

**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, 2015**

**Comprehensive Annual  
Financial Report**

**of the**

**Wayne Township Public Schools  
Board of Education**

**Wayne, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

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

**Finance Department**

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**INTRODUCTORY SECTION**

# Wayne

## Township Public Schools

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

December 7, 2015

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, 2015. 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 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 Government Accounting Standards Board ("GASB") in codification section 2100. All funds and the Government-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 2014-2015 fiscal year with an enrollment of 8,092 students, a decrease of 264 students from the previous year's enrollment. This is consistent with the most recent demographic study conducted by the District for the update of the District's Long Range Facility Plan.

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

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

In spite of its location, however, the community has been negatively impacted by the slow national and state economy. From the five year period of 2010-2014, total assessed valuations decreased by an average of \$34,589,400 each year. For 2015, the total assessed valuations decreased by only \$24,894,900, almost \$10,000,000 less. This cycle of decreasing assessments has had a negative impact on the District's ability to develop school district budgets within the 2% tax levy cap and keep the tax rates at a stable level. It is hoped that the decrease in total valuations will continue its downward trend and provide a more stable tax base for the future.

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

- a. The creation of a unified approach for reading comprehension and language arts instruction from kindergarten through eighth grade that includes the introduction of an early intervention program at the early elementary grades.
- b. Implementation of the Envision 2.0 math program at grades K through 6.
- c. An assessment of the current schedules at both high schools and at all three middle schools to serve as a basis to collaboratively develop an action plan that will be used to inform the schedule development process for the upcoming school year.
- d. An analysis of the District's State PARCC testing results against the academic performance of students in 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 structure 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.

The Honorable President and Members of  
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Wayne Township Public Schools  
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December 7, 2015

As recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2015.

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) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to , general liability, excess liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

8) 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 the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 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.

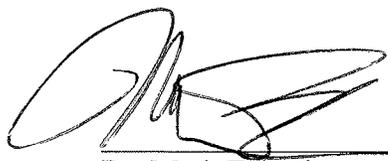
9) AWARDS: The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the first year that the District applied and received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Honorable President and Members of  
the Board of Education  
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December 7, 2015

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 2014-2015 certificate.

10) 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

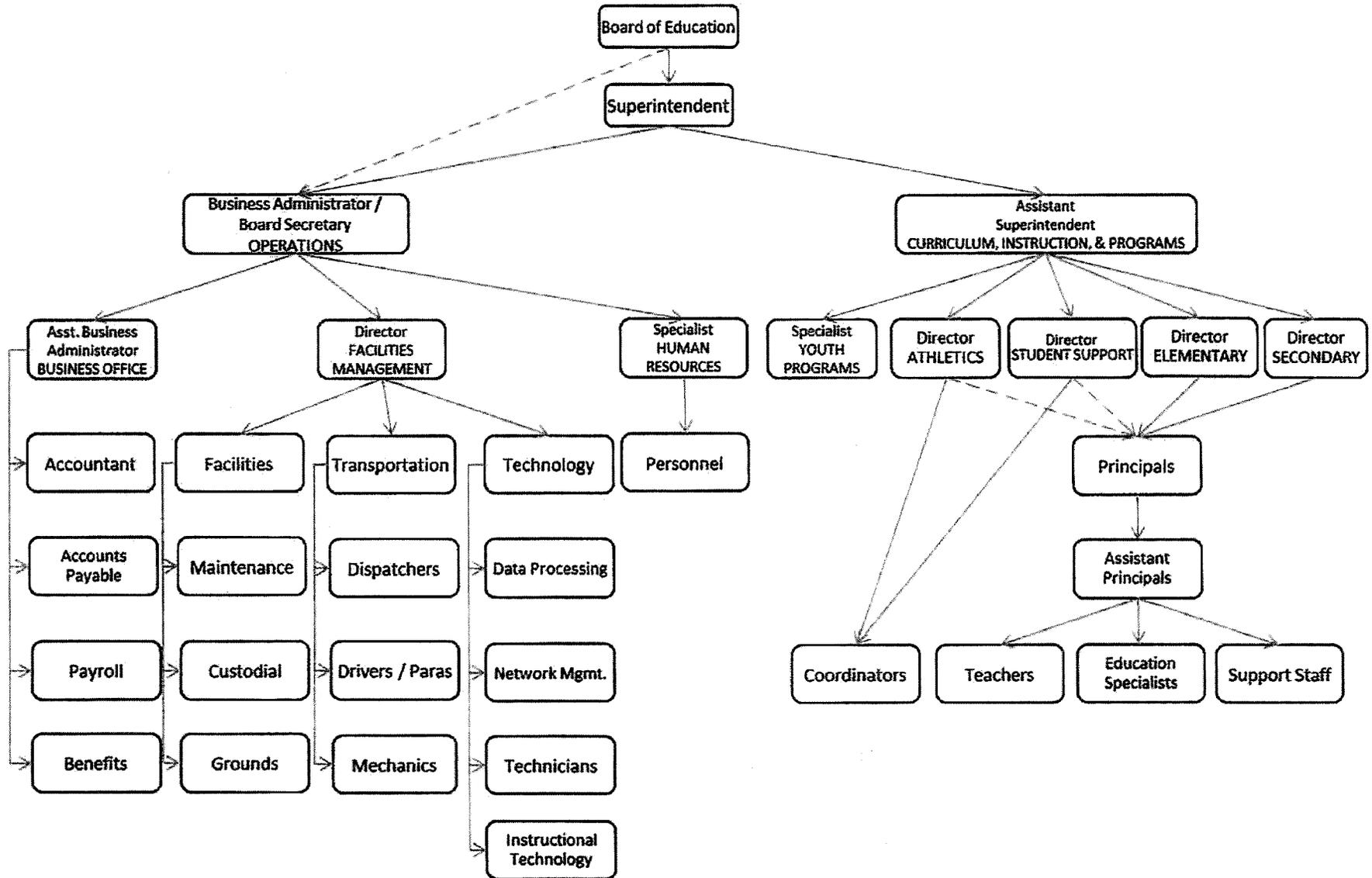


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Juanita A. Petty, RSBA, SFC  
Business Administrator/Board Secretary

# WAYNE TOWNSHIP PUBLIC SCHOOLS

## Organizational Chart



**WAYNE TOWNSHIP BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eileen P. Albanese, President	2015
Michael L. Bubba, First Vice President	2015
Kim Essen, Second Vice President	2015
Mitchell Badiner	2016
Robert Ceberio	2016
Catherine Kazan	2017
Allan R. Mordkoff	2016
Donald Pavlak, Jr.	2017
Christian Smith	2017

<u>Other Officials</u>	<u>Title</u>
Dr. Mark Toback	Superintendent of Schools
Juanita A. Petty	School Business Administrator/Board Secretary
Heather L. Reeves	Treasurer

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

**Audit Firm**

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

**Attorney**

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

**Bond Counsel**

Rogut McCarthy LLC  
37 Alden Street  
Cranford, NJ 07016

**Architect of Record**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, NJ 07866

**Official Depository**

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

# Association of School Business Officials International



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

## Wayne Township Public Schools

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

**Mark C. Pepera, MBA, RSBO, SFO**  
President

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

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

**FINANCIAL SECTION**



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

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

## Independent Auditors' Report

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools (the "District") in the County of Passaic, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

The Honorable President and Members  
of the Board of Education  
Wayne Township Public Schools  
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### ***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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

### ***Other Matters***

The financial statements of the District as of June 30, 2014 were audited by other auditor whose report dated December 5, 2014 expressed an unmodified opinion on those statements.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

The 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 December 7, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Nisivoccia, LLP*

Mount Arlington, New Jersey  
December 7, 2015

NISIVOCCIA LLP

*Kathryn L. Mantell*

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

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

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)**

This section of Wayne Township Public School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status improved \$1,568,114 on a District-wide basis.
- Overall revenue was \$180,246,873 on a District-wide basis.
- Overall expenditures were \$178,678,759 on a District-wide basis.

**Overview of the Financial Statements**

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

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

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

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)**

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

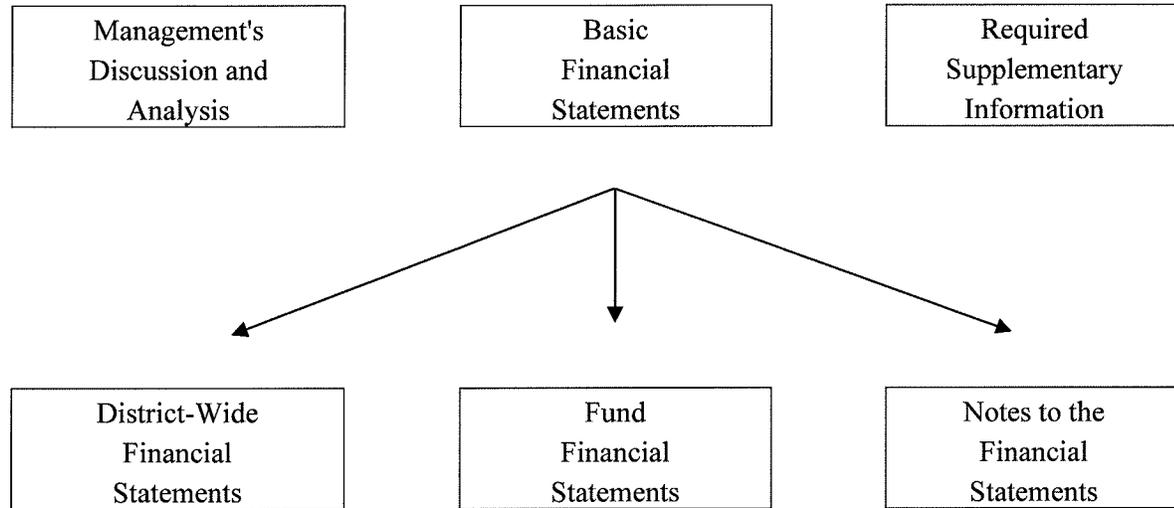


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Wayne Township Public Schools  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)**

**Figure A-2**

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

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

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### **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 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.

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**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 2014/15
	2014/15	2013/14 (Restated)	2014/15	2013/14	2014/15	2013/14 (Restated)	
Current and							
Other Assets	\$ 16,045,069	\$ 20,752,543	\$ 1,062,541	\$ 984,370	\$ 17,107,610	\$ 21,736,913	-21.30%
Capital Assets, Net	55,292,164	51,920,961	175,717	178,537	55,467,881	52,099,498	6.47%
Total Assets	<u>71,337,233</u>	<u>72,673,504</u>	<u>1,238,258</u>	<u>1,162,907</u>	<u>72,575,491</u>	<u>73,836,411</u>	-1.71%
Deferred Outflows of Resources	<u>2,118,821</u>	<u>964,927</u>			<u>2,118,821</u>	<u>964,927</u>	119.58%
Long-Term Debt							
Outstanding	81,415,132	88,537,467			81,415,132	88,537,467	-8.04%
Other Liabilities	5,487,847	5,997,417	326,322	337,692	5,814,169	6,335,109	-8.22%
Total Liabilities	<u>86,902,979</u>	<u>94,534,884</u>	<u>326,322</u>	<u>337,692</u>	<u>87,229,301</u>	<u>94,872,576</u>	-8.06%
Deferred Inflows of Resources	<u>5,968,135</u>				<u>5,968,135</u>		100.00%
Net Position:							
Net Investment in Capital Assets	17,434,401	20,547,189	175,717	178,537	17,610,118	20,725,726	-15.03%
Restricted	8,165,563	1,633,945			8,165,563	1,633,945	399.75%
Unrestricted (Deficit)	<u>(45,015,024)</u>	<u>(43,077,587)</u>	<u>736,219</u>	<u>646,678</u>	<u>(44,278,805)</u>	<u>(42,430,909)</u>	-4.36%
Total Net Position (Deficit)	<u>\$ (19,415,060)</u>	<u>\$ (20,896,453)</u>	<u>\$ 911,936</u>	<u>\$ 825,215</u>	<u>\$ (18,503,124)</u>	<u>\$ (20,071,238)</u>	7.81%

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*Net Position.* The District's combined net position was \$(18,503,124) on June 30, 2015, \$1,568,114 or 7.81% more than it was the year before (See Figure A-3). Net investment in capital assets decreased by \$3,115,608 due to \$2,566,858 and \$31,823 of depreciation related to governmental and business-type capital assets, respectively, capital disposals, net of depreciation, of \$11,810, a new capital lease of \$1,515,800 and a shift of capital projects balances of \$11,016,369 and deferred amount on refunding of \$964,927, offset by capital additions of \$5,978,874, the retirement of \$2,750,000 of bonded debt and \$882,205 of capital leases and a shift of unamortized bond premiums of \$3,380,900.

Restricted net position increased by \$6,531,618 due to a net increase in the capital reserve of \$746,374 (deposit by Board resolution, unexpended balances returned and interest earnings totaling \$958,849, offset by withdrawals by budget and Board resolution totaling \$212,475) and a shift of capital projects balances of \$10,351,311 and debt service fund balance of \$45,695, offset by \$774,518 excess surplus appropriated, capital projects expenditures of \$3,825,524, and a net decrease in debt service fund balance of \$11,720.

Unrestricted net position decreased by \$1,847,896 primarily due to capital projects expenditures of \$770,818, a \$51,114 net increase in compensated absences, decreases and deferred amount on refunding of \$115,176, an increase in accrued interest of \$296,617, changes in proportion in pensions of \$3,563,022, investment gains in pensions of \$2,405,113, a shift of unamortized bond premiums of \$3,380,900 and debt service fund balance of \$45,695, offset by \$397,281 of bond premiums amortized, \$45,427 of grant fund revenue in the capital projects fund, increases of \$127,412 in fund balances assigned and unassigned, \$165,075 in the capital projects fund local share, \$86,721 in the operations of the business-type activities, a decrease in net pension liability of \$5,057,044, changes in pension assumptions of \$1,269,070, a shift of capital projects balances of \$665,058 and deferred amount on refunding of \$964,927.

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*Changes in Net Position.* The District's combined net position increased by \$1,568,114, or 7.81%. Net position from governmental activities increased \$1,481,393 and net position from business-type activities increased by \$86,721 (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	Change 2014/15
Revenue:							
Program Revenue:							
Charges for Services	\$ 272,919	\$ 232,479	\$ 3,346,008	\$ 3,352,042	\$ 3,618,927	\$ 3,584,521	0.96%
Grants and Contributions:							
Operating	38,255,280	3,141,872	503,077	487,792	38,758,357	3,629,664	967.82%
Capital	45,427	20,062			45,427	20,062	126.43%
General Revenue:							
Property Taxes	136,725,121	134,498,235			136,725,121	134,498,235	1.66%
Unrestricted State/ Federal Aid	387,365	18,157,591			387,365	18,157,591	-97.87%
Other	711,361	489,973	315		711,676	489,973	45.25%
Total Revenue	<u>176,397,473</u>	<u>156,540,212</u>	<u>3,849,400</u>	<u>3,839,834</u>	<u>180,246,873</u>	<u>160,380,046</u>	12.39%
Expenses:							
Instruction	101,949,678	92,381,582			101,949,678	92,381,582	10.36%
Pupil and Instruction Services	33,660,218	24,387,990			33,660,218	24,387,990	38.02%
Administration and Business	15,895,909	13,961,557			15,895,909	13,961,557	13.85%
Maintenance and Operations	16,096,278	17,172,077			16,096,278	17,172,077	-6.26%
Transportation	6,483,219	7,827,146			6,483,219	7,827,146	-17.17%
Other	767,092	1,165,561	3,826,365	3,883,841	4,593,457	5,049,402	-9.03%
Total Expenses	<u>174,852,394</u>	<u>156,895,913</u>	<u>3,826,365</u>	<u>3,883,841</u>	<u>178,678,759</u>	<u>160,779,754</u>	11.13%
Transfers	<u>(63,686)</u>		<u>63,686</u>				0.00%
Increase/(Decrease) in Net Position	<u>\$ 1,481,393</u>	<u>\$ (355,701)</u>	<u>\$ 86,721</u>	<u>\$ (44,007)</u>	<u>\$ 1,568,114</u>	<u>\$ (399,708)</u>	

*Revenue Sources.* The District's total revenue for the 2014/2015 school year was \$180,246,873 (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$136,725,121 of the total, or 75.85 percent (See Figure A-5). The remaining 24.15 percent of revenue is comprised of 21.67 percent from state formula aid and federal and state categorical grants, 2.01 percent from charges for services and .47 percent from other miscellaneous sources. The \$35,128,007 of federal and state categorical grants revenue includes \$23,974,485 of funds that are not paid to the District, but are included in funding for TPAF Post-Retirement Medical Benefits and Pension Contributions that the State of New Jersey is paying on behalf of the District as well as \$4,792,326 of reimbursed TPAF Social Security Contributions. The Wayne Township Public Schools District primarily conducts its operations from the revenue it receives from its local taxpayers and State Aid.

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

**Figure A-5  
Sources of Revenue for Fiscal Year 2015 and 2014**

Sources of Income:	2014/15		2013/14	
	Amount	Percentage	Amount	Percentage
State Formula Aid	\$ 3,935,222	2.18%	\$ 3,774,453	2.35%
Property Taxes	136,725,121	75.85%	134,498,235	83.86%
Federal and State Categorical Grants	35,128,007	19.49%	17,828,678	11.12%
Charges for Services	3,618,927	2.01%	3,584,521	2.24%
Other	839,596	0.47%	694,159	0.43%
	<u>\$ 180,246,873</u>	<u>100.00%</u>	<u>\$ 160,380,046</u>	<u>100.00%</u>

The total cost of all programs and services was \$178,678,759. The District's expenses are predominantly related to instructing, caring for (pupil and instruction services) and transporting students (79.53 percent) (See Figure A-6). The District's administrative and business costs accounted for 8.89 percent of total costs and maintenance and operations costs accounted for 9.01 percent of total costs. It is important to note that other expenses included \$22,279 for charter schools, \$744,813 of interest on long-term debt and \$3,826,365 for business-type activities expenses and represented 2.57 percent of total costs.

**Figure A-6  
Expenses for Fiscal Year 2015 and 2014**

Expense Category:	2014/15		2013/14	
	Amount	Percentage	Amount	Percentage
Instruction	\$ 101,949,678	57.06%	\$ 92,381,582	57.46%
Pupil and Instruction Services	33,660,218	18.84%	24,387,990	15.17%
Administration and Business	15,895,909	8.89%	13,961,557	8.68%
Maintenance and Operations	16,096,278	9.01%	17,172,077	10.68%
Transportation	6,483,219	3.63%	7,827,146	4.87%
Other	4,593,457	2.57%	5,049,402	3.14%
	<u>\$ 178,678,759</u>	<u>100.00%</u>	<u>\$ 160,779,754</u>	<u>100.00%</u>

**Governmental Activities**

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

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

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**Governmental Activities**

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

	Total Cost of Services		Net Cost of Services	
	2014/2015	2013/2014	2014/2015	2013/2014
Instruction	\$ 101,949,678	\$ 92,381,582	\$ 72,216,943	\$ 89,655,820
Pupil and Instruction Services	33,660,218	24,387,990	27,413,236	23,724,488
Administration and Business	15,895,909	13,961,557	13,752,439	13,959,780
Maintenance and Operations	16,096,278	17,172,077	16,050,851	17,169,580
Transportation	6,483,219	7,827,146	6,078,207	7,826,271
Other	767,092	1,165,561	767,092	1,165,561
	<u>\$ 174,852,394</u>	<u>\$ 156,895,913</u>	<u>\$ 136,278,768</u>	<u>\$ 153,501,500</u>

- The cost of all governmental activities this fiscal year was \$174,852,394.
- The federal and state governments subsidized certain programs with grants and contributions (\$34,624,930).
- Most of the District's costs, however, were financed by District taxpayers (\$136,725,121).
- A portion of governmental activities was financed with state aid based on the SFRA formula (\$3,935,222).
- The remainder of funding came from tuition, investment earnings and miscellaneous revenue (\$1,112,200).

**Business-Type Activities**

The net position of the District's business-type activities increased by \$86,721, which was comprised of increases in net position of \$13,654 for the food service fund and \$77,271 for the extended day program. These were offset by a decrease of \$4,204 in the net position of the community education program for the Safety Town Program. (Refer to Figure A-4).

