

**EAST ORANGE BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2024**

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

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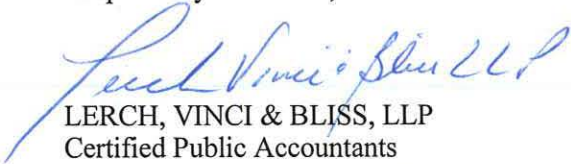
Honorable President and Members  
of the Board of Trustees  
East Orange Board of Education  
East Orange, New Jersey

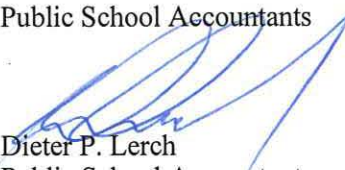
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the East Orange Board of Education, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated December 10, 2024.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Board of Education's management, the Board of Trustees, and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
December 10, 2024

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 the Insurance Schedule contained in the district's ACFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Marissa McKenzie	Board Secretary/School Business Administrator	\$900,000
Ann Marie Corbitt	Treasurer of School Monies	800,000

There is a Public Employees' Dishonesty Performance Blanket Position Bond with New Jersey School Insurance Group (NJSIG) covering all other employees with multiple coverage of \$500,000.

**P.L. 2020, c44**

Our audit procedures included an inquiry of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year of audit. The school district data certification was completed by the chief school administrator.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited into the payroll agency account.

All payrolls tested were not approved by the Superintendent and were not certified by the President of the Board and the Board Secretary/Business Administrator.

**Finding 2024-1** – Payrolls were not approved by the Chief School Administrator, Board President and Board Secretary/Business Administrator.

**Recommendation** – All payrolls be presented to the Chief School Administrator and Board to be certified in accordance with NJSA 18A:19-9.

Salary withholdings were promptly remitted by the District to the proper agencies. In addition, the District remitted the health benefit withholdings due to the General Fund in a timely manner.

The District maintains a personal tracking and accounting (Position Control) system.

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Financial Planning, Accounting and Reporting (Continued)**

**Payroll Account (Continued)**

**Finding 2024-2** – The Position Control Roster was not adjusted to reflect numerous positions that were not funded in the subsequent year's budget.

**Recommendation** – Internal control procedures be enhanced to ensure that a periodic review of the Position Control Roster is performed to ensure proper and consistent financial reporting.

The required certification (E-Cert1) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the date.

**Year-End Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchases orders were included in the balance of the year-end encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Finding 2024-3** – Our audit of year end encumbrances payable revealed several purchase orders in the Special Revenue and Capital Projects Funds that were deemed invalid at year end.

**Recommendation** – Open purchase orders that are no longer valid be cancelled of record.

**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 included administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3.

**Travel**

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6-13 and N.J.S.A. 18A:11-12.

**Board Secretary's Records**

The financial records, books of account and minutes maintained by the Board Secretary were in fair condition.

**Finding 2024-4 – (ACFR Finding 2024-001)** – Our audit revealed numerous mispostings of revenues/receipts and expenditures in the various funds maintained by the District.

**Recommendation** – Internal controls over financial reporting be enhanced to ensure all revenues/receipts and expenditures are properly classified and recorded in the appropriate fund.

**Finding 2024-5 (ACFR Finding 2024-002 and 2024-007)** – Our audit revealed that the monthly Board Secretary and Treasurer's reports were not completed and submitted to the Board on a timely basis.

**Recommendation** – The Board Secretary and Treasurer reports be submitted to the Board for approval on a timely basis.

**Finding 2024-6** – Our audit revealed that the Payroll Agency and Worker's Compensation bank accounts were in an overdraft position at June 30, 2024.

**Recommendation** – Internal controls be enhanced to prevent cash overdrafts in the Payroll Agency and Worker's Compensation bank accounts.

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Financial Planning, Accounting and Reporting (Continued)**

**Board Secretary's Records (Continued)**

**Finding 2024-7 (ACFR Finding 2024-003 and 2024-008)** – We noted seventeen (17) budget line accounts in the General Fund that were overexpended at June 30, 2024.

