

NUTLEY BOARD OF EDUCATION
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025

NUTLEY BOARD OF EDUCATION
COUNTY OF ESSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
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The Honorable President and Members
of the Nutley Board of Education
County of Essex, 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 in the County of Essex for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 20, 2025.


As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 20, 2025, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations, if any.

This report is intended for the information of the Nutley Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

November 20, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025

Scope of Audit

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

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Michael Devita	Business Administrator/Board Secretary	\$ 350,000
Joanne Wilson	Treasurer of School Monies	400,000

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 the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts in accordance with N.J.A.C.6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation. Based on the results of our testing, we have no comments.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster

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

All payrolls tested were approved by the Chief School Administrator and certified by the President of the Board and the School Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Finding 2025-001:

During our review of the payroll records, it was noted that the payroll agency ledger by deduction was not in agreement with the June 30, 2025 bank reconciliation but was prepared for the audit. The District is working on maintaining a payroll agency analysis of balance for the 2025-2026 school year.

Recommendation:

It is recommended that the payroll agency ledger by deduction continued to be maintained and agree with the monthly bank reconciliation.

Management Responses:

The District will ensure that the payroll agency ledger by deduction continued to be maintained and agree with the monthly bank reconciliation.

Finding 2025-002:

During our review of the 2024-2025 budget it was noted that not all salary charges were supported by the position control roster.

Recommendation:

It is recommended that all salary charges be properly supported by the position control roster.

Management Responses:

The District will ensure that all salary charges be properly supported by the position control roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, we found the following issues.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based upon these procedures, we have the following comment.

Finding 2025-003:

During our review of the District's Board Secretary records, it was noted that the new administration team began to implement standard operating procedures to ensure there was adequate internal control procedures during the 2024-2025 school year, to ensure there was proper reporting on the district's financial records. The administration is continuing to review the formal standard operating procedures to ensure the procedures utilized in the 2024-2025 year are properly documented, as well as reviewed and approved by the Board for future years.

Recommendation:

It is recommended that the standard operating procedures be reviewed to ensure procedures are properly documented, and that the Board review and approve the standard operating procedures.

Management Responses:

The District's administration will ensure that standard operating procedures that were implemented in the 2024-2025 school year are properly documented, as well as reviewed and approved by the Board.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based upon these procedures we have no comments.

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

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

Preschool Education Aid

The State of New Jersey Department of Education (DOE) requires approval of transfer of funds within approved Preschool Education Aid (PEA) planning budgets by May 31 of the budget year. Revisions/transfers requiring approval are those that include the elimination of funding allocated to a line, any transfer from Instruction to Support Services, and any transfer into Facilities Acquisition and Construction Services (from either Instruction or Support Services). These revisions/transfers require prior DOE written approval. The chief school administrator or the school business administrator must complete and sign the transfer notification form and submit the form to the executive county superintendent for approval.

Finding 2025-004:

During our review of the Preschool Education Aid budget, it was found that revisions and transfers were made from Instruction to Support Services. These revisions and transfers were done without prior executive county superintendent approval or DOE written approval.

Recommendation:

It is recommended that the District obtain prior approval of revisions and transfers within approved Preschool Education Aid planning budgets as required by the Department of Education.

Management Responses:

Administration will ensure that prior approval of revisions and transfers within the approved Preschool Education Aid planning budgets are obtained as required by the Department of Education.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2025. The reimbursement form was reviewed and no exceptions were noted.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Travel Expenses

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

“When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made”

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law”

Effective July 1, 2020 and thereafter 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 *N.J.S.A.* 18A:39-3 is currently \$20,200 for 2024-2025.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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. General compliance was noted.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision 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.

Finding 2025-005:

During our review of purchasing as it relates to the Public School Contracts Law, it was noted that 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:

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

Management Responses:

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and nonprogram cost of goods sold.

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

Extended Day Program

The accounting records are maintained in good condition.

