

**NUTLEY BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2019**

**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 financial statements of the Nutley Board of Education as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated November 8, 2019.

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  
November 8, 2019

**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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
Joanne 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, certification or supporting documentation.

**Payroll Account**

The net salaries of all employees of the Board was deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Fund.

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

**Finding** – Surety bond coverage for the Treasurer of School Monies was below the required statutory coverage.

**Recommendation** – Surety bond coverage for the Treasurer of School Monies be increased in accordance with statutory requirements.

**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefit premium amounts withheld and due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

**Finding** – The payroll agency ledger was not in agreement with the monthly bank reconciliations.

**Recommendation** – The payroll agency ledger be in agreement with the monthly bank reconciliation.

The District has implemented and maintains a personnel tracking and accounting (Position Control) system.

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.

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 the New Jersey Administrative Code.

**Finding** – Our audit noted that a capital project for auditorium repairs was inadvertently coded to required maintenance. An audit adjustment was made to reclassify the budget and expenditures to capital outlay construction services.

**Recommendation** – All capital items exceeding \$2,000 be budgeted and accounted for as a capital outlay expenditure.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the School Business Administrator.

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** – The Debt Service Fund ended the fiscal year with a deficit in fund balance of \$129,999. The District has increased the required 2019/20 debt service funding which will eliminate the year end deficit. Thus 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.

**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

Elementary and Secondary Education Act (E.S.E.A) as Amended by the Every Student Succeeds Act (ESSA)

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 Titles I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

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.

Nonpublic Project Completion Reports were prepared and submitted to the State by the due date.

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

Teacher's Pension and Annuity Fund 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 (TPAF). No exceptions were noted.

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/Social Security payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$19,000. 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.

**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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 purchasing revealed the following:

- Procedures for the awarding of a contract utilizing a national cooperative were not adhered to.
- Accumulated purchases exceeded the bid threshold for HVAC maintenance and repairs.
- Quotes were not obtained for purchase over \$6,000 for the re-glazing of windows at Washington School

**Recommendation** – The District adhere to all requirements contained in the New Jersey Local Public Contracts Law.

**Food Service Fund**

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether there were any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management as to whether the expenditure of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC cost reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$35,000. The operating provision was not met and the FSMC subsequently remitted the shortfall to the District.

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.

**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Food Service Fund (Continued)**

The number of meals claimed for reimbursement was verified against sales and meal count records. Reimbursement vouchers were filed timely.

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.

USDA Food Distribution Program food and commodities were received and a single inventory was maintained on a first-in, first-out basis.

The Statement of Revenues, Expenses and Changes in Net Position (CAFR Exhibit B-5) does separate program and non-program revenue and cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the CAFR on Exhibits B-4, B-5 and B-6.

**Extended Day Program**

The accounting records are maintained in good condition.

**Student Activity, Athletic Association and Scholarship Accounts**

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

**Finding** – Five checks disbursed from Spring Garden School Activity Account contained only one authorized signature.

**Recommendation** – All checks disbursed from Spring Garden School contain at least two authorized signatures.

**Application for State School Aid**

Our audit procedures included a test information reported in the October 15, 2018 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 with immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions noted. 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.

The District had adequate written procedures for the recording of student enrollment data.



**NUTLEY BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2018-2019 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 immaterial 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**

The district contracts with an independent appraisal company to annually update its capital asset inventory reports.

**Miscellaneous**

**Testing for Lead of All Drinking Water in Educational Facilities**

The school district adhered to all the requirements of N.J.A.C. 26-12 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

**Suggestions to Management**

- \* Consideration be given to integrating the capital asset reporting system with the district's budgetary accounting software.
- \* Unexpended local grant funds be reviewed and/or cleared of record.

