ORANGE PUBLIC SCHOOLS

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

JUNE 30, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

ORANGE PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Orange Township Board of Education

We have audited, in accordance with generally accepted auditing 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 Orange Public Schools, County of Essex as of and for the year ended June 30, 2025, and have issued our report thereon dated April 15, 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 of the Orange Township Board of Education's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 15, 2026

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

ORANGE PUBLIC SCHOOLS
AUDITORS' 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, 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

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
Jason Ballard	School Business Administrator/Board Secretary	$ 400,000
Dwayne Ortiz	Asst. Business Administrator	400,000
Michael Falkowski	Treasurer	400,000

There is a Blanket Faithful Performance bond covering all other employees.

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 school district.

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

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. Adjustments to the billings to sending districts for the change in per pupil costs, in accordance with *N.J.A.C. 6A:23A-17.1(f)3*, was required.

ORANGE PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not identify 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 were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

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

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

A review of the Position Control Roster found it to be consistent with payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports) and the general ledger accounts to where wages are posted (administrative versus instruction).

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. No exceptions were noted.

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*. As a result of the procedures performed, a transaction error rate of 0.0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

ORANGE PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE

Board Secretary's Records

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

Finding 2025-001: Financial Reporting and Closing Process (Material Weakness)

Condition:
During our audit, deficiencies were identified in the District's financial reporting and closing process, including unreconciled differences in bank reconciliations, unresolved reconciling items, and discrepancies between the general ledger and Treasurer's Report balances. Expenditures and liabilities were not always recorded in the proper period or classified appropriately, including misclassification between accounts payable and encumbrances, and certain financial reporting processes were not completed on a timely basis. In addition, account coding was not always consistent with the nature of transactions, and the District did not consistently review outstanding grant receivable balances to assess collectability, with some balances remaining outstanding for extended periods without evidence of review or follow-up. A detailed Capital Asset Report was not available at the time of audit and has not been updated for several years. Additionally, the District overexpended its health benefits appropriation during the year.

Criteria:
The District should maintain an effective financial reporting and closing process, including timely and accurate bank reconciliations, proper cutoff and classification of transactions, monitoring of receivable balances for collectability, and compliance with budgetary controls in accordance with applicable statutes and regulations, including N.J.S.A. 18A:22-8.

Cause:
Controls over the financial reporting and closing process, including procedures related to reconciliations, cutoff, account classification, monitoring of receivables, and budgetary controls, were not consistently implemented.

Effect:
These conditions increase the risk of material misstatement in the financial statements and may affect the accuracy and timeliness of financial reporting. In addition, unreviewed receivable balances may not be fully realizable, and budget overexpenditures may result in noncompliance with statutory requirements.

Recommendation:
The District should strengthen controls over the financial reporting and closing process, including timely preparation and independent review of bank reconciliations, proper cutoff and classification of transactions, periodic review of grant receivable balances to assess collectability, and monitoring of budgetary appropriations to prevent overexpenditures.

Views of Responsible Officials:
Management agrees with the finding and has begun implementing corrective actions to strengthen the financial reporting and closing process. The District is enhancing review procedures, reinforcing timelines for reconciliations and reporting, implementing procedures to review receivable balances for collectability, and strengthening budget monitoring controls to ensure expenditures remain within appropriations.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA 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 and VI of the Elementary and Secondary School 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 Schedule A (K-3) and Schedule 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 and/or questionable costs.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly 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.

<u>T.P.A.F. Reimbursement to the State for Federal Salary Expenditures</u>

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 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.

School Purchasing Programs

<u>Contracts and Agreements Requiring Advertisement for Bids</u>

Effective July 1, 2021 and thereafter, 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 $22,400 for 2024-2025.

The District 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 examination, 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*.

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

Finding 2025-003: Procurement and Contract Documentation

Condition:
During our audit, procurement documentation, including evidence of quotes and contract approvals, was not consistently maintained.

