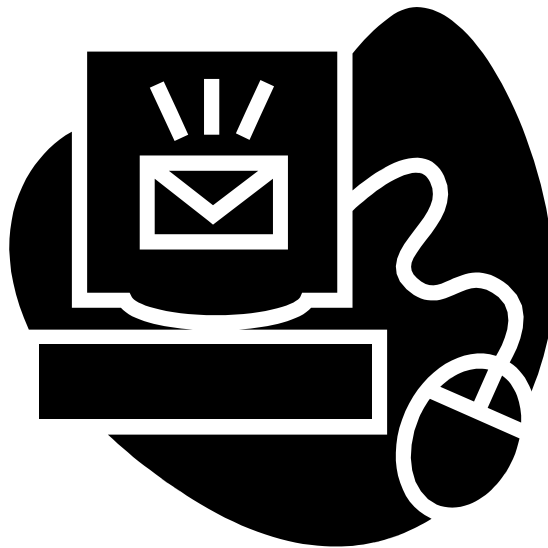


New Jersey Department of Education

Technical Manual

2008-2009 Audit Summary

Worksheet



ELECTRONIC DATA COLLECTION

Division of Finance
Office of School Funding

<http://www.nj.gov/njded/finance/audsum/>

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Master Copies:

Audit Summary Worksheet - Revenues, Expenditures, Debt Service (Municipal), Enterprise Funds
 Charter School Crosswalk
 Schedules of Financial Assistance
 Supplemental Data for Tuition Cost Per Pupil - Discretionary Allocation - Regular District
 Report of Recapitulation of (Excess) Deficiency of Revenues (Over) Under Expenditures

TECHNICAL MANUAL
2008-2009 Audit Summary Worksheet - All School Districts

SECTION I. - INSTALLING THE PROGRAM

HARDWARE REQUIREMENTS

You will need the following hardware to install the program onto your personal computer's hard drive and to save data for transmission to the state by the individual districts:

Any personal computer (PC) that is IBM compatible.

A hard disk drive with approximately one megabyte (1 MB) of free disk space.

A blank 3-1/2 inch double sided, high density (DS,HD) diskette or USB Flash Drive.

A standard dot matrix printer or a Hewlett Packard compatible laser printer.

NETWORK REQUIREMENTS

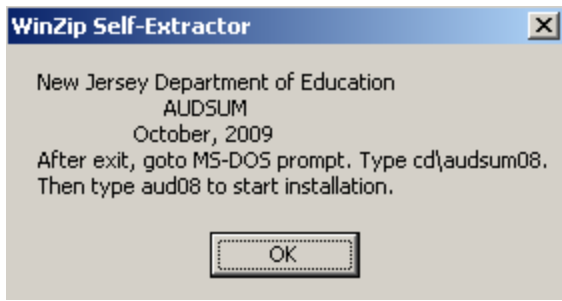
You will need access to the internet to install the application at: <http://www.nj.gov/njded/finance/audsum/>

SOFTWARE REQUIREMENTS

MS-DOS 3.3 or higher

INSTALLATION PROCEDURES

1. Double click on the file aud08.exe and you will get the following window:



2. Click on OK and then click SET UP when prompted. You will be prompted to press any key to continue. The window will now close.
3. Open the MS-DOS prompt. Make certain your DOS prompt is set for accessing your hard drive. Type **cd\audsum08** and hit enter. Next type **aud08** and hit enter. The county selection screen will appear.

IF THE MESSAGE "INSTALLATION ALREADY PERFORMED" APPEARS, THE PROGRAM WAS PREVIOUSLY INSTALLED ON THE PC'S HARD DRIVE. IF IT IS REINSTALLED, IT WILL OVERWRITE ALL EXISTING DATA.

SECTION II. - RUNNING THE SYSTEM

CONVENTIONS

The conventions listed below are used throughout this program and manual.

Use the **Up/Down Arrow** keys to highlight your choice if it appears on the screen.

If a choice does not appear on the current screen, use the **PgUp/PgDn** or **Up/Down Arrow** keys to move to a different screen.

When your choice is highlighted, press the **ENTER** key to select it.

Press the **Esc** to exit the selection.

CTRL+Key indicates that you hold down the Ctrl key while pressing another key. For example, Ctrl+C.

Use the F1 key and enter the desired line number to GO TO a particular revenue or detail expenditure line number. If you are using the F1 key in the revenues and expenditures form, after the desired line number is keyed, press the ENTER key. If a line has been keyed that does not exist in that form, a message "Invalid Line-Press RETURN key to continue" will appear.

To leave the program, highlight the "Exit System" choice at the bottom of the main menu and press **ENTER**. (When you select Exit System, data you have entered will be stored on your hard drive. You can re-access the program at any time without having to re-enter data.)

You will hear a tone if you attempt to enter data or select a menu choice that is not valid.

ACCESSING THE PROGRAM

In order to use the 2008-2009 Audit Summary Worksheet program, you must first select the school district you are auditing. This process is completed only once.

1. Use the **Up/Down Arrow** (or **PgUp/PgDn**) keys to highlight the county in which the school district is located. If you are auditing a Charter School, you will select CHARTERS instead of the county. When highlighted, press **ENTER**.
2. Use the **Up/Down Arrow** (or **PgUp/PgDn**) keys to highlight the name of the school district. When highlighted, press **ENTER**.

An Identification Confirmation screen will appear.

3. If the county and/or school district name is/are not correct, enter **N** for No, and re-select your county and school district name.

If the county and school district name are both correct, enter **Y** for Yes.

The message "Preparing Files - Please Wait" appears.

During the "Preparing Files" process, total revenue source data from the CEIFA SA1 for the school district you have selected will be automatically entered into a data base for edit checking purposes only.

4. You have two alternatives regarding the worksheet entry screen display. Read the instructions on the screen and enter the appropriate option number (either the number 1 or 2). You will be able to change your options under File Maintenance.

Once identified, all files will be moved to a new sub-directory with the system of A08#### (#### = the four digit LEA code for your district). You will need to access this sub-directory to gain access to the district data. This process will allow you to work on more than one district at a time. During this process, please note the unique sub-directory name displayed by the PC.

ACCESSING THE PROGRAM - Second and All Future Sessions

It is unlikely that you will enter all of the data in the reports during the first session. To access the program in all subsequent sessions, follow the procedure below. DO NOT REINSTALL THE PROGRAM UNLESS YOU WANT TO OVERWRITE ALL EXISTING DATA ON YOUR HARD DRIVE AND BEGIN AGAIN.

