

WAYNE TOWNSHIP PUBLIC SCHOOLS
COUNTY OF PASSAIC
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

WAYNE TOWNSHIP PUBLIC SCHOOLS
COUNTY OF PASSAIC
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
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January 18, 2019

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

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 Wayne Township Public Schools in the County of Passaic 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 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 January 18, 2019, on the financial statements of the Board.

We will review the status of the comments, 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 suggestions and recommendations.

This report is intended for the information of the Wayne Township Public Schools' 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

NISIVOC CIA LLP

Kathryn L. Mantell

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

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

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, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Heather L. McNamara-Kreitz	Treasurer	\$ 550,000
Edward J. Appleton	Interim School Business Administrator/Board Secretary	100,000

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:23-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any 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. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

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

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 March 15 due date.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

Financial Planning, Accounting and Reporting (Cont'd)

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

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 to randomly selecting a test sample, we reviewed the coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no transaction 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.

Finding:

During our review of the District's records, we found that cash receipt and disbursements and budget revenue and appropriations were not accurately posted to the accounting software. As a result, 1.) there were numerous unidentified reconciling items in the various bank reconciliations which did not correspond with the general ledger and 2.) revenue, expenditures and encumbrances reports were inaccurate. Additionally, errors were made in recording year-end and subsequent year payroll accruals. Balances in the general ledger were not reviewed to ensure that they were accurate and reflected all activity and accruals. This situation occurred due to extensive turnover in the Business Administrator and Assistant Administrator positions during the year. However, after extensive analysis and review, the financial records were corrected and accurately presented in the District's audit.

Recommendation:

It is recommended that all financial transactions are correctly posted to the accounting records and that all general ledger balances are reviewed for accuracy on a monthly basis.

Management's Response:

The District experienced a great deal of turnover in the key positions in the Business Office during 2017-2018. New staff is in place and will ensure that the accounting records are correctly posted and reviewed for accuracy on a monthly basis.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

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.

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 herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. indicated the following area of noncompliance.

Finding:

During our review of federal awards, it was noted that the Title I final expenditure reports were not in agreement with the accounting records and federal reimbursement was not requested in a timely manner.

Recommendation:

It is recommended that the District exercise greater care in completion of the Title I final expenditure reports and submit federal reimbursement requests in a timely manner.

Management's Response:

The District will exercise greater care in completion of the Title I final expenditure reports and submit all federal reimbursement requests in a timely manner.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, 2018. 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.

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 and thereafter 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 \$19,000 for 2017-18.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

School Purchasing Programs (Cont'd)

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

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 school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

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

Finding:

It was noted that the District is not reconciling their accounting records with those of the Food Service management company's accounting records on a monthly basis.

Recommendation:

It is recommended that the District reconcile their accounting records with those of the Food Service management company's accounting records on a monthly basis.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

School Food Service (Cont'd)

Management's Response:

The District will ensure that a reconciliation of their accounting records with those of the Food Service management company's accounting records is done on a monthly basis.

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.

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, low income and bilingual students. 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 with several but minor exceptions in reporting Resident Low Income, Resident LEP Low Income and Resident LEP NOT Low Income students. The information that was included on the workpapers was verified on a test basis with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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 on a test basis with a few minor exceptions. 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.

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 require 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 that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies, procedures and records revealed that the District is in compliance with the travel regulations.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Facilities and Capital Assets

Our procedures included a review of the Schools Development Authority (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 for eligible facilities construction. Based on these procedures, we have no comments except as noted below.

Finding:

During our review of the District's Capital Projects Fund, we noted that there are four projects that were financed in part with SDA grants that are currently completed.

Recommendation:

It is recommended that the District submit grant reimbursement requests for all completed projects that were financed with Schools Development Authority (SDA) grants.

Management's Response:

The new Business Administrator will review the status of all capital projects and submit SDA grant reimbursement requests for all completed capital projects.

