

**WEST ORANGE BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**WEST ORANGE BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

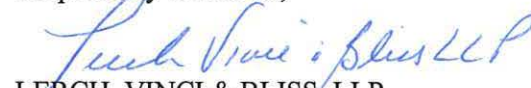
Honorable President and
Members of the Board of Education
West Orange Board of Education
West Orange, New Jersey


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 West Orange Board of Education as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated November 29, 2023.

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 West Orange Board of Education's management, the Board of Trustees, 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 29, 2023

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Scope of Audit

The audit covered the financial transactions of the Business Administrator/Board Secretary 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 Schedule of Insurance contained in the Statistical Section of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Tonya Flowers	Business Administrator/ Board Secretary	\$550,000
Melissa Simmons	Treasurer of School Monies	\$600,000

Finding 2023-1 – Our audit indicated that the surety bond of the Treasurer School Monies did not meet the minimum coverage required by the State of New Jersey.

Recommendation – Surety bond coverage for the Treasurer of School Monies be increased to ensure sufficient coverage in accordance with N.J.A.C. 6A:23A-16.4.

There is a Public Employees' Faithful Performance Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.

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 sending districts in accordance with N.J.A.C. 6A:23A-17.1(f)3.

P.L 2020, c. 44

Our audit procedures included an inquiry and subsequent review of health benefits data required per N.J.S.A. 18A:16-3.3 (Chapter 44) submitted for the year of audit. The Chapter 44 summary report was reviewed for reasonableness.

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.

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 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.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

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.

Payrolls were approved by the Superintendent and were certified by the President of the Board, the Treasurer and the Chief School Administrator.

Salary withholdings were properly remitted to the proper agencies including health benefits withholding due to the general fund.

Finding 2023-2 – Our audit indicated that employee withholding for pension contributions with respect to retroactive salary payments have not been remitted to the State of New Jersey, Division of Pensions.

Recommendation – Employee payroll withholdings for pension contributions be remitted to the State of New Jersey, Division of Pensions.

The District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury.

Employee Position Control Roster

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

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 to determine 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 received for propriety and to determine that goods were received and services were rendered, as of June 30.

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, books of account and minutes maintained by the Board Secretary were in very good condition.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Acknowledgement of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes. The monthly certification of the availability of line item appropriations and fund balances were also approved.

The Board Secretary's and Treasurer's monthly 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.

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

Unemployment Compensation Insurance

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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, II, III, and IV of the Elementary and Secondary Education Act, as amended.

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

I.D.E.A. Part B

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

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 ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$20,200. The Board has designated the Business Administrator/Board Secretary as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

School Food Service

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$321,826. The operating results provision has not been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Food Service (Continued)

Finding 2023-3 – Our audit indicated the operating results reported by the food service management company did not meet the minimum guarantee as reflected in the approved contractual agreement.

Recommendation – The District review the contractual agreement with the Food Service Management Company to ensure that the minimum guarantee return is satisfied.

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

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 non-profit status of the school food service.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

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/were not submitted/certified in a timely manner.

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 /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared, sold, or offered for sale. The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR 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, Section G of the ACFR.

Finding 2023-4 - Our audit indicated that the District's net cash resources in the food service fund exceeded the maximum allowed of three months' average expenditures. (ACFR Finding 2023-01)

Recommendation - The District develop a plan to reduce net cash resources in the food service fund below the maximum allowed of three months' average expenditures.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Summer Enrichment Program

The financial records of the Summer Enrichment Program were maintained in good condition.

Student Body Activities

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

Finding 2023-5 – Our audit of the high school student activity account indicated that receipts were not always deposited in a timely manner from the date of collection.

Recommendation – Monies collected in the high school student activity account be deposited in a timely manner

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 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 immaterial exceptions. 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 2022-23 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with immaterial exceptions. The information on the DRTRS was verified with immaterial 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. 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 District's capital assets and related depreciation.

Finding 2023-6 – Our audit indicated that an updated capital asset appraisal report, along with related depreciation, was not provided for audit on a timely basis.

Recommendation – An updated capital asset appraisal and depreciation report be provided to the District on a timely basis and made available for audit.

**WEST ORANGE BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, including findings.

Suggestion to Management

- The state required payroll verification procedure be performed.
- Continued efforts be made to enroll existing eligible employees in the pension system.

