SOUTH ORANGE AND
MAPLEWOOD SCHOOL DISTRICT
COUNTY OF ESSEX, NEW JERSEY

AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT
ESSEX COUNTY, NEW JERSEY

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PKF O'CONNOR DAVIES
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Independent Auditors' Report

Honorable President and Members
of the Board of Education
School District of South Orange and Maplewood
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 Board of the Board of Education of the School District of South Orange and Maplewood, County of Essex, New Jersey (the "District'), as of and for the year ended June 30, 2025, and have issued our report thereon dated December 19, 2025.

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 School District of South Orange and Maplewood's 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
December 19, 2025

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant, No. 2486

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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

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*

Ms. Dana Sullivan, Treasurer of School Moneys	$615,000
Mr. Imani Moody, School Business Administrator/ Board Secretary	150,000

There is a Public Employees' Faithful Performance Blanket Position Bond through the New Jersey School Boards Association Insurance Group (NJSBAIG) covering all other employees with multiple coverage of $250,000.

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 included all health benefit plans offered by District. The District data certification was completed by the chief school administrator. The District Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. 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*.

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 and no exceptions were noted.

Payroll Account and Employee 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.

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 found no inconsistencies between the 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 and 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 our randomly selected test samples, 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% overall 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 no exceptions.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer of School Monies did not disclose any exceptions.

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 and VI 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 (K-3) and (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 state and federal special projects indicated no instances of noncompliance.

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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditures charged to the current year's Final Reports 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 no exceptions.

School Purchasing Programs

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

Effective July 1, 2020, 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 the 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.

The results of our examination, performed on a test basis, did not note any individual payments, contracts, or agreements 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 provisions 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*.

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 school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded the $100,000 in federal and/or state support. Accordingly, we inquired of school management as to whether the School Food Authority (SFA) has any Child Nutrition Program reimbursement overclaims. No exceptions were noted.

We also inquired of school management as to whether the SFA's expenditure of school food service revenues were limited to allowable direct and indirect costs. 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.

Student Body Activities

Our audit procedures included a review of bank reconciliations and test of items selected from cash receipts and cash disbursements for the student activity funds for various District schools.

Finding 2025-001:

During our audit of the student activity funds for the Maplewood Middle School, we noted that funds collected by school clubs and activities were not consistently deposited in a timely manner.

Recommendation:

We recommend that the District strengthen its internal controls and procedures to ensure that all funds collected for activities of the Maplewood Middle School be deposited in a timely fashion.

Finding 2025-002:

Our review of the Student Activity Fund bank reconciliations identified that several outstanding checks and deposits in transit (DITs) have remained unreconciled for extended periods of time, in certain instances exceeding one year.

Recommendation:

We recommend the District perform a review of all outstanding reconciling items in excess of one year to determine if such items should be reissued or cancelled.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) 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 without exception. The information that was included on the work papers was verified with trivial exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

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 2024-25 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared the information presented by the District with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and 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.

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

Miscellaneous

<u>SEMI Federal Medicaid Reimbursement Revenue Projections</u>

<u>Finding 2025-003:</u>

The District did not meet the required 90% participation rate in the Special Education Medicaid Initiative (SEMI) for the fiscal year ended June 30, 2025, achieving a participation rate of approximately 30%. The New Jersey Department of Education mandates a 90% participation rate in SEMI to maximize Medicaid reimbursements for special education services. The District potentially forfeited Medicaid reimbursements, resulting in lost revenue that could support special education programs.

Recommendation:

We recommend the District implement a monitoring system to track provider compliance, enhance training on SEMI requirements, and develop corrective action plans to achieve the required participation rate.

Other Suggestions to Management

During our review of the District's outstanding debt and related investment earnings, we noted that as of June 30, 2025, the District has accumulated a rebate liability associated with proceeds of prior bond issuances. The District does estimate this liability in accordance with the requirements of Section 148 of the Internal Revenue Code, which ensures that investment earnings on tax-exempt bond proceeds do not exceed permitted yield restrictions. We encourage the District to continue to review estimates for accuracy and ensure that drawdowns are processed correctly and in a timely manner, as doing so will help minimize future rebate liabilities.