1. At the DOS prompt for the hard drive where the program is stored, enter **CD\A08<district #>** and press **ENTER** to change the directory to A08<district #>.

Example: C:\>**CD\A080110**

2. Enter **AUD08** and **ENTER** to access the program.

Example: C:\>A080110\AUD08

YOU MUST USE THIS METHOD TO ENTER THE PROGRAM IN ORDER TO FACILITATE PRINTING

APPLICATION FORM

The opening screen that appears before the Audit Summary main menu screen will collect responses to various audit questions. This screen is in response to the School District Fiscal Accountability Act and is mandatory. This screen can be exited by hitting the escape key once all answers are entered. The screen appears as follows:

```

2008-09 Audit Summary Worksheet for:

Please answer following questions (when finished, press ESC key):
*****If NA leave field blank
If the district had a year end deficit in the capital projects fund,
was it due to bond anticipation notes? (Y/N/NA)

What was financial statement audit opinion?
(Q=Qualified, U=Unqualified, D=Disclaimer, A=Adverse)

What was the audit opinion for the State Single Audit?
(Q=Qualified, U=Unqualified, D=Disclaimer, A=Adverse NA)

What was the audit opinion for the Federal single audit
(Q=Qualified, U=Unqualified, D=Disclaimer, A=Adverse NA)
Were there material weaknesses identified - financial statement? (Y/N/NA)
Were there material weaknesses identified - state single audit? (Y/N/NA)
Were there material weaknesses identified - federal single audit? (Y/N/NA)
Were there any repeat audit findings in the CAFR or the AMR? (Y/N)

```

The main menu of the Application Form consists of the following four (4) sections:

- DATA ENTRY
- FILE MAINTENANCE
- REPORTS / EDITS
- INFORMATION

```

2008-09 Audit Summary Worksheet for:

DATA ENTRY
Revenues
Expenditures
Debt Service (Muni./Co. Budgets)
Enterprise Funds
Financial Assistance
Select Supplemental Choices

School Based Expenditures
School facilities

FILE MAINTENANCE
Change Entry Display Alternatives
Recreate Index Files

REPORTS/EDITS
Report Menu
Perform Edit
Transfer Data To a Diskette

INFORMATION
Date: 08/31/2009
Operating Type: K - 12
Audit Help Line: (609) 984-4945
Email : audsum@doe.state.nj.us

Exit System

Use Up/Down Arrows to highlight Choice, Enter=Select

```

INFORMATION SECTION

Verify that the name of the school district you are auditing appears at the top of the screen and that the data in the Information section is accurate.

Date: (copied from your PC)

Operating Type: of the school district you are auditing

For assistance you may call or email the State Department of Education:

(609) 984-4945 or audsum@doe.state.nj.us

DATA ENTRY SECTION

The Data Entry section consists of the following eight (8) reports:

- Revenues
- Expenditures
- Debt Service (Municipal/County Budgets) (For districts with Type I debt only)
- Enterprise Funds
- Financial Assistance (Federal, State, Non-Public and Local)
- Select Supplemental Choices (For Regular districts only)
- School Based Expenditures (For Whole School Reform- Abbott School districts only)
- School Facilities

Data can be entered in the reports in any order.

To select a report, use the **Up/Down Arrow** keys to highlight the desired report and press **ENTER** to select it.

When a choice is selected, the appropriate screen will appear on which the data is to be entered.

All Regular districts with tuition revenue must complete and submit Supplemental Data for Tuition Cost per Pupil. (Please read Section III of this manual for further instructions.)

For the Supplemental Data (Tuition) report ONLY, line descriptions appear in a box at the top of the screen and you must use the **Right/Left Arrow** keys to move among the following nine categories since there is room on the screen to view only three columns:

- Voc. Prog. - Local Instruction (Special Projects)
- Rental of Land & Buildings
- Interest - Lease/Purchase (5 years or less)
- Student Body Activity
- Facilities Acquisition and Construction (Less Lease Purchase Agreements - Principal)
- Building Use Charges
- Other Support Services - Students - Special (Less Residential Costs)
- Related Services
- Benefits for Special Programs

To enter data in a report, use the following process:

1. Use the **Up/Down Arrow** or **PgUp/PgDn** keys to highlight the desired line. (In the Supplemental Data (Tuition) report, you may first have to use the **Left/Right Arrow** keys to move to the desired column.)

A cursor will appear at the beginning of the column in which data is to be entered.

2. Use the numeric keys to enter the data, and press **ENTER** or the **UP/DOWN ARROW** key. If you use the ENTER key, the amount column will remain highlighted after you enter the data. If you use the Up/Down Arrow keys after entering data, you will move to the next line (either up or down).

The computer program will automatically calculate/update the sub-totals and total after each entry of data.

Do not use a comma or decimal point (**ALL AMOUNTS MUST BE ROUNDED TO THE NEAREST WHOLE DOLLAR BEFORE ENTERING**). You can enter a negative amount by

preceding the figure with a minus sign (e.g., -4345) only on those lines where a negative amount is possible (see page 8 for a listing of these lines).

Make certain the NumLock is in the ON mode if you are going to use the numeric keypad, and that you use the zero key (not the letter O key) when entering numeric data. If you discover an error before pressing the ENTER key, use the **BACKSPACE** key to erase it and move the cursor, and then re-enter the data.

If you discover an error after pressing the ENTER key, return to Step #1 above and re-enter the data.

3. When all data in a report has been entered, press the **Esc** key to return to the main menu.

FILE MAINTENANCE SECTION

Recreate Index Files

The configuration of some PCs may result in the corruption of data files. This file maintenance option, Recreate Index Files, can be used at any time to reconstruct the index files associated with the audit summary data input files. If you notice a problem in the display of your data, you can highlight and select Recreate Index Files from the File Maintenance Section in the Main Menu. After the re-indexing is complete, attempt data entry again.

Change Entry Display Alternatives

You have the ability to change the option that was selected when the program was first loaded onto your PC. Changing the worksheet screen display option will not affect the data previously keyed either going from line number to account number or from account number to line number.

REPORTS/EDITS SECTION

Report Menu

It is mandatory that all reports are generated and a copy sent to the School Board Secretary/Business Administrator. The following reports can be generated at any time and printed on the printer attached to your PC:

- Revenues Report
- Expenditures Report
- Debt Service Report (Type I districts only)
- Enterprise Funds Report
- Recapitulation of (Excess) Deficiency of Revenues
- Financial Assistance Report
- Supplemental Report (Regular districts only)
- School Based Expenditure Report (Whole School Reform-Abbott districts only)
- School Facilities

To generate a report, highlight "Report Menu" from the REPORTS/EDITS section of the main menu.

