EAST ORANGE BOARD OF EDUCATION
EAST ORANGE, NEW JERSEY

AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
East Orange Board of Education
County of Essex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the East Orange Board of Education, County of Essex, New Jersey (the "District"), as of and for the year ended June 30, 2025, and have issued our report thereon dated March 18, 2026.

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 and use of the Board of Education of the East Orange Board of Education management, Board of Education members, others within the entity, and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 18, 2026

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant No. 2515

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

EAST ORANGE BOARD OF EDUCATION
MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Manager of Accounting and Finance, the activities of the Board of Education and 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 J-20, Insurance Schedule contained in the District's ACFR.

Official Bonds (*N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13*)

Name	Position	Amount
AnnMarie Corbitt	Treasurer of School Monies	$ 800,000

There is a Public Employees' Faithful Performance Blanket Bond with the General Property and Casualty Co. covering all other employees with multiple coverage of $50,000.

Finding 2025-001

The District did not obtain employee dishonesty / surety bond coverage for the School Business Administrator for the 2024/2025 fiscal year and the coverage that was obtained for the Treasurer of School Monies was less than the amount required under New Jersey state statute.

Recommendation 2025–001

We recommend the District obtain coverage in the amount required under New Jersey state statute for both the School Business Administrator and the Treasurer of School Monies.

P.L. 2020, c. 44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the District.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*, which is performed as part of the District's annual budget process. No exceptions were noted.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

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.

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

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Our review of the payroll records revealed the following exception:

Finding 2025-002

The District did not maintain complete personnel files. Certain required documents were missing from employee personnel records, which prevented the auditors from verifying compliance with applicable statutes and regulations.

Recommendation 2025-002

We recommend that the District maintain complete personnel files in compliance with applicable statutes and regulations.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable revealed exceptions as noted below under finding 2025-003.

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, we also selected a sample of administrative coding classifications to determine overall reliability and compliance with *N.J.A.C.* 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following exceptions:

Finding 2025-003 (ACFR Finding 2025-001) - Material Weakness

During our audit procedures, we identified a number of items that required adjustment to align general ledger balances with subsidiary records, supporting documentation, and applicable accounting requirements. These matters primarily related to the timing and classification of liabilities, revenues, expenditures, and cash activity, as well as the reconciliation of interfund balances and payroll-related accounts.

Specifically, adjustments were necessary to properly record accounts payable and other accrued liabilities, correct the posting of certain disbursements and receipts, reconcile cash and interfund balances, and align budgetary data with amounts recorded in the accounting system. In addition, certain payroll deduction records were not maintained in sufficient detail to allow for verification of related liabilities. Collectively, these items indicate that elements of the financial statement close process were not fully reconciled or reviewed prior to year end.

Recommendation 2025-003 (ACFR Recommendation 2025-001)

We recommend that the District continue to strengthen controls over its monthly and year-end reconciliation procedures, including timely review of balance sheet accounts, budgetary reports, and supporting documentation, to promote a more efficient and accurate financial statement close process.

Finding 2025-004 (ACFR Finding 2025-002) – Material Weakness

We noted thirty-eight budget line accounts in the General Fund and two in the Special Revenue Fund that were overexpended as of June 30, 2025 despite the Board Secretary monthly certification to the contrary. Additionally, the total budgets for five of the District schools were overexpended as of June 30, 2025.

Recommendation 2025-004 (ACFR Recommendation 2025-002)

We recommend that internal controls be reviewed to ensure sufficient budget appropriations are available prior to the expenditure of funds.

EAST ORANGE BOARD OF EDUCATION
MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE

Treasurer's Records (optional position)

Our review of the financial and accounting records maintained by the Manager of Accounting and Finance disclosed the following exception.

Finding 2025-005

The Treasurer of School Monies' monthly reports did not include the bank reconciliations for the health benefits account that was opened in April of 2025. Additionally, the District's bank reconciliations for several accounts contained outstanding reconciling items that were more than 12 months old that were not reviewed or cancelled in a timely manner.