Although the capital asset records were updated for the current year additions, it was difficult to determine the funding source of the capital asset additions and the corresponding depreciation expense. To ensure the capital asset records are accurate, we suggest upon completion of the school-wide capital projects, the District have a district-wide comprehensive capital asset appraisal performed by a reputable appraisal company that entails a physical inspection and cost valuation of all land, buildings, site improvements and equipment and includes updated procedures for funding source identification.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year's recommendations. Corrective action has been taken on all prior year's finding with the exception of finding 2025-003, which is repeated in this year's recommendations

Acknowledgment

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

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

	2024-2025 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 Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 Years Old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 3 Years Old	36.0	-	36.0	-	-	-	2.0	-	2.0	-	-	-	-	-	-	-
Full Day Preschool 4 Years Old	27.0	-	27.0	-	-	-	1.0	-	1	-	-	-	-	-	-	-
Full Day Kindergarten	468.0	-	468.0	-	-	-	22.0	-	22.0	-	-	-	-	-	-	-
One	474.0	-	474.0	-	-	-	22.0	-	22	-	-	-	-	-	-	-
Two	421.0	-	421.0	-	-	-	20.0	-	20.0	-	-	-	-	-	-	-
Three	451.0	-	451.0	-	-	-	21.0	-	21	-	-	-	-	-	-	-
Four	409.0	-	409.0	-	-	-	19.0	-	19.0	-	-	-	-	-	-	-
Five	447.0	-	447.0	-	-	-	21.0	-	21	-	-	-	-	-	-	-
Six	429.0	-	429.0	-	-	-	20.0	-	20.0	-	-	-	-	-	-	-
Seven	393.0	-	393.0	-	-	-	18.0	-	18	-	-	-	-	-	-	-
Eight	414.0	-	414.0	-	-	-	19.0	-	19.0	-	-	-	-	-	-	-
Nine	447.0	-	447.0	-	-	-	21.0	-	21	-	-	-	-	-	-	-
Ten	410.0	2.0	410.0	2.0	-	-	18.0	-	18.0	-	-	-	-	-	-	-
Eleven	386.0	4.0	386.0	4.0	-	-	17.0	-	17	-	-	-	-	-	-	-
Twelve	404.0	-	404.0	-	-	-	19.0	-	19.0	-	-	-	-	-	-	-
Subtotal	5,616.0	6.0	5,616.0	6.0	-	-	260.0	-	260.0	-	-	-	-	-	-	-
Special Ed - Elementary	495.0	-	495.0	-	-	-	23.0	-	23.0	-	-	-	31.0	24.0	24.0	-
Special Ed - Middle School	278.0	-	278.0	-	-	-	13.0	-	13.0	-	-	-	19.0	15.0	15.0	-
Special Ed - High School	320.0	12.0	320.0	12.0	-	-	15.0	1.0	15.0	1.0	-	-	49.5	37.0	37.0	-
Subtotal	1,093.0	12.0	1,093.0	12.0	-	-	51.0	1.0	51.0	1.0	-	-	99.5	76.0	76.0	-
Totals	6,709.0	18.0	6,709.0	18.0	-	-	311.0	1.0	311.0	1.0	-	-	99.5	76.0	76.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

