

**Financial Accounting for  
New Jersey School Districts  
Charter Schools and  
Renaissance School Projects**

**The Audit Program**

**2017-2018**

**State Of New Jersey  
Department of Education  
Office of School Finance  
PO Box 500  
Trenton, New Jersey 08625-0500**

**Dr. Lamont Repollet, Commissioner  
State Board of Education**

**Kevin Dehmer  
Chief Financial Officer/Assistant Commissioner  
Division of Finance**

**State Board of Education**

Board Member	County
Arcelio Aponte, President	Middlesex
Kathy A. Goldenberg, Vice President	Burlington
Mary Beth Berry	Hunterdon
Elaine Bobrove	Camden
Fatimah Burnam-Watkins	Union
Ronald K. Butcher	Gloucester
Jack Fornaro	Warren
Mary Elizabeth Gazi	Somerset
Nedd James Johnson, Ed. D.	Salem
Ernest P. Lepore	Hudson
Andrew J. Mulvihill	Sussex
Joseph Ricca, Jr., Ed.D.	Morris
Sylvia Sylvia-Cioffi	Monmouth

**Dr. Lamont Repollet, Commissioner**  
Secretary, State Board of Education

## The Audit Program

### Table of Contents

	Page
<b>Introduction</b>	
Significant Changes .....	i
Other Changes/Updates for 2017-2018.....	i
Overview .....	viii
Outline for Comprehensive Annual Financial Report (CAFR).....	xiii
<b>Section I: General Compliance</b>	
Chapter 1 – Appointment, Scope and Declaration .....	I-1.1
Chapter 2 – Meetings and Minutes .....	I-2.1
Chapter 3 – ASSA, Charter School/Renaissance School Project Aid, 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
<b>Section II: Specific Compliance</b>	
<b>II-i</b>	
Governmental Funds	
Fund 10 (General Fund):	
➤ Board Secretary and Treasurer Reports .....	II-10.1
➤ Cash Reconciliation .....	II-10.2
➤ Petty Cash Funds.....	II-10.2
➤ Summer Payment Plans .....	II-10.2
➤ SOC 1 Report/SSAE No. 16 .....	II-10.2
➤ Third Party Disbursements .....	II-10.3
➤ Investments .....	II-10.3
➤ Revenues and Receipts .....	II-10.6
➤ Insurance Recoveries .....	II-10.7
➤ Community Disaster Loans (CDL).....	II-10.7
➤ Other Reimbursements.....	II-10.8
➤ Extraordinary Aid .....	II-10.8
➤ District Taxes .....	II-10.9
➤ Tuition ( <i>N.J.A.C. 6A:23A-17</i> ) .....	II-10.10
➤ Reporting On-Behalf Payments .....	II-10.11
➤ GASBS No. 68 – Pension Reporting .....	II-10.13
➤ (new) GASBS No. 75 – Postemployment Benefits Other Than Pensions.....	II-10.22
➤ Compensation Reporting .....	II-10.26
➤ Pensionable Wages .....	II-10.26
➤ Refunds .....	II-10.27
➤ Telecommunications Act of 1996 (E-rate).....	II-10.28
➤ Cancellations.....	II-10.28
➤ Travel Expenditures .....	II-10.28
➤ Health Insurance Policies.....	II-10.29
➤ Sale and Lease-back Contracts .....	II-10.30
➤ Required Maintenance .....	II-10.31
➤ Restricted Appropriations/Balances.....	II-10.32
➤ Capital Reserve Account – General Fund.....	II-10.32

**The Audit Program  
Table of Contents (Cont'd)**

<b>Section II: Specific Compliance (Cont'd)</b>	<b>Page</b>
➤ Excess Surplus .....	II-10.36
➤ Fund Balance Classifications .....	II-10.38
➤ Deficit Due to Delay of One or More June State Aid Payments .....	II-10.46
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
➤ June State Aid Payments.....	II-20.4
➤ Preschool Education Aid.....	II-20.4
➤ Preparing the Preschool Restricted Aid Schedule.....	II-20.6
Fund 30 (Capital Projects Fund):	
➤ Capital Projects .....	II-30.1
➤ Bond and Note Authorizations.....	II-30.1
➤ Bond Anticipation Notes.....	II-30.1
➤ General Borrowing Authority .....	II-30.2
➤ Bond Sales and Capital Projects Fund Activities.....	II-30.5
➤ Capital Project Approval under EFCFA .....	II-30.5
➤ Unexpended Bond Proceeds .....	II-30.5
➤ Unexpended Project Funds – Other Funding Sources .....	II-30.6
➤ School Development Authority (SDA) Grants under EFCFA.....	II-30.7
➤ Overexpenditures .....	II-30.8
➤ Rebatable Arbitrage .....	II-30.8
➤ Secondary Market Disclosures.....	II-30.9
➤ Lease Purchase Agreements .....	II-30.9
➤ Financial Reporting.....	II-30.9
➤ Capital Projects Fund Sample Schedule .....	II-30.11
Fund 40 (Debt Service Fund):	
[Not Applicable to Charter Schools or Renaissance School Projects]	
➤ District Taxes .....	II-40.1
➤ SDA Assessment.....	II-40.1
➤ Debt Service Aid.....	II-40.1
➤ Reporting .....	II-40.1
➤ Transfers .....	II-40.2
➤ Rebatable Arbitrage .....	II-40.2
Fund 50 (Permanent Fund)	
➤ GASBS 54 Model for Permanent Funds.....	II-50.1
Proprietary Funds	
Fund 60 (Proprietary Fund):	
➤ Enterprise Funds .....	II-60.1
➤ Food Service – Enterprise Fund.....	II-60.1
➤ SSAE No. 16 Reports .....	II-60.4
➤ Insurance Recoveries and Impairment Losses.....	II-60.5
➤ Sample Food Service Invoices and Allocations.....	II-60.6
➤ Child Nutrition Program Requirements .....	II-60.11
➤ Child Nutrition Program Requirements- CEP .....	II-60.21
➤ National School Lunch Rate Schedule .....	II-60.28

