

**FINANCIAL ACCOUNTING
FOR
NEW JERSEY SCHOOL DISTRICTS**

THE AUDIT PROGRAM

2009-10

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
DIVISION OF FINANCE & REGULATORY COMPLIANCE
PO BOX 500
TRENTON, NEW JERSEY 08625-0500**

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**THE AUDIT PROGRAM
TABLE OF CONTENTS**

	PAGE
Introduction	
Significant Changes.....	i
Other Changes/Updates for 2009-2010	iii
Overview	viii
Outline for Comprehensive Annual Financial Report (CAFR)	xiii
 Section I: General Compliance	
Chapter 1 – Appointment, Scope and Declaration	I-1.1
Chapter 2 – Meetings and Minutes	I-2.1
Chapter 3 – ASSA & SEMI & DRTRS.....	I-3.1
Chapter 4 – Budget & Transfers	I-4.1
Chapter 5 – Bids & Contracts/Purchasing	I-5.1
Chapter 6 – Chart of Accounts / Expenditure Classification	I-6.1
Chapter 7 – Reserved	I-7.1
Chapter 8 – Year End Procedures – Closing Out for GAAP	I-8.1
 Section II: Specific Compliance	II-i
Governmental Funds	
Fund 10 (General Fund):	
➤ Board Secretary and Treasurer Reports	II-10.1
➤ Cash Reconciliation.....	II-10.1
➤ Petty Cash Funds	II-10.1
➤ Summer Payment Plans	II-10.1
➤ SAS #70 Reports	II-10.2
➤ Third Party Disbursements	II-10.2
➤ Investments	II-10.2
➤ Revenues and Receipts	II-10.4
➤ Extraordinary Aid.....	II-10.4
➤ District Taxes	II-10.4
➤ Tuition (<i>N.J.A.C. 6A:23-3</i>)	II-10.5
➤ Reporting On-Behalf Payments	II-10.6
➤ Compensation Reporting	II-10.7
➤ Pensionable Wages.....	II-10.7
➤ Refunds	II-10.8
➤ Telecommunications Act of 1996 (E-rate).....	II-10.8
➤ Cancellations.....	II-10.8
➤ Travel Expenditures.....	II-10.9
➤ Health Insurance Policies.....	II-10.9
➤ Sale and Lease-back Contracts.....	II-10.10
➤ Required Maintenance.....	II-10.11
➤ Restricted Appropriations/Balances	II-10.11
➤ Capital Reserve Account – General Fund.....	II-10.13
➤ Excess Surplus	II-10.15
➤ Excess Surplus for Districts Required to Use School-Based Budgeting (SBB).....	II-10.19
➤ Excess Surplus – 6% Calculation – Vocational Districts	II-10.25
➤ Fund Balance Classifications	II-10.25
➤ Deficit Due to Delay of One or More June State Aid Payments.....	II-10.30

**THE AUDIT PROGRAM
TABLE OF CONTENTS (CONT'D)**

	PAGE
Section II: Specific Compliance (Cont'd)	
Fund 20 (Special Revenue Fund):	
➤ TPAF Reimbursement	II-20.1
➤ TPAF Reimbursement for Districts Required to Use SBB	II-20.1
➤ Restricted State Aid	II-20.4
➤ ARRA Special Revenue Awards	II-20.4
➤ Preschool Education Aid	II-20.4
➤ Preparing the Preschool Restricted Aid Schedule	II-20.5
Fund 30 (Capital Projects Fund):	
➤ Bond and Note Authorizations	II-30.1
➤ Bond Anticipation Notes	II-30.1
➤ General Borrowing Authority	II-30.1
➤ Bond Sales and Capital Projects Fund Activities	II-30.3
➤ Capital Project Approval under EFCFA	II-30.3
➤ Unexpended Bond Proceeds	II-30.4
➤ Unexpended Project Funds – Other Funding Sources	II-30.5
➤ School Development Authority (SDA) Grants under EFCFA	II-30.5
➤ Overexpenditures	II-30.6
➤ Rebatable Arbitrage	II-30.6
➤ Secondary Market Disclosures	II-30.6
➤ Lease Purchase Agreements	II-30.7
➤ Financial Reporting	II-30.7
➤ Capital Projects Fund Sample Schedules	II-30.9
Fund 40 (Debt Service Fund):	
➤ District Taxes	II-40.1
➤ Debt Service Aid	II-40.1
➤ Reporting	II-40.1
➤ Transfers	II-40.1
➤ Rebatable Arbitrage	II-40.2
Fund 50 (Permanent Fund)	
➤ GASB 34 Model for Permanent FundsII-50.1
Proprietary Funds	
Fund 60 (Proprietary Fund):	
➤ Enterprise Funds	II-60.1
➤ Food Service – Enterprise Fund	II-60.1
➤ SAS #70 Reports	II-60.3
➤ Sample Food Service Invoices and Allocations	II-60.4
➤ Child Nutrition Program Requirements	II-60.9
➤ National School Lunch Rate Schedule	II-60.15
Fund 70 (Internal Service Funds)	II-70.1
Fiduciary Funds	
Fund 80 (Trust Fund):	
➤ Trust Fund Reporting	II-80.1
➤ Unemployment Trust Fund	II-80.1
➤ Section 457 Deferred Compensation Plan	II-80.2
Fund 90 (Agency Fund)	
➤ Agency Funds	II-90.1
➤ Health Insurance Withholding	II-90.1
➤ Student Activity	II-90.1
➤ Liquidation Period Activity for Non-Operating Merged Districts..	II-90.1