**WEST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	Paid	274,390	105,394	105,394	-
	Reduced	58,331	19,203	19,203	-
	Free	264,252	90,701	90,701	-
	SSO	-	-	-	-
		<u>596,973</u>	<u>215,298</u>	<u>215,298</u>	<u>-</u>
National School Breakfast-Regular	Paid	59,514	20,255	20,255	-
	Reduced	21,126	7,086	7,086	-
	Free	97,314	32,796	32,796	-
	SSO	-	-	-	-
		<u>177,954</u>	<u>60,137</u>	<u>60,137</u>	<u>-</u>
National School Breakfast-Regular	Paid	36,772	20,516	20,516	-
	Reduced	8,501	4,496	4,496	-
	Free	94,418	50,957	50,957	-
	SSO	58,742	-	-	-
		<u>198,433</u>	<u>75,969</u>	<u>75,969</u>	<u>-</u>
	<u>973,360</u>	<u>351,404</u>	<u>351,404</u>	<u>-</u>	

**WEST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2023**

Current Assets

Cash & Cash Equiv.	\$	2,793,116
Due from Other Gov'ts		146,544
Accounts Receivable		4,385

Current Liabilities

Less Accounts Payable		(524)
Unearned Revenue		(76,696)

Net Cash Resources	\$	2,866,825.00
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Net Adjusted Total Operating Expense:

B-5 Total Operating Exp.		4,394,308
B-5 Less Depreciation		(66,725)
		Adjusted Total Operating Exp.
	\$	4,327,583.00

<u>Average Monthly Operating Expense:</u>	\$	432,758.30
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<u>Three times monthly Average:</u>	\$	1,298,274.90
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Total Net Cash Resources	\$	2,866,825.00
Three Times Monthly Average	\$	1,298,274.90
Amount Above Allowable Net Cash Resources	\$	1,568,550.10

**WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-2024 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Sample			Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		for			A.S.S.A. as		for	
	On Roll	On Roll	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Verifi- cation	Sample Verified	Sample Errors	Private Schools	Verifi- cation	Sample Verified	Sample Errors
Half Day Preschool 3 Years Old																			
Half Day Preschool 4 Years Old																			
Full Day Preschool 3 Years Old	28		28					1		1									
Full Day Preschool 4 Years Old	57		57					11		11									
Half Day Kindergarten																			
Full Day Kindergarten	439		439					73		73									
Grade 1	407		407					40		40									
Grade 2	410		410					53		53									
Grade 3	378		378					42		42									
Grade 4	399		399					68		68									
Grade 5	399		399					71		71									
Grade 6	401		401					401		401									
Grade 7	357		357					163		163									
Grade 8	455		455					235		235									
Grade 9	462		462					462		462									
Grade 10	437		437					437		437									
Grade 11	445		445					445		445									
Grade 12	404		404					404		404									
Post- Graduate																			
Adult High School (15+ Credits)																			
Adult High School (1-14 Credits)																			
Subtotal	5,478	-	5,478	-	-	-	-	2,906	-	2,906	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	482		482					40		40			27	27		21	5	5	
Sp Ed - Middle School	296		296					116		116			17	17		22	6	6	
Sp Ed - High School	396	-	396	-	-	-	-	394	-	402	-	(8)	-	25	25	-	53	18	18
Subtotal	1,174	-	1,174	-	-	-	-	550	-	558	-	(8)	-	69	69	-	96	29	29
County Vocational - Regular																			
County Vocational - F.T. Post-Second																			
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	6,652	-	6,652	-	-	-	-	3,456	-	3,464	-	(8)	-	69	69	-	96	29	29
Percentage Error								0.00%						0.00%					0.00%

WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
Half Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 3 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	130	128	2	3	3	
Grade 1	141	138	3	4	4	
Grade 2	129	126	3	3	3	
Grade 3	132	131	1	3	3	
Grade 4	135	134	1	3	3	
Grade 5	160	160		4	4	
Grade 6	162	162		4	4	
Grade 7	137	137		4	4	
Grade 8	214	212	2	6	6	
Grade 9	231	231		6	6	
Grade 10	176	176		5	5	
Grade 11	204	204		5	5	
Grade 12	167	167		4	4	
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	2,118	2,106	12	54	54	-
Sp Ed - Elementary	231	230	1	6	6	-
Sp Ed - Middle School	178	177	1	5	5	-
Sp Ed - High School	219	218	1	6	6	-
Subtotal	628	625	3	17	17	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal	-	-	-	-	-	-
Totals	2,746	2,731	15	71	71	-
Percentage Error			0.53%			0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 3 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	35	35		7	7	
Grade 1	29	29		6	6	
Grade 2	26	26		5	5	
Grade 3	26	26		5	5	
Grade 4	19	19		4	4	
Grade 5	10	10		2	2	
Grade 6	16	16		3	3	
Grade 7	10	10		2	2	
Grade 8	10	10		2	2	
Grade 9	31	31		6	6	
Grade 10	17	17		3	3	
Grade 11	17	17		3	3	
Grade 12	11	11		2	2	
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	257	257	-	50	50	-
Sp Ed - Elementary	20	20		3	3	
Sp Ed - Middle School	1	1		1	1	
Sp Ed - High School	2	2		1	1	
Subtotal	23	23	-	5	5	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal	-	-	-	-	-	-
Totals	280	280	-	55	55	-
Percentage Error			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	2,343	2,343	-	46	46	-
Transported - Non Public	288	288	-	6	6	-
AIL Non-Public	457	457	-	9	9	-
Regular - Special Ed	264	264	-	5	5	-
Special Needs	266	266	-	5	5	-
Subtotal	3,618	3,618	-	71	71	-
Percentage Error			0.00%			0.00%

**WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old	-	-	-	-	-	-
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	13	13		4	4	
Grade 1	18	18		5	5	
Grade 2	10	10		3	3	
Grade 3	6	6		2	2	
Grade 4	7	7		2	2	
Grade 5	2	2		1	1	
Grade 6	3	3		1	1	
Grade 7	5	5		1	1	
Grade 8	4	4		1	1	
Grade 9	12	12		3	3	
Grade 10	6	6		2	2	
Grade 11	4	4		1	1	
Grade 12	6	6		2	2	
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	96	96	-	28	28	-
Sp Ed - Elementary	5	5		1	1	
Sp Ed - Middle School	1	1		1	1	
Sp Ed - High School	1	1	-	1	1	-
Subtotal	7	7	-	3	3	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	103	103	-	31	31	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**WEST ORANGE BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-2023 Total General Fund Expenditures per the ACFR		\$ 220,541,887
Increased by:		
Transfer from General Fund to Special Revenue Fund Pre-K		53,106
Decreased by:		
Acquisitions Under Other Financing Agreements	\$ (289,600)	
On-Behalf TPAF Pension & Social Security	<u>(38,258,368)</u>	
		<u>(38,547,968)</u>
Adjusted 2022-2023 General Fund Expenditures		<u>\$ 182,047,025</u>
2% of Adjusted 2022-2023 General Fund Expenditures		\$ 3,640,941
Increased by:		
Allowable Adjustment *		<u>2,377,187</u>
Maximum Unassigned Fund Balance		<u>\$ 6,018,128</u>
Total General Fund - Fund Balance at June 30, 2023		\$ 22,785,337
Decreased by:		
Reserved for Encumbrances	\$ 943,845	
Other Restricted Fund Balance - Capital Reserve	5,118,643	
Other Restricted Fund Balance - Maintenance Reserve	2,000,182	
Other Restricted Fund Balance - Unemployment Reserve	452,920	
Designated for Subsequent Year's Expenditures	<u>4,354,686</u>	
		<u>12,870,276</u>
Total Unassigned Fund Balance		<u>\$ 9,915,061</u>
Fund Balance - Excess Surplus		<u>3,896,933</u>
<u>Recapitulation of Excess Surplus as of June 30, 2023</u>		
Excess Surplus- Designated in Subsequent Year's Budget		\$ 712,489
Excess Surplus		<u>3,896,933</u>
		<u>\$ 4,609,422</u>
* <u>Detail of Allowable Adjustments</u>		
Unbudgeted Extraordinary Aid		\$ 2,195,404
Unbudgeted Additional Nonpublic School Transportation Aid		<u>181,783</u>
Total Adjustments		<u>\$ 2,377,187</u>

**WEST ORANGE BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

1. It is recommended that surety bond coverage for the Treasurer of School Monies be increased to ensure sufficient coverage in accordance with N.J.A.C. 6A:23A-16.4.

II. Financial Planning, Accounting and Reporting

2. It is recommended that employee payroll withholdings for pension contributions be remitted to the State of New Jersey, Division of Pensions.

III. School Purchasing Program

There are none.

IV. School Food Services

It is recommended that:

3. The District review the contractual agreement with the Food Service Management Company to ensure that the minimum guarantee return is satisfied.
- * 4. The District develop a plan to reduce net cash resources in the food service fund below the maximum allowed of three months' average expenditures.

V. Summer Enrichment Program

There are none.

VI. Student Body Activities

5. It is recommended that monies collected in the high school student activity account be deposited in a timely manner

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

**WEST ORANGE BOARD OF EDUCATION
RECOMMENDATIONS**

IX. Facilities and Capital Assets

6. It is recommended that an updated capital asset appraisal and depreciation report be provided to the District on a timely basis and made available for audit

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

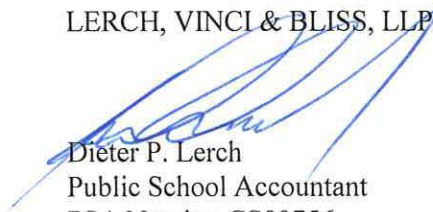
A review was performed on all prior years' recommendations and corrective action was taken on all other than the item denoted with an asterisk (*) above.

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 & BLISS, LLP



Dieter P. Lerch
Public School Accountant
PSA Number CS00756