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

<b>Section II: Specific Compliance (Cont'd)</b>	<b>PAGE</b>
➤ Fund 70 (Internal Service Funds) .....	II-70.1
➤ Self-Insurance (Risk Financing) .....	II-70.2
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)	
➤ Payroll Funds .....	II-90.1
➤ Health Insurance Withholding .....	II-90.1
➤ Section 125 Flexible Spending Accounts .....	II-90.2
➤ Student Activity .....	II-90.2
➤ Organizations Under the Auspices of the School .....	II-90.3
➤ Fund Raising in Schools by Outside Organizations .....	II-90.3
➤ Funds of Teacher Organizations and Parent/Teacher Organizations .....	II-90.4
➤ Funds Collected by Teachers from Pupils for Immediate Purchase of Items .....	II-90.4
Capital Assets	
➤ Overview .....	II-CA.1
➤ Reporting Capital Assets .....	II-CA.1
➤ Capital Leases .....	II-CA.2
➤ Construction in Progress .....	II-CA.3
➤ Reporting Capital Assets Acquired Through Non-cash Grants .....	II-CA.3
➤ Sample Format – Capital Asset Subsidiary Ledger .....	II-CA.3
➤ Depreciation Expense .....	II-CA.3
Long-Term Liabilities	
➤ Overview .....	II-LT.1
➤ Compensated Absences .....	II-LT.1
➤ Pension and 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 Audit Requirements .....	II-SA.1
➤ State Audit Requirements .....	II-SA.2
➤ AICPA Single Audit Guidance .....	II-SA.4
➤ Risk Based Approach .....	II-SA.4
➤ Schedules of Expenditures of Federal Awards and State Financial Assistance .....	II-SA.7
➤ Federal Awards: Carryover/Deferred Revenue/Due Back to Granter .....	II-SA.12
➤ Title I-Schoolwide and Blended Resource Requirements .....	II-SA.15

## Section II: Specific Compliance (Cont'd) PAGE

Single Audit (continued):	
➤ Fund 15 – GAAP Basis Expenditure Testing .....	II-SA.16
➤ Fund 15 – Blended Resource Testing .....	II-SA.16
➤ Fund 15 – Budgetary Basis Encumbrance Testing .....	II-SA.18
➤ State Awards: Carryover/Deferred Revenue/Due Back to Granter.....	II-SA.18
➤ Preparing the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	II-SA.22
➤ Federal (CFDA) Numbers.....	II-SA.25
➤ State Grant Account Numbers .....	II-SA.26
➤ Sample Schedule A (Federal Award).....	II-SA.26
➤ Sample Schedule B (State Financial Assistance) .....	II-SA.26
➤ Links to Grant-related DOE Broadcasts .....	II-SA.27
➤ Sample Schedules of Findings and Questioned Costs .....	II-SA.29
➤ Sample Summary Schedule of Prior Audit Findings .....	II-SA.34
➤ <u>Uniform Grant Guidance</u>	
<a href="http://www.nj.gov/education/grants/ugg/">http://www.nj.gov/education/grants/ugg/</a>	
➤ State Circular Letter No. 15-08-OMB – Refer to Circular at the NJOMB web site: <u>Circular Index: <a href="http://www.state.nj.us/infobank/circular/circindx.htm">http://www.state.nj.us/infobank/circular/circindx.htm</a></u> <u><a href="http://www.state.nj.us/infobank/circular/cir1508_omb.pdf">http://www.state.nj.us/infobank/circular/cir1508_omb.pdf</a></u>	

## 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-2.1
Chapter 3 –Note Disclosures and Statistical Section.....	III-3.1
➤ Sample Notes for Schedules of Expenditures of Awards and Financial Assistance.....	III-3.2
➤ Financial Statement Disclosures – Overview and Sample Notes .....	III-3.4
➤ (new) OPEB Liability .....	III-3.8
➤ GASBS 34 Model Illustration of Reconciliation - Notes to Required Supplementary Information.....	III-3.15
➤ Statistical Section.....	III-3.16
➤ Outline of NJ Statistical Section (GASBS 44).....	III-3.18
Chapter 4 – Auditor’s Management Report (AMR) .....	III-4.1
➤ Excess Surplus Calculation.....	III-4.30
Chapter 5 – Audit Summary Worksheet .....	III-5.1
Chapter 6 –Admin. Questionnaire, Audit Prep. Checklist & Independent Auditor’s Questionnaire .....	III-6.1
Chapter 7 – Synopsis; Corrective Action Plan (CAP); Certification of Implementation.....	III-7.1