**THE AUDIT PROGRAM
TABLE OF CONTENTS (CONT'D)**

	PAGE
Section II: Specific Compliance (Cont'd)	
➤ Organizations Under the Auspices of the School.....	II-90.2
➤ Fund Raising in Schools by Outside Organizations	II-90.2
➤ Funds of Teacher Organizations and Parent/Teacher Organizations	II-90.3
➤ Funds Collected by Teachers from Pupils for Immediate Purchase of Items.....	II-90.3
Capital Assets	
➤ Overview.....	II-CA.1
➤ Reporting Capital Assets	II-CA.1
➤ Capital Leases	II-CA.2
➤ Construction in Progress	II-CA.2
➤ Reporting Capital Assets Acquired Through Non-cash Grants	II-CA.2
➤ Sample Format – Capital Asset Subsidiary Ledger	II-CA.2
➤ Depreciation Expense	II-CA.3
Long-Term Liabilities	
➤ Overview.....	II-LT.1
➤ Compensated Absences	II-LT.1
➤ Other Postemployment Benefits (OPEB)	II-LT.2
➤ Early Retirement Incentive Program	II-LT.2
➤ Termination Benefits	II-LT.3
➤ Arbitrage Requirements.....	II-LT.3
Single Audit:	
➤ Federal and State Audit Requirements	II-SA.1
➤ Risk Based Approach	II-SA.3
➤ Schedules of Expenditures of Federal Awards and State Financial Assistance	II-SA.5
➤ Title I-Schoolwide and Blended Resource Requirements	II-SA.7
➤ Preparing the Schedules of Expenditures of Federal Awards and State Financial Assistance	II-SA.10
➤ Federal (CFDA) Numbers.....	II-SA.15
➤ State Grant Account Numbers	II-SA.17
➤ Sample Schedule A (Federal Award)	II-SA.18
➤ Sample Schedule B (State Financial Assistance)	II-SA.19
➤ Sample Schedules of Findings and Questioned Costs	II-SA.20
➤ Sample Summary Schedule of Prior Audit Findings.....	II-SA.25
➤ Federal OMB Circular No. A-133 - Refer to Circular on web site http://www.whitehouse.gov/omb/financial/offm_circulars.html	
➤ State Circular Letter No. 04-04-OMB – Refer to Circular at the NJOMB web site http://www.state.nj.us/treasury/omb/	

**THE AUDIT PROGRAM
TABLE OF CONTENTS (CONT'D)**

 PAGE
Section III: Reporting	
Chapter 1 --Audit Criterion and Submission	III-1.1
Chapter 2 – Sample Opinion Reports	
➤ Directives for Auditor’s Reports	III-2.1
➤ Component Units	III-2.1
➤ Independent Auditor’s Report	III-2.2
Chapter 3 –Note Disclosures and Statistical Section	
➤ Sample Notes for Schedules of Expenditures of Awards and Financial Assistance.....	III-3.2
➤ Financial Statement Disclosures – Overview and Sample Notes	III-3.4
➤ GASB 34 Model Illustration of Reconciliation - Notes to Required Supplementary Information	III-3.6
➤ Statistical Section	III-3.11
➤ Outline of NJ Statistical Section (GASB 44)	III-3.12
Chapter 4 – Auditor’s Management Report (AMR).....	III-4.1
Chapter 5 – Audit Summary Worksheet Diskette.....	III-5.1
Chapter 6 – Audit Checklist & Questionnaire	III-6.1
Chapter 7 – Synopsis and Corrective Action Plan	III-7.1
Chapter 8 – Quality Assessment Review Checklist	III-8.1