**Recommendation** – Internal controls be reviewed to ensure sufficient budget appropriates are available prior to the expenditure of funds.

**Finding 2024-8 (ACFR Finding 2024-009)** – Debt service state aid was recorded as a revenue in the General Fund.

**Recommendation** – Debt service state aid be recorded as a revenue in the Debt Service Fund rather than the General Fund.

**Finding 2024-9** – The December 30, 2023 reimbursement due from the State in the approximate amount of \$290K for the employer's share of TPAF-FICA payroll taxes was not submitted.

**Recommendation** – The December 30, 2023 TPAF-FICA reimbursement due from the State be submitted and collected.

The prescribed contractual order system was followed.

Acknowledgement of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21) and agendas made available for audit.

**Treasurer's Records**

The Treasurer performed cash reconciliations of all required District accounts.

The Treasurer's cash balances were in agreement with the balances as of the Board Secretary's records.

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

Our examination of the E.S.E.A. 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.

**Finding 2024-10 (ACFR Finding 2024-006)** – Our audit revealed that capital additions acquired by the use of ESSER funds were not added to the capital asset appraisal report.

**Recommendation** – The fixed asset appraisal report be updated annually and include all federally funded capital asset additions.

**IDEA**

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

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the ACFR.

Our audit 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.

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Financial Planning, Accounting and Reporting (Continued)**

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees charged to Federal grant programs who are members of the Teachers Pension and Annuity Fund.

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report 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 accrued at year end, as required by the Office of Grants Management.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:3-3(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 currently \$22,400 for 2023/2024.

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

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

The results of our examination indicated that individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," 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 2024-11 (ACFR Finding 2024-005 and 2024-010)** – Our audit with respect to school purchasing revealed the following:

- a) A vendor was awarded a contract for infrastructure consulting services in excess of the bid threshold which was not formally bid or approved by State contract or cooperative purchasing agreement.
- b) Numerous instances were noted where contract awards were made under cooperative purchase and state contract agreements where the supporting cooperative and state contract documentation was not obtained and verified to the vendor invoices.
- c) A contract awarded for HVAC services through a national cooperative purchase agreement was not advertised and a low cost vendor analyses was not completed.
- d) The State Comptroller was not notified of a contract award for auditorium renovations in excess of \$2.5 million.
- e) A contract for the acquisition of computer equipment in excess of the bid threshold was not approved by the Board and included in the minutes.
- f) Professional service contract awards for educational services were not advertised in the official newspaper.

**Recommendation** – It is recommended that all contract awards and payments under bidding and cooperative/state purchasing be made in accordance with Local Public Contracts Law.

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

**Food Service Fund**

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 free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the School Food Services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

**Finding 2024-12 (ACFR Finding 2024-004)** – Our audit revealed the Food Service Enterprise Fund incurred an operating loss of \$1,738,535 for fiscal year 2023/24. This resulted in a deficit net position in the Enterprise Fund of \$1,893,069.

**Recommendation** – Contract provisions be reviewed with the food service provider in an effort to recoup the guaranteed return as provided in the contract award.

The district utilized 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 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 \$536,354. The operating results provision was not met.

**Finding 2024-13** – The District was not reimbursed \$141K from the City for costs related to the 2022/23 Summer Food program.

**Recommendation** – The District request reimbursement due from the City for the 2022/23 Summer Meal program.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food 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. Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed.

**Finding 2024-14** – The number of student meals claimed for reimbursement for lunch, breakfast and snacks was not in agreement with the District edit check worksheets. Meals claimed for lunch and snacks were under reported by 3,437 and 7,004. Meals claimed for breakfast were over reported by 1,978.

**Recommendation** – The number of student meals claimed for reimbursement be in agreement with the District edit check worksheets.



**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Food Service Fund (Continued)**

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 District contracts with Sodexo Management to manage the Food Service operations.

USDA Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

The school maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually. The Statement of Revenues, Expenses and Changes in Fund Net Asset (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold. Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

**Student Body Activities**

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

Cash receipts and disbursements records were maintained in good condition.