Use the **Up/Down Arrow** keys to highlight the report that is desired and press **ENTER** to select.

Perform Edit

The edit process performs a variety of checks to determine the relationship between various categories. If errors are found, a screen will appear that indicates the error(s) by category and by report. (Reference Section V, Edit Checks in this Technical Manual)

The edit can be performed at any time, but MUST be run just prior to transferring the data to the diskette.

To perform an edit, highlight "Perform Edit" in the REPORTS/EDITS SECTION of the main menu and press **ENTER**.

If no errors are found, a message will appear that you may continue to enter new data or, if finished, proceed to Transfer Data to a diskette.

If errors are found, a screen will appear that lists the errors as follows:

The Error Message column will indicate the reports and lines where the amounts are not equal. For example:

<u>Error Message:</u>	<u>Left Total</u>	<u>Right Total</u>
Rev. L420 NOT= Exp. (L9579+ 9580)	64,215	72,563

Interpretation:

Local Special Revenue Funds entered (Revenue line 420): \$64,215 (Left Total)
is not equal to (NOT=)

Total Local Special Revenue Expenditures entered (Expenditure lines 9579+9580): \$72,563 (Right Total)

Use the **Up/Down Arrow** and **PgUp/PgDn** keys to view the errors.

Enter the letter **P** to print a copy of the edit report.

Enter **Esc** to exit the edit report menu and return to the main menu in order to correct the errors.

TRANSFER DATA TO DISKETTE

After all data entry has been completed and the last edit has been performed successfully, you are ready to transfer the data onto a blank diskette or USB drive for submission to the State Department of Education.

1. Select "Transfer Data to Diskette" from the main menu and press the **ENTER** key.

If you did not perform an edit since last changing data, a message will appear indicating that you must do so before data can be copied.

If any errors were detected during your last edit session that you did not correct, a message will appear that you must correct the data and perform another edit before the data can be copied to the diskette.

If the last edit contained no errors, a message will appear that you may transfer the worksheet files to the diskette.

A transmittal form will automatically print when transferring data to the diskette. Please sign and send with the diskette to the School Board Secretary/Business Administrator. Signatures by BOTH the auditor and School Board Secretary/Business Administrator are required. Various edits which are not considered fatal edits and only **WARNINGS may appear on the transmittal form.**

2. Follow the instructions on the screen:

- a. Enter the letter of your floppy disk drive.
- b. Place a blank diskette into the drive that was selected.

NOTE: If you inadvertently place a diskette into the floppy drive on which you previously had transferred data from another school district, a message will appear that you will overwrite the data if you continue the copy process. Remove that diskette and insert the proper diskette.

3. When the copy process is complete, follow the instructions on the screen to remove the diskette.
4. Send the diskette and the Transmittal letter to the School Board Secretary/Business Administrator.

SECTION III. GENERAL INSTRUCTIONS FOR THE 2008-2009 AUDIT SUMMARY WORKSHEETS **Overview of Changes**

Electronic data collection is required of **all** submissions for school districts in New Jersey. The audsum program will accommodate all district types, including Regional Day Schools and Charter Schools. Once a district has been selected in the program menu, the data entry screens and reports will reflect only those line items related to that type of district. There are a limited number of lines in the audit summary worksheet where the computer will allow the keying of a positive or negative amount. All other fields are programmed to accept only positive amounts. The lines where a positive or negative amount (preceded by a minus (-) sign) may be keyed are lines 70, 80, 90, 140, 646, 10070, 10080, 10090 and 10259.

THE DATA FROM THESE AUDIT SUMMARY WORKSHEETS WILL BE AUTOMATICALLY DOWNLOADED TO THE 2010-2011 BUDGET STATEMENT PROGRAM FOR THE 2008-2009 ACTUAL COLUMN. Notice that descriptions and line items generally match the budget statement profile with the exception of the additional data required for the U.S. Department of Education, National Center for Education Statistics reporting. Once the worksheet is complete, copies of **ALL** reports must be forwarded to each School Board Secretary/Business Administrator since they must sign the transmittal letter and because they should also have a record of the actual 2008-2009 audited amounts for their budget statements.

The 2008-2009 Audit Summary Worksheets coincide with the chart of accounts entitled The Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools (COA), as modified by the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). The basic format of the worksheet is consistent with that of prior years' in that the total revenues and balances line must equal the total expenditures and balances line. Certain changes have been made to the worksheet in order to conform to CEIFA and to collect additional data needed by the department. Changes to this year's audsum include line number changes and the addition of the School Facilities data collection screen.

School Facilities

Required Maintenance

2008-09 Audit Summary Worksheet for:			
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES For the Fiscal Year Ended June 30, 2009			
Facilities	Bldg Code	Sq Feet	2009
	020	198000	0
	030	147200	0
	050	27800	0
	055	58034	0
	060	57493	0
	100	25250	0
	130	43200	0
	999	0	0
Expenditure Total :			0
Press F2 key to add a Facility, F3 to delete a Facility Use Up/Down/Right/Left Arrows to highlight Choice Page Up=Previous Page, Page Down=next page, Esc=Main Menu			

As required under the regulations (N.J.A.C. 6:24-2.2), beginning in 2002-03, a district must maintain their accounting records for required maintenance at the school facility level. Under EFCFA, districts will be required ten years from enactment of the law to demonstrate a net investment in required maintenance within the ten years previous of two percent of what the facility's replacement cost was ten years prior. In order to continue to receive full aid for new construction and additions for which financing is issued under EFCFA, districts will be required, beginning in the fourth year after occupancy, to demonstrate an annual investment in maintenance of the facility of at least two-tenths of one percent of the facility's replacement cost. Districts that fail to meet this requirement will have their aid reduced proportionally.