SIGNIFICANT CHANGES FOR 2009-10

EXECUTIVE ORDER NO. 14

Executive Order No. 14 signed by the Governor on February 11, 2010 authorized withholding of state aid due to the state fiscal crisis. Withholding began with the February 22, 2010 payments and continued through the May 2010 remaining payments. Appeals of the withholding could be submitted to the Commissioner of Education. An approved reduction in the withholding due to an appeal took effect with the April 22 state aid payment and payments through May. Final FY Adjusted State Aid notices and final General Fund and Special Revenue Fund State Payment Schedules dated June 30, 2010 were made available to the districts through the School Aid Payments and Notices website. The final amount for each aid category is shown on “Adjusted FY 2009-10 State School Aid – State Aid Summary”, Page PAY2. The impact of this change is that districts needed to adjust state aid receivable and the state aid revenue in their accounting records so the revenue agreed to the June 30 printouts.

Districts were permitted to request approval of the Commissioner to transfer reserves and surplus to the general fund for operating expenses to offset the state aid withholding. A checklist with the order of resources that had to be used before transferring excess surplus, maintenance reserve or capital reserve was distributed to the districts through the county offices. Commissioner approval letters were issued in June, 2010. A district with an approval to transfer was not required to transfer the full approved amount. Districts that transferred June 30, 2009 excess surplus in the 2009-10 year, will not have the full June 30, 2009 amount brought forward to report as “Excess Surplus Designated for Subsequent Year’s Expenditures” in the June 30, 2010 Balance Sheet. Any transfer of excess surplus, maintenance reserve for operating expenses, or capital reserve for operating expenses must be supported by the Commissioner decision letter. Transfers of Emergency Reserve or transfers of unreserved, undesignated fund balance prior to April 1 must also be supported by the Commissioner decision letter. Transfers of unreserved, undesignated fund balance after April 1 could be approved by the Executive County Superintendent as the Commissioner’s designee.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

The law, signed by the President February 17, 2009, requires tracking and separate reporting of ARRA funds. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. ARRA- Education Stabilization Fund (ESF) was to be recorded in new fund 16 and ARRA- Government Services Fund (GSF) was to be recorded in new fund 17. Most school districts will have expended funds by June 30, 2010.

The department website, <http://www.state.nj.us/education/arra/> contains guidance and links to the U.S. Department of Education ARRA documents.

ARRA funds recorded in the special revenue fund should be reported as separate programs in the Special Revenue Fund section of the CAFR, similar to Title I, IDEA, etc.

At the time this Audit Program was published, specific federal guidance on financial statement reporting of ARRA-ESF and ARRA-GSF was not available. The Department’s recommendation is that districts prepare a Budgetary Comparison ARRA Supplementary Schedule reporting only the ARRA-ESF and ARRA- GSF in the same format used for the Budgetary Comparison Schedule. The ARRA expenditures should then be rolled up into the applicable lines of funds 11, 12 and 13 in the Budgetary Comparison Schedule so the final amounts reflect the totals for each expenditure line. These totals will need to be entered in Audsum.

The excess surplus calculation should take in all general fund expenditures including those funded with ARRA ESF and ARRA GSF. Fund balance does not include any ARRA revenue since in the unusual event that a district had not expended or encumbered the full award, the remaining ARRA funds would be considered deferred revenue not fund balance.

The Single Audit chapter (II-SA) of the *Audit Program* was updated to include information on ARRA in the previous year. At the time of publication of this Audit Program, the OMB A-133 Compliance Supplement had not been published. However, auditors should continue to check the federal website for any updates to the ARRA supplement to the Compliance Supplement. ARRA funds must be reported separately in the Schedule of Expenditures of Federal Awards and the Data Collection Form and identified using the prefix ARRA with the unique CFDA number for the specific ARRA program.

SCHOOL FUNDING REFORM ACT OF 2008

The Chart of Accounts, 2008 Edition was effective July 1, 2009 and reflects certain at-risk expenditures funded through SFRA. Districts had the option to implement for the 2008-09 fiscal year.

FISCAL ACCOUNTABILITY, EFFICIENCY AND BUDGETING REGULATIONS

The accountability regulations under *N.J.A.C.* 6A:23A include the recodification with amendments of *N.J.A.C.* 6A:23 into subchapters 16-22 and the readoption with amendments of the emergency rulemaking, subchapters 1 thru 15.

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. *N.J.A.C.* 6A:23A-6.4 requires that the district’s internal control policies include specific requirements at *N.J.A.C.* 6A:23A-6.5 through 6.13. The following table includes the specific internal controls that are required to be in place during 2009-10.