Finding 2025-006:

During our review of extended day program, it was noted that the District budgets revenue from the extended day program for \$400,000 for rental and occupancy charges. A detailed calculation to support the cost allocation is being prepared for the 2025-2026 school year.

Recommendation:

It is recommended that calculations supporting the extended day program cost allocations be made available for audit.

Management Responses:

Administration is preparing the cost allocations for 2025-2026 and will have them available for the 2026 audit.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based upon these procedures, we have no comments.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income students and bilingual education. 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 on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed State forms or their equivalent. The District has 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 2024-2025 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 results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The School District does not have any active Schools Development Authority (“SDA”) grant agreements; therefore, we did not review for consistency with recording of the revenue and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Management Suggestions

Classification of Expenditures – General and Administrative

During our review of the general fund, it was noted that certain general fund account codes were not in agreement with the original budgeted account number. It is suggested that management review function and object codes to agree them to the original budgeted account number.

Governmental Accounting Standards Board (GASB) Statements effective for Fiscal Year Ending June 30, 2026

GASB Statement No. 103, Financial Reporting Model Improvements

Management’s Discussion and Analysis (MD&A)

Information in MD&A is limited to five sections – Overview of Financial Statements, Financial Summary, Detailed Analyses, Significant Capital Assets and Long-Term Financing Activity and Currently Known Facts. Standard emphasizes that the detailed analyses should explain why balances and results of operations changed. Also, only the most relevant information should be presented.

Unusual or Infrequent Items

Statement provides a definition of these items and the presentation of these items in the financial statements.

Proprietary Fund Statement of Revenue, Expenses and Changes in Net Position

Provides a definition of both operating and nonoperating revenue and expenses. New requirement for subtotals for Operating Income/(Loss) and Noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Provides a definition of subsidies.

Budgetary Comparison Information

Must present variance between original and final budget amounts as well as variance between final budget and actual amounts. An explanation of significant variances must be included in the Notes to the Required Supplementary Information (RSI).

GASB Statement No. 104, Disclosure of Certain Capital Assets

Standard requires lease assets as well as subscription assets to be disclosed separately in the capital assets note disclosures. The standard also requires a disclosure for capital assets held for sale where it is probable that the sale will be finalized within one year of the financial statement date.

Risk Management

The Board of Education is a member of the Suburban Metro Joint Insurance Fund (the “Fund”) and the financial position and results of the operations of the Fund could affect the Board of Education’s financial position. As a member of the Fund, the Board of Education could be subject to supplemental assessments in the event of deficiencies. Our review of the most recent financial statements of the Fund reflects a \$262,525 deficit in Net Position of the Fund. We suggest that the Board of Education continue to monitor the Fund’s operations and evaluate the possibility of any supplemental assessments that might be assessed to the Board of Education.

NUTLEY BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Status of Prior Year's Findings/Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. The prior year recommendations regarding the District maintaining a copy of its Chapter 44 submission, the original budget reported in the financial accounting records be in agreement with the District's adopted budget, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures, internal control procedures be reviewed to ensure that sufficient appropriation balances are available in the Districts capital projects, the District utilize their current debt amortization schedules to ensure that sufficient funds are appropriated for bond principal and interest payments, documentation supporting employee travel, mileage expenses be attached to the reimbursement requests, internal controls over purchasing be reviewed to ensure all contract awards and purchases comply with Public School Contract Law, competitive quotations are solicited and attached to purchase orders, professional service contract awards are publicly advertised, withdrawals from the student activity accounts be approved and for student related activities, greater care be exercised in the preparation of the Application for State School Aid and that consideration be given to maintain the capital assets record keeping internally were resolved in the current year. The prior year recommendations regarding the payroll agency ledger by deduction be maintained and agree with monthly bank reconciliations, the District utilize the Department of Education's minimum chart of accounts, the District refer to the N.J. Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts and that calculations supporting the Extended Day Program cost allocations be made available for audit were not resolved and are included in the current year's findings.

