

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

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

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2-3
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	4
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs:	5-6
Contracts and Agreements Requiring Advertisement for Bids	5-6
School Food Service	6
Student Body Activities	7
Application for State School Aid	7
Pupil Transportation	7
Travel Expense and Reimbursement Policy	8
Facilities and Capital Assets	8
Testing for Lead of all Drinking Water in Educational Facilities	8
Status of Prior Year's Findings/Recommendations	8
Management Suggestions	9
Schedule of Meal/Milk Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	10-14
Excess Surplus Calculation	15-16
Summary of Recommendations	17-18

November 15, 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, 2019, and have issued our report thereon dated November 15, 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 November 15, 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

NISIVOCCIA 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, 2019

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
William Moffitt	School Business Administrator/Board Secretary	1,000,000
Jinnee DeMarco	Assistant School Business Administrator	1,000,000

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, 2019

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 below.

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 turnover and loss of staff in the Business Office 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 turnover and loss of staff in the Business Office during 2018-2019. New staff is expected to be 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, 2019

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

The study of compliance for the E.S.E.A. indicated no areas of noncompliance.

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.

Finding:

During our review of nonpublic awards, we found that the project completion report for Examination and Classification – Handicapped Services did not include expenditures for annual examinations as reflected in the accounting records. The School Business Administrator and Business Office staff indicated that the error resulted from an oversight and reached out to the State to see if the project completion report can be amended. Based upon their inquiry, the District can amend its project completion report to include all incurred expenditures; therefore, no formal audit recommendation is deemed necessary.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to these other 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, 2019. The reimbursement form was reviewed and no exceptions were noted.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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 2018-19.

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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

School Purchasing Programs (Cont'd)

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

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. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, 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. No exceptions were noted.

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:

The revenues and expenditures reflected in the Food Service management company's operating statement were not fully reconciled with the District's accounting records on a monthly basis. However, year to date revenues and expenditures per the Food Service Management company's operating statement were reconciled with the accounting records upon audit.

Recommendation:

It is recommended that the revenues and expenditures reflected in the Food Service management company's operating statement is fully reconciled with the District's accounting records on a monthly basis.

Management's Response:

The District has acknowledged that this has been an ongoing issue and will communicate with the Food Service Management Company to ensure that the revenues and expenditures reflected in their operating statement are reconciled with the District's accounting records on a monthly basis.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(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.

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, 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 exceptions in reporting On-Roll, 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 exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding:

Our review of the District's 2019-2020 Application for State School Aid revealed that the District did not accurately report the number of on-roll students (48 errors, net), Resident Low Income students (12 errors, net), Resident LEP Low Income students (1 error, net) and Resident LEP NOT Low Income students (9 errors, net), on the application as compared to the District's supporting workpapers.

Recommendation:

It is recommended that greater care be taken to ensure the accuracy of the counts for the On-Roll, Resident Low-Income, Resident LEP Low-Income and Resident LEP NOT Low-Income students in the District's Application for State School Aid (ASSA).

Management's Response:

The District will implement procedures to ensure the accuracy of the counts for On-Roll, Resident Low-Income, Resident LEP Low-Income and Resident LEP NOT Low-Income students in the District's Application for State School Aid (ASSA).

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 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.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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.

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.

The District was awarded SDA grants in 2014 associated with four capital projects that have been completed and the grant reimbursement requests have not been submitted. During the current fiscal year, the District gathered the necessary information and documents and is in the process of preparing the reimbursement requests; therefore, a formal audit recommendation is warranted.

Based on these procedures, we have no further comments.

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).

Status of Prior Year Findings/Recommendations

The prior year recommendations regarding completion of the Title I final expenditure report and preparation of grant reimbursement requests for all completed projects that were financed with Schools Development Authority (SDA) grants were addressed. The recommendations regarding financial transactions posted to the accounting records and the review of general ledger balances and reconciling Food Service management company's operating statements with the District's accounting records were not fully corrected during the current year and are included in the current year's findings.

WAYNE TOWNSHIP PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Management Suggestions

New Jersey Earned Sick Leave Law

The New Jersey Earned Sick Leave Law was effective October 29, 2018. This law allows employees to accrue 1 hour of earned sick leave for every 30 hours worked, up to 40 hours each calendar year. We suggest that Districts perform a review each year to determine if there are any employees not previously eligible to receive earned sick leave who are now entitled to under this law and that adequate records are maintained for the accrual of the earned sick leave.

