

NUTLEY BOARD OF EDUCATION

AUDIT SYNOPSIS

1995/1996 FISCAL YEAR

The accompanying combined balance sheet of the Board of Education, Township of Nutley, County of Essex and related information summarizing results of operations for the year ended June 30, 1996 have been extracted from the Board's Comprehensive Annual Financial Report.

The entire Comprehensive Annual Financial Report for the year ended June 30, 1996 is on file in the Office of the Secretary and is 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, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)**

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	June 30, 1996	June 30, 1995
ASSETS:										
Cash and Cash Equivalents	\$2,893,880	\$169,573	\$ -	\$5,053	\$ -	\$ 497,994	\$ -	\$ -	\$ 3,566,500	\$ 3,483,314
Intergovernmental Accounts Receivable:										
State Aid	64,033	-	-	-	1,352	-	-	-	65,385	65,393
Federal Aid	-	-	-	-	12,934	-	-	-	12,934	3,538
Tuition Receivable	95,218	-	-	-	-	-	-	-	95,218	51,281
Other Accounts Receivable (net of allowance for uncollectibles):										
Other	16,684	-	-	-	8,235	-	-	-	24,919	17,215
Inventory	-	-	-	-	8,082	-	-	-	8,082	8,366
Fixed Assets (Net, where Applicable of Accumulated Depreciation of \$112,048)	-	-	-	-	3,103	-	8,977,662	-	8,980,765	8,637,573
Total Assets	3,069,815	169,573	-	5,053	33,706	497,994	8,977,662	-	12,753,803	12,266,680
OTHER DEBITS:										
Amount Available in Debt Service	-	-	-	-	-	-	-	9,314	9,314	8,267
Amount to be Provided for Retirement of General Long-Term	-	-	-	-	-	-	-	2,947,711	2,947,711	2,630,538
Total Other Debits	-	-	-	-	-	-	-	2,957,025	2,957,025	2,638,805
TOTAL ASSETS AND OTHER DEBITS	\$3,069,815	\$169,573	\$ -	\$5,053	\$33,706	\$ 497,994	\$8,977,662	\$ 2,957,025	\$15,710,828	\$14,905,485

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)**

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	June 30, 1996	June 30, 1995
LIABILITIES:										
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$22,121	\$ -	\$ -	\$ -	\$ 22,121	\$ -
Intergovernmental Accounts Payable										
State	-	101,208	-	-	-	-	-	-	101,208	55,694
Federal	-	143	-	-	-	-	-	-	143	900
Accounts Payable	307,642	14,725	-	-	-	-	-	-	322,367	210,465
Due to Student Groups	-	-	-	-	-	108,477	-	-	108,477	107,547
Deferred Revenue	-	53,497	-	-	-	-	-	-	53,497	134,742
Compensated Absences	-	-	-	-	-	-	-	1,602,025	1,602,025	1,155,805
Serial Bonds Payable	-	-	-	-	-	-	-	1,355,000	1,355,000	1,483,000
Total Liabilities	<u>307,642</u>	<u>169,573</u>	<u>-</u>	<u>-</u>	<u>22,121</u>	<u>108,477</u>	<u>-</u>	<u>2,957,025</u>	<u>3,564,838</u>	<u>3,148,153</u>
EQUITY AND OTHER CREDITS:										
Investment in General Fixed Assets	-	-	-	-	-	-	8,977,662	-	8,977,662	8,633,759
Contributed Capital	-	-	-	-	2,135	-	-	-	2,135	2,135
Retained Earnings	-	-	-	-	9,450	-	-	-	9,450	10,045
Fund Balances:										
Reserve for Unemployment Claims	-	-	-	-	-	389,517	-	-	389,517	342,888
Reserve for Encumbrances	196,111	-	-	-	-	-	-	-	196,111	129,287
Fund Balance:										
Designated for Subsequent Year's Expenditures	800,000	-	-	4,400	-	-	-	-	804,400	641,313
Undesignated	<u>1,766,062</u>	<u>-</u>	<u>-</u>	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766,715</u>	<u>1,997,905</u>
Total Equity and Other Credits	<u>2,762,173</u>	<u>-</u>	<u>-</u>	<u>5,053</u>	<u>11,585</u>	<u>389,517</u>	<u>8,977,662</u>	<u>-</u>	<u>12,145,990</u>	<u>11,757,332</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$3,069,815</u>	<u>\$169,573</u>	<u>\$ -</u>	<u>\$5,053</u>	<u>\$33,706</u>	<u>\$ 497,994</u>	<u>\$8,977,662</u>	<u>\$ 2,957,025</u>	<u>\$15,710,828</u>	<u>\$ 14,905,485</u>