**Finding 2024-15** – Our audit of student body activities revealed the following:

- a) Costley Middle School, Louverture School, Sojourner Truth Middle School, Johnnie Cochran Jr. Academy and Langston Hughes Elementary School
  - Cash receipt and cash disbursement supporting documentation was not made available for audit.
- b) Stem Academy, Athletic Account and Tyson Middle School/High School, Campus High School
  - Numerous prior year issued checks remain outstanding.
- c) Campus High School, Costly Middle School, Sojourner Truth, Wahlstrom Academy, Healy Middle School, Cicely Tyson Elementary School
  - Noted the use of debit cards, ACH transactions and direct withdrawals from each of noted bank accounts.
- d) Campus High School
  - Receipts for the Campus High School were not deposited in a timely manner.
- e) Cicely Tyson Middle School
  - Ten (10) fraudulent checks cleared the bank between July through November.

**Recommendation** – It is recommended that:

- a) All cash receipt and cash disbursement supporting documentation be retained and made available to support the transactions of the various student accounts.
- b) Prior year outstanding checks be reviewed and cleared of record.
- c) The use of debit cards and direct withdrawals be discontinued immediately.
- d) Campus High School receipts be deposited in a timely manner.
- e) Efforts be made to have the bank reimburse the District for fraudulent checks cashed in the Cicely Tyson Middle School account.

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with minor exceptions. The information that was included on the workpapers was verified with minor exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintains workpapers in the prescribed state forms or their equivalents.

The district has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2023-24 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exceptions. The information that was included on the workpapers was verified without exceptions noted.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Since the District is classified as an At Risk School District, virtually all SDA grant activity is conducted by the State on behalf of the Board. This on-behalf grant activity is reported in the District's financial statements as State aid revenue and capital outlay expenditures in the Capital Projects Fund.

**Finding – 2024-16** – The June 30, 2024 Fixed Asset report was not updated for 2023/24 additions and deletions. In addition the related depreciation for both current and prior year assets acquired was not updated.

**Recommendation** – The Fixed Asset report be updated annually.

**Testing for Lead of all Drinking Water in Education Facilities**

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing of lead of all drinking water in educational facilities.

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

**Follow-Up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations.

**EAST ORANGE BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals/Milks Category</u>	<u>Meals/Milks Claimed</u>	<u>Meals/Milks Tested</u>	<u>Meals/Milks Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Over/(Under) Claim</u>
National School Lunch (Regular Rate)	Paid	366,446	366,446	367,485	(1,039)	\$ 0.48	\$ (499)
	Free	<u>855,077</u>	<u>855,077</u>	<u>857,475</u>	<u>(2,398)</u>	4.34	<u>(10,407)</u>
	Total Lunch	<u>1,221,523</u>	<u>1,221,523</u>	<u>1,224,960</u>	<u>(3,437)</u>		<u>(10,906)</u>
School Breakfast (Regular)	Paid	234,056	234,056	233,476	580	0.38	220
	Free	<u>546,178</u>	<u>546,178</u>	<u>544,780</u>	<u>1,398</u>	2.73	<u>3,817</u>
	Total Breakfast	<u>780,234</u>	<u>780,234</u>	<u>778,256</u>	<u>1,978</u>		<u>4,037</u>
School Snacks (Regular)	Free	<u>225,376</u>	<u>225,376</u>	<u>232,380</u>	<u>(7,004)</u>	1.17	\$ <u>(8,195)</u>
	Total Snacks	<u>225,376</u>	<u>225,376</u>	<u>232,380</u>	<u>(7,004)</u>		<u>(8,195)</u>
		<u>2,227,133</u>	<u>2,227,133</u>	<u>2,235,596</u>	<u>(8,463)</u>		<u>\$ (15,064)</u>

