

CORRECTIVE ACTION PLAN

Dated: November 28, 1994

NAME OF SCHOOL NUTLEY
 TYPE OF AUDIT ANNUAL
 DATE OF BOARD MEETING NOVEMBER 28, 1994
 CONTACT PERSON JOHN C. SINCAGLIA
 TELEPHONE NUMBER 201-661-8797

COUNTY ESSEX

RECOMMENDATION NUMBER	CORRECTION ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1	The Report of the Board Secretary will be reviewed each month to determine reasonableness and proper postings.	The Accounting Department will prepare a balance sheet which will be analyzed by the Secretary and Accounting Department personnel.	John C. Sincaglia	December 1, 1994 and ongoing.

11/28/94
 DATE

11/28/94
 DATE

 CHIEF SCHOOL ADMINISTRATOR

 BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

c: County Superintendent

0930p

SCHEDULE E

BOARD OF EDUCATION

**Administrative Office
375 Bloomfield Avenue
Nutley, New Jersey 07110**

**Telephone
201-661-3500**

AUDIT SYNOPSIS

The accompanying combined balance sheet of the Board of Education, Township of Nutley, and related information summarizing results of operations for the year ended June 30, 1994 have been extracted from the Board's Comprehensive Annual Financial Report and Independent Auditor's Report.

A Corrective Action Plan, which outlines the actions the Board will take to implement the recommendation has been prepared in accordance with Federal and State Department of Education requirements. A copy of the Plan will be placed on file and made available for public inspection in the office of the Business Administrator of the Township of Nutley Board of Education. All recommendations contained in the annual report are attached.

The entire Comprehensive Annual Financial Report and Independent Auditor's Report for the year ended June 30, 1994 are on file in the Office of the Secretary and are available for review upon request during business hours.

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1994**

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Accounts Groups</u>		<u>Totals (Memorandum Only) June 30, 1994</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>			<u>Enterprise</u>	<u>Trust and Agency</u>	
ASSETS AND OTHER DEBITS									
ASSETS:									
Cash and Cash Equivalents	\$2,194,113	\$228,631	\$111,573	\$12,911	\$ -	\$108,166	\$ -	\$ -	\$ 2,655,394
Intergovernmental Accounts Receivable:									
State Aid	115,701	4,616	-	-	1,211	-	-	-	121,528
Federal Aid	-	17,985	-	-	10,750	-	-	-	28,735
Tuition	106,067	-	-	-	-	-	-	-	106,067
Other Accounts Receivable (net of allowance for uncollectibles):									
Due from General Fund	-	2,298	-	-	13,467	-	-	-	15,765
Other	42,913	-	-	-	-	-	-	-	42,913
Inventory	-	-	-	-	4,680	-	-	-	4,680
Fixed Assets (Net, where Applicable of Accumulated Depreciation of \$110,016)	-	-	-	-	2,135	-	8,485,994	-	8,488,129
Total Assets	2,458,794	253,530	111,573	12,911	32,243	108,166	8,485,994	-	11,463,211
OTHER DEBITS:									
Amount Available in Debt Service	-	-	-	-	-	-	-	12,911	12,911
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	-	2,592,233	2,592,233
Total Other Debits	-	-	-	-	-	-	-	2,605,144	2,605,144
TOTAL ASSETS AND OTHER DEBITS	\$2,458,794	\$253,530	\$111,573	\$12,911	\$32,243	\$108,166	\$8,485,994	\$2,605,144	\$14,068,355

See notes to financial statements.

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1994**

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Proprietary Fund Types Enterprise	Fiduciary Fund Types Trust and Agency	Accounts Groups		Totals (Memorandum Only) June 30, 1994
	General	Special Revenue	Capital Projects	Debt Service			General Fixed Assets	General Long-Term Debt	
LIABILITIES:									
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$11,621	\$ -	\$ -	\$ -	\$ 11,621
Intergovernmental Accounts Payable - State	-	101,219	-	-	-	-	-	-	101,219
Accounts Payable	35,316	-	-	-	-	-	-	-	35,316
Due to Special Revenue	2,298	-	-	-	-	-	-	-	2,298
Due to Student Groups	-	-	-	-	-	108,166	-	-	108,166
Due to Enterprise Fund	13,467	-	-	-	-	-	-	-	13,467
Contracts Payable	-	-	260	-	-	-	-	-	260
Deferred Revenue	-	102,480	-	-	-	-	-	-	102,480
Compensated Absences	-	-	-	-	-	-	932,144	-	932,144
Serial Bonds Payable	-	-	-	-	-	-	1,673,000	-	1,673,000
Total Liabilities	51,081	203,699	260		11,621	108,166	2,605,144		2,979,971
EQUITY AND OTHER CREDITS:									
Investment in General Fixed Assets	-	-	-	-	-	-	8,485,994	-	8,485,994
Contributed Capital	-	-	-	-	2,135	-	-	-	2,135
Retained Earnings	-	-	-	-	18,487	-	-	-	18,487
Fund Balances:									
Reserve for Unemployment Claims	340,726	-	-	-	-	-	-	-	340,726
Reserve for Encumbrances	-	49,831	-	-	-	-	-	-	49,831
Fund Balance:									
Designated for Subsequent Year's Expenditures	-	-	111,313	-	-	-	-	-	111,313
Undesignated	2,066,987	-	-	12,911	-	-	-	-	2,079,898
Total Equity and Other Credits	2,407,713	49,831	(111,313)	12,911	20,622		8,485,994		11,088,384
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$2,458,794	\$253,530	\$111,573	\$12,911	\$32,243	\$108,166	\$8,485,994	\$2,605,144	\$14,068,355

See notes to financial statements.

