128,428					128,428
Changes in Assets and Liabilities:						
(Increase)/Decrease in Accounts Receivable	47,966		1,500	9	1,509	49,475
(Increase)/Decrease in Inventory	7,348					7,348
Increase/(Decrease) in Accounts Payable	32,282	214	17,126	226,939	244,279	276,561
Increase/(Decrease) in Compensated Absences Payable				(14,008)	(14,008)	(14,008)
Increase/(Decrease) in Unearned Revenue	8,256	10,150	132,500		142,650	150,906
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (302,425)</u>	<u>\$ 10,782</u>	<u>\$ 106,826</u>	<u>\$ 259,242</u>	<u>\$ 376,850</u>	<u>\$ 74,425</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 \$127,594 and \$128,428 respectively, for the fiscal year ended June 30, 2019.

FIDUCIARY FUNDS

WAYNE TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Agency		Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	Student Activities	Payroll			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 684,029	\$ 2,037,870	\$ 2,721,899	\$ 307,949	\$ 45,305
Investments					\$ 83,897
Total Assets	<u>684,029</u>	<u>2,037,870</u>	<u>2,721,899</u>	<u>307,949</u>	<u>45,305</u>
<u>LIABILITIES:</u>					
Accounts Payable - Vendors	49,183		49,183		
Payroll Deductions and Withholdings		2,037,870	2,037,870		
Due to Student Groups	634,846		634,846		
Total Liabilities	<u>684,029</u>	<u>2,037,870</u>	<u>2,721,899</u>	<u>- 0 -</u>	<u>- 0 -</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims			307,949		
Flexible Spending Claims				45,305	
Restricted for Scholarships					83,897
Total Net Position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 307,949</u>	<u>\$ 45,305</u>
				<u>\$ 83,897</u>	

WAYNE TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 248,857	\$ 218,439	
Donations			\$ 72,511
Total Contributions	<u>248,857</u>	<u>218,439</u>	<u>72,511</u>
Investment Earnings:			
Interest			81
Net Investment Earnings			<u>81</u>
Total Additions	<u>248,857</u>	<u>218,439</u>	<u>72,592</u>
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	207,879		
Flexible Spending Claims		209,322	
Scholarships Awarded			23,100
Total Deductions	<u>207,879</u>	<u>209,322</u>	<u>23,100</u>
Change in Net Position	40,978	9,117	49,492
Net Position - Beginning of the Year	<u>266,971</u>	<u>36,188</u>	<u>34,405</u>
Net Position - End of the Year	<u>\$ 307,949</u>	<u>\$ 45,305</u>	<u>\$ 83,897</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 655,569	\$ 756,205	\$ 727,745	\$ 684,029
Total Assets	<u>\$ 655,569</u>	<u>\$ 756,205</u>	<u>\$ 727,745</u>	<u>\$ 684,029</u>
<u>LIABILITIES:</u>				
Liabilities:				
Accounts Payable	\$ 44,475	\$ 49,183	\$ 44,475	\$ 49,183
Due to Student Groups	611,094	707,022	683,270	634,846
Total Liabilities	<u>\$ 655,569</u>	<u>\$ 756,205</u>	<u>\$ 727,745</u>	<u>\$ 684,029</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2019</u>
Elementary Schools:					
A.P. Terhune	\$ 5,061	\$ 8,331	\$ 7,739		\$ 5,653
Theunis Dey	4,399	9,559	6,882	2,018	5,058
James Fallon	2,125	8,179	3,930	3,157	3,217
John F. Kennedy	901	11,738	7,475	2,483	2,681
Lafayette	2,318	8,715	4,815	1,020	5,198
Pines Lake	6,087	9,251	6,489	1,604	7,245
Ryerson	3,912	2,886	2,079	571	4,148
Randall Carter	2,005	7,515	3,427	2,797	3,296
Packanack	8,642	7,125	7,489	750	7,528
Middle Schools:					
George Washington	41,849	70,441	64,149	1,355	46,786
Schuyler Colfax	57,046	41,534	67,623	6,213	24,744
Anthony Wayne	25,767	20,909	17,172	517	28,987
High Schools:					
Wayne Valley	205,073	236,082	216,676	10,321	214,158
Wayne Hills	245,909	264,757	218,142	16,377	276,147
Total All Schools	<u>\$ 611,094</u>	<u>\$ 707,022</u>	<u>\$ 634,087</u>	<u>\$ 49,183</u>	<u>\$ 634,846</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 1,760,362	\$ 114,809,888	\$ 114,532,380	\$ 2,037,870
Total Assets	<u>\$ 1,760,362</u>	<u>\$ 114,809,888</u>	<u>\$ 114,532,380</u>	<u>\$ 2,037,870</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	<u>1,760,362</u>	<u>\$ 114,809,888</u>	<u>\$ 114,532,380</u>	<u>\$ 2,037,870</u>
Total Liabilities	<u>\$ 1,760,362</u>	<u>\$ 114,809,888</u>	<u>\$ 114,532,380</u>	<u>\$ 2,037,870</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2018	Retired/Matured	Balance June 30, 2019
			Date	Outstanding June 30, 2019 Amount				
School Refunding Bonds	11/01/12	\$ 25,440,000	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%	\$ 15,670,000	\$ 2,600,000	\$ 13,070,000
					<u>\$ 15,670,000</u>	<u>\$ 2,600,000</u>	<u>\$ 13,070,000</u>	