## Introduction

### Significant Changes for 2017-18

- The contact information for the Department of Education has changed. All NJDOE employee and helpdesk email suffixes are now “@doe.nj.gov,” for example: doe.caf@doe.nj.gov. The main phone number for the Division of Finance is 609-376-3800. All other department phone numbers are listed on the respective page of the NJDOE website ([NJDOE Offices: http://www.state.nj.us/education/genfo/overview/divisions.htm](http://www.state.nj.us/education/genfo/overview/divisions.htm)).
- School district auditors are encouraged to obtain a copy of the July 14, 2017 broadcast with the subject line: Fiscal Year 2018 State Budget Notification. Most pertinent to the audit of the June 30, 2018 financial statements and schedules:
  - There is no allowable adjustment to the June 30, 2018 excess surplus calculation for any district that received additional state aid and did not encumber or expend the additional aid during 2017-18; or reserve and designate the additional aid for use in the 2018-19 budget within the timelines provided by the Commissioner
  - The 2017-18 original budget certified for taxes remains the district’s original budget for purposes of the General Fund Budgetary Comparison Schedule (C-1). Accordingly, a district that reduced 2017-18 general fund appropriations due to the aid reduction, displays the reduction in aid and the reduction to appropriations in the “Budget Transfers” column.
  - Please refer to the State Aid section of the Compliance Supplement of this Audit Program
- Implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

### Other Changes / Updates for 2017-18

**The following is a summary of changes / updates:  
(changes for 2017-18 are highlighted in gray)**

General changes are found throughout the document.

Specific changes are found in the following sections/chapters:

#### Introduction

- Updated State Board of Education Members.

#### Section I-1

- Clarified that 2017-18 guidance for the Community Disaster Loan and Community Development Block Grant is for reference only.
- Added reference to accounting guidance for cost reimbursements made pursuant to *N.J.A.C. 6A:26-12.4 Safe Drinking Water*.
- Added guidance that noted that all school districts, charter schools, and renaissance school projects must annually submit to the NJDOE a statement of assurance that testing for lead in drinking water has been completed. Auditors must comment that the statement of assurance has been submitted to the DOE in the Audit Program. See section III-4 for sample note.

- Included guidance related to GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, requires financial statement preparers to evaluate whether there is substantial doubt about a governmental entity's ability to continue as a going concern for 12 months beyond the date of the financial statements.
- Added reference to AICPA's Auditing Standards Board (ASB) issuance of statements 129-133.

#### Section I-2

- No changes.

#### Section I-3

- Updated the Renaissance Aid calculation template.
- Revised the definitions of Limited English Proficient (LEP) and English Language Learner (ELL) as following: “*N.J.A.C. 6A:15-1.2* defines an “English language learner” or “ELL” as a student whose native language is other than English. The term refers to students with varying degrees of English language proficiency in any one of the domains of speaking, reading, writing, or listening and is synonymous with limited English speaking ability as used in *N.J.S.A. 18A:35-15 to 26*. The Application for State School Aid (ASSA) continues to count ELLs based on program participation consistent with the School Funding Reform Act of 2008 in which the ELL cost is defined as “the cost of providing educational and other services for bilingual education...” Therefore, the calculation for Limited English Proficient (LEP) funding is based on those ELLs in a district who are participating in a language assistance program on October 15.”
- Added link to the *USDA Eligibility Manual for School Meals, School Year 2017-18*.
- Added clarification for the proper use of carryover Free and Reduced-Price School Meals Application as supporting documentation for related to Low Income Classification using carryover information when reporting a student as low income on the October 2017 ASSA. The final ASSA submission must reflect only students that were counted as "on roll" at October 13, 2017. Where a district opts to update their classifications through the date of final submission of their ASSA, the updated low income free/reduced lunch counts must be supported by ASSA workpapers and a supporting audit trail maintained for audit. Prior year eligibility information (carryover) used to identify low-income students cannot include direct certification since school districts are required to update their direct certification lists prior to the enrollment count. If a student does not appear on the most recent direct certification list, prepared prior to the October 2017 count and an approved current year application (Free or Reduced-Price Meals Application or New Jersey Household Income Survey) is not available for audit, the student is no longer properly classified as low income for state aid reporting purposes.
- Deleted guidance for the SEMI-ARRA June 2015 payment.
- Added reference to guidance provided to schools that any student who does not meet the department standard on a department-approved language proficiency test and who has at least one other indicator per *N.J.A.C. 6A:15 1.3(b)* is identified as an English language learner.



