

NUTLEY BOARD OF EDUCATION
SYNOPSIS OF AUDIT
FOR THE YEAR ENDED
JUNE 30, 2002

NUTLEY BOARD OF EDUCATION
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2002
(With Comparative Totals as of June 30, 2001)

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups		Totals	
	General	Special Revenue	Debt Service	Fund Types Enterprise	Fund Types Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only) June 30, 2002 June 30, 2001	
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 270,396	\$ 106,205	\$ 1	\$ 103,184	\$ 637,801			\$ 1,117,587	\$ 3,043,919
Investments	1,581,035							1,581,035	
Intergovernmental Accounts Receivable									
State Aid	115,408	694		1,149				117,251	301,211
Federal Aid		441		11,211				11,652	4,642
Accounts Receivable									
Tuition	8,202							8,202	11,572
Transportation	18,864							18,864	11,482
Interfunds	4,447							4,447	9,333
Other	5,586	1,100		4,410				11,096	9,917
Inventory				9,679				9,679	10,201
Fixed Assets (Net, where Applicable of Accumulated Depreciation of \$116,091)	-	-	-	1,914	-	\$ 11,571,667	-	11,573,581	11,388,453
Total Assets	2,003,938	108,440	1	131,547	637,801	11,571,667	-	14,453,394	14,790,730
OTHER DEBITS									
Amount Available in Debt Service Fund							\$ 1	1	1
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	2,861,772	2,861,772	2,738,303
Total Other Debits	-	-	-	-	-	-	2,861,773	2,861,773	2,738,304
Total Assets and Other Debits	\$ 2,003,938	\$ 108,440	\$ 1	\$ 131,547	\$ 637,801	\$ 11,571,667	\$ 2,861,773	\$ 17,315,167	\$ 17,529,034

NUTLEY BOARD OF EDUCATION
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2002
(With Comparative Totals as of June 30, 2001)

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	June 30, 2002	June 30, 2001
LIABILITIES									
Interfund Payable				\$ 4,447				\$ 4,447	\$ 9,333
Intergovernmental Payable		\$ 29,715			\$ 378			30,093	43,226
Accounts Payable	\$ 856	39,427						40,283	
Due to Student Groups					159,991			159,991	137,994
Deferred Revenue		39,298		4,647				43,945	105,715
Compensated Absences Payable							\$ 2,196,773	2,196,773	1,958,304
Serial Bonds Payable							665,000	665,000	780,000
Total Liabilities	856	108,440	-	9,094	160,369	-	2,861,773	3,140,532	3,034,572
EQUITY AND OTHER CREDITS									
Investment in General Fixed Assets						\$ 11,571,667		11,571,667	11,386,753
Contributed Capital				2,135				2,135	2,135
Retained Earnings, Unreserved Fund Balances				120,318				120,318	2,852
Reserved									
For Encumbrances	\$ 127,216							127,216	384,392
Capital Reserve	1,000							1,000	1,000
Unreserved									
Designated for Subsequent Year's Budget	917,000							917,000	700,000
Undesignated	957,866		\$ 1		477,432			1,435,299	2,017,330
Total Equity and Other Credits	2,003,082	-	1	122,453	477,432	11,571,667	-	14,174,635	14,494,462
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 2,003,938	\$ 108,440	\$ 1	\$ 131,547	\$ 637,801	\$ 11,571,667	\$ 2,861,773	\$ 17,315,167	\$ 17,529,034

The Notes to the Financial Statements are an Integral Part of this Statement

NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals</u>	
	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Fund Type</u>	<u>(Memorandum Only)</u>	
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Expendable</u>	<u>2002</u>	<u>2001</u>
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 31,081,333		\$ 144,349		\$ 31,225,682	\$ 29,734,685
Tuition	95,572				95,572	142,431
Interest on Investments	87,745			\$ 18,673	106,418	231,160
Miscellaneous	327,121	-	-	53,479	380,600	652,026
Total Revenues - Local Sources	31,591,771		144,349	72,152	31,808,272	30,760,302
State Sources	6,888,649	\$ 451,164	15,547		7,355,360	7,591,703
Federal Sources	-	880,080	-	-	880,080	698,858
Total Revenues	38,480,420	1,331,244	159,896	72,152	40,043,712	39,050,863
EXPENDITURES:						
Current						
Instruction	19,055,336	586,649			19,641,985	18,743,774
Undistributed	19,688,728	716,374		64,415	20,469,517	19,094,346
Capital Outlay	154,698	28,190			182,888	652,751
Special Schools	21,586				21,586	22,036
Transfer to Charter Schools	5,016	31			5,047	
Debt Service	-	-	159,896	-	159,896	166,307
Total Expenditures	38,925,364	1,331,244	159,896	64,415	40,480,919	38,679,214

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NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	<u>Governmental Fund Types</u>			<u>Fiduciary</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Expendable</u> <u>Trust</u>	<u>2002</u>	<u>2001</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (444,944)	-	-	\$ 7,737	\$ (437,207)	\$ 371,649
Other Financing Sources (Uses) Transfer Out	<u>(185,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,000)</u>	<u>(166,783)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources	(629,944)	-	-	7,737	(622,207)	204,866
Fund Balance, Beginning of Year	<u>2,633,026</u>	<u>-</u>	<u>\$ 1</u>	<u>469,695</u>	<u>3,102,722</u>	<u>2,897,856</u>
Fund Balance, End of Year	<u>\$ 2,003,082</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 477,432</u>	<u>\$ 2,480,515</u>	<u>\$ 3,102,722</u>

The Notes to the Financial Statements are an Integral Part of this Statement

**NUTLEY BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

It is recommended that the District review the 1999/2000 tuition charges and record all necessary adjustments based upon the State certified tuition rates. In addition, the district should review all tuition paid to other districts and private schools to ensure that the proper adjustments have been made on behalf of the District.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. All investment institutions be authorized annually as official depositories by the Board.
2. Grant account budget transfers be approved on a timely basis.
3. Salaries and wages charged to federally funded programs be in agreement with the amounts approved in the official minutes of the board.
4. The current billing and collection process of the extended day program be reviewed and enhanced.

III. School Purchasing Program

It is recommended that the vendor history report be periodically reconciled with the cash disbursements and check registers to ensure that all payments are recorded in the vendor history report.

IV. School Food Services

There are none.

V. Student Body Activities

It is recommended that prenumbered receipts always be utilized for monies received in the Spring Garden, Yantacaw and Franklin Middle Schools.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Miscellaneous

There are none.

**NUTLEY BOARD OF EDUCATION
RECOMMENDATIONS
(Continued)**

IX. Status of Prior Years' Audit Findings/Recommendations


A review was performed on all prior years' recommendations and corrective action was taken on all except those denoted with an asterisk above.

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 & HIGGINS, LLP



Gary J. Vinci
Certified Public Accountant
Public School Accountant