

**CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX, NEW JERSEY**

**AUDITOR'S MANAGEMENT REPORT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2019**

PREPARED BY

***SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS***

**CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
NEW JERSEY**

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
City of Orange Township School District
County of Essex, New Jersey 07050

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the City of Orange Township School District in the County of Essex for the year ended June 30, 2019, and have issued our report thereon dated December 16, 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 report is intended solely for the information of the City of Orange Township School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



WALTER RYGLICKI
Licensed Public School Accountant #845



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
December 16, 2019

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education. This report is filed in conjunction with the District's Comprehensive Annual Financial Report (CAFR).

Administrative Practices and Procedures

Insurance

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

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Adekunle O. James	School Business Administrator/Board Secretary	\$400,000
Akindele Ayadele	Assistant Business Administrator	400,000
Olugbenga Olabintan	Treasurer of School Moneys	400,000

There is a Public Employees' Faithful Performance Blanket Bond covering all other employees.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made a proper adjustment to the billings to sending districts for the increase in per pupil costs 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.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and maintains an Unemployment Compensation Insurance Trust Fund.

Payroll Account and Position Control Roster

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.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account and Position Control Roster (Continued)

All payrolls were approved by the Superintendent of Schools and certified by the President of the Board of Education and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to general fund.

The propriety of deductions from employee salaries for pensions, Social Security, withholding tax and other purposes from employee payrolls were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

Travel Reimbursement Policy

The required travel and related reimbursement policy was in accordance with N.J.A.C. 6A:23B-1.2(a).

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30th for proper classification of orders as reserve for encumbrances and accounts payable.

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 to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. There were minor transaction errors noted as a result of the procedures performed.

Board Secretary's/School Business Administrator's Records

The financial records, books of accounts and minutes maintained by the Board Secretary were in satisfactory condition. The prescribed contractual order system was followed.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Treasurer's Records

The Treasurer's records were examined and found to be in agreement with the records of the Board Secretary.

Elementary and Secondary Education Act (ESEA), Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind (NCLB) Act of 2001 as Amended by the Every Student Succeeds Act (ESSA)

The ESEA 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 and VI of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for ESEA did not indicate any areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on the Special Revenue Fund, Schedule K-3 and Schedule K-4 located in the CAFR.

Treasurer's Records (Continued)

Other Special Federal and/or State Projects (Continued)

Our audit of 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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursements to the State for the amount of the expenditure charged to the current year's Final Report(s) 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

TPAF Reimbursement

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 TPAF. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 are \$40,000.00 with a Qualified Purchasing Agent. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000.00 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 fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor'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.

The results of our examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, 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.

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.

Business-Type Activities

Enterprise Fund:

Food Service Fund:

The School District has contracted with Compass Group US, Inc., (Chartwells) to administer the Food Service Program for the District

Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the Food Service Program will be profitable with certain other provisions. The operating results were met.

School Purchasing Programs (Continued)

Business-Type Activities (Continued)

Enterprise Fund: (Continued)

Food Service Fund: (Continued)

The statistical records of the School Food Service were maintained in satisfactory condition. The meal count records and eligibility applications were reviewed on a test basis. There were no exceptions.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price system is administered uniformly throughout the School System. The required verification procedures for free and reduced price applications were completed and available for audit.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were examined and costs verified. Inventory records on food supply items were 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 disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food.

The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service. Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Business-Type Activities, Enterprise Funds (Exhibit B-4 through B-6) in Section B of the CAFR.

It should be noted that the food service company has provided the required Report on Internal Controls of Service Organizations in accordance with the AICPA Statement on Standards for Attesting Engagements Number 16 (SSAE#16).

Food Distribution Program Commodities were received during the period of audit. Inventory records on commodities are being maintained. The value of U.S.D.A. Commodities received during 2018-2019 was \$277,145. The inventory was maintained on a first-in, first-out basis.

