

June 30, 2020

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

The Audit Program

2019-20

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

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[State Circular Letter No. 15-08-OMB](http://www.state.nj.us/ifobank/circular/cir1508_omb.pdf) (http://www.state.nj.us/ifobank/circular/cir1508_omb.pdf)

Refer to Circular at the NJOMB web site:

[Circular Index: http://www.state.nj.us/infobank/circular/circindx.htm](http://www.state.nj.us/infobank/circular/circindx.htm)

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Introduction

Significant Changes for 2019-20

School district auditors are encouraged to obtain a copy of the July 9, 2019 broadcast with the subject line: Fiscal Year 2019-20 State Budget Notification. Most pertinent to the audit of the June 30, 2020 financial statements and schedules:

- Please refer to the State Aid section of the Compliance Supplement of this Audit Program

Other Changes / Updates for 2019-20

The following is a summary of changes / updates:

(changes for 2019-20 are highlighted in gray)

General changes are found throughout the document.

Specific changes are found in the following sections/chapters:

Introduction

- Updated link to the most recent *Yellow Book*.

Section I-1

- Updated link to the most recent *Yellow Book*.

Section I-2

- Added that new emergency regulations were adopted by the Division of Local Government Services allowed LEAs to utilize online platforms for procuring goods, services, power supply, and contracts for public works projects; and codify the ability to use online auction platforms for the sale of surplus property and Solar Renewable Energy Certificates. New rules N.J.A.C. 5:34-5.1 through 5.15 established the regulatory framework for electronic procurement, while N.J.A.C. 5:34-8.5 and amended N.J.A.C. 5:34-4.3 largely codify the remote bid opening guidance in Local Finance Notice 2020- 10.

Section I-3

- Added information on Executive Order No. 103, which required the closure of all public, private, and parochial preschool programs, and elementary and secondary schools, including charter and renaissance schools, beginning on Wednesday, March 18, 2020.
- Updated the Renaissance Aid calculation template.
- Updated link to the *USDA Eligibility Manual for School Meals, School Year 2019-20*.

Section I-4

- Deleted guidance on use of additional general fund surplus due to increase in state aid.

Section I-5

- Added guidance related to procurement and competitive bidding process that was issued in response to the Executive Order 107 with references to LFN 2020-06 and LFN 2020-10.
- Added reference to the adoption of P.L.2018, c.90, which allows school districts and charter schools to enter into an agreement with a private organization that would assume the financial and administrative responsibility for the development, construction, reconstruction, repair,

alteration, improvement, extension, operation, and maintenance of a government-related project.

- Included guidance that LFN 2019-15, which repealed LFN 2008-9 authorizes school districts to utilize online electronic procurement platforms, subject to regulations promulgated by the Director of the Division of Local Government Services. The LFN offers provisional guidance on use of electronic procurement pending adoption of regulations

Section I-6

- No changes.

Section I-7

- No changes.

Section I-8

- No changes.

Section II-10

- Updated link to the 2019-20 Extraordinary Aid memo.

Section II-20

- Updated the FICA and Medicare wage limits and percentages for 2019 and 2020.
- Added that revenue received under CARES ACT must be reported in a separate column in the *Combining Schedule of Program Revenues and Expenditures – Budgetary Basis* in the Special Revenue Fund section (Exhibit E) of the CAFR.

Section II-30

- No changes.

Section II-40

- No changes.

Section II-50

- No changes.