Governmental Accounting Standards Board (GASB) Statements

The next GASB Statement which will have an impact on the District's financial statements is GASB Statement No. 84, *Fiduciary Activities*, which is effective for the fiscal year ended June 30, 2020. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement will likely have an impact on the financial statement presentation of the Payroll Agency Fund and may have an impact on the presentation of the Student Activities Agency Fund and Trust Funds such as the Flexible Spending Trust Fund and Unemployment Trust Fund.

WAYNE TOWNSHIP PUBLIC SCHOOLS
 SCHEDULE OF AUDITED ENROLLMENT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2018

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported		Sample	
	ASSA		Workpapers		On Roll		Selected from		Registers		Registers		on Private		for	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Sample	Sample
Half Day Preschool:																
3 Years Old	49		38		11		49		38		11					
4 Years Old	67		64		3		67		64		3					
Full Day Preschool:																
4 Years Old	2		2				2		2							
Kindergarten:																
Half Day	393		390		3		393		390		3					
Full Day	18		15		3		18		15		3					
Grade One	481		481				481		481							
Grade Two	451		452		-1		451		452		-1					
Grade Three	493		493				493		493							
Grade Four	490		489		1		490		489		1					
Grade Five	491		491				491		491							
Grade Six	535		535				535		535							
Grade Seven	525		525				525		525							
Grade Eight	544		543		1		544		543		1					
Grade Nine	493		492		1		493		492		1					
Grade Ten	566		566				566		566							
Grade Eleven	526		527		-1		526		527		-1					
Grade Twelve	577		576		1		577		576		1					
Subtotal	6,701		6,679		22		6,701		6,679		22					
Special Education:																
Elementary School	427		411		16		12		12				16		16	2
Middle School	298		297		1		6		6				18		18	2
High School	379		369		10		7		7				29		29	2
Subtotal	1,104		1,077		27		25		25				63		63	6
Totals	7,805		7,756		49		6,726		6,704		-0-		63		63	6
Percentage Error					0.63%								0.33%			0.00%

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Resident Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Kindergarten:						
Half Day	12	14	2	2	2	
Full Day	8	7	-1	1	1	
Grade One	48	48		2	2	
Grade Two	36	35	-1	2	2	
Grade Three	37	36	-1	2	2	
Grade Four	43	44	1	2	2	
Grade Five	47	49	2	2	2	
Grade Six	65	63	-2	2	2	
Grade Seven	45	45		2	2	
Grade Eight	43	42	-1	2	2	
Grade Nine	28	30	2	2	2	
Grade Ten	35	36	1	2	2	
Grade Eleven	31	31		1	1	
Grade Twelve	25	25		1	1	
Subtotal	<u>503</u>	<u>505</u>	<u>2</u>	<u>25</u>	<u>25</u>	<u>- 0 -</u>
Special Education:						
Elementary School	76	72	4	6	6	
Middle School	52	52		5	5	
High School	65	59	6	6	6	
Subtotal	<u>193</u>	<u>183</u>	<u>10</u>	<u>17</u>	<u>17</u>	<u>- 0 -</u>
Totals	<u>696</u>	<u>688</u>	<u>12</u>	<u>42</u>	<u>42</u>	<u>- 0 -</u>
Percentage Error			<u>1.72%</u>			<u>0.00%</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	<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						
Full Day	1	1		1	1	
Grade One	8	8		2	2	
Grade Two	7	7		2	2	
Grade Three	5	6	1	2	2	
Grade Four	3	1	-2	1	1	
Grade Five	5	3	-2	1	1	
Grade Six	4	5	1	2	1	-1
Grade Seven	2	2		1		-1
Grade Eight	2	4	2	2	1	-1
Grade Nine						
Grade Ten	3	3		1	1	
Grade Eleven	2	1	-1	1	1	
Grade Twelve	3	3		1	1	
	<u>45</u>	<u>44</u>	<u>-1</u>	<u>17</u>	<u>14</u>	<u>-3</u>
Totals						
Special Education:						
Elementary School	3	3		1	1	
Middle School	1	1		1	1	
	<u>4</u>	<u>4</u>		<u>2</u>	<u>2</u>	
Subtotal						
Totals	<u>49</u>	<u>48</u>	<u>-1</u>	<u>19</u>	<u>16</u>	<u>-3</u>
Percentage Error			<u>-2.04%</u>			<u>-15.79%</u>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	<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	7	20	-13	2	1	-1
Full Day						
Grade One	22	23	-1	2	1	-1
Grade Two	23	21	2	2	1	-1
Grade Three	17	17		2	1	-1
Grade Four	15	14	1	2	2	
Grade Five	10	9	1	2	1	-1
Grade Six	11	6	5	2		-2
Grade Seven	9	4	5	2	1	-1
Grade Eight	3	1	2	1	1	
Grade Nine	4	5	-1	1	1	
Grade Ten	9	7	2	2	2	
Grade Eleven	9	3	6	1	1	
Grade Twelve	4	4		1	1	
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Totals	143	134	9	22	14	-8
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Special Education:						
Elementary School	3	3		1	1	
Middle School	5	5		2	2	
High School	1	1				
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Subtotal	9	9		3	3	
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Totals	152	143	9	25	17	-8
	<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Percentage Error			5.92%			-32.00%
			<hr/> <hr/>			<hr/> <hr/>