Recommendation:
The District should reinforce procedures to ensure procurement documentation is consistently obtained and maintained.

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 project 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 Contract 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 $7,715. 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 non-profit status of the school food service.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

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

Time sheets were reviewed, and labor costs verified on a test-check basis. Payroll records were maintained on all School Food Services employees authorized by the board of education. 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. The District also utilized the Community Eligibility Option district-wide. Under this option all students were eligible for free breakfast and lunch. Reimbursement claims were submitted/certified in a timely manner.

Surveys 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 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 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 B5) 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 Fund, Section B of the ACFR.

Student Body Activities

During our audit of the student activity funds, the following was noted:

Finding 2025-004: Student Activity Receipts

Condition:
During our audit, supporting documentation for certain receipts was not available and receipt dates could not be determined in some instances.

Recommendation:
The District should strengthen procedures for maintaining documentation related to student activity receipts.

Application for State School Aid

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 ASSA was compared to District workpapers with exceptions noted below. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding 2025-002: Student Data Reporting, ASSA Reconciliation, and Program Compliance ***(Noncompliance – State Financial Assistance (NJ Public State Aid))***

Condition:
During our audit, discrepancies were identified between reported student data used for ASSA reporting and state aid purposes and supporting documentation, including inconsistencies in student classifications, enrollment status, and timing of updates, as well as differences identified during reconciliation procedures. In addition, program eligibility determinations were not always supported due to incomplete documentation.

Criteria:
Student data reported for state aid must be accurate, supported by appropriate documentation, and reconciled prior to submission in accordance with New Jersey Department of Education requirements and applicable regulations.

Cause:
Procedures for updating, reviewing, and reconciling student data, as well as maintaining supporting documentation for program eligibility, were not consistently implemented.

Effect:
Inaccurate or unsupported data may affect the calculation of state aid and compliance with reporting requirements.

Recommendation:
The District should strengthen procedures to ensure student data is accurately maintained, timely updated, and reconciled to supporting documentation prior to submission. In addition, procedures should be enhanced to ensure program eligibility determinations are supported by complete and accurate documentation.

Views of Responsible Officials:
Management agrees with the finding and is taking steps to enhance controls over student data reporting and program compliance. Procedures are being reviewed and updated to ensure timely reconciliation and verification of data prior to submission, and additional oversight will be implemented to improve accuracy and documentation.

Pupil Transportation

Because Transportation Aid was not tested as a major program in the 2025 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2024-2025 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared to the information presented by the District without exception.

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 or contracted services for pupil transportation were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

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 for 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

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations noted as current year finding 2025-001, 2025-002, 2025-003, and 2025-004.

There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2025 fiscal year.