Required maintenance is defined as expenditures for systems warranty purposes which are approved for repairs and replacements for the purpose of keeping a school facility open, comfortable and safe for use or in its original condition, including repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition. Required maintenance includes periodic or occasional inspection; adjustment, lubrication, and cleaning (non-janitorial) of buildings and fixtures; replacement of parts; and other actions to assure continuing service and to prevent breakdown. Required maintenance does not include contracted custodial or janitorial services, expenditures for the cleaning of a school facility or its fixtures, the care and upkeep of grounds or parking lots, and the cleaning of, or repairs and replacements to, movable furnishings or equipment, or other expenditures as determined by the Commissioner which are not required to maintain the original condition over the facilities' useful life. The salaries of personnel dedicated to required maintenance are recorded under object 100 and should not include the costs of any employees performing janitorial or custodial duties. When district personnel who are not exclusively dedicated to the performance of required maintenance activities perform maintenance activities, districts may credit that portion of the salaries of such personnel to required maintenance expenditures where task-specific documentation of such activities is available and subject to audit. Cleaning, repair, and maintenance services (object 420) is used to record services by non-district personnel for repairs and required maintenance and may **not** include cleaning services. Repairs and required maintenance services include contracts and agreements covering the upkeep of buildings. Cleaning services include garbage disposal services, snow plowing services, custodial services, and lawn care are considered routine maintenance and reported under function 262 below. Allowable required maintenance general supplies

(object 610) expenditures are for those items that are consumed, worn out, or deteriorated through use. Other objects (object 800) consist of expenditures for miscellaneous goods or services not classified above. "Other facilities" means athletic stadiums, swimming pools, any associated structures or related equipment tied to such facilities including but not limited to grandstands and night field lights, greenhouses, garages, facilities used for non-instructional or non-educational purposes, and any structure, building or facility used solely for school administration.

Required maintenance expenditure data and square footage can be obtained from the district's Comprehensive Maintenance Plan Document for FY 07-08. Nonoperating districts, charter schools, education service commissions, and regional day schools are excluded.

Facilities

A list of school facilities was preloaded based on the district's long range facilities plan. You can add, change, or delete school facilities as needed. Maintenance expenditures for other facilities do not need to be reported separately. If reported, they should be reported under "OTHER FACILITIES." Do not add in separately identified other facilities.

Building Code

This is a Department of Education assigned code. "OTHER FACILITIES" are listed with code 999.

Gross Square Footage

This information is estimated from the district's long range facilities plan. If the square footage listed is incorrect, please change it. Since this information is used to calculate the replacement cost for a facility, it is a required field for any school facility.

Entry of Charter Schools

Charter Schools must report the audit summary information to the department on diskette. The entry screens for the Charter Schools can be accessed by entering 'Charters' for the county, then by selecting the appropriate charter school name. Charter School data should be entered to the Audsum in accordance with the crosswalk that is included at the end of this manual. This crosswalk details how the Charter School Chart of Account line numbers should be entered to the line numbers referenced in the Audsum template. Since this template was actually designed for Regular School districts, there may appear to be some discrepancies between a Charter School account label and the account label on the template. (For example, all teachers salaries will be entered to a line item labeled: "Grades 6-8 Salaries of Teachers") However, our data collection process will accommodate these discrepancies when tabulating the results for Charter Schools.

Entry of Regional Day Schools

Regional Day Schools must report the audit summary information to the department on diskette. Unfortunately, these LEAs are not able to transmit the data via the DOENET. The entry screens for the Regional Day Schools can be accessed by entering the appropriate county, then going to the end of the district listing to locate the Regional Day School name. Regional Day Schools will not appear in alphabetical order or through the district name. Please submit Regional Day Schools on a diskette labelling the diskette LEA codes # and the Regional Day School name. No audit summary reports should be submitted to the department on paper.

The LEA codes assigned to the Regional Day Schools are listed below.

County	Host District	Regional Day School Name/Loc.	Regional Day School LEA #
Bergen	Bergen County Special Services	Bleshman	9001
Bergen	Bergen County Special Services	Millburn	9002
Camden	Winslow Township	Winslow	9003

Essex	Newark City	NJRDS	9004
Hudson	Jersey City	NJRDS	9005
Mercer	Mercer County Special Services	Hamilton	9006
Middlesex	Middlesex County Educational Services Commission	Piscataway	9007
Morris	Morris Co ESC	NJRDS	9008
Ocean	Manchester Township	Jackson	9009
Salem	Salem County Voc-Tech	Mannington	9010

As a reminder, school districts with Regional Day Schools should report those funds in an enterprise fund in the Comprehensive Annual Financial Report (CAFR). However, in completing the audit summary diskette, you must report Regional Day Schools as a separate entity on a separate diskette and not in the enterprise fund of the associated school district.

Regional Day Schools should report depreciation expense on line 8332. A Regional Day school should reflect the differences between revenues charged and collected for equipment purchases and depreciation expense in restricted legal reserve fund balance (line 10010) rather than the general fund free balance (line 10070). In other words, the activity related to fixed assets (revenues charged and collected for equipment purchases minus depreciation expense) closed to the restricted fund balance account should equal the net book value of the assets (undepreciated balance).

Debt Service (Municipal and County Budgets)

Debt service aid and debt payments made by a municipality or county on behalf of a Type I district must be reported in the audit summary Debt Service (Muni. /Co. Budgets) schedule. For the 2008-2009 fiscal year, an edit exists to identify school districts that received Type I debt service aid to ensure that this schedule is completed. State Aid (Line 10120), Principal (Line 10180) and/or Interest (Line 10190) payments must be reported. **Do not leave this blank or type in inaccurate information or you will be asked to resubmit. This information will be compared with the district’s 2008-2009 application for debt service aid.**

Line Number Changes

Any line item changes (both additions and deletions) that were made to the 2008-2009 budget program are mirrored in the 2008-2009 audit summary worksheet. In the majority of cases, line numbers for both budget and the audit summary worksheet will be consistent, with the exception of Allocated Benefits line items. In the budget program the allocated benefit line numbers begin with the number “1” followed by four digits. For audit summary worksheet purposes the allocated benefit line numbers will also have five digits, but will begin with the number “2” followed by the same four digits as in the budget line number. For example, budget line 10220 Special Programs – Instruction – Group Insurance will be audit summary worksheet line number 20220. The line items that are highlighted in orange on the asw.xls worksheet (found on our website) represent the new lines for 2008-2009. The line items highlighted in yellow represent ‘Other Support Services-Students Related Services’; ‘Other Support Services-Students Extraordinary Services’; and ‘Undistributed Expenditures – Central Services’. These sections are highlighted in yellow due to their placement on the audsum. Due to programming constraints, they had to be placed at the bottom of the expenditure screen and the asw.xls worksheet will serve to assist you in locating these sections on the application.

