

NUTLEY BOARD OF EDUCATION

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NUTLEY, NEW JERSEY

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Nutley Board of Education

Nutley, New Jersey

For The Fiscal Year Ended June 30, 2000

Prepared by

Business Office

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INTRODUCTORY SECTION

BOARD OF EDUCATION

ADMINISTRATIVE OFFICE

375 Bloomfield Avenue

Nutley, NJ 07110

John C. Sincaglia
Secretary-Business Administrator

Telephone
973-661-3500
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Date: October 17, 2000

Honorable President and
Members of the Board of Education
Nutley School District
Essex County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Nutley School District (District) for the fiscal year ended June 30, 2000, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory sections includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular Letter A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Nutley School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Nutley Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of education services to grade levels K through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 1999-00 fiscal year with an enrollment of 4,008 students, which is 72 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1999-00	4,008	1.8%
1998-99	3,936	0.6%
1997-98	3,914	2.7%
1996-97	3,811	1.7%
1995-96	3,748	2.4%

2) ECONOMIC CONDITION AND OUTLOOK: The taxable net valuation increased from \$490,889,000 to \$491,427,200. This increase of \$0.54 million followed last year's increase of over \$2 million dollars.

The 1990 census indicated there were 7,133 owner occupied units with a median value of \$186,600. There were also 3,461 renter occupied housing units with a median monthly rental of \$583. It is assumed that market conditions which affect housing and rental costs in the northern New Jersey area would influence Nutley in a similar manner.

The 1990 population of 27,099 shows a density of 7,970.3 per square mile, approximately 29% above the Essex County average. During 1999, 171 new dwellings and one business were constructed and there were 52 additions built to existing residences plus one (1) to commercial establishments. The total value of new construction, additions and alterations is estimated at \$29,511,796. According to the U.S. Census Bureau, the estimated population for 1998 was 25,604, a decrease of 1,495 (5.5%) from the 1990 Census.

As noted in the preceding paragraph, there was a large number of new housing units built during 1999. In prior years, normally only a handful of new units were built. The development of a large tract of land at the town's eastern end formerly owned by ITT is now underway. Ultimately 602 units, of which 569 are two bedroom town homes, will be constructed. According to the developers, the remainder of the units are expected to

be completed by the summer of 2001. Thus far, there has not been a substantial impact of students from the new development, but the district anticipates at least 108 additional pupils from this section. This increase, coupled with the steady enrollment increase of the last decade, has caused the district to make plans for the expansion of existing school facilities. It is expected that the Board will consider a plan for school expansion sometime after the adoption of the district's Long Range Facility Plan, which is due to the Department of Education on December 15, 2000.

Labor force statistics for 1999 noted an unemployment rate of 3.3%, well below the county average of 5.7%.

3) MAJOR INITIATIVES: The 1999-00 school year was a successful one for the Nutley district. Positive pupil performance results and low per pupil costs were once again evidence.

The High School Proficiency Test (HSPT) was administered in October, 1999, and Nutley students passed the math, reading and writing sections at a rate of 98% or better. The last state-wide analysis of HSPT scores was for the 1998 test where Nutley ranked seventh out of 45 districts in the "DE" district factor group in terms of percentage of pupils passing all three sections. In writing, Nutley pupils ranked second of 45.

SAT scores showed a 21 point gain from 1999. The combined score for Nutley pupils was 1031. This is 20 points higher than the NJ average and 12 points above the national average.

The Grade Eight Proficiency Assessment (GEPA) was administered in March, 2000. Nutley pupils were ranked proficient or advanced proficient as follows: Math - 77.3%, Language Arts - 91.4%, Science - 91.4%. The last state-wide analysis was for the 1999 GEPA. Nutley pupils performed above the NJ and "DE" averages on all sections of the test.

In 1999, the State of NJ began to administer the Elementary School Proficiency Assessment (ESPA) to all fourth grade pupils. In both 1999 and 2000, Nutley pupils have scored above the state average. For the 2000 test the percentage of Nutley pupils passing was as follows: Math - 77.3%, Language Arts - 67.7%, Science - 97.0%. State averages for this test were Math - 71.3%, Language Arts - 61.1%, and Science - 89.6%.

The graduating class of 2000 had almost 85% of its members going on to post - secondary education. Sixty-three percent will be attending four year colleges and universities. Scholarships and grants awarded to 2000 graduates exceeded 3 million dollars.

In extra-curricular activities Nutley continues to outpace the majority of New Jersey districts as evidenced by a budget of \$198 per pupil compared to a state-wide average for K-12 of \$161. This includes 21 varsity sports. The bowling team retained the conference championship, and the hockey team, in only its second season, qualified for the semi-finals of the league championship.

The professional staff undertook curriculum revisions in Business Education, Math Finance, and Library Skills. There was also extensive work done in evaluating and selecting a new language arts/reading series for all elementary grades. Additionally, a committee addressed the important topic of creating safe schools. Professional development activities included chemical health, CPR training, and elementary science.

The district once again demonstrated its ability to produce high results at a modest cost. As noted in the Department of Education's Comparative Spending Guide (March, 2000) the district spent \$7,553 per pupil compared to a state-wide K-12 average of \$8,204. The Guide also reported that the district's budget for 1999-00 was based on \$7,850 per pupil, compared to the state average of \$8,487.

The school tax levy was approved by an overwhelming margin of 1485-506. This marked the eleventh consecutive year that this measure has been approved.

The school district was certified by the New Jersey Board of Education in March, 1999. This certification is in effect until April, 2006.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at the year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2000.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and accounting groups are explained in "Notes to the Financial Statements," Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2000 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>1998-99</u>	<u>1999-00</u>	<u>% of Total</u>	<u>Increase</u>	<u>% of Increase</u>
Local Sources	\$30,311,425	\$29,487,140	79.91%	\$ (824,285)	(2.72%)
State Sources	5,501,303	6,762,774	18.33%	1,261,471	22.93%
Federal Sources	<u>535,880</u>	<u>650,934</u>	<u>1.76%</u>	<u>115,054</u>	<u>21.47%</u>
Total	<u>\$36,348,608</u>	<u>\$36,900,848</u>	<u>100.00%</u>	<u>\$ 552,240</u>	<u>1.52%</u>

The decrease in local sources and corresponding increase in state revenues was due to the new NJ funding formula pursuant to the CEIFA statutes. This had a significant impact on local taxes which declined by \$916,886. The state aid increase was somewhat tempered by a substantial reduction in TPAF payments, which have no influence on the local budget. Tuition revenue declined by \$69,157, while miscellaneous revenues showed an increase of \$161,758

Federal aid increased due to increases in the Title I and IDEA programs and the new Class Size Reduction program.

<u>Expenditures</u>	<u>1998-99</u>	<u>1999-00</u>	<u>% of Total</u>	<u>Increase</u>	<u>% of Increase</u>
Current Expense					
Instruction	\$16,642,723	\$17,464,382	47.15%	\$ 821,659	4.94%
Undistributed Expenditures	18,020,234	17,948,030	48.46%	(72,204)	(0.40)%
Capital Outlay	517,584	405,636	1.10%	(111,948)	(21.63)%
Special Schools	23,776	23,986	0.06%	210	0.88%
Transfer to Charter Schools	11,560	6,594	0.02%	(4,966)	(42.96)%
General Fund					
Total	\$35,215,877	\$35,848,628	96.79%	\$ 632,751	1.80%
Special Revenue	873,960	1,015,283	2.74%	141,323	16.17%
Debt Services	<u>178,555</u>	<u>172,546</u>	<u>0.47%</u>	<u>(6,009)</u>	<u>(3.37)%</u>
Grand Total	<u>\$36,268,392</u>	<u>\$37,036,457</u>	<u>100.00%</u>	<u>\$ 768,065</u>	<u>2.12%</u>

The increase in expenditures was a result of planned budgetary expenditures. The increase in general fund spending was 1.80%. The cost of state-level spending for TPAF and TPAF-FICA payments declined by \$699,724. The Special Revenue increase was the result of new programs and funding increases as noted in the revenue comments. Debt Service expenditures were reduced as a result of anticipated lower interest payments.

There was an unexpended budgetary balance of \$621,556 in the General Fund and a realization of \$257,593 in unanticipated revenues plus \$28,249 in state aid for extraordinary special education expenses.

8) DEBT ADMINISTRATION:

As of June 2000, the District's outstanding debt issues included \$895,000 of general obligation bonds. The most recent bonds were issued in September of 1992 in the amount of \$1,700,000, having been approved by the voters in April, 1990. Bond proceeds were used to pay off temporary notes which originally financed projects such as

asbestos removal and restoration, underground storage tank removal, re-roofing of major sections of the high school, and various upgrades to the heating plants at all the schools. It should be noted that the Board was able to address all projects undertaken in an amount for bonding that was \$285,000 lower than originally approved by the voters in 1990. This, of course, has had a positive impact on the debt service requirements of the District.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan has all public funds deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protections Act (GUPDA). GUPDA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

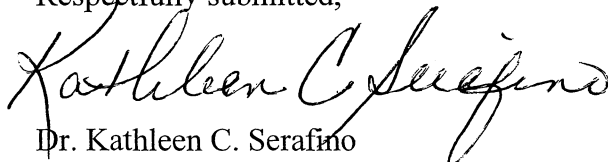
10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

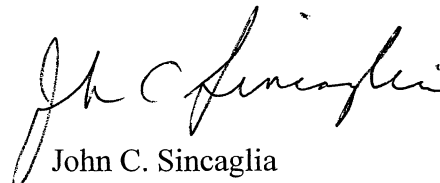
11) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by licensed public school accountants who are independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins was selected by the Board at a public meeting held on May 1, 2000. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133 and State Treasury Circular Letter 98-07 OMB. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

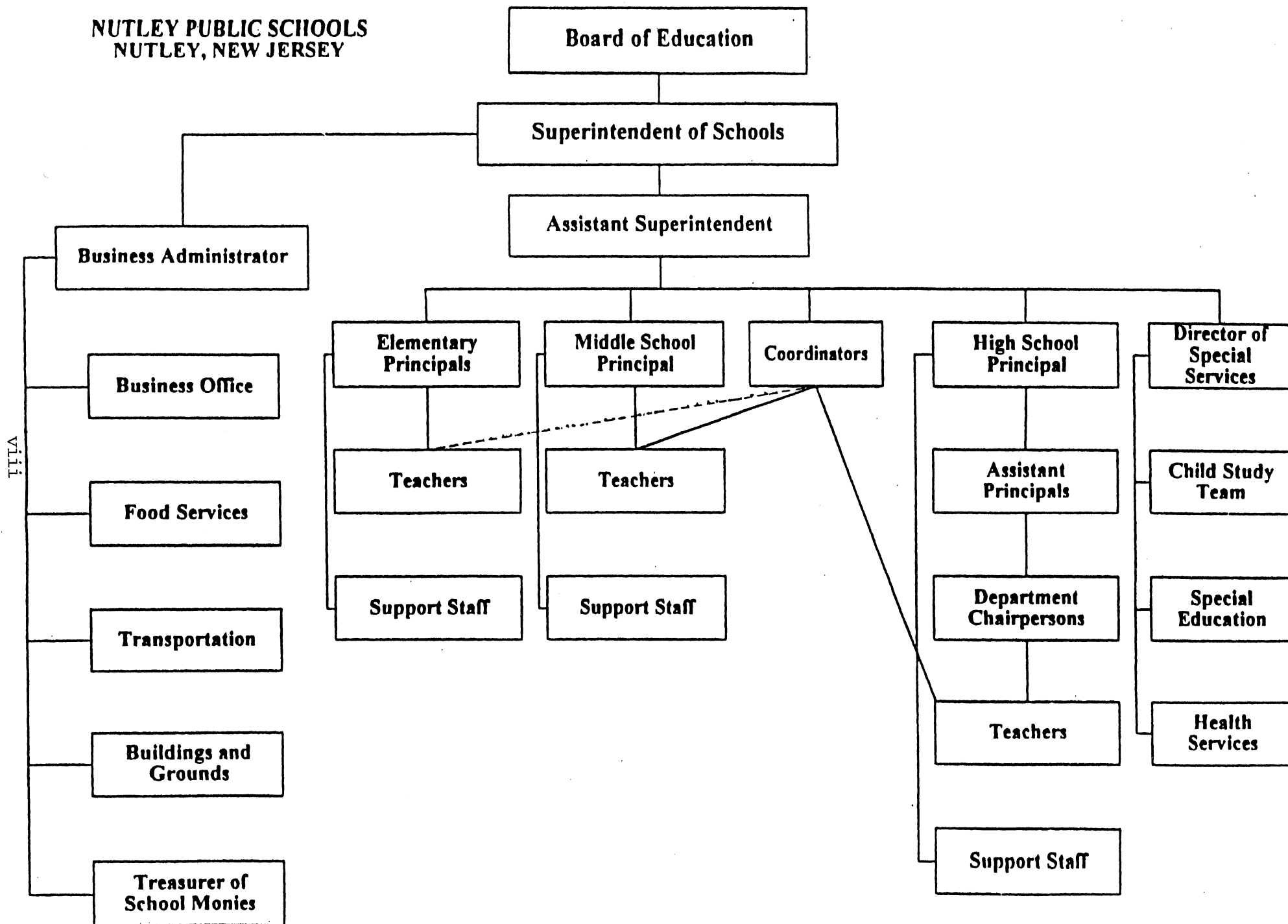
12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Nutley Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Dr. Kathleen C. Serafino
Superintendent


John C. Sincaglia
Board Secretary/Business
Administrator

**NUTLEY PUBLIC SCHOOLS
NUTLEY, NEW JERSEY**



**NUTLEY BOARD OF EDUCATION
NUTLEY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2000**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alfred Restaino, Jr., President	2003
Philip T. Casale , Vice-President	2001
Maria Alamo	2003
John Cafone	2002
Michele Fleitell	2001
Vincent Moscaritola	2002
Joseph C. Pelaia	2003
Steven P. Picciano	2001
Agnes Roncaglio	2002

Other Officials

Dr. Kathleen C. Serafino, Superintendent

John C. Sincaglia, Board Secretary/School Business Administrator

David Wilson, Treasurer of School Monies

Angelo J. Genova, Esq., Solicitor

**NUTLEY BOARD OF EDUCATION
Consultants and Advisors**

Attorney

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Eisenhower Plaza Two
354 Eisenhower Parkway
Livingston, NJ 07039-1023

Independent Auditors

Lerch, Vinci & Higgins
17-17 Route 208
Fair Lawn, NJ 07410

Medical Inspector

Dr. Barry Prystowski
562 Kingsland Street
Nutley, NJ 07110

Official Depository

First Union Bank N.A. New Jersey
356 Franklin Avenue
Nutley, NJ 07110

FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS

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GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JOSEPH F. KELLY, CPA, RMA, PSA

CHRISTINE CORRUBIA, CPA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ANNETTE E. GIORDANO, CPA, RMA, PSA
RICHARD P. CAHILL, CPA, RMA, PSA
ANDREW PARENTE, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
DONNA L. JAPHET, CPA, PSA
MAKIKO SHINJO, CPA, PSA
JENNIFER TORPEY, CPA, PSA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Nutley Board of Education
Nutley, New Jersey

We have audited the accompanying general purpose financial statements of the Nutley Board of Education as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Board of Education's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.