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

Item	Interest Rate	Original Issue	Balance July 1, 2018	Issued	Retired/ Matured	Balance June 30, 2019
Equipment and Buses	1.52%	\$ 1,250,000	\$ 129,313		\$ 129,313	
Equipment and Buses	1.65%	1,515,800	467,888		310,642	\$ 157,246
Equipment and Buses	1.82%	1,700,000	869,267		342,985	526,282
Equipment and Buses	1.67%	1,365,300	968,910		271,101	697,809
Equipment and Buses	1.82%	420,000	317,836		104,032	213,804
Equipment and Buses	1.93%	813,000	656,592		159,445	497,147
Chromebooks and Buses	2.93%	996,000		\$ 996,000	93,207	902,793
Turf Fields	2.65%	1,036,804		1,036,804		1,036,804
Energy Savings Improvement Program	2.93%	11,065,064	8,818,880		524,541	8,294,339
			<u>\$ 12,228,686</u>	<u>\$ 2,032,804</u>	<u>\$ 1,935,266</u>	<u>\$ 12,326,224</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,240,175		\$ 3,240,175	\$ 3,240,175	
Total Revenues	3,240,175		3,240,175	3,240,175	
EXPENDITURES:					
Regular Debt Service:					
Interest	640,175		640,175	640,175	
Redemption of Principal	2,600,000		2,600,000	2,600,000	
Total Regular Debt Service	3,240,175		3,240,175	3,240,175	
Total Expenditures	3,240,175		3,240,175	3,240,175	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities:										
Instruction:										
Regular										
Special Education										
Other Special Instruction										
School Sponsored/Other Instruction										
Support Services:										
Tuition										
Student & Instruction Related Services										
General Administrative Services										
School Administrative Services										
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance										
Pupil Transportation										
Other Support Services										
Special Schools										
Charter Schools										
Interest on Long-term Debt										
Unallocated Depreciation										
Total Governmental Activities Expenses	145,736,151	143,530,328	146,315,598	154,336,921	156,895,913	174,852,394	185,511,352	205,040,038	205,946,374	211,411,052
Business-Type Activities:										
Food Service	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	3,079,994
Community Education Program	256,970	278,243	353,037	46,689	9,809	7,023	6,608	7,548	8,267	7,392
Wrap Around Program								448,609	476,961	462,403
Extended Day Program	724,062	659,868	767,195	804,658	887,558	859,096	1,006,149	1,106,933	1,093,262	1,094,246
Total Business-Type Activities Expenses	3,835,847	3,805,222	4,114,355	3,743,628	3,883,841	3,826,365	3,825,801	4,663,675	4,717,962	4,644,035
Total District-Wide Expenses	149,571,998	147,335,550	150,429,953	158,080,549	160,779,754	178,678,759	189,337,153	209,703,713	210,664,336	216,055,087
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular	369,001	232,591	233,126	262,215	232,479	257,341	350,496	569,932	599,861	606,147
Special education						15,578				
Operating Grants and Contributions	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	53,888,274
Capital Grants and Contributions		186,380		20,062		45,427	250,000		151,753	
Total Governmental Activities Program Revenues	4,626,926	4,489,254	3,669,709	3,570,161	3,394,413	38,573,626	45,204,005	58,687,936	60,632,368	54,494,421

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 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	\$ 2,515,744
Community Education Program	230,891	241,343	244,045	53,397	7,305	2,819	10,416	6,895	8,635	7,810
Wrap Around Program	790,783	876,623	898,991	911,525	961,643	936,108	953,743	401,866	660,799	418,103
Extended Day Program	373,860	398,778	429,446	432,168	487,792	503,077	451,225	1,081,423	1,151,958	1,140,548
Operating Grants and Contributions								520,459	502,470	507,167
Total Business-Type Activities Revenues	3,879,551	3,944,436	4,100,396	3,826,072	3,839,834	3,849,085	3,740,823	4,504,206	4,860,455	4,589,372
Total District-wide Program Revenues	8,506,477	8,433,690	7,770,105	7,396,233	7,234,247	42,422,711	48,944,828	63,192,142	65,492,823	59,083,793
Net (Expense)/Revenue:										
Governmental Activities	(141,109,225)	(139,041,074)	(142,645,889)	(150,766,760)	(153,501,500)	(136,278,768)	(140,307,347)	(146,352,102)	(145,314,006)	(156,916,631)
Business-Type Activities	43,704	139,214	(13,959)	82,444	(44,007)	22,720	(84,978)	(159,469)	142,493	(54,663)
Total District-wide Net (Expense)/Revenue	(141,065,521)	(138,901,860)	(142,659,848)	(150,684,316)	(153,545,507)	(136,256,048)	(140,392,325)	(146,511,571)	(145,171,513)	(156,971,294)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	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	149,208,145
Taxes Levied for Debt Service	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	3,240,175
Unrestricted Grants and Contributions	16,177,806	12,274,239	16,012,559	19,686,274	18,157,591	387,365	382,787	507,514	524,393	284,446
Investment Earnings	59,343	7,429	9,211	11,343	5,703	3,298	1,381	21,596	64,401	119,697
Miscellaneous Income	329,679	686,554	398,512	809,653	484,270	708,063	682,503	587,040	1,483,227	919,910
Transfers			(136,523)			(63,686)	(21,348)	(40,097)	(46,831)	(114,339)
Total Governmental Activities General Revenues and Other Changes in Net Position	137,565,838	140,328,767	145,285,008	151,904,561	153,145,799	137,760,161	142,593,795	147,464,829	151,209,946	153,658,034
Business-type Activities:										
Investment Earnings	10,606	86	454			315				
Transfers			136,523			63,686	21,348	40,097	46,831	114,339
Total Business-type Activities General Revenues and Other Changes in Net Position	10,606	86	136,977			64,001	21,348	40,097	46,831	114,339
Total District-wide General Revenues and Other Changes in Net Position	137,576,444	140,328,853	145,421,985	151,904,561	153,145,799	137,824,162	142,615,143	147,504,926	151,256,777	153,772,373
Change in Net Position:										
Governmental Activities	(3,543,387)	1,287,693	2,639,119	1,137,801	(355,701)	1,481,393	2,286,448	1,112,727	5,895,940	(3,258,597)
Business-Type Activities	54,310	139,300	123,018	82,444	(44,007)	86,721	(63,630)	(119,372)	189,324	59,676
Total District-Wide Change in Net Position	\$ (3,489,077)	\$ 1,426,993	\$ 2,762,137	\$ 1,220,245	\$ (399,708)	\$ 1,568,114	\$ 2,222,818	\$ 993,355	\$ 6,085,264	\$ (3,198,921)

Source: Wayne Township Public Schools District Financial Reports.