Tuition Reserves

The intent of the Tuition Reserve lines is to break out the three years of tuition rate adjustments that are adjusted in the third school year, so that adjustments can be reserved in advance. The revenue lines are beginning balances, 15, 16 and 17 and the expenditure lines are ending balances, 10015, 10016 and 10017:

- ❖ The revenue 'current year' (**line 15**) beginning balance represents the 2007-08 tuition year. This tuition adjustment would be budgeted for payment in the 2010-11 school year (third school year).
- ❖ The revenue 'prior year' (**line 16**) beginning balance represents the 2006-07 tuition year. This tuition adjustment would be budgeted for payment in the 2009-10 school year (third school year).
- ❖ The revenue 'two years prior' (**line 17**) beginning balance represents the 2005-06 tuition year. This tuition adjustment would be budgeted for payment in the 2008-09 school year (third school year).
- ❖ The expense 'current year' (**line 10015**) represents the 2008-09 tuition year. This tuition adjustment would be budgeted for payment in the 2011-12 school year (third school year). The amount on this line will be the beginning balance on revenue line 15 in the subsequent 2009-10 audsum.
- ❖ The 'prior year' (**line 10016**) represented the 2007-08 tuition year. This tuition adjustment would be budgeted for payment in the 2010-11 school year (third school year). The amount on this line will be the beginning balance on revenue line 16 in the subsequent 2009-10 audsum.
- ❖ The 'two years prior' (**line 10017**) represented 2006-07 tuition year. This tuition adjustment would be budgeted for payment in the 2009-10 school year (third school year). The amount on this line will be the beginning balance on revenue line 17 in the subsequent 2009-10 audsum.

Preloaded Information

The July 1, 2008 beginning fund balance information will be preloaded on lines 10 through 100 using information provided in the 2007-2008 audit summary. These amounts can be revised, however a warning edit will be generated to identify that changes were made.

In those cases where districts had to revise some state aid revenue categories either because they were subject to a PERS deduction and/or because of their 08-09 extraordinary aid award, the preloaded revenue amounts will differ from what districts have recorded. The preloaded numbers must be adjusted in the audsum to reflect the districts' final numbers after those adjustments.

The State Non-Public Schedule of Financial Assistance will contain drop down menu to ensure consistency and accuracy of entry of the program names and numbers.

Transfer of Funds to Charter Schools

If a district has resident students enrolled in a charter school, an amount must be entered on line 9465 Transfer of Funds to Charter Schools. Failure to do so will generate a fatal edit.

Line 13292 is used to record transfers of special revenue to charter schools.

Fund Balance

Under CEIFA, auditors are required to perform the calculation of excess surplus at June 30 in accordance with N.J.S.A 18A:7F-7 for all regular and county vocational school districts. Excess surplus amounts reserved for excess surplus at June 30, 2008 must be recorded on Line 10025 "Reserved for Excess Surplus - GF – Desig for Subsequent Yr." Excess surplus generated during the 2008-2009 school year should be reported on Line 10024 "Reserved for Excess Surplus – GF - Current Year".

Unreserved fund balance that has not been designated for a specific use should be recorded on Line 10070 "Unreserved-Undesignated General Fund." A warning edit will be generated if the amount entered on line 10070 is less than or equal to zero. See Question #17 in the Audit Questionnaire for details on performing the calculation.

The amount of unreserved fund balance that has been included in the upcoming year's general fund budget as budgeted fund balance should be reported in the unreserved fund balance equity section as designated for subsequent year's expenditure, and recorded on Line 10075 "Unres Gen Fund Designated for Subsequent Yr."

Special Services school districts are subject to an excess surplus calculation in accordance with N.J.S.A. 18A:46-31, as amended. This calculation will be performed by the department during the tuition certification process.

Enterprise Fund

In the Enterprise Fund data entry screens a program revision was made to allow Line 10259 Beginning Retained Earnings to be negative.

Schedules of Financial Assistance

As in the past, these schedules should include all active (ie - not closed) financial assistance programs in which a district is participating, regardless of the fund in which the program is classified for accounting purposes. A new screen has been added to this section of the audit summary worksheet. The screen should be used to report any non-public state financial assistance. The screen has a drop-down menu to select the appropriate program title. Refer to Appendix E of the Audit Program for instructions on preparing the Financial Assistance schedules. The non-public screen is the only financial assistance screen with a drop-down menu.

Supplemental Data for Tuition Purposes

For regular districts only—a new column is available in the Supplemental Data (for tuition purposes) data entry screen to include the district's allocation of Line 20320 Benefits for Special Programs costs among the programs offered by the district.

IMPORTANT: The Supplemental Data for Tuition Cost per Pupil **MUST** be completed by regular school districts which receive tuition revenue. Completion of the Supplemental Data by regular districts who do not receive tuition revenue is optional. Also, Vocational, Special Services, ESC's, and Regional Day Schools cannot and do not fill out this form. School Board Secretaries/Business Administrators required or opting to complete the Supplemental Data must complete the supplemental data worksheet included in the back of this manual. Upon completion, the worksheet must be submitted to the auditor for input onto the diskette. Refer to Section IV for further instructions.

Recapitulation of (Excess) Deficiency of Revenues (Over) Under Expenditures Report

The Recapitulation of (Excess) Deficiency of Revenues (Over) Under Expenditures Report is generated based upon the numbers keyed in the data entry screens. The purpose of this report is to show the calculation of the actual (excess) deficiency of revenues (over) under expenditures that will be **downloaded** to the 2009-2010 budget statement program for the 2008-2009 actual column. No entry will be shown in the 2008-2009 column of the revenues section for budgeted fund balance. Under GAAP reporting, the (excess) deficiency is the actual change in fund balance as a result of actual revenues and expenditures for the year. Either a net surplus or net deficit is generated for the year.

Special Revenue Edits

Total special revenue fund revenues on the audit summary will not equal total special revenue fund expenditures if Early Childhood Program Aid (ECPA) revenue was deposited into the Early Childhood Capital Reserve, as the line item for the increase to capital reserve account is a memo only line. Also, because of allowable transfers, both Demonstrably Effective Program Aid (DEPA) and ECPA revenues may not equal the

respective expenditures for each particular type of state aid. See Section II of the Audit Program for details on reporting special revenue.

The special revenue edits for ECPA, DEPA, Distance Learning Aid and Instructional Supplement Aid have been modified to include prior year carryover amounts.

SECTION IV. DATA ENTRY SCREENS

Revenues, Expenditures, Debt Service (Muni./Co. Budgets), Enterprise Funds

Refer to the master audit summary worksheet included in this manual for the subtotal/total categories and the respective line items. Subtotals and totals are automatically calculated by the computer program.