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 AUDITED ENROLLMENTS

ORANGE PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	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	Reported on Workpapers Private Schools	Errors	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Full Day Preschool 3 Years	114.0		111.0		3	-	7.0		7.0		-	-			-			-
Full Day Preschool 4 Years	153.0		152.0		1	-	9.0		9.0		-	-			-			-
Full Day Kindergarten	343.0		343.0		-	-	21.0		21.0		-	-			-			-
One	360.0		360.0		-	-	22.0		22.0		-	-			-			-
Two	388.0		388.0		-	-	23.0		23.0		-	-			-			-
Three	339.0		339.0		-	-	20.0		20.0		-	-			-			-
Four	364.0		364.0		-	-	22.0		22.0		-	-			-			-
Five	317.0		317.0		-	-	19.0		19.0		-	-			-			-
Six	372.0		372.0		-	-	22.0		22.0		-	-			-			-
Seven	345.0		345.0		-	-	21.0		21.0		-	-			-			-
Eight	335.0		335.0		-	-	20.0		19.0		1.0	-			-			-
Nine	319.0		319.0		-	-	19.0		19.0		-	-			-			-
Ten	375.0		375.0		-	-	22.0		22.0		-	-			-			-
Eleven	314.0		314.0		-	-	19.0		19.0		-	-			-			-
Twelve	355.0		355.0		-	-	21.0		21.0		-	-			-			-
Post-Graduate	-		-		-	-	-		-		-	-			-			-
Adult H.S. (15+CR.)	-		-		-	-	-		-		-	-			-			-
Adult H.S. (1-14 CR.)	-		-		-	-	-		-		-	-			-			-
Subtotal	4,793.0	-	4,789.0	-	4	-	287.0	-	286.0	-	1.0	-	-	-	-	-	-	-
Special Ed - Elementary	388.0		388.0		-	-	8.0		8.0		-	-	24.0	25.0	(1.0)	18.0	18.0	-
Special Ed - Middle School	165.0		165.0		-	-	8.0		8.0		-	-	11.0	10.0	1.0	8.0	6.0	2.0
Special Ed - High School	185.0		186.0		(1)	-	9.0		9.0		-	-	28.0	39.0	(11.0)	22.0	20.0	2.0
Subtotal	738.0	-	739.0	-	(1)	-	25.0	-	25.0	-	-	-	63.0	74.0	(11.0)	48.0	44.0	4.0
Co. Voc. - Regular			-		-	-					-	-			-			
Co. Voc. Ft. Post Sec.			-		-	-					-	-			-			
Totals	5,531.0	-	5,528.0	-	3	-	312.0	-	311.0	-	1.0	-	63.0	74.0	(11.0)	48.0	44.0	4.0
Percentage Error					0.05%	0.00%					0.32%	0.00%			-17.46%			8.33%

SCHEDULE OF AUDITED ENROLLMENTS

ORANGE PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 Years	69.0	83.0	(14.0)	5.0	5.0	-	-	-	-	-	-	-
Full Day Preschool 4 Years	99.0	111.0	(12.0)	6.0	5.0	1.0	-	-	-	-	-	-
Full Day Kindergarten	285.0	289.0	(4.0)	20.0	18.0	2.0	132.0	140.0	(8.0)	22.0	20.0	2.0
One	296.0	291.0	5.0	20.0	20.0	-	141.0	143.0	(2.0)	24.0	24.0	0.0
Two	311.0	309.0	2.0	23.0	22.0	1.0	151.0	146.0	5.0	26.0	26.0	0.0
Three	270.0	270.0	-	20.0	19.0	1.0	115.0	115.0	-	20.0	18.0	2.0
Four	292.0	297.0	(5.0)	22.0	19.0	3.0	101.0	108.0	(7.0)	17.0	14.0	3.0
Five	249.0	252.0	(3.0)	19.0	19.0	-	79.0	81.0	(2.0)	13.0	13.0	0.0
Six	293.0	291.0	2.0	21.0	21.0	-	95.0	96.0	(1.0)	16.0	16.0	0.0
Seven	267.0	268.0	(1.0)	20.0	20.0	-	81.0	79.0	2.0	14.0	14.0	0.0
Eight	223.0	220.0	3.0	17.0	17.0	-	43.0	44.0	(1.0)	7.0	7.0	0.0
Nine	220.0	219.0	1.0	17.0	17.0	-	57.0	58.0	(1.0)	10.0	10.0	0.0
Ten	247.0	253.0	(6.0)	18.0	18.0	-	60.0	62.0	(2.0)	10.0	10.0	0.0
Eleven	227.0	235.0	(8.0)	17.0	17.0	-	57.0	60.0	(3.0)	10.0	10.0	0.0
Twelve	234.0	233.0	1.0	18.0	18.0	-	50.0	47.0	3.0	8.0	8.0	0.0
Post-Graduate	-	-	-	-		-	-	-	-	-	0.0	0.0
Adult H.S. (15+CR.)	-	-	-	-		-	-	-	-	-	0.0	0.0
Adult H.S. (1-14 CR.)	-	-	-	-		-	-	-	0.00	-	0.0	0.0
Subtotal	3,582.0	3,621.0	(39.0)	263.0	255.0	8.0	1,162.0	1,179.0	(17.0)	197.0	190.0	7.0
Special Ed - Elementary	302.0	331.0	(29.0)	21.0	21.0	-	83.0	87.0	(4.0)	14.0	13.0	1.0
Special Ed - Middle	136.0	147.0	(11.0)	10.0	10.0	-	16.0	20.0	(4.0)	3.0	2.0	1.0
Special Ed - High	127.0	129.0	(2.0)	9.0	9.0	-	5.0	5.0	0.0	1.0	1.0	0.0
Subtotal	565.0	607.0	(42.0)	40.0	40.0	-	104.0	112.0	(8.0)	18.0	16.0	2.0
Co. Voc. - Regular						-						
Co. Voc. Ft. Post Sec.						-						
Totals	4,147.0	4,228.0	(81.0)	303.0	295.0	8.0	1,266.0	1,291.0	(25.0)	215.0	206.0	9.0
Percentage Error			-1.95%			2.64%			-1.97%			4.19%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	159	159	-	-	-	-
Transported - Non-Public, col.	-		-	-	-	-
Special Ed Spec, col. 6	389	389	-	-	-	-
Totals	548	548	-	-	-	-
Percentage Error			0.00%			0.00%