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

	June 30,				
	2010	2011	2012	2013	2014
General Fund:					
Reserved	\$ 3,446,630				
Unreserved	2,423,731				
Restricted		\$ 1,028,457	\$ 2,290,726	\$ 3,406,044	\$ 1,633,945
Assigned		2,322,077	3,270,023	3,346,188	3,607,411
Unassigned		3,333,881	3,156,494	2,696,539	2,362,254
Total General Fund	<u>\$ 5,870,361</u>	<u>\$ 6,684,415</u>	<u>\$ 8,717,243</u>	<u>\$ 9,448,771</u>	<u>\$ 7,603,610</u>
All Other Governmental Funds:					
Restricted:					
Capital Projects Fund		\$ 587,036	\$ 587,036		\$ 11,016,369
Debt Service Fund		18,876	5,502	\$ 45,695	45,695
Committed					
Unassigned/(Deficit)	\$ 400,666				
Total All Other Governmental Funds	<u>\$ 400,666</u>	<u>\$ 605,912</u>	<u>\$ 592,538</u>	<u>\$ 45,695</u>	<u>\$ 11,062,064</u>
Total Governmental Funds	<u>\$ 6,271,027</u>	<u>\$ 7,290,327</u>	<u>\$ 9,309,781</u>	<u>\$ 9,494,466</u>	<u>\$ 18,665,674</u>
	June 30,				
	2015	2016	2017	2018	2019
General Fund:					
Restricted	\$ 1,605,801	\$ 2,278,772	\$ 4,361,030	\$ 6,639,555	\$ 8,786,241
Assigned	3,322,388	1,402,627	2,581,246	3,913,838	388,092
Unassigned	2,774,689	3,110,888	3,345,723	2,751,820	3,690,648
Total General Fund	<u>\$ 7,702,878</u>	<u>\$ 6,792,287</u>	<u>\$ 10,287,999</u>	<u>\$ 13,305,213</u>	<u>\$ 12,864,981</u>
All Other Governmental Funds:					
Restricted:					
Capital Projects Fund	\$ 6,525,787	\$ 1,737,422	\$ 545,093	\$ 126,472	\$ 105,672
Debt Service Fund	33,975				
Committed	104,466				
Unassigned/(Deficit)		(108,281)	(127,618)	(218,551)	(218,551)
Total All Other Governmental Funds	<u>\$ 6,664,228</u>	<u>\$ 1,629,141</u>	<u>\$ 417,475</u>	<u>\$ (92,079)</u>	<u>\$ (112,879)</u>
Total Governmental Funds	<u>\$ 14,367,106</u>	<u>\$ 8,421,428</u>	<u>\$ 10,705,474</u>	<u>\$ 13,213,134</u>	<u>\$ 12,752,102</u>

NOTE: The District implemented GASB #54 (relating to classification of fund balances) effective during the fiscal year ended June 30, 2011.

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Tax Levy	\$ 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	\$ 152,448,320
Tuition Charges	369,001	232,591	233,126	262,215	232,479	272,919	350,496	569,932	599,861	606,147
Interest Earnings	59,343	7,429	9,211	11,343	5,703	340		21,596	64,401	119,697
Miscellaneous	454,115	802,606	524,640	867,370	688,456	838,941	816,144	769,446	1,584,420	988,803
State Sources	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	32,550,932
Federal Sources	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	2,824,036
Total Revenues	142,192,764	144,818,021	149,091,240	155,474,722	156,540,212	161,334,913	168,308,757	175,588,197	182,360,504	189,537,935
Expenditures:										
Instruction:										
Regular Instruction	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	46,010,005
Special Education Instruction						12,174,471	12,548,479	13,725,930	14,517,568	16,182,768
Other Special Instruction						2,729,696	2,387,187	2,639,084	2,845,871	2,785,254
School Sponsored/Other Instruction						3,257,086	3,626,614	3,711,348	3,731,458	3,993,718
Support Services:										
Tuition						5,314,728	5,161,154	5,271,592	5,480,487	6,790,714
Student & Instruction Related Services	18,979,792	18,649,448	19,149,203	20,990,737	21,186,769	17,031,520	18,176,110	17,362,013	18,276,005	17,898,755
General Administrative Services	1,430,632	1,372,059	1,474,148	1,589,535	1,537,004	1,422,650	1,403,870	1,435,840	1,441,276	1,547,586
School Administrative Services	5,119,821	4,783,305	4,856,263	4,854,231	5,654,758	5,697,384	5,495,187	5,371,249	5,650,418	6,034,633
Central Services						1,429,949	1,488,974	1,439,510	1,422,533	1,483,872
Administrative Information Technology						1,905,868	1,549,262	1,607,019	1,657,803	1,900,735
Plant Operations and Maintenance	12,313,394	12,240,523	12,156,942	12,587,475	13,437,941	12,800,612	14,246,617	13,977,739	13,583,270	14,846,336
Pupil Transportation	5,107,810	4,874,217	5,035,745	4,545,411	4,710,812	5,470,868	5,722,993	5,908,667	6,549,294	6,810,239
Other Support Services	2,994,041	2,550,747	2,536,016	2,462,820	2,365,828					
Unallocated Benefits	34,270,255	36,991,629	39,236,134	44,184,502	43,746,870	44,901,072	47,393,283	51,129,789	53,202,474	56,068,325
Transfer of Fund to Charter Schools	15,528			1,105	21,826	22,279	66,474	44,328	17,252	60,109
Special Schools	425,598									
Capital Outlay	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	6,264,208
Debt Service:										
Principal	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	2,600,000
Interest and Other Charges	1,660,496	1,563,590	1,458,164	1,405,474	1,206,522	1,059,880	963,775	846,975	744,475	640,175
Cost of issuance		66,933		231,086	112,370					
Total Expenditures	145,444,469	144,465,654	147,760,263	156,521,123	159,684,068	167,085,595	175,933,087	174,497,054	181,171,313	191,917,432