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

The District's General Fund fund balance increased \$110,460 on the budgetary basis during the fiscal year primarily due to a net excess of \$450,144 in anticipated revenue, \$2,180 of interest transferred from the capital projects fund and \$4,449,348 of unexpended budget appropriations, offset by prior year encumbrances appropriated of \$781,929, \$3,600,000 of fund balance and \$409,533 of capital reserve utilized in the 2014-2015 budget. Within the General Fund, the District was able to deposit \$957,677 into the Capital Reserve Account during the fiscal year as a result of spending under budgeted amounts. The District's Debt Service Fund fund balance decreased \$11,720 on the budgetary basis as a result of \$45,695 of fund balance utilized in the 2014-2015 budget, offset by \$33,975 of unexpended budget appropriations.

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

The State imposes spending and tax levy limits on the District in its budget process. The financial condition has been directly affected in recent years by legislation titled "S1701" which reduced the amount of allowable General Fund unassigned fund balance to 2% of adjusted expenditures. At June 30, 2015 the District's 2% limit is \$2,806,623 plus adjustments for additional State Aid of \$299,687, for a total of \$3,106,310 as allowable General Fund unassigned fund balance.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget between budgetary line items for changes in school-based needs. Tuition increased 9.1%, extraordinary services for special education increased 6.2% and administration information technology increased 6.4% above budgeted amounts.

**Capital Asset and Debt Administration**

The District's capital assets increased by \$3,368,383, or 6.47%, during the fiscal year.

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	Change 2014/15
Sites (Land)	\$ 9,263,696	\$ 9,263,696			\$ 9,263,696	\$ 9,263,696	0.00%
Construction in Progress	5,358,650	704,279			5,358,650	704,279	660.87%
Land Improvements	3,594,674	3,873,472			3,594,674	3,873,472	-7.20%
Buildings and Building Improvements	33,168,117	34,240,097			33,168,117	34,240,097	-3.13%
Machinery and Equipment	3,907,027	3,839,417	\$ 175,717	\$ 178,537	4,082,744	4,017,954	1.61%
Total Capital Assets, Net of Depreciation	<u>\$ 55,292,164</u>	<u>\$ 51,920,961</u>	<u>\$ 175,717</u>	<u>\$ 178,537</u>	<u>\$ 55,467,881</u>	<u>\$ 52,099,498</u>	<u>6.47%</u>

The District expended \$5,978,874 in capital assets, (\$4,596,342 from capital projects and \$1,353,529 from capital outlay for equipment purchases and facilities acquisition and construction services for a total of \$5,949,871 in governmental activities, and \$29,003 from business-type activities). The District incurred \$2,566,858 and \$31,823 of depreciation related to governmental and business-type capital assets, respectively. Capital assets with a net value of \$11,810 were disposed of during the fiscal year. (More detailed information about the District's capital assets is presented in Note 6 to the Basic Financial Statements).

**Long-term Debt**

The District's long-term debt decreased by \$7,122,335, or 8.04%, during the fiscal year. At fiscal year-end, the District had \$23,650,000 in general obligation bonds outstanding, \$3,199,449 in compensated absences payable, \$40,357,920 in net pension liability and \$14,207,763 in capital leases payable as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements).

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**Long-term Debt**

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

	Total School District		Percentage Change 2014/15
	2014/15	2013/14 (Restated)	
General Obligation Bonds, Net (Financed with Property Taxes)	\$ 23,650,000	\$ 26,400,000	-10.42%
Net Pension Liability	40,357,920	45,414,964	-11.14%
Other Long-Term Liabilities	17,407,212	16,722,503	4.09%
	<u>\$ 81,415,132</u>	<u>\$ 88,537,467</u>	<u>-8.04%</u>

- The District retired \$2,750,000 of its general obligation bonds during the fiscal year.
- The District's net pension liability decreased by \$5,057,044.
- The District's liability for compensated absences increased by the net amount of \$51,114.
- The District paid down \$882,205 of capital leases payable during the 2014-2015 fiscal year and entered into a new capital lease for \$1,515,800 for equipment and buses.

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

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

- The continued implementation of the State imposed budget tax levy cap of 2% and the State's practice of providing for flat State Aid each year, continue to create budgetary challenges, limiting the District's ability to continue to improve upon and in some cases, maintain, its instructional range of programs and services. Fixed costs such as insurance as well as increases granted through negotiations generally exceed a 2% increase each year, requiring Districts to either continue to find efficiencies in current programs or eliminate programs, or try to identify other miscellaneous revenues to support the expenditure increases.
- The continued reduction of total assessed valuations for the Township will continue to impact increases in the local tax burden of the community, even if the Board continues to stay within the 2% tax levy cap and not exercise any allowable budget waivers. During budget development for 2015-2016, the reduction of total assessed valuations reduced from over \$40M per year to \$15M. If this trend continues, the District might expect to have flat or slightly increased valuations for the development of its 2016-2017 budget.
- The District was successful in negotiating changes in its health benefits plans in all of its bargaining unit contracts during the 2014-2015 school year. However, even with this success, which is estimated to save the District approximately \$4,000,000 per year, the District must continue to try to contain its costs for benefits, especially in light of continued double-digit increases and of the impending Cadillac Tax penalties under the Affordable Care Act that go into effect in 2018.

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In addition, 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 the law's four-tier implementation cycle, with the last units reaching Tier 4 during the next budget cycle. This movement through the Tier structure provides for increases in employee contributions towards their insurance premiums, helping to offset increasing health insurance costs. Full implementation through the Tier structure will be reached during the 2016-2017 school year.

Administration is working with the District's Insurance Broker to formulate a strategy for the upcoming negotiations cycle to continue to make incremental changes to its benefit plan offerings.

- Over the last several years, the District has relied on budgeted fund balance to support its budget. Budgeted fund balance is created from excess, unspent budget balances in the prior year, which are carried forward to support future budgets. For the past five years, the District has averaged generating \$3.1M each year, which is then budgeted as a revenue in the next budget cycle as Budgeted Fund Balance. This form of revenue budgeting is dangerous to continue since the District's ability to generate surpluses at year end continues to decrease, mainly because of the 2% tax levy cap placed impacting the ability of the District to provide for any contingencies in its budget development from year to year. During budget development for the 2015-2016 budget, the Administration was successful in educating the Board on the dangers of continued reliance of Budgeted Fund Balance as a form of revenue, and the Board was amenable to begin to reduce its reliance on using fund balance.
- Further impeding the District's ability to general surplus is the past practice of the Board directing Administration to budget for reductions in salary savings (breakage) that might be achieved from the retirement of staff members for example. Over the past several years, the amount that salaries have been reduced has exceeded one million dollars each year. Fortunately, with changes in the pension laws at the State level, many of Wayne's more senior staff members have opted to retire with their replacements hired at much lower salaries, so the District has not encountered a problem in reaching its "budgeted surplus" calculation. However, as Administration pointed out and the Board acknowledged, the ability to generate this type of savings in the future will be more difficult, especially as the number of more seasoned staff members decreases. During budget development for the 2015-2016 budget cycle, the Board did support Administration's recommendation to begin to phase out the District's reliance on budgeting for surplus in advance. This will provide a more stable budgeting process in the future, and will provide for any salary savings that might be achieved to either (1) support unforeseen expenditures during the school year or (2) provide for surplus at year end.
- The new State legislation for pension and medical/dental benefit reforms (Chapter 78) continues through its implementation. All staff is now in various stages of the law's four-tier implementation cycle, with the last units reaching Tier 4 during the next budget cycle. This movement through the Tier structure provides for increases in employee contributions towards their insurance premiums, helping to offset increasing health insurance costs. Full implementation through the Tier structure will be reached during the 2016-2017 school year.

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- The District continues to assess its buildings to identify major capital projects required. During the 2014-2015 school year completed partial roof replacements at Wayne Hills High School and Lafayette Elementary School, window wall replacement at George Washington Middle School, and a new ADA Restroom at Wayne Hills High School which were all funded through the District's Capital Reserve Account and/or grant funds. Work also continued to proceed on the Energy Savings Improvement Plan, with all boiler work, lighting replacements and system controls completed. This project was funded through a capital lease program totaling just over 11 million dollars.

Other projects funded through the District's general operating budget were the completion of a new Chemistry Lab, ADA ramp and Girls Softball field at Wayne Valley High School.

At year end, the District was able to deposit \$1,000,000 into its capital reserve account for required future capital project work.

- As was noted in last year's report, the Board did move forward to present a referendum to its voters in March of 2015 for safety and security improvement in 13 of its 14 schools. The referendum was defeated by the community, requiring the District to re-assess how to fund these projects. As part of the budget development process for the 2015-2016 budget, the Board had planned an option to include some of the work, specifically the replacement of the PA/Intercom systems at Schuyler Colfax Middle School and Lafayette Elementary School and some fire alarm upgrades.

#### **Contacting the District's Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

Exhibit A-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,894,805	\$ 863,013	\$ 9,757,818
Internal Balances	(90,770)	90,770	
Receivables from Other Governments	5,368,084	35,780	5,403,864
Other Receivables	267,149	36,593	303,742
Inventory		36,385	36,385
Restricted Assets:			
Cash and Cash Equivalents:			
Capital Reserve Account	1,605,801		1,605,801
Capital Assets, Net:			
Sites (Land) and Construction in Progress	14,622,346		14,622,346
Depreciable Buildings and Building Improvements and Machinery and Equipment	40,669,818	175,717	40,845,535
Total Assets	71,337,233	1,238,258	72,575,491
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	849,751		849,751
Changes in Assumptions - Pensions	1,269,070		1,269,070
Total Deferred Outflows of Resources	2,118,821		2,118,821
<b>LIABILITIES</b>			
Payable to State Government	18,770		18,770
Payable to Federal Government	41,284		41,284
Accounts Payable	1,511,568	275,723	1,787,291
Accrued Interest Payable	826,265		826,265
Unamortized Bond Premiums	2,983,619		2,983,619
Unearned Revenue	106,341	50,599	156,940
Noncurrent Liabilities:			
Due Within One Year	4,736,207		4,736,207
Due Beyond One Year	76,678,925		76,678,925
Total Liabilities	86,902,979	326,322	87,229,301
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Investment Gains - Pensions	2,405,113		2,405,113
Changes in Proportions - Pensions	3,563,022		3,563,022
Total Deferred Inflows of Resources	5,968,135		5,968,135
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,434,401	175,717	17,610,118
Restricted for:			
Capital Projects	8,131,588		8,131,588
Debt Service	33,975		33,975
Unrestricted (Deficit)	(45,015,024)	736,219	(44,278,805)
Total Net Position (Deficit)	\$ (19,415,060)	\$ 911,936	\$ (18,503,124)

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 73,184,000	\$ 257,341	\$ 15,578,949		\$ (57,347,710)		\$ (57,347,710)
Special Education	19,201,430	15,578	12,012,843		(7,173,009)		(7,173,009)
Other Special Instruction	4,738,040		1,048,685		(3,689,355)		(3,689,355)
School Sponsored/Other Instruction	4,826,208		819,339		(4,006,869)		(4,006,869)
Support Services:							
Tuition	5,314,728				(5,314,728)		(5,314,728)
Student & Instruction Related Services	28,345,490		6,246,982		(22,098,508)		(22,098,508)
General Administrative Services	1,667,783				(1,667,783)		(1,667,783)
School Administrative Services	9,710,268		2,143,470		(7,566,798)		(7,566,798)
Central Services	1,862,301				(1,862,301)		(1,862,301)
Administrative Information Technology	2,655,557				(2,655,557)		(2,655,557)
Plant Operations and Maintenance	16,096,278			\$ 45,427	(16,050,851)		(16,050,851)
Pupil Transportation	6,483,219		405,012		(6,078,207)		(6,078,207)
Transfer of Funds to Charter Schools	22,279				(22,279)		(22,279)
Interest on Long-Term Debt	744,813				(744,813)		(744,813)
Total Governmental Activities	174,852,394	272,919	38,255,280	45,427	(136,278,768)		(136,278,768)

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Business-Type Activities:</b>						
Food Service	\$ 2,960,246	\$ 2,407,081	\$ 503,077		\$ (50,088)	\$ (50,088)
Community Education Program	7,023	2,819			(4,204)	(4,204)
Extended Day Program	859,096	936,108			77,012	77,012
Total Business-Type Activities	3,826,365	3,346,008	503,077		22,720	22,720
Total Primary Government	\$ 178,678,759	\$ 3,618,927	\$ 38,758,357	\$ 45,427	\$ (136,278,768)	22,720 (136,256,048)
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, Net				132,926,961		132,926,961
Taxes Levied for Debt Service				3,798,160		3,798,160
Federal and State Aid not Restricted				387,365		387,365
Investment Earnings				3,298	315	3,613
Miscellaneous Income				708,063		708,063
Transfers				(63,686)	63,686	
Total General Revenues and Transfers				137,760,161	64,001	137,824,162
Change in Net Position				1,481,393	86,721	1,568,114
Net Position (Deficit) - Beginning (Restated)				(20,896,453)	825,215	(20,071,238)
Net Position (Deficit) - Ending				\$ (19,415,060)	\$ 911,936	\$ (18,503,124)

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,469,878		\$ 6,390,952	\$ 33,975	\$ 8,894,805
Interfund Receivable	1,945,056				1,945,056
Receivables from Other Governments	2,821,537	\$ 2,304,152	242,395		5,368,084
Other Receivables	267,138	11			267,149
Restricted Cash and Cash Equivalents	1,605,801				1,605,801
<b>Total Assets</b>	<b>\$ 9,109,410</b>	<b>\$ 2,304,163</b>	<b>\$ 6,633,347</b>	<b>\$ 33,975</b>	<b>\$ 18,080,895</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Interfund Payable	\$ 90,770	\$ 1,943,269	\$ 1,787		\$ 2,035,826
Payable to State Government		18,770			18,770
Payable to Federal Government		41,284			41,284
Accounts Payable	1,315,462	194,799	1,307		1,511,568
Unearned Revenue	300	106,041			106,341
<b>Total Liabilities</b>	<b>1,406,532</b>	<b>2,304,163</b>	<b>3,094</b>		<b>3,713,789</b>
Fund Balances:					
Restricted:					
Capital Reserve Account	1,605,801				1,605,801
Capital Projects Fund			6,525,787		6,525,787
Debt Service Fund				\$ 33,975	33,975
Committed			104,466		104,466
Assigned:					
Encumbrances	322,388				322,388
Designated for Subsequent Year's Expenditures	3,000,000				3,000,000
Unassigned	2,774,689				2,774,689
<b>Total Fund Balances</b>	<b>7,702,878</b>		<b>6,630,253</b>	<b>33,975</b>	<b>14,367,106</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,109,410</b>	<b>\$ 2,304,163</b>	<b>\$ 6,633,347</b>	<b>\$ 33,975</b>	<b>\$ 18,080,895</b>

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

Total Fund Balances (From Above)	\$ 14,367,106
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$123,392,662 and the accumulated depreciation is \$68,100,498.	55,292,164
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	1,269,070
Investment Gains - Pensions	(2,405,113)
Changes in Proportions - Pensions	(3,563,022)
Long-Term Liabilities, including the Net Pension Liability for PERS, and Bonds Payable are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(81,415,132)
Interest on Long-Term Debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(826,265)
Bond Premiums are reported as revenue in the Funds. These premiums total \$4,127,361 and the accumulated amortization is \$1,143,742.	(2,983,619)
Deferred Interest costs are not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Interest is \$1,185,342 and the accumulated amortization is \$335,591.	849,751
<b>Net Position (Deficit) of Governmental Activities</b>	<b>\$ (19,415,060)</b>

Exhibit B-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 132,926,961			\$ 3,798,160	\$ 136,725,121
Tuition	272,919				272,919
Interest Earned on Capital Reserve Funds	340				340
Miscellaneous Revenues	709,117	\$ 127,920	\$ 1,904		838,941
Total - Local Sources	133,909,337	127,920	1,904	3,798,160	137,837,321
State Sources	20,183,660	576,182			20,759,842
Federal Sources	103,193	2,589,130	45,427		2,737,750
Total Revenues	154,196,190	3,293,232	47,331	3,798,160	161,334,913
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	41,821,601	107,763			41,929,364
Special Education Instruction	9,670,527	2,503,944			12,174,471
Other Special Instruction	2,729,696				2,729,696
School Sponsored/Other Instruction	3,257,086				3,257,086
Support Services and Undistributed Costs:					
Tuition	5,314,728				5,314,728
Student & Instruction Related Services	16,437,634	593,886			17,031,520
General Administrative Services	1,422,650				1,422,650
School Administrative Services	5,697,384				5,697,384
Central Services	1,429,949				1,429,949
Administration Information Technology	1,905,868				1,905,868
Plant Operations and Maintenance	12,800,612				12,800,612
Pupil Transportation	5,470,868				5,470,868
Unallocated Benefits	44,901,072				44,901,072
Debt Service:					
Principal				2,750,000	2,750,000
Interest and Other Charges				1,059,880	1,059,880
Capital Outlay	2,504,187	87,639	4,596,342		7,188,168
Transfer of Funds to Charter Schools	22,279				22,279
Total Expenditures	155,386,141	3,293,232	4,596,342	3,809,880	167,085,595
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1,189,951)		(4,549,011)	(11,720)	(5,750,682)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Capital Leases (non-budgeted)	1,515,800				1,515,800
Transfers In	2,180		165,075		167,255
Transfers Out	(228,761)		(2,180)		(230,941)
Total Other Financing Sources/(Uses)	1,289,219		162,895		1,452,114
Net Change in Fund Balances	99,268		(4,386,116)	(11,720)	(4,298,568)
Fund Balance - July 1	7,603,610	-0-	11,016,369	45,695	18,665,674
Fund Balance - June 30	\$ 7,702,878	\$ -0-	\$ 6,630,253	\$ 33,975	\$ 14,367,106

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, 2015

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		\$ (4,298,568)
Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposal of capital assets differ from capital outlays in the period.		
	Depreciation expense	\$ (2,566,858)
	Capital outlays	5,949,871
	Disposal of capital assets, net of accumulated depreciation	<u>(11,810)</u>
		3,371,203
Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.		(1,515,800)
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.		882,205
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.		2,750,000
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 (+).		(296,617)
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		5,057,044
Deferred Outflows:		
Changes in Assumptions		1,269,070
Deferred Inflows:		
Changes in Proportions		(3,563,022)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(2,405,113)
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 (+).		(51,114)
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. (+)		397,281
The governmental funds report the effect of deferred bond interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)		<u>(115,176)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 1,481,393</u>

Exhibit B-4

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 105,269	\$ 757,744	\$ 863,013
Accounts Receivable:			
Interfund - General Fund	90,770		90,770
Other Governments:			
Federal	33,836		33,836
State	1,944		1,944
Other	24,682	11,911	36,593
Inventories	36,385		36,385
Total Current Assets	<u>292,886</u>	<u>769,655</u>	<u>1,062,541</u>
Non-Current Assets:			
Capital Assets	795,107		795,107
Less: Accumulated Depreciation	(619,390)		(619,390)
Total Non-Current Assets	<u>175,717</u>	<u>-0-</u>	<u>175,717</u>
Total Assets	<u>468,603</u>	<u>769,655</u>	<u>1,238,258</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	249,418	26,305	275,723
Unearned Revenue	43,468	7,131	50,599
Total Current Liabilities	<u>292,886</u>	<u>33,436</u>	<u>326,322</u>
Total Liabilities	<u>292,886</u>	<u>33,436</u>	<u>326,322</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	175,717		175,717
Unrestricted		736,219	736,219
Total Net Position	<u>\$ 175,717</u>	<u>\$ 736,219</u>	<u>\$ 911,936</u>

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

Exhibit B-5

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Business-Type Activities - Enterprise Funds		
	Major Fund		Totals
	Food Service	Non-Major Funds	
Operating Revenue:			
Charges for Services:			
Daily Sales	\$ 2,214,986		\$ 2,214,986
Special Events	192,095		192,095
Program Fees		\$ 938,927	938,927
Total Operating Revenue	2,407,081	938,927	3,346,008
Operating Expenses:			
Cost of Sales	1,028,639		1,028,639
Salaries	998,544	515,734	1,514,278
Employee Benefits	295,272	88,415	383,687
Purchased Property Services	139,025	9,276	148,301
Other Purchased Services		247,363	247,363
Management Fee	291,263		291,263
Supplies and Materials	175,680	5,331	181,011
Depreciation Expense	31,823		31,823
Total Operating Expenses	2,960,246	866,119	3,826,365
Operating Income/(Loss)	(553,165)	72,808	(480,357)
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program	325,056		325,056
School Breakfast Program	25,403		25,403
Special Milk Program	3,136		3,136
Food Distribution Program	133,509		133,509
State Sources:			
School Lunch Program	15,521		15,521
School Lunch Program - Supplemental	452		452
Local Sources - Interest Revenue	56	259	315
Total Non-Operating Revenue	503,133	259	503,392
Change in Net Position Before Operating Transfer	(50,032)	73,067	23,035
Operating Transfer In - General Fund	63,686		63,686
Change in Net Position	13,654	73,067	86,721
Net Position - Beginning of Year	162,063	663,152	825,215
Net Position - End of Year	\$ 175,717	\$ 736,219	\$ 911,936

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

Exhibit B-6

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Non-Major Funds</u>	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,462,613	\$ 940,566	\$ 3,403,179
Payments to Employees	(10,792)	(535,417)	(546,209)
Payments to Food Service Vendor	(2,737,427)		(2,737,427)
Payments to Suppliers	(87,170)	(324,290)	(411,460)
Net Cash Provided by/(Used for) Operating Activities	<u>(372,776)</u>	<u>80,859</u>	<u>(291,917)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets	(29,003)		(29,003)
Net Cash Used for Capital Financing Activities	<u>(29,003)</u>	<u>-0-</u>	<u>(29,003)</u>
Cash Flows from Noncapital Financing Activities:			
Federal Sources	396,262		396,262
State Sources	18,345		18,345
Net Cash Provided by Noncapital Financing Activities	<u>414,607</u>	<u>-0-</u>	<u>414,607</u>
Cash Flows from Investing Activities:			
Interest Revenue	56	259	315
Net Cash Provided by Investing Activities	<u>56</u>	<u>259</u>	<u>315</u>
Net Increase in Cash and Cash Equivalents	12,884	81,118	94,002
Cash and Cash Equivalents, July 1	<u>92,385</u>	<u>676,626</u>	<u>769,011</u>
Cash and Cash Equivalents, June 30	<u>\$ 105,269</u>	<u>\$ 757,744</u>	<u>\$ 863,013</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (553,165)	\$ 72,808	\$ (480,357)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	31,823		31,823
Federal Food Distribution Program	133,509		133,509
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	37,689	(3,692)	33,997
Decrease in Inventory	481		481
Increase/(Decrease) in Accounts Payable	(40,626)	26,095	(14,531)
(Decrease) in Accrued Liabilities	(330)	(19,683)	(20,013)
Increase in Unearned Revenue	17,843	5,331	23,174
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (372,776)</u>	<u>\$ 80,859</u>	<u>\$ (291,917)</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 \$139,833 and \$133,509, respectively, for the fiscal year ended June 30, 2015.

