

**NUTLEY BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024**

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

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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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

AUDITORS' MANAGEMENT REPORT

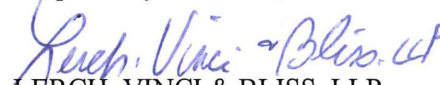
Honorable President and
Members of the Board of Trustees
Nutley Board of Education
371 Franklin Avenue
Nutley, New Jersey 07110


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, 2024, and have issued our report thereon dated November 4, 2024.

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
November 4, 2024

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/Assistant Superintendent of Business 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 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/Assistant Superintendent of Business	\$ 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 regarding the submission of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44).

Finding 2024-1 – The 2023/24 Chapter 44 submission, summary report and school district certification were not available for audit.

Recommendation – The District maintain a copy of its Chapter 44 submission, summary report and data certification and provide such information for audit.

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/Assistant Superintendent of Business and Chief School Administrator.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The Assistant Superintendent of Business 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 2024-2 – The payroll agency ledger by deduction was not in agreement with the June 30, 2024 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.

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 2024-3 – Our audit noted the following in regards to account coding:

- Certain special revenue grant account codes were not in agreement with the State's minimum chart of accounts.
- There were \$165,735 of preschool education expenditures charged to the General Fund budget.
- The District did not remit the local contribution for preschool education to the Special Revenue Fund.
- Reimbursements for transportation field trips were charged to a salary account.

Audit adjustments were made to properly reflect these transactions.

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 Assistant Superintendent of Business.

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, 2024**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding 2024-4 (ACFR Finding 2024-001) – With respect to the District’s General Fund operating budget and financial statements, we noted the following:

- The District ended the fiscal year with an operating deficit of \$7,859,151. This is exclusive of the advance state aid payment of \$9 million.
- There was a revenue shortfall in local/miscellaneous revenues of \$2,046,946.
- There were numerous budget overexpenditures at June 30, 2024.

Recommendation – The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District. In addition, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures.

Finding 2024-5 - Our audit noted that the original budget reported in the District’s accounting system for certain budget accounts were not in agreement with the original budget as adopted by Board.

Recommendation – The original budget reported in the financial accounting records be in agreement with the District’s adopted budget.

Finding 2024-6 (ACFR Finding 2024-002) – Our audit of the Capital Projects Fund noted the following:

- The Capital Projects Fund had a deficit of \$141,281 at June 30, 2024.
- The High School Media Center project was overexpended by \$156,764 and the Yantacaw Security Project was overexpended by \$8,331.

Recommendation – Internal control procedures be reviewed and enhanced to ensure that sufficient appropriation balances are available to fund the District’s capital projects.

Finding 2024-7 – With regards to the Debt Service Fund, we noted the following:

- The interest budget line item was overexpended by \$135,678. Funds were available in the principal budget appropriation; however, a transfer was not made to cover the shortfall.
- Bond amortization schedules currently utilized by the District did not account for the District’s bond refunding from May 2022.

Recommendation – The District utilize their current debt amortization schedules to ensure that sufficient funds are appropriated for bond principal and interest payments.

Finding 2024-8 – Our audit noted that an employee of the District was reimbursed for mileage and other technology related expenditures, however a detailed travel log and supporting documentation was not available for audit.

Recommendation – Documentation supporting employee reimbursement for travel, mileage and other reimbursable expenses be attached to the reimbursement requests and available for audit.

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, 2024**

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 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.

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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

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 \$22,400. The Board has designated the Assistant Superintendent of Business 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.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 2024-9 (ACFR Finding 2024-004) – Our audit of purchasing as it relates to the Public School Contracts Law revealed the following:

