

WHARTON BOARD OF EDUCATION
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

WHARTON BOARD OF EDUCATION
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
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October 6, 2017

The Honorable President and Members
of the Board of Education
Wharton Board of Education
County of Morris, New Jersey

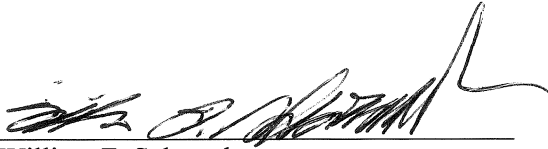
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Wharton Board of Education in the County of Morris for the year ended June 30, 2017, and have issued our report thereon dated October 6, 2017.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated October 6, 2017, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations, if any.

This report is intended for the information of the Wharton Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, the Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Diana Fernandez	Treasurer of School Monies	\$ 190,000
Sandy Cammarata	Business Administrator/Board Secretary	190,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)(3).

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated no discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and certified by the President of the Board, and the School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholding due to the General Fund.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the required due date.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative Classifications

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2017. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

- a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

Effective July 1, 2015, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

School Food Service (Cont'd)

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven/return a profit of at least \$11,000. The operating results provision has been met. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and milk (modify as needed) policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

The school district provided the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-program Food Revenue tool at least annually. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The results of our procedures are presented in the Schedule of Audited Enrollments. The information that was included on the workpapers was verified on test basis without exception.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA Grant agreement for consistency with recording SDA revenue, transfers of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments except as noted herein.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

Management Suggestions

Capital Projects

We have noted that certain projects contained within the Capital Projects Fund are near or fully completed. The District should review the balances remaining in the projects for their completion status and return the remaining funds to the appropriate funding source.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Student Activities

It has recently been determined that School District personnel may not be completely aware of the limitations and restrictions on the use of Student Activity Funds. We believe it is important that the District be aware that any pupil organization which is part of the activity program of the School District, places at least indirect responsibility for supervision and control of that organization with the Board of Education. We suggest that the Board formally approve each school club or activity. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District’s Student Activity Funds.

Additionally, the District should ensure that District-wide standard policies and procedures are implemented for all Student Activity Funds. These policies should indicate the student activities funds are to be utilized for the benefit of the student activity or club and not to be utilized for enhancement of instructional programs or school facilities. The District should at least at a minimum communicate to school personnel on an annual basis the District’s policies and procedures regarding Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds and the safeguarding of funds prior to deposit as well as the appropriate purchasing guidelines for student activities disbursements.

WHARTON BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2017
(Continued)

Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.

WHARTON BOARD OF EDUCATION
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM
ENTERPRISE FUND
FISCAL YEAR ENDED JUNE 30, 2017

<u>Program</u>	<u>Meal Category</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Underclaim</u>
National School Lunch (Regular Rate)	Paid	26,631	26,631	-0-	0.380	-0-
	Reduced	12,070	12,070	-0-	2.840	-0-
	Free	48,232	48,232	-0-	3.240	-0-
		<u>86,933</u>	<u>86,933</u>	<u>-0-</u>		<u>-0-</u>
School Breakfast Program (Regular Rate)	Paid	4,793	4,793	-0-	0.290	-0-
	Reduced	2,776	2,776	-0-	1.740	-0-
	Free	13,385	13,385	-0-	2.040	-0-
		<u>20,954</u>	<u>20,954</u>	<u>-0-</u>		<u>-0-</u>
TOTAL NET (OVER)/UNDERCLAIM						<u>\$ -0-</u>

WHARTON BOARD OF EDUCATION
PROPRIETARY FUND - FOOD SERVICE
SCHEDULE OF NET CASH RESOURCES
FISCAL YEAR ENDED JUNE 30, 2017

Current Assets: *	
Cash and Cash Equivalents	\$ 36,959
Intergovernmental Accounts Receivable	15,626
Current Liabilities: *	
Unearned Revenue	<u>(1,793)</u>
 Net Cash Resources	 <u><u>\$ 50,792 (A)</u></u>
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	<u>\$ 424,364 (B)</u>
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	<u><u>\$ 42,436 (C)</u></u>
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	<u><u>\$ 127,308 (D)</u></u>
Net Cash Resources	\$ 50,792 (A)
Less: Three Times Monthly Average Operating Expenses	<u>(127,308) (D)</u>
Exceed / (Does not Exceed)	<u><u>\$ (76,516) **</u></u>

* Inventories and unearned revenue related to donated commodities are not included in net cash resources.