We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

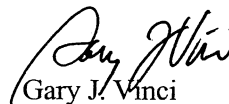
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Nutley Board of Education, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2000 on our consideration of the Nutley Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Nutley Board of Education, taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 98-07 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the general purpose financial statements. Additionally, the accompanying combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Nutley Board of Education. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The accompanying financial information listed as the statistical section in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Nutley Board of Education. The information has not been audited by us and, accordingly, we express no opinion on this information.


LERCH, VINCI & HIGGINS
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
September 25, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

NUTLEY BOARD OF EDUCATION
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2000
(With Comparative Totals as of June 30, 1999)

	<u>Governmental Fund Types</u>			<u>Proprietary</u>	<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u>	
	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Fund Types</u>	<u>Fund Types</u>	<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
		<u>Revenue</u>	<u>Service</u>	<u>Enterprise</u>	<u>Trust and</u>	<u>Fixed Assets</u>	<u>Long-Term</u>	<u>June 30, 2000</u>	<u>June 30, 1999</u>
					<u>Agency</u>		<u>Debt</u>		
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 2,254,262	\$ 204,151			\$ 597,943			\$ 3,056,356	\$ 3,397,692
Intergovernmental Accounts Receivable									
State Aid	147,602	5,280		\$ 429				153,311	109,647
Federal Aid				4,382				4,382	5,027
Accounts Receivable								-	-
Tuition	21,530							21,530	30,166
Transportation	15,156							15,156	23,336
Interfunds	13,499							13,499	13,386
Other	6,580			8,635				15,215	10,820
Inventory				9,744				9,744	11,149
Fixed Assets (Net, where Applicable of Accumulated Depreciation of \$115,356)	-	-	-	2,649	-	\$ 10,934,193	-	10,936,842	10,250,015
Total Assets	<u>2,458,629</u>	<u>209,431</u>	<u>-</u>	<u>25,839</u>	<u>597,943</u>	<u>10,934,193</u>	<u>-</u>	<u>14,226,035</u>	<u>13,851,238</u>
OTHER DEBITS									
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	\$ 2,652,580	2,652,580	2,780,181
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,652,580</u>	<u>2,652,580</u>	<u>2,780,181</u>
Total Assets and Other Debits	<u>\$ 2,458,629</u>	<u>\$ 209,431</u>	<u>\$ -</u>	<u>\$ 25,839</u>	<u>\$ 597,943</u>	<u>\$ 10,934,193</u>	<u>\$ 2,652,580</u>	<u>\$ 16,878,615</u>	<u>\$ 16,631,419</u>

NUTLEY BOARD OF EDUCATION
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 2000
(With Comparative Totals as of June 30, 1999)

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>	
								<u>June 30, 2000</u>	<u>June 30, 1999</u>
LIABILITIES									
Interfund Payable				\$ 13,499				\$ 13,499	\$ 13,386
Intergovernmental Payable		\$ 76,475			\$ 12,926			89,401	73,982
Accounts Payable	\$ 3,676							3,676	107,142
Due to Student Groups					142,114			142,114	114,363
Deferred Revenue		132,956		4,180				137,136	104,474
Compensated Absences Payable							\$ 1,757,580	1,757,580	1,770,181
Serial Bonds Payable	-	-	-	-	-	-	895,000	895,000	1,010,000
Total Liabilities	3,676	209,431	-	17,679	155,040	-	2,652,580	3,038,406	3,193,528
EQUITY AND OTHER CREDITS									
Investment in General Fixed Assets						\$ 10,934,193		10,934,193	10,246,417
Contributed Capital				2,135				2,135	2,135
Retained Earnings, Unreserved				6,025				6,025	6,625
Fund Balances									
Reserved									
For Encumbrances	270,562							270,562	266,407
Unreserved								-	-
Designated for Subsequent Year's Budget	950,000							950,000	840,000
Undesignated	1,234,391	-	-	-	442,903	-	-	1,677,294	2,076,307
Total Equity and Other Credits	2,454,953	-	-	8,160	442,903	10,934,193	-	13,840,209	13,437,891
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 2,458,629</u>	<u>\$ 209,431</u>	<u>\$ -</u>	<u>\$ 25,839</u>	<u>\$ 597,943</u>	<u>\$ 10,934,193</u>	<u>\$ 2,652,580</u>	<u>\$ 16,878,615</u>	<u>\$ 16,631,419</u>

NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Governmental Fund Types			Fiduciary	Totals	
	General	Special	Debt	Fund Type	(Memorandum Only)	
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Expendable</u>	<u>2000</u>	<u>1999</u>
		<u>Fund</u>	<u>Fund</u>	<u>Trust</u>		
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 28,597,839		\$ 160,014		\$ 28,757,853	\$ 29,674,739
Tuition	190,865				190,865	260,022
Interest on Investments	205,186			\$ 19,176	224,362	206,297
Miscellaneous	333,236	-	-	46,620	379,856	231,481
Total Revenues - Local Sources	29,327,126		160,014	65,796	29,552,936	30,372,539
State Sources	6,385,893	\$ 364,349	12,532		6,762,774	5,501,303
Federal Sources	-	650,934	-	-	650,934	535,880
Total Revenues	35,713,019	1,015,283	172,546	65,796	36,966,644	36,409,722
EXPENDITURES:						
Current						
Instruction	17,464,382	495,226			17,959,608	17,044,443
Undistributed	17,948,030	388,853		61,167	18,398,050	18,376,987
Capital Outlay	405,636	131,162			536,798	678,973
Special Schools	23,986				23,986	23,776
Transfer to Charter Schools	6,594	42			6,636	11,634
Debt Service	-	-	172,546	-	172,546	178,555
Total Expenditures	35,848,628	1,015,283	172,546	61,167	37,097,624	36,314,368

The Notes to the Financial Statements are an Integral Part of this Statement

NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Governmental Fund Types			Fiduciary	Totals	
	General	Special	Debt	Fund Type	(Memorandum Only)	
	Fund	Revenue	Service	Expendable	2000	1999
		Fund	Fund	Trust		
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (135,609)	-	-	\$ 4,629	\$ (130,980)	\$ 95,354
Other Financing Sources (Uses) Transfer Out	(153,878)	-	-	-	(153,878)	(172,259)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources	(289,487)	-	-	4,629	(284,858)	(76,905)
Fund Balance, Beginning of Year	2,744,440	-	-	438,274	3,182,714	3,259,619
Fund Balance, End of Year	\$ 2,454,953	\$ -	\$ -	\$ 442,903	\$ 2,897,856	\$ 3,182,714

The Notes to the Financial Statements are an Integral Part of this Statement

NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL, SPECIAL REVENUE AND DEBT SERVICE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General Fund			Special Revenue Fund (Budgetary Basis)			Debt Service Fund		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Local Sources									
Local Tax Levy	\$28,597,839	\$28,597,839					\$ 160,014	\$ 160,014	
Tuition	214,794	190,865	\$ (23,929)						
Interest on Investments	142,500	205,186	62,686						
Miscellaneous	114,400	333,236	218,836	-	-	-	-	-	-
Total - Local Sources Revenues	29,069,533	29,327,126	257,593	-	-	-	160,014	160,014	-
State Sources	4,536,515	6,385,893	1,849,378	\$ 454,269	\$ 369,023	\$ (85,246)	12,532	12,532	
Federal Sources	-	-	-	735,480	658,571	(76,909)	-	-	-
	4,536,515	6,385,893	1,849,378	1,189,749	1,027,594	(162,155)	12,532	12,532	-
Total Revenues	33,606,048	35,713,019	2,106,971	1,189,749	1,027,594	(162,155)	172,546	172,546	-
EXPENDITURES									
Current									
Instruction	17,604,838	17,464,382	140,456	581,290	504,323	76,967			
Undistributed Expenditures	16,411,422	17,948,030	(1,536,608)	457,360	386,800	70,560			
Capital Outlay	601,796	405,636	196,160	151,057	136,429	14,628			
Special Schools	24,360	23,986	374						
Transfer to Charter Schools	6,639	6,594	45	42	42				
Debt Service	-	-	-	-	-	-	172,546	172,546	\$ -
Total Expenditures	34,649,055	35,848,628	(1,199,573)	1,189,749	1,027,594	162,155	172,546	172,546	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,043,007)	(135,609)	907,398	-	-	-	-	-	-

NUTLEY BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL, SPECIAL REVENUE AND DEBT SERVICE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General Fund			Special Revenue Fund (Budgetary Basis)			Debt Service Fund		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
Other Financing (Uses):									
Transfer Out	\$ (202,000)	\$ (153,878)	\$ 48,122	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(202,000)	(153,878)	48,122	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,245,007)	(289,487)	955,520	-	-	-	-	-	-
Fund Balance, Beginning of Year	2,744,440	2,744,440	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ 1,499,433</u>	<u>\$ 2,454,953</u>	<u>\$ 955,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NUTLEY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Enterprise Funds	
		(Memorandum Only)
	<u>2000</u>	<u>1999</u>
OPERATING REVENUES		
Local Sources:		
Food Sales	\$ 387,856	\$ 367,119
Special Functions	<u>58,304</u>	<u>50,757</u>
Total Operating Revenues	<u>446,160</u>	<u>417,876</u>
OPERATING EXPENSES		
Salaries and Wages	283,076	277,426
Benefits	131,722	125,799
Supplies	271,660	257,078
Purchased Services	4,977	4,516
Other	823	2,571
Depreciation	<u>949</u>	<u>937</u>
Total Operating Expenses	<u>693,207</u>	<u>668,327</u>
Operating Loss	<u>(247,047)</u>	<u>(250,451)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	6,782	6,484
Federal Sources:		
Federal School Lunch Program	69,841	66,387
USDA Commodities	<u>15,946</u>	<u>7,350</u>
Total Nonoperating Revenues	<u>92,569</u>	<u>80,221</u>
Net Loss Before Operating Transfers	(154,478)	(170,230)
Operating Transfers In	<u>153,878</u>	<u>172,259</u>
Net Income (Loss)	(600)	2,029
Retained Earnings, Beginning of Year	<u>6,625</u>	<u>4,596</u>
Retained Earnings, End of Year	<u>\$ 6,025</u>	<u>\$ 6,625</u>

The Notes to the Financial Statements are an Integral Part of this Statement

NUTLEY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Enterprise Fund	
		(Memorandum Only)
	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Loss	\$ (247,047)	\$ (250,451)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities:		
Depreciation	949	937
USDA Commodities	15,946	7,350
Change in Assets and Liabilities:		
Decrease/(Increase) in Federal Subsidy Receivable	645	6,752
Decrease/(Increase) in State Subsidy Receivable	55	684
(Decrease)/Increase in Other Accounts Receivable	(759)	(7,876)
(Increase)/Decrease in Inventory	1,405	(3,119)
Increase in Deferred Revenue	(1,808)	5,988
(Decrease)/Increase in Interfunds Payable	113	439
(Decrease) in Accounts Payable	-	(2,980)
Total Adjustments	<u>16,546</u>	<u>8,175</u>
Net Cash (Used) in Operating Activities	(230,501)	(242,276)
Cash Flows from Non-Capital Financing Activities:		
Financing Activities:		
Federal and State Lunch Program	76,623	72,871
Operating Transfers From Other Funds	<u>153,878</u>	<u>172,259</u>
Net Cash Provided by Non-Capital Financing Activities	<u>230,501</u>	<u>245,130</u>
Cash Flows from Capital Related Financing Activities:		
Acquisition of Fixed Assets	<u>-</u>	<u>(2,854)</u>
Net Cash Provided/(Used) by Capital Related		
Financing Activities	<u>-</u>	<u>(2,854)</u>
Net (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>

The Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO FINANCIAL STATEMENTS

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Nutley Board of Education (the "Board") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In addition, accounting policies of the Nutley Board of Education comply with the rules prescribed in Financial Accounting for New Jersey School Districts, the Audit Program, by the New Jersey Department of Education. The more significant accounting policies of the Board are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The Nutley Board of Education includes in its financial statements the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. There were no component units with a positive response to any of these reporting criteria. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

B. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with the activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in-turn, is divided into separate "fund types" as follows:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund - The General Fund is the general operating fund of the Board. Resources which are not legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

Special Revenue Fund - The Special Revenue Fund accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financed programs, with the exception of the federal and state school lunch programs.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental Fund Types (Continued)

Proprietary Fund Types - This fund accounts for operations that are organized to be self supporting through user charges. The fund included in this category is the Food Service Enterprise Fund.

Enterprise Fund - This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types - These Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other units of government. The funds included in this category are as follows:

Expendable Trust Fund - This Fund accounts for the assets and resources which are also held by the Board as a trustee or agent for individuals, private organizations, other governments and/or other funds. This fund includes unemployment contributions and claims.

Agency Fund - This Fund accounts for assets held by the Board as a trustee or agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The fund assets are held for the purpose of payroll related and student activities programs.

Account Groups - The Board also maintains two account groups as described below:

General Fixed Assets - All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Fixed assets related to food service operations are accounted for in the food service enterprise fund and are considered fund fixed assets.