Testing for Lead of All Drinking Water in Educational Facilities

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

Management Suggestions

System and Organization Controls (SOC) Reports

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives through a specified period. The Type 2 report also reviews the operating effectiveness of the controls included in the description the individual controls and identifies the individual control that were tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Management Suggestions (Cont'd)

Surety Bond – Business Administrator

The statutory requirement for surety coverage for the Treasurer's position was based upon the Treasurer's performance of collection, disbursement, and investment of the District's main funds. Over time, those duties have been assumed by the School Business Administrator. As a result, the person most intimately involved in the handling of the District's main funds is not required to be bonded in an amount commensurate with his/her related responsibilities. We suggest that the District consider increasing the bond of the Business Administrator to an amount at least equal to the amount required for the Treasurer.

Status of Prior Year Findings/Recommendations

There were no prior year recommendations.

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 Application for State School Aid							Sample for Verification				Private Schools for Disabled				
	Reported on			Reported on				Sample		Verified per		Reported				
	ASSA			Workpapers				Selected from		Registers		on				
	On Roll	Shared	Full	On Roll	Shared	Full	Errors	Full	Shared	On Roll	Shared	Full	Shared	Full	Shared	Errors
Half Day Preschool:																
3 Years Old	68		68	377		377			68							
4 Years Old	61		61						61							
Kindergarten:																
Full Day	377		377	377		377			377							
Grade One	453		453	453		453			453							
Grade Two	495		495	495		495			495							
Grade Three	477		477	477		477			477							
Grade Four	483		483	483		483			483							
Grade Five	531		531	531		531			531							
Grade Six	516		516	516		516			516							
Grade Seven	553		553	553		553			553							
Grade Eight	545		545	545		545			545							
Grade Nine	571		571	571		571			571							
Grade Ten	539		539	539		539			539							
Grade Eleven	570		570	570		570			570							
Grade Twelve	594		594	594		594			594							
Subtotal	6,858		6,858	6,858		6,858			6,858							
Special Education:																
Elementary School	410		410	410		410			11					16		2
Middle School	302		302	302		302			7					18		2
High School	360		360	360		360			7					29		2
Subtotal	1,072		1,072	1,072		1,072			25					63		6
Totals	7,930	- 0 -	7,930	7,930	- 0 -	- 0 -	- 0 -	- 0 -	6,883	- 0 -	- 0 -	- 0 -	- 0 -	63	63	- 0 -
Percentage Error									0.00%					0.00%		0.00%

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA 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>
Kindergarten:						
Half Day	28	28		2	2	
Full Day	11	10	1	1	1	
Grade One	40	40		2	2	
Grade Two	39	39		2	2	
Grade Three	40	42	-2	2	2	
Grade Four	51	51		2	2	
Grade Five	62	60	2	2	2	
Grade Six	48	49	-1	2	2	
Grade Seven	40	40		2	2	
Grade Eight	42	43	-1	2	2	
Grade Nine	39	39		2	2	
Grade Ten	46	46		2	2	
Grade Eleven	30	29	1	1	1	
Grade Twelve	39	39		1	1	
Subtotal	<u>555</u>	<u>555</u>	<u>- 0 -</u>	<u>25</u>	<u>25</u>	<u>- 0 -</u>
Special Education:						
Elementary School	69	69		6	6	
Middle School	57	57		6	6	
High School	54	54		6	6	
Subtotal	<u>180</u>	<u>180</u>	<u>- 0 -</u>	<u>18</u>	<u>18</u>	<u>- 0 -</u>
Totals	<u>735</u>	<u>735</u>	<u>- 0 -</u>	<u>43</u>	<u>43</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA 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 Scores, Application and Register</u>	<u>Sample Errors</u>
Kindergarten:						
Half Day	2	3	-1	1	1	
Full Day	2	3	-1	1	1	
Grade One	3	5	-2	1	1	
Grade Two	3	4	-1	1	1	
Grade Three	1	1		1	1	
Grade Four	6	5	1	1	1	
Grade Five	3	3		1	1	
Grade Six	3	3		1	1	
Grade Seven	2	2		1	1	
Grade Eight	3	3		1	1	
Grade Nine	3	3		1	1	
Grade Ten	4	3	1	1	1	
Grade Eleven	4	4		1	1	
Grade Twelve	2	2		1	1	
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Totals	41	44	-3	14	14	- 0 -
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Special Education:						
Elementary School	2	2		1	1	
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Subtotal	2	2		1	1	
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Totals	43	46	-3	15	15	- 0 -
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Percentage Error			<u>-6.98%</u>			<u>0.00%</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as LEP NOT Low Income</u>	<u>Reported on Workpapers as LEP NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Scores and Register</u>	<u>Sample Errors</u>
Kindergarten:						
Half Day	19	24	-5	1	1	
Full Day	2	2		1	1	
Grade One	24	30	-6	1	1	
Grade Two	17	23	-6	1	1	
Grade Three	18	17	1	1	1	
Grade Four	7	8	-1	1	1	
Grade Five	2	2		1	1	
Grade Six	4	4		1	1	
Grade Seven	6	6		1	1	
Grade Eight	3	3		1	1	
Grade Nine	6	6		1	1	
Grade Ten	3	3		1	1	
Grade Eleven	5	4	1	1	1	
Grade Twelve						
Totals	<u>116</u>	<u>132</u>	<u>-16</u>	<u>13</u>	<u>13</u>	<u>- 0 -</u>
Special Education:						
Elementary School	6	6		2	2	
Middle School	2	2		1	1	
Subtotal	<u>8</u>	<u>8</u>	<u>- 0 -</u>	<u>3</u>	<u>3</u>	<u>- 0 -</u>
Totals	<u>124</u>	<u>140</u>	<u>-16</u>	<u>16</u>	<u>16</u>	<u>- 0 -</u>
Percentage Error			<u>-12.90%</u>			<u>0.00%</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	2,039	2,039		25	25	
Regular - Special Ed	151	151		15	14	1
Transported - Non Public	8	8		3		3
AIL - Non Public	383	383		25	25	
Special Needs - Public	101	101		10	10	
Special Needs - Private	<u>58</u>	<u>58</u>		<u>6</u>	<u>6</u>	
Totals	<u>2,740</u>	<u>2,740</u>	<u>- 0 -</u>	<u>84</u>	<u>80</u>	<u>4</u>
Percentage Error			<u>0.00%</u>			<u>4.76%</u>
				<u>Reported</u>	<u>Re- calculated</u>	
Average Mileage:						
Regular Including Grade PK Students				3.6	3.6	
Regular Excluding Grade PK Students				3.6	3.6	
Special Education with Special Needs				6.5	6.5	