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (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	\$ (2,379,497)
Other Financing Sources (Uses):										
Capital Leases (non-budgeted)	495,815	600,000	825,000	1,000,000	1,250,000	1,515,800	1,700,000	1,233,000	1,365,300	2,032,804
Proceeds from capital lease Refunding bonds issued		2,470,000		25,440,000	11,065,064					
Premium on bonds		150,245		3,977,116						
Payment to Refunding Bond Escrow Agent		(2,533,312)		(29,543,030)						
Prior Year Accounts Payable Canceled				357,000						
Transfers In	468,585	177	84	587,061	693,275	167,255	349,281		193,021	
Transfers Out	(468,585)	(177)	(136,607)	(587,061)	(693,275)	(230,941)	(370,629)	(40,097)	(239,852)	(114,339)
Total Other Financing Sources (Uses)	495,815	666,933	688,477	1,231,086	12,315,064	1,452,114	1,678,652	1,192,903	1,318,469	1,918,465
Net Change in Fund Balances	\$ (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	\$ (461,032)
Debt Service as a Percentage of Noncapital Expenditures	2.85%	2.89%	2.82%	2.95%	2.99%	2.38%	2.30%	1.96%	1.89%	1.75%

Source: Wayne Township Public Schools District Financial Reports.

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Rents	Refunds	Misc.	Total
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
2019	606,147	119,697	325,696	7,546	586,668	1,645,754

- 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 ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct
												School Tax Rate ^b
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
2018	49,040,400	3,789,068,600	1,405,200	94,200	1,107,399,700	213,722	87,865,600	5,035,087,422		5,035,087,422	9,979,704,094	2.867

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.

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

Year Ended December 31,	Wayne Township Public Schools Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Wayne Township	Passaic County	
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
2018	2.805	0.062	2.867	1.204	1.393	5.464

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 TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2018				2009			
	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willowbrook Mall		\$ 187,500,000	1	3.72%	Willowbrook Mall	\$ 156,000,000	1	2.94%
West Belt Fee Owners		81,600,000	2	1.62%	Wayne PSC, LLC	32,612,400	2	0.61%
Toys "R" Us, Inc		38,527,100	3	0.77%	Mountain View Crossings	31,970,400	3	0.60%
Wayne PSC, LLC		32,612,400	4	0.65%	Macy's East, Inc.	30,024,200	4	0.57%
Mountain View Crossings - UBS Realty Invest		31,970,400	5	0.63%	PL Wayne, % Kimco Realty	28,940,200	5	0.55%
MacGregor Realty, Huyler Realty		58,543,000	6	1.16%	Levco Associates	24,808,600	6	0.47%
PL Wayne, % Kimco Realty		26,000,000	7	0.52%	Wayne Retail, Wayne Towne Center	26,021,400	7	0.49%
Macy's East, Inc., % Federated Dept. Store		25,500,000	8	0.51%	Maquet Cardiovascular, LLC	20,089,900	8	0.38%
Centerpointe Demarest LLC		22,473,700	9	0.45%	Sears Roebuck	19,508,100	9	0.37%
Levco Associates		18,000,000	10	0.36%	Asreq One, Inc	18,239,900	10	0.34%
Total		\$ 522,726,600		10.38%	Total	\$ 388,215,100		7.32%

Source: Wayne Township Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2019	152,448,320	152,448,320	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						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases	Bond Anticipation Notes (BANs)					
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	1.12%	540.17		
2019	* 14,549,856	-0-	12,326,224	-0-	26,876,080	1.04%	500.89		

* - Includes unamortized bond premiums.

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

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

Source: Wayne Township Public Schools District Financial Reports.

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 ^a	Per Capita ^b
	General Obligation Bonds	Deductions			
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%	326.52
2019 *	14,549,856		14,549,856	0.29%	271.16

* - Includes unamortized bond premiums.

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.