<i>N.J.A.C.</i>	Description	Implementation Date
6A:23A-6.6	Standard Operating procedures for business functions	December 31, 2009
6A:23A-6.7	Financial and human resource management systems (larger districts); access controls	2010-2011
6A:23A-6.8	Personnel tracking and accounting (Position control roster)	December 31, 2009
6A:23A-6.9	Facilities maintenance and repair scheduling and accounting	By July 1, 2010

OTHER CHANGES / UPDATES FOR 2009-10

The following is a summary of changes / updates:

1. General changes are found throughout the document and include:
 - Changed references to code that has been replaced by *N.J.A.C. 6A:23A*.
2. Specific changes are found in the following sections/chapters:

Introduction

Section I-1

- DCA issued LFN-2009-19, *Local Unit ARRA and Related Grant Compliance Responsibilities*
- SAS 112, *Communicating Internal Control Related Matters Identified in an Audit* has been superseded by SAS 115 of the same title
- SAS 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance* has been superseded by SAS 117, *Compliance Audits* developed in response to findings in a federal study on single audit quality

Section I-2

- No change

Section I-3

- Clarified that for the ASSA, LEP students with an IEP counted in bilingual education are also permitted to be counted as special education students.
- Emphasized that testing of each LEP student reported on the ASSA must be documented as part of ASSA supporting documentation
- SEMI reimbursement rates changed
- Clarified testing procedures for the provision of non-mandated hazardous transportation
- Added to DRTRS testing procedures for sample expenditures, the requirement to verify whether the expenditure is supported by a county approved contract
- Updated the transportation bid threshold to \$17,200, effective July 1, 2009
- The independent auditor is required to perform follow-up tests and procedures to determine whether findings identified in reports issued by the Department's Office of Fiscal Accountability and Compliance (OFAC) related to ASSA, DRTRS, EXAID and Chapter 192/193 State Aid entitlements have been resolved

Section I-4

- No change

Section I-5

- Included link to Local Finance notice (LFN) 2010-3 *Guidance on Current Issues in Local government and Board of Education Procurement* which addresses political contribution disclosure regulations; competitive contracting for school and professional development services and professional services; and board of education federal procurement requirements
- P.L. 2009, c. 292 provides procedures for contracting units to select the lowest responsible bidder in instances where alternates or base bids with options are used for public works projects
- P.L. 2009, c.249 is effective January 12, 2010 and extends prevailing wage requirements to contracts for “maintenance-related projects” over \$50,000

Section I-6

- Reminder that the Uniform Minimum Chart of Accounts was modified to include new account codes, effective July 1, 2009

Section I-8

- Removed September 16, 2003 Year-End Encumbrance Hotline
- The 2009-10 withholding of state aid was contained to payments remitted during 2009-10 and reduces state aid revenue for 2009-10. Accordingly, the amount of the last two state aid payments is not affected by the 2009-10 withholding.
- ARRA ESF/GSF are shown as scheduled deductions through May 2010. Payments subsequent to the September payments are remitted exclusive of the state aid cash payment schedule.

Section II-10

- Extraordinary Aid recording in general fund account 10-3131 is based on May 10, 2010 notices. Eliminated the methodology of prior year recording based on whether districts did or did not receive adjustment aid for 2008-09
- Added website for districts with Commissioner approval of travel costs
- June 30, 2009 excess surplus could be transferred to general fund with Commissioner approval for June 30, 2010 (related to Executive Order No. 14). Guidance for the reporting of excess surplus has been revised to include this provision
- Fund balance for purposes of calculation of excess surplus at June 30, 2010 does not include any unexpended unencumbered ARRA-ESF or ARRA-GSF funds

Section II-20

- Expenditures for teacher salaries made by school districts from ARRA State Fiscal Stabilization Funds (ESF and GSF) are deemed to be considered State support and are therefore exempted from the requirement to reimburse TPAF and FICA.
- ARRA special revenue funds must be reported in separate columns in the *Combining Schedule of Program Revenues and Expenditures – Budgetary Basis* in the Special Revenue Fund section of the CAFR.

Section II-30

- No change

Section II-40

- No change

Section II-50

- Districts that elect early implementation of GASB Statement No. 54 for year end June 30, 2009 must report permanent fund principal in the nonspendable fund balance category and additional accumulated balances in the restricted fund balance category.

