

**WALL TOWNSHIP BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**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, 2019, and have issued our report thereon dated December 4, 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
December 4, 2019

**WALL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$400,000
Brian J. Smyth	Board Secretary/School Business Administrator	400,000

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 Board made a proper adjustment, as applicable to the billings to the sending districts in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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, 2019**

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.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

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.

The Board Secretary's and Treasurer's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

Finding – Our audit noted that the tuition ledger maintained by the Board does not agree to the general ledger postings.

Recommendation – The tuition ledger be reconciled to the general ledger on a monthly basis.

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 I, IIa, III and IV of the Elementary and Secondary Education Act, as amended.

**WALL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

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.

I.D.E.A. Part B

Separate accounting records were maintained on each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

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

The amount of expenditures charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Finding (CAFR Finding 2019-002) – Our audit noted that TPAF reimbursement to the State was not made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

Recommendation – The TPAF reimbursement to the State be made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

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

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.

**WALL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 – Our audit noted two instances where a purchase awarded through the use of a State and/or cooperative purchasing contract where the amount exceeded the bid limit was encumbered prior to the approval by Board resolution.

Recommendation – All purchases awarded through the use of a State and/or other cooperative purchasing contract that exceeds the bid limit be approved by Board resolution prior to issuing a purchase order.

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.

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.

**WALL TOWNSHIP BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 15, 2018 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 with an isolated exception. The information on the workpapers was verified with immaterial exceptions. 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.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2018-2019 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 2019-001) – Our audit of the District Report of Transported Resident Students (DRTRS) revealed that in certain instances, required transportation or 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 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.

**WALL TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPICABLE

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures Proprietary Funds - Food Service FYE 2019

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 198,285.00
B-4		Due from Other Gov'ts	14,627
B-4		Accounts Receivable	4,707
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(38,558)</u>
		Net Cash Resources	<u>\$ 179,061.00</u> (A)

<u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	1,494,552
B-5		Less Depreciation	<u>(15,032)</u>
		Adj. Tot. Oper. Exp.	<u>\$ 1,479,520.00</u> (B)

<u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 147,952.00</u> (C)

<u>Three times monthly Average:</u>			
		3 X C	<u>\$ 443,856.00</u> (D)

TOTAL IN BOX A	\$	179,061.00
LESS TOTAL IN BOX D	\$	443,856.00
NET	\$	<u>(264,795.00)</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

Conclusion: Net cash resources do not exceed the three month average expenditures.

**WALL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-20 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	7.0	-	7.0	-	-	-	7.0	-	7.0	-	-	-				
Half Day Preschool - 4yr	16.0	-	16.0	-	-	-	16.0	-	16.0	-	-	-				
Full Day Preschool - 4yr	-	-	-	-	-	-	-	-	-	-	-	-				
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	200.0	-	200.0	-	-	-	44.0	-	44.0	-	-	-				
One	221.0	-	221.0	-	-	-	20.0	-	20.0	-	-	-				
Two	219.0	-	219.0	-	-	-	53.0	-	53.0	-	-	-				
Three	213.0	-	213.0	-	-	-	60.0	-	60.0	-	-	-				
Four	214.0	-	214.0	-	-	-	73.0	-	73.0	-	-	-				
Five	220.0	-	220.0	-	-	-	82.0	-	82.0	-	-	-				
Six	197.0	-	197.0	-	-	-	197.0	-	197.0	-	-	-				
Seven	216.0	-	216.0	-	-	-	216.0	-	216.0	-	-	-				
Eight	230.0	-	230.0	-	-	-	230.0	-	230.0	-	-	-				
Nine	225.0	-	225.0	-	-	-	225.0	-	225.0	-	-	-				
Ten	237.0	-	237.0	-	-	-	237.0	-	237.0	-	-	-				
Eleven	199.0	3.0	199.0	3.0	-	-	199.0	9.0	199.0	9.0	-	-				
Twelve	224.0	9.0	224.0	8.0	-	1.0	224.0	8.0	224.0	8.0	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	2,838.0	12.0	2,838.0	11.0	-	1.0	1,883.0	17.0	1,883.0	17.0	-	-	-	-	-	-
Special Ed - Elementary	219.0	-	219.0	-	-	-	26.0	-	26.0	-	-	-	6.0	5.0	5.0	-
Special Ed - Middle School	146.0	-	146.0	-	-	-	17.0	-	17.0	-	-	-	5.0	5.0	5.0	-
Special Ed - High School	165.0	20.0	165.0	20.0	-	-	22.0	-	22.0	-	-	-	13.0	13.0	13.0	-
Subtotal	530.0	20.0	530.0	20.0	-	-	65.0	-	65.0	-	-	-	24.0	23.0	23.0	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	3,368.0	32.0	3,368.0	31.0	-	1.0	1,948.0	17.0	1,948.0	17.0	-	-	24.0	23.0	23.0	-
Percentage Error					0.00%	3.13%					0.00%	0.00%				0.00%