The School District project remains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Student Body/Athletic Activities

Cash receipts and cash disbursement records were maintained in a satisfactory condition.

A test check of bills was made to the disbursement record.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District procedures related to its completion. The information that was on the workpapers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audit 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 no discrepancies. The information that was included in our test was verified with no 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 awards of contracts.

Testing for Lead of All Drinking Water in Education Facilities

The school district adhered to all the 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 submitted 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's Findings

There were no audit findings in the prior year.

Miscellaneous

The minutes indicate that the Report on Examination of Accounts for the 2018-2019 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District and greatly appreciate the courtesies extended to the members of the audit team.



WALTER P. RYGLICKI
Licensed Public School Accountant #845



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
December 16, 2019

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)/ UNDER- CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	184,802	184,802	0	0.33	0.00
National School Lunch (Regular Rate)	Reduced			0	2.93	0.00
National School Lunch (Regular Rate)	Free	556,460	556,460	0	3.33	0.00
	TOTAL	<u>741,262</u>	<u>741,262</u>			<u>0.00</u>
National School Lunch	HHFKA - PB Lunch Only	<u>741,262</u>	<u>741,262</u>	0	0.06	<u>0.00</u>
School Breakfast (Regular Rate)	Paid	105,931	105,931	0	0.31	0.00
	Reduced			0	1.84	0.00
	Free	318,978	318,978	0	2.14	0.00
	TOTAL	<u>424,909</u>	<u>424,909</u>			<u>0.00</u>
Special Milk	Paid					<u>0.00</u>
After School Snacks	Paid					0.00
	Reduced					0.00
	Free (Area Eligible)	103,862	103,862	0	0.91	0.00
	TOTAL	<u>103,862</u>	<u>103,862</u>			<u>0.00</u>
Total Net Underclaim						<u><u>0.00</u></u>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on pages II-60.17 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)/ UNDER- CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	184,802	184,802	0	0.050	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced			0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	<u>556,460</u>	<u>556,460</u>	0	0.055	<u>0.00</u>
	TOTAL	<u><u>741,262</u></u>	<u><u>741,262</u></u>			
Total Net Underclaim						<u><u>0.00</u></u>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.17 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

**CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX, NEW JERSEY**

NET CASH RESOURCE SCHEDULE

**Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service
For the Year Ended June 30, 2019**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash and Cash Equivalents	\$ 330,337
B-4		Due from Other Governments	282,265
CAFR		Current Liabilities	
B-4		Less Accounts Payable	<u>530,992</u>
		Net Cash Resources	<u>\$ 81,610 (A)</u>
 <u>Net Adjustment Total Operating Expense:</u>			
B-5		Total Operating Expense	\$ 3,297,224
B-5		Less Depreciation	<u>15,083</u>
		Adj. Total Operating Expense	<u>\$ 3,282,141 (B)</u>
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 328,214 (C)</u>
 <u>Three Times Monthly Average:</u>			
		3 X C	<u>\$ 984,642.30 (D)</u>

TOTAL IN BOX A	\$ 81,610
LESS TOTAL IN BOX D	\$ 984,642
NET	<u>\$ (903,032)</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