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Wayne Township	\$ 77,868,761	100.00%	\$ 77,868,761
Passaic County General Obligation Debt (including Passaic County Utilities Authority debt)	340,314,345	20.70%	<u>70,430,072</u>
Subtotal, Overlapping Debt			148,298,833
Wayne Township Public Schools District Direct Debt			<u>26,876,080</u>
Total Direct and Overlapping Debt			<u><u>\$ 175,174,913</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				
	2010	2011	2012	2013	2014
Debt Limit	\$ 458,894,663	\$ 290,827,604	\$ 418,139,679	\$ 395,972,746	\$ 379,432,326
Total Net Debt Applicable to Limit	40,251,000	37,668,000	35,013,000	29,275,000	26,400,000
Legal Debt Margin	<u>\$ 418,643,663</u>	<u>\$ 253,159,604</u>	<u>\$ 383,126,679</u>	<u>\$ 366,697,746</u>	<u>\$ 353,032,326</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.77%	12.95%	8.37%	7.39%	6.96%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 377,745,146	\$ 375,452,234	\$ 381,155,605	\$ 390,310,519	\$ 402,504,845
Total Net Debt Applicable to Limit	26,633,619	23,384,748	20,504,784	17,519,820	14,549,856
Legal Debt Margin	<u>\$ 351,111,527</u>	<u>\$ 352,067,486</u>	<u>\$ 360,650,821</u>	<u>\$ 372,790,699</u>	<u>\$ 387,954,989</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.05%	6.23%	5.38%	4.49%	3.61%

<u>Legal Debt Margin Calculation for Fiscal Year 2019</u>	
<u>Year Ended</u> <u>December 31,</u>	<u>Equalized</u> <u>Valuation Basis</u>
2016	\$ 9,927,037,094
2017	9,969,815,116
2018	10,291,011,176
	<u>\$ 30,187,863,386</u>
Average Equalized Valuation of Taxable Property	<u>\$ 10,062,621,129</u>
Debt Limit (4% of Average Equalization Value)	\$ 402,504,845
Net Bonded School Debt	<u>14,549,856</u>
Legal Debt Margin	<u>\$ 387,954,989</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 ^a	Passaic County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Township Unemployment Rate ^d
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	48,152	2,651,826,944	3.7%
2018	53,657	48,152 *	2,583,691,864	3.3%
2019	53,657 **	48,152 *	2,583,691,864 ***	N/A

N/A - Information is not available

* - Latest Passaic County per capita personal income data available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

*** - Latest population data (2018) and latest per capita personal income (2017) 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	Percentage of Total		Employer	Percentage of Total	
	Employees	Employment		Employees	Employment
Valley National Bancorp	3192	2.27%	Geoffrey, Inc.	1,500	0.99%
Bayer Health Care Phrmctcls	2400	1.71%	BAE Systems Communication	1,375	0.91%
Bp Lubricants USA Inc	1800	1.28%	Toys R Us, Inc.	1,300	0.86%
BAE Systems	1400	1.00%	St. Joseph's Wayne Hospital	1,300	0.86%
Getinge USA Inc	1000	0.71%	William Paterson University	1,000	0.66%
Sears	300	0.21%	International Specialty Products	850	0.56%
Cheesecake Factory	250	0.18%	Bayer Health Pharmaceuticals	700	0.46%
Gobain Performance Plastics	250	0.18%	Preakness Health Care Center	700	0.46%
MAQUET	240	0.17%	Boston Scientific - Wayne Plant	500	0.33%
Haier America Trading LLC	210	0.15%	Fortunoff	500	0.33%
	<u>11,042</u>	<u>7.86%</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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	573	594	538	539	536	578	562	560	567	576
Special Education	243	225	250	257	329	353	340	340	339	345
Support Services:										
Student & Instruction Related Services	130	131	131	139	125	120	120	120	124	130
General Administrative Services	14	14	13	22	13	20	20	20	20	20
School Administrative Services	57	52	46	45	52	57	54	49	52	55
Central services	19	18	17	17	17	18	15	15	15	15
Administrative information technology	15	14	11	11	14	12	13	12	12	12
Plant Operations and Maintenance	116	115	104	103	125	130	151	150	150	150
Pupil Transportation	92	91	94	95	93	105	98	104	104	104
Business and Other Support Services	71	71	63	63	57	68	68	68	68	68
Special Schools	0	0	0	0	0	0	0	0	0	0
Total	1,330	1,325	1,267	1,291	1,361	1,461	1,441	1,438	1,451	1,475

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio										Student Attendance Percentage	
	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Elementary School	Middle School	High School	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e		% Change in Average Daily Enrollment
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%
2019	7,727	182,413,049	23,607	6.77%	801	1:12.7	1:10.0	1:11.0	7,801	7,387	-1.65%	94.69%

- 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Elementary Schools</u>										
<u>Randall Carter</u>										
Square Feet	36,070	36,070	36,070	36,070	36,070	36,070	36,071	36,071	36,071	36,070
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	353	353	365	365	365	365	320	336	334	346
<u>Theunis Dey</u>										
Square Feet	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,351
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	447	447	441	441	441	441	431	445	435	431
<u>James Fallon</u>										
Square Feet	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	418	418	396	396	396	396	358	357	381	384
<u>John F. Kennedy</u>										
Square Feet	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,732
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	428	428	452	452	452	452	442	416	417	400
<u>Lafayette</u>										
Square Feet	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	39,031
Capacity (students)	416	416	416	416	416	416	416	416	416	416
Enrollment	397	397	381	381	381	381	327	334	301	299
<u>Packanack Lake</u>										
Square Feet	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	50,129
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	496	496	510	510	510	510	462	447	441	458
<u>Pines Lake</u>										
Square Feet	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,090
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	448	448	429	429	429	429	367	398	380	370

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

UNAUDITED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
Ryerson										
Square Feet	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715
Capacity (students)	424	424	424	424	424	424	424	424	424	424
Enrollment	282	282	262	262	262	262	263	284	275	289
Albert Payson Terhune										
Square Feet	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	41,102
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	412	412	412	412	412	412	420	396	398	418
<u>Middle Schools</u>										
Schuyler Colfax										
Square Feet	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	127,170
Capacity (students)	758	758	758	758	758	758	758	758	758	758
Enrollment	717	717	780	780	780	780	733	752	693	680
George Washington										
Square Feet	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,506
Capacity (students)	686	686	686	686	686	686	686	686	686	686
Enrollment	652	652	603	603	603	603	557	582	556	557
Anthony Wayne										
Square Feet	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	109,044
Capacity (students)	497	497	497	497	497	497	497	497	497	497
Enrollment	756	756	714	714	714	714	654	632	653	629
<u>High Schools</u>										
Wayne Valley										
Square Feet	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	266,535
Capacity (students)	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615
Enrollment	1,434	1,434	1,479	1,479	1,479	1,479	1,337	1,302	1,255	1,260
Wayne Hills										
Square Feet	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	258,412
Capacity (students)	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
Enrollment	1,387	1,387	1,339	1,339	1,339	1,339	1,350	1,329	1,286	1,280