**WALL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
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	24.0	24.0	-	4.0	4.0	-	3.0	3.0	-	3.0	3.0	-
One	17.0	17.0	-	3.0	3.0	-	5.0	5.0	-	5.0	5.0	-
Two	30.0	30.0	-	5.0	5.0	-	9.0	9.0	-	8.0	8.0	-
Three	20.0	20.0	-	3.0	3.0	-	2.0	2.0	-	2.0	2.0	-
Four	17.0	17.0	-	3.0	3.0	-	4.0	4.0	-	4.0	4.0	-
Five	34.0	34.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Six	17.0	17.0	-	3.0	3.0	-	3.0	2.0	1.0	1.0	1.0	-
Seven	18.0	18.0	-	3.0	3.0	-	1.0	-	1.0	-	-	-
Eight	16.0	16.0	-	3.0	3.0	-	-	-	-	-	-	-
Nine	18.0	18.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Ten	14.0	14.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	17.5	17.5	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Twelve	17.0	17.0	-	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>259.5</u>	<u>259.5</u>	<u>-</u>	<u>43.0</u>	<u>43.0</u>	<u>-</u>	<u>32.0</u>	<u>30.0</u>	<u>2.0</u>	<u>28.0</u>	<u>28.0</u>	<u>-</u>
Special Ed - Elementary	50.0	50.0	-	8.0	8.0	-	7.0	7.0	-	6.0	6.0	-
Special Ed - Middle	47.0	47.0	-	7.0	7.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - High	22.0	22.0	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal	<u>119.0</u>	<u>119.0</u>	<u>-</u>	<u>19.0</u>	<u>19.0</u>	<u>-</u>	<u>8.0</u>	<u>8.0</u>	<u>-</u>	<u>7.0</u>	<u>7.0</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>378.5</u>	<u>378.5</u>	<u>-</u>	<u>62.0</u>	<u>62.0</u>	<u>-</u>	<u>40.0</u>	<u>38.0</u>	<u>2.0</u>	<u>35.0</u>	<u>35.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>5.00%</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	1,568.0	1,568.0	-	52.0	52.0	-
Reg -SpEd, col. 4	28.0	28.0	-	8.0	6.0	2
Transported - Non-Public, col. 3	318.0	318.0	-	10.0	10.0	-
Special Ed Spec, col. 6	242.0	242.0	-	8.0	5.0	3
Totals	<u>2,156</u>	<u>2,156</u>	<u>-</u>	<u>78.0</u>	<u>73.0</u>	<u>5</u>
Percentage Error					<u>6.41%</u>	

**WALL TOWNSHIP BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
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	3	3	-	3	3	-
One	1	1	-	1	1	-
Two	2	2	-	2	2	-
Three	3	3	-	3	3	-
Four	1	1	-	1	1	-
Five	-	-	-	-	-	-
Six	1	2	(1)	1	1	-
Seven	2	3	(1)	2	2	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>14</u>	<u>16</u>	<u>(2)</u>	<u>14</u>	<u>14</u>	<u>-</u>
Special Ed - Elementary	2	2	-	2	2	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>16</u>	<u>18</u>	<u>(2)</u>	<u>16</u>	<u>16</u>	<u>-</u>
Percentage Error			<u>-12.50%</u>			<u>0.00%</u>

**WALL TOWNSHIP BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1

Two Percent (2%) - Calculation of Excess Surplus

2018-2019 Total General Fund Expenditures per the CAFR		\$ 81,478,117
Decreased by:		
Capital Leases	\$ 405,000	
On-Behalf TPAF Pension & Reimbursed TPAF Social Security	<u>10,579,792</u>	
		<u>10,984,792</u>
Adjusted 2018-2019 General Fund Expenditures		<u>\$ 70,493,325</u>
2% of Adjusted 2018-2019 General Fund Expenditures		\$ 1,409,867
Increased by:		
Allowable Adjustment - Unbudgeted Extraordinary Aid	\$ 303,521	
Allowable Adjustment -Unbudgeted Nonpublic Transportation Aid	<u>43,831</u>	
Maximum Unassigned Fund Balance		<u>\$ 1,757,219</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2019		\$ 11,969,122
Decreased by:		
Reserved for Encumbrances	\$ 1,909,855	
Restricted Fund Balance-Capital Reserve	2,267,804	
Restricted Fund Balance-Maintenance Reserve	531,099	
Restricted Fund Balance - Emergency Reserve	584,000	
Designated for Subsequent Year's Expenditures		
Assigned Fund Balance	579,705	
Emergency Reserve	695,000	
Maintenance Reserve	500,000	
Capital Reserve	<u>3,457,000</u>	
		<u>10,524,463</u>
Total Unassigned Fund Balance		<u>\$ 1,444,659</u>

SECTION 3

Restricted Fund Balance-Excess Surplus		<u>\$ -</u>
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**WALL TOWNSHIP BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The tuition ledger be reconciled to the general ledger on a monthly basis.
2. The TPAF reimbursement to the State be made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

III. School Purchasing Program

It is recommended that all purchases awarded through the use of a State and/or other cooperative purchasing contract that exceeds the bid limit be approved by Board resolution prior to issuing a purchase order.

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 except the item denoted with an asterisk (*).

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