

**WALL TOWNSHIP BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**WALL TOWNSHIP BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
Wall Township Board of Education  
Wall Township, 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 basic financial statements of the Wall Township Board of Education in the County of Monmouth as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
January 18, 2019

**WALL TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Pablo Canela	Treasurer	\$350,000
Brian J. Smyth	Board Secretary/School Business Administrator	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than estimated costs.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

**Payroll/Personnel**

The net salaries of all 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 certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies.

**Employee Position Control Roster**

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**WALL TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(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, a separate test was made to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3 as it relates to administrative coding classification.

Board Secretary's Records

The financial records and books of account maintained by the Board Secretary were in very good condition.

Acknowledgement of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes.

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles II and III of the Elementary and Secondary Education Act, as amended.

The audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The District must monitor the programs to ensure each finding has been properly addressed.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

Our audit 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.

**WALL TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly reimbursement forms 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. Reimbursements to the State for Federal Salary Expenditures**

There was no TPAF employees' contractual salaries paid from federal funds during the current fiscal year. Therefore, there were no reimbursement amounts due to the State at June 30, 2018.

**Nonpublic State Aid**

Project completion reports were finalized and transmitted to the State by the due date.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39-3(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 \$19,000. The Board has designated the School Business Administrator/Board Secretary as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board 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.

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. Our examination did reveal, however, that purchases were made through the use of State contracts.

**Finding** – There were three (3) instances where a Political Contribution Disclosure Form was not obtained from a vendor paid in excess of \$17,500.

**Recommendation** – Political Contribution Disclosure Forms be obtained when required.

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals claimed for reimbursement was verified against meal count records with no exceptions noted. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

**WALL TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Food Service (Continued)**

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 on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received and a separate inventory were maintained on a first-in, first-out basis.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

**Before and After School Programs**

The financial records of the Before and After School Programs Enterprise Fund were maintained in good condition.

**Student Body Activities**

The Board has a policy which clearly established the regulation of student activity funds.

Cash receipts and disbursements records for the student activity accounts were maintained in good condition.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, 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 District workpapers without exception. The information on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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.

**WALL TOWNSHIP BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

**Finding (CAFR Finding 2018-001)** – Our audit of the District Report of Transported Resident Students (DRTRS) revealed that in certain instances, special transportation needs were not specified in student’s Individualized Education Plan (IEP).

**Recommendation** – Internal controls be enhanced to ensure the District Report of Transported Resident Students is in agreement with supporting documentation.

Our procedures also included a review of transportation related contracts and purchases. 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 agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts per eligible facilities construction.

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations.

**Suggestions to Management**

- The District has subsequently collected \$860,491 of outstanding SDA grant receivables. The District should continue efforts to review the outstanding SDA projects in the Capital Projects Fund or take appropriation action to close out all completed project grant account balances and collect eligible grant funds.
- Efforts should be made to limit the reimbursements paid to individuals from the student activity accounts.



**WALL TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Over/ (Under) Claim</u>	<u>Rate</u>	<u>Amount</u>
National School Lunch (Regular Rate)	Paid	122,784	122,784	122,784			
	Reduced	9,752	9,752	9,752			
	Free	<u>37,814</u>	<u>37,814</u>	<u>37,814</u>			
		<u>170,350</u>	<u>170,350</u>	<u>170,350</u>			
National School Breakfast (Severe Rate)	Paid	3,322	3,322	3,322			
	Reduced	1,251	1,251	1,251			
	Free	<u>4,304</u>	<u>4,304</u>	<u>4,304</u>			
		<u>8,877</u>	<u>8,877</u>	<u>8,877</u>			
	<u>179,227</u>	<u>179,227</u>	<u>179,227</u>				

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NET CASH RESOURCE SCHEDULE**

Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2018

		Food Service B - 4/5	
<b>Net Cash Resources:</b>			
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 129,534.00
B-4		Due from Other Gov'ts	9,415
B-4		Accounts Receivable	
B-4		Investments	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(180)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(39,616)</u>
		<b>Net Cash Resources</b>	<b><u>\$ 99,153.00</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	1,507,486	
B-5	Less Depreciation	<u>(14,883)</u>	
	Adj. Tot. Oper. Exp.	<b><u>\$ 1,492,603.00</u></b>	(B)