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Other</u>										
<u>Preakness Academy</u>										
Square Feet	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	28,855
Capacity (students)	77	77	77	77	77	77	77	77	77	77
<u>Outdoor Lab</u>										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
<u>Child Study Team</u>										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
<u>Transportation Building</u>										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
<u>Maintenance Building</u>										
Square feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995

Number of Schools at June 30, 2019

 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

School Facilities*	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Undistributed Expenditures - Required Maintenance										
For School Facilities - Account #11-000-261-XXX:										
A.P Terhune Elementary School	\$ 49,843	\$ 56,021	\$ 67,568	\$ 74,929	\$ 76,112	\$ 75,183	\$ 80,245	\$ 76,185	\$ 69,698	\$ 102,202
Administration Building	25,307	28,444	34,307	27,682	28,138	27,795	29,550	201,916	35,389	37,758
Anthony Wayne Middle School	125,551	141,114	170,200	198,788	202,111	199,645	212,712	28,048	175,565	271,144
George Washington Middle School	135,100	151,846	183,145	199,630	203,316	200,835	213,477	202,615	188,918	272,292
James Fallon Elementary School	55,372	62,236	75,064	81,607	83,244	82,228	87,378	82,953	77,430	111,311
John F. Kennedy Elementary School	53,845	60,519	72,993	79,724	81,371	80,378	85,340	81,014	75,294	108,742
Lafayette Elementary School	48,056	54,012	65,145	71,154	72,664	71,777	76,169	72,309	67,199	97,053
Packanack Elementary School	60,852	68,395	82,492	91,386	93,370	92,231	97,822	92,863	85,093	124,648
Pines Lake Elementary School	58,891	66,191	79,835	85,845	87,761	86,690	91,709	87,030	82,351	117,092
Preakness	31,085	34,939	42,139	52,603	53,806	53,149	56,299	54,736	43,467	71,749
Randall Carter Elementary School	44,617	50,147	60,484	65,756	67,281	66,460	70,309	66,732	62,390	89,690
Ryerson Elementary School	57,784	64,947	78,334	85,162	87,171	86,107	91,199	86,582	80,804	116,159
Schuyler-Colfax Middle School	150,160	168,773	203,560	231,832	237,418	234,521	247,104	234,389	209,978	316,215
Theunis Dey Elementary School	53,634	60,283	72,708	79,029	81,037	80,048	84,576	80,284	75,000	107,795
Wayne Hills High School	284,326	319,570	385,439	471,087	483,244	477,347	503,888	478,245	397,589	642,555
Wayne Valley High School	295,951	332,639	401,202	485,896	499,565	493,469	519,690	475,534	413,850	662,753
Grand Total	\$ 1,530,374	\$ 1,720,076	\$ 2,074,615	\$ 2,382,110	\$ 2,437,609	\$ 2,407,863	\$ 2,547,467	\$ 2,401,435	\$ 2,140,015	\$ 3,249,158

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
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	94,955,126	
New Jersey Schools Insurance Group		
School Leaders Errors & Omissions	16,000,000	25,000
Torus National Insurance Company		
High Excess Liability	30,000,000	
QBE Insurance Corporation		
Volunteer Liability	500,000	
Hartford Fire Insurance Company		
Treasurer of School Monies	550,000	
New Jersey Schools Insurance Group		
Board Secretary/Business Administrator	1,000,000	
Assistant Business Administrator	1,000,000	

Source: Wayne Township Public Schools District Financial Reports.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools, in the County of Passaic (the "District") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 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

NISIVOCCIA LLP

Mount Arlington, New Jersey
November 15, 2019

Kathryn L. Mantell

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



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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
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, 2019. 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Mount Arlington, New Jersey
November 15, 2019

Nisivoccia, CP
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, 2019

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Balance at June 30, 2019	
			From	To		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:										
84.027	I.D.E.A. - Part B, Basic Regular	IDEA-5570-19	7/1/18	6/30/19	\$ 1,828,771		\$ 877,655	\$ (1,828,771)		\$ (951,116)	
84.027	I.D.E.A. - Part B, Basic Regular	IDEA-5570-18	7/1/17	6/30/18	1,794,514		1,784,545				
84.173	I.D.E.A. - Part B, Preschool	IDEA-5570-19	7/1/18	6/30/19	79,131		69,163	(79,131)		(9,968)	
84.173	I.D.E.A. - Part B, Preschool	IDEA-5570-18	7/1/17	6/30/18	70,152		63,139				
	Subtotal Special Education Cluster					(1,847,684)	2,794,502	(1,907,902)		(961,084)	
	Elementary and Secondary Education Act:										
84.010	Title I	ESEA-5570-19	7/1/18	6/30/19	686,726		219,840	(536,326)		(316,486)	
84.010	Title I	ESEA-5570-18	7/1/17	6/30/18	680,332		314,696			(81,097)	
84.010	Title I - Reallocated	ESEA-5570-19	2/1/19	9/30/19	9,696			(9,348)		(9,348)	
84.367A	Title II A	ESEA-5570-19	7/1/18	6/30/19	211,570		78,760	(145,294)		(66,534)	
84.367A	Title II A	ESEA-5570-18	7/1/17	6/30/18	190,565		140,934			(8,507)	
84.365A	Title III - Immigrant	ESEA-5570-19	7/1/18	6/30/19	13,690		20,025			(8,507)	
84.365A	Title III - Immigrant	ESEA-5570-18	7/1/17	6/30/18	36,649		3,198	(51,565)		(48,367)	
84.365A	Title III	ESEA-5570-19	7/1/18	6/30/19	67,204		54,528			(15,918)	
84.365A	Title III	ESEA-5570-18	7/1/17	6/30/18	70,115		749	(16,667)		(16,694)	
84.424	Title IV	ESEA-5570-19	7/1/18	6/30/19	36,302		16,224	(32,918)			
84.048A	Carl D. Perkins - Vocational Education	PERK-5570-19	7/1/18	6/30/19	35,435		2,684				
84.048A	Carl D. Perkins - Vocational Education	PERK-5570-18	7/1/17	6/30/18	37,681						
	Total Special Revenue Fund					(2,461,648)	3,646,140	(2,708,527)		(1,524,035)	