Section II-60

- Interest and late fees are not an allowable expense that can be paid from the food service (enterprise) fund. If incurred, interest and/or late fees must be paid directly from the LEA's general/operating fund resources, not from the food service (enterprise) fund
- Where one student member of the household has a food stamp or TANF case number, free eligibility can be extended to any other student from that household.
- Final sample size must be based on the actual number of approved applications on file as of October 1
- Expansion of audit requirements for FSMC contracts (page II-60.13) to include examination of fees incurred and evaluation of performance

Section II-70

- No Change

Section II-80

- No Change

Section II-90

- Added accounting guidance for health cost withholding from employees (1.5%)
- Added requirement for merged district to provide a report on the liquidation of non-operating district assets and liabilities

Section II-SA

- Single Audit Summary has been included as part of the required CAFR package submission. Type A worksheet has been deleted and incorporated in the Single Audit Summary
- Clarified that the auditor is required to perform follow-up tests/procedures to ensure that findings contained in OFAC reports have been properly resolved. Conclusions are to be placed in the Schedule of Findings and Questioned Costs
- Clarification on carryover and deferred revenue added
- Federal CFDA and State aid numbers are updated
- School lunch rates are updated

Section III-1

- Referenced Assembly bill A415 that proposes to add one month to the audit due date beginning with the current audit period
- Added electronic AMR, Data Collection Form, and the new Single Audit Summary to the submissions list
- Electronic copy of the AMR should be sent to the NJ Department of Agriculture

- Added reference and link to illustrative *Schedule of Findings and Questioned Costs* revised for SAS 115
- Added information and link to new Single Audit Summary which replaces the Type A Program Worksheet and the CAFR Information Schedule/Checklist and is required for all audits whether or not the district is subject to a federal and/or state single audit

Section III-2

- Removed reference to SAS 112 and replaced with SAS 115
- Removed sample reports and replaced with reference to illustrative reports (revised for SAS 115) published by the AICPA

Section III-3

- Revised illustrative Retirement Benefits footnote for current participant and State contributions information
- Revised illustrative Excess Surplus footnote for Executive Order No. 14
- Deleted reference to CEIFA

Section III-4

- Referenced Assembly Bill A415 that proposes to add one month to the audit submission date beginning with the current audit period
- Revised sample AMR findings for review and audit of provisions of the Food Service Management Company contract /addendum, where applicable
- Clarified that the Schedule of Meal Count Activity is required only if the Child Nutrition Program is a major program audited in the current period
- *Schedule of Findings and Questioned Costs* Section II – Financial Statement Findings has been revised by SAS No. 115
- Footnotes regarding sample size have been added to the Schedule of Audited Enrollments (ASSA)

Section III-5

- Districts that early implement GASB 54 must enter fund balance data in audsum using the existing terminology. Audsum will be modified for June 30, 2011 when GASB 54 is required to be implemented by all districts.

Section III-6

- Deleted references to election to defer 50% of the April 2009 PERS payment (was in the Current Operating Fund checklist)
- The 2010 Checklist for Annual Audit (Current Operating Funds) has been revised for (ARRA - #38; E.O. No. 14 #46a; SBB districts #49)
- For 2009-10, Food Service Checklist item #24 has been modified. All districts must have records identifying discounts, rebates and other applicable credits. This was only required of districts for 2008-09 that had a new base year Food Service Management Contract
- Audit Questionnaire #19 (C1) added verification of entry for SEMI reimbursement; Position Control Roster (PCR) questions #27 through #29 are applicable to all districts; SBB section – PCR questions moved as noted above to reflect PCR's application to all districts; deleted reference to District and School – Two Year Reports on Instructional Priorities; deleted reference to transfer to special revenue fund to fully fund preschool; deleted reference to late fees or penalties; and deleted reference to prompt payment discounts

- Added letters of Commissioner approval to transfer excess surplus, maintenance reserve for operating expenditures, or capital reserve for operating expenditures (if applicable)
- SEMI audit procedures have been updated to include whether the district included reimbursement eligible services in the 3rd party administrator's system for reimbursement

Section III-7

- No change

Section III-8

- Quality Assessment Review Checklist (QAR) item number 8 and number 12 revised for districts that elect *early* implementation of GASB Statement No. 54
- QAR items numbers 19 and 20 for new terminology and definitions required by SAS No.115
- QAR confirms that Auditor's Management Report contains all the findings reported in the Single Audit Section of the CAFR
- Deleted from QAR previous questions 13, 14, and 15 related to leases

OVERVIEW

Financial Accounting for New Jersey School Districts (The Audit Program) is updated annually and includes instructions for both district personnel and public school accountants regarding preparing for and performing the annual audit. The full text of *The Audit Program* is available on the web site <http://www.nj.gov/njded/finance/fp/audit/>.