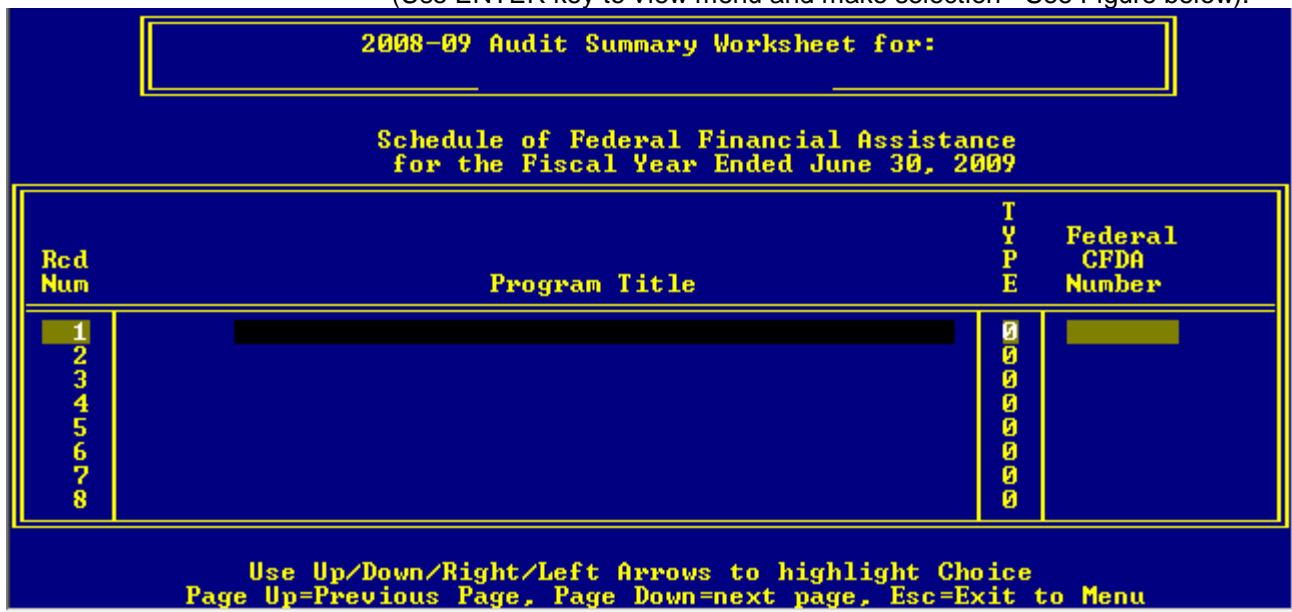
Financial Assistance

All districts are required to prepare applicable Schedules of Financial Assistance (federal, state, and local) which include all active (ie - not closed) financial assistance programs in which a District is participating, regardless of the fund in which the program is classified for accounting purposes. Refer to Section II - Single Audit of the Audit Program for additional guidance concerning the content of these schedules.

An unlimited number of programs may be entered in each schedule. After every thirty (30) entries press ESC and re-enter the screen to add more lines. **If the required fields are not completed for any program, a warning will appear that all data entered will be deleted once the Esc key is pressed.**

The following data fields appear in the Schedules of Financial Assistance:

Field Name	Description
Program Title*	Designates the original grantor department/agency (grantor) of the financial assistance and the name of the program.
Type*	Designates pass-through or direct status of grant. (Use ENTER key to view menu and make selection - See Figure below).



	Description
Federal CFDA Number	Applies only to Federal schedule. See Appendix E of Audit Program.

Grant Period*	Represents the initial period for which the program was awarded.
Award Amount*	Designates the amount of the initial program award. Enter as (+).
Balance at June 30, 2008	Represents deferred revenue (+), intergovernmental accounts payable (+), or intergovernmental accounts receivable (-) for those prior year programs which have balances as of the end of the prior fiscal year.
Adjustment	See Appendix E in Audit Program. May be (+) or (-).
Carryover/(Walkover) Amount	Reflects the movement of award proceeds which have been approved for carryover into a carryover program code. May be (+) or (-).
Cash Received	Reflects the amount of cash received during the current fiscal year for the applicable financial assistance program. Enter as (+).
Budgetary Expenditures:	Represents the total costs chargeable to the program during the current fiscal year on a budgetary basis. Enter as (+).
Repayment of Prior Years' Balances	Repayments made during the current fiscal year to a grantor for unexpended funds on a program whose grant period has expired and no carryover was granted or allowed.
Deferred Revenue/ (Accounts Receivable) at June 30, 2009	Unexpended award proceeds as of fiscal year end which are expendable in the subsequent fiscal year (+) or amounts receivable from the grantor as of fiscal year end (-).
Due to Grantor at June 30, 2009	Unexpended award proceeds which are due back to the grantor as of fiscal year end. Enter as (+).

NOTE: Items marked with an asterisk (*) must be completed prior to exiting the screen or an on-screen edit will be generated.

PLEASE READ THE FOLLOWING SECTION CAREFULLY IF YOU HAVE A REGULAR DISTRICT WITH TUITION REVENUE

Supplemental Data for Tuition Cost per Pupil - **Regular districts only**

The supplemental tuition data applicable to Regular districts is a requirement for regular districts charging tuition. If you select the data entry screen "Select Supplemental Choices", you will be asked to make a choice of which expenditure items, as defined below, will be distributed by Grade/Program by the Board Secretary. If a district fails to complete the supplemental tuition data, we at the Department of Education will distribute these costs by ADE (average daily enrollment) during the calculation of tuition rates. **It will be the Auditors' responsibility to obtain this information from the School Board Secretary/Business Administrator.**

In accordance with N.J.A.C. 6:20-3.1(d) 2, the district can elect to determine on either an actual basis or an equitable basis of allocation the distribution of expenditures for (i.) Vocational Programs - Local Instruction (Lines 5070, 20430, 8070) (Accounts 11-3XX-100-XXX, 12-3XX-100-730); (ii.) Rental of land and buildings (Line 7629) (Account 11-000-262-441); (iii.) Interest on lease purchase agreements with terms less than five years (Line 7480) (Account 11-000-290-832);

(iv.) Student body activity expenditures of the general fund (Lines 6080, 6140, 6200, 20540, 8080) (Accounts 11-4XX-100-XXX, 12-4XX-100-730); (v.) Facilities Acquisition and Construction (Line 8330 plus 22540 less 8300) (Account 12-000-400-XXX); (vi.) Building use charges, if applicable (see Figure 3

for calculation instructions); (vii) Other Support Services, Student Special (Lines 6680 + 21430 + 8120 less 6640) (Accounts 11-000-219-XXX, 12-000-219-730 less line 6640 Residential Costs); (viii.) Related Services (Lines 6485, 21040, 8111) (Accounts 11-000-216-XXX & 12-000-21X-730); and (ix.) Benefits for Special Programs (Line 20320) (Account 11-2XX-100-XXX).