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
					1996	1995
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 26,997,114	\$ -	\$ 88,738	\$ -	\$ 27,085,852	\$ 26,298,483
Tuition	331,610				331,610	285,682
Interest on Investments	187,623			1,886	189,509	166,044
Miscellaneous	<u>133,970</u>				<u>133,970</u>	<u>707,452</u>
Total Revenues - Local Sources	27,650,317		88,738	1,886	27,740,941	27,457,661
State Sources	3,872,605	196,379	3,252		4,072,236	2,233,235
Federal Sources	<u>-</u>	<u>477,961</u>	<u>-</u>		<u>477,961</u>	<u>408,424</u>
Total Revenues	<u>31,522,922</u>	<u>674,340</u>	<u>91,990</u>	<u>1,886</u>	<u>32,291,138</u>	<u>30,099,320</u>
EXPENDITURES:						
Instruction:						
Regular	12,963,067	534,081			13,497,148	12,597,927
Special Education	1,398,164				1,398,164	1,283,210
Other Instruction	913,704				913,704	922,836
Tuition Paid to Other Districts	1,327,378				1,327,378	1,402,885
Support Services	14,202,687	118,092			14,320,779	12,471,663
Capital Outlay	377,798	22,167			399,965	354,614
Special Schools	24,643				24,643	25,184
Debt Service			<u>208,403</u>		<u>208,403</u>	<u>277,676</u>
Total Expenditures	<u>31,207,441</u>	<u>674,340</u>	<u>208,403</u>		<u>32,090,184</u>	<u>29,335,995</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>315,481</u>		<u>(116,413)</u>	<u>1,886</u>	<u>200,954</u>	<u>763,325</u>
OTHER FINANCING SOURCES (USES):						
TRANSFER IN (OUT)	<u>(202,233)</u>		<u>113,199</u>	<u>(113,199)</u>	<u>(202,233)</u>	<u>(186,031)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(202,233)</u>		<u>113,199</u>	<u>(113,199)</u>	<u>(202,233)</u>	<u>(186,031)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	113,248		(3,214)	(111,313)	(1,279)	577,294
FUND BALANCES, JULY 1	<u>2,648,925</u>		<u>8,267</u>	<u>111,313</u>	<u>2,768,505</u>	<u>2,191,211</u>
FUND BALANCE, JUNE 30	<u>\$ 2,762,173</u>	<u>\$ -</u>	<u>\$ 5,053</u>	<u>\$ -</u>	<u>\$ 2,767,226</u>	<u>\$ 2,768,505</u>

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

**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, 1996**

	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	\$26,997,114	\$26,997,114	\$ -	\$ -	\$ -	\$ -	\$ 88,738	\$ 88,738	\$ -
Tuition	196,495	331,610	135,115						
Interest on Investments	85,000	187,623	102,623						
Miscellaneous	76,800	133,970	57,170						
Total - Local Sources Revenues	<u>27,355,409</u>	<u>27,650,317</u>	<u>294,908</u>				<u>88,738</u>	<u>88,738</u>	
State Sources	2,516,751	3,872,605	1,355,854	294,559	203,393	(91,166)	3,252	3,252	
Federal Sources				534,628	489,842	(44,786)			
	<u>2,516,751</u>	<u>3,872,605</u>	<u>1,355,854</u>	<u>829,187</u>	<u>693,235</u>	<u>(135,952)</u>	<u>3,252</u>	<u>3,252</u>	
Total Revenues	<u>29,872,160</u>	<u>31,522,922</u>	<u>1,650,762</u>	<u>829,187</u>	<u>693,235</u>	<u>(135,952)</u>	<u>91,990</u>	<u>91,990</u>	
EXPENDITURES:									
Current Expense:									
Instruction	15,374,333	15,274,935	99,398	637,001	551,089	85,912			
Undistributed Expenditures	14,426,393	15,530,065	(1,103,672)	170,019	119,979	50,040			
Capital Outlay	498,697	377,798	120,899	22,167	22,167				
Special Schools	24,750	24,643	107						
Debt Service							208,403	208,403	
Total Expenditures	<u>30,324,173</u>	<u>31,207,441</u>	<u>(883,268)</u>	<u>829,187</u>	<u>693,235</u>	<u>135,952</u>	<u>208,403</u>	<u>208,403</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(452,013)</u>	<u>315,481</u>	<u>767,494</u>				<u>(116,413)</u>	<u>(116,413)</u>	
OTHER FINANCING SOURCES (USES):									
TRANSFER IN (OUT)	<u>(202,274)</u>	<u>(202,233)</u>	<u>41</u>				<u>111,413</u>	<u>113,199</u>	<u>1,786</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(202,274)</u>	<u>(202,233)</u>	<u>41</u>				<u>111,413</u>	<u>113,199</u>	<u>1,786</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(654,287)</u>	<u>113,248</u>	<u>767,535</u>				<u>(5,000)</u>	<u>(3,214)</u>	<u>1,786</u>
FUND BALANCES, JULY 1	<u>2,648,925</u>	<u>2,648,925</u>					<u>8,267</u>	<u>8,267</u>	
FUND BALANCE, JUNE 30	<u>\$ 1,994,638</u>	<u>\$ 2,762,173</u>	<u>\$ 767,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,267</u>	<u>\$ 5,053</u>	<u>\$ 1,786</u>

**BOARD OF EDUCATION
TOWNSHIP OF NUTLEY**

RECOMMENDATIONS

Listed below are recommendations which the Board should consider implementing. They are suggestions for operating improvements and strengthening the system of internal controls.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Payroll Account

A system to record the payroll accrual should be established as it relates to wages earned by hourly employees but not paid by June 30.

Fixed Assets

Separate fixed asset reports should be generated for the General Fixed Account Group and the Enterprise Fund due to the independent reporting requirements for each of these funds.

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