NUTLEY BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3 Years Old	73		73				73		73			
Full Day Preschool 4 Years Old	89		89				89		89			
Full Day Preschool 5 Years Old	1		1				1		1			
Full Day Kindergarten	258		258				258		258			
Grade One	305		305				305		305			
Grade Two	262		262				262		262			
Grade Three	256		256				256		256			
Grade Four	278		278				278		278			
Grade Five	261		261				261		261			
Grade Six	257		257				257		257			
Grade Seven	260		260				260		260			
Grade Eight	246		246				246		246			
Grade Nine	243		243				243		243			
Grade Ten	241		241				241		241			
Grade Eleven	221		221				221		221			
Grade Twelve	261		261				261		261			
Subtotal	3,512		3,512				3,512		3,512			
Special Ed - Elementary	323		323				11		11			
Special Ed - Middle School	184		184				6		6			
Special Ed - High School	257		257				8		8			
Subtotal	764		764				25		25			
Totals	4,276		4,276		-0-	-0-	3,537		3,537		-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Private Schools for Disabled				Resident Low Income					
	Reported on A.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool 3 Years Old						13	13			
Full Day Preschool 4 Years Old						9	9			
Full Day Kindergarten						28	28	1	1	
Grade One						39	39	1	1	
Grade Two						32	32	1	1	
Grade Three						41	41	2	2	
Grade Four						44	44	2	2	
Grade Five						36	36	1	1	
Grade Six						44	44	2	2	
Grade Seven						46	46	2	2	
Grade Eight						44	44	2	2	
Grade Nine						48	48	2	2	
Grade Ten						32	32	1	1	
Grade Eleven						29	29	2	2	
Grade Twelve						34	34	2	2	
Subtotal						519	519	21	21	
Special Ed - Elementary	16	16	2	2		78	78	2	2	
Special Ed - Middle School	4	4	1	1		37	37	1	1	
Special Ed - High School	22	22	2	2		45	45	1	1	
Subtotal	42	42	5	5		160	160	4	4	
Totals	42	42	5	5	-0-	679	679	25	25	-0-
Percentage Error					0.00%			0.00%		0.00%

NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	2	2				
Grade One	5	5				
Grade Two	5	5		1	1	
Grade Three	4	4				
Grade Four	3	3		1	1	
Grade Five	5	5				
Grade Six	5	5				
Grade Seven	5	5		1	1	
Grade Eight	1	1				
Grade Nine	6	6				
Grade Ten	2	2		1	1	
Grade Eleven	4	4				
Grade Twelve	8	8		1	1	
Subtotal	<u>55</u>	<u>55</u>		<u>5</u>	<u>5</u>	
Special Ed - Elementary	5	5		1	1	
Special Ed - Middle School	1	1				
Special Ed - High School	3	3		1	1	
Subtotal	<u>9</u>	<u>9</u>		<u>2</u>	<u>2</u>	
Totals	<u>64</u>	<u>64</u>	<u>-0-</u>	<u>7</u>	<u>7</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	8	8		1	1	
Grade One	9	9		1	1	
Grade Two	13	13		1	1	
Grade Three	5	5		1	1	
Grade Four	4	4		1	1	
Grade Five	3	3		1	1	
Grade Six	1	1				
Grade Seven	2	2				
Grade Eight	5	5		1	1	
Grade Nine	2	2				
Grade Ten	4	4		1	1	
Grade Eleven	6	6		1	1	
Grade Twelve	5	5		1	1	
Subtotal	<u>67</u>	<u>67</u>		<u>10</u>	<u>10</u>	
Special Ed - Elementary	3	3		1	1	
Subtotal	<u>3</u>	<u>3</u>		<u>1</u>	<u>1</u>	
Totals	<u>70</u>	<u>70</u>	<u>-0-</u>	<u>11</u>	<u>11</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NUTLEY BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	7	7		1	1	
Special Needs Public	101	101		10	10	
Special Needs Private	50	50		5	5	
Totals	158	158	-0-	16	16	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	10.4	10.4
Average Mileage - Regular Excluding Grade PK Students	10.4	10.4
Average Mileage - Special Education with Special Needs	7.9	7.9