	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 Bilingual Education	Reported on Workpapers as Bilingual Education	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Preschool 3 Years	-	-	-	-	-	-	-		-	-	-	-
Full Day Preschool 4 Years	-	-	-	-	-	-	-		-	-	-	-
Kindergarten	35.0	35.0	-	9	9	-	4.0	4.0	-	3.0	3.0	-
One	38.0	38.0	-	10	10	-	9.0	9.0	-	5.0	5.0	-
Two	42.0	42.0	-	11	11	-	7.0	7.0	-	4.0	4.0	-
Three	43.0	43.0	-	11	11	-	10.0	10.0	-	8.0	8.0	-
Four	51.0	51.0	-	13	13	-	11.0	11.0	-	10.0	10.0	-
Five	45.0	45.0	-	12	12	-	7.0	7.0	-	6.0	6.0	-
Six	48.0	48.0	-	12	12	-	5.0	5.0	-	4.0	4.0	-
Seven	50.0	50.0	-	13	13	-	2.0	2.0	-	1.0	1.0	-
Eight	55.0	55.0	-	14	14	-	7.0	7.0	-	4.0	4.0	-
Nine	72.0	72.0	-	17	17	-	8.0	8.0	-	5.0	5.0	-
Ten	74.5	74.5	-	19	19	-	6.0	6.0	-	4.0	4.0	-
Eleven	64.5	64.5	-	16	16	-	8.0	8.0	-	4.0	4.0	-
Twelve	64.0	64.0	-	16	16	-	8.0	8.0	-	4.0	4.0	-
Subtotal	682.0	682.0	-	173	173	-	92.0	92.0	-	62.0	62.0	-
Sp Ed - Elementary	107.0	107.0	-	26	26	-	9.0	9.0	-	7.0	7.0	-
Sp Ed - Middle School	64.0	64.0	-	16	16	-	9.0	9.0	-	7.0	7.0	-
Sp Ed - High School	69.5	69.5	-	17	17	-	1.0	1.0	-	1.0	-	1.0
Subtotal	240.5	240.5	-	59	59	-	19.0	19.0	-	15.0	14.0	1.0
Total	922.5	922.5	-	232	232	-	111.0	111.0	-	77.0	76.0	1.0
Percentage Error			0.00%			0.00%			0.00%			1.30%

Note: Detailed testing over DRTRS was not performed for the fiscal year ended June 30, 2025 as Transportation Aid was not tested as a major program in the current year for Single Audit.

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	495.0	495.0	-	-	-	-
AIL Non-Public Transportation	655.0	655.0	-	-	-	-
Regular Special Education	165.0	165.0	-	-	-	-
Special Education Special Needs	202.0	202.0	-	-	-	-
Courtesy	792.0	792.0	-	-	-	-
Totals	2,309.0	2,309.0	-	-	-	-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Reg. Avg. Mileage - Regular Inc. Grade PK students	4.8	4.8
Reg. Avg. Mileage - Regular Exc. Grade PK students	11.2	11.2
Spec. Avg. Mileage - Special Education with Special Needs	1.5	1.5

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2024

SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA as LEP Education	Reported on Workpapers as LEP Education	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Full Day Preschool	-	-	-	-	-	-
Kindergarten	2.0	2.0	-	1	1	-
One	2.0	2.0	-	1	1	-
Two	2.0	2.0	-	1	1	-
Three	1.0	1.0	-	1	1	-
Four	-	-	-	-	-	-
Five	3.0	3.0	-	3	3	-
Six	-	-	-	-	-	-
Seven	1.0	1.0	-	1	1	-
Eight	3.0	3.0	-	2	2	-
Nine	7.0	7.0	-	5	5	-
Ten	6.0	6.0	-	3	3	-
Eleven	1.0	1.0	-	1	1	-
Twelve	3.0	3.0	-	1	1	-
Subtotal	31.0	31.0	-	20	20.0	-
Sp Ed - Elementary	3.0	3.0	-	2	2.0	-
Sp Ed - Middle School	3.0	3.0	-	2	2.0	-
Sp Ed - High School	2.0	2.0	-	1	1	-
Subtotal	8.0	8.0	-	5	5.0	-
Total	39.0	39.0	-	25	25.0	-
Percentage Error			0.00%			0.00%