Section I-4

- Added reference to guidance provided to school districts recognizing a 2018-19 reduction in state aid (March 15<sup>th</sup> notice compared to July 13<sup>th</sup> revised state aid notice) regarding the appropriation of unassigned general fund balance at June 30, 2018, to the 2018-19 general fund budget.
- Added emphasis of the matter regarding an appropriation by a school district board of education or board of school estimate of unassigned general fund surplus subsequent to June 30, 2018 and prior to August 2, 2018 should not result in adjustment of the financial statements (paragraph 10 of GASBS No. 56). However, the department has determined that any additional use of June 30, 2018 general fund surplus in the 2018-19 budget, relative to a reduction in 2018-19 state aid, is of a nature that disclosure is essential to a user's understanding of the June 30, 2018 year-end financial statements.

Section I-5

- Updated the threshold amount for bidding of transportation contracts.
- Added guidance for auditors that regulations for Electronic Funds Transfers pursuant to *N.J.A.C. 5:30-9A* and *N.J.A.C. 5:31-4* implementing *N.J.S.A. 40A:5-16.5* are discussed in Local Finance Notice (LFN) 2018-13. Emphasis is provided regarding the role of the school business administrator to perform duties as the individual employee responsible for the disbursement policy and associated systems supporting the internal controls over electronic funds transfers.

Section I-6

- No changes.

Section I-7

- No changes.

Section I-8

- No changes.

#### Section II-10

- Added guidance for auditors that effective January 16, 2018, P.L. 2017, Chapter 310, which amended P.L.1977, c.177 and P.L.1977, c.39, expanded the investment of funds options available to school districts; prevents the imposition of barriers or penalties on investment pool withdrawals; removes the mandate on the Local Finance Board to promulgate accounting and disclosure rules; and requires that local government investment pools be managed in accordance with Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB). Prior to this amendment, investment pools were managed pursuant to U.S. Securities and Exchange Commission regulations governing money market funds (17 C.F.R. s.270.2a-7).
- Updated the CDBG section to reflect termination of the program.
- Updated guidance to provide auditors with the link to the 2017-18 Extraordinary Aid memo.
- Updated the authoritative references for the financial reporting of postemployment benefits other than pensions (OPEB)
- Added New Jersey specific guidance related to the implementation of *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective for fiscal years beginning after June 15, 2017.

#### Section II-20

- Updated the FICA and Medicare wage limits for 2017 and 2018
- Updated the list of approved charter schools eligible to operate a preschool program for 2017-18 and updated references to preschool education aid plans.
- Deleted the FEMA reimbursement section.

#### Section II-30

- No changes.

#### Section II-40

- No changes.

#### Section II-50

- No changes.

#### Section II-60

- Updated food service fund guidance to provide electronic links to 2017-18 guidance memorandums issued to public schools by the New Jersey Department of Agriculture. Also updated the electronic links to information maintained on the New Jersey Department of Agriculture website.
- Updated the guidance and the sample Food Service Management Company (FSMC) Monthly Invoice for the details that FSMC should contain when claiming reimbursement from the school.
- Added reference to guidance provided to schools maintaining a Summer Food Service Program (SFSP). Specifically, participating schools must account for all reimbursements received according to SFSP regulations; however, reimbursements may be used to pay expenses related to any of the Child Nutrition Programs.
- Added that Indirect Costs, if charged to federal Child Nutrition Programs, must be calculated appropriately to the nonprofit school food service account.
- Updated Reimbursement rates for school lunch program.

Section II-70

- No changes.

Section II-80

- No changes.

Section II-90

- No changes

Section II -CA

- No Changes.

Section II-LT

- No Changes.

Section II-SA

- Noted that Every Student Succeeds Act (ESSA) superseded the No Child Left Behind Act (NCLB) of 2001 as the amended regulations for the Elementary and Secondary Education Act of 1965 (ESEA).
- Updated the link to the 2018 edition of Office of Management and Budget 2CFR Part 200 Appendix XI Compliance Supplement.
- Clarified that under the state single audit policy, if the school district/charter school/renaissance school project is subject to either a state or federal single audit” the CAFR must include a separate *Schedule of Expenditures of Federal Awards* (Schedule A) and a separate *Schedule of Expenditures of State Financial Assistance* (Schedule B).
- Clarified to note that “as grant periods may exceed a twelve-month period and begin or extend beyond the fiscal year under audit, auditors should ensure that the correct grant period is utilized when determining the amount due to Grantor.”
- Clarified that the EWEG calculation of the funds that must be released by statute, also includes the 15 % Title I carryover limit which may be waived by the SEA only once every three years.
- Deleted obsolete language that the USDE approved New Jersey’s request for an ESEA Flexibility Waiver that may affect requirements that school districts would otherwise implement during the 2013-2014 and 2014-2015 school years (if funds were carried forward).
- Updated to reflect revision of terminology, “Title I Schoolwide Plan or School Improvement Plan’ to “Annual School Plan(ASP)” and “combined” to “consolidated”
- Clarified that ESSA permits the use of funds “together with other federal, state and local funds” if the district/charter school/renaissance school project “serves an eligible school attendance area in which less than 40 percent of the children are from low-income families, or a school for which less than 40 percent of the children enrolled in the school are from such families, if the school receives a waiver from the State educational agency (NJDOE) to do so, after taking into account how a schoolwide program will best serve the needs of the students in the school served to improve academic achievement and other factors.”
- Clarified that in order to be eligible to maintain a Title I schoolwide program that any school must “1). Have less than 40 percent of the children enrolled in the school or residing in the

school attendance area be from low-income families and have been granted a waiver from the department to do so; 2) Demonstrate a year of planning; comply with a year of planning; and 3). Develop and implement an Annual School Plan (ASP), [formerly known as a Title I Schoolwide Plan or a School Improvement Plan].