General Long-Term Debt - All unmatured general long-term liabilities of the District (excluding those of proprietary fund types) are accounted for in the general long-term debt account group. This includes serial bonds outstanding which are expected to be financed from governmental funds and the noncurrent portion of the liability for compensated absences.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust and agency funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is reported as retained earnings. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Board has elected to follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all Financial Accounting Standards Board (FASB) standards issued prior to November 30, 1989. Subsequent to this date, the Board accounts for its proprietary funds as presented by GASB.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The modified accrual basis of accounting is used by all governmental fund types and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, interest, tuition, transportation fees, and state and federal revenues.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The district reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets/Budgetary Control

In accordance with the requirements of the New Jersey Department of Education, the District annually prepares its operating budget for the forthcoming year. The budget, except for the special revenue fund, is prepared in accordance with generally accepted accounting principles and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 1999/2000. During 1999/2000 the Board increased the original general fund budget by \$186,441. The increase was funded by available surplus and increase in state and federal funding.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the special revenue fund from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund.

Total revenues & expenditures (budgetary basis)	\$1,027,594
Adjustments:	
Add encumbrances at June 30, 1999	32,756
Less encumbrances at June 30, 2000	<u>(45,067)</u>
Total revenues & expenditures (GAAP basis)	<u>\$1,015,283</u>

E. Encumbrances - Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Board. Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37 et. seq.

G. Receivables - All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

H. Tuition

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Expenditures - Tuition charges for the fiscal years 1998-99 and 1999-00 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the state.

I. Inventories - The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year end is reported as deferred revenue.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fixed Assets - The District maintains a formal system of accounting for its general fixed assets. The General Fixed Assets Account Group is comprised of land, equipment, buildings and improvements with a cost of \$500 or more. Fixed assets acquired or constructed are recorded at original cost. Donated fixed assets are valued at their estimated fair market value on the date received.

General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of machinery and equipment in the proprietary fund types is computed using the straight line method.

K. Compensated Absences - Sick leave and vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employee for the benefits. Sick leave, vacation benefits and salary related payments that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability by the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts until paid. Accumulated sick leave and salary related payments of the Proprietary Funds are recorded as an expense and liability as the benefits accrue to the employees.

L. Long-Term Obligations - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

M. Fund Equity - The unreserved fund balances for governmental fund types represents the amount available for budgeting future operations. The reserved fund balances for governmental fund types represents the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary fund types represents the net assets available for future operations.

N. Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Property Tax Revenues - Property taxes which are levied pursuant to law and collected by the municipality are transferred to the Board as requested and recognized as revenues in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the Board are reported as deferred revenues. The tax bills are mailed by the municipal tax collector and are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Appropriations in Excess of Budget - The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Fund			
Distance Learning Network Aid			
Support Services			
Supplies and Materials	\$60,456	\$64,187	\$3,731

The above variances were offset with approved operating transfers and other available resources.

Q. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management of the School District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

R. Total Columns - The combined financial statements include a total column that is captioned **memorandum only** to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund transactions have not been eliminated from the total column of each financial statement.

S. Comparative Data - Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 DEPOSITS AND INVESTMENTS

The School District considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Bank balances are insured up to \$100,000 in the aggregate by the FDIC for each bank. At June 30, 2000, the book value of the Board's deposits was \$3,056,356 and bank balances of the Board's cash and deposits amounted to \$3,762,440. Of the bank balances \$450,720 was covered by FDIC, \$3,311,720 was covered by the New Jersey Governmental Unit Deposit Protection Act. The Board's deposits which are displayed on the combined balance sheet as "cash" are categorized as:

Category 1 - Insured or collateralized with securities held by the Board or its agent in the Board's name.

Category 2 - Collateralized with securities held by the pledging financial institutions trust department or agent in the Board's name.

Category 3 - Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Board's name.

	<u>1</u>	<u>Category 2</u>	<u>3</u>	<u>Bank Balance</u>
Deposits	<u>\$3,762,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,762,440</u>

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of the school district or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with NJSA 18A:20-37.

The Board had no investments outstanding at June 30, 2000.

NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 3 DUE TO/FROM OTHER FUNDS

As of June 30, 2000, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$13,499	
Food Service Enterprise Fund	<u> </u>	\$13,499
Total	<u>\$13,499</u>	<u>\$13,499</u>

NOTE 4 FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year ended June 30, 2000.

	Balance, July 1, 1999	<u>Additions</u>	<u>Transfers</u>	Balance, June 30, 2000
Buildings and Building Improvements	\$ 6,787,858	\$246,771	\$49,658	\$7,084,287
Machinery and Equipment	3,408,901	310,195	51,440	3,667,656
Construction in Progress	<u>49,658</u>	<u>182,250</u>	<u>(49,658)</u>	<u>182,250</u>
Total General Fixed Assets	<u>\$10,246,417</u>	<u>\$739,216</u>	<u>\$51,440</u>	<u>\$10,934,193</u>

The following is a summary of proprietary fund type fixed assets at June 30, 2000:

	<u>Enterprise Fund</u>
Food Service Equipment	\$118,005
Less: Accumulated Depreciation	<u>(115,356)</u>
Net Fixed Assets	<u>\$ 2,649</u>

The straight-line method of depreciation is utilized in the proprietary fund.

Machinery and Equipment	12 years
Vehicles	8 years

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 5 LONG-TERM DEBT

General Obligation Bonds

The Board issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the Bonds and interest thereon.

Bonds payable at June 30, 2000 are comprised of the following issues:

\$1,700,000, 1992 Bonds, due in annual installments of \$110,000 to \$115,000 through September 1, 2007, variable interest rate	<u>\$895,000</u>
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The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2000 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$71,190,773
Less: Net Debt	<u>895,000</u>
Remaining Borrowing Power	<u>\$70,295,773</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Year Ending June 30,	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$115,000	\$51,308	\$166,308
2002	115,000	44,896	159,896
2003	115,000	38,341	153,341
2004	110,000	31,818	141,818
2005	110,000	25,025	135,025
Thereafter	330,000	32,175	362,175

Changes in Long-Term Liabilities - During the year ended June 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

	Balance, July 1, <u>1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2000</u>
Serial Bonds Payable	\$1,010,000		\$115,000	\$ 895,000
Compensated Absences Payable	<u>1,770,181</u>	<u> </u>	<u>12,601</u>	<u>1,757,580</u>
	<u>\$2,780,181</u>	<u>\$ -</u>	<u>\$127,601</u>	<u>\$2,652,680</u>

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 6 FUND EQUITY

Reservations/Designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures. Specific reservations/designations of the fund balance accounts are summarized below.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Designated for Subsequent Year's Budget - This designation was created to dedicate the portion of fund balance utilized in the adopted subsequent year's budget.

NOTE 7 PENSION PLANS

Plan Descriptions

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statutes, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State.

Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 7 PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment accounts of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full-market value for the valuation reports dated March 31, 1996. This legislation also contains a provision to reduce the employee contribution rates under TPAF and PERS by 1/2 of 1 percent to 4.5 percent for calendar years 1999 and 2000, and to allow for a similar reduction in the employee's rate after calendar year 2000, providing excess valuation assets are available. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1999, and local employers for FY 1999, and thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 4.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

The Board was not required to contribute to PERS for the years ended June 30, 2000, 1999 and 1998. The District's PERS contributions were offset by a Pension Security Act credit.

During the year ended June 30, 2000, the State of New Jersey contributed \$423,528 to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,397,601 during the year ended June 30, 2000 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general purpose financial statements, and the combining and individual fund statements and schedules as revenues and expenditures in accordance with GASB No. 24.

NOTE 8 POST RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 1999, there were 45,109 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State contributed \$15.9 million to the PERS and \$115.0 million to the TPAF in fiscal year 1999 for post-retirement medical benefits.

**NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 8 POST RETIREMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides for health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 1999, the State paid \$18.5 million toward Chapter 126 benefits for 5,457 eligible retired members.

NOTE 9 CONTINGENT LIABILITY

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, 2000, the Board had the following commitments with respect to unfinished capital projects:

	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Boiler Replacement	\$182,250	2000/2001

NOTE 11 CLAIMS AND JUDGEMENTS

The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2000, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

NOTE 12 INSURANCE

The District is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Board has obtained insurance coverage to guard against these events which will provide minimum exposure to the school district should they occur.

NUTLEY BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

NOTE 12 INSURANCE (Continued)

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
1999-2000	\$-0-	\$46,620	\$61,167	\$442,903
1998-1999	-0-	42,246	45,976	438,274
1997-1998	-0-	40,771	42,113	423,136

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

NOTE 13 DEFERRED COMPENSATION

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the Board and the deferred compensation plan, the plan assets are not included in the Board's financial statements as of June 30, 2000.

GENERAL FUND

The General Fund is the general operating fund of the District. Resources which are not legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2000 AND 1999**