NUTLEY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2025

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2024-2025 Total General Fund Expenditures per the ACFR	\$ 96,518,166	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ 165,095	(B1b)
Transfer from General Fund to Special Revenue Fund for Pre K - Regular	\$ -0-	(B1c)
Transfer from General Fund to Special Revenue Fund for Pre K - Inclusion	\$ 415,064	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 18,521,717	(B2a)
Assets Acquired Under Leases, Financed Purchases and SBITAs	\$ -0-	(B2b)
 Adjusted 2024-2025 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 78,576,608</u>	 (B3)
 1.5% of Adjusted 2024-2025 General Fund Expenditures [(B3) times .015]	 <u>\$ 1,178,649</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,178,649</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 208,495</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 1,387,144</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2025 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 5,679,168	(C)
Decreased by:		
Year-End Encumbrances	\$ 830,218	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0-	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -0-	(C3)
Other Restricted Fund Balances	\$ 3,261,806	(C4)
Assigned - Designated for Subsequent Year's Expenditures	\$ -0-	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u>\$ 1,587,144</u> (U1)

NUTLEY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 200,000 (E)

Recapitulation of Excess Surplus as of June 30, 2025

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ 200,000 (E)

Total [(C3)+(E)+(F)] \$ 200,000 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 208,495 (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 208,495 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 1,818,240

Emergency Reserve \$ -0-

Maintenance Reserve \$ 852,237

Tuition Reserve \$ -0-

Unemployment Compensation \$ 591,329

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 3,261,806

NUTLEY BOARD OF EDUCATION
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2025

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2025-001: The payroll agency ledger by deduction be maintained and agree with the monthly bank reconciliation.

Finding 2025-002: All salary charges be properly supported by the position control roster.

Finding 2025-003: The standard operating procedures be reviewed to ensure procedures are properly documented, and that the Board review and approve the standard operating procedures.

Finding 2025-004: The District obtain prior approval of revisions and transfers within approved Preschool Education Aid planning budgets as required by the Department of Education.

3. School Purchasing Program

Finding 2025-005: The District refers to the NJ. Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts.

4. School Food Service

None

5. Extended Day Program

Finding 2025-006: Calculations supporting the extended day program cost allocations be made available for audit.

6. Student Body Activities

None

7. Application for State School Aid

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

NUTLEY BOARD OF EDUCATION
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

It is recommended that:

10. Travel Expenses

None

11. Miscellaneous

None

12. Status of Prior Year's Findings/Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. The prior year recommendations regarding the District maintaining a copy of its Chapter 44 submission, the original budget reported in the financial accounting records be in agreement with the District's adopted budget, internal control procedures be reviewed and enhanced to prevent future deficits and budgetary overexpenditures, internal control procedures be reviewed to ensure that sufficient appropriation balances are available in the Districts capital projects, the District utilize their current debt amortization schedules to ensure that sufficient funds are appropriated for bond principal and interest payments, documentation supporting employee travel, mileage expenses be attached to the reimbursement requests, internal controls over purchasing be reviewed to ensure all contract awards and purchases comply with Public School Contract Law, competitive quotations are solicited and attached to purchase orders, professional service contract awards are publicly advertised, withdrawals from the student activity accounts be approved and for student related activities, greater care be exercised in the preparation of the Application for State School Aid and that consideration be given to maintain the capital assets record keeping internally were resolved in the current year. The prior year recommendations regarding the payroll agency ledger by deduction be maintained and agree with monthly bank reconciliations, the District utilize the Department of Education's minimum chart of accounts, the District refer to the N.J. Local Finance Notice ("LFN") 2012-10 to ensure compliance with all requirements when utilizing National Cooperative contracts and that calculations supporting the Extended Day Program cost allocations be made available for audit were not resolved and are included in the current year's findings.