- Clarified that only eligible Title I schools receiving Title I funds and meeting the 40 percent poverty threshold or having less than 40 percent poverty and receiving a waiver from the department may operate schoolwide programs.
- Updated the Federal Program Numbers for the Catalog of Federal Domestic Assistance and the Federal Award Identification Numbers.
- Updated the links to Department of Education Broadcast Notifications related to grant awards.

### Section III-1

- Updated the due date of the audit reporting package to December 5, 2018.
- Added requirement to email all Corrective Actions Plans to the New Jersey Department of Agriculture.
- Removed the requirement for upload of the Audit Synopsis.
- Clarified that only districts required to use school-based budgets must upload the Audit Questionnaire, otherwise the document is maintained with the auditor's workpapers.
- Updated reference to the AICPA Audit Guide *Government Auditing Standards and Single Audits* (March 2018), which provides Example 13-7, Schedule of Findings and Questioned Costs, 13.34-46.
- Updated reference to AICPA publication *State and Local Governments – Audit and Accounting Guide*, issued March 2018.

### Section III-2

- Updated reference to AICPA publication *State and Local Governments – Audit and Accounting Guide*, issued March 2018.

### Section III-3

- Updated other postemployment benefits footnote for the School Employees Health Benefits Program (SEHBP) related to qualified local education active and retired participants, who retire from a board of education.
- Removed the sample(s) for the required note disclosures presented as a guide for Auditors to include in the CAFR. Please refer to the GASB guidance for required note disclosures.
- Added sample disclosures related to GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions effective for fiscal years beginning after June 15, 2017.
- Updated the sample note to include the final FEMA CLD cancellation/repayment determination.
- Updated Charter School and Renaissance School Project Performance Indicators.

Section III-4

- Updated links to Excel schedules of meal count activity, audited enrollments and ASSA.
- Added requirement to email all Corrective Actions Plans to Department of Agriculture.
- Added required comment for those districts using a Food Service Management Company (FSMC) that states that all vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.
- Consolidated the various sample AMR findings for the testing of lead in drinking water into one sample finding requiring the auditor to comment on whether the annual Statement of Assurance regarding the testing for lead in the water has been performed at all educational facilities maintained by the board of education/board of trustees pursuant to *N.J.A.C. 6A:26-12.4(g)*.
- Revised the Excess Surplus calculation for the additional designation of June 30, 2018 fund balance for use in the 2018-19 budget by special board resolution to address those districts that experienced a July 2018 decrease in 2018-19 state aid.

Section III-5

- Added the federal reporting requirement that school districts that operating more than one education facility must enter school level expenditure data (unaudited) in Audsum for each educational facility. (ESSA 1111 Section 1111(h)(1)(C)(x))
- Deleted Audsum line 90081- ARRA-SEMI Reserve.
- Added Audsum line 90085 – Repayment of Debt from Classification of Fund Balance.

Section III-6

- Clarified that the Administrative Questionnaire should be kept with the auditor’s workpapers and made available to the Department upon request and is not to be uploaded to the CAFR Repository.
- Updated the budgeted State per Pupil cost for legal fees from \$53 to \$56 and updated the actual State per Pupil cost for legal fees from \$61 to \$56.
- Added the Child Nutrition Program Code of Conduct for Procurement 7 CFR PART 210.21; 215.14a; 220.16; 220.16; 225.17; 226.22; 250.50 to the listing of Required Board Policies.
- Added a bullet point to administrative questionnaire 43, “Records of licensure and certification providing documentation in support of the claim that the referral or evaluation detailing the pupil’s need for that service in their IEP, specifically in reference to speech, occupational therapy, or physical therapy services, was completed by a SEMI qualified provider in order for the delivery of services to be eligible for reimbursement.”
- Added that the Audit Questionnaire must be uploaded to the CAFR Repository only by those districts required to use a school-based budget. All other LEA’s should retain the audit questionnaire in their workpapers and are not required to upload to the CAFR Repository.
- Added reference to guidance issued to schools requiring a Child Nutrition Program Code of Conduct for Procurement (7 CFR PART 210.21; 215.14a; 220.16; 220.16; 225.17; 226.22; 250.50).

- Added clarification to the Audit Checklist regarding guidance provided to schools requiring the review of a contracted provider or employee's records of licensure and certification providing documentation in support of the claim that the referral or evaluation detailing the pupil's need for a service in their IEP, specifically in reference to speech, occupational therapy, or physical therapy services, was completed by a SEMI qualified provider in order for the delivery of services to be eligible for reimbursement.
- Updated the audit questionnaire # 13 to ask, "Does the use of electronic funds transfer for the payment of claims comply with *N.J.S.A.* 40A:5-16.5 and *N.J.A.C.* 5:30-9A?"