The *Comprehensive Annual Financial Report (CAFR)* is the basis for the annual audit. New Jersey state law and administrative code (*N.J.S.A.18A:4-14* and *N.J.A.C. 6A:23A-16*) require school districts to follow generally accepted accounting principles (GAAP). These principles are augmented with the release of statements from the Governmental Accounting Standards Board (GASB). The Outline for Comprehensive Annual Financial Report section at the end of this introduction provides additional information on the CAFR.

Guidance unique or specific to districts that are required to use school-based budgeting (SBB) is included in the applicable sections of this Audit Program as follows:

Description	Section-Chapter	Rationale
Refer to website for guidance on CAFR schedules specific to districts required to use school-based budgeting	Intro-xvi	Districts required to use school-based budgeting must prepare schedules reporting activity and balances in fund 15, the subfund used for school level accounting and reporting.
Excess surplus calculation modification for expenditures allocated to restricted federal resources and capital leases with blended funds	II-10	Fund 15 expenditures blended with federal must be allocated to state and local.
TPAF and FICA Reimbursement Calculation for SBB districts	II-20	The blending of federal, state and local funds in the school-based budgets recorded in Fund 15 necessitates a calculation of the salary amounts paid in Fund 15, which are attributable to federal sources.
Schoolwide Programs description and compliance	II-SA	Expanded explanation of schoolwide programs as related to Title I and how these are treated for preparation of the Schedule of Federal Expenditures
Blended resources and computing Type A and Type B programs	II-SA	Expenditures incurred in schoolwide programs must be included in the total expenditures of the program contributing the funds when determining Type A and Type B programs for Single Audit testing.

Reference Materials

Reference materials published by outside organizations are available to provide guidance in report preparation. The Government Finance Officers Association (GFOA) publishes *Governmental Accounting, Auditing and Financial Reporting*, commonly known as the "blue book" that is used nationwide as a reference tool for CAFR preparation. The American Institute of Certified Public Accountants (AICPA) issues *Checklist and Illustrative Financial Statements for State and Local Governmental Units* that is a recommended reference for disclosure requirements. The Association of School Business Officials International offers a Certificate of Excellence in Financial Reporting by School Systems Program that awards certificates to those annual reports that fully meet the requirements established by GAAP and publishes a self-evaluation worksheet that may also be used as a tool in report preparation.

Responsibility/Government Auditing Standards

N.J.A.C. 6A:23A-16.2(i) requires the issuance of a CAFR by every school district, along with interim financial statements to facilitate management control of financial operations. Financial statements are the responsibility of the board of education's management and are its representation of the financial position at a given point in time and the operations of the district during a period of time.

The federal Single Audit Act requires that organizations that expend \$500,000 or more in federal financial assistance have an audit conducted in accordance with guidance provided in the Office of Management and Budget Circular A-133. NJ Circular Letter 04-04-OMB requires that New Jersey school districts that expend \$500,000 or more in State and/or federal financial assistance in their fiscal year have an annual single audit performed in accordance with the Single Audit Act, OMB Circular A-133 and State policy. *Government Auditing Standards July 2007 Revision*, commonly referred to as the "Yellow Book", established generally accepted government audit standards (GAGAS) and is available through the website: <http://www.gao.gov/govaud/ybk01.htm>. A summary of major changes since the 2003 version is also available through that website.

Submission/Reporting Package

The Department of Education requires the submission of the reports described below on or before the statutory deadline. The statutory submission date is the fifth day after four months after the end of the school fiscal year. Accordingly, the deadline for submission of June 30 audits is Friday, November 5, 2010. The Commissioner has statutory authority (*N.J.S.A. 18A:23-6*) to appoint auditors for districts failing to meet the statutory due date or invoke other administrative actions but the Commissioner does not have discretion to change a statutory requirement, such as the due date. *N.J.S.A. 18A:7A-55* includes late submission of the annual audit as one of the conditions for appointment of a state monitor.

1. The CAFR

The CAFR is the district's official annual report. It should include all funds of the district. It is organized into three primary sections: 1) an introductory section, 2) a financial section, and 3) statistical section. If a district falls under the reporting requirements of the Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 and the revised OMB Circular 133, and/or the reporting requirements under NJOMB Treasury Circular Letter 04-04, the CAFR will also contain a single audit section. The CAFR will strictly adhere to the Outline of the CAFR located at the end of this introduction. The report must include all sections, letters and exhibits in the applicable sample CAFR as they apply to each school district as well as any additional statements, schedules, and disclosures required under the circumstances of the district. The report must also include all applicable

single audit opinion letters prepared by the local school district's auditor in the single audit section. Sample single audit letters are provided in Section III – Chapter 2 of *The Audit Program*. The Office of the State Comptroller (OSC) has the authority to request the CAFR and AMR be sent to OSC (*N.J.S.A. 52:15C-1 et seq.*).