ASSETS	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 2,254,262	\$ 2,660,119
Intergovernmental Accounts Receivable		
State Aid	147,602	108,015
Accounts Receivable		
Tuition	21,530	30,166
Transportation Fees	15,156	23,336
Interfund	13,499	13,386
Other	<u>6,580</u>	<u>2,944</u>
 Total Assets	 <u>\$ 2,458,629</u>	 <u>\$ 2,837,966</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	<u>\$ 3,676</u>	<u>\$ 93,526</u>
Fund Balance		
Reserved		
For Encumbrances	270,562	266,407
Unreserved		
Designated for Subsequent Years Budget	950,000	840,000
Undesignated	<u>1,234,391</u>	<u>1,638,033</u>
 Total Fund Balance	 <u>2,454,953</u>	 <u>2,744,440</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,458,629</u>	 <u>\$ 2,837,966</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES						
Local Sources						
Local Tax Levy	\$ 28,597,839	\$ 28,597,839		\$ 29,515,875	\$ 29,515,875	
Tuition	214,794	190,865	\$ (23,929)	261,789	260,022	\$ (1,767)
Interest on Investments	142,500	205,186	62,686	130,000	187,429	57,429
Miscellaneous	114,400	333,236	218,836	106,000	189,235	83,235
Total Revenues - Local Sources	<u>29,069,533</u>	<u>29,327,126</u>	<u>257,593</u>	<u>30,013,664</u>	<u>30,152,561</u>	<u>138,897</u>
State Sources						
Core Curriculum Aid	2,388,292	2,388,292		663,723	701,301	37,578
Transportation Aid	315,383	315,383		230,520	230,520	
Special Education Aid	1,664,585	1,664,585		1,571,122	1,571,122	
Bilingual Education	65,685	65,685		69,426	69,426	
Academic Achievement Award	102,570	102,570		50,310	50,310	
Extraordinary Aid		28,249	28,249			
On Behalf TPAF Pension Contributions(Non-Budgeted)		423,528	423,528		1,188,398	1,188,398
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	1,397,601	1,397,601	-	1,332,455	1,332,455
Total State Sources	<u>4,536,515</u>	<u>6,385,893</u>	<u>1,849,378</u>	<u>2,585,101</u>	<u>5,143,532</u>	<u>2,558,431</u>
Total Revenues	<u>33,606,048</u>	<u>35,713,019</u>	<u>2,106,971</u>	<u>32,598,765</u>	<u>35,296,093</u>	<u>2,697,328</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES						
Instruction - Regular Programs						
Salaries of Teachers:						
Preschool/Kindergarten	\$ 429,937	\$ 429,227	\$ 710	\$ 428,586	\$ 424,892	\$ 3,694
Grades 1 - 5	5,325,888	5,325,436	452	5,047,307	5,047,291	16
Grades 6 - 8	3,415,439	3,414,992	447	3,289,937	3,289,570	367
Grades 9 - 12	4,698,610	4,696,045	2,565	4,642,777	4,639,141	3,636
Home Instruction:						
Salaries of Teachers	60,200	60,192	8	37,000	36,171	829
Purchased Professional Services	10,000	8,493	1,507	8,000	7,971	29
Other Objects	100	-	100	100		100
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	21,185	20,856	329	7,650	7,645	
Purchased Technical Services	5,500	1,424	4,076	6,400	5,479	921
Other Purchased Services	57,460	57,060	400	51,078	46,403	4,675
General Supplies	649,346	596,963	52,383	656,307	608,904	47,403
Textbooks	183,857	146,727	37,130	114,440	100,874	13,566
Other Objects	16,850	14,626	2,224	16,107	16,057	50
Total Instruction Regular Programs	<u>14,874,372</u>	<u>14,772,041</u>	<u>102,331</u>	<u>14,305,689</u>	<u>14,230,398</u>	<u>75,291</u>
Special Education						
Cognitive-Mild						
Salaries of Teachers	44,346	44,317	29	82,834	82,707	127
Other Salaries for Instruction	15,879	15,855	24	18,768	18,485	283
General Supplies	1,484	1,463	21	1,100	826	274
Textbooks	600	560	40	650	351	299
Other Objects	50	-	50	50	-	50
Total Cognitive-Mild	<u>62,359</u>	<u>62,195</u>	<u>164</u>	<u>103,402</u>	<u>102,369</u>	<u>1,033</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENDITURES (Continued)						
Special Education (Continued)						
Learning/Language Disabilities						
Salaries of Teachers	\$ 635,969	\$ 635,943	\$ 26	\$ 552,643	\$ 551,220	\$ 1,423
Other Salaries for Instruction	82,597	82,510	87	65,292	64,474	818
General Supplies	15,384	10,721	4,663	17,420	17,062	358
Textbooks	7,500	4,876	2,624	6,650	4,819	1,831
Other Objects	600	-	600	600	-	600
Total Learning/Language Disabilities	<u>742,050</u>	<u>734,050</u>	<u>8,000</u>	<u>642,605</u>	<u>637,575</u>	<u>5,030</u>
Resource Room/Resource Center						
Salaries of Teachers	464,627	464,592	35	390,010	388,986	1,024
Other Salaries for Instruction	15,000	14,878	122			
General Supplies	9,374	9,099	275	12,450	12,421	29
Textbooks	2,400	1,408	992	3,000	2,859	141
Other Objects	50	-	50	50	-	50
Total Resource Room/Resource Center	<u>491,451</u>	<u>489,977</u>	<u>1,474</u>	<u>405,510</u>	<u>404,266</u>	<u>1,244</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENDITURES (Continued)						
Special Education (Continued)						
Preschool Disabilities						
Salaries of Teachers	\$ 113,144	\$ 113,119	\$ 25	\$ 101,059	\$ 100,904	\$ 155
Other Salaries for Instruction	29,063	29,037	26	31,485	31,451	34
General Supplies	1,750	1,654	96	1,600	1,246	354
Textbooks	200	72	128	100		100
Other Objects	50	-	50	50	-	50
Total Preschool Disabilities	<u>144,207</u>	<u>143,882</u>	<u>325</u>	<u>134,294</u>	<u>133,601</u>	<u>693</u>
Total Special Education	<u>1,440,067</u>	<u>1,430,104</u>	<u>9,963</u>	<u>1,285,811</u>	<u>1,277,811</u>	<u>8,000</u>
Basic Skills/Remedial						
Salaries of Teachers	321,851	321,847	4	338,485	333,775	4,710
General Supplies	7,814	6,414	1,400	7,247	5,790	1,457
Textbooks	500	198	302	500	409	91
Other Objects	500	-	500	500	162	338
Total Basic Skills/Remedial	<u>330,665</u>	<u>328,459</u>	<u>2,206</u>	<u>346,732</u>	<u>340,136</u>	<u>6,596</u>
Bilingual Education						
Salaries of Teachers	154,946	154,910	36	150,484	150,386	98
General Supplies	3,150	3,010	140	2,300	2,218	82
Textbooks	350	-	350	800	272	528
Total Bilingual Education	<u>158,446</u>	<u>157,920</u>	<u>526</u>	<u>153,584</u>	<u>152,876</u>	<u>708</u>
Co-Curricular Activities						
Salaries of Teachers	139,200	138,922	278	120,275	120,156	119
Other Objects	2,900	2,830	70	2,300	2,299	1
	<u>142,100</u>	<u>141,752</u>	<u>348</u>	<u>122,575</u>	<u>122,455</u>	<u>120</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENDITURES (Continued)						
Athletics						
Other Salaries for Instruction	\$ 365,920	\$ 365,792	\$ 128	\$ 309,433	\$ 309,381	\$ 52
Purchased Professional Services	55,225	49,336	5,889	50,512	46,756	3,756
General Supplies	118,837	116,697	2,140	111,873	64,405	47,468
Other Objects	115,706	99,305	16,401	98,386	96,178	2,208
Total Athletics	<u>655,688</u>	<u>631,130</u>	<u>24,558</u>	<u>570,204</u>	<u>516,720</u>	<u>53,484</u>
Community Services						
Salaries	<u>3,500</u>	<u>2,976</u>	<u>524</u>	<u>3,500</u>	<u>2,327</u>	<u>1,173</u>
Total Community Services	<u>3,500</u>	<u>2,976</u>	<u>524</u>	<u>3,500</u>	<u>2,327</u>	<u>1,173</u>
Total Instruction - Other	<u>1,290,399</u>	<u>1,262,237</u>	<u>28,162</u>	<u>1,196,595</u>	<u>1,134,514</u>	<u>62,081</u>
Total Instruction	<u>17,604,838</u>	<u>17,464,382</u>	<u>140,456</u>	<u>16,788,095</u>	<u>16,642,723</u>	<u>145,372</u>
Tuition						
Tuition to NJ LEA's - Special	249,941	245,728	4,213	250,223	245,720	4,503
Tuition to County Vocational - Regular	3,000	2,210	790	3,000	1,920	1,080
Tuition to County Vocational - Special	44,955	44,625	330	42,425	40,950	1,475
Tuition to County Sp Service and Regional Day School	110,156	105,355	4,801	106,507	106,428	79
Tuition to NJ Private Handicapped	1,287,766	1,286,245	1,521	1,247,780	1,227,834	19,946
Tuition to State Facilities	27,303	27,303	-	40,787	40,787	-
Total Tuition	<u>1,723,121</u>	<u>1,711,466</u>	<u>11,655</u>	<u>1,690,722</u>	<u>1,663,639</u>	<u>27,083</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES (Continued)						
Support Services						
Health Services						
Salaries	\$ 485,781	\$ 483,188	\$ 2,593	\$ 502,808	\$ 502,755	\$ 53
Purchased Professional Services	21,500	21,079	421	16,000	15,732	268
Other Purchased Services	200	4	196	200		200
Supplies and Materials	14,700	14,665	35	17,418	17,375	43
Other Objects	250	30	220	350	289	61
Total Health Services	<u>522,431</u>	<u>518,966</u>	<u>3,465</u>	<u>536,776</u>	<u>536,151</u>	<u>625</u>
Other Support Services/Student Related Services						
Salaries	166,040	165,953	87	153,317	152,875	442
Purchased Professional Services	49,400	49,387	13	55,360	52,881	2,479
Supplies and Materials	1,969	1,922	47	1,568	1,491	77
Other Objects	750	75	675	800	100	700
Total Other Support/Student Related Services	<u>218,159</u>	<u>217,337</u>	<u>822</u>	<u>211,045</u>	<u>207,347</u>	<u>3,698</u>
Other Support Services/Extraordinary Services						
Salaries	5,303	416	4,887	31,201	31,070	131
Purchased Professional Services	26,400	26,361	39	350	348	2
Supplies and Materials	150	125	25	150	42	108
Other Objects	-	-	-	250	150	100
Total Other Support/Extraordinary Services	<u>31,853</u>	<u>26,902</u>	<u>4,951</u>	<u>31,951</u>	<u>31,610</u>	<u>341</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENDITURES (Continued)						
Other Support Services/Regular						
Salaries of Other Professional Staff	\$ 654,876	\$ 650,719	\$ 4,157	\$ 601,114	\$ 598,938	\$ 2,176
Salaries of Secretarial Staff	87,430	87,059	371	86,562	85,497	1,065
Purchased Professional Services	2,000	979	1,021	2,000	979	1,021
Other Purchased Professional Services	67,504	62,804	4,700	39,920	14,505	25,415
Other Purchased Services	3,346	3,281	65	3,746	3,731	15
Supplies and Materials	41,744	40,364	1,380	35,331	33,685	1,646
Other Objects	2,200	2,117	83	2,000	1,950	50
Total Other Support Services/Regular	859,100	847,323	11,777	770,673	739,285	31,388
Other Support Services/Special						
Salaries of Other Professional Staff	581,145	578,633	2,512	597,160	595,386	1,774
Other Purchased Professional Services						
Miscellaneous Purchased Services	3,600	2,391	1,209	4,000	1,992	2,008
Supplies and Materials	10,617	5,727	4,890	10,250	7,836	2,414
Other Objects	150	-	150	150	-	150
Total Other Support Services/Special	595,512	586,751	8,761	611,560	605,214	6,346
Improvement of Instruction						
Salaries of Supervisors of Instruction	111,150	110,702	448	108,923	108,430	493
Salaries of Other Professional Staff	38,800	38,216	584	58,000	57,970	30
Salaries of Secretarial Staff	122,357	115,342	7,015	111,441	111,360	81
Other Purchased Professional Services	1,250	1,180	70	850	845	5
Other Purchased Services	950	828	122	900	577	323
Supplies and Materials	12,178	12,151	27	10,500	9,709	791
Other Objects	850	661	189	1,050	988	62
Total Improvement of Instruction	287,535	279,080	8,455	291,664	289,879	1,785

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES (Continued)						
Educational Media Services						
Salaries	\$ 615,766	\$ 614,974	\$ 792	\$ 594,930	\$ 592,262	\$ 2,668
Purchased Professional Services	2,800	450	2,350	1,568	725	843
Other Purchased Services	8,491	7,998	493	11,770	10,895	875
Supplies and Materials	151,082	114,648	36,434	117,576	98,515	19,061
Total Educational Media Services	778,139	738,070	40,069	725,844	702,397	23,447
Professional Development						
Salaries of other Professional Staff	10,500	8,281	2,219	11,340	9,731	1,609
Purchased Professional Services	3,750	1,877	1,873	7,300	7,070	230
Other Purchased Services	14,800	13,512	1,288	13,300	13,072	228
Supplies and Materials	1,250	275	975	1,500	428	1,072
Other Objects	850	178	672	1,100	955	145
Total Professional Development	31,150	24,123	7,027	34,540	31,256	3,284
Support Services General Administration						
Salaries	375,674	374,500	1,174	375,399	374,730	669
Legal Services	125,700	125,654	46	57,700	57,685	15
Other Purchased Professional Services	27,200	27,193	7	27,400	26,300	1,100
Purchased Technical Services	3,500	2,250	1,250	3,200	2,200	1,000
Other Purchased Services						
Communications/Telephone	128,684	123,985	4,699	103,570	100,249	3,321
Other Purchased Services	83,745	77,291	6,454	100,209	91,308	8,901
Supplies and Materials	13,740	13,254	486	16,900	16,859	41
Miscellaneous Expenditures	40,500	40,415	85	39,264	39,060	204
Total Support Services General Administration	798,743	784,542	14,201	723,642	708,391	15,251

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CURRENT EXPENDITURES (Continued)						
Support Services School Administration						
Salaries of Principals and Assistant Principals	\$ 979,143	\$ 979,049	\$ 94	\$ 958,123	\$ 958,074	\$ 49
Salaries of Other Professional Staff	416,045	416,006	39	415,802	408,813	6,989
Salaries of Secretarial Staff	511,190	508,922	2,268	492,586	491,575	1,011
Other Purchased Services	29,495	28,304	1,191	25,673	25,205	468
Supplies and Materials	64,385	51,260	13,125	59,036	47,781	11,255
Other Objects	36,725	36,514	211	34,350	32,280	2,070
Total Support Services School Administration	<u>2,036,983</u>	<u>2,020,055</u>	<u>16,928</u>	<u>1,985,570</u>	<u>1,963,728</u>	<u>21,842</u>
Maintenance Services						
Salaries	342,258	341,048	1,210	309,087	305,882	3,205
Cleaning, Repair and Maintenance Services	122,080	104,683	17,397	112,115	72,550	39,565
General Supplies	130,065	126,589	3,476	114,810	106,217	8,593
Other Objects	1,100	1,050	50	500	113	387
Total Operations and Maintenance of Plant	<u>595,503</u>	<u>573,370</u>	<u>22,133</u>	<u>536,512</u>	<u>484,762</u>	<u>51,750</u>
Operations and Maintenance of Plant						
Salaries	1,640,838	1,640,768	70	1,612,342	1,612,094	248
Purchased Professional Services	43,000	42,264	736	45,000	44,925	75
Cleaning, Repair and Maintenance Services	216,063	204,565	11,498	199,976	190,504	9,472
Insurance	28,375	26,080	2,295	41,867	38,974	2,893
Other Purchased Services	34,005	26,985	7,020	28,000	18,251	9,749
General Supplies	100,416	96,257	4,159	108,530	98,897	9,633
Energy	404,000	391,064	12,936	439,161	434,486	4,675
Other Objects	269,780	267,615	2,165	229,880	219,241	10,639
Total Operations and Maintenance of Plant	<u>2,736,477</u>	<u>2,695,598</u>	<u>40,879</u>	<u>2,704,756</u>	<u>2,657,372</u>	<u>47,384</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES (Continued)						
Student Transportation Services						
Other Transportation Salaries	\$ 547,579	\$ 547,487	\$ 92	\$ 511,657	\$ 511,601	\$ 56
Other Salaries	124,282	120,619	3,663	119,735	119,555	180
Cleaning, Repair and Maintenance Services	47,200	47,119	81	42,700	42,615	85
Contracted Services Other Than To and From	63,200	63,120	80	49,114	49,104	10
Contracted Services Special Education Vendors	138,190	138,132	58	194,800	194,742	58
Contracted Services Special Education Joint Agrmnts	10,000	9,799	201	22,000	18,575	3,425
Miscellaneous Transportation Services	16,000	12,477	3,523	16,000	12,441	3,559
Supplies and Materials	36,500	28,990	7,510	38,500	28,651	9,849
Miscellaneous Expenditures	13,202	12,607	595	14,019	13,712	307
Total Student Transportation Services	996,153	980,350	15,803	1,008,525	990,996	17,529
Business and Other Services						
Salaries	631,225	628,637	2,588	631,425	630,607	818
Purchased Professional Services	31,500	30,289	1,211	26,300	19,200	7,100
Purchased Technical Services	53,504	34,564	18,940	48,500	32,643	15,857
Other Purchased Services	25,550	25,483	67	19,800	19,740	60
Supplies and Materials	25,267	21,632	3,635	25,809	22,254	3,555
Miscellaneous Expenditures	1,800	1,284	516	1,700	1,037	663
Total Business and Other Services	768,846	741,889	26,957	753,534	725,481	28,053