Section II-60

- Updated electronic links to 2019-20 guidance memorandums issued to public schools by the New Jersey Department of Agriculture.
- Added that FSMC contracts must identify all Child Nutrition Programs (CNPs) that the SFA is currently participating in as well as potential future programs. Also, added that the State Agency required SFAs to utilize the base year Request For Proposal (RFP) Fixed Price prescribed contract as well as the State Agency required contract renewal.
- Added that the State Agency discontinued the practice of providing prototype optional contract documents and developed State Agency "mandated" RFP/Contract base year FSMC documents for both the Fixed Price and the Cost Reimbursable contracts that all School Food Authorities are required to use
- Added guidance that due to the COVID-19 Emergency during SY 2019-2020, SFAs were required to maintain separate meal count records for the duration of the emergency.
- Added that effective March 18, 2020, or the date of the COVID-19 school closure, meal counts will differ according the type of program the SFA is operating. SFAs operating closed enrolled sites through the Seamless Summer Option were required to maintain rosters containing the names of all students qualifying for free and reduced meals enrolled in their districts, with added boxes for out of district placements. SFAs operating open/restricted open sites through the Seamless Summer Option were able to use either a tally method or a roster. Edit checks are not required in the Seamless Summer Option. The type of Seamless Summer Option program (Closed Enrolled – vs – Open/Open Restricted) each SFA operated during the COVID-19 school closure can be found in the SSO Application icon in SNEARS.
- 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

- Updated the link to the 2020 edition of Office of Management and Budget 2CFR Part 200 Appendix XI Compliance Supplement.
- 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, 2020.
- Updated reference to the AICPA Audit Guide *Government Auditing Standards and Single Audits* (March 2020), 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 2020.
- Clarified that certified Data Collection Form with archived watermark is to be uploaded to the CAFR Repository within 30 days after the audit report is filed. Also, added that the auditor provides the ARCHIVED DCF to the School Business Administrator who subsequently transmits it to the CAFR Repository. No Draft or Submitted Data versions are to be submitted to the Repository.

Section III-2

- Updated reference to AICPA publication *State and Local Governments – Audit and Accounting Guide*, issued March 2020.

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.
- 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 that as a result of Governor’s Declaration of Emergency pertaining to COVID 19, SFA were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies and submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts. Also, added that SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

Section III-5

- No changes.

Section III-6

- Updated that the budgeted State per Pupil cost for legal fees to remain \$57 and updated the actual State per Pupil cost for legal fees from \$57 to \$60.

Section III-7

- Clarified that in the Certification of Implementation (COI) only those recommendations which remain unimplemented are to be reported on this schedule and that a board resolution is not required.

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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 "[Electronic Code of Federal Regulations](http://www.ecfr.gov)" website at:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

Federal Requirements:

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. 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) 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 (new) *Government Auditing Standards March 2020 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.

[Governmental Accounting Guide 2018 Revision](https://www.gao.gov/products/GAO-18-568G)(GAGAS) is available through the website: <https://www.gao.gov/products/GAO-18-568G>

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, 2020 audits is (new) December 5, 2020. 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 2020) 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 <https://homerom.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. User names and passwords will remain active until the auditor requests removal through an email request to 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. 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, 2020). 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, 2020. The OFAC CAFR Repository may be accessed through [NJDOE Homerom at http://homerom.state.nj.us/](http://homerom.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://facweb.census.gov/>. 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. 2020-001 through 2020-999).

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.

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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) (new) *Governmental Auditing Standards 2018 Revision (Yellow Book)(GAGAS)* is available through the website: <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](#) (click on CAFR) (<http://www.nj.gov/education/finance/fp/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.

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 [CAFR website](http://www.state.nj.us/education/finance/fp/cafr/) at <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 2019-20 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.nj.gov/education/chartsch/accountability/framework.shtml) (<https://www.nj.gov/education/chartsch/accountability/framework.shtml>) 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

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 Postemployment Benefits Other Than Pensions

- M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios

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 - N/A to Charter/Renaissance Schools
- I-2 Schedule of Obligations under Capital Leases
- I-3 Debt Service Fund Budgetary Comparison Schedule

Statistical Section (Unaudited)

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/Renaissance 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/Renaissance Schools**
- J-12 Direct and Overlapping Governmental Activities Debt- **N/A to Charter/Renaissance**
- J-13 Legal Debt Margin Information- **N/A to Charter/Renaissance 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 Matter 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
 - Section I - Summary of Auditor's Results
 - Section II - Financial Statement Findings
 - Section III- Federal Awards and State Financial Assistance Findings and Questioned Costs
- K-7 Summary Schedule of Prior Audit Findings