Note: Detailed testing over DRTRS and Non-public transporation was not performed for the fiscal year ending June 30, 2025 as Transportation Aid was not tested in the current year as a major program for Single Audit purposes.

	Reported	Recalculated
Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.2	4.2
Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	4.2	4.2
Avg.(Mileage) = Special Ed with Special Needs	4.6	4.6

SCHEDULE OF AUDITED ENROLLMENTS

ORANGE PUBLIC SCHOOLS
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 Years	-	-	-	-	-	-
Full Day Preschool 4 Years	-	-	-	-	-	-
Full Day Kindergarten	22.0	19.0	3.0	4.0	4.0	-
One	17.0	16.0	1.0	4.0	4.0	-
Two	21.0	21.0	-	4.0	4.0	-
Three	16.0	14.0	2.0	3.0	3.0	-
Four	20.0	17.0	3.0	3.0	3.0	-
Five	14.0	13.0	1.0	2.0	2.0	-
Six	21.0	20.0	1.0	4.0	4.0	-
Seven	14.0	14.0	-	2.0	2.0	-
Eight	35.0	37.0	(2.0)	6.0	5.0	1.0
Nine	35.0	37.0	(2.0)	6.0	6.0	-
Ten	41.0	40.0	1.0	7.0	7.0	-
Eleven	25.0	21.0	4.0	4.0	4.0	-
Twelve	37.0	40.0	(3.0)	6.0	6.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	0.00	0.00	-	-	-	-
Subtotal	318.0	309.0	9.0	55.0	54.0	1.0
Special Ed - Elementary	14.0	12.0	2.0	2.0	2.0	0.0
Special Ed - Middle	2.0	2.0	0.0	-	-	-
Special Ed - High	0.0	1.0	(1.0)	-	-	-
Subtotal	16.0	15.0	1.0	2.0	2.0	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	334.0	324.0	10.0	57.0	56.0	1.0
Percentage Error			2.99%			1.75%