- We noted instances where contract awards and purchases were made in excess of the bid threshold where there was no documentation provided to support whether publicly advertised bids were sought, State contract or cooperative purchasing contracts were awarded or a competitive contracting process was conducted in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A). We also noted that certain vendors were awarded contracts based on being 10% less than cooperative pricing, however, no documentation was provided to support the cooperative pricing costs. In addition, we noted several contract awards and purchases in excess for the bid threshold that were not approved by Board resolution and made part of the official minutes in accordance with N.J.S.A. 18A:18A-4.
- We noted instances where contract awards and purchases were made in excess of the quote threshold where there was no documentation to support competitive quotations were solicited by the District in accordance with N.J.S.A. 18A:18A-37(a).
- We noted instances where professional service contract awards were not publicly advertised as required by the Public School Contract Law (N.J.S.A. 18A:18A-5(a)(1)).
- Business registration certificates and Political Contribution Disclosure Forms were not always provided for audit.
- The District utilized a vendor through a National Cooperative Purchasing agreement, however a notice of intent to award the contract under a National Cooperative was not advertised, nor was a cost savings analysis prepared.

Recommendation –

- Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold comply with the requirements of the Public School Contracts Law.
- Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards and purchases that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- Procedures be enhanced to ensure professional service contract awards are publicly advertised as required by N.J.S.A. 18A:18A-5(a)(1).
- The District refer to the N.J. Local Finance Notice (“LFN”) 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.

School Food Service

School Food Authorities (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.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

School Food Service (Continued)

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 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 include an operating results provision for the 2023-2024 school year to breakeven. The operating results provision was met.

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.

Extended Day Program

The accounting records are maintained in good condition.

Finding 2024-10 – The District charged the Extended Day program \$300,000 for rental and occupancy charges. A detailed calculation to support the cost allocations were not provided for audit.

Recommendation – Calculations supporting the Extended Day Program cost allocations be made available for audit.

Student Activity, Athletic Association and Scholarship Accounts

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

Finding 2024-11 – Our audit noted that funds from a high school student activity bank account totaling \$42,435 were utilized to partially fund the District's expenditures for the High School weight room. There was no documentation available to support the approval and withdrawal of these funds.

Recommendation – Withdrawals from the Student Activity account be approved and for student related activities.

Application for State School Aid

Our audit procedures included a test information reported in the October 15, 2023 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 exception noted. The information that was included on the workpapers was verified with 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.

Finding 2024-12 (ACFR Finding 2004-005) – Our audit of the District's Application for State School Aid ("ASSA") noted the following:

- The ASSA reporting thirty-three (33) more students on roll than the District's workpapers.
- Seventeen (17) more students were listed as resident low income than the District's workpapers listed. In addition, thirty-four (34) student lunch applications were not provided for audit.
- Lunch applications for four (4) students reported as LEP Low Income were not provided for audit.

Recommendation – Greater care be exercised in the preparation of the Application for State School Aid to ensure that amounts reported agree with the District workpapers and supporting documents.

**NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2023-2024 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. 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.

Finding 2024-13 – The Capital Asset report is updated by an independent appraisal company separate from the District’s financial accounting system.

Recommendation – Consideration be given to maintain the capital assets record keeping internally and to integrate the report with the 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.
- * The outstanding General Fund E-Rate accounts receivable balance be reviewed for collectability.
- * Year-end interfunds be cleared of record.