**EAST ORANGE BOARD OF EDUCATION  
NET CASH RESOURCE SCHEDULE  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>ACFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equiv.	\$ 871,993
B-4	Accounts Receivable	534,267
<b>ACFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	(1,549,918)
B-4	Less Due to Other Funds	<u>(1,816,520)</u>
	<b>Net (Deficit) Cash Resources</b>	<u><u>\$ (1,960,178)</u></u>
<b><u>Net Adj. Total Operating Expense:</u></b>		
B-5	Total Operating Expenses	\$ 8,778,047
B-5	Less Depreciation	<u>(970)</u>
	<b>Adjusted Total Operating Expenses</b>	<u><u>\$ 8,777,077</u></u>
<b><u>Average Monthly Operating Expense:</u></b>		
		<u><u>\$ 877,708</u></u>
<b><u>Three times monthly Average:</u></b>		
		<u><u>\$ 2,633,123</u></u>
<hr/>		
Net (Deficit) Cash Resources		\$ (1,960,178)
Three Months		
Average Expenses		<u>2,633,123</u>
Amount Below the Maximum Net Cash Resources		<u><u>\$ (4,593,301)</u></u>

**EAST ORANGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
SCHEDULE OF AUDITED ENROLLMENTS**

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Sample		
	A.S.S.A.		Workpapers				Selected from		Register		Registers		Reported on	for		
	On Roll		On Roll				Workpapers	On Roll		On Roll		A.S.S.A. as	Verifi-	Sample	Sample	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	cation	Verified	Errors
Half Day Pre-K 3yr	-		-				-		-		-					-
Full Day Pre-K 3yr	253		254		(1)	-	7		7	-	-					-
Half Day Pre-K 4yr	-		-		-	-	-		-		-					-
Full Day Pre-K 4yr	329		329		-	-	41		41	-	-					-
Half Day K	-		-		-	-	-		-		-					-
Full Day K	557		557		-	-	36		36	-	-					-
One	501		499		2	-	58		58	-	-					-
Two	570		570		-	-	91		91	-	-					-
Three	502		502		-	-	33		33	-	-					-
Four	510		510		-	-	45		45	-	-					-
Five	561		561		-	-	58		58	-	-					-
Six	546		544		2	-	86		86	-	-					-
Seven	516		516		-	-	40		40	-	-					-
Eight	536		537		(1)	-	144		144	-	-					-
Nine	516		516		-	-	110		110	-	-					-
Ten	548		548		-	-	365		365	-	-					-
Eleven	580		582		(2)	-	84		84	-	-					-
Twelve	549		552		(3)	-	96		96	-	-					-
Adult School (15+cr)	-		-		-	-	-		-		-					-
Subtotal	7,574	-	7,577	-	(3)	-	1,294	-	1,294	-	-	-	-	-	-	-
Sp. Ed. - Elementary	556		555		1	-	34		34		-	-	34	15	15	-
Sp. Ed. - Middle School	219		220		(1)	-	14		14		-	-	24	11	11	-
Sp. Ed. - High School	346	2	343	2	3	-	21		21		-	-	53	23	23	-
Subtotal	1,121	2	1,118	2	3	-	69	-	69	-	-	-	111	49	49	-
Totals	8,695	2	8,695	2	-	-	1,363	-	1,363	-	-	-	111	49	49	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**EAST ORANGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 3yr	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 4yr	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	418.0	418.0	-	5	5	-	14.0	14.0	-	3.0	3.0	-
One	405.0	405.0	-	5	5	-	25.0	25.0	-	5.0	5.0	-
Two	492.0	492.0	-	6	6	-	39.0	39.0	-	7.0	7.0	-
Three	438.0	438.0	-	5	5	-	31.0	31.0	-	6.0	6.0	-
Four	415.0	415.0	-	5	5	-	19.0	19.0	-	3.0	3.0	-
Five	430.0	430.0	-	5	5	-	28.0	28.0	-	5.0	5.0	-
Six	415.0	415.0	-	5	5	-	25.0	25.0	-	4.0	4.0	-
Seven	382.0	382.0	-	5	5	-	15.0	15.0	-	3.0	3.0	-
Eight	407.0	407.0	-	5	4	1.0	15.0	15.0	-	3.0	3.0	-
Nine	321.0	321.0	-	4	4	-	14.0	14.0	-	2.0	2.0	-
Ten	316.0	316.0	-	4	3	1.0	27.0	27.0	-	5.0	5.0	-
Eleven	322.0	322.0	-	4	4	-	18.0	18.0	-	3.0	3.0	-
Twelve	303.0	303.0	-	4	4	-	8.0	8.0	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	5,064.0	5,064.0	-	62.0	60.0	2.0	278.0	278.0	-	50.0	50.0	-
Special Ed. - Elementary	431.0	431.0	-	5	5.0	-	2.0	2.0	-	1.0	1.0	-
Special Ed. - Middle	204.0	204.0	-	2	2.0	-	3.0	1.0	2.0	1.0	1.0	-
Special Ed. - High	252.0	252.0	-	3	3.0	-	-	3.0	(3.0)	-	-	-
Subtotal	887.0	887.0	-	10.0	10.0	-	5.0	6.0	(1.0)	2.0	2.0	-
Train Sch/Secure Care	3.0	3.0	-									
Co. Voc. Ft. Post Sec.												
Totals	5,954.0	5,954.0	-	72.0	70.0	2.0	283.0	284.0	(1.0)	52.0	52.0	-
Percentage Error			0.00%			2.78%			-0.35%			0.00%