ORANGE PUBLIC SCHOOLS

SCHEDULE OF MEAL COUNT ACTIVITY

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 (a)	(OVER) UNDER CLAIM (b)
National School Program	Paid	352,163	352,163	352,163		$ 0.440	
National School Program	Free	385,667	385,667	385,667		4.450	
Regular Breakfast	Paid	6,165	6,165	6,165		0.390	
Regular Breakfast	Free	6,752	6,752	6,752		2.370	
Severe Needs Breakfast	Paid	233,232	233,232	233,232		0.390	
Severe Needs Breakfast	Free	255,408	255,408	255,408		2.840	
After School Snack	Area Eligible	94,392	94,392	94,392		1.210	
After School Snack - Regular	Free	5,468	5,468	5,468		1.210	
After School Snack - Regular	Paid	750	750	750		0.110	
Summer Food Program -2024	Lunch	18,229	18,229	18,229		5.130	
Summer Food Program - 2024	Breakfast	13,689	13,689	13,689		2.923	
Summer Food Program - 2025	Lunch	20	20	20		5.315	
Summer Food Program - 2025	Breakfast	2	2	2		3.030	
	TOTAL	1,371,937	1,371,937	1,371,937	-		-
National School Lunch	HHFKA - PB Lunch Only	737,830	737,830	737,830		0.090	
						Total Net Overclaim	-

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-60.29 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. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

ORANGE PUBLIC SCHOOLS

SCHEDULE OF MEAL COUNT ACTIVITY

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 (a)	(OVER) UNDER CLAIM (b)
State School Program	Paid	352,163	352,163	352,163		$ 0.060	
State School Program	Free	385,667	385,667	385,667		0.070	
Breakfast After the Bell		501,557	501,557	501,557		0.100	
Summer Food Service Program		31,940	31,940	31,940		0.100	
	TOTAL	1,271,327	1,271,327	1,271,327			
Total Net Overclaim							-

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-60.29 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.

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ORANGE PUBLIC SCHOOLS

NET CASH RESOURCE SCHEDULE

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

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	*	**Current Assets**		
B-4		Cash & Cash Equiv.	$ 4,299,893	
B-4		Accounts Receivable - State	20,899	
B-4		Accounts Receivable - Federal	579,214	
ACFR		**Current Liabilities**		
B-4		Less Accounts Payable	956,531	
B-4		Less Due to Other Funds	4,405,813	
B-4		Less Unearned Revenue	7,419	
		Net Cash Resources	**$ (469,757)**	**(A)**
Net Adj. Total Operating Expense:				
B-5		Tot. Operating Exp.	5,622,761	
B-5		Less Depreciation	(99,599)	
		Adj. Tot. Oper. Exp.	**$ 5,523,162**	**(B)**
Average Monthly Operating Expense:				
		B / 10	**$ 552,316**	**(C)**
Three times monthly Average:				
		3 X C	**$ 1,656,949**	**(D)**

TOTAL IN BOX A	$ (469,757)
LESS TOTAL IN BOX D	1,656,949
NET	**$ (2,126,706)**

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

ORANGE PUBLIC SCHOOLS
GENERAL FUND
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2025

SECTION 1
A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures Exhibit C-1	$ 176,186,606	(A)		
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund	$ -	(A1a)		
Transfer from Capital Reserve to Capital Projects Fund	$ -	(A1a)		
Transfer from General Fund to SRF for Pre-K Regular	$ -	(A1a)		
Transfer from General Fund to SRF for Pre-K Inclusion	$ 1,026,670	(A1a)		
Less: Expenditures Allocated to Restricted Federal Sources as Reported On Exhibit D-2	999,865	(A1b)		
2024-25 Adjusted General Fund and Other State Expenditures [(A)+(A1a)-(A1b)]			$ 176,213,411	(A2)
Decreased by:				
On-Behalf TPAF Pension and Social Security			25,894,079	(A3)
Assets Acquired Under Capital Leases:				
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	1,628,244	(A4)		
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:				
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	-	(A5)		
Combined General Fund Contribution & State Resources Percent of Fund 15 Resources Reported on Exhibit D-2	96.66%	(A6)		
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	-	(A7)		
Total Assets Acquired Under Capital Leases [(A4)+(A7)]			1,628,244	(A8)
2024-25 General Fund Expenditures [(A2)-(A3)-(A8)]			148,691,088	(A9)
2 percent of Adjusted 2024-25 General Fund Expenditures [(A9) times .02]			2,973,821	(A10)
Enter Greater of (A10) or $250,000			2,973,821	(A11)
Increased By: Allowable Adjustment*			206,595	(K)
Maximum Unassigned Fund Balance [(A11)+(K)]			$ 3,180,416	(M)