#### Section III-7

- Added to the Audit Recommendations Summary to the CAFR, the requirement for charter school auditors to comment upon the condition of the Charter School Enrollment System (CHE).
- Added to the Correction Action Plan the requirement that the CAP must also be sent to the Department of Agriculture.
- Updated the dates for the 2018 Certification of Implementation (COI) of corrective action for findings reported pursuant to the June 30, 2018 audit to reflect the form must be submitted to the department by June 30, 2019 only if a June 30, 2018 CAP has also been submitted.
- Clarified that if all reported findings included in the CAP have been cleared, the CSA and SBA may indicate "none" in the "Comments" section of the (COI) form.

## Overview

Financial Accounting for New Jersey School Districts/Charter Schools/Renaissance School Projects (*The Audit Program*) is updated annually and includes instructions for both district/charter school/renaissance school project personnel and public school accountants regarding preparing for and performing the annual audit. The full text of *The Audit Program* is available on the [Office of School Finance web site http://www.nj.gov/education/finance/fp/audit/](http://www.nj.gov/education/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/charter schools/renaissance school projects 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 (CAFR) section at the end of this introduction provides additional information on the CAFR.

Renaissance School Projects- As amended by P.L. 2014, c.61, *N.J.S.A. 18A:36C-7h* provides that a nonprofit entity shall operate a renaissance school project “in accordance with the contract entered into pursuant to section 6 of this act, the provisions of this act, and the laws and regulations that govern charter schools which are not inconsistent with this act.” Accordingly, in this Audit Program, unless specifically noted, “charter schools” shall also refer to “renaissance school project”.

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-xxiv	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

Description	Section-Chapter	Rationale
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/charter school/renaissance school project, along with interim financial statements to facilitate management control of financial operations. *N.J.S.A. 18A:6-100 g.* requires the board of an Educational Information and Resource Center to have performed an annual audit of the center's accounts and financial transactions in the manner provided by *N.J.S.A. 18A:23-1 et. seq.* Financial statements are the responsibility of the board of education's/board of trustee's/board of directors management and are its representation of the financial position at a given point in time and the operations of the district/charter school/renaissance school project during a period of time.

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (may be referred to as the *Uniform Administrative Requirements* throughout this Audit Program) is available on the [U.S. Government Publishing Office website at: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

#### Federal Requirements:

For the year ended June 30, 2017, the federal Single Audit Act requires organizations that expend \$750,000 or more in federal financial assistance have an audit (single audit or program specific audit) conducted in accordance with 2 CFR Part 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Administrative Requirements) Subpart F – Audit Requirements (200.501)*.

#### State Requirements:

NJ Circular Letter 15-08-OMB specifies the State single audit threshold for the expenditure of State of New Jersey financial assistance is \$750,000 for the fiscal year ended June 30, 2017. Section III (Policy) of NJ Circular Letter 15-08-OMB provides that New Jersey school districts/charter schools/renaissance school projects/educational resource and information centers



that expend \$750,000 or more in State or federal financial assistance in the fiscal year under audit must have a single audit, or program specific audit, performed in accordance with the Act, Amendments, 2 CFR 200 – Subpart F – Audit Requirements, and State policy. New Jersey [Circular Letter 15-08-OMB](https://www.state.nj.us/infobank/circular/cir1508_omb.pdf)([https://www.state.nj.us/infobank/circular/cir1508\\_omb.pdf](https://www.state.nj.us/infobank/circular/cir1508_omb.pdf)) is available on the Treasury website.

NJ Circular Letter 15-08-OMB specifies that recipients of federal grant, State grant or State aid funds that expend less than \$750,000 in federal **or** State financial assistance but expend \$100,000 or more in State **and/or** federal financial assistance within the fiscal year, must have either a financial statement audit performed in accordance with *Government Auditing Standards August 2011 Revision*, (Yellow Book), or a program specific audit performed in accordance with 2 CFR 200 the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* Subpart F – Audit Requirements, and State policy.

[Government Auditing Standards August 2011 Revision, \(Yellow Book\)](http://gao.gov/assets/590/587281.pdf) (GAGAS) is available through the website: <http://gao.gov/assets/590/587281.pdf>

### **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 five months (*N.J.S.A* 18A:23-1) after the end of the school fiscal year. Accordingly, the deadline for submission of June 30, 2018 audits is **Wednesday, December 5, 2018**. The Commissioner has statutory authority (*N.J.S.A.* 18A:23-6) to appoint auditors for districts/charter schools/renaissance school projects 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.

### **The CAFR**

The CAFR is the school district, charter school, or renaissance school project official annual report. It should include all funds of the district/charter school/renaissance school project. It is organized into three primary sections: 1) an introductory section, 2) a financial section, and 3) statistical section. If a school district, or charter school, or renaissance school project, falls under the reporting requirements of the Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996 and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and/or the reporting requirements under NJOMB Treasury Circular Letter or 15-08, 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, charter school, or renaissance school project as well as any additional statements, schedules, and disclosures required under the circumstances of the school district, charter school, or renaissance school project. The report must also include all applicable single audit opinion letters prepared by the local school district, charter school, or renaissance school project auditor in the single audit section. Links to sample single audit letters and New Jersey specific reference are provided in Section III – Chapter 2 of *The Audit Program*.

