

**NUTLEY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**NUTLEY BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Report of Independent Auditor's	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5
Food Service Fund	6
Extended Day Program	7
Student Activity, Athletic Association and Scholarship Accounts	7
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	7
Suggestions to Management	7
Schedule of Meal Count Activity – Not Applicable	8
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13
Recommendations	14-15
Acknowledgement	15



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

AUDITORS' MANAGEMENT REPORT

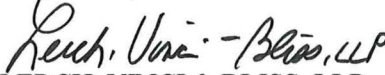
Honorable President and
Members of the Board of Trustees
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110

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, 2022, and have issued our report thereon dated February 16, 2023.

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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 16, 2023

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Annual Comprehensive Financial Report (ACFR).

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
David DiPisa	Board Secretary/School Business Administrator	\$ 3,500
Joanne Wilson	Treasurer of School Monies	400,000

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

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district data certification was completed by the Chief School Administrator. The school district submitted the Chapter 44 data in a timely manner.

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.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

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

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.

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

Finding 2022-1 – The payroll agency ledger by deduction was not in agreement with the June 30, 2022 bank reconciliation.

Recommendation – The payroll agency ledger by deduction be currently maintained and agree with the monthly bank reconciliations.

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 year end encumbrances. Also, a sample of 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 2022-2 – Our review of open purchase orders noted that certain purchase orders did not meet the criteria for encumbrances and should have been classified as accounts payable.

Recommendation – All purchase orders open at year end be reviewed for validity and proper classification as an encumbrance or accounts payable.

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 2022-3 – Our audit noted that incorrect budget account codes were utilized to record the repayment of principal and interest on lease purchases, the acquisition of vehicles, equipment and supplies/materials. An audit adjustment was made to reflect the correct budget account charges.

Recommendation – The District utilize the Department of Education’s Minimum Chart of Accounts for assistance with recording budgetary expenditures.

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).

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

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) 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 ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, II, III and IV 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 ACFR.

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

Finding 2022-4 – Final grant reports for Nonpublic Schools, FY22 IDEA Basic and Title II A reported expenditures for prior year encumbrances in the 2020-21 and 2021-22 final grant reports. In addition, costs were included in the final reports that were not recorded in the District's budgetary accounting records.

Recommendation – Greater care be taken in the preparation of final expenditure reports for all state and federal grants.

Finding 2022-5 (ACFR Finding 2022-001) – Our audit of ESSER grant programs noted that the time and activity reports were not available for employees charged to ESSER grants.

Recommendation – Time and activity reports be maintained for all personnel charged to ESSER grants and be made available for audit.

Finding 2022-6 – The Coronavirus Relief Fund grant was included in the 2021/22 budget but the grant was fully expended in the previous school year. The District incurred expenditures of \$10,274 that were reclassified to the General Fund.

Recommendation – Grant allocations and budgets reported in the District's budgetary accounting records be in agreement with the approved grant budgets.

Finding 2022-7 – Our audit noted that the District did not request reimbursements in a timely manner for expenses incurred with their various federal grants. At June 30, 2022, the District had approximately \$3 million of accounts receivables.

Recommendation – Procedures be implemented to ensure that federal grant reimbursements are requested in a timely manner.

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

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

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 noting the following:

Finding 2022-8 – The TPAF Reimbursement Form for federally funded programs did not include salaries charged to ESSER grant programs.

Recommendation – The TPAF Reimbursement Form for federally funded programs include all eligible salaries charged to the various federal programs.

School Purchasing Programs

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 \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under 18A:39-3 is currently \$20,200. 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 2022-9 – Our audit noted that emergency purchases over the bid threshold were not submitted to the Board for their approval.

Recommendation – All emergency purchases over the bid threshold be submitted to the Board for their approval.

Finding 2022-10 – The District utilized a vendor through a National Cooperative Purchasing agreement, however a cost savings analysis was not provided for audit.

Recommendation – It is recommended that the District refer to Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Food Service Fund

Public Health Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, and Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures. The Governor's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFA's) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFA's could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA's were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

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 and food service personnel as to whether there were any reimbursement overclaims or underclaims. None 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.

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations.

The FSMC did apply for and receive a loan in accordance with the Payroll Protection Plan and did use the funds to pay for costs applicable to the Food Service Programs. The PPP loan has been subsequently forgiven and the FSMC is in the process of calculating the amount to be refunded or credited to the SFA.

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 did not include an operating results provision for the 2021-2022 school year due to the uncertainties of the pandemic.

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 SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

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. The June 30, 2022 net cash resources were less than the three-month average expenses.

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 (ACFR 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 ACFR on Exhibits B-4, B-5 and B-6.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Extended Day Program

The accounting records are maintained in good condition.

Finding 2022-11 – The District did not allocate certain direct expenses including payroll taxes, pension and health benefits to the extended day program. In addition, the District does not have a written cost allocation plan to charge indirect expenses to the program.

