APPENDIX E

Required Documentation to Support Estimated Fund Balance

The purpose of Appendix E is to ensure that every district is completing and publicly disclosing estimated surplus balances as required under N.J.S.A. 18A:22-8(a)(2). It is applicable for all regular and vocational districts. The excel worksheet is posted on the DOE website along with the budget guidelines and appendixes for district use.

Every board of education must have available for Executive County Superintendent review its January 2010 Board Secretary's Report and provide the below additional documentation to support its estimated current year general fund surplus balances summarized on lines 1620 through 1640 in the Recapitulation of Balances ("recap"). Submission of the January 2010 Board Secretary's Report is recommended but not required, unless the December report does not support the district's surplus analysis provided or it is necessary for a district specific purpose.

Districts should reference the section in the budget guidelines entitled "Completing the Recapitulation of Balances" when completing Appendix E.

<u>Required Information to Support Additional Balances Appropriated</u> – Lines 1620 and 1630 column 2

> Additional fund balance appropriated through January 31, 2010 included on line 1620 and/or amounts included on line 1630 to be appropriated between February 1 and June 30 of 2010 require Commissioner or Commissioner designee approval, unless exempt pursuant to N.J.A.C. 6A:23A-13.3(d).
>
> Unbudgeted or underbudgeted revenue exempt from departmental approval pursuant to N.J.A.C. 6A:23A-13.3(d), should include the following documentation to support the transfer; 2/3 affirmative approval of the school board approving the appropriation, purpose(s) and amount(s).
>
> An amount can be entered on line 1630 only if there are board resolutions that specifically cite an amount and purpose for the appropriation. All purposes must be necessary for the 2009-10 school year and, therefore, cannot include purchases of textbooks, supplies, materials or other items and program costs, such as summer programs that benefit the next school year.
>
> Board resolutions, if applicable, are to be included with the district's required budget materials for submission of the 2010-11 budget.

<u>Required Information to Support Additional Balances Anticipated</u> – Line 1640 column 2

To support a district's estimate of additional balances anticipated in FY 09-10 on line 1640 of recap, every district board of education must provide a review and analysis in the following four areas:

- excess revenues projected through June 30, 2010, including restricted and unrestricted local miscellaneous revenues;

    - this analysis should detail all state and local revenues included and realized to date in the district's January board secretary's report in comparison to the estimated revenues in the district's 2009-10 budget certified for taxes;

    - this should also include revenues unique to the district such as tuition revenue, investment income on bond projects that will be transferred to the general fund, and transportation fees, and be supported by prior years' miscellaneous revenues reported on schedule J-5 of the district's CAFR;

- appropriations expected to lapse as of June 30, 2010;

    - this analysis should identify large unencumbered appropriation balances which should be included on line 1640 or if not included on line 1640 a justification for the expected expenditure by June 30, 2010;

- budgeted general fund transfers to other funds no longer needed;

    - this should include a review of budgeted transfer to food service compared to prior year contributions and prior year retained earnings balances and trend of generating net profit;

- prior year open purchase orders cancelled during the year;

Executive County Superintendent Review

These documents will be reviewed by the Executive County Superintendent, who has full authority to direct changes in the district's surplus estimate in its proposed budget.

Any additional fund balance identified in the Executive County Superintendent's review should be appropriated in the district's proposed 2010-11 budget.

The Executive County Superintendent cannot approve a district's budget without district submission of the requisite board resolutions to support amounts on lines 1620 and 1630, or the analysis in the above areas for amounts on line 1640.

The Executive County Superintendent has full authority to direct revisions to a district's recap of balances in its proposed 2010-11 budget without this requisite support and analysis.

APPENDIX E – DETAILS OF APPROPRIATED AND ANTICIPATED FUND BALANCES

			2010-11		
	District Name (Enter Name on Line Above)		**Budget Year**		
		Column 2,	Column 2,	Column 2,	
		Line 1620	Line 1630	Line 1640	
A	**Totals from Line D (Note 1)**	**400**	**100**		**1,000**
B	**Appropriated Surplus During Pre-Budget Year (1620 & 1630):**				
B-1	Through February 1: From Pre-Budget Year Surplus (#1620)				
	Amount Certified for Taxes	225			
	Amount Certified for Taxes, but not Appropriated (as Neg)	(25)			
	Additional Transfers to February 1:				
	State Purpose and Enter Amount	60			
	State Purpose and Enter Amount	50			
	State Purpose and Enter Amount	90			
B-2	Feb 1 to June 30: Additional Transfers Anticipated (#1630)				
	State Purpose and Enter Amount		70		
	State Purpose and Enter Amount		20		
	State Purpose and Enter Amount		10		
	State Purpose and Enter Amount		-		
C	**Additional Balances Anticipated February 1 to June 30 (#1640):**				
C-1	Under Estimated/Budgeted Revenues (Note 2):				
	Investment Income on Bonded Projects			600	
	General Fund Interest on Investments			20	
	Miscellaneous Tuition Revenue			30	
	Transportation Fees			10	
	Other – Enter Description			5	665
C-2	Expected Appropriation Savings (for example):				
	Tuition			50	
	Administration (General/School/Central)			75	
	Operations and Plant			40	
	Student Transportation			35	
	Benefits			30	
	Other Account			-	
	Other Account			-	
	Other Account			20	250
C-3	Cancelled Purchase Orders:				
	Prior Year Cancelled POs			50	
	Old Outstanding PO's no Longer Necessary			25	75
C-4	Budgeted Transfer to Food Services not Needed				10
D	**Totals**	**400**	**100**		**1,000**
	NOTE 1: This must agree with the amount on the budgeted Recap of Balances				
	NOTE 2: Review in conjunction with Prior Year CAFR Schedule J-5				