Recommendation 2025-005

It is recommended that the Treasurer's monthly reports include bank reconciliations for all District bank accounts and that the District review old outstanding reconciling items to determine if such items are still valid.

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

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with the Uniform Guidance or State OMB 15-08.

Our review of other special federal and state projects disclosed the following exceptions:

Finding 2025-006 (ACFR Finding 2025-004) – Noncompliance

Our audit revealed several instances in which the District was not in full compliance with the requirements of the State Aid Public compliance requirements, including:

- Monthly Board Secretary and Treasurer reports were not completed and submitted to the Board on a timely basis.
- The District transferred funds from appropriation accounts, as defined under *N.J.A.C. 6A:23A-13.3(f)*, to administrative accounts and to capital outlay accounts for facilities and construction services that on a cumulative basis exceeded 10 percent of the original budget without submitting requests to the County Superintendent's Office in a timely fashion.
- The District incurred travel expenditures that exceeded the annual maximum amount approved by the Board.
- During audit testing of the District's Application for State School Aid (ASSA), minor errors were identified in the data reported to the New Jersey Department of Education. Certain student information reported in ASSA did not agree with supporting documentation maintained by the District.

Recommendation 2025-006 (ACFR Recommendation 2025-004)

We recommend that the District review the State Aid Public compliance supplement closely and design policies and procedures in order to comply with its requirements.

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 amount of the expenditure charged to the current year's Final Report for all federal awards for the District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the 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

Our review of the Nonpublic State Aid completion reports disclosed the following exception:

Finding 2025-007

Project completion reports identifying $302,543 of nonpublic expenditures were not finalized and transmitted to the Department of Education by the due date resulting in the State of New Jersey withholding $459,511 of 2025/2026 state aid as opposed to only withholding $159,968 if the report had been submitted. Additionally, monthly funding requests were not submitted for approval to increase various nonpublic allotments resulting in $9,500 of expenses being incurred that were not eligible for reimbursement.

Recommendation 2025-007

We recommend the District submit monthly funding requests to ensure all nonpublic expenditures are eligible for reimbursement and that the District ensures the annual nonpublic completion report is prepared and submitted timely to the State of New Jersey.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:39-3(a)* are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A.* 18A:39-3 is $20,200 for 2024-25.

The District 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 solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5. No exceptions were identified.

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.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts and 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 Procurement contract/addendum was reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has 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.

Expenditures should be 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 nonprofit status of the school food service.

Net cash resources did not exceed three months' average expenditures.

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 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. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were completed and available for review.

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

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 Section B of the ACFR.

Our audit of the School Food Service identified the following exceptions:

Finding 2025-008 (ACFR Finding 2025-003) – Significant Deficiency

Our audit revealed the Food Service operating fund incurred an operating loss of $1,003,370 for the fiscal year 2024/2025. This resulted in a deficit net position in the Enterprise Fund on June 30, 2025 of $2,389,810.

Recommendation 2025-008 (ACFR Recommendation 2025-003)

We recommend the contract provisions be reviewed with the food service provider in an effort to recoup the guaranteed return as provided in the contract award.

Finding 2025-009

The District did not submit all monthly meals served reports to the New Jersey Department of Agriculture (NJDA) in a timely manner during the audit period.

Recommendation 2025-009

We recommend the District strengthen procedures to ensure all monthly meals served reports are prepared accurately and submitted to the NJDA within required timeframes. The District should also implement supervisory review and monitoring to ensure ongoing compliance with reporting deadlines.

Student Body Activities

Our audit procedures included a test of items selected from cash receipts and cash disbursements for the student activity funds for various District schools which revealed the following exception:

Finding 2025-010

The District did not prepare monthly bank reconciliations for all of its student activity accounts during the audit period. Monthly reconciliations were prepared for the high school, athletic accounts and one of its elementary schools; however, reconciliations were not consistently prepared for the remaining student activity accounts. As a result, cash balances recorded in the District's accounting records were not regularly reconciled to corresponding bank statements. In addition, the District was unable to provide complete supporting documentation for certain cash receipts and cash disbursements selected for audit testing. The lack of timely reconciliations and incomplete documentation increases the risk that errors or irregularities could occur and not be detected and corrected in a timely manner.

