

WEST ORANGE SCHOOL DISTRICT
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

WEST ORANGE SCHOOL DISTRICT
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

November 20, 2015

The Honorable President and Members
of the Board of Education
West Orange School District
County of Essex, NJ

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 Board of Education of the West Orange School District in the County of Essex for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 20, 2015.

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 letter does not affect our report dated November 20, 2015, on the financial statements of the Board.

We will review the status of our suggestions, comments and recommendations during our next audit engagement. We have already discussed the suggestions, comments and recommendations with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions or recommendations.

This report is intended solely for the information and use of the West Orange School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Joseph Antonucci	Treasurer	\$ 500,000
John Calavano	Board Secretary/School Business Administrator	500,000

Finding:

The District currently has \$500,000 in surety coverage for the Treasurer; however, based upon the State's required surety bond coverage calculation, the District's required surety bond coverage should be increased to \$521,000 for 2014-2015 and to \$523,000 for 2015-2016. Because the calculation is made annually and administration increased the surety coverage to \$525,000 in the 2015-2016 fiscal year, a formal recommendation is not deemed to be warranted.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Payroll Account and Position Control Roster

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

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15th due date.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of General and Administrative Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classification to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

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

A review was completed by the State of New Jersey Department of Education, Office of Fiscal Accountability and Compliance for the N.C.L.B., I.D.E.A. Basic and Preschool, Race to the Top, and Carl D. Perkins grant programs for the period July 1, 2012 through March 31, 2014. The District received the consolidating monitoring report in July 2014 and the District implemented a state approved corrective action plan. In December 2014, the State conducted a follow-up review and determined that the District had successfully implemented the corrective action plan.

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly reimbursements filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

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

The T.P.A.F. Reimbursement to the state for the Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2015. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

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"

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,300.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the 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. General compliance was noted.

The results of our examination indicated that no 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.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was verified against sales records and meal count records. Reimbursement claims were submitted and certified in a timely manner.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

School Food Service

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the school system. The required verification procedures for free applications were completed and available for review.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was verified against sales records and meal count records. Reimbursement claims were submitted and certified in a timely manner.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The FMSC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Cash receipts and bank records were reviewed for timely deposit.

Payroll records were maintained on all School Food Services employees authorized by the board of education. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. 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 nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

The District has a Type 2 SOC1 report (Service Organization Controls Report) of the food service management company on file as required by state requirements.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Enterprise Funds", Section G of the CAFR.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

Findings:

Our review of the various student activities accounts revealed the following:

- 1) Payment requests are not consistently prepared or an invoice or bill was not consistently obtained for all cash disbursements from the Roosevelt, Edison, Mt. Pleasant, Pleasantdale and Washington School accounts and the High School Athletics account.
- 2) The payment requests were not prepared prior to all purchases for the Washington, Pleasantdale, Roosevelt, Edison, St Cloud, Redwood, Liberty, Hazel and Gregory School accounts and the High School Athletic account.
- 3) The school principal's/athletic director's authorizing signature was not consistently obtained for all cash disbursements from Edison Middle School and High School Athletics and a receipt of goods signature, and/or vendor's claimant signature were still not consistently obtained for all cash disbursements from the Washington, Pleasantdale, Roosevelt, Edison, St Cloud, Redwood, Liberty, Mt. Pleasant and Gregory School accounts and the High School Athletics account.
- 4) The High School Athletic account issued checks with payment to cash.
- 5) Receipts were not always clearly identified as to the source of funds for the Gate Receipts and High School Athletic accounts, and were not always deposited within 48 hours at the Roosevelt Middle School and High School Athletic account (on average, they were made twice per month).

Recommendations:

It is recommended that:

- 1) For all payments, a payment request with the principal's/athletic director's approval and receipt of good signature are obtained, and checks should not be issued to "cash".
- 2) Receipts are clearly identified as to the source of funds and are consistently deposited within 48 hours.