	Transportation					
	Reported on DRTRS by DOE / County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	226	226	-	22	22	-
Special Ed. - Public	272	272	-	26	26	-
Transported - Non - Public	-	-	-	-	-	-
Special Needs - Public	170	170	-	16	16	-
	668	668	-	64	64	-
Percentage Error			0.00%			0.00%

**EAST ORANGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2023  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA LEP Not low Income	Reported on Workpapers as LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten			-			-
Full Day Pre-K 3yr			-			-
Full Day Pre-K 4yr			-			-
Full Day Kindergarten	29.0	29.0	-	4	4	-
One	23.0	23.0	-	3	3	-
Two	26.0	26.0	-	4	4	-
Three	21.0	21.0	-	3	3	-
Four	29.0	29.0	-	5	5	-
Five	18.0	18.0	-	3	3	-
Six	32.0	32.0	-	5	5	-
Seven	30.0	30.0	-	4	4	-
Eight	28.0	28.0	-	4	4	-
Nine	26.0	26.0	-	4	4	-
Ten	52.0	52.0	-	8	8	-
Eleven	50.0	50.0	-	8	8	-
Twelve	31.0	31.0	-	5	5	-
Subtotal	395	395	-	60	60	-
Special Ed. - Elementary	2	2	-	1	-	1
Special Ed. - Middle	1	1	-	1	1	-
Special Ed. - High	-	-	-			-
Subtotal	3	3	-	2	1	1
Totals	398.0	398.0	-	62.0	61.0	1.0
Percentage Error			0.00%			1.61%

**EAST ORANGE BOARD OF EDUCATION  
ENCUMBRANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Encumbrances per the June 30, 2024**

<b>Board Secretary Report (Funds 11, 12, 13)</b>			<b>\$ 3,490,775</b>
<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled/Reclassified Through Audit Adjustments</u>
Tuition	\$ 607,199		\$ 607,199
Construction Services	<u>866,880</u>	<u>\$ 866,880</u>	<u>-</u>
Total Audited	<u>1,474,079</u>	<u>866,880</u>	<u>607,199</u>
Unaudited	<u>2,016,696</u>	<u>2,016,696</u>	<u>-</u>
Total Encumbrances	<u>3,490,775</u>	<u>2,883,576</u>	<u>607,199</u>
<b>Total Encumbrances Cancelled During the Audit</b>			<u>(607,199)</u>
<b>Fund Balance Year End Encumbrances in the ACFR</b>			<u><u>\$ 2,883,576</u></u>



**EAST ORANGE BOARD OF EDUCATION  
ENCUMBRANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Encumbrances per the June 30, 2024  
Board Secretary Report (Funds 15)**

**\$ 70,798**

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Other Purchased Services			
Supplies	-	-	-
Total Audited	-	-	-
Unaudited	\$ 70,798	\$ 70,798	-
Total Encumbrances	\$ 70,798	\$ 70,798	-