Recommendation 2025-010

We recommend the District implement procedures to ensure that monthly bank reconciliations are prepared for all student activity accounts in a timely manner. The reconciliations should be reviewed and approved by an individual independent of the cash receipt and disbursement functions. We further recommend the District establish and enforce formal record retention procedures for student activity accounts, including maintaining complete supporting documentation for all receipts and disbursements. The District should also provide appropriate training and oversight to school personnel to ensure compliance with these requirements and periodically review account records for completeness and accuracy.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2024 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 on the A.S.S.A. was compared to the District work papers with minor exceptions. The information that was included on the work papers was verified with minor exceptions, as noted in Finding 2025-006. 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's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2024-2025 District Report of Transported Resident Students ("DRTRS"). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions as identified below. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding 2025-011

During audit testing of the District's District Report of Transported Resident Students (DRTRS), errors were identified in the data reported to the New Jersey Department of Education. Certain student transportation information reported in DRTRS did not agree with supporting documentation maintained by the District.

Recommendation 2025-011

We recommend the District strengthen internal controls over the preparation and review of DRTRS data, including implementing supervisory review procedures and ensuring supporting documentation is maintained and verified prior to submission. The District should also provide training to personnel responsible for DRTRS reporting to promote accuracy and compliance with NJDOE requirements.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. 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 New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording NJSDA revenue, transfers of local funds from the general fund or from the capital reserve account, and awarding contracts for eligible facilities construction. No exceptions were noted.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

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

Other Suggestions to Management

Due to the increase in interest rates on idle cash invested from old construction projects, we suggest the District consider contracting with an outside vendor to perform an arbitrage calculation to determine if any potential liability may exist on these idle funds.

EAST ORANGE BOARD OF EDUCATION
MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Follow-up on Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year findings and recommendations. Corrective action has been taken on some but not all prior year findings and recommendations.

Management has indicated that corrective action plans are being implemented to address remaining findings.

Acknowledgment

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

SCHEDULE OF MEAL COUNT ACTIVITY

EAST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
National School Lunch (Regular Rate)	Paid	370,087	370,087	370,087	-	$ 0.42	$ -
National School Lunch (Regular Rate)	Reduced	-	-	-	-	4.03	-
National School Lunch (Regular Rate)	Free	863,564	863,564	863,564	-	4.43	-
National School Breakfast (Regular Rate)	Paid	287	287	287	-	0.39	-
National School Breakfast (Regular Rate)	Reduced		-	-	-	2.07	-
National School Breakfast (Regular Rate)	Free	671	671	671	-	2.37	-
National School Breakfast (Severe Needs Rate)	Paid	235,835	235,835	235,835	-	0.39	-
National School Breakfast (Severe Needs Rate)	Reduced	-	-	-	-	2.54	-
National School Breakfast (Severe Needs Rate)	Free	550,320	550,320	550,320	-	2.84	-
After School Snack Program	Area Eligible	172,572	172,572	172,572	-	1.21	-
Summer Food Program - Lunch & Admin		15,123	15,123	15,123	-	5.13	-
Summer Food Program - Breakfast & Admin		13,917	13,917	13,917	-	2.92	-
	TOTAL	2,222,376	2,222,376	2,222,376			-
National School Lunch	HHFKA - PB Lunch Only	1,233,651	1,233,651	1,233,651	-	0.09	-
						Total Net Overclaim	-

SCHEDULE OF MEAL COUNT ACTIVITY

EAST ORANGE BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
State Reimbursement - National School Lunch (Regular Rate)	Paid	370,087	370,087	370,087	-	$ 0.06	$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	-	-	-	-	0.47	-
State Reimbursement - National School Lunch (Regular Rate)	Free	863,564	863,564	863,564	-	0.07	-
State Reimbursement - National School Breakfast (Severe Needs Rate)	Reduced	-	-	-	-	0.30	-
After the Bell		787,113	787,113	787,113	-	0.10	-
Summer Food Service Program (State Supplement)		29,040	29,040	29,040	-	0.10	-
	TOTAL	2,049,804	2,049,804	2,049,804		**Total Net Overclaim**	-

