

**NUTLEY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2013**

**NUTLEY BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITORS' MANAGEMENT REPORT

Honorable President and
Members of the Board of Trustees
Nutley Board of Education
Nutley, 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 Nutley Board of Education as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated December 3, 2013.

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 solely for the information and use of management, the Board of Trustees, others within the District 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 & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 3, 2013

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Schedule of Insurance, as reported in the District's Comprehensive Annual Financial Report (CAFR).

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Karen Yeamans	Board Secretary/School Business Administrator	\$ 3,000
David Wilson	Treasurer of School Monies	325,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$50,000.

Tuition Charges

The District has made a comparison of tentative tuition charges with the State certified rates. The Board made proper adjustments to the sending districts in accordance with N.J.A.C. 6A:23-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any significant discrepancies with respect to signatures or supporting documentation.

Payroll Account

The gross pay of all employees of the Board was deposited in the Payroll Account.

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

Finding – Health benefit contributions for three pay periods were not transferred to the General Fund as of June 30, 2013. Amounts were subsequently transferred, and therefore, no recommendation is warranted.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Finding – The salary withholdings for the June 26th payroll were not remitted to the proper agencies in a timely manner. Federal withholdings were not paid to the IRS until August 19, 2013 resulting in a penalty to the district of \$58,130. The district is currently appealing the penalty assessed.

Recommendation – Salary withholdings be promptly remitted to the respective agencies.

Reserve for 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 purchase orders were included in the balance of the reserves for 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 – Our audit of encumbrances revealed that there was a balance of \$113,988 on the health benefits purchase order which should have been cancelled. In addition, the TPAF pension and social security reimbursement for federally funded programs was recorded as an outstanding encumbrance rather than an accounts payable. Audit adjustments were made to properly reflect these items. These exceptions were deemed isolated and unintentional, therefore an audit recommendation is not warranted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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 specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4.

Board Secretary's Records

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

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

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Finding – Our audit revealed that the state debit/credit memorandums were not properly posted in the district's accounting records. Audit adjustments were made to record the appropriate revenue and expenditure. These exceptions were deemed isolated and unintentional, thus an audit recommendation is not warranted.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding – Our audit of the Capital Projects Fund noted that the modified appropriation balance in the district's internal budget report did not agree with available project balances.

Recommendation – Appropriation balances in the Capital Projects Fund be in agreement with available project balances.

Finding – At June 30, 2013, the Lincoln Elementary School capital project incurred costs in excess of the bond proceeds which were issued to finance this improvement. This project was part of the \$38.5 million High School and Elementary School referendum approved by the voters. There are currently funds available in the other school projects within this referendum that may be available to transfer by Board resolution.

Recommendation –Capital project referendum balances be transferred to the Lincoln School Capital Project to fund the additional project costs.

Finding – The audit revealed that the original budget reported in the Special Revenue Fund was not in agreement with the district's adopted budget. The Race to the Top Grant of \$19,322 was recorded in the original budget in the district's internal budget report although this grant was approved subsequent to the adoption of the original budget. This difference is deemed immaterial, thus an audit recommendation is not warranted.

Finding – Three General Fund budget appropriation line items were overexpended at year end. The total overexpenditure amounted to \$1,181. This amount is deemed to be insignificant, therefore an audit recommendation is not warranted.

Treasurer's Records

The Treasurer performed cash reconciliations in accordance with N.J.S.A. 18A:17-36.

The Treasurers cash balances were in agreement with the cash balances of the Board Secretary.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under the Elementary and Secondary Education Act and No Child Left Behind (NCLB).

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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 CAFR.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects (Continued)

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

Finding - The FY13 Nonpublic Textbook project completion report inadvertently included an expenditure which was previously included on the FY12 report.

Recommendation – The District modify the FY13 Nonpublic Textbook project final completion report to agree with audited balances.

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 who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$17,500. The Board has designated the Business Administrator as the Qualified Purchasing Agent for the District.

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 my examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions 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.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

Finding – Our audit of contracts revealed that a political contribution disclosure form (PCD) was not obtained for one vendor who was paid in excess of \$17,500. This appears to be an isolated instance and no recommendation is warranted.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Food Service Fund

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The District utilizes a food service management company 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 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.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price 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 price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement 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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

Extended Day Program

The accounting records are maintained in good condition.

Student Activity and Athletic Association Accounts

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

Finding – Our audit of Student Activity Funds revealed the following:

- There were eleven sub accounts in the High School account that had negative balances at June 30, 2013.
- Purchases were made for non-student activity related items at Washington, Lincoln and the Middle School.