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2018		Cash Received	Budgetary Expenditures	Balance at June 30, 2019		Amounts Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:												
General Fund:												
Medicaid Cluster:												
Medical Assistance Program	93.778	N/A	7/1/18	6/30/19	\$ 111,523	\$	111,523	\$	(111,523)			
Medical Assistance Program	93.778	N/A	7/1/17	6/30/18	130,732	\$	13,378					
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							124,901		(111,523)			
U.S. Department of Agriculture - Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Special Milk Program	10.556	N/A	7/1/18	6/30/19	1,145		1,070		(1,145)	\$	(75)	
Special Milk Program	10.556	N/A	7/1/17	6/30/18	1,490		116					
School Breakfast Program	10.553	N/A	7/1/18	6/30/19	23,359		21,330		(23,359)		(2,029)	
School Breakfast Program	10.553	N/A	7/1/17	6/30/18	24,811		2,163					
National School Lunch Program	10.555	N/A	7/1/18	6/30/19	336,706		307,132		(336,706)		(29,574)	
National School Lunch Program	10.555	N/A	7/1/17	6/30/18	332,231		29,352					
Federal Food Distribution Program	10.555	N/A	7/1/18	6/30/19	127,594		127,594		(121,279)	\$	6,315	
Federal Food Distribution Program	10.555	N/A	7/1/17	6/30/18	130,419		7,149		(7,149)			
Subtotal Child Nutrition Cluster							488,757		(489,638)		(31,678)	6,315
Total U.S. Department of Agriculture							488,757		(489,638)		(31,678)	6,315
TOTAL FEDERAL AWARDS							\$ 4,259,798		\$ (3,309,688)		\$ (1,555,713)	\$ 6,315
TOTAL FEDERAL AWARDS							\$ - 0 -		\$ (3,309,688)		\$ (1,555,713)	\$ 6,315
TOTAL FEDERAL AWARDS							\$ - 0 -		\$ (3,309,688)		\$ (1,555,713)	\$ - 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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable/Encumbrance Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO		
				Budgetary Unearned Revenue/(Accounts Receivable)	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Transportation Aid	19-495-034-5120-014	7/1/18	6/30/19	\$ 1,449,581		\$ 1,324,302	\$ (1,449,581)				\$ (125,279)	\$ 1,449,581		
Special Education Aid	18-495-034-5120-014	7/1/17	6/30/18	392,872		31,468						392,872		
Special Education Categorical Aid	19-495-034-5120-089	7/1/18	6/30/19	3,556,094		3,248,761	(3,556,094)				(307,333)	3,556,094		
Special Education Categorical Aid	18-495-034-5120-089	7/1/17	6/30/18	3,556,094		284,835						3,556,094		
Security Aid	19-495-034-5120-084	7/1/18	6/30/19	154,816		141,436	(154,816)				(13,380)	154,816		
Security Aid	18-495-034-5120-084	7/1/17	6/30/18	154,816		12,400						154,816		
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17	6/30/18	80,715		6,465	(6,465)					80,715		
PARCC Readiness Aid	18-495-034-5120-098	7/1/17	6/30/18	80,715		6,465	(6,465)					80,715		
Professional Learning Community Aid	18-495-034-5120-101	7/1/17	6/30/18	76,870		6,157	(6,157)					76,870		
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18	6/30/19	3,382,472		2,245,920	(3,382,472)			\$ (3,382,472)	(3,382,472)	3,382,472		
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17	6/30/18	2,245,920								2,245,920		
Nonpublic School Transportation Costs	19-495-034-5120-014	7/1/18	6/30/19	107,300			(107,300)			(107,300)	(107,300)	107,300		
Nonpublic School Transportation Costs	18-495-034-5120-014	7/1/17	6/30/18	111,070		111,070						111,070		
TPAF Social Security Aid	19-495-034-5094-003	7/1/18	6/30/19	4,952,751		4,706,160	(4,952,751)			(246,591)	(246,591)	4,952,751		
TPAF Social Security Aid	18-495-034-5094-003	7/1/17	6/30/18	4,794,300		238,958						4,794,300		
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18	6/30/19	5,707,027		5,707,027	(5,707,027)					5,707,027		
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18	6/30/19	12,323,706		12,323,706	(12,323,706)					12,323,706		
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18	6/30/19	257,967		257,967	(257,967)					257,967		
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18	6/30/19	10,640		10,640	(10,640)					10,640		
Total General Fund State Aid						30,663,737	(31,902,354)			(3,736,363)	(4,182,355)	43,395,726		
Special Revenue Fund:														
NJ Nonpublic Aid:														
Technology Initiative	19-100-034-5120-373	7/1/18	6/30/19	49,572		49,572	(49,572)					49,572		
Technology Initiative	18-100-034-5120-373	7/1/17	6/30/18	35,074					\$ (432)			34,642		
Textbook Aid (Chapter 194)	19-100-034-5120-064	7/1/18	6/30/19	73,531		73,531	(72,277)			\$ 1,254		72,277		
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/17	6/30/18	75,540		5,192						70,348		
Nursing Services (Chapter 226)	19-100-034-5120-070	7/1/18	6/30/19	141,426		141,426	(141,426)			22		141,426		
Nursing Services (Chapter 226)	18-100-034-5120-070	7/1/17	6/30/18	139,971		7,297						132,674		
Security Aid	19-100-034-5120-509	7/1/18	6/30/19	218,700		218,700	(214,984)			3,716		214,984		
Security Aid	18-100-034-5120-509	7/1/17	6/30/18	108,225		4,678						103,547		
Auxiliary Services (Chapter 192):														
Compensatory Education	19-100-034-5120-067	7/1/18	6/30/19	94,587		94,587	(94,587)					94,587		
Compensatory Education	18-100-034-5120-067	7/1/17	6/30/18	160,337					(93,899)			66,438		
English as a Second Language	19-100-034-5120-067	7/1/18	6/30/19	25,020		25,020	(11,044)			13,976		11,044		
English as a Second Language	18-100-034-5120-067	7/1/17	6/30/18	21,319		1,716						19,603		
Home Instruction	19-100-034-5120-067	7/1/18	6/30/19	946			(946)				(946)	946		
Home Instruction	18-100-034-5120-067	7/1/17	6/30/18	5,872		5,872	(5,872)					5,872		