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CURRENT EXPENDITURES (Continued)						
Personnel Services - Employee Benefits						
Social Security Contributions - Other	\$ 456,810	\$ 456,781	\$ 29	\$ 440,204	\$ 440,151	\$ 53
Other Retirement - Regular	19,100	17,254	1,846	25,015	16,865	8,150
Workmens Compensation	132,085	127,004	5,081	169,617	168,544	1,073
Health Benefits	2,581,922	2,539,145	42,777	2,453,216	2,411,059	42,157
Tuition Reimbursements	68,000	67,865	135	44,000	38,060	5,940
Other Employee Benefits	173,800	173,030	770	87,375	87,194	181
Total Personnel Services - Employee Benefits	<u>3,431,717</u>	<u>3,381,079</u>	<u>50,638</u>	<u>3,219,427</u>	<u>3,161,873</u>	<u>57,554</u>
On Behalf TPAF Pension Contributions (Non-Budgeted)	<u>-</u>	<u>423,528</u>	<u>(423,528)</u>	<u>-</u>	<u>1,188,398</u>	<u>(1,188,398)</u>
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>-</u>	<u>1,397,601</u>	<u>(1,397,601)</u>	<u>-</u>	<u>1,332,455</u>	<u>(1,332,455)</u>
Total Undistributed Expenditures	<u>16,411,422</u>	<u>17,948,030</u>	<u>(1,536,608)</u>	<u>15,836,741</u>	<u>18,020,234</u>	<u>(2,183,493)</u>
Total Current Expenditures	<u>34,016,260</u>	<u>35,412,412</u>	<u>(1,396,152)</u>	<u>32,624,836</u>	<u>34,662,957</u>	<u>(2,038,121)</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY						
Equipment						
Regular Programs - Instruction						
Grades 6 - 8	\$ 9,170	\$ 6,468	\$ 2,702	\$ 1,206	\$ 1,190	\$ 16
Grades 9 - 12	29,441	25,093	4,348	32,810	32,787	23
Special Education - Instruction						
Learning/Language Disabilities	1,099	1,099		4,000	2,836	1,164
Resource Room/Resource Center				5,400	5,394	6
Other Instructional Athletic Equipment	18,047	17,860	187	10,395	8,685	1,710
Undistributed Expenditures						
Instruction	16,596	16,573	23	38,695	27,436	11,259
Support Services - Regular	1,169	1,168	1	14,475	14,473	2
Support Services - Student Related Services				7,450	7,405	45
Support Services - Special				4,200	4,152	48
Support Services - Instructional	7,248	2,510	4,738	19,271	19,223	48
Support Services - General Administration				1,500	1,495	5
Support Services - School Administration	11,143	10,028	1,115	26,400	16,314	10,086
Operation and Maintenance of Plant	17,100	17,085	15	25,470	24,991	479
Student Transportation Services	51,450	51,419		72,139	72,139	
Business and Other Services	9,569	9,562	7	28,200	28,196	4
Total Equipment	<u>172,032</u>	<u>158,865</u>	<u>13,167</u>	<u>291,611</u>	<u>266,716</u>	<u>24,895</u>
Facilities/Construction Services	<u>429,764</u>	<u>246,771</u>	<u>182,993</u>	<u>358,684</u>	<u>250,868</u>	<u>107,816</u>
Total Expenditures - Capital Outlay	<u>601,796</u>	<u>405,636</u>	<u>196,160</u>	<u>650,295</u>	<u>517,584</u>	<u>132,711</u>
SPECIAL SCHOOLS						
Summer School - Instruction						
Salaries of Teachers	21,000	20,626	374	20,500	20,416	84
Total Summer School - Instruction	<u>21,000</u>	<u>20,626</u>	<u>374</u>	<u>20,500</u>	<u>20,416</u>	<u>84</u>

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SPECIAL SCHOOLS (Continued)						
Summer School - Support Services						
Salaries	\$ 3,360	\$ 3,360	-	\$ 3,360	\$ 3,360	-
Total Summer School - Support Services	3,360	3,360	-	3,360	3,360	-
Total Expenditures - Special Schools	24,360	23,986	\$ 374	23,860	23,776	\$ 84
TRANSFER OF FUNDS TO CHARTER SCHOOLS						
Tuition						
Tuition to NJ LEA's - Regular	6,639	6,594	45	11,900	11,560	340
Total Expenditures - Transfer of Funds to Charter Schools	6,639	6,594	45	11,900	11,560	340
Total Expenditures - General Fund	34,649,055	35,848,628	(1,199,573)	33,310,891	35,215,877	(1,904,986)
Excess (Deficiency) of Revenues						
Over/(Under) Expenditures	(1,043,007)	(135,609)	907,398	(712,126)	80,216	792,342
Other Financing Sources (Uses) Transfer Out						
Transfer Out	(202,000)	(153,878)	48,122	(208,000)	(172,259)	35,741
Excess (Deficiency) of Revenues and Other Financing						
Sources Over/(Under) Expenditures and Other						
Financing Uses	(1,245,007)	(289,487)	955,520	(920,126)	(92,043)	828,083
Fund Balance, Beginning of Year	2,744,440	2,744,440	-	2,836,483	2,836,483	-
Fund Balance, End of Year	\$ 1,499,433	\$ 2,454,953	\$ 955,520	\$ 1,916,357	\$ 2,744,440	\$ 828,083

**NUTLEY BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Recapitulation of Excess (Deficiency) of Revenues						
Over/(Under) Expenditures						
Adjustment for Prior Year Encumbrances	\$ (266,407)	\$ (266,407)		\$ (132,547)	\$ (132,547)	
Budgeted Fund Balance	<u>(978,600)</u>	<u>(23,080)</u>	<u>\$ 955,520</u>	<u>(787,579)</u>	<u>40,504</u>	<u>\$ 828,083</u>
Total	<u>\$ (1,245,007)</u>	<u>\$ (289,487)</u>	<u>\$ 955,520</u>	<u>\$ (920,126)</u>	<u>\$ (92,043)</u>	<u>\$ 828,083</u>

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash and Cash Equivalents	\$ 204,151	\$ 172,947
Intergovernmental Accounts Receivable		
State Aid	<u>5,280</u>	<u>1,148</u>
 Total Assets	 <u>\$ 209,431</u>	 <u>\$ 174,095</u>
 LIABILITIES		
Liabilities		
Intergovernmental Accounts Payable	\$ 76,475	\$ 65,998
Accounts Payable		13,616
Deferred Revenue	<u>132,956</u>	<u>94,481</u>
 Total Liabilities	 <u>\$ 209,431</u>	 <u>\$ 174,095</u>

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)**

	N.J. Nonpublic Auxiliary					NJ Nonpublic Handicapped			Nonpublic
	Nonpublic Textbooks	Compensatory Education	ESL	Home Instruction	Transportation	Supplemental Instruction	Examination/ Classification	Corrective Speech	Nursing
REVENUES									
State Sources	\$ 26,017	\$ 51,003	\$ 4,969	\$ 2,307	\$ 4,666	\$ 11,211	\$ 12,985	\$ 29,677	\$ 36,796
Federal Sources									
Total Revenues	<u>\$ 26,017</u>	<u>\$ 51,003</u>	<u>\$ 4,969</u>	<u>\$ 2,307</u>	<u>\$ 4,666</u>	<u>\$ 11,211</u>	<u>\$ 12,985</u>	<u>\$ 29,677</u>	<u>\$ 36,796</u>
EXPENDITURES									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Prof. and Technical Services		\$ 51,003	\$ 4,969	\$ 2,307		\$ 11,211	\$ 12,985	\$ 29,677	
General Supplies									
Textbooks	\$ 26,017								
Miscellaneous Expenses									
Total Instruction	<u>26,017</u>	<u>51,003</u>	<u>4,969</u>	<u>2,307</u>	<u>-</u>	<u>11,211</u>	<u>12,985</u>	<u>29,677</u>	<u>-</u>
Support Services									
Salaries of Other Professional Staff									
Other Salaries									
Purchased Professional Services									\$ 36,796
Other Purchased Services					\$ 4,666				
Supplies and Materials									
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,796</u>
Personal Services - Employee Benefits									
Social Security Contributions									
Other Retirement									
Other Employee Benefits	-	-	-	-	-	-	-	-	-
Total Personnel Services - Employee Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services									
Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter School	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 26,017</u>	<u>\$ 51,003</u>	<u>\$ 4,969</u>	<u>\$ 2,307</u>	<u>\$ 4,666</u>	<u>\$ 11,211</u>	<u>\$ 12,985</u>	<u>\$ 29,677</u>	<u>\$ 36,796</u>

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)**

	Technology Literacy		Distance Learning Network Aid		NJ Technology	IDEA B	IDEA B	IDEA	IDEA B
	Current Year	Prior Year	Current year	Carryover	Initiative	Basic	Preschool	Summer	Carryover
REVENUES									
State Sources			\$ 157,800	\$ 4,592	\$ 27,000				
Federal Sources	\$ 43,729	\$ 5,884	-	-	-	\$ 256,236	\$ 21,243	\$ 20,137	\$ 19,807
Total Revenues	\$ 43,729	\$ 5,884	\$ 157,800	\$ 4,592	\$ 27,000	\$ 256,236	\$ 21,243	\$ 20,137	\$ 19,807
EXPENDITURES									
Instruction:									
Salaries of Teachers	\$ 24,988	\$ 5,884				\$ 78,166		\$ 8,549	
Other Salaries for Instruction						8,971		4,000	
Purchased Prof. and Technical Services									
General Supplies	4,754				\$ 27,000	4,614			\$ 402
Textbooks									
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Instruction	29,742	5,884	-	-	27,000	91,751	-	12,549	402
Support Services									
Salaries of Other Professional Staff						6,243	19,250	6,746	
Other Salaries						58,359			
Purchased Professional Services	2,700					58,724			
Other Purchased Services	430								12,148
Supplies and Materials			59,595	4,592					266
Tuition	3,000								
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Support Services	6,130	-	59,595	4,592	-	123,326	19,250	6,746	12,414
Personal Services - Employee Benefits									
Social Security Contributions	2,362					11,508	1,475	842	
Other Retirement						1,849	420		
Other Employee Benefits	-	-	-	-	-	27,802	98	-	-
Total Personnel Services - Employee Benefits	2,362	-	-	-	-	41,159	1,993	842	-
Facilities Acquisition and Construction Services									
Equipment	5,495	-	98,163	-	-	-	-	-	6,991
Total Facilities Acquisition	5,495	-	98,163	-	-	-	-	-	6,991
Transfer to Charter School	-	-	42	-	-	-	-	-	-
Total Expenditures	\$ 43,729	\$ 5,884	\$ 157,800	\$ 4,592	\$ 27,000	\$ 256,236	\$ 21,243	\$ 20,137	\$ 19,807

NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	IDEA B Carryover	School To Career	IDEA B Preschool Summer	Title I	Title VI	Title VI Carryover	Title II	Title II Carryover	Title IV
REVENUES									
State Sources									
Federal Sources	\$ 500	\$ 11,860	\$ 1,098	\$ 169,641	\$ 18,228	\$ 493	\$ 11,875	\$ 86	\$ 14,823
Total Revenues	<u>\$ 500</u>	<u>\$ 11,860</u>	<u>\$ 1,098</u>	<u>\$ 169,641</u>	<u>\$ 18,228</u>	<u>\$ 493</u>	<u>\$ 11,875</u>	<u>\$ 86</u>	<u>\$ 14,823</u>
EXPENDITURES									
Instruction:									
Salaries of Teachers				\$ 148,617					
Other Salaries for Instruction			\$ 1,020						
Purchased Prof. and Technical Services									
General Supplies				1,660	\$ 3,238	\$ 493	\$ 1,295	\$ 86	
Textbooks	500								
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Instruction	<u>500</u>	<u>-</u>	<u>1,020</u>	<u>150,277</u>	<u>3,238</u>	<u>493</u>	<u>1,295</u>	<u>86</u>	<u>-</u>
Support Services									
Salaries of Other Professional Staff		11,860					1,270		\$ 11,972
Other Salaries									
Purchased Professional Services							1,123		
Other Purchased Services							8,094		
Supplies and Materials									1,633
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>11,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,487</u>	<u>-</u>	<u>13,605</u>
Personal Services - Employee Benefits									
Social Security Contributions			78	11,365			93		947
Other Retirement				3,254					271
Other Employee Benefits	-	-	-	-	-	-	-	-	-
Total Personnel Services - Employee Benefits	<u>-</u>	<u>-</u>	<u>78</u>	<u>14,619</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>1,218</u>
Facilities Acquisition and Construction Services Equipment	-	-	-	4,745	14,990	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,745</u>	<u>14,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter School	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 500</u>	<u>\$ 11,860</u>	<u>\$ 1,098</u>	<u>\$ 169,641</u>	<u>\$ 18,228</u>	<u>\$ 493</u>	<u>\$ 11,875</u>	<u>\$ 86</u>	<u>\$ 14,823</u>

NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Title IV Carryover	Perkins Vocational Education	J.T.P.A./ S.Y.E.T.P.	J.T.P.A./ S.Y.E.T.P.	Class Size Reduction	Total	
						June 30, 2000	June 30, 1999
REVENUES							
State Sources						\$ 369,023	\$ 336,135
Federal Sources	\$ 410	\$ 13,602	\$ 149	\$ 5,737	\$ 43,033	658,571	535,767
Total Revenues	\$ 410	\$ 13,602	\$ 149	\$ 5,737	\$ 43,033	\$ 1,027,594	\$ 871,902
EXPENDITURES							
Instruction:							
Salaries of Teachers					35,728	\$ 301,932	\$ 187,186
Other Salaries for Instruction						13,991	13,773
Purchased Prof. and Technical Services						112,152	146,878
General Supplies		3,870				47,412	26,175
Textbooks		2,319				28,836	25,874
Miscellaneous Expenses	-	-	-	-	-	-	-
Total Instruction	-	6,189	-	-	35,728	504,323	399,886
Support Services							
Salaries of Other Professional Staff	\$ 410			\$ 5,302	\$ 466	63,519	55,768
Other Salaries						58,359	53,423
Purchased Professional Services						99,343	93,945
Other Purchased Services					36	25,374	9,000
Supplies and Materials		1,368	149			67,603	39,300
Tuition						3,000	
Miscellaneous Expenses	-	-	-	-	-	-	-
Total Support Services	410	1,368	149	5,302	502	317,198	251,436
Personal Services - Employee Benefits							
Social Security Contributions		-	-	405	2,733	31,808	23,144
Other Retirement		-	-	30	783	6,607	14,279
Other Employee Benefits	-	-	-	-	3,287	31,187	30,688
Total Personnel Services - Employee Benefits	-	-	-	435	6,803	69,602	68,111
Facilities Acquisition and Construction Services Equipment	-	6,045	-	-	-	136,429	152,395
Total Facilities Acquisition	-	6,045	-	-	-	136,429	152,395
Transfer to Charter School	-	-	-	-	-	42	74
Total Expenditures	\$ 410	\$ 13,602	\$ 149	\$ 5,737	\$ 43,033	\$ 1,027,594	\$ 871,902

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
DEMONSTRABLY EFFECTIVE PROGRAM AID
STATEMENT OF EXPENDITURES - BUDGETARY BASIS**