Recommendation –

- High School sub-accounts be reviewed and action taken to eliminate deficit balances.
- Purchases be made only for student related items.

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2012 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, related services, bilingual students 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 without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Application for State School Aid (Continued)

The District had 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 2012-13 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The information on the DRTRS was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, and except as previously noted, the district complied with proper bidding procedures and award of contracts.

Facilities and Capital Assets

Our procedure included a review of the EDA grant agreement for consistency with recording EDA revenue and awarding of contracts for eligible facilities construction.

Suggestions to Management

- Outstanding receivables and unearned revenue amounts in the General and Special Revenue Funds be reviewed and cleared of record.
- The District's Athletic bank account be maintained on an imprest basis.
- Scholarship awards be acknowledged by the Board in the District's official minutes.

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2012
SCHEDULE OF AUDITED ENROLLMENTS

	2013-2014 Application for State School Aid					Sample for Verification					Private Schools for Disabled Sample							
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors Full	Shared	Sample Selected from Workpapers Full	Shared	Registers On Roll		Errors per Register On Roll	Full	Shared	Sample Reported on A.S.S.A. as Private Schools On Roll	Workpapers On Roll	Errors	Sample Verified	Sample Errors
	Full	Shared	Full	Shared					Full	Shared								
Half Day Preschool 3 Years Old	307.0	-	307.0	-	-	-	307.0	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 3 Years Old	249.0	-	249.0	-	-	-	249.0	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 Years Old	220.0	-	220.0	-	-	-	220.0	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 Years Old	255.0	-	255.0	-	-	-	255.0	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	254.0	-	254.0	-	-	-	254.0	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	244.0	-	244.0	-	-	-	244.0	-	-	-	-	-	-	-	-	-	-	-
Grade 1	271.0	-	271.0	-	-	-	271.0	-	-	-	-	-	-	-	-	-	-	-
Grade 2	258.0	-	258.0	-	-	-	258.0	-	-	-	-	-	-	-	-	-	-	-
Grade 3	278.0	-	278.0	-	-	-	278.0	-	-	-	-	-	-	-	-	-	-	-
Grade 4	262.0	-	262.0	-	-	-	262.0	-	-	-	-	-	-	-	-	-	-	-
Grade 5	263.0	-	263.0	-	-	-	263.0	-	-	-	-	-	-	-	-	-	-	-
Grade 6	276.0	-	276.0	-	-	-	276.0	-	-	-	-	-	-	-	-	-	-	-
Grade 7	314.0	-	314.0	-	-	-	314.0	-	-	-	-	-	-	-	-	-	-	-
Grade 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,451.0	-	3,451.0	-	-	-	3,451.0	-	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	244.0	-	244.0	-	-	-	244.0	-	-	-	-	-	-	14.0	14.0	-	12.0	12.0
Sp Ed - Middle School	151.0	-	151.0	-	-	-	151.0	-	-	-	-	-	-	9.0	9.0	-	7.0	7.0
Sp Ed - High School	182.0	2.0	182.0	2.0	-	-	182.0	2.0	182.0	2.0	-	-	-	16.0	16.0	-	14.0	14.0
Subtotal	577.0	2.0	577.0	2.0	-	-	577.0	2.0	577.0	2.0	-	-	-	39.0	39.0	-	33.0	33.0
Totals	4,028.0	2.0	4,028.0	2.0	-	-	4,028.0	2.0	4,028.0	2.0	-	-	-	64.0	64.0	-	33.0	33.0
Percentage Error						0.00%						0.00%						0.00%

NUTLEY BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 15, 2012
 SCHEDULE OF AUDITED ENROLLMENTS

	Low Income		Reported on A.S.A. as Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification		
	Reported on A.S.A. as Low Income	Errors	Reported on A.S.A. as Low Income	Errors	Sample Selected from Workpapers and Register	Verified to Application	Sample Selected from Workpapers and Register	Reported on A.S.A. as LEP Low Income	Errors	Sample Selected from Workpapers and Register	Verified to Application
Half Day Preschool 3 Years Old	1	-	1	-	1	1	-	-	-	-	-
Full Day Preschool 3 Years Old	26	-	26	-	4	4	-	4	-	4	4
Half Day Preschool 4 Years Old	12	-	12	-	3	3	-	3	-	3	3
Full Day Preschool 4 Years Old	20	-	20	-	1	1	-	1	-	1	1
Half Day Kindergarten	23	-	23	-	2	2	-	2	-	2	2
Full Day Kindergarten	22	-	22	-	3	3	-	3	-	3	3
Grade 1	28	-	28	-	1	1	-	1	-	1	1
Grade 2	33	-	33	-	2	2	-	2	-	2	2
Grade 3	31	-	31	-	4	4	-	4	-	4	4
Grade 4	31	-	31	-	4	4	-	4	-	4	4
Grade 5	26	-	26	-	5	5	-	5	-	5	5
Grade 6	30	-	30	-	5	5	-	5	-	5	5
Grade 7	22	-	22	-	5	5	-	5	-	5	5
Grade 8											
Grade 9											
Grade 10											
Grade 11											
Grade 12											
Post-Graduate											
Adult High School (15+ Credits)											
Adult High School (1-14 Credits)											
Subtotal	305	-	305	-	56	56	-	27	-	23	23