Detail of Allowable Adjustments

Impact Aid	$ -	(H)
Sale & Lease-back	$ -	(I)
Extraordinary Aid	$ 206,595	(J1)
Additional Nonpublic School Transportation Aid	$ -	(J2)
Current Year School Bus Advertising Revenue Recognized	$ -	(J3)
Family Crisis Transportation Aid	$ -	(J4)
Supplemental Stablization Aid received April 2024 & Maintenance of Equity Aid received July 2024	$ -	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$ 206,595	(K)

SECTION 2

Total General Fund - Fund Balances at June 30, 2025	$ 15,536,371	(C)
Decreased By:		
Assigned - Year-end Encumbrances	$ 8,642,132	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	$ -	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**		(C3)
Other Restricted/Reserved Fund Balances****	$ 2,245,800	(C4)
Assigned - Designated for Subsequent Year's Expenditures	$ -	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	$ 4,648,439	(U)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet 90031.
*** Amounts must agree to the June 30, 2025 ACFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.
(N-1) Capital reserve at June 30, 2025.
(N-2) Maintenance reserve minimum required under EFCFA.
(N-3) Tuition reserve at June 30, 2025.
(N-4) Emergency reserve at June 30, 2025.
(N-5) School bus fuel offset reserve - current year - June 30, 2025.
(N-6) School bus fuel offset reserve - prior year - June 30, 2025.
(N-7) Impact Aid general fund reserve at June 30, 2025.
(N-8) Impact Aid capital fund reserve at June 30, 2025.
(N-9) Unemployment Fund reserve at June 30, 2025.

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	$ -	
Sale/lease-back reserve	$ -	
Capital reserve (N-1)	$ 1,483,089	
Maintenance reserve (N-2)	$ -	
Tuition reserve (N-3)	$ -	
Emergency reserve (N-4)	$ -	
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	$ -	
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	$ -	
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	$ -	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	$ -	
Reserve for Unemployment Fund (N-9)	$ 762,711	
Other Restricted/Reserved Fund Balance not noted above****	$ -	
Total Other Restricted/Reserved Fund Balance	$ 2,245,800	(C4)

SECTION 3

Restricted Fund balance - Excess Surplus***[(U)-(M)] IF NEGATIVE ENTER-0	$ 1,468,023	(E)
Summary:		
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures**	$ -	(C3)
Restricted Excess Surplus ***	1,468,023	(E)
Total [(C3) + (E)]	$ 1,468,023	(D)

ORANGE PUBLIC SCHOOLS
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE

Audit Recommendations Summary
June 30, 2025

We suggest the following:

Administrative Practices and Procedures

None.

Financial Planning, Accounting and Reporting

2025-001 - The District should strengthen controls over the financial reporting and closing process, including timely preparation and independent review of bank reconciliations, proper cutoff and classification of transactions, periodic review of grant receivable balances to assess collectability, and monitoring of budgetary appropriations to prevent overexpenditures.

School Purchasing Programs

2025-003 - The District should reinforce procedures to ensure procurement documentation, including quotes and contract approvals, is consistently obtained and maintained.

School Food Service

None.

Student Body Activities

2025-004 - The District should strengthen procedures for maintaining complete and accurate supporting documentation for student activity receipts.

Application for State School Aid

2025-002 – The District should strengthen procedures to ensure student data is accurately maintained, timely updated, and reconciled to supporting documentation prior to submission, and that program eligibility determinations are properly supported.

Pupil Transportation

None.

Facilities and Capital Assets

The District should update its capital asset inventory and provide for audit is included as part of Finding 2025-001.

Miscellaneous

None.

Status of Prior Year Findings

The following prior year findings were repeated in the current year: 2024-001, 2024-003, 2024-005 and 2024-006, corresponding to current year findings 2025-001, 2025-002, 2025-003 and 2025-004, respectively.