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

Exhibit B-7

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,130,422	\$ 317,942	\$ 29,914	
Investments				\$ 34,251
Accounts Receivable - Other	140			
<b>Total Assets</b>	<u>2,130,562</u>	<u>317,942</u>	<u>29,914</u>	<u>34,251</u>
<b>LIABILITIES:</b>				
Accounts Payable - Vendors	6,738			
Payroll Deductions and Withholdings	1,637,373			
Due to Student Groups	486,451			
<b>Total Liabilities</b>	<u>2,130,562</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		317,942		
Flexible Spending Claims			29,914	
Restricted for Scholarships				34,251
<b>Total Net Position</b>	<u>\$ -0-</u>	<u>\$ 317,942</u>	<u>\$ 29,914</u>	<u>\$ 34,251</u>

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

Exhibit B-8

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 234,162	\$ 116,449	
Total Contributions	234,162	116,449	
Investment Earnings:			
Interest	83		
Net Investment Earnings	83		
Total Additions	234,245	116,449	
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	156,628		
Flexible Spending Claims		127,252	
Scholarships Awarded			\$ 8,691
Total Deductions	156,628	127,252	8,691
Change in Net Position	77,617	(10,803)	(8,691)
Net Position - Beginning of the Year	240,325	40,717	42,942
Net Position - End of the Year	<u>\$ 317,942</u>	<u>\$ 29,914</u>	<u>\$ 34,251</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, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Wayne Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

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

Additionally, the District reports the following fiduciary fund types:

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

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 154,207,382	\$ 3,279,603
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(20,587)
Prior Year Encumbrances		34,216
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	320,429	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(331,621)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 154,196,190	\$ 3,293,232

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 155,386,141	\$ 3,279,603
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(20,587)
Prior Year Encumbrances		34,216
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 155,386,141	\$ 3,293,232
		Capital Projects Fund
	Revenue	Fund Balance
Revenue and Other Financing Sources and Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 166,979	\$ 6,897,688
Reconciliation to Governmental Funds Statement (GAAP):		
Grants Recognized/(Not Recognized) on GAAP Basis:		
State SDA		(267,435)
Federal I.D.E.A. - Part B, Basic Regular	45,427	
Revenue and Other Financing Sources and Fund Balance per Governmental Funds (GAAP)	\$ 212,406	\$ 6,630,253

E. Cash and Cash Equivalents and Investments:

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

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise and general funds represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets:

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

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

	<u>Estimated Useful Life</u>
Buildings	20-50 years
Building Improvements	25 years
Machinery and Equipment	10 to 20 years
Office and Computer Equipment	5 to 10 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts as expenditures in the current period. 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, 2015.

N. Compensated Absences:

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

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

In the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

O. Unearned Revenue:

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

P. Fund Balance Appropriated:

General Fund: Of the \$7,702,878 General Fund balance at June 30, 2015, \$322,388 is assigned for encumbrances; \$3,000,000 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2016; \$1,605,801 is restricted in the capital reserve account; and \$2,774,689 is unassigned which is \$331,621 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, 2016.

Capital Projects Fund: Of the \$6,630,253 Capital Projects Fund balance at June 30, 2015, \$6,525,787 is restricted and \$104,466 is committed for capital projects which is \$267,435 less on the GAAP basis due to SDA grants which have not been recognized on the GAAP basis.

Debt Service Fund: The Debt Service Fund balance at June 30, 2015 of \$33,975 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess surplus at June 30, 2015.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$331,621 as reported in the fund statements (modified accrual basis). N.J.A.C. 6A:23A-8.5(j) provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

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

Fund balance restrictions have been established for capital reserve and the Capital Projects and Debt Service Funds.

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 \$104,466 of committed resources in the Capital Projects Fund at June 30, 2015.

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 \$322,388 for encumbrances and \$3,000,000 for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

R. Deficit Net Position:

The District has a \$45,015,024 deficit in unrestricted net position and a \$19,415,060 deficit in total net position from governmental activities, primarily due to the accrual of \$3,199,449 in compensated absences payable, \$826,265 in accrued interest payable, \$2,983,619 of unamortized bond premiums, investment gains in pensions of \$2,405,113, changes in proportion in pensions of \$3,563,022 and net pension liability of \$40,357,920, offset by deferred interest of \$849,751, changes in pension assumptions of \$1,269,070, and Governmental Funds committed, assigned and unassigned fund balances. The deficit balances do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 for the deferred amount on refunding of debt related to the District's 2010 and 2012 refunding bonds and changes in assumptions in pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments and changes in proportion in pensions.

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

S. Net Position: (Cont'd)

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

U. Operating Revenue and Expenses:

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

V. Management Estimates:

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

W. Pensions

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

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

Due to the differences in the measurement focus and basis of accounting used on the governmental fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

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

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

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

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents <u>Capital Reserve Account</u>	Investments	Total
Checking Accounts	\$ 12,236,096	\$ 1,605,801		\$ 13,841,897
Certificates of Deposit			\$ 34,251	34,251
	<u>\$ 12,236,096</u>	<u>\$ 1,605,801</u>	<u>\$ 34,251</u>	<u>\$ 13,876,148</u>

During the period ended June 30, 2015, 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, 2015 was \$13,876,148 and the bank balance was \$15,078,162.

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 859,427
Interest Earnings	340
Unexpended Balance Returned - Capital Outlay	832
Deposit by Board Resolution - June 18, 2015	957,677
Withdrawals:	
Budgeted - Capital Outlay	(47,400)
By Board Resolution - Capital Projects Fund	<u>(165,075)</u>
Ending Balance, June 30, 2015	<u>\$ 1,605,801</u>

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

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2015 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, 2015, the District transferred \$219,218 to the capital outlay accounts; \$109,243 for equipment for which approval from the County Superintendent was not required and \$62,575 for facilities acquisition and construction services which required approval from the County Superintendent.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 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	704,279	\$ 4,596,342	\$ 58,029	5,358,650
Total Capital Assets Not Being Depreciated	<u>9,967,975</u>	<u>4,596,342</u>	<u>58,029</u>	<u>14,622,346</u>
Capital Assets Being Depreciated:				
Land Improvements	9,124,420	126,328		9,250,748
Buildings and Building Improvements	77,846,700	367,680	(58,029)	78,156,351
Machinery and Equipment	20,829,875	859,521	(326,179)	21,363,217
Total Capital Assets Being Depreciated	<u>107,800,995</u>	<u>1,353,529</u>	<u>(384,208)</u>	<u>108,770,316</u>
Governmental Activities Capital Assets	<u>117,768,970</u>	<u>5,949,871</u>	<u>(326,179)</u>	<u>123,392,662</u>
Less Accumulated Depreciation for:				
Land Improvements	(5,250,948)	(405,126)		(5,656,074)
Buildings and Building Improvements	(43,606,603)	(1,381,631)		(44,988,234)
Machinery and Equipment	(16,990,458)	(780,101)	314,369	(17,456,190)
	<u>(65,848,009)</u>	<u>(2,566,858)</u>	<u>314,369</u>	<u>(68,100,498)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,920,961</u>	<u>\$ 3,383,013</u>	<u>\$ (11,810)</u>	<u>\$ 55,292,164</u>
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 766,104	\$ 29,003		\$ 795,107
Less Accumulated Depreciation	(587,567)	(31,823)		(619,390)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 178,537</u>	<u>\$ (2,820)</u>	<u>\$ -0-</u>	<u>\$ 175,717</u>

The increases totaling \$5,978,874 represent current year capitalized expenditures in the general fund, the capital projects fund and the food service enterprise fund.

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

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,493,002
Student and Instruction Related Services	390,826
General Administrative Services	33,825
School Administrative Services	135,463
Central Services	33,999
Administration Information Technology	45,315
Plant Operations and Maintenance	304,351
Pupil Transportation	130,077
	<u>\$ 2,566,858</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2014 (Restated)	Issued/ Added	Retired	Balance 6/30/2015	Balance Due Within One Year
Serial Bonds Payable	\$ 26,400,000		\$ 2,750,000	\$ 23,650,000	\$ 2,855,000
Net Pension Liability	45,414,964		5,057,044	40,357,920	- 0 -
Capital Leases Payable	13,574,168	\$ 1,515,800	882,205	14,207,763	1,881,207
Compensated Absences Payable	3,148,335	350,207	299,093	3,199,449	- 0 -
	<u>\$ 88,537,467</u>	<u>\$ 1,866,007</u>	<u>\$ 8,988,342</u>	<u>\$ 81,415,132</u>	<u>\$ 4,736,207</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2015 as follows:

Date of Issue	Final Maturity	Interest Rate	Amount
11/16/10	05/15/16	4.00%	\$ 475,000
11/01/12	07/15/23	4.00% - 5.00%	23,175,000
			<u>\$ 23,650,000</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 2,855,000	\$ 963,775	\$ 3,818,775
2017	2,510,000	846,975	3,356,975
2018	2,615,000	744,475	3,359,475
2019	2,600,000	640,175	3,240,175
2020	2,610,000	535,975	3,145,975
Thereafter:			
2021-2024	10,460,000	987,413	11,447,413
	<u>\$ 23,650,000</u>	<u>\$ 4,718,788</u>	<u>\$ 28,368,788</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District has five capital leases payable for equipment and buses and one capital lease payable for the energy savings improvement program as of June 30, 2015. The five leases for equipment and buses are for five years with the final payments occurring in fiscal years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 while the energy savings improvement program lease is for fifteen years with the final payment occurring in fiscal year 2029-30. 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, 2015 are detailed below.

<u>Year</u>	<u>Amount</u>
2016	\$ 2,451,955
2017	2,082,678
2018	1,446,249
2019	1,230,318
2020	959,344
2021-2025	4,286,725
2026-2030	4,799,250
	<u>17,256,519</u>
Less: Amount representing interest	<u>(3,048,756)</u>
Present value of net minimum lease payments	<u>\$ 14,207,763</u>

The current portion of capital leases payable at June 30, 2015 is \$1,881,207 and the long-term portion is \$12,326,556. The General Fund will be used to liquidate capital leases payable.

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The long-term liability balance of compensated absences is \$3,199,449 at June 30, 2015. No portion of the compensated absences balance represents a current liability.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Proprietary Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$40,357,920. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided Cont'd)

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,777,010 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$40,357,920 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.216%, which was a decrease of 0.022% from its proportion measured as of June 30, 2013.

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

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,445,035. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,269,070	
Changes in Proportion		\$ 3,563,022
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>2,405,113</u>
	<u>\$ 1,269,070</u>	<u>\$ 5,968,135</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (367,993)
2016	(367,993)
2017	(367,993)
2018	(367,993)
2019	233,285
Thereafter	<u>102,644</u>
	<u>\$ (1,136,043)</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(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, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

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

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer G.O. 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 50,771,638	\$ 40,357,920	\$ 31,613,048

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

<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

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 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$3,444,221 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$18,506,781.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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, 2015, the State's proportionate share of the net pension liability associated with the District was \$343,932,194. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.6435%, which was an increase of 0.0045% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>\$ 343,932,194</u>
Total	<u><u>\$ 343,932,194</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$18,506,781 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from the difference between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the table on the following page:

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer G.O. 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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 \$46,314 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$62,259 for the fiscal year ended June 30, 2015.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributed to P.L. 1992, c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members for Fiscal Year 2014.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$5,467,704, \$4,463,528 and \$4,668,570 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has health benefits coverage for its employees under Horizon Blue Cross Blue Shield of New Jersey.

Property and Liability Insurance

The Wayne Township Public Schools District is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

The June 30, 2015 audit was not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 293,795,686
Net Position	\$ 66,169,762
Total Revenue	\$ 120,623,875
Total Expenses	\$ 119,843,435
Member Dividends	\$ -0-
Change in Net Position for the Year Ended June 30, 2014	\$ 780,440

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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

New Jersey Schools Insurance Group  
450 Veterans Drive  
Burlington, NJ 08016  
(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>
2014-2015	\$ -0-	\$ 83	\$ 234,162	\$ 156,628	\$ 317,942
2013-2014	-0-	34	231,467	203,424	240,325
2012-2013	244,457	9	231,797	270,635	212,248

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,945,056	\$ 90,770
Special Revenue Fund		1,943,269
Capital Projects Fund		1,787
Proprietary Fund - Food Service Enterprise Fund	90,770	
	<u>\$ 2,035,826</u>	<u>\$ 2,035,826</u>

The interfund payables from the Special Revenue and Capital Projects Funds due to the General Fund are for an interfund loan due to the timing lag between requests for reimbursement and actual receipt of federal grant funds from the State and on-behalf disbursements, respectively. The interfund payable from the General Fund due to the Food Service Enterprise Fund is for prior year federal and state subsidy reimbursements and the current year board contribution not yet turned over.

During the fiscal year, the General Fund transferred \$165,075 to the Capital Projects Fund for the local share of capital projects, and the Capital Projects Fund transferred \$2,180 of interest earnings to the General Fund.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

403(b)

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

457

Equitable  
VALIC  
Northern Life

NOTE 14. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the School District on a predetermined mutually agreed-upon schedule.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2015:

	Governmental Activities			Total Governmental Funds	Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund		Proprietary Funds
Salaries	\$ 176,213			\$ 176,213	\$ 17,363
Vendors	1,139,249	\$ 157,474	\$ 1,307	1,298,030	258,360
Due to Other Governmental Units		37,325		37,325	
	<u>\$ 1,315,462</u>	<u>\$ 194,799</u>	<u>\$ 1,307</u>	<u>\$ 1,511,568</u>	<u>\$ 275,723</u>

NOTE 16. CONTINGENCIES

Litigation

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

Grant Programs

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

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds			
General	Special Revenue	Capital Projects	Total
\$ 322,388	\$ 20,587	\$ 328,203	\$ 671,178

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$20,587 less than the actual encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$328,203 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$104,466 committed fund balance on a GAAP basis at June 30, 2015 which is \$267,435 less on the GAAP basis due to SDA grants which have not been recognized.

**WAYNE TOWNSHIP PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
(Continued)

**NOTE 17. RECEIVABLES FROM OTHER GOVERNMENTS**

The following receivables due from other governments existed as of June 30, 2015:

	<u>Governmental Activities</u>			<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>		<u>Proprietary</u> <u>Funds</u>
Federal	\$ 42,640	\$ 2,287,655	\$ 45,427	\$ 2,375,722	\$ 33,836
State	2,778,897	16,497	196,968	2,992,362	1,944
	<u>\$ 2,821,537</u>	<u>\$ 2,304,152</u>	<u>\$ 242,395</u>	<u>\$ 5,368,084</u>	<u>\$ 35,780</u>

**NOTE 18. PRIOR PERIOD ADJUSTMENTS**

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

The District also made a prior year adjustment in the District Wide Financial Statements to reclassify unamortized bond premiums from noncurrent liabilities (long-term debt) to other liabilities.