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2023**

	2022-2023 Application for State School Aid						Sample for Verification						On Roll Special Education			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		Sample for Verification	Sample Verified	Errors	Reported on A.S.S.A. as Private Schools	Sample from Work- papers	Sample Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Full Day Preschool 3 yrs	70.0		49.0		21.0		45.0		45.0		-								
Full Day Preschool 4 yrs	71.0		65.0		6.0		57.0		57.0		-								
Full Day Kindergarten	304.0		304.0		-		50.0		50.0		-								
Grade 1	271.0		271.0		-		42.0		42.0		-								
Grade 2	260.0		260.0		-		40.0		40.0		-								
Grade 3	283.0		283.0		-		72.0		72.0		-								
Grade 4	263.0		263.0		-		67.0		67.0		-								
Grade 5	252.0		252.0		-		36.0		36.0		-								
Grade 6	249.0		249.0		-		58.0		58.0		-								
Grade 7	241.0		241.0		-		241.0		241.0		-								
Grade 8	251.0		251.0		-		251.0		251.0		-								
Grade 9	242.0		242.0		-		242.0		242.0		-								
Grade 10	218.0		218.0		-		218.0		218.0		-								
Grade 11	258.0		258.0		-		258.0		258.0		-								
Grade 12	210.0		210.0		-		210.0		210.0		-								
Subtotal	3,443.0	-	3,416.0	-	27.0	-	1,887.0	-	1,887.0	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	330.0		322.0		8.0		63.0		63.0		-	17.0	17.0	-	19.0	5.0	5.0	-	-
Special Ed - Middle	187.0		188.0		(1.0)		134.0		134.0		-	8.0	8.0	-	10.0	3.0	3.0	-	-
Special Ed - High	261.0		262.0		(1.0)		262.0		262.0		-	13.0	13.0	-	25.0	10.0	10.0	-	-
Subtotal	778.0	-	772.0	-	6.0	-	459.0	-	459.0	-	-	38.0	38.0	-	54.0	18.0	18.0	-	-
Totals	4,221.0	-	4,188.0	-	33.0	-	2,346.0	-	2,346.0	-	-	38.0	38.0	-	54.0	18.0	18.0	-	-
Percentage Error					0.79%	0.00%					0.00%	0.00%			0.00%				0.00%

**NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2023**

	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	21.0	20.0	1.0	4.0	3.0	1.0	3.0	3.0	-	2.0	1.0
Grade 1	24.0	24.0	-	5.0	4.0	1.0	5.0	5.0	-	1.0	1.0	-
Grade 2	32.0	32.0	-	4.0	2.0	2.0	5.0	5.0	-	2.0	2.0	-
Grade 3	36.0	36.0	-	5.0	1.0	4.0	4.0	4.0	-	-	-	-
Grade 4	29.0	29.0	-	4.0	2.0	2.0	-	-	-	-	-	-
Grade 5	33.0	33.0	-	4.0	1.0	3.0	3.0	3.0	-	1.0	1.0	-
Grade 6	36.0	36.0	-	3.0	-	3.0	5.0	5.0	-	-	-	-
Grade 7	42.0	42.0	-	3.0	1.0	2.0	2.0	2.0	-	1.0	1.0	-
Grade 8	40.0	40.0	-	3.0	2.0	1.0	4.0	4.0	-	2.0	2.0	-
Grade 9	33.0	33.0	-	3.0	2.0	1.0	2.0	2.0	-	1.0	1.0	1.0
Grade 10	27.0	27.0	-	3.0	1.0	2.0	2.0	2.0	-	1.0	1.0	-
Grade 11	26.0	26.0	-	3.0	2.0	1.0	3.0	3.0	-	-	-	-
Grade 12	29.0	23.0	6.0	3.0	2.0	1.0	5.0	5.0	-	2.0	1.0	1.0
Subtotal	408.0	401.0	7.0	47.0	23.0	24.0	43.0	43.0	-	13.0	10.0	3.0
Special Ed - Elementary	73.0	68.0	5.0	8.0	6.0	2.0	4.0	4.0	-	1.0	1.0	-
Special Ed - Middle	33.0	31.0	2.0	4.0	-	4.0	-	-	-	1.0	1.0	-
Special Ed - High	49.0	46.0	3.0	5.0	1.0	4.0	1.0	1.0	-	1.0	-	1.0
Subtotal	155.0	145.0	10.0	17.0	7.0	10.0	5.0	5.0	-	3.0	2.0	1.0
Totals	563.0	546.0	17.0	64.0	30.0	34.0	48.0	48.0	-	16.0	12.0	4.0
Percentage Error			<u>3.02%</u>			<u>53.13%</u>			<u>0.00%</u>			<u>25.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular Public	5.0	5.0	-	1.0	1.0	-
Special Ed. with Special Trans Needs	165.0	165.0	-	48.0	48.0	-
	170.0	170.0	-	49.0	49.0	-
Percentage Error			<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, 2023**