**Total Encumbrances Cancelled During the Audit**

-

**Fund Balance Year End Encumbrances in the ACFR**

**\$ 70,798**

**EAST ORANGE BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2023-2024 Total General Fund Expenditures Reported on Exhibit C-1	\$ 271,411,885
Decreased by:	
Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>(3,683,668)</u>
	\$ 267,728,217
Decreased by:	
On-Behalf TPAF Pension & Social Security	(47,640,588)
Assets Acquired Under Capital Leases	<u>(873,782)</u>
2023-2024 General Fund Expenditures	<u>219,213,847</u>
2% of Adjusted 2023-2024 General Fund Expenditures	4,384,277
Increased by Allowable Adjustment - Extraordinary Aid	<u>1,242,206</u>
Maximum Unassigned Fund Balance	<u>\$ 5,626,483</u>
Total General Fund - Fund Balance at June 30, 2024	\$ 6,739,764
Decreased by:	
Restricted Fund Balances - Capital Reserve	12,131
Restricted Fund Balance - Maintenance Reserve	30,557
Restricted Fund Balance - Unemployment Compensation Reserve	1,275,446
Assigned Fund Balance - Year End Encumbrances	<u>2,954,374</u>
Total Unassigned Fund Balance	<u>\$ 2,467,256</u>
<b>Restricted Fund Balance - Excess Surplus</b>	
<b><u>Recapitulation of Excess Surplus as of June 30, 2024</u></b>	
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -
Restricted Excess Surplus	<u>-</u>
Total	<u>\$ -</u>

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. All payrolls be presented to the Chief School Administrator and Board to be certified in accordance with NJSA 18A:19-9.
2. Internal control procedures be enhanced to ensure that a periodic review of the Position Control Roster is performed to ensure proper and consistent financial reporting.
3. Open purchase orders that are no longer valid be cancelled of record.
4. Internal controls over financial reporting be enhanced to ensure all revenues/receipts and expenditures are properly classified and recorded in the appropriate fund.
- \* 5. The Board Secretary and Treasurer reports be submitted to the Board for approval on a timely basis.
6. Internal controls be enhanced to prevent cash overdrafts in the Payroll Agency and Worker's Compensation bank accounts.
- \* 7. Internal controls be reviewed to ensure sufficient budget appropriations are available prior to the expenditure of funds.
8. Debt service state aid be recorded as a revenue in the Debt Service Fund rather than the General Fund.
9. The December 30, 2023 TPAF-FICA reimbursement due from the State be submitted and collected.
- \* 10. The fixed asset appraisal report be updated annually and include all federally funded capital asset additions.

**III. School Purchasing Programs**

- \* 11. It is recommended that all contract awards and payments under bidding and cooperative/state purchasing be made in accordance with Local Public Contracts Law.

**IV. Food Services Fund**

It is recommended that:

12. Contract provisions be reviewed with the food service provider in an effort to recoup the guaranteed return as provided in the contract award.
13. The District request reimbursement due from the City for the 2022/23 Summer Meal program.
14. The number of student meals claimed for reimbursement be in agreement with the District edit check worksheets.

**EAST ORANGE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**RECOMMENDATIONS (Continued)**

**V. Student Body Activities**

15. It is recommended that:

- \* a) All cash receipt and cash disbursement supporting documentation be retained and made available to support the transactions of the various student accounts.
- \* b) Prior year outstanding checks be reviewed and cleared of record.
- c) The use of debit cards and direct withdrawals be discontinued immediately.
- d) Campus High School receipts be deposited in a timely manner.
- e) Efforts be made to the bank reimburse the District for fraudulent checks cashed in the Cicely Tyson Middle School account.

**VI. Application for State School Aid**

There are none.

**VII. Transportation**

There are none.

**VIII. Facilities and Capital Assets**

- \* 16. It is recommended that the Fixed Assets report be updated annually.

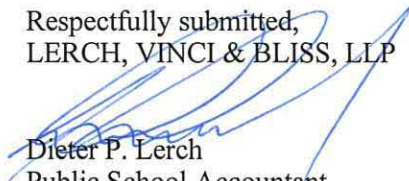
**IX. Status of Prior Years' Audit Findings/Recommendations**

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

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,  
LERCH, VINCI & BLISS, LLP

  
Dieter P. Lerch  
Public School Accountant  
Certified Public Accountant