As a result, the District's financial statements as of June 30, 2014 have been restated as follows:

	<u>Balance</u> <u>6/30/2014</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/2014</u> <u>Restated</u>
<b><u>Statement of Net Position - Governmental Activities:</u></b>			
<b>Liabilities:</b>			
Unamortized Bond Premiums		\$ 3,380,900	\$ 3,380,900
<b>Noncurrent Liabilities:</b>			
Due Within One Year	\$ 4,383,449	(397,281)	3,986,168
Due Beyond One Year	42,119,954	42,431,345	84,551,299
<b>Total Liabilities</b>	<b>49,119,920</b>	<b>45,414,964</b>	<b>94,534,884</b>
<b>Net Position:</b>			
Unrestricted (Deficit)	2,337,377	(45,414,964)	(43,077,587)
<b>Total Net Position (Deficit)</b>	<b>24,518,511</b>	<b>(45,414,964)</b>	<b>(20,896,453)</b>

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.2376255521%	0.2155556877%
District's Proportionate Share of the Net Pension Liability	\$ 45,414,964	\$ 40,357,920
District's Covered Employee Payroll	\$ 16,015,395	\$ 16,439,285
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	283.57%	245.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.72%	52.08%

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

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,790,460	\$ 1,777,010
Contributions in Relation to the Contractually Required Contribution	<u>(1,790,460)</u>	<u>(1,777,010)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 16,015,395	\$ 16,439,285
Contributions as a Percentage of Covered Employee Payroll	11.18%	10.81%

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'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's Proportion of the Net Pension Liability Attributable to the District	0.6389714963%	0.6435044679%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 322,931,169	\$ 343,932,194
District's Covered Employee Payroll	\$ 63,282,036	\$ 63,474,257
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	510.30%	541.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.76%	33.64%

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

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

**BUDGETARY COMPARISON SCHEDULES**

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 132,926,961		\$ 132,926,961	\$ 132,926,961	
Tuition from Individuals	207,500		207,500	198,156	\$ (9,344)
Tuition from Other LEA's	18,000		18,000	74,763	56,763
Rents and Royalties	160,000		160,000	249,905	89,905
Interest Earned on Capital Reserve Funds	250		250	340	90
Miscellaneous Revenues	384,450		384,450	459,212	74,762
Advertising Fees - School Buses	75,000		75,000		(75,000)
<b>Total - Local Sources</b>	<b>133,772,161</b>		<b>133,772,161</b>	<b>133,909,337</b>	<b>137,176</b>
<b>State Sources:</b>					
Categorical Transportation Aid	345,809		345,809	345,809	
Special Education Categorical Aid	3,302,952		3,302,952	3,302,952	
Categorical Security Aid	136,223		136,223	136,223	
Per Pupil Growth Aid	80,715		80,715	80,715	
PARCC Readiness Aid	80,715		80,715	80,715	
Nonpublic School Transportation Costs	90,000		90,000	58,986	(31,014)
Extraordinary Special Education Costs Aid	2,185,514		2,185,514	2,485,201	299,687
<b>On-Behalf TPAF Contributions:</b>					
Post-Retirement Medical (Non-Budgeted)				5,467,704	5,467,704
Pension (Non-Budgeted)				3,444,221	3,444,221
Reimbursed TPAF Social Security (Non-Budgeted)				4,792,326	4,792,326
<b>Total State Sources</b>	<b>6,221,928</b>		<b>6,221,928</b>	<b>20,194,852</b>	<b>13,972,924</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement (SEMI)	58,898		58,898	101,231	42,333
Medicaid Reimbursement (SEMI/ARRA)				1,962	1,962
<b>Total Federal Sources</b>	<b>58,898</b>		<b>58,898</b>	<b>103,193</b>	<b>44,295</b>
<b>TOTAL REVENUES</b>	<b>140,052,987</b>		<b>140,052,987</b>	<b>154,207,382</b>	<b>14,154,395</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers		\$ 403,608	\$ 403,608	\$ 403,222	\$ 386
Kindergarten - Salaries of Teachers	\$ 939,074	97,624	1,036,698	873,040	163,658
Grades 1-5 - Salaries of Teachers	13,519,091	(313,588)	13,205,503	13,128,561	76,942
Grades 6-8 - Salaries of Teachers	9,734,655	13,191	9,747,846	9,581,886	165,960
Grades 9-12 - Salaries of Teachers	16,144,009	(46,816)	16,097,193	16,002,287	94,906
Regular Programs - Home Instruction:					
Salaries of Teachers	80,000	(9,881)	70,119	70,119	
Purchased Professional - Educational Services	30,000	12,867	42,867	40,992	1,875
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	300	5,750	6,050	5,681	369
Purchased Technical Services	498,677	(113,272)	385,405	308,911	76,494
Other Purchased Services (400-500 series)	253,515	10,779	264,294	258,791	5,503
General Supplies	1,054,998	57,402	1,112,400	1,054,992	57,408
Textbooks	108,968	(15,881)	93,087	91,287	1,800
Other Objects	19,800	(2,318)	17,482	1,832	15,650
<b>Total Regular Programs - Instruction</b>	<b>42,383,087</b>	<b>99,465</b>	<b>42,482,552</b>	<b>41,821,601</b>	<b>660,951</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,159,577	73,847	1,233,424	1,224,415	9,009
Other Salaries for Instruction	331,883	(31,684)	300,199	300,199	
Other Purchased Services (400-500 series)		183	183	183	
General Supplies	15,000	(4,483)	10,517	9,250	1,267
Textbooks	1,500	(1,200)	300		300
<b>Total Learning and/or Language Disabilities</b>	<b>1,507,960</b>	<b>36,663</b>	<b>1,544,623</b>	<b>1,534,047</b>	<b>10,576</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Auditory Impairments:					
Salaries of Teachers		\$ 40,794	\$ 40,794	\$ 40,584	\$ 210
Other Salaries		746	746	746	
Total Auditory Impairments		41,540	41,540	41,330	210
Behavioral Disabilities:					
Purchased Professional - Educational Services		127,900	127,900	127,900	
General Supplies		800	800	221	579
Total Behavioral Disabilities		128,700	128,700	128,121	579
Multiple Disabilities:					
Salaries of Teachers	\$ 467,440	(26,981)	440,459	439,404	1,055
Other Salaries for Instruction	78,045	(16,143)	61,902	61,902	
General Supplies	1,500		1,500	1,133	367
Textbooks	500	(500)			
Total Multiple Disabilities	547,485	(43,624)	503,861	502,439	1,422
Resource Room/Resource Center:					
Salaries of Teachers	6,690,691	(206,388)	6,484,303	6,484,303	
Other Salaries for Instruction	277,803	(18,695)	259,108	257,464	1,644
General Supplies	15,500	(2,400)	13,100	13,008	92
Total Resource Room/Resource Center	6,983,994	(227,483)	6,756,511	6,754,775	1,736

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Autism:					
Salaries of Teachers	\$ 115,150	\$ (4,847)	\$ 110,303	\$ 110,069	\$ 234
General Supplies	2,000		2,000	1,297	703
Total Autism	<u>117,150</u>	<u>(4,847)</u>	<u>112,303</u>	<u>111,366</u>	<u>937</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	678,000	(678,000)			
Other Salaries for Instruction	236,756	(236,756)			
General Supplies	4,000	(4,000)			
Total Preschool Disabilities - Part-Time	<u>918,756</u>	<u>(918,756)</u>			
Preschool Disabilities - Full-Time:					
Salaries of Teachers		383,525	383,525	383,525	
Other Salaries for Instruction		99,251	99,251	99,251	
General Supplies		11,843	11,843	11,843	
Total Preschool Disabilities - Full-Time		<u>494,619</u>	<u>494,619</u>	<u>494,619</u>	
Special Education - Home Instruction:					
Salaries of Teachers	40,000	756	40,756	40,756	
Purchased Professional - Educational Services		82,401	82,401	63,074	19,327
Total Special Education - Home Instruction	<u>40,000</u>	<u>83,157</u>	<u>123,157</u>	<u>103,830</u>	<u>19,327</u>
Total Special Education Instruction	<u>10,115,345</u>	<u>(410,031)</u>	<u>9,705,314</u>	<u>9,670,527</u>	<u>34,787</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,314,665	(170,594)	2,144,071	2,129,600	14,471
General Supplies	11,340	(2,925)	8,415	7,895	520
Total Basic Skills/Remedial - Instruction	<u>2,326,005</u>	<u>(173,519)</u>	<u>2,152,486</u>	<u>2,137,495</u>	<u>14,991</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 558,046	\$ 27,687	\$ 585,733	\$ 585,731	\$ 2
General Supplies	2,625	3,914	6,539	6,470	69
Total Bilingual Education - Instruction	560,671	31,601	592,272	592,201	71
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	610,212		610,212	607,303	2,909
Purchased Services (300-500 series)	19,625		19,625	10,035	9,590
Supplies and Materials	12,433		12,433	5,814	6,619
Other Objects	19,990		19,990	6,929	13,061
Total School-Sponsored Cocurricular Activities - Instruction	662,260		662,260	630,081	32,179
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,428,316		1,428,316	1,399,992	28,324
Purchased Services (300-500 series)	447,865	10,886	458,751	384,556	74,195
Supplies and Materials	261,684	(19,003)	242,681	208,760	33,921
Other Objects	69,000	(9,882)	59,118	56,513	2,605
Total School-Sponsored Cocurricular Athletics - Instruction	2,206,865	(17,999)	2,188,866	2,049,821	139,045
Summer School - Instruction:					
Purchased Professional and Technical Services	289,000	(3,984)	285,016	285,016	
Purchased Services (300-500 series)		300	300	300	
Supplies and Materials		3,684	3,684	3,461	223
Total Summer School - Instruction	289,000		289,000	288,777	223
Alternative Education Programs - Instruction:					
Salaries of Teachers	51,000	(5,200)	45,800	19,250	26,550
Purchased Professional and Technical Services	46,000	(4,100)	41,900		41,900
Total Alternative Education Programs - Instruction	97,000	(9,300)	87,700	19,250	68,450

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Alternative Education Programs - Support:					
Salaries	\$ 3,000		\$ 3,000		\$ 3,000
Total Alternative Education Programs - Support	3,000		3,000		3,000
Total Alternative Education Programs	100,000	\$ (9,300)	90,700	\$ 19,250	71,450
Community Services Programs/Operations:					
Salaries	70,000	24,947	94,947	94,947	
Purchased Services (300-500 series)	176,748	(2,538)	174,210	174,210	
Total Community Services Programs/Operations	246,748	22,409	269,157	269,157	
Total Instruction	58,889,981	(457,374)	58,432,607	57,478,910	953,697
<b>Undistributed Expenditures:</b>					
Instruction:					
Tuition to Other LEAs Within the State - Regular		26,274	26,274	26,274	
Tuition to Other LEAs Within the State - Special	369,532	98,318	467,850	467,850	
Tuition to County Vocational Schools - Regular	475,825	(20,773)	455,052	448,438	6,614
Tuition to County Vocational Schools - Special	389,734	(207,310)	182,424	182,424	
Tuition to County Special Services Schools and Regional Day Schools	246,643	95,356	341,999	341,999	
Tuition to Private Schools for the Disabled - Within the State	2,939,420	356,515	3,295,935	3,245,110	50,825
Tuition to Private Schools for the Disabled and Other LEA's - Outside the State	378,437	141,925	520,362	520,362	
Tuition - State Facilities	113,245	(40,974)	72,271	72,271	
Tuition - Other	10,000		10,000	10,000	
Total Undistributed Expenditures - Instruction	4,922,836	449,331	5,372,167	5,314,728	57,439

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 1,477,235	\$ 43,874	\$ 1,521,109	\$ 1,521,109	
Purchased Professional and Technical Services	95,300		95,300	69,865	\$ 25,435
Other Purchased Services (400-500 series)	21,973		21,973	16,666	5,307
Supplies and Materials	28,620	(134)	28,486	24,609	3,877
Total Health Services	1,623,128	43,740	1,666,868	1,632,249	34,619
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	2,489,830	(199,675)	2,290,155	2,290,155	
Purchased Professional - Educational Services	503,658	8,413	512,071	476,243	35,828
Supplies and Materials	17,600	2,107	19,707	19,707	
Total Other Support Services - Speech, OT, PT and Related Services	3,011,088	(189,155)	2,821,933	2,786,105	35,828
Other Support Services - Students - Extraordinary Services:					
Salaries	2,959,090	336,861	3,295,951	3,295,951	
Purchased Professional - Educational Services	984,619	(91,659)	892,960	838,159	54,801
Supplies and Materials	12,500	(867)	11,633	11,633	
Total Other Support Services - Students - Extraordinary Services	3,956,209	244,335	4,200,544	4,145,743	54,801
Guidance:					
Salaries of Other Professional Staff	2,822,149	(7,503)	2,814,646	2,779,470	35,176
Salaries of Secretarial and Clerical Assistants	322,582	16,422	339,004	332,694	6,310
Other Salaries	61,819	8,503	70,322	66,878	3,444
Purchased Professional - Educational Services	14,723	(7,713)	7,010	6,526	484
Supplies and Materials	36,675	(2,558)	34,117	14,756	19,361
Other Objects	4,300		4,300	3,103	1,197
Total Guidance	3,262,248	7,151	3,269,399	3,203,427	65,972

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Team:					
Salaries of Other Professional Staff	\$ 2,405,383	\$ (9,641)	\$ 2,395,742	\$ 2,395,742	
Other Salaries	55,996	(7,846)	48,150	48,150	
Other Purchased Professional and Technical Services	180,544	(41,027)	139,517	126,707	\$ 12,810
Miscellaneous Purchased Services	20,627	(15,818)	4,809	4,809	
Supplies and Materials	27,000	115	27,115	27,115	
Other Objects	1,000	302	1,302	1,302	
<b>Total Child Study Team</b>	<b>2,690,550</b>	<b>(73,915)</b>	<b>2,616,635</b>	<b>2,603,825</b>	<b>12,810</b>
Improvement of Instructional Services:					
Salaries of Other Professional Staff	554,240	(7,986)	546,254	517,421	28,833
Salaries of Secretarial and Clerical Assistants	122,844	(209)	122,635	121,886	749
Other Purchased Services (400-500 series)		73	73	73	
Supplies and Materials		73	73	73	
<b>Total Improvement of Instructional Services</b>	<b>677,084</b>	<b>(8,049)</b>	<b>669,035</b>	<b>639,453</b>	<b>29,582</b>
Educational Media Services/School Library:					
Salaries	1,253,230	(17,500)	1,235,730	1,213,638	22,092
Purchased Professional and Technical Services	20,600	797	21,397	19,921	1,476
Other Purchased Services (400-500 series)	942		942		942
Supplies and Materials	123,764	(19)	123,745	115,039	8,706
<b>Total Educational Media Services/School Library</b>	<b>1,398,536</b>	<b>(16,722)</b>	<b>1,381,814</b>	<b>1,348,598</b>	<b>33,216</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	33,600	(12,578)	21,022	14,178	6,844
Other Purchased Professional and Technical Services		17,500	17,500	17,500	
Other Purchased Services (400-500 series)	35,000	8,822	43,822	42,800	1,022
Supplies and Materials		3,756	3,756	3,756	
<b>Total Instructional Staff Training Services</b>	<b>68,600</b>	<b>17,500</b>	<b>86,100</b>	<b>78,234</b>	<b>7,866</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 622,572		\$ 622,572	\$ 597,891	\$ 24,681
Legal Services	374,652	\$ (14,516)	360,136	234,862	125,274
Audit Fees	76,500		76,500	76,500	
Other Purchased Professional Services	13,500	(5,708)	7,792	7,792	
Communications/Telephone	215,586	(22,756)	192,830	188,843	3,987
BOE Other Purchased Services	15,000	20,990	35,990	35,747	243
Miscellaneous Purchased Services (400-500 series)	217,153	28,631	245,784	242,944	2,840
General Supplies	10,000	(1,045)	8,955	8,658	297
Miscellaneous Expenditures	6,500	(3,528)	2,972	2,750	222
BOE Membership Dues and Fees	29,000	(2,337)	26,663	26,663	
<b>Total Support Services - General Administration</b>	<b>1,580,463</b>	<b>(269)</b>	<b>1,580,194</b>	<b>1,422,650</b>	<b>157,544</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	4,434,428	(105,501)	4,328,927	4,301,085	27,842
Salaries of Secretarial and Clerical Assistants	1,261,726	(10,947)	1,250,779	1,248,942	1,837
Other Purchased Services (400-500 series)	77,200		77,200	39,813	37,387
Supplies and Materials	47,555	6,284	53,839	41,250	12,589
Other Objects	89,700	(18,367)	71,333	66,294	5,039
<b>Total Support Services - School Administration</b>	<b>5,910,609</b>	<b>(128,531)</b>	<b>5,782,078</b>	<b>5,697,384</b>	<b>84,694</b>
Central Services:					
Salaries	1,156,179	(29,049)	1,127,130	1,127,130	
Purchased Professional Services	139,801	(1,313)	138,488	138,488	
Miscellaneous Purchased Services (400-500 series)	62,842	44,988	107,830	107,830	
Supplies and Materials	34,000	(10,644)	23,356	23,356	
Miscellaneous Expenditures	11,000	22,145	33,145	33,145	
<b>Total Central Services</b>	<b>1,403,822</b>	<b>26,127</b>	<b>1,429,949</b>	<b>1,429,949</b>	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Administration Information Technology:					
Salaries	\$ 944,700	\$ 39,138	\$ 983,838	\$ 983,838	
Purchased Technical Services	370,583	(69,027)	301,556	299,105	\$ 2,451
Other Purchased Services (400-500 series)	380,072	49,951	430,023	429,914	109
Supplies and Materials	97,807	94,359	192,166	192,166	
Other Objects	1,000	(155)	845	845	
<b>Total Administration Information Technology</b>	<b>1,794,162</b>	<b>114,266</b>	<b>1,908,428</b>	<b>1,905,868</b>	<b>2,560</b>
Required Maintenance for School Facilities:					
Salaries	986,993	(25,040)	961,953	961,953	
Purchased Professional and Technical Services		180,551	180,551	176,912	3,639
Cleaning, Repair and Maintenance Services	1,180,571	(224,133)	956,438	886,253	70,185
Other Purchased Services (400-500 series)		8,000	8,000	5,195	2,805
General Supplies	464,568	(38,818)	425,750	377,550	48,200
<b>Total Required Maintenance for School Facilities</b>	<b>2,632,132</b>	<b>(99,440)</b>	<b>2,532,692</b>	<b>2,407,863</b>	<b>124,829</b>
Custodial Services:					
Salaries	4,888,174	(113,158)	4,775,016	4,691,048	83,968
Salaries of Non-Instructional Aides	477,808	(15,355)	462,453	461,173	1,280
Purchased Professional and Technical Services	80,705	(5,000)	75,705	52,939	22,766
Cleaning, Repair and Maintenance Services	1,032,643	66,204	1,098,847	1,059,085	39,762
Other Purchased Property Services	212,358	12,418	224,776	198,975	25,801
Insurance	631,131	35,946	667,077	663,161	3,916
Miscellaneous Purchased Services	16,250	(358)	15,892	9,759	6,133
General Supplies	519,973	(2,362)	517,611	471,611	46,000
Energy (Natural Gas)	1,000,120		1,000,120	712,820	287,300
Energy (Electricity)	1,847,500		1,847,500	1,519,119	328,381
Other Objects	2,750		2,750	2,646	104
<b>Total Custodial Services</b>	<b>10,709,412</b>	<b>(21,665)</b>	<b>10,687,747</b>	<b>9,842,336</b>	<b>845,411</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 347,417	\$ 8,014	\$ 355,431	\$ 355,429	\$ 2
Cleaning, Repair and Maintenance Services	230,000		230,000	145,825	84,175
General Supplies	69,500		69,500	49,159	20,341
<b>Total Care and Upkeep of Grounds</b>	<b>646,917</b>	<b>8,014</b>	<b>654,931</b>	<b>550,413</b>	<b>104,518</b>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	1,522,281	81,797	1,604,078	1,604,078	
Between Home and School - Special	1,666,077	57,088	1,723,165	1,723,165	
Between Home and School - Nonpublic Schools	327,142	(57,155)	269,987	266,936	3,051
Lease Purchase Payments - School Buses	381,058	34,230	415,288	415,288	
Contracted Services:					
Aid in Lieu Payments - Nonpublic Schools	302,328	20,000	322,328	290,301	32,027
Between Home and School - Vendors	218,000	(156,178)	61,822	57,405	4,417
Other Than Between Home and School - Vendors	25,500	12,468	37,968	27,986	9,982
Special Education Students - Vendors	406,100	23,000	429,100	380,091	49,009
Miscellaneous Purchased Services	110,296	52,310	162,606	132,185	30,421
General Supplies	827,731	(44,860)	782,871	572,938	209,933
Fuel Costs Funded by Advertising Revenue	37,500		37,500		37,500
Other Objects	1,400		1,400	495	905
<b>Total Student Transportation Services</b>	<b>5,825,413</b>	<b>22,700</b>	<b>5,848,113</b>	<b>5,470,868</b>	<b>377,245</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 1,656,932	\$ 210,731	\$ 1,867,663	\$ 1,867,663	
Other Retirement Contributions - PERS	2,005,046	(228,036)	1,777,010	1,777,010	
Other Retirement Contributions - Regular	30,000	17,627	47,627	46,314	\$ 1,313
Workmen's Compensation	1,039,863	(164,141)	875,722	875,722	
Health Benefits	27,209,022	(142,949)	27,066,073	25,930,465	1,135,608
Tuition Reimbursement	120,000	4,190	124,190	60,229	63,961
Other Employee Benefits	507,000	132,418	639,418	639,418	
<b>Total Unallocated Benefits</b>	<b>32,567,863</b>	<b>(170,160)</b>	<b>32,397,703</b>	<b>31,196,821</b>	<b>1,200,882</b>
On-Behalf TPAF Contributions:					
Post-Retirement Medical (Non-Budgeted)				5,467,704	(5,467,704)
Pension (Non-Budgeted)				3,444,221	(3,444,221)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,792,326	(4,792,326)
<b>Total On-Behalf and Reimbursed Contributions</b>				<b>13,704,251</b>	<b>(13,704,251)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>32,567,863</b>	<b>(170,160)</b>	<b>32,397,703</b>	<b>44,901,072</b>	<b>(12,503,369)</b>
<b>Total Undistributed Expenses</b>	<b>84,681,072</b>	<b>225,258</b>	<b>84,906,330</b>	<b>95,380,765</b>	<b>(10,474,435)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>143,571,053</b>	<b>(232,116)</b>	<b>143,338,937</b>	<b>152,859,675</b>	<b>(9,520,738)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8	3,784		3,784	3,784	
Grades 9-12	9,226	4,311	13,537	13,537	
Special Education - Preschool Part Time		5,200	5,200	5,159	41
School Sponsored and Other Instructional Programs		17,998	17,998	17,998	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Administration Information Technology		\$ 36,562	\$ 36,562	\$ 35,772	\$ 790
Required Maintenance for School Facilities	\$ 54,451	41,173	95,624	66,621	29,003
Student Transportation:					
Noninstructional Equipment		3,999	3,999	3,999	
Total Equipment	<u>67,461</u>	<u>109,243</u>	<u>176,704</u>	<u>146,870</u>	<u>29,834</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		3,200	3,200	2,350	850
Construction Services	616,430	106,775	723,205	685,112	38,093
Other Objects (Debt Service Assessment)	154,055		154,055	154,055	
Total Facilities Acquisition and Construction Services	<u>770,485</u>	<u>109,975</u>	<u>880,460</u>	<u>841,517</u>	<u>38,943</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Equipment:					
Undistributed Expenditures:					
Instruction				1,515,800	(1,515,800)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				<u>1,515,800</u>	<u>(1,515,800)</u>
TOTAL CAPITAL OUTLAY	<u>837,946</u>	<u>219,218</u>	<u>1,057,164</u>	<u>2,504,187</u>	<u>(1,447,023)</u>
Transfer of Funds to Charter Schools	<u>25,667</u>	<u>(3,388)</u>	<u>22,279</u>	<u>22,279</u>	
TOTAL EXPENDITURES	<u>144,434,666</u>	<u>(16,286)</u>	<u>144,418,380</u>	<u>155,386,141</u>	<u>(10,967,761)</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (4,381,679)	\$ 16,286	\$ (4,365,393)	\$ (1,178,759)	\$ 3,186,634
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				1,515,800	1,515,800
Operating Transfer In - Capital Projects Fund Interest				2,180	2,180
Operating Transfers Out:					
Board Contribution:					
Food Service Enterprise Fund		(63,686)	(63,686)	(63,686)	
Capital Projects Fund - Capital Reserve	(409,533)	47,400	(362,133)	(165,075)	197,058
Total Other Financing Sources/(Uses)	(409,533)	(16,286)	(425,819)	1,289,219	1,715,038
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,791,212)		(4,791,212)	110,460	4,901,672
Fund Balance, July 1	7,924,039		7,924,039	7,924,039	
Fund Balance, June 30	\$ 3,132,827	\$ -0-	\$ 3,132,827	\$ 8,034,499	\$ 4,901,672
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,605,801	
Assigned:					
Encumbrances				322,388	
Designated for Subsequent Year's Expenditures				3,000,000	
Unassigned				3,106,310	
				8,034,499	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(331,621)	
Fund Balance per Governmental Funds (GAAP)				\$ 7,702,878	