Management's Response:

The Business Administrator and Assistant Business Administrator will standardize and communicate all of the bookkeeping requirements to the schools and will make arrangements to provide assistance to them, if necessary, in their implementation.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income students and bilingual students. 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 a few minor (percentage) exceptions. The information that was included on the workpapers was verified on a test basis with a few minor exceptions. 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's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with a few minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Finding:

Based on our review, the District has B6Ts on file; however all forms were missing approval signatures and verification as to whether or not the student was to receive transportation.

Recommendation:

It is recommended that the transportation department properly complete all B6T forms.

Management's Response

The Business Administrator will communicate all of the requirements to the transportation department and will make arrangements to provide assistance to them, if necessary, in their implementation.

Facilities and Capital Assets

The District does not currently have any active SDA projects.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

Management Suggestions

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Arbitrage – Outstanding Bonds

The District has two bonds issues outstanding. The District should explore the need for an arbitrage calculation. This calculation will determine whether or not the District is subject to arbitrage payable to the federal government. If a liability does exist, it would be required to be raised by the District in the budget year the liability is payable.

Payroll Processing

The District runs semi-monthly payrolls on the 15th and 30th of each month; however, checks are being generated on various other dates. It is not desirable from a control point of view to circumvent the normal payroll process and procedures as errors in processing, approving and adequately controlling payroll transactions are more likely to occur. We suggest that the District establish a policy that payroll will only be processed at the regularly scheduled dates in order to ensure that all payrolls are uniformly processed and approved and adequately controlled.

WEST ORANGE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Miscellaneous

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the preparation of purchase orders, summary of payroll agency transactions, grant accounting records, cash cut-off procedures, budget transfers, bid documents, capital asset inventory, and travel expense and reimbursements were adequately addressed and corrected in the current fiscal year. However, due to the number of schools and various audit findings, the recommendations regarding the District’s Student Activities accounts have continually been addressed but still require some improvements.

WEST ORANGE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-2016 Application for State School Aid						Sample for Verification					
	Reported on ASSA		Reported on Workpapers		Errors		Sample Selected from		Verified per Registers		Errors per Registers	
	On Roll		On Roll				Workpapers		On Roll		on Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 4 Years Old	16		16				16		16			
Full Day Kindergarten	481		481				481		481			
Grade One	488		488				488		488			
Grade Two	462		462				462		462			
Grade Three	438		438				438		438			
Grade Four	433		433				433		433			
Grade Five	444		444				444		444			
Grade Six	452		452				452		452			
Grade Seven	384		384				384		384			
Grade Eight	405		405				405		405			
Grade Nine	432		432				432		432			
Grade Ten	434	1	434	1			434	1	434	1		
Grade Eleven	430		430				430		430			
Grade Twelve	369		369				369		369			
Subtotal	<u>5,668</u>	<u>1</u>	<u>5,668</u>	<u>1</u>			<u>5,668</u>	<u>1</u>	<u>5,668</u>	<u>1</u>		
Special Education:												
Elementary School	407		404		3		9		9			
Middle School	271		271				8		8			
High School	377	8	377	8			8		8			
Subtotal	<u>1,055</u>	<u>8</u>	<u>1,052</u>	<u>8</u>	<u>3</u>		<u>25</u>		<u>25</u>			
Totals	<u>6,723</u>	<u>9</u>	<u>6,720</u>	<u>9</u>	<u>3</u>	<u>- 0 -</u>	<u>5,693</u>	<u>- 0 -</u>	<u>5,693</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Percentage Error					<u>0.04%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>

WEST ORANGE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	<u>Private Schools for Handicapped</u>				<u>Resident Low Income</u>					
	<u>Reported on ASSA as Private Schools</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Scores, Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten					182	173	9	2	2	
Grade One					187	187		2	2	
Grade Two					177	177		2	2	
Grade Three					181	181		2	2	
Grade Four					175	175		2	2	
Grade Five					185	185		2	2	
Grade Six					175	175		2	2	
Grade Seven					171	171		2	2	
Grade Eight					175	175		2	2	
Grade Nine					214	212	2	2	2	
Grade Ten					208	208		1		1
Grade Eleven					184	184		2	2	
Grade Twelve					151	150	1	2	2	
Subtotal					<u>2,365</u>	<u>2,353</u>	<u>12</u>	<u>25</u>	<u>24</u>	<u>1</u>
Special Ed - Elementary	28	3	3		205	197	8	8	8	
Special Ed - Middle School	18	2	2		156	151	5	7	7	
Special Ed - High School	41.5	4	4		241	231	10	10	9	1
Subtotal	<u>88</u>	<u>9</u>	<u>9</u>		<u>602</u>	<u>579</u>	<u>23</u>	<u>25</u>	<u>24</u>	<u>1</u>
Totals	<u>88</u>	<u>9</u>	<u>9</u>	<u>- 0 -</u>	<u>2,967</u>	<u>2,932</u>	<u>35</u>	<u>50</u>	<u>48</u>	<u>2</u>
Percentage Error				<u>0.00%</u>			<u>1.18%</u>			<u>4.17%</u>