EAST ORANGE BOARD OF EDUCATION

Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2025

			Food Service B - 4/5	
Net Cash Resources:				
CAFR	*	**Current Assets**		
B-4		Cash & Cash Equiv.	$ (688,457)	
B-4		Due from Other Gov'ts	1,787,878	
CAFR		**Current Liabilities**		
B-4		Less Accounts Payable	(2,250,836)	
B-4		Less Due to Other Funds	(1,816,520)	
B-4		Less Unearned Revenue	(8,101)	
		Net Cash Resources	**$ (2,976,036)**	**(A)**
Net Adj. Total Operating Expense:				
B-5		Tot. Operating Exp.	8,334,860	
B-5		Less Depreciation	(94,381)	
		Adj. Tot. Oper. Exp.	**$ 8,240,479**	**(B)**
Average Monthly Operating Expense:				
		B / 10	**$ 824,048**	**(C)**
Three times monthly Average:				
		3 X C	**$ 2,472,144**	**(D)**

TOTAL IN BOX A	$ (2,976,036)
LESS TOTAL IN BOX D	2,472,144
NET	**$ (5,448,180)**

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

EAST ORANGE BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 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 Verification- N/A in the FY2024		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		Sample Verification	Sample Verified	Sample Errors
Full Day Preschool - 3 yrs old	242	-	242	-	-	-	11	-	11	-	-	-				
Full Day Preschool - 4 yrs old	354	-	354	-	-	-	22	-	22	-	-	-				
Full Day Kindergarten	503	-	503	-	-	-	15	-	15	-	-	-				
One	563	-	563	-	-	-	16	-	16	-	-	-				
Two	519	-	519	-	-	-	14	-	14	-	-	-				
Three	558	-	558	-	-	-	21	-	22	(1)	-	1				
Four	501	-	501	-	-	-	15	-	15	-	-	-				
Five	528	-	528	-	-	-	13	-	13	-	-	-				
Six	525	-	525	-	-	-	24	-	24	-	-	-				
Seven	564	-	564	-	-	-	29	-	29	-	-	-				
Eight	559	-	559	-	-	-	19	-	19	-	-	-				
Nine	487	-	487	-	-	-	15	-	16	(1)	-	1				
Ten	542	-	542	-	-	-	15	-	18	(3)	-	3				
Eleven	591	-	591	-	-	-	19	-	20	(1)	-	1				
Twelve	596	-	596	-	-	-	15	-	17	(2)	-	2				
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-				
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-				
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal	7,632	-	7,632	-	-	-	263	-	271	(8)	-	8				
Special Education Elementary	565	-	565	-	-	-	21	-	18	3	-	(3)	32	22	20	2
Special Education Middle School	228	-	228	-	-	-	15	-	15	-	-	-	26	20	20	-
Special Education High School	361	1	361	1	-	-	20	-	14	6	-	(6)	57	37	34	3
Subtotal	1,154	1	1,154	1	-	-	56	-	47	9	-	(9)	115	79	74	5
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,786	1	8,786	1	-	-	319	-	318	1	-	(1)	115	79	74	5
Percentage Error					0.0%	0.0%					0.0%	0.0%				6.3%

EAST ORANGE BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)