Exhibit C-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 416,779	\$ 169,060	\$ 585,839	\$ 581,520	\$ (4,319)
Federal Sources	2,093,258	866,237	2,959,495	2,590,155	(369,340)
Local Sources	96,238	102,980	199,218	107,928	(91,290)
<b>Total Revenues</b>	<b>2,606,275</b>	<b>1,138,277</b>	<b>3,744,552</b>	<b>3,279,603</b>	<b>(464,949)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	160,000	92,224	252,224	119,245	132,979
Purchased Professional/Educational Services	251,803	122,632	374,435	374,435	
Other Purchased Services	1,702,146	192,804	1,894,950	1,894,950	
General Supplies	32,619	170,603	203,222	158,556	44,666
Textbooks	68,023	2,861	70,884	70,884	
Other Objects		1,932	1,932		1,932
<b>Total Instruction</b>	<b>2,214,591</b>	<b>583,056</b>	<b>2,797,647</b>	<b>2,618,070</b>	<b>179,577</b>
<b>Support Services</b>					
Personal Services - Salaries	77,180	1,770	78,950	78,950	
Personal Services - Employee Benefits	52,936	110,560	163,496	87,549	75,947
Purchased Professional/Educational Services	96,953	45,617	142,570	140,187	2,383
Purchased Technical Services		245,888	245,888	150,098	95,790
Other Purchased Services	28,447	12,392	40,839	26,682	14,157
Supplies and Materials	67,467	(6,938)	60,529	51,032	9,497
Other Objects	66,384	69,425	135,809	52,579	83,230
<b>Total Support Services</b>	<b>389,367</b>	<b>478,714</b>	<b>868,081</b>	<b>587,077</b>	<b>281,004</b>
<b>Facilities Acquisition:</b>					
Instructional Equipment		76,507	76,507	72,139	4,368
Non-Instructional Equipment	2,317		2,317	2,317	
<b>Total Facilities Acquisition</b>	<b>2,317</b>	<b>76,507</b>	<b>78,824</b>	<b>74,456</b>	<b>4,368</b>
<b>Total Expenditures</b>	<b>2,606,275</b>	<b>1,138,277</b>	<b>3,744,552</b>	<b>3,279,603</b>	<b>464,949</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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	\$ 154,207,382	\$ 3,279,603
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(20,587)
Prior Year Encumbrances		34,216
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	320,429	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(331,621)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 154,196,190	\$ 3,293,232
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 155,386,141	\$ 3,279,603
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes		
Current Year Encumbrances		(20,587)
Prior Year Encumbrances		34,216
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 155,386,141	\$ 3,293,232

WAYNE TOWNSHIP PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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 on 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, 2015

	<u>No Child Left Behind</u>				<u>Carl Perkins Vocational Education</u>
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	
<b>REVENUE:</b>					
State Sources					
Federal Sources	\$ 313,408	\$ 137,310	\$ 65,198	\$ 7,827	\$ 38,284
Local Sources					
<b>Total Revenue</b>	<b>\$ 313,408</b>	<b>\$ 137,310</b>	<b>\$ 65,198</b>	<b>\$ 7,827</b>	<b>\$ 38,284</b>
<b>EXPENDITURES:</b>					
Instruction:					
Personal Services - Salaries	\$ 119,245				
Purchased Professional/Educational Services		\$ 2,455	\$ 513	\$ 518	\$ 1,500
Other Purchased Services					2,212
General Supplies	119,732		12,441	7,309	19,074
Textbooks					
<b>Total Instruction</b>	<b>238,977</b>	<b>2,455</b>	<b>12,954</b>	<b>7,827</b>	<b>22,786</b>
Support Services:					
Personal Services - Salaries		76,950			
Personal Services - Employee Benefits	61,522	26,027			
Purchased Professional/Educational Services					
Purchased Technical Services		11,708			3,000
Other Purchased Services		20,170	2,717		2,795
Supplies and Materials					
Other Objects					
<b>Total Support Services</b>	<b>61,522</b>	<b>134,855</b>	<b>2,717</b>		<b>5,795</b>
Facilities Acquisition:					
Instructional Equipment	12,909		49,527		9,703
Non-Instructional Equipment					
<b>Total Facilities Acquisition</b>	<b>12,909</b>		<b>49,527</b>		<b>9,703</b>
<b>Total Expenditures</b>	<b>\$ 313,408</b>	<b>\$ 137,310</b>	<b>\$ 65,198</b>	<b>\$ 7,827</b>	<b>\$ 38,284</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	I.D.E.A. - Part B, Basic		NJ Nonpublic		
	Regular	Preschool	Technology Initiative	Textbooks	Nursing
REVENUE:					
State Sources			\$ 42,217	\$ 70,884	\$ 140,187
Federal Sources	\$ 1,960,140	\$ 67,988			
Local Sources					
Total Revenue	<u>\$ 1,960,140</u>	<u>\$ 67,988</u>	<u>\$ 42,217</u>	<u>\$ 70,884</u>	<u>\$ 140,187</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services			\$ 42,217		
Other Purchased Services	\$ 1,824,750	\$ 67,988			
General Supplies					
Textbooks				\$ 70,884	
Total Instruction	<u>1,824,750</u>	<u>67,988</u>	<u>42,217</u>	<u>70,884</u>	
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services					\$ 140,187
Purchased Technical Services	135,390				
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services	<u>135,390</u>				<u>140,187</u>
Facilities Acquisition:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,960,140</u>	<u>\$ 67,988</u>	<u>\$ 42,217</u>	<u>\$ 70,884</u>	<u>\$ 140,187</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Nonpublic Auxiliary Services (Chapter 192)</u>				
	<u>Anti-Bullying</u>	<u>Compensatory Education</u>	<u>English as a Second Language</u>	<u>Transportation</u>	<u>Home Instruction</u>
REVENUE:					
State Sources	\$ 1,000	\$ 102,569	\$ 15,164	\$ 50,362	\$ 16,497
Federal Sources					
Local Sources					
Total Revenue	<u>\$ 1,000</u>	<u>\$ 102,569</u>	<u>\$ 15,164</u>	<u>\$ 50,362</u>	<u>\$ 16,497</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					
Purchased Professional/Educational Services		\$ 102,569	\$ 15,164	\$ 50,362	\$ 16,497
Other Purchased Services					
General Supplies					
Textbooks					
Total Instruction		<u>102,569</u>	<u>15,164</u>	<u>50,362</u>	<u>16,497</u>
Support Services:					
Personal Services - Salaries					
Personal Services - Employee Benefits					
Purchased Professional/Educational Services					
Purchased Technical Services					
Other Purchased Services	\$ 1,000				
Supplies and Materials					
Other Objects					
Total Support Services	<u>1,000</u>				
Facilities Acquisition:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 1,000</u>	<u>\$ 102,569</u>	<u>\$ 15,164</u>	<u>\$ 50,362</u>	<u>\$ 16,497</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Nonpublic Handicapped Services (Chapter 193)</u>			Local Programs	Totals June 30, 2015
	<u>Supplementary Instruction</u>	<u>Examination &amp; Classification</u>	<u>Corrective Speech</u>		
<b>REVENUE:</b>					
State Sources	\$ 56,656	\$ 70,964	\$ 15,020		\$ 581,520
Federal Sources					2,590,155
Local Sources				\$ 107,928	107,928
<b>Total Revenue</b>	<b>\$ 56,656</b>	<b>\$ 70,964</b>	<b>\$ 15,020</b>	<b>\$ 107,928</b>	<b>\$ 3,279,603</b>
<b>EXPENDITURES:</b>					
Instruction:					
Personal Services - Salaries					\$ 119,245
Purchased Professional/Educational Services	\$ 56,656	\$ 70,964	\$ 15,020		374,435
Other Purchased Services					1,894,950
General Supplies					158,556
Textbooks					70,884
<b>Total Instruction</b>	<b>56,656</b>	<b>70,964</b>	<b>15,020</b>		<b>2,618,070</b>
Support Services:					
Personal Services - Salaries				\$ 2,000	78,950
Personal Services - Employee Benefits					87,549
Purchased Professional/Educational Services					140,187
Purchased Technical Services					150,098
Other Purchased Services					26,682
Supplies and Materials				51,032	51,032
Other Objects				52,579	52,579
<b>Total Support Services</b>				<b>105,611</b>	<b>587,077</b>
Facilities Acquisition:					
Instructional Equipment					72,139
Non-Instructional Equipment				2,317	2,317
<b>Total Facilities Acquisition</b>				<b>2,317</b>	<b>74,456</b>
<b>Total Expenditures</b>	<b>\$ 56,656</b>	<b>\$ 70,964</b>	<b>\$ 15,020</b>	<b>\$ 107,928</b>	<b>\$ 3,279,603</b>

**CAPITAL PROJECTS FUND**

Exhibit F-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 165,075
Interest Revenue	1,904
	<hr/>
Total Revenue and Other Financing Sources	166,979
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	377,353
Construction Services	4,218,989
Transfer to General Fund - Interest Earned	2,180
	<hr/>
Total Expenditures and Other Financing Uses	4,598,522
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(4,431,543)
	<hr/>
Fund Balance - Beginning	11,329,231
	<hr/>
Fund Balance - Ending	\$ 6,897,688
	<hr/> <hr/>
<u>Recapitulation of Fund Balance at June 30, 2015:</u>	
Committed - Year-End Encumbrances	\$ 328,203
Committed	6,569,485
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	6,897,688
Reconciliation to Governmental Funds Statement (GAAP):	
Grants not Recognized on the GAAP Basis:	
SDA Grant	(267,435)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 6,630,253
	<hr/> <hr/>
<u>Reconciliation of Grant Revenue from Budgetary Basis to GAAP Basis:</u>	
SDA Grants are Recognized as Revenue on the Budgetary Basis when Awarded but are not Recognized on the GAAP Basis until Expended and Submitted for Reimbursement	\$ 45,427
	<hr/>
Grant Revenue Realized (GAAP Basis)	\$ 45,427
	<hr/> <hr/>

Exhibit F-1a

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
DISTRICT-WIDE ENERGY SAVINGS IMPROVEMENT PROGRAM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<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	\$ -0-	11,065,064	11,065,064
Expenditures:				
Purchased Professional and Technical Services	318,296	364,896	683,192	716,482
Construction Services	283,087	3,460,628	3,743,715	10,235,462
Other	112,370		112,370	113,120
Total Expenditures	713,753	3,825,524	4,539,277	11,065,064
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 10,351,311</u>	<u>\$ (3,825,524)</u>	<u>\$ 6,525,787</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number	5570-X01-14-1000			
Capital Lease Authorization Date	May 29, 2014			
Capital Lease Authorized	\$ 11,065,064			
Capital Lease Issued	\$ 11,065,064			
Original Authorized Cost	\$ 11,065,064			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 11,065,064			
Change Order Percentage	0.00%			
Percentage Completion	41.02%			
Original Target Completion Date	06/01/15			
Revised Target Completion Date	01/01/16			

Exhibit F-1b

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WAYNE HILLS HIGH SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>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	\$ -0-	606,147	606,147
Expenditures:				
Purchased Professional and Technical Services	21,919	3,668	25,587	25,650
Construction Services		546,163	546,163	580,497
Total Expenditures	21,919	549,831	571,750	606,147
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 584,228	\$ (549,831)	\$ 34,397	\$ -0-

## Additional Project Information:

Project Number	5570-055-14-1002
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 307,330
Additional Authorization	\$ 298,817
Change Orders	\$ -0-
Revised Authorized Cost	\$ 606,147
Change Order Percentage	0.00%
Percentage Completion	94.33%
Original Target Completion Date	June 2015
Revised Target Completion Date	January 2016

Exhibit F-1c

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WAYNE HILLS HIGH SCHOOL - NEW ADA RESTROOM PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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 Regul	54,901		54,901	54,901
Total Revenue and Other Financing Sources	91,502	\$ -0-	91,502	91,502
Expenditures:				
Purchased Professional and Technical Services	9,474	1,297	10,771	8,765
Construction Services		70,420	70,420	82,737
Total Expenditures	9,474	71,717	81,191	91,502
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 82,028	\$ (71,717)	\$ 10,311	\$ -0-

## Additional Project Information:

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

Exhibit F-1d

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
GEORGE WASHINGTON MIDDLE SCHOOL - EXTERIOR WINDOW REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
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	\$ -0-	184,825	184,825
Expenditures:				
Purchased Professional and Technical Services	10,312	2,080	12,392	12,825
Construction Services		141,778	141,778	172,000
Total Expenditures	10,312	143,858	154,170	184,825
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 174,513	\$ (143,858)	\$ 30,655	\$ -0-

## Additional Project Information:

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

Exhibit F-1e

WAYNE TOWNSHIP PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
LAFAYETTE ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 57,490		\$ 57,490	\$ 57,490
Transfer from Capital Reserve	86,235	\$ 165,075	251,310	251,310
Total Revenue and Other Financing Sources	143,725	165,075	308,800	308,800
Expenditures:				
Purchased Professional and Technical Services	6,850	5,412	12,262	11,800
Construction Services				297,000
Total Expenditures	6,850	5,412	12,262	308,800
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 136,875	\$ 159,663	\$ 296,538	\$ -0-

## Additional Project Information:

Project Number	5570-090-14-1004
Grant Date	June 17, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 143,725
Additional Authorization	\$ 165,075
Change Orders	\$ -0-
Revised Authorized Cost	\$ 308,800
Change Order Percentage	0.00%
Percentage Completion	3.97%
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

**PROPRIETARY FUNDS**

Exhibit G-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				
	Major Fund	Non-Major Fund		Total Non-Major Funds	Total
	Food Service	Community Education Program	Extended Day Program		
<b><u>ASSETS:</u></b>					
Current Assets:					
Cash and Cash Equivalents	\$ 105,269	\$ 7,131	\$ 750,613	\$ 757,744	\$ 863,013
Accounts Receivable:					
Interfund - General Fund	90,770				90,770
Other Governments:					
Federal	33,836				33,836
State	1,944				1,944
Other	24,682		11,911	11,911	36,593
Inventories	36,385				36,385
Total Current Assets	292,886	7,131	762,524	769,655	1,062,541
Non-Current Assets:					
Capital Assets	795,107				795,107
Less: Accumulated Depreciation	(619,390)				(619,390)
Total Non-Current Assets	175,717	-0-	-0-	-0-	175,717
Total Assets	468,603	7,131	762,524	769,655	1,238,258
<b><u>LIABILITIES:</u></b>					
Current Liabilities:					
Accounts Payable	249,418		26,305	26,305	275,723
Unearned Revenue	43,468	7,131		7,131	50,599
Total Current Liabilities	292,886	7,131	26,305	33,436	326,322
Total Liabilities	292,886	7,131	26,305	33,436	326,322
<b><u>NET POSITION:</u></b>					
Net Investment in Capital Assets	175,717				175,717
Unrestricted			736,219	736,219	736,219
Total Net Position	\$ 175,717	\$ -0-	\$ 736,219	\$ 736,219	\$ 911,936

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Total
	Major Fund	Non-Major Fund		Total	
	Food Service	Community Education Program	Extended Day Program	Non-Major Funds	
Operating Revenue:					
Charges for Services:					
Daily Sales	\$ 2,214,986				\$ 2,214,986
Special Events	192,095				192,095
Program Fees		\$ 2,819	\$ 936,108	\$ 938,927	938,927
Total Operating Revenue	2,407,081	2,819	936,108	938,927	3,346,008
Operating Expenses:					
Cost of Sales	1,028,639				1,028,639
Salaries	998,544	5,480	510,254	515,734	1,514,278
Employee Benefits	295,272		88,415	88,415	383,687
Purchased Property Services	139,025		9,276	9,276	148,301
Other Purchased Services			247,363	247,363	247,363
Management Fee	291,263				291,263
Supplies and Materials	175,680	1,543	3,788	5,331	181,011
Depreciation Expense	31,823				31,823
Total Operating Expenses	2,960,246	7,023	859,096	866,119	3,826,365
Operating Income/(Loss)	(553,165)	(4,204)	77,012	72,808	(480,357)
Non-Operating Revenue:					
Federal Sources:					
National School Lunch Program	325,056				325,056
School Breakfast Program	25,403				25,403
Special Milk Program	3,136				3,136
Food Distribution Program	133,509				133,509
State Sources:					
School Lunch Program	15,521				15,521
School Lunch Program - Supplemental	452				452
Local Sources - Interest Revenue	56		259	259	315
Total Non-Operating Revenue	503,133	-0-	259	259	503,392
Change in Net Position Before					
Operating Transfer	(50,032)	(4,204)	77,271	73,067	23,035
Operating Transfer In - General Fund	63,686				63,686
Change in Net Position	13,654	(4,204)	77,271	73,067	86,721
Net Position - Beginning of Year	162,063	4,204	658,948	663,152	825,215
Net Position - End of Year	\$ 175,717	\$ -0-	\$ 736,219	\$ 736,219	\$ 911,936

WAYNE TOWNSHIP PUBLIC SCHOOLS  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds				Total
	Major Fund	Non-Major Fund		Total	
	Food Service	Community Education Program	Extended Day Program	Non-Major Funds	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 2,462,613	\$ 8,150	\$ 932,416	\$ 940,566	\$ 3,403,179
Payments to Employees	(10,792)	(5,490)	(529,927)	(535,417)	(546,209)
Payments to Food Service Vendor	(2,737,427)				(2,737,427)
Payments to Suppliers	(87,170)	(1,543)	(322,747)	(324,290)	(411,460)
Net Cash Provided by/(Used for) Operating Activities	(372,776)	1,117	79,742	80,859	(291,917)
Cash Flows from Capital Financing Activities:					
Acquisition of Capital Assets	(29,003)				(29,003)
Net Cash Used for Capital Financing Activities	(29,003)	-0-	-0-	-0-	(29,003)
Cash Flows from Noncapital Financing Activities:					
Federal Sources	396,262				396,262
State Sources	18,345				18,345
Net Cash Provided by Noncapital Financing Activities	414,607	-0-	-0-	-0-	414,607
Cash Flows from Investing Activities:					
Interest Revenue	56		259	259	315
Net Cash Provided by Investing Activities	56	-0-	259	259	315
Net Increase in Cash and Cash Equivalents	12,884	1,117	80,001	81,118	94,002
Cash and Cash Equivalents, July 1	92,385	6,014	670,612	676,626	769,011
Cash and Cash Equivalents, June 30	<u>\$ 105,269</u>	<u>\$ 7,131</u>	<u>\$ 750,613</u>	<u>\$ 757,744</u>	<u>\$ 863,013</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (553,165)	\$ (4,204)	\$ 77,012	\$ 72,808	\$ (480,357)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Depreciation	31,823				31,823
Federal Food Distribution Program	133,509				133,509
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	37,689		(3,692)	(3,692)	33,997
Decrease in Inventory	481				481
Increase/(Decrease) in Accounts Payable	(40,626)		26,095	26,095	(14,531)
(Decrease) in Accrued Liabilities	(330)	(10)	(19,673)	(19,683)	(20,013)
Increase in Unearned Revenue	17,843	5,331		5,331	23,174
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (372,776)</u>	<u>\$ 1,117</u>	<u>\$ 79,742</u>	<u>\$ 80,859</u>	<u>\$ (291,917)</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 \$139,833 and \$133,509, respectively, for the fiscal year ended June 30, 2015.