**Average Monthly Operating Expense:**

B / 10	<b><u>\$ 149,260.30</u></b>	(C)
--------	-----------------------------	-----

**Three times monthly Average:**

3 X C	<b><u>\$ 447,780.90</u></b>	(D)
-------	-----------------------------	-----

TOTAL IN BOX A	<u>\$ 99,153.00</u>
LESS TOTAL IN BOX D	<u>\$ 447,780.90</u>
NET	<u>\$ (348,627.90)</u>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.**

**D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**WALL TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-19 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3yr	11.0	-	11.0	-	-	-	11.0	-	11.0	-	-	-				
Half Day Preschool - 4yr	11.0	-	11.0	-	-	-	11.0	-	11.0	-	-	-				
Full Day Preschool - 4yr	-	-	-	-	-	-	-	-	-	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	227.0	-	227.0	-	-	-	68.0	-	68.0	-	-	-				
One	233.0	-	233.0	-	-	-	81.0	-	81.0	-	-	-				
Two	212.0	-	212.0	-	-	-	52.0	-	52.0	-	-	-				
Three	216.0	-	216.0	-	-	-	25.0	-	25.0	-	-	-				
Four	216.0	-	216.0	-	-	-	49.0	-	49.0	-	-	-				
Five	189.0	-	189.0	-	-	-	63.0	-	63.0	-	-	-				
Six	210.0	-	210.0	-	-	-	210.0	-	210.0	-	-	-				
Seven	229.0	-	229.0	-	-	-	229.0	-	229.0	-	-	-				
Eight	234.0	-	234.0	-	-	-	234.0	-	234.0	-	-	-				
Nine	234.0	-	234.0	-	-	-	234.0	-	234.0	-	-	-				
Ten	202.0	-	202.0	-	-	-	202.0	-	202.0	-	-	-				
Eleven	224.0	9.0	224.0	9.0	-	-	224.0	9.0	224.0	9.0	-	-				
Twelve	230.0	9.0	230.0	9.0	-	-	230.0	9.0	230.0	9.0	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	- 2,878.0	18.0	2,878.0	18.0	-	-	1,923.0	18.0	1,923.0	18.0	-	-	-	-	-	-
Special Ed - Elementary	236.0	-	236.0	-	-	-	27.0	-	27.0	-	-	-	6.0	5.0	5.0	-
Special Ed - Middle School	138.0	-	138.0	-	-	-	16.0	-	16.0	-	-	-	6.0	5.0	5.0	-
Special Ed - High School	160.0	31.0	160.0	31.0	-	-	15.0	7.0	15.0	7.0	-	-	14.5	13.0	13.0	-
Subtotal	534.0	31.0	534.0	31.0	-	-	355.0	31.0	355.0	7.0	-	-	26.5	23.0	23.0	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	3,412.0	49.0	3,412.0	49.0	-	-	2,278.0	49.0	2,278.0	25.0	-	-	26.5	23.0	23.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**WALL TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	25.0	25.0	-	4.0	4.0	-	7.0	7.0	-	6.0	6.0	-
One	32.0	32.0	-	5.0	5.0	-	14.0	14.0	-	12.0	12.0	-
Two	20.0	20.0	-	3.0	3.0	-	4.0	4.0	-	3.0	3.0	-
Three	19.0	19.0	-	3.0	3.0	-	3.0	3.0	-	3.0	3.0	-
Four	26.0	26.0	-	4.0	4.0	-	-	-	-	-	-	-
Five	18.0	18.0	-	3.0	3.0	-	3.0	3.0	-	2.0	2.0	-
Six	18.0	18.0	-	3.0	3.0	-	-	-	-	-	-	-
Seven	14.0	14.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Eight	17.0	17.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Nine	18.0	18.0	-	3.0	3.0	-	3.0	3.0	-	2.0	2.0	-
Ten	22.0	22.0	-	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	19.0	19.0	-	3.0	3.0	-	-	-	-	-	-	-
Twelve	18.5	18.5	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>266.5</u>	<u>266.5</u>	<u>-</u>	<u>43.0</u>	<u>43.0</u>	<u>-</u>	<u>38.0</u>	<u>38.0</u>	<u>-</u>	<u>32.0</u>	<u>32.0</u>	<u>-</u>
Special Ed - Elementary	57.0	57.0	-	9.0	9.0	-	3.0	3.0	-	3.0	3.0	-
Special Ed - Middle	36.0	36.0	-	6.0	6.0	-	-	-	-	-	-	-
Special Ed - High	26.5	26.5	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal	<u>119.5</u>	<u>119.5</u>	<u>-</u>	<u>19.0</u>	<u>19.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>386.0</u>	<u>386.0</u>	<u>-</u>	<u>62.0</u>	<u>62.0</u>	<u>-</u>	<u>41.0</u>	<u>41.0</u>	<u>-</u>	<u>35.0</u>	<u>35.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	1,475.0	1,475.0	-	44.0	44.0	-
Reg -SpEd, col. 4	320.5	320.5	-	7.0	10.0	(3)
Transported - Non-Public, col. 3	356.0	356.0	-	11.0	11.0	-
Special Ed Spec, col. 6	208.5	208.5	-	5.0	6.0	(1)
Totals	<u>2,360</u>	<u>2,360.0</u>	<u>-</u>	<u>67.0</u>	<u>71.0</u>	<u>(4)</u>
Percentage Error					<u>-5.97%</u>	