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Prior Year Accounts Payable/Encumbrance Canceled	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO	
		From	To		Budgetary Unearned Revenue/(Accounts Receivable)	GAAP (Accounts Receivable)					Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:														
NJ Nonpublic Aid:														
Handicapped Services (Chapter 193):														
Supplementary Instruction	19-100-034-5120-066	7/1/18	6/30/19	\$ 77,710	\$	77,710	\$ (67,562)			\$ (25,771)	\$	10,148	\$	67,562
Supplementary Instruction	18-100-034-5120-066	7/1/17	6/30/18	89,604										63,833
Examination and Classification	19-100-034-5120-066	7/1/18	6/30/19	83,734		83,734	(80,451)			(10,760)		3,283		80,451
Examination and Classification	18-100-034-5120-066	7/1/17	6/30/18	97,553		10,760								86,793
Corrective Speech	19-100-034-5120-066	7/1/18	6/30/19	24,106		24,106	(12,142)			(9,017)		11,964		12,142
Corrective Speech	18-100-034-5120-066	7/1/17	6/30/18	21,427		9,017								12,410
Total Special Revenue Fund					\$ (5,872)	158,762	794,258	(744,991)	\$ 22	(158,762)	(946)	44,363	(946)	1,341,151
Enterprise Fund:														
State School Lunch Program	19-100-010-3350-023	7/1/18	6/30/19	17,529		15,950	(17,529)			(1,579)			(1,579)	17,529
State School Lunch Program	18-100-010-3350-023	7/1/17	6/30/18	17,846		(1,678)				(1,678)			(1,678)	17,846
Total Enterprise Fund					(1,678)	15,950	(17,529)			(3,257)			(3,257)	35,827
Schools Development Authority:														
Capital Projects Fund:														
Educational Facilities Construction & Financing Act:														
Wayne Hills High School:														
Partial Roof Replacement	5570-055-14-1002	6/17/14	6/30/16	122,932		(122,932)							(4,445)	4,445
New ADA Restroom	5570-055-14-1005	6/17/14	6/30/16	36,601		(36,601)								(36,601)
George Washington Middle School:														
Exterior Window Replacement	5570-083-14-1003	6/17/14	6/30/16	61,000		(61,000)							(3,403)	3,403
Lafayette Elementary School:														
Partial Roof Replacement	5570-090-14-1004	6/17/14	6/30/16	57,490		(57,490)							(2,740)	2,740
Total Capital Projects Fund					(278,023)						(10,588)		(10,588)	10,588
TOTAL STATE AWARDS					\$ (3,229,311)	\$ 158,762	\$ 31,473,945	\$ (32,664,874)	\$ 22	\$ (158,762)	\$ (3,751,154)	\$ -0-	\$ (4,464,581)	\$ 44,783,292
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18	6/30/19	5,707,027										
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18	6/30/19	12,323,706										
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18	6/30/19	257,967										
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18	6/30/19	10,640										
Subtotal - On-Behalf TPAF Pension System Contributions						18,299,340								
Total State Awards Subject to Single Audit Major Program Determination														\$ (14,365,534)

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, 2019

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, 2019. 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, 2019

(Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$98,202) for the general fund and \$909 for the special revenue fund, (of which \$4,866 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:

	Federal	State	Total
General Fund	\$ 111,523	\$ 31,804,152	\$31,915,675
Special Revenue Fund	2,712,513	746,780	3,459,293
Food Service Enterprise Fund	489,638	17,529	507,167
Total Financial Assistance	\$ 3,313,674	\$ 32,568,461	\$35,882,135

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, 2019, \$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, 2019

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	7/1/18-6/30/19	\$ 1,828,771	\$ 1,828,771
Preschool	84.173	7/1/18-6/30/19	79,131	79,131
<u>State:</u>				
Extraordinary Special				
Education Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	3,382,472	3,382,472
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	1,449,581	1,449,581

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019

Status of Prior Year Findings:

The District had no prior year audit findings.