**FIDUCIARY FUNDS**

Exhibit H-1

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	Agency		Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	Student Activity	Payroll			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 493,049	\$ 1,637,373	\$ 2,130,422	\$ 317,942	\$ 29,914
Investments					\$ 34,251
Accounts Receivable - Other	140		140		
Total Assets	<u>493,189</u>	<u>1,637,373</u>	<u>2,130,562</u>	<u>317,942</u>	<u>29,914</u>
<u>LIABILITIES:</u>					
Accounts Payable - Vendors	6,738		6,738		
Payroll Deductions and Withholdings		1,637,373	1,637,373		
Due to Student Groups	486,451		486,451		
Total Liabilities	<u>493,189</u>	<u>1,637,373</u>	<u>2,130,562</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims			317,942		
Flexible Spending Claims				29,914	
Restricted for Scholarships					34,251
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 317,942</u>	<u>\$ 29,914</u>
				<u>\$ 34,251</u>	

Exhibit H-2

WAYNE TOWNSHIP PUBLIC SCHOOLS  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	<u>Trust</u>	<u>Trust</u>	<u>Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 234,162	\$ 116,449	
Other			
Total Contributions	<u>234,162</u>	<u>116,449</u>	
Investment Earnings:			
Interest	<u>83</u>		
Net Investment Earnings	<u>83</u>		
Total Additions	<u>234,245</u>	<u>116,449</u>	
DEDUCTIONS:			
Quarterly Contribution Reports and Unemployment Benefit Claims	156,628		
Flexible Spending Claims		127,252	
Scholarships Awarded			\$ 8,691
Total Deductions	<u>156,628</u>	<u>127,252</u>	<u>8,691</u>
Change in Net Position	77,617	(10,803)	(8,691)
Net Position - Beginning of the Year	<u>240,325</u>	<u>40,717</u>	<u>42,942</u>
Net Position - End of the Year	<u>\$ 317,942</u>	<u>\$ 29,914</u>	<u>\$ 34,251</u>

Exhibit H-3

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 530,076	\$ 1,009,079	\$ 1,046,106	\$ 493,049
Accounts Receivable - Other	1,723	140	1,723	140
Total Assets	<u>\$ 531,799</u>	<u>\$ 1,009,219</u>	<u>\$ 1,047,829</u>	<u>\$ 493,189</u>
<b><u>LIABILITIES:</u></b>				
Liabilities:				
Accounts Payable	\$ 30,800	\$ 6,738	\$ 30,800	\$ 6,738
Due to Student Groups	500,999	1,002,481	1,017,029	486,451
Total Liabilities	<u>\$ 531,799</u>	<u>\$ 1,009,219</u>	<u>\$ 1,047,829</u>	<u>\$ 493,189</u>

Exhibit H-4

WAYNE TOWNSHIP PUBLIC SCHOOLS  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Accounts Receivable	Accounts Payable	Balance June 30, 2015
Elementary Schools:						
A.P. Terhune	\$ 1,594	\$ 7,282	\$ 7,091		\$ 650	\$ 1,135
Theunis Dey	4,886	4,868	4,355			5,399
James Fallon		9,035	7,934			1,101
John F. Kennedy	131	9,741	9,734			138
Lafayette	1,118	2,470	2,327			1,261
Pines Lake	10,720	7,568	10,684			7,604
Ryerson	3,702	2,476	2,782			3,396
Randall Carter	1,058	5,192	4,571			1,679
Packanack	8,350	4,104	3,828		419	8,207
Middle Schools:						
George Washington	42,299	144,281	152,395		477	33,708
Schyler Colfax	29,747	138,569	135,645	\$ 40		32,711
Anthony Wayne	40,076	143,742	154,496		269	29,053
High Schools:						
Wayne Valley	138,745	309,534	288,048	100	2,606	157,725
Wayne Hills	218,573	213,479	226,401		2,317	203,334
Total All Schools	<u>\$ 500,999</u>	<u>\$ 1,002,341</u>	<u>\$ 1,010,291</u>	<u>\$ 140</u>	<u>\$ 6,738</u>	<u>\$ 486,451</u>

Exhibit H-5

WAYNE TOWNSHIP PUBLIC SCHOOLS  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	<u>\$ 1,443,474</u>	<u>\$ 98,793,054</u>	<u>\$ 98,599,155</u>	<u>\$ 1,637,373</u>
Total Assets	<u><u>\$ 1,443,474</u></u>	<u><u>\$ 98,793,054</u></u>	<u><u>\$ 98,599,155</u></u>	<u><u>\$ 1,637,373</u></u>
 <u>LIABILITIES:</u>				
Accrued Salaries and Wages	\$ 786,917		\$ 786,917	
Payroll Deductions and Withholdings	<u>656,557</u>	<u>\$ 98,793,054</u>	<u>97,812,238</u>	<u>\$ 1,637,373</u>
Total Liabilities	<u><u>\$ 1,443,474</u></u>	<u><u>\$ 98,793,054</u></u>	<u><u>\$ 98,599,155</u></u>	<u><u>\$ 1,637,373</u></u>

**LONG-TERM DEBT**

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2015		Interest Rate	Balance July 1, 2014	Retired/ Matured	Balance June 30, 2015
			Date	Amount				
School Refunding Bonds	11/16/10	\$ 2,470,000	05/15/16	\$ 475,000	4.000%	\$ 960,000	\$ 485,000	\$ 475,000
School Refunding Bonds	11/01/12	25,440,000	07/15/15	2,380,000	4.000%	25,440,000	2,265,000	23,175,000
			07/15/16	2,510,000	4.000%			
			07/15/17	2,615,000	4.000%			
			07/15/18	2,600,000	4.000%			
			07/15/19	2,610,000	4.000%			
			07/15/20	2,615,000	4.000%			
			07/15/21	2,610,000	5.000%			
			07/15/22	2,620,000	5.000%			
			07/15/23	2,615,000	4.500%			
						<u>\$ 26,400,000</u>	<u>\$ 2,750,000</u>	<u>\$ 23,650,000</u>

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

Item	Interest Rate	Original Issue	Balance July 1, 2014	Issued	Retired/ Matured	Balance June 30, 2015
Equipment and Buses	0.98%	\$ 600,000	\$ 254,877		\$ 126,813	\$ 128,064
Equipment and Buses	1.07%	825,000	421,513		167,250	254,263
Equipment and Buses	1.28%	1,000,000	703,487		197,790	505,697
Equipment and Buses	1.52%	1,250,000	1,129,227		244,315	884,912
Equipment and Buses	1.65%	1,515,800		\$ 1,515,800	146,037	1,369,763
Energy Savings Improvement Program	2.93%	11,065,064	11,065,064			11,065,064
			<u>\$ 13,574,168</u>	<u>\$ 1,515,800</u>	<u>\$ 882,205</u>	<u>\$ 14,207,763</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,798,160		\$ 3,798,160	\$ 3,798,160	
Total Revenues	3,798,160		3,798,160	3,798,160	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,093,855		1,093,855	1,059,880	\$ 33,975
Redemption of Principal	2,750,000		2,750,000	2,750,000	
Total Regular Debt Service	3,843,855		3,843,855	3,809,880	33,975
Total Expenditures	3,843,855		3,843,855	3,809,880	33,975
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(45,695)		(45,695)	(11,720)	33,975
Fund Balance, July 1	45,695		45,695	45,695	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 33,975	\$ 33,975
<u>Recapitulation of Fund Balance at June 30, 2015:</u>					
Restricted for Subsequent Year's Expenditures				\$ 33,975	

**STATISTICAL SECTION  
(UNAUDITED)**

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

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

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

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

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

J-14 thru J-15

**Operating Information**

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

J-16 thru J-20

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



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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction:	\$ 76,468,984	\$ 79,868,696	\$ 82,669,427	\$ 82,499,868	\$ 86,411,538	\$ 85,819,477	\$ 87,266,186	\$ 91,042,891	\$ 92,381,582	
Regular										\$ 73,184,000
Special Education										19,201,430
Other Special Instruction										4,738,040
School Sponsored/Other Instruction										4,826,208
Support Services:										
Tuition										5,314,728
Student & Instruction Related Services	14,021,566	15,048,020	17,234,748	17,751,392	22,440,126	22,013,472	22,976,908	25,110,264	24,387,990	28,345,490
General Administrative Services	1,354,335	1,485,336	1,529,347	1,480,514	1,672,451	1,594,345	1,782,477	1,952,676	1,892,617	1,667,783
School Administrative Services	7,378,947	8,495,875	8,524,344	9,329,822	7,390,439	7,044,118	7,243,935	7,510,142	8,620,564	9,710,268
Central Services										1,862,301
Administrative Information Technology										2,655,557
Plant Operations and Maintenance	14,305,692	14,695,266	16,041,638	15,673,553	15,491,154	15,998,478	16,884,900	17,017,216	17,172,077	16,096,278
Pupil Transportation	5,251,819	5,620,682	5,902,081	5,611,903	6,080,974	6,025,662	6,209,541	7,307,819	7,827,146	6,483,219
Other Support Services	3,853,032	4,380,722	4,365,077	4,657,736	4,012,777	3,499,718	2,536,016	3,567,886	3,448,376	
Special Schools				622,319	618,098					
Charter Schools				9,818	15,528			1,105	21,826	22,279
Interest on Long-term Debt	2,276,978	2,062,946	1,890,086	1,694,647	1,603,066	1,535,058	1,415,635	826,922	1,143,735	744,813
<b>Total Governmental Activities Expenses</b>	<b>124,911,353</b>	<b>131,657,543</b>	<b>138,156,748</b>	<b>139,331,572</b>	<b>145,736,151</b>	<b>143,530,328</b>	<b>146,315,598</b>	<b>154,336,921</b>	<b>156,895,913</b>	<b>174,852,394</b>
Business-Type Activities:										
Food Service	2,409,042	2,442,455	2,695,454	2,774,039	2,854,815	2,867,111	2,994,123	2,892,281	2,986,474	2,960,246
Community Education Program		362,596	343,938	306,178	256,970	278,243	353,037	46,689	9,809	7,023
Extended Day Program		732,755	791,158	799,382	724,062	659,868	767,195	804,658	887,558	859,096
<b>Total Business-Type Activities Expenses</b>	<b>2,409,042</b>	<b>3,537,806</b>	<b>3,830,550</b>	<b>3,879,599</b>	<b>3,835,847</b>	<b>3,805,222</b>	<b>4,114,355</b>	<b>3,743,628</b>	<b>3,883,841</b>	<b>3,826,365</b>
<b>Total District-Wide Expenses</b>	<b>127,320,395</b>	<b>135,195,349</b>	<b>141,987,298</b>	<b>143,211,171</b>	<b>149,571,998</b>	<b>147,335,550</b>	<b>150,429,953</b>	<b>158,080,549</b>	<b>160,779,754</b>	<b>178,678,759</b>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular	168,736	71,588	87,195	676,835	369,001	232,591	233,126	262,215	232,479	257,341
Special education	698,779	704,769	744,847							15,578
Other Instruction	893,111	17,425								
Operating Grants and Contributions	16,992,979	21,280,074	22,414,520	2,797,692	4,257,925	4,070,283	3,436,583	3,307,946	3,141,872	38,255,280
Capital Grants and Contributions	2,274,241	319,096	841,450	697		186,380			20,062	45,427
<b>Total Governmental Activities Program Revenues</b>	<b>21,027,846</b>	<b>22,392,952</b>	<b>24,088,012</b>	<b>3,475,224</b>	<b>4,626,926</b>	<b>4,489,254</b>	<b>3,669,709</b>	<b>3,570,161</b>	<b>3,394,413</b>	<b>38,573,626</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-Type Activities:</b>										
<b>Charges for Services:</b>										
Food Service	\$ 2,072,663	\$ 2,178,437	\$ 2,258,914	\$ 2,462,681	\$ 2,484,017	\$ 2,427,692	\$ 2,527,914	\$ 2,428,982	\$ 2,383,094	\$ 2,407,081
Community Education Program		379,457	368,215	282,816	230,891	241,343	244,045	53,397	7,305	2,819
Extended Day Program		798,127	800,665	787,227	790,783	876,623	898,991	911,525	961,643	936,108
Operating Grants and Contributions	214,546	236,749	302,996	314,446	373,860	398,778	429,446	432,168	487,792	503,077
<b>Total Business-Type Activities Revenues</b>	<b>2,287,209</b>	<b>3,592,770</b>	<b>3,730,790</b>	<b>3,847,170</b>	<b>3,879,551</b>	<b>3,944,436</b>	<b>4,100,396</b>	<b>3,826,072</b>	<b>3,839,834</b>	<b>3,849,085</b>
<b>Total District-wide Program Revenues</b>	<b>23,315,055</b>	<b>25,985,722</b>	<b>27,818,802</b>	<b>7,322,394</b>	<b>8,506,477</b>	<b>8,433,690</b>	<b>7,770,105</b>	<b>7,396,233</b>	<b>7,234,247</b>	<b>42,422,711</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	(103,883,507)	(109,264,591)	(114,068,736)	(135,856,348)	(141,109,225)	(139,041,074)	(142,645,889)	(150,766,760)	(153,501,500)	(136,278,768)
Business-Type Activities	(121,833)	54,964	(99,760)	(32,429)	43,704	139,214	(13,959)	82,444	(44,007)	22,720
<b>Total District-wide Net (Expense)/Revenue</b>	<b>(104,005,340)</b>	<b>(109,209,627)</b>	<b>(114,168,496)</b>	<b>(135,888,777)</b>	<b>(141,065,521)</b>	<b>(138,901,860)</b>	<b>(142,659,848)</b>	<b>(150,684,316)</b>	<b>(153,545,507)</b>	<b>(136,256,048)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	102,135,284	105,832,575	110,065,878	114,193,348	116,896,889	123,231,644	124,894,494	127,268,166	130,459,943	132,926,961
Taxes Levied for Debt Service	3,900,005	3,596,051	4,041,637	4,072,583	4,102,121	4,128,901	4,106,755	4,129,125	4,038,292	3,798,160
Unrestricted Grants and Contributions	1,176,852	1,179,019	1,367,782	14,659,356	16,177,806	12,274,239	16,012,559	19,686,274	18,157,591	387,365
Donations	68,930	31,850		67,331						
Gain (Loss) on Disposal of Fixed Assets	9,708		(33,822)							
Investment Earnings	1,023,595	1,166,445	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	3,298
Premium on Issuance of Note				18						
Miscellaneous Income	667,412	551,576	344,510	704,630	329,679	686,554	398,512	809,653	484,270	708,063
Transfers	(19,306)	(54,800)	(29,734)	(34,224)			(136,523)			(63,686)
<b>Total Governmental Activities General Revenues and Other Changes in Net Position</b>	<b>108,962,480</b>	<b>112,302,716</b>	<b>116,762,765</b>	<b>133,907,033</b>	<b>137,565,838</b>	<b>140,328,767</b>	<b>145,285,008</b>	<b>151,904,561</b>	<b>153,145,799</b>	<b>137,760,161</b>
<b>Business-type Activities:</b>										
Investment Earnings	2,025	13,835	23,119	8,602	10,606	86	454			315
Transfers	19,306	54,800	29,734	34,224			136,523			63,686
<b>Total Business-type Activities General Revenues and Other Changes in Net Position</b>	<b>21,331</b>	<b>68,635</b>	<b>52,853</b>	<b>42,826</b>	<b>10,606</b>	<b>86</b>	<b>136,977</b>			<b>64,001</b>
<b>Total District-wide General Revenues and Other Changes in Net Position</b>	<b>108,983,811</b>	<b>112,371,351</b>	<b>116,815,618</b>	<b>133,949,859</b>	<b>137,576,444</b>	<b>140,328,853</b>	<b>145,421,985</b>	<b>151,904,561</b>	<b>153,145,799</b>	<b>137,824,162</b>
<b>Change in Net Position:</b>										
Governmental Activities	5,078,973	3,038,125	2,694,029	(1,949,315)	(3,543,387)	1,287,693	2,639,119	1,137,801	(355,701)	1,481,393
Business-Type Activities	(100,502)	123,599	(46,907)	10,397	54,310	139,300	123,018	82,444	(44,007)	86,721
<b>Total District-Wide Change in Net Position</b>	<b>\$ 4,978,471</b>	<b>\$ 3,161,724</b>	<b>\$ 2,647,122</b>	<b>\$ (1,938,918)</b>	<b>\$ (3,489,077)</b>	<b>\$ 1,426,993</b>	<b>\$ 2,762,137</b>	<b>\$ 1,220,245</b>	<b>\$ (399,708)</b>	<b>\$ 1,568,114</b>

Source: Wayne Township Public Schools District Financial Reports.