** Net cash resources do not exceed three times monthly average operating expenses.

WHARTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification			Errors per		
	Reported on		Reported on		Errors		Sample		Verified per		Registers	
	A.S.S.A. On Roll	Workpapers	On Roll	Workpapers	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	24	24					24		24			
Full Day Kindergarten	70	70					70		70			
Grade One	56	56					56		56			
Grade Two	59	59					59		59			
Grade Three	70	70					70		70			
Grade Four	70	70					70		70			
Grade Five	67	67					67		67			
Grade Six	58	58					58		58			
Grade Seven	59	59					59		59			
Grade Eight	93	93					93		93			
Subtotal	626	626					626		626			
Special Ed - Elementary	74	74					7		7			
Special Ed - Middle School	50	50					5		5			
Subtotal	124	124					12		12			
Totals	750	750					638		638			
Percentage Error					0.00%						0.00%	0.00%

WHARTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten									
Grade One					27	27	2	2	
Grade Two					24	24	3	3	
Grade Three					35	35	5	5	
Grade Four					41	41	4	4	
Grade Five					38	38	4	4	
Grade Six					45	45	3	3	
Grade Seven					27	27	3	3	
Grade Eight					39	39	6	6	
Subtotal					58	58	3	3	
					334	334	33	33	
Special Ed - Elementary	2	1	1		46	46	5	5	
Special Ed - Middle School	3	2	2		32	32	3	3	
Subtotal	5	3	3		78	78	8	8	
Totals	5	3	3		412	412	41	41	
Percentage Error				0.00%					0.00%

WHARTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Low Income					
	Reported on	Reported on	Errors	Sample	Verified to	Sample
	A.S.A. as	Workpapers		Selected		
LEP Low	LEP Low		from	Application	Errors	
Income	Income	Errors	Workpapers	and Register		
Full Day Kindergarten	5	5		1	1	
Grade One	3	3		1	1	
Grade Two	7	7		1	1	
Grade Three	2	2		2	2	
Grade Four	1	1		1	1	
Grade Five	4	4		1	1	
Grade Six	3	3				
Grade Seven	2	2		1	1	
Grade Eight	7	7		1	1	
Subtotal	34	34		9	9	
Special Ed - Elementary	4	4		1	1	
Subtotal	4	4	0	1	1	
Totals	38	38		10	10	
Percentage Error			0.00%			0.00%

WHARTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP Not Low Income					
	Reported on A.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors	
Half Day Preschool						
Full Day Kindergarten	2	2	1	1		
Grade One	2	2	1	1		
Grade Two						
Grade Three						
Grade Four	2	2	1	1		
Grade Five	1	1				
Grade Six	1	1	1	1		
Grade Seven	1	1				
Grade Eight	2	2	1	1		
Subtotal	11	11	5	5		
Totals	11	11	5	5		
Percentage Error			0.00%			0.00%

WHARTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	18	18	0	5	5	0
Regular - Special Ed	2	2	0	1	1	0
Special Needs - Public	16	16	0	5	5	0
Special Needs - Private	4	4	0	2	2	0
Totals	40	40	0	13	13	0
Percentage Error			0.00%			0%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.7	6.7
Average Mileage - Regular Excluding Grade PK Students	6.7	6.7
Average Mileage - Special Education with Special Needs	7.1	7.1

WHARTON BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2016-2017 Total General Fund Expenditures per the CAFR	<u>\$ 14,887,526</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u>	(B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u>	(B1c)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 1,586,402</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u>	(B2b)
Adjusted 2016-2017 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 13,301,124</u>	(B3)
2% of Adjusted 2016-2017 General Fund Expenditures [(B5) times .02]	<u>\$ 266,022</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 266,022</u>	(B5)
Increased by: Allowable Adjustments	<u>\$ 156,872</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u><u>\$ 422,894</u></u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 6,067,006</u>	(C)
Decreased by:		
Year End Encumbrances	<u>\$ 199,615</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 663,889</u>	(C3)
Other Restricted Fund Balances	<u>\$ 4,108,375</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u> </u>	(C5)
Additional Assigned - Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	<u> </u>	(C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u><u>\$ 1,095,127</u></u> (U1)

WHARTON BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017

Section 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 672,233 (E)

Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 663,889 (C3)
 Restricted Excess Surplus [(E)] \$ 672,233 (E)

Total [(C3)+(E)+(F)] \$ 1,336,122 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)
 Sale and Lease Back \$ -0- (I)
 Extraordinary Aid \$ 156,872 (J1)
 Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 156,872 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:
 Approved Unspent Separate Proposal \$ -0-
 Sale/Lease-Back Reserve \$ -0-
 Capital Reserve \$ 3,268,363
 Maintenance Reserve \$ 590,012
 Emergency Reserve \$ 250,000
 Tuition Reserve \$ -0-
 Other State/Governmental Mandated Reserve \$ -0-
 Other Restricted Fund Balance not noted Above \$ -0-

Total Other Restricted Fund Balances \$ 4,108,375

WHARTON BOARD OF EDUCATION
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Findings/Recommendations
None