



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

February 4, 2011

REVISED

TO: School Business Administrator
FROM: Acting Assistant Commissioner, Division of Finance
SUBJECT: 2011 Comparative Spending Guide, Indicator 20 Verification

In preparing the 2011 Comparative Spending Guide (CSG) we changed the calculation for Indicator 20 as detailed below, and we are asking that you take the time to verify that the 2010 number calculated for your district is correct. **Please note that spreadsheets in this memo can be located at <http://www.state.nj.us/education/finance/fs/csg/>.**

For fiscal year 2010 there are two entries - the General Fund Balance, July 1, 2009 (aka beginning fund balance) and the Generated or Used Fund Balance during the fiscal year (positive entries are generated balances, and negative entries are used balances). The latter is equal to the ending fund balance of June 30, 2010 minus the fund balance from July 1, 2009 and it was calculated using the 2010 Audit Summary Data submitted to the DOE last December. **These two balances can also be found on the last two pages of Exhibit C-1 of your 2010 CAFR and we ask that you use that information to verify the CSG numbers.** While indicator 20 will also present data for fiscal year 2009, it is not the focus of this inquiry.

For the fiscal year ended June 30, 2010 which is the focus of this inquiry, the values in columns **D** and **E** in the attached spreadsheet entitled **INDICATOR20FORDISTRICTS.XLS** indicate the General Fund Balance July 1, 2009 (beginning year balance) and the Generated or Used Balance (over the course of the fiscal year), respectively. These are the values which will be posted on the CSG website unless your district requests a change. Please follow the steps below to decide if your indicator is correct or if you need to have it corrected:

Step 1

- i. Check the two values for your district in the **INDICATOR20FORDISTRICTS.XLS** spreadsheet. The ABC district is a sample district whose data is populated in the following spreadsheets. If the spreadsheet values match the corresponding entries for General Fund Balance, July 1, 2009 and Change in Fund Balance in your 2010 CAFR Exhibit C-1, stop and do nothing further.
- ii. If either of the values does not match, then proceed to step 2 below.

Step 2

- i. Use the **SAMPLEINDICATOR20CALCULATION.XLS** Spreadsheet. This spreadsheet provides the audit summary line items used in the calculation of the General Fund Balances on July 1, 2009 and June 30, 2010, and the Generated or Used Balance. The spreadsheet is currently populated with the sample ABC District's data.
- ii. In column C, enter your audit summary line items 10.....item 75 as indicated in the spreadsheet to calculate your General Fund Balance, July 1, 2009; and your audit summary line items 10010...item 10075 to determine the General Fund Balance, June 30, 2010.
- iii. Using your CAFR Exhibit C-1 from 2009 and 2010 enter those corresponding lines in column **D (example)** for your district.
- iv. Determine which line item(s) need correcting. If the error is in the audit summary data, re-transmit your corrected 2010 Audit Summary to DOE. If the error is in your CAFR instead, then amend your CAFR and re-submit the amended data to DOE.
- v. If corrections are needed in the 2009-10 audsum, districts should resubmit the corrected audsum to the Office of School Funding. The corrected information will be included in the CSG to be released in March 2011, and will also be adjusted in the budget software preload for the 2011-12 budget. Note that there are two overnight processes that must be run before the budget preload is updated, then the district will use the "check for updates" function to receive the update.
- vi. The deadline to re-submit your changes is Friday, February 18, 2011.

Thank you and we look forward to your cooperation. If you have questions please contact us at SReuben@doe.state.nj.us.

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