Exhibit J-3

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

	June 30,				
	2006	2007	2008	2009	2010
General Fund:					
Reserved	\$ 9,655,454	\$ 8,235,764	\$ 7,793,521	\$ 7,049,091	\$ 3,446,630
Unreserved	1,981,511	4,486,121	3,446,248	1,576,820	2,423,731
Total General Fund	<u>\$ 11,636,965</u>	<u>\$ 12,721,885</u>	<u>\$ 11,239,769</u>	<u>\$ 8,625,911</u>	<u>\$ 5,870,361</u>
All Other Governmental Funds:					
Reserved	\$ 1,442,430	\$ 2,132,687	\$ 1,554,994		
Unreserved (Deficit)	2,893,975	(460,553)	470,536	\$ 401,006	\$ 400,666
Total All Other Governmental Funds	<u>\$ 4,336,405</u>	<u>\$ 1,672,134</u>	<u>\$ 2,025,530</u>	<u>\$ 401,006</u>	<u>\$ 400,666</u>
Total Governmental Funds	<u>\$ 15,973,370</u>	<u>\$ 14,394,019</u>	<u>\$ 13,265,299</u>	<u>\$ 9,026,917</u>	<u>\$ 6,271,027</u>
	June 30,				
	2011	2012	2013	2014	2015
General Fund:					
Restricted	\$ 1,028,457	\$ 2,290,726	\$ 3,406,044	\$ 1,633,945	\$ 1,605,801
Assigned	2,322,077	3,270,023	3,346,188	3,607,411	3,322,388
Unassigned	3,333,881	3,156,494	2,696,539	2,362,254	2,774,689
Total General Fund	<u>\$ 6,684,415</u>	<u>\$ 8,717,243</u>	<u>\$ 9,448,771</u>	<u>\$ 7,603,610</u>	<u>\$ 7,702,878</u>
All Other Governmental Funds:					
Restricted:					
Capital Projects Fund	\$ 587,036	\$ 587,036		\$ 11,016,369	\$ 6,525,787
Debt Service Fund	18,876	5,502	\$ 45,695	45,695	33,975
Committed:					
Capital Projects Fund					104,466
Total All Other Governmental Funds	<u>\$ 605,912</u>	<u>\$ 592,538</u>	<u>\$ 45,695</u>	<u>\$ 11,062,064</u>	<u>\$ 6,664,228</u>
Total Governmental Funds	<u>\$ 7,290,327</u>	<u>\$ 9,309,781</u>	<u>\$ 9,494,466</u>	<u>\$ 18,665,674</u>	<u>\$ 14,367,106</u>

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 106,035,289	\$ 109,428,626	\$ 114,107,515	\$ 118,265,931	\$ 120,999,010	\$ 127,360,545	\$ 129,001,249	\$ 131,397,291	\$ 134,498,235	\$ 136,725,121
Tuition Charges	698,779	793,782	832,042	676,835	369,001	232,591	233,126	262,215	232,479	272,919
Interest Earnings	1,023,595	1,166,444	1,006,514	243,991	59,343	7,429	9,211	11,343	5,703	340
Miscellaneous	1,839,947	605,360	384,576	839,726	454,115	802,606	524,640	867,370	688,456	838,941
State Sources	18,389,610	20,563,272	22,368,330	15,341,633	16,741,519	12,880,750	16,148,899	20,036,315	18,496,357	20,759,842
Federal Sources	1,943,774	2,161,134	2,215,356	1,981,016	3,569,776	3,534,100	3,174,115	2,900,188	2,618,982	2,737,750
<b>Total Revenues</b>	<b>129,930,994</b>	<b>134,718,618</b>	<b>140,914,333</b>	<b>137,349,132</b>	<b>142,192,764</b>	<b>144,818,021</b>	<b>149,091,240</b>	<b>155,474,722</b>	<b>156,540,212</b>	<b>161,334,913</b>
<b>Expenditures:</b>										
<b>Instruction:</b>	75,579,298	78,971,262	81,475,077	81,029,907	59,385,126	57,343,735	57,765,509	58,340,405	59,089,833	
Regular Instruction										41,929,364
Special Education Instruction										12,174,471
Other Special Instruction										2,729,696
School Sponsored/Other Instruction										3,257,086
<b>Support Services:</b>										
Tuition										5,314,728
Student & Instruction Related Services	14,068,947	15,125,708	17,274,743	17,413,474	18,979,792	18,649,448	19,149,203	20,990,737	21,186,769	17,031,520
General Administrative Services	1,129,121	1,267,355	1,312,970	1,451,556	1,430,632	1,372,059	1,474,148	1,589,535	1,537,004	1,422,650
School Administrative Services	7,361,172	8,475,434	8,545,239	9,149,376	5,119,821	4,783,305	4,856,263	4,854,231	5,654,758	5,697,384
Plant Operations and Maintenance	13,503,653	14,012,676	15,262,060	15,588,365	12,313,394	12,240,523	12,156,942	12,587,475	13,437,941	12,800,612
Pupil Transportation	4,923,255	5,196,264	5,475,611	5,611,395	5,107,810	4,874,217	5,035,745	4,545,411	4,710,812	5,470,868
Other Support Services	3,635,512	4,146,443	4,137,255	4,616,398	2,994,041	2,550,747	2,536,016	2,462,820	2,365,828	
Unallocated Benefits					25,520,532	28,092,689	28,695,836	30,650,293	31,712,891	44,901,072
On-behalf TPAF Social Security and Pension Contributions					8,749,723	8,898,940	10,540,298	13,534,209	12,033,979	
Central Services										1,429,949
Administrative Information Technology										1,905,868
Allocated Benefits										
Charter Schools					15,528			1,105	21,826	22,279
Capital Outlay	11,768,535	4,479,955	4,485,102	2,791,796	1,300,011	1,467,354	1,430,174	2,178,333	3,137,458	7,188,168
Special Schools					425,598					
<b>Debt Service:</b>										
Principal	2,295,849	2,438,916	2,427,411	2,713,804	2,441,965	2,562,114	2,661,965	3,150,009	3,476,077	2,750,000
Interest and Other Charges	2,382,744	2,152,302	1,933,600	1,748,702	1,660,496	1,563,590	1,458,164	1,405,474	1,206,522	1,059,880
Cost of issuance						66,933		231,086	112,370	
<b>Total Expenditures</b>	<b>136,648,086</b>	<b>136,266,315</b>	<b>142,329,068</b>	<b>142,114,773</b>	<b>145,444,469</b>	<b>144,465,654</b>	<b>147,760,263</b>	<b>156,521,123</b>	<b>159,684,068</b>	<b>167,085,595</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(6,717,092)</b>	<b>(1,547,697)</b>	<b>(1,414,735)</b>	<b>(4,765,641)</b>	<b>(3,251,705)</b>	<b>352,367</b>	<b>1,330,977</b>	<b>(1,046,401)</b>	<b>(3,143,856)</b>	<b>(5,750,682)</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses):										
Capital Leases (non-budgeted)	\$ 349,920	\$ 23,145	\$ 315,748	\$ 561,465	\$ 495,815	\$ 600,000	\$ 825,000	\$ 1,000,000	\$ 1,250,000	\$ 1,515,800
Proceeds from capital lease									11,065,064	
Refunding bonds issued						2,470,000		25,440,000		
Premium on bonds						150,245		3,977,116		
Payment to refunding bond escrow agent						(2,553,312)		(29,543,030)		
Prior Year Accounts Payable Canceled								357,000		
Premium on Issuance of Note				18						
Transfers In	1,057,900	2,208,731	3,754,758	799	468,585	177	84	587,061	693,275	167,255
Transfers Out	(1,077,206)	(2,263,531)	(3,784,492)	(35,023)	(468,585)	(177)	(136,607)	(587,061)	(693,275)	(230,941)
Total Other Financing Sources (Uses)	330,614	(31,655)	286,014	527,259	495,815	666,933	688,477	1,231,086	12,315,064	1,452,114
Net Change in Fund Balances	\$ (6,386,478)	\$ (1,579,352)	\$ (1,128,721)	\$ (4,238,382)	\$ (2,755,890)	\$ 1,019,300	\$ 2,019,454	\$ 184,685	\$ 9,171,208	\$ (4,298,568)
Debt Service as a Percentage of Noncapital Expenditures	3.75%	3.48%	3.16%	3.20%	2.85%	2.89%	2.82%	2.95%	2.99%	2.38%

Source: Wayne Township Public Schools District Financial Reports.

Exhibit J-5

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

Fiscal Year Ending June 30,	Tuition	Special School Programs*	Interest Investments	Rents	Refunds	Misc.	Total
2006	\$ 698,779	\$ 1,230,583	\$ 559,852	\$ 48,339	\$ 212,452	\$ 237,885	\$ 2,987,890
2007	594,305	199,477	940,753	100,364	259,677	191,536	2,286,112
2008	674,605	157,437	882,817	43,684	193,836	106,990	2,059,369
2009	506,130	170,705	243,210	45,964	149,468	509,198	1,624,675
2010	369,001		59,343			454,115	882,459
2011	232,591		7,252	29,287	66,499	575,099	910,728
2012	233,126		9,127	81,837	11,276	305,399	640,765
2013	262,215		11,318	329,704	112,083	367,866	1,083,186
2014	232,479		5,703	270,927	5,279	207,788	722,176
2015	272,919		1,394	249,905	20,236	437,922	982,376

\* - Community Education and Extended Day Programs became Enterprise Funds in the 2006-07 fiscal year.

Source: Wayne Township Public Schools District Financial Reports.

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2005	\$64,360,700	\$3,804,473,500	\$1,677,100	\$ 91,200	\$1,166,087,800	\$209,554,900	\$108,481,300	\$5,354,726,500	\$8,630,137	\$5,363,356,637	\$ 9,774,668,010	\$ 1.900
2006	66,003,100	3,814,643,700	1,677,100	91,200	1,149,631,300	207,547,100	96,576,700	5,336,170,200	7,818,898	5,343,989,098	11,218,260,495	2.010
2007	68,260,300	3,838,488,400	1,405,200	75,100	1,127,402,400	206,519,700	92,400,400	5,334,551,500	7,875,618	5,342,427,118	11,627,460,676	2.090
2008	64,382,500	3,845,019,100	1,405,200	75,200	1,117,146,700	209,038,500	89,685,600	5,326,752,800	7,832,109	5,334,584,909	11,653,849,620	2.173
2009	60,695,200	3,846,590,300	1,405,200	94,100	1,096,721,100	205,217,100	87,685,600	5,298,408,600	7,898,604	5,306,307,204	11,135,789,407	2.244
2010	60,926,600	3,827,548,900	1,405,200	94,100	1,086,648,800	200,571,500	87,685,600	5,264,880,700	7,898,604	5,272,779,304	10,676,280,899	2.341
2011	62,112,500	3,810,021,900	1,405,200	94,100	1,072,707,700	195,634,500	87,685,600	5,229,661,500	495	5,229,661,995	9,548,405,644	2.435
2012	63,224,500	3,793,531,500	1,405,200	76,300	1,048,345,100	194,240,900	87,685,600	5,188,509,100	548	5,188,509,648	9,473,269,396	2.490
2013	63,316,400	3,781,558,800	1,405,200	94,200	1,036,406,200	183,339,400	87,685,600	5,153,805,800	548	5,153,806,348	9,435,749,447	2.562
2014	64,695,600	3,777,401,000	1,405,200	94,200	1,030,307,300	183,158,600	87,685,600	5,144,747,500	548	5,144,748,048	9,450,966,399	2.634

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100 of assessed value of assessed value.

Exhibit J-7

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

Year Ended December 31,	Wayne Township Public Schools Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Wayne Township	Passaic County	
2005	\$ 1.496	\$ 0.404	\$ 1.900	\$ 0.740	\$ 0.890	\$ 3.530
2006	1.936	0.074	2.010	0.810	0.950	3.770
2007	2.021	0.069	2.090	0.880	1.010	3.980
2008	2.096	0.077	2.173	0.947	1.055	4.175
2009	2.167	0.077	2.244	0.997	1.084	4.325
2010	2.262	0.079	2.341	1.046	1.130	4.517
2011	2.356	0.079	2.435	1.093	1.161	4.689
2012	2.411	0.079	2.490	1.141	1.238	4.869
2013	2.481	0.081	2.562	1.171	1.221	4.954
2014	2.555	0.079	2.634	1.206	1.286	5.126

**a** - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** - Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: A4F and County Abstract of Ratables

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

Taxpayer	2014			Taxpayer	2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Willowbrook Mall	\$ 156,000,000	1	3.03%	Willowbrook Mall	\$ 156,000,000	1	2.91%
Toys R Us	38,527,100	2	0.75%	Wayne Retail, LLC	53,300,000	2	0.99%
Wayne PSC, LLC	32,612,400	3	0.63%	Mountain View Crossings	53,000,000	3	0.99%
Mountain View Crossings	31,970,400	4	0.62%	Levco Associates	37,300,000	4	0.70%
PL Wayne	26,000,000	5	0.51%	1st Union Development Corp.	35,000,000	5	0.65%
Macy's East	25,500,000	6	0.50%	Wayne Preakness Associates	31,646,300	6	0.59%
West Belt Fee	23,159,900	7	0.45%	Macy's East Inc.	30,024,200	7	0.56%
Levco Associates	18,000,000	8	0.35%	Price Enterprises, Inc.	28,940,200	8	0.54%
Seritage SRC Finance	17,750,000	9	0.35%	GAF/ISP Realty Corp	21,900,000	9	0.41%
Maquest Cardiovascular	17,706,600	10	0.34%	Meadox Medicals Inc.	20,089,900	10	0.37%
<b>Total</b>	<b>\$ 387,226,400</b>		<b>7.53%</b>	<b>Total</b>	<b>\$ 467,200,600</b>		<b>8.71%</b>

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 106,035,289	\$ 106,035,289	100.00%	\$ -0-
2007	109,035,289	109,035,289	100.00%	-0-
2008	114,107,515	114,107,515	100.00%	-0-
2009	118,265,931	118,265,931	100.00%	-0-
2010	120,999,010	120,999,010	100.00%	-0-
2011	127,360,545	127,360,545	100.00%	-0-
2012	129,001,249	129,001,249	100.00%	-0-
2013	131,397,231	131,397,231	100.00%	-0-
2014	134,498,235	134,498,235	100.00%	-0-
2015	136,725,121	136,725,121	100.00%	-0-

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable	Capital Leases	Bond Anticipation Notes (BANs)			
2006	\$49,411,000	\$ 55,717	\$ 408,786	\$8,500,000	\$58,375,503	2.81%	\$ 1,084.91
2007	47,261,000	48,752	149,980	3,500,000	50,959,732	2.33%	950.30
2008	45,021,000	41,787	285,282	2,500,000	47,848,069	2.14%	892.16
2009	42,686,000	34,822	474,908	1,800,000	44,995,730	2.03%	834.52
2010	40,251,000	27,857	512,901	-0-	40,791,758	1.78%	745.23
2011	37,668,000	20,893	765,188	-0-	38,454,081	1.59%	698.59
2012	35,013,000	13,928	1,231,262	-0-	36,258,190	1.48%	658.70
2013	29,275,000	6,963	1,853,218	-0-	31,135,181	1.26%	564.52
2014	26,400,000	-0-	13,574,168	-0-	39,974,168	1.62%	726.16
2015	23,650,000	-0-	14,207,763	-0-	37,857,763	1.54%	687.71

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.

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2006	\$ 49,411,000		\$49,411,000	0.92%	\$ 918.30
2007	47,261,000		47,261,000	0.88%	881.32
2008	45,021,000		45,021,000	0.84%	839.44
2009	42,686,000		42,686,000	0.80%	791.68
2010	40,251,000		40,251,000	0.76%	735.35
2011	37,668,000		37,668,000	0.71%	684.31
2012	35,013,000		35,013,000	0.67%	636.08
2013	29,275,000		29,275,000	0.56%	530.80
2014	26,400,000		26,400,000	0.51%	479.57
2015	23,650,000		23,650,000	0.46%	429.62

**a** - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

**b** - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Exhibit J-12

WAYNE TOWNSHIP PUBLIC SCHOOLS  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014  
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Wayne Township	\$ 49,617,329	100.00%	\$ 49,617,329
Passaic County General Obligation Debt (including Passaic County Utilities Authority debt)	440,758,769	20.24%	<u>89,209,301</u>
Subtotal, Overlapping Debt			425,481,903
Wayne Township Public Schools District Direct Debt			<u>24,135,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 449,616,903</u></u>

a - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of Wayne. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2015	
Year Ended December 31,	Equalized Valuation Basis
2012	\$ 9,548,405,149
2013	9,499,284,328
2014	9,283,196,499
	\$ 28,330,885,976
Average Equalized Valuation of Taxable Property	\$ 9,443,628,659
Debt Limit (4% of Average Equalization Value) <sup>a</sup>	\$ 377,745,146
Net Bonded School Debt	23,650,000
Legal Debt Margin	\$ 354,095,146

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 355,336,265	\$ 395,282,342	\$ 425,657,259	\$ 450,435,032	\$ 458,894,663
Total Net Debt Applicable to Limit	49,411,000	47,261,000	45,021,000	42,686,000	40,251,000
Legal Debt Margin	\$ 305,925,265	\$ 348,021,342	\$ 380,636,259	\$ 407,749,032	\$ 418,643,663
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.91%	11.96%	10.58%	9.48%	8.77%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 290,827,604	\$ 418,139,679	\$ 395,972,746	\$ 379,432,326	\$ 377,745,146
Total Net Debt Applicable to Limit	37,668,000	35,013,000	29,275,000	26,400,000	23,650,000
Legal Debt Margin	\$ 253,159,604	\$ 383,126,679	\$ 366,697,746	\$ 353,032,326	\$ 354,095,146
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.95%	8.37%	7.39%	6.96%	6.26%

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

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Passaic County Per Capita Personal Income <sup>c</sup>	Township Unemployment Rate <sup>d</sup>
2005	54,077	\$ 36,142	\$ 1,954,450,934	3.2%
2006	53,807	38,584	2,076,089,288	3.4%
2007	53,625	40,839	2,189,991,375	3.1%
2008	53,632	41,657	2,234,148,224	4.1%
2009	53,918	41,050	2,213,333,900	7.0%
2010	54,737	41,936	2,295,450,832	7.6%
2011	55,045	43,853	2,413,888,385	7.1%
2012	55,045	44,600	2,455,007,000	7.2%
2013	55,153	44,688	2,464,677,264	6.4%
2014	55,049	44,688	2,460,029,712 *	5.3%

\* - Latest Passaic County per capita personal income data available (2013) was used for calculation purposes.

Source:

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

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

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

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	494	542	580	575	573	594	538	539	536	578
Special Education	197	218	211	216	243	225	250	257	329	353
Support Services:										
Student & Instruction Related Services					130	131	131	139	125	120
General Administrative Services	6	6	6	6	14	14	13	22	13	20
School Administrative Services	62	62	69	69	57	52	46	45	52	57
Central services	18	19	17	18	19	18	17	17	17	18
Administrative information technology	7	14	10	11	15	14	11	11	14	12
Plant Operations and Maintenance	172	178	112	115	116	115	104	103	125	130
Pupil Transportation	24	25	70	72	92	91	94	95	93	105
Business and Other Support Services	147	155	155	154	71	71	63	63	57	68
Special Schools	5	5	5	5	0	0	0	0	0	0
Total	<u>1,132</u>	<u>1,224</u>	<u>1,235</u>	<u>1,241</u>	<u>1,330</u>	<u>1,325</u>	<u>1,267</u>	<u>1,291</u>	<u>1,361</u>	<u>1,461</u>

Source: Wayne Township Public Schools District Financial Reports.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2006	8,858	\$ 120,200,558	\$13,570	9.00%	747	1:12.8	1:16.5	1:11.6	8,830	8,448	0.67%	95.67%
2007	8,874	127,195,142	14,333	5.63%	772	1:11.7	1:11.3	1:11.3	8,894	8,492	0.72%	95.48%
2008	8,799	133,482,955	15,170	5.84%	792	1:11.1	1:11.0	1:10.9	8,786	8,401	-1.21%	95.62%
2009	8,730	134,860,471	15,448	1.83%	791	1:10.6	1:9.8	1:10.4	8,749	8,372	-0.42%	95.69%
2010	8,834	140,041,997	15,853	2.62%	816	1:10.6	1:9.8	1:10.4	8,823	8,449	0.85%	95.76%
2011	8,684	138,805,663	15,984	0.83%	819	1:10.6	1:9.8	1:10.4	8,684	8,288	-1.58%	95.44%
2012	8,563	142,209,960	16,607	3.90%	788	1:14.3	1:10.7	1:11.4	8,563	8,198	-1.39%	95.74%
2013	8,502	149,556,221	17,591	5.92%	796	1:13.6	1:10.7	1:11.0	8,492	8,100	-0.83%	95.38%
2014	8,201	151,751,641	18,504	5.19%	864	1:15.3	1:11.0	1:12.0	8,356	7,907	-1.60%	94.63%
2015	8,144	156,087,547	19,166	3.58%	736	1:12.2	1:10.2	1:10.8	8,092	7,676	-3.16%	94.86%

**a** - Enrollment is obtained from October 15 Enrollment Summary, including students placed out of district.

**b** - Operating expenditures equal total expenditures less debt service and capital outlay.

**c** - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

**d** - Teaching staff includes only full-time equivalents of certificated staff.

**e** - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Wayne Township Public Schools District records.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>District Building</u></b>										
<b><u>Elementary Schools</u></b>										
<b>Randall Carter</b>										
Square Feet	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070	36,070
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	367	360	354	353	353	353	365	365	365	365
<b>Theunis Dey</b>										
Square Feet	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360	43,360
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	472	470	469	447	447	447	441	441	441	441
<b>James Fallon</b>										
Square Feet	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765	44,765
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	455	448	446	418	418	418	396	396	396	396
<b>John F. Kennedy</b>										
Square Feet	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530	43,530
Capacity (students)	428	428	428	428	428	428	428	428	428	428
Enrollment	456	461	452	428	428	428	452	452	452	452
<b>Lafayette</b>										
Square Feet	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850	38,850
Capacity (students)	416	416	416	416	416	416	416	416	416	416
Enrollment	429	442	424	397	397	397	381	381	381	381
<b>Packanack Lake</b>										
Square Feet	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	501	521	517	496	496	496	510	510	510	510
<b>Pines Lake</b>										
Square Feet	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610	47,610
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	488	489	466	448	448	448	429	429	429	429

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>District Building</u></b>										
<b>Ryerson</b>										
Square Feet	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715
Capacity (students)	424	424	424	424	424	424	424	424	424	424
Enrollment	312	302	305	282	282	282	262	262	262	262
<b>Albert Payson Terhune</b>										
Square Feet	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295	40,295
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	423	423	413	412	412	412	412	412	412	412
<b><u>Middle Schools</u></b>										
<b>Schuyler Colfax</b>										
Square Feet	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395	121,395
Capacity (students)	758	758	758	758	758	758	758	758	758	758
Enrollment	798	754	725	717	717	717	780	780	780	780
<b>George Washington</b>										
Square Feet	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220	109,220
Capacity (students)	686	686	686	686	686	686	686	686	686	686
Enrollment	650	634	662	652	652	652	603	603	603	603
<b>Anthony Wayne</b>										
Square Feet	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Capacity (students)	497	497	497	497	497	497	497	497	497	497
Enrollment	690	731	725	756	756	756	714	714	714	714
<b><u>High Schools</u></b>										
<b>Wayne Valley</b>										
Square Feet	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260	239,260
Capacity (students)	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615
Enrollment	1,381	1,399	1,429	1,434	1,434	1,434	1,479	1,479	1,479	1,479
<b>Wayne Hills</b>										
Square Feet	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860	229,860
Capacity (students)	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673
Enrollment	1,385	1,440	1,412	1,387	1,387	1,387	1,339	1,339	1,339	1,339

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>District Building</u></b>										
<b><u>Other</u></b>										
<b><u>Preakness Academy</u></b>										
Square Feet	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130	25,130
Capacity (students)	77	77	77	77	77	77	77	77	77	77
<b><u>Outdoor Lab</u></b>										
Square Feet		1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
<b><u>Child Study Team</u></b>										
Square Feet		1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
<b><u>Transportation Building</u></b>										
Square Feet		11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
<b><u>Maintenance Building</u></b>										
Square feet		11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995

Number of Schools at June 30, 2015  
    Elementary School = 9  
    Middle School = 3  
    High School = 2  
    Other = 5

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

Source: Wayne Township Public Schools District.