Building Use Charge Calculation

Building Use charge represents the amount of interest not covered by state aid.

In order to calculate building use charges perform the following steps.

STEP

- 1** Calculate total debt service paid during the fiscal year (combine interest and principal).

Interest	Line 9800
+ Principal	Line 9810
= Total Debt Service	<u>(A)</u>

- 2** Calculate the percentage of debt service that is covered by state aid.

<u>Debt Service Aid</u>	<u>Line 0580</u>	=	<u>(B)</u>	% State Aid
Total Debt Service	(A)			

- 3** Apply the percentage to interest to calculate how much interest is covered by state aid.

Interest	Line 9800
x % State Aid	(B)
= Interest covered by State Aid	<u>(C)</u>

- 4** Subtract the interest covered by state aid from the total interest amount to arrive at Building Use Charge.

Interest	Line 9800
- Interest covered by State Aid	(C)
= Building Use Charge	<u>TOTAL</u>

The Building Use Charge should be included on an actual or equitable basis of allocation of your choice to the affected categories. Eligible interest on multiple bond issues may be calculated and allocated individually to affected categories by bond issue purpose.

Whatever method is utilized, the auditor should review the work papers for reasonableness, and supplemental data worksheet line 21 totals must agree with the appropriate line items in the audit summary worksheet.

The following table lists the subtotal/total categories and the respective line items. Subtotals and totals are automatically calculated by the computer program. Reference the attached master audit summary worksheet for particular line items unique to each district type.

Columns 1-8, Line # (5)	Sub-total Regular Programs	=	Columns 1-8, Sum of lines (1) thru (4)
Columns 1-8, Line # (20)	Sub-total Categorical Programs	=	Columns 1-8, Sum of lines (6) thru (19)
Columns 1-8, Line # (21)	Total	=	Columns 1-8, Sum of lines (5) and (20)

SECTION V. EDIT CHECKS

To validate certain revenue and expenditure lines in the audit summary worksheet, the following edit checks are built into the computer program and must be run and passed before the data can be transferred onto the diskette.

	<u>Description</u>	<u>Edit</u>
a.	Fund Balance Edits	
(1)	General Fund Beginning Balances plus Revenues - Expenditures = General Fund Ending Balances	Lines 10 + 15 + 16 + 17 + 20 + 24 + 25+ 40 + 45 + 50 + 55 + 70 + 75 + 410 - 9470 = Lines 10010 + 10016 + 10017 + 10020 + 10024 + 10025 + 10040 + 10045 + 10050+ 10055 + 10070 + 10075
(2)	Capital Project Fund Beginning Balances plus Revenues - Expenditures = Capital Project Fund Ending Balances	Lines 30 + 80 + 648 - 9764 = Lines 10030 + 10080
(3)	Debt Service Fund Beginning Balances plus Revenues - Expenditures = Debt Service Fund Ending Balances	Lines 90 + 640 - 9940 = Line 10090
(4)	Early Childhood Capital Reserve Fund Beginning Balance less Budgeted Withdrawal from Early Childhood Capital Reserve Fund = Early Childhood Capital Reserve Fund Balance	Lines (35 – 513) = Line 10035
(5)	This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. A revision was made to the preloaded general fund balances.	Rev. Line 000XX: A Change Was Made.*
b.	Special Revenue Edits	
(1)	Local Special Revenue Funds = Local Special Revenue Fund Expenditures	Line 420 = Lines 9579 + 9580

- (2) Early Childhood Program Aid Prior Year Carryover + Demonstrably Effective Program Aid Prior Year Carryover + Early Childhood Program Aid Revenues + Demonstrably Effective Program Aid Revenues + Transfers from General Fund Presch/Kind + Interest Earned on Early Childhood Capital Reserve Fund + Budgeted Withdrawal from Early Childhood Capital Reserve Fund = Total Early Childhood Program Aid Expenditures + Total Demonstrably Effective Program Aid Expenditures
- Lines 421 + 422 + 425 + 426 + 429 + 511 + 512 + 513= 13300+ 13690
- (3) Distance Learning Network Aid Prior Year Carryover + Distance Learning Network Aid Revenue = Total Distance Learning Network Aid Expenditures
- Line 423 + 427 = Line 13900
- (4) Instructional Supplement Aid Prior Year Carryover + Instructional Supplement Aid Revenue = Total Instructional Supplement Aid Expenditures
- Line 424 + 428 = Line 14250
- (5) Total Revenue from State Sources + Transfers from General Fund--Presch/Kind + Interest Earned on Early Childhood Capital Reserve Fund + Budgeted Withdrawal from Early Childhood Capital Reserve = Total State Projects
- Line 431 + 511 + 512 + 513 = Lines 9660
- (6) Total Special Revenue from P.L. 103-382 Title I = Total Exp. from P.L. 103-382 Title I
- Line 440 = Line 9670
- (7) Total Special Revenue from P.L. 103-382 Title VI = Total Exp. from P.L. 103-382 Title VI
- Line 450 = Line 9680
- (8) Total Special Revenue from I.D.E.A. Part B = Total Exp. from I.D.E.A. Part B.
- Line 460 = Line 9690
- (9) Total Special Revenue from P.L. 101-392 (Voc.Ed.) = Total Exp. from P.L. 101-392 (Voc.Ed.)
- Line 470 = Line 9700
- (10) Total Special Revenue from P.L. 91-230 (Adult Basic Ed) = Total Exp. from P.L. 91-230 (Adult Basic Ed).
- Line 480 = Line 9710
- (11) Total Special Revenue from Private Industry Council = Total Exp. from Private Industry Council
- Line 490 = Line 9720
- (12) Total Special Revenue from Other Federal Sources = Total Exp. from Other Federal Sources
- Line 501= Line 9730
- (13) Total Schoolwide Programs Revenue = Schoolwide Programs expenditures
- Line 455= Line 9685