## 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 *N.J.S.A.* 18A:23-9 and Finance Policy Bulletin 200-1. A sample Auditor's Management Report is located in Section III – Chapter 4.

### Audit Summary (Audsum)

The Audit Summary (Audsum) is an electronic submission of audited data. Audsum is completed through a web application available (anticipated availability September 2018) to auditors through the DOE [Audsum webpage: http://www.state.nj.us/education/finance/audsum/](http://www.state.nj.us/education/finance/audsum/) and to schools through [NJDOE Homeroom: http://homeroom.state.nj.us/](http://homeroom.state.nj.us/). First-time-user auditors must create a user name and password in order to complete their registration with the Audsum web application. For control purposes, the department recommends that each auditor/user within the audit firm obtain a unique user name and password. If you need to be sent a reminder of your user name and/or password, or change your user name and/or password, please send a request to the Audsum email at: [audsum@doe.nj.gov](mailto:audsum@doe.nj.gov). User names and passwords will remain active until the auditor requests removal through an email request to [audsum@doe.nj.gov](mailto:audsum@doe.nj.gov). School auditors must **annually** request a PIN for each of their school audit clients by emailing a PIN request to: [audsum@doe.nj.gov](mailto:audsum@doe.nj.gov). The auditor/user must then link the DOE assigned district PIN for the audit year to their user name and password in order to access Audsum screens for a school client. The auditor is responsible for the entry of data into electronic Audsum and the board secretary/business administrator is responsible for carefully reviewing the reports generated by Audsum. The school auditor and the board secretary/business administrator are required to indicate their respective approval of the Audsum data through the electronic signature process available on the web application using the Data Finalize and Certify screen. The school's board secretary/business administrator is responsible for the transmission of the Audsum data via the web application to the Department of Education no later than the CAFR due date (December 5, 2018). This information is used by the Department of Education for a variety of purposes, including downloading into the actual column of the school budget software maintained 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.**

Transmission of the reporting package to the OFAC CAFR Repository is mandatory for year end June 30, 2018. The OFAC CAFR Repository may be accessed through [NJDOE Homeroom at http://homeroom.state.nj.us/](http://homeroom.state.nj.us/). 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/board of Trustees/Board of Directors of his/her findings and recommendations as a result of the audit. In accordance with the *Uniform Administrative Requirements* the CAFR will also be submitted to the Federal Audit Clearinghouse as part of the reporting package along with the Data Collection form (SF-SAC) whenever a federal single audit of the school district, charter school, or renaissance school project is required. In conformity with the federal due date, the Federal Data Collection Form (SF-SAC) may be submitted to the New Jersey Department of Education within 30 days after the audit report is filed with the district board of education, charter school/renaissance school project board of trustees. Accordingly, associated audit items and the

upload of audit files transmitted to the OFAC CAFR Repository may be submitted on time without including the archived copy of the SF-SAC. **When available, and in accordance with the federal due date, the archived copy of the SF-SAC must be uploaded to the OFAC CAFR Repository.**

The OMB requires all PDF uploads of the reporting package submitted to the Federal Audit Clearinghouse to be **text-searchable, unlocked and unencrypted**. Information about the [federal submission requirements can be found at https://harvester.census.gov/facweb/default.aspx/](https://harvester.census.gov/facweb/default.aspx/). Consistent with the submission requirements established by the Federal Audit Clearinghouse (FAC), New Jersey also requires **all** audit file submissions to the CAFR repository be **unlocked, unencrypted, text-searchable** PDF files with standard audit finding reference numbers in sequential format (e.g. 2018-001 through 2018-999).

The *Uniform Administrative Requirements* and NJOMB Circular Letter 15-08-OMB 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 *Uniform Administrative Requirements* (Subpart F 200.516). *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 Auditor's Management Report (AMR) must include **all** findings, including any items contained in the Schedule of Findings and Questioned Costs and the Legal or Regulatory Requirements section of the Auditor's Report.

## Outline for Comprehensive Annual Financial Report (CAFR)

New Jersey statute (*N.J.S.A.18A:4-14*) requires a school district, charter school, or renaissance school project 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 school's management (board of education, board of trustees, board of directors). AU-C Section 220 of the *Clarified Statements on Auditing Standards* issued by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) addresses auditor independence as part of quality control for an engagement conducted in accordance with generally accepted auditing standards. General Accounting Office (GAO) *Government Auditing Standards (Yellow Book Rev. 2018 <https://www.gao.gov/products/GAO-18-568G>)* paragraphs 3.02 through 3.59 contain the independence standards that comprise the Generally Accepted Governmental Auditing Standards (GAGAS). Paragraph 3.40 addresses non-audit activities such as financial statement preparation, modified accrual to accrual conversions, and other non-audit services provided to an audit client. Those non-audit activities must be evaluated using the conceptual framework provided in paragraph [3.46](#).  
<http://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-C-00220.pdf>

Financial statement preparers of school district, charter school, or renaissance school project financial reports should reference the NJ Department of Education CAFR [website](#) <http://www.nj.gov/education/finance/fp/cafr/> (click on CAFR) for selected sample statements and schedules, including the basic financial statements and budgetary comparisons which are in excel files that can be downloaded by school staff. Please be aware that those illustrations may not be in conformity with recent pronouncements and statements issued by GASB. Information on Management Discussion and Analysis (MD&A) requirements and guidance on financial reporting for school 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 requires that each governmental fund be treated as a major fund in the fund statements for GASBS 34 presentation. Questions relating to the preparation of NJ school CAFRs may be emailed to [doe.cafr@doe.nj.gov](mailto:doe.cafr@doe.nj.gov).