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

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

School Facilities*	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
A.P Terhune Elementary School	\$ 94,691	\$ 72,028	\$ 81,202	\$ 73,587	\$ 49,843	\$ 56,021	\$ 67,568	\$ 74,929	\$ 76,112	\$ 75,183
Administration Building	48,078	36,571	41,228	37,363	25,307	28,444	34,307	27,682	28,138	27,795
Anthony Wayne Middle School	238,520	181,432	204,541	185,359	125,551	141,114	170,200	198,788	202,111	199,645
George Washington Middle School	256,662	195,232	220,098	199,457	135,100	151,846	183,145	199,630	203,316	200,835
James Fallon Elementary School	105,196	80,018	90,210	81,750	55,372	62,236	75,064	81,607	83,244	82,228
John F. Kennedy Elementary School	106,993	81,385	87,721	79,494	53,845	60,519	72,993	79,724	81,371	80,378
Lafayette Elementary School	91,296	69,445	78,290	70,948	48,056	54,012	65,145	71,154	72,664	71,777
Packanack Elementary School	115,606	87,934	99,137	89,840	60,852	68,395	82,492	91,386	93,370	92,231
Pines Lake Elementary School	111,881	85,106	95,943	86,945	58,891	66,191	79,835	85,845	87,761	86,690
Preakness		73,199	50,641	45,892	31,085	34,939	42,139	52,603	53,806	53,149
Randall Carter Elementary School	84,763	64,475	72,688	65,871	44,617	50,147	60,484	65,756	67,281	66,460
Ryerson Elementary School	109,778	83,503	94,139	85,310	57,784	64,947	78,334	85,162	87,171	86,107
Schuyler-Colfax Middle School	285,273	216,995	244,633	221,691	150,160	168,773	203,560	231,832	237,418	234,521
Theunis Dey Elementary School	101,894	77,506	87,378	79,184	53,634	60,283	72,708	79,029	81,037	80,048
Wayne Hills High School	540,160	410,877	463,210	419,770	284,326	319,570	385,439	471,087	483,244	477,347
Wayne Valley High School	563,095	427,679	482,152	436,935	295,951	332,639	401,202	485,896	499,565	493,469
<b>Grand Total</b>	<b>\$ 2,853,886</b>	<b>\$ 2,243,385</b>	<b>\$ 2,493,211</b>	<b>\$ 2,259,396</b>	<b>\$ 1,530,374</b>	<b>\$ 1,720,076</b>	<b>\$ 2,074,615</b>	<b>\$ 2,382,110</b>	<b>\$ 2,437,609</b>	<b>\$ 2,407,863</b>

Source: Wayne Township Public Schools District Financial Reports.

Exhibit J-20

WAYNE TOWNSHIP PUBLIC SCHOOLS  
INSURANCE SCHEDULE  
JUNE 30, 2015  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<b>New Jersey Schools Insurance Group</b>		
Commercial Property	\$ 326,219,719	\$ 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
	<b>Total Budget Payrolls</b>	
Workers Compensation	88,723,906	
<b>New Jersey Schools Insurance Group</b>		
School Leaders Errors & Omissions	11,000,000	25,000
<b>Fireman's Fund Insurance Company</b>		
High Excess Liability	24,000,000	
<b>Life Insurance Company</b>		
Volunteer Liability	500,000	
<b>Hartford Fire Insurance Company</b>		
Treasurer of School Monies	550,000	
Board Secretary/Business Administrator	100,000	

Source: Wayne Township Public Schools District Financial Reports.

**SINGLE AUDIT SECTION**



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wayne Township Public Schools, in the County of Passaic (the "District") as of and for the fiscal year ended June 30, 2015, 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 16, 2015.

**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*.

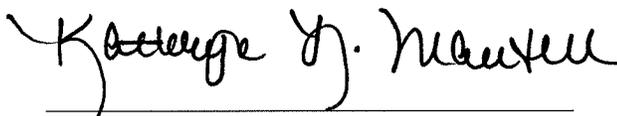
### Purpose of this Report

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.



NISIVOCIA LLP

Mount Arlington, New Jersey  
November 16, 2015



Kathryn L. Mantell  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 and New Jersey's OMB Circulars 04-04 and 15-08

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 Circular A-133 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, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 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, 2015.

**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 OMB Circular A-133 and NJOMB 04-04 and 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 OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

*Nisivoccia, LLP*

Mount Arlington, New Jersey  
November 16, 2015

NISIVOCIA LLP

*Kathryn L. Mantell*

Kathryn L. Mantell  
Licensed Public School Accountant #2140  
Certified Public Accountant

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2014			Balance at June 30, 2015			
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue
U.S. Department of Education - Passed-through												
State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-15	7/1/14	6/30/15	\$ 2,015,231							
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-14	7/1/13	6/30/14	1,689,419	\$ (572,610)		\$ (11,407)	\$ 584,017	\$ (1,960,140)	\$ (1,960,140)	
I.D.E.A. - Part B, Basic Regular	84.027	IDEA-5570-13	9/1/12	8/31/13	1,860,498			11,407				\$ 11,407
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-15	7/1/14	6/30/15	67,988					(67,988)	(67,988)	
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-14	7/1/13	6/30/14	67,795	8,754		(29,877)	21,123			
I.D.E.A. - Part B, Preschool	84.173	IDEA-5570-13	9/1/12	8/31/13	72,629			29,877				29,877
Subtotal Special Education Cluster						(563,856)			605,140	(2,028,128)	(2,028,128)	41,284
No Child Left Behind:												
Title I	84.010	NCLB-5570-15	7/1/14	6/30/15	553,019				291,121	(313,408)	(22,287)	
Title I	84.010	NCLB-5570-14	7/1/13	6/30/14	470,621	(228,377)			228,377			
Title II A	84.367A	NCLB-5570-15	7/1/14	6/30/15	150,614				34,978	(137,310)	(102,332)	
Title II A	84.367A	NCLB-5570-14	7/1/13	6/30/14	123,938	(87,556)			87,556			
Title III - Immigrant	84.365A	NCLB-5570-15	7/1/14	6/30/15	61,117					(7,827)	(7,827)	
Title III	84.365A	NCLB-5570-15	7/1/14	6/30/15	76,006				11,061	(65,198)	(54,137)	
Title III	84.365A	NCLB-5570-14	7/1/13	6/30/14	8,933	(4,744)			4,744			
Title III - Carryover	84.365A	NCLB-5570-13	9/1/12	8/31/13	32,381	(7,225)			7,225			
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-15	7/1/14	6/30/15	40,281					(38,284)	(38,284)	
Carl D. Perkins - Vocational Education	84.048A	PERK-5570-14	7/1/13	6/30/14	46,975	(567)			567			
Total Special Revenue Fund						(892,325)			1,270,769	(2,590,155)	(2,252,995)	41,284
Capital Projects Fund:												
I.D.E.A. - Part B, Basic Regular:												
Wayne Hills High School:												
New ADA Restroom	84.173	IDEA-5570-15	7/1/14	6/30/15	45,427					(45,427)	(45,427)	
New ADA Restroom	84.173	IDEA-5570-14	7/1/13	6/30/14	9,474	(9,474)			9,474			
Total Capital Projects Fund						(9,474)			9,474	(45,427)	(45,427)	
Total U.S. Department of Education						(901,799)			1,280,243	(2,635,582)	(2,298,422)	41,284
U.S. Department of Homeland Security:												
Passed-through Federal Emergency Management Agency:												
Special Revenue Fund:												
Disaster Grants - Public Assistance - FEMA	97.036	N/A	10/26/12	6/30/13	130,636	(35,685)					(35,685)	
Total U.S. Department of Homeland Security						(35,685)					(35,685)	

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2014			Cash Received	Budgetary Expenditures	Balance at June 30, 2015		
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount			(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services - Passed-through State Department of Human Services:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	N/A	7/1/14	6/30/15	\$ 101,231				\$ 58,591	\$ (101,231)	\$ (42,640)		
Medical Assistance Program (SEMI)	93.778	N/A	7/1/12	6/30/13	97,618	\$ (24,517)			24,517				
Medical Assistance Program (SEMI)	93.778	N/A	7/1/11	6/30/12	94,533	(25,065)			25,065				
Medical Assistance Program (SEMI/ARRA)	93.778	N/A	10/1/08	12/31/10	1,962				1,962	(1,962)			
Total U.S. Department of Health and Human Services						(49,582)			110,135	(103,193)	(42,640)		
U.S. Department of Agriculture - Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Special Milk Program	10.556	N/A	7/1/14	6/30/15	3,136				2,866	(3,136)	(270)		
Special Milk Program	10.556	N/A	7/1/13	6/30/14	3,864	(719)			719				
School Breakfast Program	10.553	N/A	7/1/14	6/30/15	25,403				22,778	(25,403)	(2,625)		
School Breakfast Program	10.553	N/A	7/1/13	6/30/14	22,911	(5,444)			5,444				
National School Lunch Program	10.555	N/A	7/1/14	6/30/15	325,056				294,115	(325,056)	(30,941)		
National School Lunch Program	10.555	N/A	7/1/13	6/30/14	312,577	(70,340)			70,340				
Federal Food Distribution Program	10.555	N/A	7/1/14	6/30/15	139,833				139,833	(130,620)	\$ 9,213		
Federal Food Distribution Program	10.555	N/A	7/1/13	6/30/15	129,152	2,889				(2,889)			
Subtotal Child Nutrition Cluster						(73,614)			536,095	(487,104)	(33,836)	9,213	
Total U.S. Department of Agriculture						(73,614)			536,095	(487,104)	(33,836)	9,213	
TOTAL FEDERAL AWARDS						\$ (1,060,680)	\$ -0-	\$ -0-	\$ 1,926,473	\$ (3,225,879)	\$ (2,410,583)	\$ 9,213	\$ 41,284

N/A - Not Available/Applicable

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2014			Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO		
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received		Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>														
<b>General Fund:</b>														
Transportation Aid	15-495-034-5120-014	7/1/14	6/30/15	\$ 345,809			\$ 316,751	\$ (345,809)					\$ (29,058)	\$ 345,809
Transportation Aid	14-495-034-5120-014	7/1/13	6/30/14	345,809	\$ (29,275)		29,275							
Special Education Categorical Aid	15-495-034-5120-089	7/1/14	6/30/15	3,302,952			3,025,402	(3,302,952)					(277,550)	3,302,952
Special Education Categorical Aid	14-495-034-5120-089	7/1/13	6/30/14	3,302,952	(279,622)		279,622							
Security Aid	15-495-034-5120-084	7/1/14	6/30/15	136,223			124,776	(136,223)					(11,447)	136,223
Security Aid	14-495-034-5120-084	7/1/13	6/30/14	136,223	(11,532)		11,532							
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14	6/30/15	80,715			73,932	(80,715)					(6,783)	80,715
PARCC Readiness Aid	15-495-034-5120-098	7/1/14	6/30/15	80,715			73,932	(80,715)					(6,783)	80,715
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14	6/30/15	2,485,201				(2,485,201)	\$ (2,485,201)				(2,485,201)	2,485,201
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13	6/30/14	2,173,702	(2,173,702)		2,173,702							
Nonpublic School Transportation Costs	15-495-034-5120-014	7/1/14	6/30/15	58,986				(58,986)		(58,986)			(58,986)	58,986
Nonpublic School Transportation Costs	14-495-034-5120-014	7/1/13	6/30/14	61,406	(61,406)		61,406							
TPAF Social Security Aid	15-495-034-5095-002	7/1/14	6/30/15	4,792,326			4,557,616	(4,792,326)		(234,710)			(234,710)	4,792,326
TPAF Social Security Aid	14-495-034-5095-002	7/1/13	6/30/14	4,848,163	(242,367)		242,367							
<b>Total General Fund State Aid</b>							<b>10,970,313</b>	<b>(11,282,927)</b>		<b>(2,778,897)</b>			<b>(3,110,518)</b>	<b>11,282,927</b>
<b>Special Revenue Fund:</b>														
<b>NJ Nonpublic Aid:</b>														
Technology Initiative	15-100-034-5120-373	7/1/14	6/30/15	43,488			43,488	(42,217)					\$ 1,271	42,217
Technology Initiative	14-100-034-5120-373	7/1/13	6/30/14	29,180		\$ 1,907			\$ (1,907)					
Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14	6/30/15	80,969			80,969	(70,884)					10,085	70,884
Textbook Aid (Chapter 194)	14-100-034-5120-064	7/1/13	6/30/14	80,027		1,927			(1,927)					
Nursing Services (Chapter 226)	15-100-034-5120-070	7/1/14	6/30/15	140,187			140,187	(140,187)						140,187
<b>Auxiliary Services (Chapter 192):</b>														
Compensatory Education	15-100-034-5120-067	7/1/14	6/30/15	104,809			104,809	(102,569)					2,240	102,569
English as a Second Language	15-100-034-5120-067	7/1/14	6/30/15	17,357			17,357	(15,164)					2,193	15,164
English as a Second Language	14-100-034-5120-067	7/1/13	6/30/14	5,587		1,572			(1,572)					
Transportation	15-100-034-5120-068	7/1/13	6/30/14	50,362			50,362	(50,362)						50,362
Transportation	14-100-034-5120-068	7/1/13	6/30/14	70,083		23,361			(23,361)					
Home Instruction	15-100-034-5120-067	7/1/14	6/30/15	16,497				(16,497)		(16,497)			(16,497)	16,497
Home Instruction	14-100-034-5120-067	7/1/13	6/30/14	7,756	(7,756)		7,756							
<b>Handicapped Services (Chapter 193):</b>														
Supplementary Instruction	15-100-034-5120-066	7/1/14	6/30/15	59,638			59,638	(56,656)					2,982	56,656
Supplementary Instruction	14-100-034-5120-066	7/1/13	6/30/14	50,650		4,509			(4,509)					
Examination and Classification	15-100-034-5120-066	7/1/14	6/30/15	70,964			70,964	(70,964)						70,964
Examination and Classification	14-100-034-5120-066	7/1/13	6/30/14	64,174		1,902			(1,902)					
Corrective Speech	15-100-034-5120-066	7/1/14	6/30/15	15,020			15,020	(15,020)						15,020
Corrective Speech	14-100-034-5120-066	7/1/13	6/30/14	19,530		5,234			(5,234)					
Anti-Bullying Bill of Rights Act	N/A	7/1/13	6/30/16	11,838		5,774		(1,000)				\$ 4,774		1,000
<b>Total Special Revenue Fund</b>							<b>590,550</b>	<b>(581,520)</b>	<b>(40,412)</b>	<b>(16,497)</b>		<b>4,774</b>	<b>18,771</b>	<b>581,520</b>

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2014			Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO			
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received		Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>Enterprise Fund:</b>															
State School Lunch Program	15-100-010-3350-023	7/1/14	6/30/15	15,521				\$ 14,029	\$ (15,521)		\$ (1,492)		\$ (1,492)	\$ 15,521	
State School Lunch Program	14-100-010-3350-023	7/1/13	6/30/14	14,911	\$ (3,442)			3,442							
State School Lunch Program - Supplemental	15-100-010-3350-023	7/1/14	6/30/15	452					(452)		(452)		(452)	452	
State School Lunch Program - Supplemental	14-100-010-3350-023	7/1/13	6/30/14	874	(874)			874							
<b>Total Enterprise Fund</b>						(4,316)		18,345	(15,973)		(1,944)		(1,944)	15,973	
<b>Schools Development Authority:</b>															
<b>Capital Projects Fund:</b>															
<b>Educational Facilities Construction &amp; Financing Act:</b>															
<b>Wayne Valley High School:</b>															
Roof Replacement	5570-050-09-0XAD	7/1/09	6/30/11	\$ 314,192	(186,380)						(186,380)		(186,380)	314,192	
<b>Wayne Hills High School:</b>															
Partial Roof Replacement	5570-055-14-1002	6/17/14	6/30/16	122,932	(122,932)						(4,445)		(122,932)	4,445	
New ADA Restroom	5570-055-14-1005	6/17/14	6/30/16	36,601	(36,601)								(36,601)		
<b>George Washington Middle School:</b>															
Exterior Window Replacement	5570-083-14-1003	6/17/14	6/30/16	61,000	(61,000)						(3,403)		(61,000)	3,403	
<b>Lafayette Elementary School:</b>															
Partial Roof Replacement	5570-090-14-1004	6/17/14	6/30/16	57,490	(57,490)						(2,740)		(57,490)	2,740	
<b>Total Capital Projects Fund</b>						(464,403)					(196,968)		(464,403)	324,780	
<b>TOTAL STATE AWARDS</b>						<u>\$(3,268,605)</u>	<u>\$40,412</u>	<u>\$11,579,208</u>	<u>\$(11,880,420)</u>	<u>\$ (40,412)</u>	<u>\$(2,994,306)</u>	<u>\$ 4,774</u>	<u>\$18,771</u>	<u>\$(3,593,362)</u>	<u>\$ 12,205,200</u>

N/A - Not Available/Applicable

WAYNE TOWNSHIP PUBLIC SCHOOLS  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 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 using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. 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, 2015  
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(11,192) for the general fund, \$(6,363) for the special revenue fund and (\$45,427) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefits and Pension Contributions revenue of \$5,467,704 and \$3,444,221, respectively. Awards and financial assistance revenue are reported on the Board's financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 103,193	\$ 20,183,660	\$20,286,853
Special Revenue Fund	2,589,130	576,182	3,165,312
Food Service Enterprise Fund	487,104	15,973	503,077
Total Financial Assistance	<u>\$ 3,179,427</u>	<u>\$ 20,775,815</u>	<u>\$23,955,242</u>

NOTE 4. 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 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$592,215 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$324,780 has been expended and submitted for reimbursement and \$127,812 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

NOTE 7. I.D.E.A. – PART B, BASIC REGULAR GRANTS

The District has active grants awarded in the amount of \$54,901 from the U.S. Department of Education under the State Department of Education. As of June 30, 2015, \$54,901 has been expended and submitted for reimbursement and \$9,474 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District's federal and state programs tested as major for the current fiscal year were 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	7/1/14-6/30/15	\$ 2,060,658	\$ 2,005,567
Preschool	84.173	7/1/14-6/30/15	67,988	67,988
<u>State:</u>				
Special Education				
Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	3,302,952	3,302,952
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	136,223	136,223
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	80,715	80,715
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	80,715	80,715
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	345,809	345,809
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	2,485,201	2,485,201

- The threshold used for distinguishing between Type A and Type B federal programs was \$300,000 and state programs was \$356,413.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Summary of Auditors' Results: (Cont'd)

- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 was \$500,000.
- The District was determined to be a "low-risk" auditee for both state and federal programs under the provisions of section 530 of the federal Circular.

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 Federal OMB Circular A-133.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08.

WAYNE TOWNSHIP PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.