ENROLLMENT AS OF OCTOBER 15, 2024

	Resident Low Income			Sample for Verification			Resident LEP 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 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
Full Day Preschool - 3 yrs old	125	125	-	6	6	-		-	-	-	-	-
Full Day Preschool - 4 yrs old	208	208	-	15	15	-		-	-	-	-	-
Full Day Kindergarten	309	309	-	20	20	-	26	26	-	8	8	-
One	342	342	-	16	16	-	36	36	-	10	10	-
Two	311	311	-	15	15	-	37	37	-	6	6	-
Three	357	357	-	22	22	-	55	55	-	17	17	-
Four	299	299	-	16	16	-	28	28	-	11	11	-
Five	329	329	-	18	18	-	39	39	-	11	11	-
Six	307	307	-	23	23	-	28	28	-	6	6	-
Seven	339	339	-	31	31	-	55	55	-	15	15	-
Eight	304	304	-	21	21	-	34	34	-	6	6	-
Nine	250	250	-	15	15	-	27	27	-	8	8	-
Ten	277	277	-	16	16	-	34	34	-	8	8	-
Eleven	262	262	-	20	19	1	39	39	-	11	11	-
Twelve	281	281	-	15	14	1	32	32	-	6	6	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,300	4,300	-	269	267	2	470	470	-	123	123	-
Special Education Elementary School	354	354	-	24	24	-	1	1	-	-	-	-
Special Education Middle School	146	146	-	8	8	-	-	-	-	1	1	-
Special Education High School	142	142	-	11	11	-	-	-	-	3	3	-
Subtotal	642	642	-	43	43	-	1	1	-	4	4	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,942	4,942	-	312	310	2	471	471	-	127	127	-
Percentage Error			0.0%			0.0%			0.0%			0.0%

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public	108	108	-	25	33	(8)
Regular Special Education w/out needs	29	29	-		32	(32)
Aid in Lieu- Nonpublic	10	10	-	7	5	2
Charter School	24	24				-
Special Transportation Needs	339	339		115	75	40
Out of District- No Spec. Trans. Needs	122	122	-	50	46	4
Courtesy	11	11	-	-	-	-
Totals	643	643	-	197	191	6
Percentage Error			0.0%			3.0%

	Reported	Recalculated
Average mileage - regular including Grade PK students	4.8	4.8
Average mileage - regular excluding Grade PK students	3.9	3.9
Average mileage - special education with special needs	2.3	2.3

EAST ORANGE BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool - 3 yrs old		-	-	-	-	-
Full Day Preschool - 4 yrs old		-	-	-	-	-
Full Day Kindergarten	24	24	-	6	6	-
One	45	45	-	10	10	-
Two	45	45	-	14	14	-
Three	28	28	-	7	7	-
Four	38	38	-	11	11	-
Five	35	35	-	7	7	-
Six	29	29	-	4	4	-
Seven	39	39	-	8	8	-
Eight	49	49	-	11	11	-
Nine	33	33	-	7	7	-
Ten	42	42	-	14	14	-
Eleven	65	65	-	15	15	-
Twelve	63	63	-	11	11	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15 + CR)	-	-	-	-	-	-
Adult H.S. (1-14 CR)	-	-	-	-	-	-
Subtotal	535	535	-	119	119	-
Special Education Elementary School	2	2	-	1	1	-
Special Education Middle School	1	1	-	1	1	-
Special Education High School	-	-	-	-	-	-
Subtotal	3	3	-	2	2	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - First Post Secondary	-	-	-	-	-	-
Total	538	538	-	121	121	-
Percentage Error			0.0%			0.0%

EAST ORANGE BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2025

SECTION 1 - Regular District

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$ 272,628,442	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	$ -	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	$ -	(B1b)
Transfer from General Fund to SRF for PreK-Regular	$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	$ -	(B1d)
Decreased by:		
Expenditures Allocated to Restricted Federal Sources as Reported on the D-2	$ 5,131,743	
On-Behalf TPAF Pension & Social Security	$ 44,242,604	(B2a)
Assets Acquired Under Capital Leases	$ 2,715,378	(B2b)
Adjusted 2024-25 General Fund Expenditures [(B) + (B1s) - (B2s)]	$ 220,538,717	(B3)
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$ 4,410,774	(B4)
Enter Greater of (B4) or $250,000	$ 4,410,774	(B5)
Increased by: Allowable Adjustment*	$ 1,443,419	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5) + (K)]	$ 5,854,193	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-25 (Per ACFR Budgetary Comparison Schedule C-1)	$ 6,140,529	(C)
Decreased by:		
Year-end Encumbrances - Assigned		(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	$ 2,000,000	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**		(C3)
Other Restricted Fund Balances****	$ 1,075,467	(C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	$ -	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	$ 3,065,062	(U1)

EAST ORANGE BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2025

SECTION 3

Restricted Fund Balance - Excess Surplus ***		
[(U1)-(M)] IF NEGATIVE ENTER -0-	$ -	(E)