c.	<u>Description</u> Other Edits	<u>Edit</u>
(1)	On-behalf TPAF Pension Revenues = on-behalf TPAF Pension Expenditures This (WARNING) edit if not corrected will still allow transfer to the DOE diskette.	Rev.(L361 TPAF Pension) NOT=Exp. (L7561)
(2)	Reimbursed TPAF Social Security Revenues = Reimbursed TPAF Social Security Expenditures This (WARNING) edit if not corrected will still allow transfer to the DOE diskette.	Rev.(L362 TPAF Soc Secur) NOT=Exp. (L7562)
(3)	Transfers from General Fund Presch/Kind = Local Contribution/Transfer to Special Revenue	Line 511 = Line 2506 + 2511
(4)	Districts sending students to Charter Schools must have a balance on line 9465 Transfer of Funds to Charter Schools.	Exp. (L9465) No data for Charter Schools
(5)	Total Revenues and Balances = Total Expenditures and Balances	Line 661 NOT= Line 10110
(6)	This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. Most districts would not have zero on the line Reserve for Encumbrances-General Fund. Please verify that the amount is zero or key the applicable data in the expenditures data entry screen on line 10020.	*No Line 10020 data for Reserved for Encumbrances - General Fund*
(7)	This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. Most districts would not have zero on the line Unreserved- Undesignated General Fund. Please verify that the amount is zero or key the applicable data in the expenditures data entry screen on line 10070.	*Free Balances: (Exp. L10070) <= 0*

Description

- (8) This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. This identifies an amount on Revenue line 430 and reminds districts to complete the non-public financial assistance screen.

- (9) These enterprise fund (WARNING) edits if not corrected will still allow transfer to the DOE diskette. Both revenue and expenditure data should have been entered onto the diskette. Almost **ALL** school districts have an enterprise fund for food services, therefore we expect **MOST** districts to supply data for the Food Services Enterprise Fund.

- (10) The amount entered in the Enterprise Funds as Food Service Non-oper. Rev. - Board Contribution should agree with the amount entered in the Expenditures for Undistributed Expenditures-Food Services Transfer to Cover Deficit.

- (11) These enterprise fund edits are fatal and must be corrected.

Edit

*Make sure non-public screen is completed if necessary

No financial data in the Enterprise Fund (neither revenue or expend. data was supplied in the Enterprise Fund)

No financial data in Food Services Ent. Fund (neither revenue or expend. data was supplied in Food Serv. Enterprise Fund)

Enter. Fund: L10263 NOT= Exp: L07550

Enter. Fund: Food Ser L10265=0 and L10380>0 (Expenditure data supplied in Food Service Enterprise Fund but no Revenue data)

Enter. Fund: Food Ser L10265>0 and L10380=0 (Revenue data supplied in Food Service Enterprise Fund but no Expenditure data)

Enter. Fund: Other Rev L10270=0 and Exp L10390>0 (Expenditure data supplied in Other Enterprise Fund Expenditures but no Revenue data)

Enter. Fund: Other Rev L10270>0 and Exp L10390=0 (Revenue data supplied in Other Enterprise Fund Revenue but no Expenditure data)

Description

Edit

(12) This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. If a regular school district had expenditures in any one of the nine (9) categories (with the exception of Building Use Charge), the corresponding expenditures in the supplemental data for tuition purposes is expected to be supplied. **ALL** regular school districts who charge tuition **MUST** supply this data. (See section V.b of this manual).

No Supp (supplemental) tuition data for_____.

(13) Total State, Local & Other and Add'l Bldg Aid should = Total Debt Service in Municipal and County Budgets. (The purpose of collecting this data is to indicate how much debt is serviced for school districts by Municipal and County Budgets).

Debt service: (L10210+L10250)
NOT= L10160

(14) This (WARNING) edit if not corrected will still allow transfer to the DOE diskette. L10160 represents the district's debt service revenues in the municipal and county budgets which are not in the district's revenues. Unless your district made a transition from a type I district to a type II district or vice versa, you would not have revenues in both places.

Debt Service: L00640>0 then L10160 should be 0

(15) This (WARNING) edit will always appear for school districts which have a Regional Day School. The edit does not require any correction and will still allow transfer to the DOE diskette. The edit is a reminder that Regional Day Schools are not included in the audit summary worksheet for the associated school district, but rather **are reported as a separate entity on a separate audit summary diskette**.

DON'T REPORT REGIONAL DAY SCH \$ IN ENTER. FUND

(16) This is a whole school reform edit. The sum of all the schools 'School Based Budget Grand Total' should = the amounts entered to the expenditures screen for Contributions for WSR.

Line 9470 (sum of all schools:school based expenditure screens) - 22 = Expenditure lines 9466 + 13291 + 13681 + 13891 + 9651 + 9731 - 10022

d. Financial Assistance Edits

Note: All edits in this section are preceded by one of the following prefixes which indicates the program to which the edit applies.

Fed Prg Title (#)
St. Prg Title (#)
Loc Prg Title (#)

(1) State Assistance entry not completed for regular district with amount on line 431

Line 431 > 0, state assistance entry required

(2) [6/30/07 Balance + Adjustment + Carryover Amount + Cash Received] - [Budgetary Expenditures + Repayment of Prior Years' Balances + Deferred Revenue/(Accts. Receivable) at 6/30/08 + Due to Grantor] must = 0 for each program title.

Summation not equal to 0

	<u>Description</u>	<u>Edit</u>
e.	Supplemental Data for Tuition Cost per Pupil - Regular districts only	
(1)	Vocational Programs-Local Instruction (Special Projects)	Col 1, Line 21 = Lines 5070 + 20430 + 8070
(2)	Rental of Land & Bldg.	Col 2, Line 21 = Line 7130
(3)	Interest Lease/Purchase	Col 3, Line 21 = Line 7480
(4)	Student Body Activity (WARNING EDIT)	*Col 4, Line 21 = Lines 6080 + 6140 + 6201+ 20540 + 8080
(5)	Facilities Acq. & Construction	Col 5, Line 21 = Lines 22540 + 8330 less 8300
(6)	Buildings Use Charges	N/A
(7)	Other Support Services - Students - Special	Col 7, Line 21 <= Lines 6680 + 21430 + 8120 less 6640
(8)	Related Services	Col 8, Line 21 <= Lines 6485 + 21040 + 8111
(9)	Benefits for Special Programs	Col 9, Line 21 = Line 20320
f.	School Facilities edit	
(1)	Required Maintenance for School Facilities-entry not complete. Should enter both square footage and expenditures	Line 7625 < Col 3, Grand Total
g.	Debt Service Aid edit	
(1)	Debt Service Aid Type 1. The county/municipality is receiving debt service state aid. The amount of aid must be reported on Line 10120 and the principal/interest payments made by the municipality must be reported on Lines 10180 and 10190. This will be used to verify municipal/county debt service obligation.	Received Type 1 debt svc aid-enter Municipal & Co Bdgt dbt service