SCHEDULE OF AUDITED ENROLLMENTS

**CITY OF ORANGE TOWNSHIP PUBLIC SCHOOLS
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 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 Veri- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3	131	-	131	-	-	-	1	-	1	-	-	-	-	-	-	-	-
Full Day Preschool - 4	157	-	157	-	-	-	4	-	4	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	378	-	378	-	-	-	26	-	26	-	-	-	-	-	-	-	-
One	379	-	379	-	-	-	23	-	23	-	-	-	-	-	-	-	-
Two	368	-	368	-	-	-	29	-	29	-	-	-	-	-	-	-	-
Three	361	-	361	-	-	-	28	-	28	-	-	-	-	-	-	-	-
Four	397	-	397	-	-	-	30	-	30	-	-	-	-	-	-	-	-
Five	309	-	309	-	-	-	23	-	23	-	-	-	-	-	-	-	-
Six	338	-	338	-	-	-	27	-	27	-	-	-	-	-	-	-	-
Seven	342	-	342	-	-	-	18	-	18	-	-	-	-	-	-	-	-
Eight	252	-	252	-	-	-	15	-	15	-	-	-	-	-	-	-	-
Nine	243	-	243	-	-	-	21	-	21	-	-	-	-	-	-	-	-
Ten	253	-	253	-	-	-	24	-	24	-	-	-	-	-	-	-	-
Eleven	269	-	269	-	-	-	8	-	8	-	-	-	-	-	-	-	-
Twelve	258	-	258	-	-	-	17	-	17	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	<u>4,435</u>	<u>-</u>	<u>4,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294</u>	<u>-</u>	<u>294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	306	-	306	-	-	-	6	-	6	-	-	-	20	20	20	-	-
Special Ed - Middle School	158	-	158	-	-	-	3	-	3	-	-	-	10	8	8	-	-
Special Ed - High School	166	8	166	8	-	-	9	-	9	-	-	-	20	15	15	-	-
Sub-Total	<u>630</u>	<u>8</u>	<u>630</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>43</u>	<u>43</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>5,065</u>	<u>8</u>	<u>5,065</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>43</u>	<u>43</u>	<u>-</u>	<u>-</u>
Percentage Error																	

SCHEDULE OF AUDITED ENROLLMENTS

**CITY OF ORANGE TOWNSHIP PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

No Low Income Testing was Performed	Resident Low Income			Sample for Verification			Resident LEP Low Income			Testing here based on entire LEP population, not just Low Income		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	249	249	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	303	303	-	-	-	-	89	89	-	39	39	-
One	310	310	-	-	-	-	71	71	-	24	24	-
Two	299	299	-	-	-	-	57	57	-	24	24	-
Three	285	285	-	-	-	-	71	71	-	32	32	-
Four	335	335	-	-	-	-	31	31	-	14	14	-
Five	251	251	-	-	-	-	18	18	-	6	6	-
Six	290	290	-	-	-	-	20	20	-	9	9	-
Seven	280	280	-	-	-	-	16	16	-	7	7	-
Eight	176	176	-	-	-	-	10	10	-	6	6	-
Nine	153	153	-	-	-	-	15	15	-	5	5	-
Ten	153	153	-	-	-	-	29	29	-	19	19	-
Eleven	165	165	-	-	-	-	23	23	-	18	18	-
Twelve	142	142	-	-	-	-	22	22	-	11	11	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	<u>3,391</u>	<u>3,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472</u>	<u>472</u>	<u>-</u>	<u>214</u>	<u>214</u>	<u>-</u>
Special Ed - Elementary	252	252	-	-	-	-	40	40	-	14	14	-
Special Ed - Middle	127	127	-	-	-	-	2	2	-	2	2	-
Special Ed - High	111	111	-	-	-	-	2	2	-	2	2	-
Sub-Total	<u>490</u>	<u>490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>	<u>-</u>	<u>18</u>	<u>18</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>3,881</u>	<u>3,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516</u>	<u>516</u>	<u>-</u>	<u>232</u>	<u>232</u>	<u>-</u>
Percentage Error			<u>-</u>			<u>-</u>			<u>-</u>			<u>-</u>

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	15	15	-	15	15	-
Reg. -Special Ed, col. 4	62	62	-	45	45	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
Special Ed Spec, col. 6	331	331	-	137	137	-
Totals	<u>408</u>	<u>408</u>	<u>-</u>	<u>197</u>	<u>197</u>	<u>-</u>

Percentage Error

-

Reported Recalculated
 Reg. Avg. (Mileage) = Regular Including Grade PK Students (Part A)
 Reg. Avg. (Mileage) = Regular Excluding Grade PK Students (Part B) If Applicable
 Spec. Avg. = Special Ed with Special Needs