	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	14.0	14.0		6.0	6.0	
Grade 1	13.0	13.0		5.0	5.0	
Grade 2	8.0	8.0		3.0	3.0	
Grade 3	6.0	6.0		2.0	2.0	
Grade 4	6.0	6.0		2.0	2.0	
Grade 5	3.0	3.0		1.0	1.0	
Grade 6	5.0	5.0		2.0	2.0	
Grade 7	3.0	3.0		1.0	1.0	
Grade 8	2.0	2.0		1.0	1.0	
Grade 9	6.0	6.0		2.0	2.0	
Grade 10	6.0	6.0		2.0	2.0	
Grade 11	6.0	6.0		2.0	2.0	
Grade 12	2.0	2.0		2.0	2.0	
Subtotal	80.0	80.0	-	31.0	31.0	-
Special Ed - Elementary	5.0	5.0		3.0	3.0	
Special Ed - Middle						
Special Ed - High	3.0	3.0		2.0	2.0	
Subtotal	8.0	8.0	-	5.0	5.0	-
Total	88.0	88.0	-	36.0	36.0	-
Percentage Error			0.00%			0.00%

**NUTLEY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2023-24 Total General Fund Expenditures	\$	100,950,145
Adjustments		
Add: Special Revenue Fund		248,876
Less: Capital Financing Agreements		(250,545)
Less: On-Behalf TPAF Pension and Social Security		<u>(18,235,866)</u>
Adjusted 2023-24 General Fund Expenditures	\$	<u>82,712,610</u>
1.5% of Adjusted 2023-24 General Fund Expenditures	\$	1,240,689
Allowable Adjustments		
Extraordinary Aid		<u>386,976</u>
Maximum Unreserved/Undesignated Fund Balance		1,627,665
Total General Fund Budgetary - Fund Balances at June 30, 2024	\$	3,380,655
Decreased by:		
Encumbrances		41,626
Capital Reserve		677,663
Maintenance Reserve		634,682
Unemployment Compensation		<u>399,019</u>
		<u>1,752,990</u>
Total Unassigned Fund Balance		<u>1,627,665</u>
Amount Below Maximum Unreserved/Undesignated Fund Balance	\$	<u><u>-</u></u>

**NUTLEY BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

1. It is recommended that the District maintain a copy of its Chapter 44 submission, summary report and data certification and provide such information for audit.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 2. The payroll agency ledger by deduction be currently maintained and agree with the monthly bank reconciliations.
- * 3. The District utilize the Department of Education's Minimum Chart of Accounts for assistance with recording budgetary expenditures.
- * 4. The District continue to monitor their budgeted revenues and appropriations to ensure that sufficient funds are available to meet the operating needs of the District. In addition, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures.
- 5. The original budget reported in the financial accounting records be in agreement with the District's adopted budget.
- 6. Internal control procedures be reviewed and enhanced to ensure that sufficient appropriation balances are available to fund the District's capital projects.
- 7. The District utilize their current debt amortization schedules to ensure that sufficient funds are appropriated for bond principal and interest payments.
- 8. Documentation supporting employee travel, mileage and other reimbursable expenses be attached to the reimbursement requests and available for audit.

III. School Purchasing Program

9. It is recommended that:

- *
 - Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold comply with the requirements of the Public School Contracts Law.
 - Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards and purchases that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- *
 - Procedures be enhanced to ensure professional service contract awards are publicly advertised as required by N.J.S.A. 18A:18A-5(a)(1).
- *
 - The District refer to the N.J. 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

- * 10. It is recommended that calculations supporting the Extended Day Program cost allocations be made available for audit.

**NUTLEY BOARD OF EDUCATION
RECOMMENDATIONS**

VI. Student Activity and Athletic Association Accounts

11. It is recommended that withdrawals from the Student Activity account be approved and for student related activities.

VII. Application for State School Aid

- * 12. It is recommended that greater care be exercised in the preparation of the Application for State School Aid to ensure that amounts reported are in agreement with District workpapers and supporting documents.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

- * 13. It is recommended that consideration be given to maintain the capital assets record keeping internally and to integrate the report with the budgetary accounting system.

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.