**WALL TOWNSHIP BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	1	1	-	1	1	-
One	2	2	-	2	2	-
Two	2	2	-	2	2	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	1	1	-	1	1	-
Six	3	3	-	2	2	-
Seven	-	-	-	-	-	-
Eight	1	1	-	1	1	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>10</u>	<u>10</u>	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>11</u>	<u>11</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SECTION 1**

*Two Percent (2%) - Calculation of Excess Surplus*

2017-2018 Total General Fund Expenditures per the CAFR		\$ 76,776,205
Decreased by:		
Capital Leases	\$ 300,000	
On-Behalf TPAF Pension & Reimbursed TPAF Social Security	<u>9,521,584</u>	
		<u>9,821,584</u>
Adjusted 2017-2018 General Fund Expenditures		<u>\$ 66,954,621</u>
2% of Adjusted 2017-2018 General Fund Expenditures		\$ 1,339,092
Increased by:		
Allowable Adjustment - Unbudgeted Extraordinary Aid		\$ 153,185
Allowable Adjustment -Unbudgeted Nonpublic Transportation Aid		<u>23,936</u>
Maximum Unassigned Fund Balance		<u>\$ 1,516,213</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2018		\$ 10,772,055
Decreased by:		
Reserved for Encumbrances	\$ 528,047	
Restricted Fund Balance-Capital Reserve	3,782,795	
Restricted Fund Balance-Maintenance Reserve	300,000	
Restricted Fund Balance - Emergency Reserve	695,000	
Designated for Subsequent Year's Expenditures		
Assigned Fund Balance	350,000	
Maintenance Reserve	500,000	
Capital Reserve	<u>3,100,000</u>	
		<u>9,255,842</u>
Total Unassigned Fund Balance		<u>\$ 1,516,213</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

There are none.

**III. School Purchasing Program**

It is recommended that Political Contribution Disclosure Forms be obtained when required.

**IV. School Food Services**

There are none.

**V. Before and After School Programs**

There are none.

**VI. Student Body Activities**

There are none.

**VII. Application for State School Aid**

There are none.

**VIII. Pupil Transportation**

It is recommended that internal controls be enhanced to ensure the District Report of Transported Resident Students (DRTRS) is in agreement with supporting documentation.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Years' Audit Findings/Recommendations**

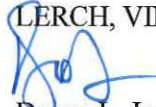
A review was performed on all prior years' recommendations and corrective action was taken on all.

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Donna L. Japhet  
Certified Public Accountant  
Public School Accountant