WAYNE TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 174,087,708</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 20,809,236</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 1,365,300</u> (B2b)
Adjusted 2017-18 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 151,913,172</u> (B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 3,038,263</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 3,038,263</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 61,347</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 3,099,610</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/18 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 13,653,003</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 2,805,968</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 869,572</u> (C3)
Other Restricted Fund Balances	<u>\$ 4,019,983</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 1,107,870</u> (C5)
Additional Assigned Fund Balance - Unreserve - Designated for Subsequent Year's Expenditures 7/1/18-8/1/18	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 4,849,610</u> (U1)

WAYNE TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 1,750,000 (E)

Recapitulation of Excess Surplus as of June 30, 2018

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 869,572 (C3)

Restricted Excess Surplus [(E)] \$ 1,750,000 (E)

Total [(C3)+(E)] \$ 2,619,572 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 9,251 (J1)

Additional Nonpublic School Transportation Aid \$ 52,096 (J2)

Current Year School Bus Advertising Revenue Realized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 61,347 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 4,019,983

Maintenance Reserve \$ -0-

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Current Year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Prior Year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid General Fund Reserve (Sections 8007 and 8008) \$ -0-

Other State/Government Mandated Reserve \$ -0-

Other Restricted Fund Balances Not Noted Above \$ -0-

Total Other Restricted Fund Balances \$ 4,019,983 (C4)

WAYNE TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
All financial transactions are correctly posted to the accounting records and that all general ledger balances are reviewed for accuracy on a monthly basis.
3. Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)
The District exercise greater care in completion of the Title I final expenditure reports and submit all federal reimbursement requests in a timely manner.
4. School Purchasing Program
None
5. School Food Service
The Food Service management company's reports are reconciled with the District's accounting records on a monthly basis.
6. Student Body Activities
None
7. Application for State School Aid
None
8. Pupil Transportation
None
9. Facilities and Capital Assets
The District submit grant reimbursement requests for all completed projects that were financed with Schools Development Authority (SDA) grants.
10. Travel Expense and Reimbursement Policy
None
11. Testing for Lead of All Drinking Water in Educational Facilities
None

WAYNE TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2018

12. Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.