2. **The Auditor's Management Report on Administrative Findings, Financial, Compliance and Performance (AMR)**

This separate report will serve as the auditor's report to management. This report must be submitted together with the CAFR to the Department of Education in order to comply with Finance Policy Bulletin 200-1. A sample Auditor's Management Report is located in Section III – Chapter 4. *N.J.S.A. 52:15C-1 et seq.* provides the Office of the State Comptroller (OSC) the authority to request the CAFR and AMR be sent to OSC.

3. **Audit Summary Worksheet**

The Audit Summary Worksheet (Audsum) diskette is to be completed by the auditor and given to the district board secretary/business administrator. The board secretary/business administrator is responsible for carefully reviewing the reports generated by the Audsum diskette and signing off on the transmittal letter as to the accuracy of the information. The board secretary/business administrator is responsible for the transmission of the Audsum data via the DOENET to the Department of Education by the same due date as the CAFR. This information is used by the Department of Education for a variety of purposes, including downloading into the actual column of the budget software issued by the department. **It is very important that auditors and district personnel pay particular attention to the accuracy of the data to avoid having to resubmit the data. If data is resubmitted due to an error in the CAFR, revised pages of the CAFR must be sent.**

The procedure for submission of the CAFR and the AMR was adopted by the Department of Education to conform to the common practice for CAFR presentation followed by other school districts throughout the country. The two reports have separate, distinct purposes. The CAFR is the financial report presented to the board for conformance with GAAP. The AMR is the auditor's report to the board of education of his/her findings and recommendations as a result of the audit. In accordance with OMB Circular A-133, the CAFR will also be submitted to the Federal Audit Clearinghouse as part of the reporting package along with the data collection form in cases where a federal single audit of the district is required.

USOMB Circular A-133 and NJOMB Circular Letter 04-04 require that the Schedule of Findings and Questioned Costs contain, but not be limited to, significant deficiencies in internal control over major programs, material non-compliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program, and known questioned costs which meet the threshold as defined in Circular A-133. *N.J.S.A. 18A:23-9* states that the auditor "...report any error, omission, irregularity, violation of law, together with recommendations, to the board of education of each school district." Accordingly, the AMR must include **all** findings, including any items contained in the Schedule of Findings and Questioned Costs.

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

New Jersey statute (*N.J.S.A.18A:4-14*) requires that school districts maintain bookkeeping consistent with generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB). The financial reporting requirements of GAAP include the issuance of a CAFR.

The financial statements are the responsibility of the board of education's management. The General Accounting Office (GAO) *Government Auditing Standards* (see the Introduction to this *Audit Program*) provide that an auditor may not audit financial statements prepared by that same auditor. The department recommends that district management and auditors give careful consideration to the independence standard and its impact on the auditors of the district financial statements.

Districts should reference the NJ Department of Education (NJDOE) website at www.state.nj.us/njded/finance/fp (click on CAFR) for selected sample statements, including the basic financial statements and budgetary comparisons which are in excel files that can be downloaded by district staff. Information on Management Discussion and Analysis (MD&A) requirements and guidance on financial reporting for districts required to use school-based budgeting are also available at that web site to assist auditors and district staff. **The illustrative statements and schedules are not intended to be boilerplate nor inclusive of every situation.**

The NJDOE, after consultation with the NJASBO GASB 34 Taskforce and the NJSCPA, requires that each governmental fund be treated as a major fund in the fund statements for GASB 34 presentation. Questions relating to the preparation of NJ school district CAFRs may be emailed to doecafr@doe.state.nj.us.

The format of the CAFR should adhere to the Outline and numbering of the exhibits as shown on the following pages. If a section or exhibit is not applicable to the school district, the notation "N/A" should be indicated against that item in the Table of Contents.

Auditor's Note – Auditors should refer to the website <http://www.nj.gov/education/finance/fp/cafr/> for guidance on schedules that specifically relate to districts that are required to use school-based budgeting.

The CAFR includes the Introduction, Financial, Statistical, and Single Audit Sections. The contents of each section are as follows:

Introductory Section – Although not required by GASB 34, this section is still used by the GFOA “Blue Book” and is intended to familiarize the reader with the organizational structure of the school district and information useful to the reader to evaluate the district’s financial condition. It is important that the letter of transmittal avoid duplicating information already provided in detail elsewhere in the CAFR (GASB 34, fn 7).