**NUTLEY BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**This Schedule is Not Applicable**

**SCHEDULE OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**This Schedule is Not Applicable**

**NUTLEY BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15, 2018**

	2019-2020 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample from Work- papers	Sample Verfied	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 yrs	24.0		24.0					24.0		24.0						
Half Day Preschool 4 yrs	5.0		5.0					5.0		5.0						
Full Day Kindergarten	295.0		295.0					73.0		73.0						
Grade 1	269.0		269.0					36.0		36.0						
Grade 2	274.0		274.0					39.0		39.0						
Grade 3	243.0		243.0					40.0		40.0						
Grade 4	246.0		246.0					63.0		63.0						
Grade 5	237.0		237.0					34.0		34.0						
Grade 6	281.0		281.0					78.0		78.0						
Grade 7	215.0		215.0					215.0		215.0						
Grade 8	231.0		231.0					231.0		231.0						
Grade 9	253.0		253.0					253.0		253.0						
Grade 10	253.0		253.0					253.0		253.0						
Grade 11	244.0		244.0					244.0		244.0						
Grade 12	267.0		267.0					267.0		267.0						
<b>Subtotal</b>	<b>3,337.0</b>	<b>-</b>	<b>3,337.0</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,855.0</b>	<b>-</b>	<b>1,855.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Ed - Elementary	340.0		340.0					116.0		116.0			12.0	10.0	10.0	-
Special Ed - Middle	185.0		185.0					113.0		113.0			11.0	10.0	10.0	-
Special Ed - High	206.0		206.0					206.0		206.0			30.0	26.0	25.0	(1.0)
<b>Subtotal</b>	<b>731.0</b>	<b>-</b>	<b>731.0</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>435.0</b>	<b>-</b>	<b>435.0</b>	<b>-</b>	<b>-</b>	<b>53.0</b>	<b>46.0</b>	<b>45.0</b>	<b>(1.0)</b>
<b>Totals</b>	<b>4,068.0</b>	<b>-</b>	<b>4,068.0</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>2,290.0</b>	<b>-</b>	<b>2,290.0</b>	<b>-</b>	<b>-</b>	<b>53.0</b>	<b>46.0</b>	<b>45.0</b>	<b>(1.0)</b>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>					<u>-2.17%</u>

**NUTLEY BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15, 2018**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Worpapers	Verified to Test Application and Register	Errors
	Full Day Kindergarten	24.0	24.0		3.0	3.0		2.0	1.0	(1.0)	1.0	1.0
Grade 1	27.0	27.0		4.0	4.0		2.0	2.0		2.0	2.0	
Grade 2	38.0	38.0		4.0	4.0		8.0	8.0		7.0	7.0	
Grade 3	34.0	34.0		4.0	4.0		6.0	6.0		5.0	5.0	
Grade 4	32.0	32.0		4.0	4.0		1.0	1.0		1.0	1.0	
Grade 5	35.0	35.0		4.0	4.0		2.0	2.0		1.0	1.0	
Grade 6	35.0	35.0		4.0	4.0		4.0	4.0		3.0	3.0	
Grade 7	29.0	29.0		3.0	3.0		-	-		-	-	
Grade 8	23.0	23.0		3.0	3.0		4.0	4.0		3.0	2.0	(1.0)
Grade 9	39.0	39.0		5.0	5.0		3.0	3.0		3.0	3.0	
Grade 10	35.0	35.0		4.0	4.0		3.0	3.0		3.0	3.0	
Grade 11	29.0	29.0		3.0	3.0		2.0	2.0		2.0	2.0	
Grade 12	25.0	25.0		3.0	3.0		3.0	3.0		3.0	3.0	
Subtotal	405.0	405.0	-	48.0	48.0	-	40.0	39.0	(1.0)	34.0	33.0	(1.0)
Special Ed - Elementary	62.0	62.0		7.0	7.0	-	6.0	6.0		5.0	5.0	
Special Ed - Middle	39.0	39.0		5.0	4.0	(1.0)	-	-		-	-	
Special Ed - High	38.0	38.0		4.0	4.0	-	2.0	2.0		2.0	2.0	
Subtotal	139.0	139.0	-	16.0	15.0	(1.0)	8.0	8.0	-	7.0	7.0	-
Totals	544.0	544.0	-	64.0	63.0	(1.0)	48.0	47.0	(1.0)	41.0	40.0	(1.0)
Percentage Error			<u>0.00%</u>			<u>-1.56%</u>			<u>-2.08%</u>			<u>-2.44%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public	3.0	3.0	-	1.0	1.0	-
Nonpublic Transported		-	-		-	-
Regular Special Ed. w/o Special Trans Needs	2.0	2.0	-	1.0	1.0	-
Special Ed. with Special Trans Needs	193.0	193.0	-	51.0	48.0	(3.0)
	198.0	198.0	-	53.0	50.0	(3.0)
Percentage Error			<u>0.00%</u>			<u>-5.66%</u>