WAYNE TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,058	2,061	-3	25	24	1
Regular - Special Ed	122	122		12	10	2
Transported - Non Public	11	11		2		2
AIL - Non Public	370	371	-1	25	27	-2
Special Needs - Public	91	91		9	9	
Special Needs - Private	65	65		6	6	
Totals	<u>2,717</u>	<u>2,721</u>	<u>-4</u>	<u>79</u>	<u>76</u>	<u>3</u>
Percentage Error			<u>-0.15%</u>			<u>3.80%</u>

	Reported	Recalculated
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	6.7	6.7

WAYNE TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 185,128,271</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>\$ 23,252,091</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ 2,032,804</u> (B2b)
Adjusted 2018-19 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 159,843,376</u> (B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	<u>\$ 3,196,868</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 3,196,868</u> (B5)
Increased by: Allowable Adjustments	<u>\$ 939,772</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 4,136,640</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/19 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 13,310,973</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 388,092</u> (C1)
Legally Restricted:	
Designated for Subsequent Year's Expenditures	<u>\$</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,750,000</u> (C3)
Other Restricted Fund Balances	<u>\$ 5,286,241</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$</u> (C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures 7/1/19-8/1/19	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 5,886,640</u> (U1)

WAYNE TOWNSHIP PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,750,000 (C3)
Restricted Excess Surplus [(E)] \$ 1,750,000 (E)

Total [(C3)+(E)] \$ 3,500,000 (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0-</u> (H)
Sale & Lease-back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ 882,472</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ 57,300</u> (J2)
Current Year School Bus Advertising Revenue Realized	<u>\$ -0-</u> (J3)
Family Crisis Transportation Aid	<u>\$ -0-</u> (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 <u>\$ 939,772</u> (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:	
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 5,286,241</u>
Maintenance Reserve	<u>\$ -0-</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Current Year	<u>\$ -0-</u>
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
Impact Aid General Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
Other State/Government Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balances Not Noted Above	<u>\$ -0-</u>
 Total Other Restricted Fund Balances	 <u>\$ 5,286,241</u> (C4)

WAYNE TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2019

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. Other Special Federal and/or State Projects
None
4. School Purchasing Program
None
5. School Food Service
Revenues and expenditures per the Food Service management company's operating statements are reconciled with the District's accounting records on a monthly basis.
6. Student Body Activities
None
7. Application for State School Aid
Greater care be taken to ensure the accuracy of the counts for the On-Roll, Resident Low-Income, Resident LEP Low-Income and Resident LEP NOT Low-Income students in the District's Application for State School Aid (ASSA).
8. Pupil Transportation
None
9. Facilities and Capital Assets
None
10. Travel Expense and Reimbursement Policy
None
11. Miscellaneous
None

WAYNE TOWNSHIP PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2019

It is recommended that:

12. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding completion of the Title I final expenditure report and preparation of grant reimbursement requests for all completed projects that were financed with Schools Development Authority (SDA) grants were addressed. The recommendations regarding financial transactions posted to the accounting records and the review of general ledger balances and reconciling Food Service management company's operating statements with the District's accounting records were not fully corrected during the current year and are included in the current year's findings.