Recommendation – Direct expenses for personnel working on the extended day program be charged to the program. In addition, the District prepare a written cost allocation plan to charge indirect costs to the program.

Student Activity, Athletic Association and Scholarship Accounts

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

Finding 2022-12 – Our audit of the student activity funds revealed that a cash receipt and disbursement ledger and/or financial reports were not prepared by Radcliffe and Washington Schools.

Recommendation – Cash receipt and disbursement ledgers and/or financial reports be prepared for the Radcliffe and Washington Schools student activity accounts.

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2021 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 exception noted. The information that was included on the workpapers was verified. 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.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-2022 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. Consideration be given to integrating the capital asset reporting system with the district's budgetary accounting system.

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

- * Unexpended local grant funds be reviewed and/or cleared of record.
- * A Board policy be developed for the use of Amazon and store account purchases.

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Current Assets

Cash and Cash Equivalents	\$ 377,304
Due from Other Governments	188,833
Accounts Receivable	5,897

Current Liabilities

Less	
Accounts Payable	(95,162)
Unearned Revenue	<u>(39,688)</u>

Net Cash Resources	<u><u>\$ 437,184</u></u>
---------------------------	--------------------------

Adjusted Total Operating Expenses:

Total Operating Expenses	\$ 1,486,129
Less Depreciation Expense	<u>(13,470)</u>
Adjusted Total Operating Expenses	<u><u>\$ 1,472,659</u></u>

Average Monthly Operating Expense:	<u><u>\$ 147,266</u></u>
-------------------------------------------	--------------------------

Three Times Monthly Average:	<u><u>\$ 441,798</u></u>
-------------------------------------	--------------------------

Total Net Cash Resources	\$ 437,184
Three Times Monthly Average	<u>441,798</u>
Amount Below Allowable Net Cash Resources	<u><u>\$ 4,614</u></u>

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2021**

	2022-2023 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 Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 3 yrs	18.0		18.0					18.0		18.0							
Half Day Preschool 4 yrs	4.0		4.0					4.0		4.0							
Full Day Kindergarten	255.0		255.0					52.0		52.0							
Grade 1	279.0		279.0					34.0		34.0							
Grade 2	263.0		263.0					48.0		49.0	1.0						
Grade 3	254.0		254.0					68.0		68.0							
Grade 4	238.0		238.0					58.0		58.0							
Grade 5	249.0		249.0					40.0		41.0	1.0						
Grade 6	239.0		239.0					52.0		52.0							
Grade 7	244.0		244.0					244.0		244.0							
Grade 8	233.0		233.0					233.0		233.0							
Grade 9	252.0		252.0					252.0		252.0							
Grade 10	208.0		208.0					208.0		208.0							
Grade 11	219.0		219.0					219.0		219.0							
Grade 12	253.0		253.0			-	-	253.0		253.0							
Subtotal	3,208.0	-	3,208.0	-	-	-	-	1,783.0	-	1,785.0	-	2.0	-	-	-	-	
Special Ed - Elementary	324.0		324.0					28.0		28.0			15.0	13.0	13.0		
Special Ed - Middle	199.0		199.0					18.0		18.0			7.0	6.0	6.0		
Special Ed - High	234.0		234.0			-	-	21.0		21.0			28.0	24.0	24.0	-	
Subtotal	757.0	-	757.0	-	-	-	-	67.0	-	67.0	-	-	50.0	43.0	43.0	-	
Totals	3,965.0	-	3,965.0	-	-	-	-	1,850.0	-	1,852.0	-	2.0	-	50.0	43.0	43.0	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>						<u>0.11%</u>	<u>0.00%</u>			<u>0.00%</u>	

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2021**

	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 Workpapers	Verified to Test Application and Register	Errors
	Full Day Kindergarten	22.0	22.0		5.0	5.0		1.0	1.0	-	1.0	1.0
Grade 1	23.0	23.0		5.0	5.0		2.0	3.0	1.0	1.0	1.0	
Grade 2	27.0	27.0		4.0	4.0		4.0	5.0	1.0	2.0	2.0	
Grade 3	25.0	25.0		3.0	3.0		4.0	5.0	1.0	2.0	2.0	
Grade 4	23.0	23.0		3.0	3.0		2.0	1.0	(1.0)	1.0	1.0	
Grade 5	29.0	29.0		2.0	2.0							
Grade 6	23.0	23.0		6.0	6.0							
Grade 7	20.0	20.0		2.0	2.0		1.0	1.0	-	1.0	1.0	
Grade 8	29.0	29.0		2.0	2.0		1.0		(1.0)			
Grade 9	24.0	24.0		4.0	4.0			1.0	1.0	1.0	1.0	
Grade 10	19.0	19.0		3.0	3.0			1.0	1.0	1.0	1.0	
Grade 11	16.0	16.0		3.0	3.0		1.0	2.0	1.0	1.0	1.0	
Grade 12	35.0	35.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	315.0	315.0	-	48.0	48.0	-	17.0	21.0	4.0	12.0	12.0	-
Special Ed - Elementary	57.0	57.0		7.0	7.0		6.0	7.0	-	3.0	3.0	-
Special Ed - Middle	33.0	33.0		4.0	4.0		1.0	1.0	-	1.0	1.0	-
Special Ed - High	33.0	33.0	-	3.0	3.0	-	-	1.0	1.0	1.0	1.0	-
Subtotal	123.0	123.0	-	14.0	14.0	-	7.0	9.0	1.0	5.0	5.0	-
Totals	438.0	438.0	-	62.0	62.0	-	24.0	30.0	5.0	17.0	17.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>20.83%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public	4.0	4.0	-	2.0	2.0	-
Special Ed. with Special Trans Needs	187.0	187.0	-	51.0	49.0	(2.0)
	191.0	191.0	-	53.0	51.0	(2.0)
Percentage Error			<u>0.00%</u>			<u>-3.77%</u>