WEST ORANGE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Scores & Register	Sample Errors
Full Day Kindergarten	26	26		3	3	
Grade One	25	25		3	3	
Grade Two	28	28		2	2	
Grade Three	19	19		2	2	
Grade Four	18	19	(1)	2	2	
Grade Five	7	7		1	1	
Grade Six	8	7	1	1	1	
Grade Seven	6	6		1	1	
Grade Eight	12	12		2	2	
Grade Nine	28	28		2	2	
Grade Ten	15	15		2	2	
Grade Eleven	21	21		2	2	
Grade Twelve	14	14		2	2	
Subtotal	227	227		25	25	
Special Education:						
Elementary School	1		1			
Subtotal	1		1			
Totals	228	227	1	25	25	- 0 -
Percentage Error			0.44%			0.00%

WEST ORANGE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	LEP NOT Low Income					
	Reported on ASSA as LEP NOT Low Income	Reported on Workpapers as LEP NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	8	8		1	1	
Grade One	6	6		1	1	
Grade Two	6	6				
Grade Three	6	6				
Grade Four	2	2				
Grade Five	3	3		1	1	
Grade Six	2	2				
Grade Seven	4	4		1	1	
Grade Eight	4	4				
Grade Nine	5	5		1	1	
Grade Ten	5	5		1	1	
Grade Eleven	4	4				
Grade Twelve	2	2				
Totals	<u>57</u>	<u>57</u>	<u>-0-</u>	<u>6</u>	<u>6</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

WEST ORANGE SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2,063	2,053	10	25	25	
Regular - Special Education	194	194		19	19	
Transported - Non Public	653	653		25	25	
AIL - Non Public	299	299		25	25	
Special Needs - Public	126	126		12	12	
Special Needs - Private	74	74		7	7	
Totals	<u>3,409</u>	<u>3,399</u>	<u>10</u>	<u>113</u>	<u>113</u>	<u>-0-</u>
Percentage Error			<u>0.29%</u>			<u>0.00%</u>

	Reported	Re- calculated
Average Mileage - Regular Including Grade PK Students	4.6	4.6
Average Mileage - Regular Excluding Grade PK Students	4.6	4.6
Average Mileage - Special Education with Special Needs	6.4	6.4

WEST ORANGE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ -0- (E)

Fund Balance Restricted for 2014-15 per S1701 \$ -0- (F)

Total [(C3)+(E)+(F)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease-Back \$ -0- (I)

Extraordinary Aid \$ 222,886 (J1)

Additional Nonpublic School Transportation Aid \$ 103,950 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 326,836 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 648,772

Maintenance Reserve \$ -0-

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balances \$ 648,772 (C4)

WEST ORANGE SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
 - a) For all payments, a payment request with the principal's/athletic director's approval and receipt of good signature are obtained, and checks should not be issued to "cash".
 - b) Receipts are clearly identified as to the source of funds and are consistently deposited within 48 hours.
6. Application for State School Aid
None
7. Pupil Transportation
The transportation department properly completes all B6T forms.
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the preparation of purchase orders, summary of payroll agency transactions, grant accounting records, cash cut-off procedures, budget transfers, bid documents, capital asset inventory, and travel expense and reimbursements were adequately addressed and corrected in the current fiscal year. However, due to the number of schools and various audit findings, the recommendations regarding the District's Student Activities accounts have continually been addressed but still require some improvements.