NOT APPLICABLE

**EARLY CHILDHOOD PROGRAM AID
STATEMENT OF EXPENDITURES - BUDGETARY BASIS**

NOT APPLICABLE

**INSTRUCTIONAL SUPPLEMENTAL AID
STATEMENT OF EXPENDITURES - BUDGETARY BASIS**

NOT APPLICABLE

**NUTLEY BOARD OF EDUCATION
SPECIAL REVENUE FUND
STATEMENT OF DISTANCE LEARNING NETWORK AID - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Support Services			
Purchased Technical Services			
Supplies and Materials	\$ 60,456	\$ 64,187	\$ (3,731)
Total Support	<u>60,456</u>	<u>64,187</u>	<u>(3,731)</u>
Facilities Acquisition and Construction			
Instructional Equipment	<u>112,998</u>	<u>98,163</u>	<u>14,835</u>
Total Facilities Acquisition & Construction	<u>112,998</u>	<u>98,163</u>	<u>14,835</u>
Transfer to Charter School	<u>42</u>	<u>42</u>	<u>-</u>
Total	<u>\$ 173,496</u>	<u>\$ 162,392</u>	<u>\$ 11,104</u>
DISTANCE LEARNING CARRYOVER			<u>\$ 11,104</u>
Total Revised 1999-2000 Distance Learning Network Aid Allocation		\$ 168,904	
Actual Distance Learning Network Aid Carryover (June 30, 1999)		<u>4,592</u>	
Total Distance Learning Network Aid Available for 1999-2000 Budget		173,496	
Less: 1999-2000 Budgeted Distance Learning Network Aid		<u>173,496</u>	
Available & Unbudgeted Distance Learning Network Funds as of June 30, 2000		-	
Add: 1999-2000 Unexpended Distance Learning Network Aid		<u>\$ 11,104</u>	
2000-2001 Actual Carryover - Distance Learning Network Aid		<u>\$ 11,104</u>	
1999-2000 Distance Learning Network Aid Carryover Budgeted in 2000-2001		<u>\$ -</u>	

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

NOT APPLICABLE

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

NUTLEY BOARD OF EDUCATION
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2000 AND 1999

ASSETS	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ <u>-</u>	\$ <u>4,005</u>
Total Assets	\$ <u>-</u>	\$ <u>4,005</u>
 LIABILITIES		
Deferred Revenue	\$ <u>-</u>	\$ <u>4,005</u>
Total Liabilities	\$ <u>-</u>	\$ <u>4,005</u>

**NUTLEY BOARD OF EDUCATION
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	2000			1999		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES						
Local Sources						
Local Tax Levy	\$ 160,014	\$ 160,014		\$ 158,864	\$ 158,864	
State Sources						
Debt Service Aid Type II	<u>12,532</u>	<u>12,532</u>	<u>-</u>	<u>19,691</u>	<u>19,691</u>	<u>-</u>
Total Revenues	<u>172,546</u>	<u>172,546</u>	<u>-</u>	<u>178,555</u>	<u>178,555</u>	<u>-</u>
EXPENDITURES						
Regular Debt Service						
Interest	57,546	57,546		63,555	63,555	
Principal	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Total Expenditures	<u>172,546</u>	<u>172,546</u>	<u>-</u>	<u>178,555</u>	<u>178,555</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs of providing goods or services be financed through user charges.

Food Service Fund – This fund provides for the operation of food services in all schools within the school district.

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
AS OF JUNE 30, 2000 AND 1999**

ASSETS	<u>2000</u>	<u>1999</u>
Intergovernmental Accounts Receivable		
State	\$ 429	\$ 484
Federal	4,382	5,027
Other	8,635	7,876
Inventory	<u>9,744</u>	<u>11,149</u>
 Total Current Assets	 <u>23,190</u>	 <u>24,536</u>
 Fixed Assets		
Machinery and Equipment	118,005	118,005
Less: Accumulated Depreciation	<u>115,356</u>	<u>114,407</u>
 Total Fixed Assets	 <u>2,649</u>	 <u>3,598</u>
 Total Assets	 <u>\$ 25,839</u>	 <u>\$ 28,134</u>
 LIABILITIES AND FUND EQUITY		
Liabilities		
Interfunds Payable	\$ 13,499	\$ 13,386
Deferred Revenue	<u>4,180</u>	<u>5,988</u>
 Total Liabilities	 <u>17,679</u>	 <u>19,374</u>
 Fund Equity		
Contributed Capital	2,135	2,135
Retained Earnings, Unreserved	<u>6,025</u>	<u>6,625</u>
 Total Fund Equity	 <u>8,160</u>	 <u>8,760</u>
 Total Liabilities and Fund Equity	 <u>\$ 25,839</u>	 <u>\$ 28,134</u>

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
OPERATING REVENUES		
Local Sources		
Daily Sales - Reimbursable		
School Lunch Program	\$ 387,856	\$ 367,119
Special Functions	<u>58,304</u>	<u>50,757</u>
 Total Operating Revenues	 <u>446,160</u>	 <u>417,876</u>
 OPERATING EXPENSES		
Salaries and Wages	283,076	277,426
Benefits	131,722	125,799
Supplies	271,660	257,078
Purchased Services	4,977	4,516
Other	823	2,571
Depreciation	<u>949</u>	<u>937</u>
 Total Operating Expenses	 <u>693,207</u>	 <u>668,327</u>
 Operating Loss	 <u>(247,047)</u>	 <u>(250,451)</u>
 Nonoperating Revenues		
State Sources		
State School Lunch Program	6,782	6,484
Federal Sources		
Federal School Lunch Program	69,841	66,387
USDA Commodities	<u>15,946</u>	<u>7,350</u>
 Total Nonoperating Revenues	 <u>92,569</u>	 <u>80,221</u>
 Net Loss Before Operating Transfers	 (154,478)	 (170,230)
 Operating Transfers In	 <u>153,878</u>	 <u>172,259</u>
 Net Income (Loss)	 (600)	 2,029
 Retained Earnings, Beginning of Year	 <u>6,625</u>	 <u>4,596</u>
 Retained Earnings, End of Year	 <u>\$ 6,025</u>	 <u>\$ 6,625</u>

**NUTLEY BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
Cash Flows from Operating Activities		
Operating Loss	\$ (247,047)	\$ (250,451)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Used in Operating Activities:		
Depreciation	949	937
USDA Commodities	15,946	7,350
Change in Assets and Liabilities:		
Decrease (Increase) in Federal Subsidy Receivable	645	6,752
Decrease (Increase) in State Subsidy Receivable	55	684
Decrease (Increase) in Other Accounts Receivable	(759)	(7,876)
(Increase) Decrease in Inventory	1,405	(3,119)
Increase (Decrease) in Deferred Revenue	(1,808)	5,988
(Decrease) Increase in Other Liabilities	113	439
(Decrease) in Accounts Payable	-	(2,980)
	<u>16,546</u>	<u>8,175</u>
Total Adjustments		
Net Cash (Used) in Operating Activities	<u>(230,501)</u>	<u>(242,276)</u>
Cash Flows from Non-Capital Financing Activities		
Financing Activities:		
Federal and State School Lunch Aid	76,623	72,871
Operating Transfers From Other Funds	153,878	172,259
	<u>230,501</u>	<u>245,130</u>
Net Cash Provided by Non-Capital Financing Activities		
Cash Flows from Capital Related Financing Activities		
Acquisition of Fixed Assets	-	(2,854)
	<u>-</u>	<u>(2,854)</u>
Net Cash Provided (Used) by Capital Related Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>

TRUST AND AGENCY FUNDS

The Trust and Agency Funds account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individual, private organizations, other governments and/or other funds.

Expendable Trust Fund - This Fund is established to account for the assets and resources which are also held by the Board as a trustee or agent for individuals, private organizations, other governments. This fund includes unemployment contributions and claims.

Agency Fund - This Fund is established to account for assets held by the Board as a trustee or agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The fund assets are held for the purpose of payroll related and student activities programs.

**NUTLEY BOARD OF EDUCATION
TRUST AND AGENCY FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2000
(With Comparative Totals as of June 30, 1999)**

	Expendable Trust Unemployment Insurance	Agency Student Activity	Payroll	Total 2000	Total 1999
ASSETS					
Cash and Cash Equivalents	\$ 455,829	\$ 142,114	\$ -	\$ 597,943	\$ 560,621
Total Assets	<u>\$ 455,829</u>	<u>\$ 142,114</u>	<u>\$ -</u>	<u>\$ 597,943</u>	<u>\$ 560,621</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Intergovernmental Payable	\$ 12,926			\$ 12,926	\$ 7,984
Due to Student Groups	<u>-</u>	<u>\$ 142,114</u>	<u>-</u>	<u>142,114</u>	<u>114,363</u>
Total Liabilities	<u>12,926</u>	<u>142,114</u>	<u>-</u>	<u>155,040</u>	<u>122,347</u>
Fund Balances					
Unreserved, Undesignated	<u>442,903</u>	<u>-</u>	<u>-</u>	<u>442,903</u>	<u>438,274</u>
Total Liabilities and Fund Balance	<u>\$ 455,829</u>	<u>\$ 142,114</u>	<u>\$ -</u>	<u>\$ 597,943</u>	<u>\$ 560,621</u>

**NUTLEY BOARD OF EDUCATION
NONEXPENDABLE TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000 AND 1999**

NOT APPLICABLE

**NUTLEY BOARD OF EDUCATION
STUDENT ACTIVITY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
ASSETS				
Cash and Cash Equivalents	\$ 114,363	\$ 324,246	\$ 296,495	\$ 142,114
Total Assets	<u>\$ 114,363</u>	<u>\$ 324,246</u>	<u>\$ 296,495</u>	<u>\$ 142,114</u>
LIABILITIES				
Due to Student Groups	\$ 114,363	\$ 324,246	\$ 296,495	\$ 142,114
Total Liabilities	<u>\$ 114,363</u>	<u>\$ 324,246</u>	<u>\$ 296,495</u>	<u>\$ 142,114</u>

**NUTLEY BOARD OF EDUCATION
STUDENT ACTIVITY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Balance July 1, 1999</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Balance June 30, 2000</u>
ELEMENTARY SCHOOLS				
Lincoln	\$ 2,439	\$ 16,331	\$ 16,395	\$ 2,375
Radcliffe	2,088	2,149	3,464	773
Spring Garden	10,847	15,572	16,019	10,400
Washington	5,248	5,843	7,150	3,941
Yantacaw	<u>197</u>	<u>6,613</u>	<u>6,416</u>	<u>394</u>
	<u>20,819</u>	<u>46,508</u>	<u>49,444</u>	<u>17,883</u>
MIDDLE SCHOOL				
Franklin	<u>5,320</u>	<u>43,599</u>	<u>42,389</u>	<u>6,530</u>
HIGH SCHOOL				
Nutley High	<u>88,224</u>	<u>234,139</u>	<u>204,662</u>	<u>117,701</u>
TOTAL ALL SCHOOLS	<u>\$ 114,363</u>	<u>\$ 324,246</u>	<u>\$ 296,495</u>	<u>\$ 142,114</u>

NUTLEY BOARD OF EDUCATION
PAYROLL FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 24,556,223	\$ 24,556,223	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 24,556,223</u>	<u>\$ 24,556,223</u>	<u>\$ -</u>
LIABILITIES				
Accrued Salaries, Payroll Deductions and Withholdings	\$ -	\$ 24,556,223	\$ 24,556,223	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 24,556,223</u>	<u>\$ 24,556,223</u>	<u>\$ -</u>

NUTLEY BOARD OF EDUCATION
EXPENDABLE TRUST FUND
UNEMPLOYMENT INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
REVENUES		
Miscellaneous - Employee Contributions	\$ 46,620	\$ 42,246
Interest	<u>19,176</u>	<u>18,868</u>
 Total Revenues	 <u>65,796</u>	 <u>61,114</u>
 EXPENDITURES		
Current		
Undistributed Expenditures	<u>61,167</u>	<u>45,976</u>
 Excess (Deficiency) of Revenues Over/(Under) Expenditures	 4,629	 15,138
 Fund Balances, Beginning of Year	 <u>438,274</u>	 <u>423,136</u>
 Fund Balances, End of Year	 <u>\$ 442,903</u>	 <u>\$ 438,274</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is a balanced account group used to establish control and accountability for the costs of all real property and moveable equipment owned by the District. The investment in general fixed assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

**NUTLEY BOARD OF EDUCATION
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE
AS OF JUNE 30, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
GENERAL FIXED ASSETS		
Buildings & Building Improvements	\$ 7,084,287	\$ 6,787,858
Machinery and Equipment	3,667,656	3,408,901
Construction in Progress	<u>182,250</u>	<u>49,658</u>
 Total General Fixed Assets	 <u>\$ 10,934,193</u>	 <u>\$ 10,246,417</u>
 INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE		
General Fund	\$ 10,539,572	\$ 9,982,284
Special Revenue Fund	<u>394,621</u>	<u>264,133</u>
 Total Investment in General Fixed Assets	 <u>\$ 10,934,193</u>	 <u>\$ 10,246,417</u>

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Transfers/</u> <u>Disposals</u>	<u>Balance</u> <u>June 30, 2000</u>
General Fund	\$ 9,982,284	\$ 608,728	\$ 51,440	\$ 10,539,572
Special Revenue Fund	<u>264,133</u>	<u>130,488</u>	<u>-</u>	<u>394,621</u>
	<u>\$ 10,246,417</u>	<u>\$ 739,216</u>	<u>\$ 51,440</u>	<u>\$ 10,934,193</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to record the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and the noncurrent portion of the liability for compensated absences.

NUTLEY BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT
AS OF JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
OTHER DEBITS		
Amount to be Provided for Retirement of Long-Term Debt	\$ <u>2,652,580</u>	\$ <u>2,780,181</u>
 Total Amount Available and to be Provided for General Long-Term Debt	 <u>\$ 2,652,580</u>	 <u>\$ 2,780,181</u>
 LONG-TERM LIABILITIES		
Serial Bonds Payable	\$ 895,000	\$ 1,010,000
Compensated Absences Payable	<u>1,757,580</u>	<u>1,770,181</u>
 Total General Long-Term Liabilities	 <u>\$ 2,652,580</u>	 <u>\$ 2,780,181</u>

**NUTLEY BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Purpose	Date of <u>Issue</u>	Amount of Original <u>Issue</u>	Annual <u>Date</u>	Maturities <u>Amount</u>	Interest <u>Rate</u>	Balance <u>July 1, 1999</u>	<u>Paid</u>	Balance <u>June 30, 2000</u>
Asbestos Abatement Activities at Various Schools; Removal of Fuel Oil Storage Tanks at Various Schools; Modifications to Heating Plants at Various Schools; Re- placement of Roof Above the Auditorium and Main Gymnasium of the High School.	9/1/1992	\$ 1,700,000	9/1/00-02 9/1/03-07	\$ 115,000 110,000	Various	<u>\$ 1,010,000</u>	<u>\$ 115,000</u>	<u>\$ 895,000</u>
						<u>\$ 1,010,000</u>	<u>\$ 115,000</u>	<u>\$ 895,000</u>

STATISTICAL SECTION

Note: GASB requires that ten years of statistical data be presented. Since New Jersey entered GAAP Accounting in Fiscal Year 1994, this presentation will only include those years under GAAP accounting. Each year thereafter, an additional year's data will be included until ten years of data is presented.