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$ -	(C3)
Reserved Excess Surplus *** [(E)]	$ -	(E)
Total [(C3)+(E)]	$ -	(D)

Detail of Allowable Adjustments

Impact Aid	$ -	(H)
Sales & Lease-back	$ -	(I)
Extraordinary Aid	$ 1,438,749	(J1)
Additional Nonpublic School Transportation Aid	$ 4,670	(J2)
Current Year School Bus Advertising Revenue Recognized	$ -	(J3)
Family Crisis Transportation Aid	$ -	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$ 1,443,419	(K)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2025 ACFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

EAST ORANGE BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

June 30, 2025

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	$ -	
Sale/lease-back reserve	$ -	
Capital reserve	$ 12,131	
Maintenance reserve	$ 30,557	
Emergency reserve	$ -	
Tuition reserve	$ -	
School Bus Advertising 50% Fuel Offset Reserve-current year	$ -	
School Bus Advertising 50% Fuel Offset Reserve-prior year	$ -	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	$ -	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	$ -	
Unemployment Compensation	$ 1,032,779	
[Other Restricted Fund Balance not noted above]****	$ -	
Total Other Restricted Fund Balance	$ 1,075,467	(C4)

East Orange Board of Education

Audit Recommendations Summary

June 30, 2025

We suggest the following:

Administrative Practices and Procedures

- 2025-001 - We recommend the District obtain coverage in the amount required under New Jersey state statute for both the School Business Administrator and the Treasurer of School Monies.

Financial Planning, Accounting and Reporting

- 2025-002 - We recommend that the District maintain complete personnel files in compliance with applicable statutes and regulations.

  2025-003 - We recommend that the District continue to strengthen controls over its monthly and year-end reconciliation procedures, including timely review of balance sheet accounts, budgetary reports, and supporting documentation, to promote a more efficient and accurate financial statement close process.

- 2025-004 (*) - We recommend that internal controls be reviewed to ensure sufficient budget appropriations are available prior to the expenditure of funds.

- 2025-005 – We recommend that the Treasurer's monthly reports include bank reconciliations for all District bank accounts and that the District review old outstanding reconciling items to determine if such items are still valid.

- 2025-006 - We recommend that the District review the State Aid Public compliance supplement closely and design policies and procedures in order to comply with its requirements.

- 2025-007 - We recommend the District submit monthly funding requests to ensure all nonpublic expenditures are eligible for reimbursement and that the District ensures the annual nonpublic completion report is prepared and submitted timely to the State of New Jersey.

School Purchasing Programs

None

School Food Service

- 2025-008 (*) - We recommend the contract provisions be reviewed with the food service provider in an effort to recoup the guaranteed return as provided in the contract award.

- 2025-009 - We recommend the District strengthen procedures to ensure all monthly meals served reports are prepared accurately and submitted to the NJDA within required timeframes. The District should also implement supervisory review and monitoring to ensure ongoing compliance with reporting deadlines.

East Orange Board of Education

Audit Recommendations Summary

June 30, 2025

Student Body Activities

- 2025-010 (*) - We recommend the District implement procedures to ensure that monthly bank reconciliations are prepared for all student activity accounts in a timely manner. The reconciliations should be reviewed and approved by an individual independent of the cash receipt and disbursement functions. We further recommend the District establish and enforce formal record retention procedures for student activity accounts, including maintaining complete supporting documentation for all receipts and disbursements. The District should also provide appropriate training and oversight to school personnel to ensure compliance with these requirements and periodically review account records for completeness and accuracy.

Application for State School Aid

None

Pupil Transportation

- 2025-011 - We recommend the District strengthen internal controls over the preparation and review of DRTRS data, including implementing supervisory review procedures and ensuring supporting documentation is maintained and verified prior to submission. The District should also provide training to personnel responsible for DRTRS reporting to promote accuracy and compliance with NJDOE requirements.

Facilities and Capital Assets

None

Miscellaneous

None

Status of Prior Year Findings

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations, except those recommendations denoted with an asterisk (*).