Financial Section – This section includes the: 1) independent auditor’s report, 2) MD&A, 3) basic financial statements including the district-wide statements (accrual basis for governmental and business-type activities), fund statements (modified accrual basis for governmental funds, accrual basis for proprietary funds and for fiduciary funds), and notes to financial statements, 4) Required Supplementary Information (RSI) other than MD&A including budgetary comparison schedules, 5) Other Supplementary Information including combining and individual fund statements, and additional schedules. Certain combining schedules may not be applicable. For example, if a district has only two programs in the

Proprietary Fund, a combining schedule would not be necessary. The School Level Schedules (D series in the Outline) should only be included for districts that are required to use school-based budgeting. Indicate by “N/A” when a schedule is not applicable.

Statistical Section – This section is intended to provide CAFR users with a broader and complete understanding of the school district and its financial matters than is possible from the financial statements and supporting schedules included in the financial section. GASB Statement No. 44 (GASB 44) revised the statistical schedules effective for the June 30, 2006 CAFRs. Sample schedules and guidance for preparing the schedules can be found on the NJDOE web site www.state.nj.us/njded/finance/fp (click on CAFR). The Outline of the CAFR reflects these revisions. Statistical information to assist districts and auditors in preparing this section is posted on that web site (click on Audit Information, and 2009-10 Audit Program).

Single Audit Section – This section includes independent auditor’s reports on compliance and internal control, schedules of expenditures for federal and state grants, notes to the schedules of expenditures of federal and state grants, schedule of findings and questioned costs, and a summary schedule of prior audit findings. This information is required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04.

OUTLINE OF CAFR

Page

INTRODUCTORY SECTION

- Letter of Transmittal
- Organizational Chart
- Roster of Officials
- Consultants and Advisors

FINANCIAL SECTION

Independent Auditor’s Report

**Required Supplementary Information – Part I
Management’s Discussion and Analysis**

Basic Financial Statements

- A. District-Wide Financial Statements:
 - A-1 Statement of Net Assets
 - A-2 Statement of Activities

- B. Fund Financial Statements:
 - Governmental Funds:
 - B-1 Balance Sheet
 - B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances
 - B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

 - Proprietary Funds:
 - B-4 Statement of Net Assets
 - B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets
 - B-6 Statement of Cash Flows

 - Fiduciary Funds:
 - B-7 Statement of Fiduciary Net Assets
 - B-8 Statement of Changes in Fiduciary Net Assets

Notes to the Financial Statements

Required Supplementary Information – Part II

- C. Budgetary Comparison Schedules:
 - C-1 Budgetary Comparison Schedule – General Fund
 - C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (**if applicable**)
 - C-2 Budgetary Comparison Schedule – Special Revenue Fund

Notes to the Required Supplementary Information

- C-3 Budget-to-GAAP Reconciliation

Other Supplementary Information

- D. School Based Budget Schedules (**if applicable**):
- D-1 Combining Balance Sheet
 - D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual
 - D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual
- E. Special Revenue Fund:
- E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 - E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis
- F. Capital Projects Fund:
- F-1 Summary Schedule of Project Expenditures
 - F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis
 - F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis
- G. Proprietary Funds:
- Enterprise Fund:
- G-1 Combining Schedule of Net Assets
 - G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
 - G-3 Combining Schedule of Cash Flows
- Internal Service Fund:
- G-4 Combining Schedule of Net Assets
 - G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
 - G-6 Combining Schedule of Cash Flows
- H. Fiduciary Funds:
- H-1 Combining Statement of Fiduciary Net Assets
 - H-2 Combining Statement of Changes in Fiduciary Net Assets
 - H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements
 - H-4 Payroll Agency Fund Schedule of Receipts and Disbursements
- I. Long-Term Debt:
- I-1 Schedule of Serial Bonds
 - I-2 Schedule of Obligations under Capital Leases
 - I-3 Debt Service Fund Budgetary Comparison Schedule

STATISTICAL SECTION (Unaudited)

Page

Introduction to the Statistical Section**Financial Trends**

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances – Governmental Funds
- J-4 Changes in Fund Balances – Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers*
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information
- J-19 Schedule of Required Maintenance Expenditures
by School Facility
- J-20 Insurance Schedule

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

SINGLE AUDIT SECTION

- K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
- K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04
- K-3 Schedule of Expenditures of Federal Awards, Schedule A
- K-4 Schedule of Expenditures of State Financial Assistance, Schedule B
- K-5 Notes to the Schedules of Awards and Financial Assistance
- K-6 Schedule of Findings and Questioned Costs
- K-7 Summary Schedule of Prior Audit Findings

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