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

EXCESS SURPLUS CALCULATION

JUNE 30, 2025

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$ 190,237,737	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	$ 4,267,015	(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	$ 1,525,350	(B1d)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security Benefits	$ 32,756,571	(B2a)
Financed Purchased Liability	$ 2,740,000	(B2b)
Adjusted 2024-25 General Fund Expenditures [(B) + (B1s) - (B2s)]	$ 160,533,531	(B3)
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$ 3,210,671	(B4)
Enter Greater of (B4) or $250,000	$ 3,210,671	(B5)
Increased by: Allowable Adjustment*	$ 506,300	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	$ 3,716,971	(M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2025 (Per ACFR Budgetary Comparison Schedule C-1)	$ 29,308,121	(C)
Decreased by:		
Year-end Encumbrances	$ 410,471	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	$ 6,893,128	(C3)
Other Restricted Fund Balances****	$ 8,242,407	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	$ 4,459,568	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	$ 9,302,547	(U1)

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

EXCESS SURPLUS CALCULATION

JUNE 30, 2025

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	$ 5,585,576	(E)

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 6,893,128	(C3)
Reserved Excess Surplus *** [(E)]	$ 5,585,576	(E)
Total Excess Surplus [(C3)+(E)]	$ 12,478,704	(D)

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly the federal impact aid adjustment to expenditures is limited to the portion of federal impact aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the general fund budgetary comparison schedule, but not transferred to the federal impact aid reserve - general (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
(J1) Extraordinary Aid;
(J2) Additional Nonpublic School Transportation Aid;
(J3) Recognized current year School Bus Advertising Revenue; and
(J4) Family Crisis Transportation Aid.
(J5) Supplemental Stabilization Aid and Maintenance of Equity Aid

Detail of Allowable Adjustments

Impact Aid	$ -	(H)
Sales & Lease-back	$ -	(I)
Extraordinary Aid	$ 185,505	(J1)
Additional Nonpublic School Transportation Aid	$ 320,795	(J2)
Current Year School Bus Advertising Revenue Recognized	$ -	(J3)
Family Crisis Transportation Aid	$ -	(J4)
Supplemental Stabilization Aid and Maintenance of Equity Aid	$ -	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$ 506,300	(K)

** This amount represents the June 30, 2025 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 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 Finance prior to September 30.

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

EXCESS SURPLUS CALCULATION

JUNE 30, 2025

Detail of Other Restricted Fund Balance

Statutory Restrictions:			
Approved Unspent Separate Proposal	$	-	
Sale/Lease-Back Reserve	$	-	
Capital Reserve	$	4,623,221	
Maintenance Reserve	$	3,225,991	
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	$	-	
Impact Aid Capital Fund Reserve	$	-	
Other State/Government Mandated Reserve	$	-	
Reserve for Unemployment	$	393,195	
Other Restricted Fund Balance not Noted above	$	-	
Total Other Restricted Fund Balance	$	8,242,407	(C4)

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

RECOMMENDATIONS

JUNE 30, 2025

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. Elementary and Secondary Education Act as Amended by the Every Student Succeeds Act (ESSA)

There are none.

IV. Other Special Federal and/or State Projects

There are none.

V. T.P.A.F. Reimbursement

There are none.

VI. Nonpublic State Aid

There are none.

VII. School Purchasing Program

There are none.

VIII. School Food Service

There are none.

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

RECOMMENDATIONS

JUNE 30, 2025

IX. Student Body Activities

2025-001: We recommend that the District strengthen its internal controls and procedures to ensure that all funds collected for activities of the Maplewood Middle School be deposited in a timely fashion.

2025-002: We recommend the District perform a review of all outstanding reconciling items in excess of one year to determine if such items should be reissued or cancelled.

X. Application for State School Aid

There are none.

XI. Pupil Transportation

There are none.

XII. Testing for Lead of All Drinking Water in Educational Facilities

There are none.

XIII. Miscellaneous

Finding 2025-003: We recommend the District implement a monitoring system to track provider compliance, enhance training on SEMI requirements, and develop corrective action plans to achieve the required participation rate.

XIII. Status of Prior Year Audit Findings/Recommendations

Corrective action had been taken on all prior year findings.