NUTLEY BOARD OF EDUCATION
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION *
LAST SIX FISCAL YEARS
(Unaudited)

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
GENERAL FUND						
Instruction						
Regular	\$14,772,041	\$14,230,398	\$13,814,801	\$13,592,391	\$12,963,067	\$12,125,961
Special	1,430,104	1,277,811	1,296,002	1,851,178	1,802,120	1,697,318
Other	486,379	493,012	453,869	112,070	54,633	51,289
School-Sponsored/Other Instructional	<u>772,882</u>	<u>639,175</u>	<u>587,532</u>	<u>456,091</u>	<u>453,782</u>	<u>455,269</u>
Total Instruction	<u>17,461,406</u>	<u>16,640,396</u>	<u>16,152,204</u>	<u>16,011,730</u>	<u>15,273,602</u>	<u>14,329,837</u>
Community Services	<u>2,976</u>	<u>2,327</u>	<u>1,668</u>	<u>1,764</u>	<u>1,333</u>	<u>2,170</u>
Undistributed						
Instruction - Tuition	1,711,466	1,663,639	1,615,882	1,474,291	1,327,378	1,402,885
Support Services-Students	2,197,279	2,119,607	1,973,607	1,720,483	1,570,030	1,479,401
Support Services-Instructional Staff	1,041,273	1,023,532	963,975	1,001,010	969,716	915,498
General Administration	784,542	708,391	750,705	709,214	718,448	808,834
School Administration	2,020,055	1,963,728	1,863,816	1,871,243	1,995,671	1,909,687
Operations and Maintenance	3,268,968	3,142,134	3,118,757	3,032,535	2,962,513	2,728,687
School Transportation	980,350	990,996	807,890	838,446	772,703	713,220
Business and Other Support Services						
Salaries and Employee Benefits	4,009,716	3,792,480	3,519,052	3,860,057	3,795,224	3,605,136
Other	113,252	94,874	70,917	149,756	62,528	240,183
On-Behalf TPAF Pension Contributions	423,528	1,188,398	409,721	537,168	154,463	N/A
On-Behalf TPAF Social Security Contributions	<u>1,397,601</u>	<u>1,332,455</u>	<u>1,265,767</u>	<u>1,241,810</u>	<u>1,201,391</u>	<u>N/A</u>
Total Undistributed	<u>17,948,030</u>	<u>18,020,234</u>	<u>16,360,089</u>	<u>16,436,013</u>	<u>15,530,065</u>	<u>13,803,531</u>
Capital Outlay						
Equipment	158,865	266,716	213,670	226,189	231,131	179,172
Facilities	<u>246,771</u>	<u>250,868</u>	<u>341,819</u>	<u>93,123</u>	<u>146,667</u>	<u>148,207</u>
Total Capital Outlay	<u>405,636</u>	<u>517,584</u>	<u>555,489</u>	<u>319,312</u>	<u>377,798</u>	<u>327,379</u>
Special Schools	<u>23,986</u>	<u>23,776</u>	<u>19,110</u>	<u>23,696</u>	<u>24,643</u>	<u>25,184</u>
Transfer of Funds to Charter School	<u>6,594</u>	<u>11,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund Expenditures	<u>35,848,628</u>	<u>35,215,877</u>	<u>33,088,560</u>	<u>32,792,515</u>	<u>31,207,441</u>	<u>28,488,101</u>
SPECIAL REVENUE FUND						
State	364,349	338,080	353,227	218,560	203,393	172,464
Federal	<u>650,934</u>	<u>535,880</u>	<u>454,874</u>	<u>438,279</u>	<u>489,842</u>	<u>430,125</u>
Total Special Revenue Expenditures	<u>1,015,283</u>	<u>873,960</u>	<u>808,101</u>	<u>656,839</u>	<u>693,235</u>	<u>602,589</u>
DEBT SERVICE FUND	<u>172,546</u>	<u>178,555</u>	<u>184,305</u>	<u>189,825</u>	<u>208,403</u>	<u>277,676</u>
Total Governmental Fund Expenditures	<u>\$37,036,457</u>	<u>\$36,268,392</u>	<u>\$34,080,966</u>	<u>\$33,639,179</u>	<u>\$32,109,079</u>	<u>\$29,368,366</u>

Source: School District's Financial Statements

* Includes General, Special Revenue and Debt Service Funds

NUTLEY BOARD OF EDUCATION
GOVERNMENTAL FUND REVENUES BY SOURCE *
LAST SEVEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Local Tax</u> <u>Levy</u>	<u>Other Local</u> <u>Revenue</u>	<u>State</u> <u>Revenue</u>	<u>Federal</u> <u>Revenue</u>	<u>Total</u>
2000	\$28,757,853	\$ 729,287	\$6,762,774 *	\$ 650,934	\$ 36,900,848
1999	29,674,739	641,584	5,501,303 *	535,880	36,353,506
1998	28,810,776	666,649	4,437,891 *	486,474	34,366,976
1997	28,518,923	592,390	4,253,521 *	415,789	33,780,623
1996	27,085,852	655,089	4,072,236 *	477,961	32,291,138
1995	26,298,483	1,159,178	2,233,235	408,424	30,099,320
1994	24,349,117	502,288	3,251,627	508,611	28,611,643

*Includes on-behalf payments by the State of New Jersey for TPAF Pension and Social Security Contributions

Source: School District's Financial Statements

* Includes General, Special Revenue and Debt Service Funds

**NUTLEY BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Year Collections</u>	<u>Percent of Tax Levy Collected</u>	
1999	\$ 60,368,412	\$ 58,704,526	97.24	%
1998	59,884,383	57,952,295	96.77	
1997	57,978,726	56,385,078	97.25	
1996	55,795,710	54,252,100	97.23	
1995	54,811,414	53,332,177	97.30	
1994	52,120,586	50,667,611	97.21	
1993	48,705,762	47,355,718	97.23	
1992	46,297,333	45,216,917	97.67	
1991	44,832,916	43,932,153	97.99	

Source: Municipality's Financial Statements

NUTLEY BOARD OF EDUCATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

<u>Year Ended</u> <u>June 30,</u>	<u>Net Assessed</u> <u>Valuations</u>	<u>Estimated</u> <u>Full Cash</u> <u>Valuations</u>	<u>Percentage of Net</u> <u>Assessed to</u> <u>Estimated Full</u> <u>Cash Valuations</u>
2000	\$ 491,427,200	\$ 1,933,991,342	25.41%
1999	490,889,000	1,728,645,229	28.39
1998	493,042,100	1,723,923,427	28.60
1997	488,108,600	1,787,943,590	27.30
1996	490,409,200	1,747,093,694	28.07
1995	494,788,200	1,761,438,946	28.09
1994	495,441,140	1,769,247,947	28.00
1993	489,395,000	1,789,650,722	27.35
1992	493,718,400	1,802,076,429	27.40
1991	493,718,400	1,906,901,137	26.19

Source: Tax Assessor

**NUTLEY BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Assessment Year</u>	<u>School District</u>	<u>Township</u>	<u>County</u>	<u>County Open Space</u>	<u>Total</u>
2000	\$5.96	\$3.660	\$2.830	\$0.04	\$12.49
1999	5.95	3.66	2.62	.04	12.27
1998	5.93	3.58	2.63		12.14
1997	5.87	3.21	2.69		11.77
1996	5.67	3.02	2.67		11.36
1995	5.40	3.05	2.62		11.07
1994	5.11	2.93	2.53		10.57
1993	4.83	2.66	2.45		9.94
1992	4.52	2.53	2.32		9.37
1991	4.16	2.58	2.23		8.97

Source: Township of Nutley Tax Duplicate

**NUTLEY BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Assessed Valuation</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2000	\$ 25,915	\$ 491,427,200	\$ 895,000	0.18	34.54
1999	25,915	490,889,000	1,010,000	0.21	39.45
1998	25,915	493,042,100	1,125,000	0.23	43.41
1997	27,550	488,108,600	1,240,000	0.23	45.01
1996	27,550	490,409,200	1,355,000	0.28	49.18
1995	27,466	494,788,200	1,558,000	0.31	56.72
1994	27,466	495,441,140	1,673,000	0.34	60.91
1993	27,466	489,395,000	1,863,000	0.38	67.83
1992	27,466	493,718,400	238,000	0.05	8.67
1991	27,099	499,423,000	313,000	0.06	11.55

Source: School District's records

**NUTLEY BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN
FOR FISCAL YEAR ENDED JUNE 30, 2000
(Unaudited)**

<u>Year</u>	<u>Equalized Valuation Basis</u>
1999	\$1,923,933,884
1998	1,716,121,329
1997	1,699,252,797
Average equalized valuation of taxable property	<u>\$1,779,769,337</u>
School borrowing margin (4% of \$ 1,779,769,337)	\$ 71,190,773
Net bonded school debt As Of June 30, 2000	<u>895,000</u>
School Borrowing Margin Available	<u>\$ 70,295,773</u>

Source: Township's 1999 Annual Debt Statement

**NUTLEY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED JUNE 30, 2000
(Unaudited)**

Net Direct Debt of School District as of June 30, 2000		\$ 895,000
Net Overlapping Debt of School District		
Township of Nutley	\$ 12,481,939	
Essex County	20,803,337	
Essex County Utilities Authority (A)	5,602,316	
North Jersey District Water Supply Commission (B)	<u>6,337,233</u>	
		<u>45,224,825</u>
Total Direct and Overlapping Bond Debt as of June 30, 2000		<u>\$ 46,119,825</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2000 equalized value by the total 2000 equalized value for Essex County.
- (B) Overlapping debt was computed based upon usage

Sources:

- (1) Township of Nutley 1999 Annual Debt Statement
- (2) Essex County 1999 Annual Debt Statement
- (3) Essex County Utilities Authority
- (4) North Jersey District Water Supply Commission

**NUTLEY BOARD OF EDUCATION
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Fund Expenditures*</u>	<u>Ratio of Debt Service to Governmental Expenditures</u>
2000	\$ 115,000	\$ 57,546	\$ 172,546	\$ 37,036,457	.47
1999	115,000	63,555	178,555	36,268,392	.49
1998	115,000	69,305	184,305	34,080,666	.54
1997	115,000	74,825	189,825	33,703,212	.56
1996	128,000	80,403	208,403	32,109,079	.65
1995	190,000	87,676	277,676	29,368,366	.95
1994	190,000	95,985	285,985	28,466,966	1.00
1993	75,000	181,152	256,152	29,370,523	.87
1992	75,000	120,842	195,842	27,780,090	.70
1991	75,000	20,154	95,154	22,772,849	.42

*Excludes the Capital Projects Fund as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: School District Financial Statements

**NUTLEY BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income**</u>	<u>Population***</u>
1999	3.3	*	25,915
1998	3.2	33,102	25,915
1997	6.5	31,847	27,550
1996	4.5	30,653	27,550
1995	4.4	29,356	27,446
1994	4.7	27,861	27,446
1993	5.2	27,001	27,446
1992	6.0	26,897	27,446
1991	*	24,438	27,446
1990	*	23,421	27,099

* Accurate information not available.

** This information represents Essex County information not Township of Nutley.

*** Estimated

**NUTLEY BOARD OF EDUCATION
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**

The Schedule is Not Applicable to Fiscal Year 1999-00

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
(Unaudited)**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>As a % of District's Net Assessed Valuation</u>	
Hoffman - LaRoche, Inc	\$ 70,005,800	14.25	%
Town and Country	4,027,200	.82	
432 Owners Inc.	3,048,200	.62	
Bell Atlantic	2,737,400	.56	
Village Manor Apts.	2,430,000	.49	
Nutley Shop-Rite	2,163,000	.44	
Nutley Properties	1,960,000	.40	
First Union Bank	1,002,300	.20	
Reckson Operating	750,800	.15	
Enthone-Omni	737,200	.15	
	<u>\$ 88,861,900</u>	<u>.18</u>	<u>%</u>

Source: Tax Collector

**NUTLEY BOARD OF EDUCATION
ATTENDANCE DATA
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30.</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance %</u>	
2000	3,996	3,797	1.5	95.00	%
1999	3,936	3,741	0.5	95.05	
1998	3,914	3,713	3.1	95.00	
1997	3,811	3,603	1.3	94.89	
1996	3,748	3,554	2.2	94.80	
1995	3,663	3,478	3.1	94.90	
1994	3,559	3,372	2.5	94.85	
1993	3,469	3,292	3.5	94.90	
1992	3,353	3,195	1.5	95.29	
1991	3,304	3,125	(0.9)	94.58	

Source: School District records

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2000
(Unaudited)**

	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
All Real and Personal Property and Theft of Contents	Suburban Essex JIF Royal Sun Alliance	\$ 25,000 63,000,000	\$ 1,000 25,000
Money and Security Loss	Suburban Essex JIF	50,000	1,000
General Liability (BI and PD)	Suburban Essex JIF	100,000	N/A
Automobile Liability	Suburban Essex JIF	100,000	N/A
Excess School Liability (GL and AL)	Genesis Insurance Co.	11,000,000 per occ 22,000,000 aggreg	N/A
School Board Legal Liability	Suburban Essex JIF Genesis Insurance Co.	100,000 per occ 5,000,000 per occ 7,500,000 aggreg	2,500 100,000
Athletic Accident Insurance	People's Benefit Life	10,000,000	N/A
Interscholastic Sports Disability	People's Benefit Life	550,000	N/A
Worker's Compensation	Suburban Essex JIF Genesis Reinsurance Corp	100,000 Unlimited Cov A 5,000,000 Cov B	N/A 100,000
Public Official Bonds			
Dave Wilson	Selective	120,000	N/A
John Sincaglia	Cigna	3,000	N/A

Source: School District's records

**NUTLEY BOARD OF EDUCATION
MISCELLANEOUS STATISTICS
AS OF JUNE 30, 2000
(Unaudited)**

Date established

Area 3 square miles

Number of Schools

Elementary	5
Middle School	1
Senior High School	<u>1</u>
Total schools	<u>7</u>

Employees

Certified	323
Other	<u>167</u>

Total employees	<u>490</u>
-----------------	------------

Teacher/Student Ratio

Kindergarten	1:19
1-5	1:21
6-8	1:17
9-12	1:15
Special Education	1:09

Student Count	4,008
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Source: School District's records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1
Page 1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035

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JULIUS B. CONSONI, CPA, PSA
DONNA L. JAPHET, CPA, PSA
MAKIKO SHINJO, CPA, PSA
JENNIFER TORPEY, CPA, PSA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Trustees
Nutley Board of Education
Nutley, New Jersey

We have audited the general purpose financial statements of the Nutley Board of Education as of and for the year ended June 30, 2000, and have issued our report thereon dated September 25, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Compliance

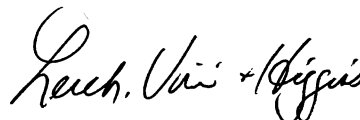
As part of obtaining reasonable assurance about whether the Nutley Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Nutley Board of Education in a separate "Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance" dated September 25, 2000.