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2021**

	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	7.0	2.0	5.0	5.0	
Grade 1	8.0	8.0		4.0	4.0	
Grade 2	5.0	7.0	(2.0)	3.0	3.0	
Grade 3	3.0		3.0			
Grade 4	6.0	7.0	(1.0)	4.0	4.0	
Grade 5	3.0	3.0		1.0	1.0	
Grade 6	1.0	1.0		1.0	1.0	
Grade 7	3.0	3.0		2.0	2.0	
Grade 8	3.0	2.0	1.0	2.0	2.0	
Grade 9	4.0	4.0		2.0	2.0	
Grade 10	4.0	3.0	1.0	2.0	2.0	
Grade 11	2.0	1.0	1.0	1.0	1.0	
Grade 12	6.0	7.0	(1.0)	3.0	3.0	
Adult School			-			-
Subtotal	57.0	53.0	4.0	30.0	30.0	-
Special Ed - Elementary	6.0	7.0	(1.0)	3.0	3.0	
Special Ed - Middle	4.0	4.0		2.0	2.0	
Special Ed - High	1.0	-	1.0	-	-	-
Subtotal	11.0	11.0	-	5.0	5.0	-
Total	68.0	64.0	4.0	35.0	35.0	-
Percentage Error			0.00%			0.00%

**NUTLEY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2021-22 Total General Fund Expenditures reported on Exhibit C-1	\$	88,956,697
Adjustments		
Add: Transfer to Capital Projects		550,000
Less: On-Behalf TPAF Pension and Social Security		<u>(16,997,187)</u>
Adjusted 2021-22 General Fund Expenditures		<u>\$ 72,509,510</u>
4% of Adjusted 2021-22 General Fund Expenditures	\$	2,900,380
Allowable Adjustments		
Extraordinary Aid (Unbudgeted)		<u>2,084,737</u>
Maximum Unreserved/Undesignated Fund Balance	\$	4,985,117
Total General Fund - Fund Balances at June 30, 2022		
(Per ACFR Budgetary Comparison Schedule - Exhibit C-1)	\$	9,014,534
Decreased by:		
Encumbrances		(157,442)
Other Restricted Fund Balances - Capital and Maintenance Reserves		(2,382,272)
Unemployment Compensation		(390,635)
Designated for Subsequent Year's Budget		<u>(1,100,000)</u>
Total Unassigned Fund Balance		<u>4,984,185</u>
Amount Below Maximum Unreserved/Undesignated Fund Balance	\$	<u>(932)</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. The payroll agency ledger by deduction be currently maintained and agree with the monthly bank reconciliations.
- 2. All purchase orders open at year end be reviewed for validity and proper classification as an encumbrance or accounts payable.
- 3. The District utilize the Department of Education's Minimum Chart of Accounts for assistance with recording budgetary expenditures.
- * 4. Greater care be taken in the preparation of final expenditure reports for all state and federal grants.
- 5. Time and activity reports be maintained for all personnel charged to ESSER grants and be made available for audit.
- * 6. Grant allocations and budgets reported in the District's budgetary accounting records be in agreement with the approved grant budgets.
- 7. Procedures be implanted to ensure that federal grant reimbursements are requested in a timely manner.
- 8. The TPAF Reimbursement Form for federally funded programs include all eligible salaries charged to the various federal programs.

III. School Purchasing Program

It is recommended that:

- 9. All emergency purchases over the bid threshold be submitted to the Board for their approval. In addition, a Business Registration Certificate be obtained prior to payment to vendors performing emergency repairs.
- * 10. It is recommended that the District refer to Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.

IV. School Food Services

There are none.

V. Extended Day Program

11. It is recommended that direct expenses for personnel working on the extended day program be charged to the program. In addition, the District prepare a written cost allocation plan to charge indirect costs to the program.

VI. Student Activity and Athletic Association Accounts

12. It is recommended that cash receipt and disbursement ledgers and/or financial reports be prepared for the Radcliffe and Washington School student activity accounts.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

**NUTLEY BOARD OF EDUCATION
RECOMMENDATIONS**

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 (*).

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.