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, charter school, renaissance school project the notation "N/A" should be indicated against that item in the Table of Contents.

*Auditor's Note* – Auditors should refer to the CAFR [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 GAAP, this section is used by the GFOA “Blue Book” and is intended to familiarize the reader with the organizational structure of the school district/charter school/ renaissance school project and information useful to the reader to evaluate the district's/charter school's financial condition. It is important that the letter of transmittal avoid duplicating information already provided in detail elsewhere in the CAFR.

**Financial Section –**

This section includes the: 1) independent auditor’s report, 2) Management's Discussion and Analysis (MD&A), 3) basic financial statements including the school district, charter school, or renaissance school project -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, and 5) Other Supplementary Information including combining and individual fund statements, and additional schedules. Certain combining schedules may not be applicable. For example, if a school 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 school 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, charter school, or renaissance school project and its financial matters than is possible from the financial statements and supporting schedules included in the financial section. Sample schedules under GASB Statement No. 44 (GASBS 44) and guidance for preparing the schedules can be found on the [NJDOE web site http://www.state.nj.us/education/finance/fp/cafr/](http://www.state.nj.us/education/finance/fp/cafr/) (click on CAFR). The Outline of the CAFR reflects these revisions. Statistical information to assist school auditors in preparing this section is posted on that the department’s web site (click on Audit Information, and then 2017-18 Audit Program).

The Performance Framework sets the academic, organizational and fiscal standards by which all New Jersey charter schools will be evaluated, informing the Department of Education and individual school officials about school performance and sustainability. Charter schools are required to calculate and report financial performance indicators in the statistical data section of the CAFR (refer to page III-3.18 of this Audit Program).

The Financial Performance Framework section was designed as a starting point for the NJDOE to assess the financial health and viability of charter schools in New Jersey. The Framework, containing both near term and sustainability indicators, is a monitoring tool that provides the NJDOE with key data that summarizes a charter school’s current financial health, while taking into account the school’s financial trends over a period of three years. Near term indicators provide an understanding of a school’s financial picture in the upcoming school year, while sustainability indicators depict a school’s financial viability over time. In total, eight different measures provide a snapshot of a school’s near term financial health, historic trends, and future viability; this allows the NJDOE to proactively address areas of concern. The [Performance Framework https://www.state.nj.us/education/chartsch/PerformanceFramework.pdf](https://www.state.nj.us/education/chartsch/PerformanceFramework.pdf) can be accessed at the NJDOE web site.

**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 the *Uniform Administrative Requirements* and New Jersey OMB Circular Letter 15-08-OMB

**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/Charter School/Renaissance School Project-Wide Financial Statements:

- A-1 Statement of Net Position
- 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 Position
- B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position
- B-6 Statement of Cash Flows

Fiduciary Funds:

- B-7 Statement of Fiduciary Net Position
- B-8 Statement of Changes in Fiduciary Net Position

**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-1b Community Development Block Grant– Budget and Actual (**if applicable**)
- C-2 Budgetary Comparison Schedule – Special Revenue Fund

**Notes to the Required Supplementary Information- Part II**

C-3 Budget-to-GAAP Reconciliation

**Required Supplementary Information – Part III**

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

- L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability –PERS
- L-2 Schedule of District Contributions – PERS
- L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75) (new)

- M-1 Schedule of the District’s Proportionate Share of the Net OPEB Liability – PERS
- M-2 Schedule of the District’s Contribution – PERS
- M-3 Schedule of the District’s Proportionate Share of the Net OPEB Liability – TPAF
- M-4 Schedule of the District’s Contribution – TPAF

**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 Position
- G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
- G-3 Combining Schedule of Cash Flows
  
- Internal Service Fund:
  - G-4 Combining Schedule of Net Position
  - G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
  - G-6 Combining Schedule of Cash Flows
  
- H. Fiduciary Funds:
  - H-1 Combining Statement of Fiduciary Net Position
  - H-2 Combining Statement of Changes in Fiduciary Net Position
  - 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/Net Position
- 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–N/A to Charter Schools**

- 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- **N/A to Charter Schools**
- J-12 Direct and Overlapping Governmental Activities Debt- **N/A to Charter Schools**
- J-13 Legal Debt Margin Information- **N/A to Charter Schools**

**Demographic and Economic Information**

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

**Operating Information**

- J-16 Full-time Equivalent District/Charter School/Renaissance school 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
- J-21 Charter School Performance Framework, Financial Performance, Fiscal  
Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios

\*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