Internal Control Over Financial Reporting

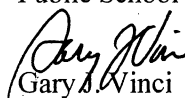
In planning and performing our audit, we considered Nutley Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving internal control over financial reporting that we have reported to management of the Nutley Board of Education in a separate "Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance" dated September 25, 2000.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
September 25, 2000

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2
Page 1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 98-07

Honorable President and Members
of the Board of Trustees
Nutley Board of Education
Nutley, New Jersey

Compliance

We have audited the compliance of the Nutley Board of Education with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the "New Jersey State Grant Compliance Supplement" that are applicable to each of its major federal and state programs for the year ended June 30, 2000. Nutley Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Nutley Board of Education's management. Our responsibility is to express an opinion on Nutley Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Nutley Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Nutley Board of Education's compliance with those requirements.

In our opinion, Nutley Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2000. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 98-07 and which are described in the accompanying schedule of findings and questioned costs as item 2000-01.


Internal Control Over Compliance

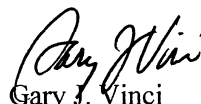
The management of Nutley Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Nutley Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 98-07.

We noted certain matters involving the internal control over compliance and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect Nutley Board of Education's ability to administer a major federal or state program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2000-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition identified above is not a material weakness.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


LERCH, VINCI & HIGGINS
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
September 25, 2000

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Federal Grantor/Pass-Through Grantor Program Title	Federa CFDA Number	Grant Period	Award Amount	Balance June 30, 1999	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balance June 30, 2000		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S.D.A. Department of Agriculture Passed Through State Department of Education												
Food Distribution Program	10.550	7/1/99-6/30/00	\$ 14,138			\$ 14,138	\$ 9,958				\$ 4,180	
Food Distribution Program	10.550	7/1/98-6/30/99	13,338	\$ 5,988			5,988					
National School Lunch Program	10.555	7/1/99-6/30/00	68,841			65,459	69,841			\$ (4,382)		
National School Lunch Program	10.555	7/1/98-6/30/99	78,165	(5,027)	-	5,027	-	-	-	-	-	-
Total Department of Agriculture				961	-	84,624	85,787	-	-	(4,382)	4,180	-
U.S. Department of Education Passed Through State Department of Education												
Title I	84.010	9/1/99-8/31/00	171,326			171,326	169,641				1,685	
Title VI	84.151	9/1/99-8/31/00	18,554			18,554	18,228				326	
Title VI	84.151	9/1/98-8/31/99	17,279	493			493					
Title VI, Carryover	84.151	9/1/99-8/31/00	17,279									
Title VI - Class Size Reduction	84.340	9/1/99-8/31/00	46,729			46,729	43,033				3,696	
IDEA Part B	84.027	9/1/99-8/31/00	314,000			314,000	256,236				57,764	
IDEA Part B	84.027	9/1/98-8/31/99	281,925	47,766	(27,629)		20,137				-	
IDEA Part B Carryover	84.027	9/1/99-8/31/00	281,925		27,629		19,807				7,822	
IDEA Part B Carryover	84.027	9/1/97-8/31/98		922			500	422			-	
IDEA Part B Preschool	84.027	9/1/99-8/31/00	23,936			23,936	21,243				2,693	
IDEA Part B Preschool	84.027	9/1/98-8/31/99	28,745	1,423	(325)		1,098				-	
IDEA Part B Preschool Carryover	84.027	9/1/99-8/31/00	28,745		325						325	
IDEA Part B Preschool Carryover	84.027	9/1/98-8/31/99	26,040					239	239			
Carl D. Perkins	84.048	7/1/99-6/30/00	13,701			13,701	13,602					99
Vocational Education	84.048	7/1/98-6/30/99	18,984	650				650				
SYETP (JTPA)	N/A	7/6/99-8/6/99	5,737			5,737	5,737					
SYETP	N/A	7/1/98-6/30/99	7,278	149			149					
Title IV (Drug Education)	84.188	9/1/99-8/31/00	15,964			15,964	14,823				1,141	
Title IV	84.188	9/1/98-8/31/99	20,879	410			410					
Title IV Carryover	84.188	9/1/99-8/31/00	20,879									
Title II (Ike/Math)	84.168	9/1/99-8/31/00	13,208			13,208	11,875				1,333	
Title II	84.168	9/1/98-8/31/99	11,031	86			86					
Title II Carryover	84.168	9/1/99-8/31/00	11,031									
School To Career	N/A	N/A	11,860			11,860	11,860					
Technology Literacy Challenge	84.318	4/1/99-3/31/00	95,000	5,884	-	40,756	49,613	-	-	(2,973)	-	-
Total U.S.Department of Education				57,783	-	675,771	658,571	1,311	239	(2,973)	76,785	99
Total				\$ 58,744	\$ -	\$ 760,395	\$ 744,358	\$ 1,311	\$ 239	\$ (7,355)	\$ 80,965	\$ 99

NUTLEY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

<u>State Department of Education</u>	<u>Grant or State Project Number</u>	<u>Grant</u>	<u>Award Amount</u>	<u>Balance June 30, 1999</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Year Balances</u>	<u>Balance June 30, 2000</u>		
									<u>(Accts. Receivable)</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>
Core Curriculum Aid	00-495-034-5120-022	7/1/99-6/30/00	\$2,388,292			\$ 2,388,292	\$ 2,388,292				
Core Curriculum Aid	99-495-034-5120-022	7/1/98-6/30/99	701,301	\$ (37,578)		37,578					
Transportation Aid	00-495-034-5120-024	7/1/99-6/30/00	315,383			315,383	315,383				
Special Education Aid	00-495-034-5120-011	7/1/99-6/30/00	1,664,585			1,616,744	1,664,585		\$ (47,841)		
Bilingual Education	00-495-034-5120-008	7/1/99-6/30/00	65,685			65,685	65,685				
Academic Achievement Award	00-100-034-5120-344	7/1/99-6/30/00	102,570			102,570	102,570				
Extraordinary Aid	00-495-034-5120-044	7/1/99-6/30/00	28,249				28,249		(28,249)		
On-Behalf TPAF Pension Contribution	00-495-034-5095-001	7/1/99-6/30/00	423,528			423,528	423,528				
TPAF Social Security Contribution	00-495-034-5095-002	7/1/99-6/30/00	1,397,601			1,326,089	1,397,601		(71,512)		
TPAF Social Security Contribution	99-495-034-5095-002	7/1/98-6/30/99	1,332,455	(70,437)	-	70,437	-	-	-	-	-
				(108,015)	-	6,346,306	6,385,893	-	(147,602)	-	-
New Jersey Nonpublic Aid:											
Textbooks	00-100-034-5120-064	7/1/99-6/30/00	30,199			30,199	26,017				4,182
Textbooks	99-100-034-5120-064	7/1/98-6/30/99	21,001	\$ 561				\$ 561			
Auxiliary Services											
Compensatory Education	00-100-034-5120-067	7/1/99-6/30/00	90,611			90,611	51,003				39,608
Compensatory Education	99-100-034-5120-067	7/1/98-6/30/99	89,880	42,823				42,823			
English as a Second Language	00-100-034-5120-067	7/1/99-6/30/00	10,192			10,192	4,969				5,223
English as a Second Language	99-100-034-5120-067	7/1/98-6/30/99	7,490	2,996				2,996			
Transportation	00-100-034-5120-067	7/1/99-6/30/00	4,666			4,666	4,666				
Home Instruction	00-100-034-5120-067	7/1/99-6/30/00	2,307				2,307		(2,307)		
Home Instruction	99-100-034-5120-067	7/1/98-6/30/99	1,148	(1,148)		1,148					
Handicapped Services											
Supplemental Instruction	00-100-034-5120-066	7/1/99-6/30/00	21,820			21,820	11,211				10,609
Supplemental Instruction	99-100-034-5120-066	7/1/98-6/30/99	18,058	4,214				4,214			
Examination and Classification	00-100-034-5120-066	7/1/99-6/30/00	21,454			21,454	12,985				8,469
Examination and Classification	99-100-034-5120-066	7/1/98-6/30/99	17,934	689				689			
Corrective Speech	00-100-034-5120-066	7/1/99-6/30/00	37,962			37,962	29,677				8,285
Corrective Speech	99-100-034-5120-066	7/1/98-6/30/99	44,001	14,065				14,065			
Nonpublic Nursing	00-100-034-5120-070	7/1/99-6/30/00	36,796			36,796	36,796				
Nonpublic Technology Initiative	00-100-034-5120-373	7/1/99-6/30/00	27,000			27,000	27,000				
Distance Learning Network	00-100-034-5120-348	7/1/99-6/30/00	168,904			168,904	157,800			11,104	
Distance Learning Network - Carryover	99-100-034-5120-348	7/1/98-6/30/99	165,189	4,592	-	-	4,592	-	-	-	-
				68,792	-	450,752	369,023	65,348	(2,307)	11,104	76,376
Debt Service Aid Type II	00-495-034-5120-017	7/1/99-6/30/00	12,532	-	-	12,532	12,532	-	-	-	-
National School Lunch Program	00-100-034-5120-122	7/1/99-6/30/00	6,782			6,353	6,782		(429)		
National School Lunch Program	99-100-034-5120-122	7/1/98-6/30/99	6,484	(484)	-	484	-	-	-	-	-
				(484)	-	6,837	6,782	-	(429)	-	-
Total				\$ (39,707)	\$ -	\$ 6,816,427	\$ 6,774,230	\$ 65,348	\$ (150,338)	\$ 11,104	\$ 76,376

**NUTLEY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE 1 GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Nutley Board of Education. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's general purpose financial statements.

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,311. See Note 1(D) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$6,385,893	\$6,385,893
Special Revenue Fund	\$650,934	364,349	1,015,283
Debt Service Fund		12,532	12,532
Food Service Fund	<u>85,787</u>	<u>6,782</u>	<u>92,569</u>
Total Financial Assistance	<u>\$736,721</u>	<u>\$6,769,556</u>	<u>\$7,506,277</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2000. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2000.

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements

Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified:

 yes X no

2) Reportable condition(s) identified that are
not considered to be material weaknesses?

 yes X none reported

Noncompliance material to general purpose financial
statements noted?

 yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified:

 yes X no

2) Reportable condition(s) identified that are
not considered to be material weaknesses?

 yes X none reported

Type of auditor's report issued on compliance for
major programs

Unqualified

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133?

 yes X no

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027

IDEA Part B

84.340

Title VI - Class Size Reduction

84.318

Technology Literacy

Dollar threshold used to distinguish between
Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes X no

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Were any reportable condition(s) in internal control over major programs identified?

 X yes no

(2) If applicable, were any such reportable condition(s) considered to be material weakness(es)?

 yes X no

Type of auditor's report issued on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 99-07?

 X yes no

Identification of major state programs:

GMIS Number(s)
00-495-034-5120-022
00-495-034-5120-011
00-100-034-5120-067
00-100-034-5120-066

Name of State Program
Core Curriculum Stds. Aid
Special Education Aid
Chapter 192 Auxiliary Services
Chapter 193 Handicapped Services

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes X no

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part 2 - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

There are none.

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 98-07, as amended.

CURRENT YEAR FEDERAL AWARDS

There are none.

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 98-07, as amended.

CURRENT YEAR STATE AWARDS

Finding 2000-1

Our audit revealed the following:

- a) On-Roll Related Services - In certain instances, a related service was recorded on the A.S.S.A. application and supporting workpapers but was not listed in the students I.E.P. In addition, five students special education classifications as recorded on the A.S.S.A. were not in agreement with the classification as recorded in the I.E.P.
- b) Private Schools for the Handicapped - All students were verified to the October tuition voucher. However, eight I.E.P.'s were not available for audit due to a move or graduation. In addition, one student had no special education classification in the I.E.P.
- c) Private Schools - Related Services - All private school children were reported as only receiving one related service (other). A student may be recorded as receiving up to four related services.
- d) Bilingual - Students were reported who were not enrolled in the program on October 15th.

State program information:

00-495-034-5120-022	Core Curriculum Standards Aid
00-495-034-5120-011	Special Education Aid

Criteria or specific requirement:

State of New Jersey Department of Education Requirements.

Condition:

Students were reported as receiving a related service which was not listed in the I.E.P.. Private School for the Handicapped students were reported as receiving only one service. Documentation to support classifications and or services was not available for audit.

**NUTLEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 98-07, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2000-1 (Continued)

Questioned Costs:

None.

Context:

State aid may be under or overstated by reporting errors.

Effect:

State aid may be under or overstated.

Recommendation:

Greater care be exercised over the reporting of related services. In addition, documentation (IEP's) to support students inclusion in the respective programs be made available for audit.

**NUTLEY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

This section identifies the status of prior-year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 98-07.

STATUS OF PRIOR YEAR FINDINGS

Finding 99-1

Condition: Personnel charged to the IDEA Part B grant were approved by the Board, but not designated as IDEA Part B personnel.

Status: Corrective Action has been taken.