**NUTLEY BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15, 2018**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Sample Verified to Register	Errors
Full Day Kindergarten	9.0	9.0	-	7.0	7.0	
Grade 1	5.0	5.0		4.0	4.0	
Grade 2	9.0	9.0		7.0	7.0	
Grade 3	5.0	5.0		4.0	4.0	
Grade 4	4.0	4.0		3.0	3.0	
Grade 5	6.0	6.0		4.0	4.0	
Grade 6	3.0	3.0		2.0	2.0	
Grade 7	1.0	1.0		1.0	1.0	
Grade 8	1.0	1.0		1.0	1.0	
Grade 9	1.0	1.0		1.0	1.0	
Grade 10	5.0	5.0		4.0	4.0	
Grade 11	1.0	1.0		1.0	1.0	
Grade 12	2.0	2.0		1.0	1.0	
Adult School	-	-		-	-	
Subtotal	52.0	52.0	-	40.0	40.0	-
Special Ed - Elementary	3.0	3.0		3.0	3.0	
Special Ed - Middle	1.0	1.0		1.0	1.0	
Special Ed - High	1.0	1.0		-	-	
Subtotal	5.0	5.0	-	4.0	4.0	-
Total	57.0	57.0	-	44.0	44.0	-
Percentage Error			0.00%			0.00%

**NUTLEY BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

2018-19 Total General Fund Expenditures reported on Exhibit C-1	\$	75,912,133
Adjustments		
Add: Transfer to Capital Projects		94,768
Less: Capital Lease		(78,419)
Less: On-Behalf TPAF Pension and Social Security		<u>(10,238,329)</u>
Adjusted 2018-19 General Fund Expenditures	\$	<u>65,690,153</u>
2% of Adjusted 2018-19 General Fund Expenditures	\$	1,313,803
Allowable Adjustments		
Extraordinary Aid (Unbudgeted)		<u>691,063</u>
Maximum Unreserved/Undesignated Fund Balance	\$	2,004,866
Total General Fund - Fund Balances at June 30, 2019		
(Per CAFR Budgetary Comparison Schedule - Exhibit C-1)	\$	7,834,126
Decreased by:		
Encumbrances		(1,223,306)
Other Restricted Fund Balances - Capital and Maintenance Reserves		(2,861,089)
Excess Surplus - Designated for Subsequent Year's Budget		<u>(875,248)</u>
Total Unassigned Fund Balance		<u>2,874,483</u>
Excess Surplus	\$	<u>869,617</u>
<b><u>Recapitulation of Excess Surplus at June 30, 2019</u></b>		
Restricted Fund Balance		
Excess Surplus	\$	869,617
Excess Surplus Designated for Subsequent Year's Budget		<u>875,248</u>
	\$	<u>1,744,865</u>

**NUTLEY BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

It is recommended that surety bond coverage for the Treasurer of School monies be increased in accordance with statutory requirements.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. The payroll agency ledger be in agreement with the monthly bank reconciliation.
2. All capital items exceeding \$2,000 be budgeted and accounted for as a capital outlay expenditure.

**III. School Purchasing Program**

It is recommended that the District adhere to all requirements contained in the New Jersey Local Public Contracts Law.

**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 all checks disbursed from Spring Garden School Activity Account contain at least two authorized signatures.

**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 except the recommendation denoted with an asterisk (\*).

**NUTLEY BOARD OF EDUCATION  
RECOMMENDATIONS**

**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