	Reported on A.S.A. as Low Income	Errors	Percentage Error	Reported on A.S.A. as LEP Low Income	Errors	Percentage Error
Totals	408.0	-	0.00%	26.0	-	0.00%

	Transportation		Reported on DRTS by District		Sample for Verification	
	Reported on DRTS by District	Errors	Reported on DRTS by District	Errors	Sample Selected from Workpapers and Register	Verified to Application
Reg - Public Schools	-	-	-	-	-	-
Transported - Non Public	-	-	-	-	-	-
AIL	-	-	-	-	-	-
Regular Special ED (w/o needs)	12.0	-	12.0	-	3.0	3.0
Special Ed (w/needs or Out of District)	149.0	-	149.0	-	49.0	44.0
Subtotal	161.0	-	161.0	-	52.0	47.0

	Reported on A.S.A. as Low Income	Errors	Percentage Error
Totals	408.0	-	0.00%

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2012
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as 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 Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	18	18	-	17	17	-
One	3	3	-	2	2	-
Two	8	8	-	7	7	-
Three	2	2	-	2	2	-
Four	1	1	-	1	1	-
Five	4	4	-	3	3	-
Six	1	1	-	1	1	-
Seven	3	3	-	2	2	-
Eight	5	5	-	4	4	-
Nine	1	1	-	1	1	-
Ten	4	4	-	3	3	-
Eleven	1	1	-	1	1	-
Twelve	1	1	-	1	1	-
Subtotal	52	52	0	45	45	-
Special Education - Elementary			-			-
Special Education - Middle			-			-
Special Education - High			-			-
Subtotal	0	0		0	0	-
Totals	52	52	0	45	45	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**NUTLEY BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

2012-13 Total General Fund Expenditures per the CAFR, Exhibit C-1	\$59,789,709	
Adjustments:		
Add: Capital Reserve Transfers to Capital Projects Fund	86,732	
Less: On-Behalf TPAF Pension & Social Security	<u>(5,815,958)</u>	
Adjusted 12-13 General Fund Expenditures	<u>\$54,060,483</u>	
2% of Adjusted 2012-13 General Fund Expenditures	\$ 1,081,210	
Increased by:		
Allowable Adjustments – Extraordinary Aid	<u>56,660</u>	
Maximum Unassigned Fund Balance		<u>\$1,137,870</u>
<u>Section 2</u>		
Total General Fund – Fund Balance at June 30, 2013	\$6,251,513	
Decreased by:		
Year End Encumbrances	\$1,550,643	
Other Reserved Fund Balances		
Capital Reserve	1,112,868	
Excess Surplus – Designated for Subsequent Year’s Budget	<u>1,644,392</u>	
	<u>4,307,903</u>	
Total Unassigned Fund Balance		<u>\$1,943,610</u>
<u>Section 3</u>		
Restricted Fund Balance – Excess Surplus		<u>\$805,740</u>
<u>Recapitulation of Excess Surplus at June 30, 2013</u>		
Restricted Fund Balance		
Excess Surplus		\$ 805,740
Excess Surplus – Designated for Subsequent Year’s Budget		<u>1,644,392</u>
		<u>\$2,450,132</u>

NUTLEY BOARD OF EDUCATION

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Salary withholdings be promptly remitted to the respective agencies.
2. Appropriation balances in the Capital Projects Fund be in agreement with available project balances.
3. Capital Project referendum balances be transferred to the Lincoln School capital project to fund the additional project costs.
4. The District modify the FY13 nonpublic project completion report to agree with audited balances.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Extended Day Program

There are none.

VI. Student Activity and Athletic Association Accounts

It is recommended that:

1. High School sub-accounts be reviewed and action taken to eliminate deficit balances.
2. Purchases be made only for student related items.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all.

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

A handwritten signature in black ink, appearing to read "Gary J. Vinci". The signature is written in a cursive style with a large initial "G".

Gary J. Vinci
Certified Public Accountant
Public School Accountant