SCHEDULE OF AUDITED ENROLLMENTS

**CITY OF ORANGE TOWNSHIP PUBLIC SCHOOLS
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 A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool	-	-	-			-
Full Day Preschool	-	-	-			-
Half Day Kindergarten	-	-	-			-
Full Day Kindergarten	10	10	-			-
One	14	14	-			-
Two	12	12	-			-
Three	14	14	-			-
Four	7	7	-			-
Five	8	8	-			-
Six	5	5	-			-
Seven	5	5	-			-
Eight	12	12	-			-
Nine	21	21	-			-
Ten	15	15	-			-
Eleven	21	21	-			-
Twelve	18	18	-			-
Post-Graduate	-	-	-			-
Adult H.S. (15+CR.)	-	-	-			-
Adult H.S. (1-14 CR.)	-	-	-			-
Sub-Total	<u>162</u>	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	5	5	-			-
Special Ed - Middle	2	2	-			-
Special Ed - High	1	1	-			-
Sub-Total	<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular	-	-	-			-
Co. Voc. Ft. Post Sec.	-	-	-			-
Totals	<u>170</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
FISCAL YEAR ENDED JUNE 30, 2019

EXCESS SURPLUS CALCULATION

2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures Reported on Exhibit C-1	\$ 107,383,310	
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	<u>1,304,190</u>	
Adjusted 2018-19 General Fund and Other State Expenditures		\$106,079,120
Decreased by:		
On-Behalf TPAF Pension and Social Security		<u>13,851,324</u>
2018-19 General Fund Expenditures		92,227,796
2% of Adjusted 2018-19 General Fund Expenditures (Times .02)		1,844,556
Increased by: Allowable Adjustment		<u>138,715</u>
Maximum Unassigned Fund Balance		<u>\$ 1,983,271</u>
Total General Fund - Fund Balance at June 30, 2019	\$ 8,178,181	
Decreased by:		
Reserved for Encumbrances	2,778,087	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>1,700,000</u>	
Total Unassigned Fund Balance		<u>\$ 3,700,094</u>
Reserved Fund Balance - Excess Surplus		<u>\$ 1,716,823</u>
<u>Recapitulation of Excess Surplus as of June 30, 2019</u>		
Restricted Fund Balance - Excess Surplus		<u>\$ 1,716,823</u>
Total		<u>\$ 1,716,823</u>
<u>Allowable Adjustments</u>		
Extraordinary Aid		<u>\$ 138,715</u>
Total Adjustments		<u>\$ 138,715</u>

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT

ENCUMBRANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Encumbrances per the June 30, 2019 Board Secretary's Report

\$3,514,837

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Professional and Technical Services	\$ 62,427	\$ 56,829	\$ 5,598
Textbooks	2,635		2,635
Professional Education Services	643,032	643,032	
Other Purchased Services	155,311	51,662	103,649
Other Purchased Professional Services	215,702	184,152	31,550
Other Objects	2,099		2,099
Cleaning, Repairs and Maintenance	406,146	283,457	122,689
General Supplies	68,466	18,993	49,473
Communications/Telephone	14,599	12,104	2,495
Tuition	1,184,528	1,133,728	50,800
Legal Fees	36,124	11,893	24,231
Insurance	16,734	16,734	
Health Benefits	6,000	6,000	
Electric and Gas	623,100	314,503	308,597
Construction	63,364	45,000	18,364
Equipment	14,570		14,570
	<u>3,514,837</u>	<u>2,778,087</u>	<u>736,750</u>
Total Encumbrances Cancelled During the Audit			<u>736,750</u>
Fund Balance Reserve for Encumbrances in the CAFR			<u>\$2,778,087</u>

CITY OF ORANGE TOWNSHIP SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FISCAL YEAR ENDED JUNE 30, 2019

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Follow-Up on Prior Years' Findings
There were no prior year recommendations.
10. Miscellaneous
None