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

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**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1994**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 24,084,979	\$ -	\$264,138	\$ -	\$24,349,117
Tuition	235,054				235,054
Interest on Investments	75,495				75,495
Miscellaneous	<u>162,176</u>		<u>25,006</u>		<u>187,182</u>
Total Revenues - Local Sources	24,557,704		289,144		24,846,848
State Sources	3,075,844	169,936	5,847		3,251,627
Federal Sources		<u>508,611</u>			<u>508,611</u>
Total Revenues	<u>27,633,548</u>	<u>678,547</u>	<u>294,991</u>		<u>28,607,086</u>
EXPENDITURES:					
Instruction:					
Regular	11,670,011	545,169			12,215,180
Special Education	1,183,849				1,183,849
Other Instruction	893,048				893,048
Tuition	1,181,930				1,181,930
Support Services	11,993,767	77,780			12,071,547
Capital Outlay	382,978	5,767		143,661	532,406
Special Schools	24,896				24,896
Debt Service			<u>285,985</u>		<u>285,985</u>
Total Expenditures	<u>27,330,479</u>	<u>628,716</u>	<u>285,985</u>	<u>143,661</u>	<u>28,388,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>303,069</u>	<u>49,831</u>	<u>9,006</u>	<u>(143,661)</u>	<u>218,245</u>
OTHER FINANCING SOURCES (USES):					
TRANSFER (OUT)	<u>(185,422)</u>				<u>(185,422)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(185,422)</u>				<u>(185,422)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	117,647	49,831	9,006	(143,661)	32,823
FUND BALANCES, JULY 1, 1993	<u>2,290,066</u>	<u>-</u>	<u>3,905</u>	<u>254,974</u>	<u>2,548,945</u>
FUND BALANCE, JUNE 30, 1994	<u>\$ 2,407,713</u>	<u>\$ 49,831</u>	<u>\$ 12,911</u>	<u>\$ 111,313</u>	<u>\$ 2,581,768</u>

See notes to financial statements.

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

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**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL, SPECIAL REVENUE AND DEBT SERVICE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1994**

	General Fund			Special Revenue Fund (Budgetary Basis)			Debt Service Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Local Sources									
Local Tax Levy	\$24,084,979	\$24,084,979	\$ -	\$ -	\$ -	\$ -	\$ 264,138	\$264,138	\$ -
Tuition	158,800	235,054	76,254						
Interest on Investments	55,000	75,495	20,495						
Miscellaneous	65,000	162,176	97,176				16,000	25,006	9,006
Total Local Sources Revenues	24,363,779	24,557,704	193,925				280,138	289,144	9,006
State Sources	3,075,844	3,075,844		266,537	169,936	(96,601)	5,847	5,847	
Federal Sources				527,524	508,611	(18,913)			
	3,075,844	3,075,844		794,061	678,547	(115,514)	5,847	5,847	
Total Revenues	27,439,623	27,633,548	193,925	794,061	678,547	(115,514)	285,985	294,991	9,006
EXPENDITURES:									
Instruction									
Regular	11,728,735	11,670,011	58,724	708,328	592,814	115,514			
Special Education	1,190,256	1,183,849	6,407						
Other Instruction	914,273	893,048	21,225						
Tuition	1,193,264	1,181,930	11,334						
Support Services	12,316,006	11,993,767	322,239	81,938	81,938				
Capital Outlay	386,628	382,978	3,650	3,795	3,795				
Special Schools	24,896	24,896							
Debt Service							285,985	285,985	
Total Expenditures	27,754,058	27,330,479	423,579	794,061	678,547	115,514	285,985	285,985	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(314,435)	303,069	(617,504)					9,006	9,006
OTHER FINANCING SOURCES (USES)									
TRANSFER (OUT)	(196,955)	(185,422)	(11,533)						
TOTAL OTHER FINANCING SOURCES (USES)	(196,955)	(185,422)	(11,533)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(511,390)	117,647	(629,037)						
FUND BALANCES, JULY 1	2,290,066	2,290,066					3,905	3,905	
FUND BALANCE, JUNE 30	<u>\$ 1,778,676</u>	<u>\$ 2,407,713</u>	<u>\$ (629,037)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,905</u>	<u>\$ 12,911</u>	<u>\$ 9,006</u>

See notes to financial statements

Recommendation

Financial Planning, Accounting and Reporting

A review of the Secretary's Report for reasonableness should be performed on a monthly basis.