



State of New Jersey

DEPARTMENT OF EDUCATION
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CHRISTOPHER D. CERF
Acting Commissioner

May 27, 2011

TO: School Business Administrators

FROM: Yut'se O. Thomas, Acting Assistant Commissioner
Office of School Funding

SUBJECT: 2009-10 Audit Summary Review

After reviewing the 2009-10 Audit Summary submissions, we have identified some areas that must be corrected. We've compared the audit summary submissions to Comprehensive Annual Financial Reports and other sources. Incorrect audit summary information can impact State and Federal aid calculations and required Federal reporting.

Please check these areas of your district's audit summary. If a correction is necessary, district auditors must make the correction in the district's audit summary file, and the district must re-transmit the audit summary by June 14, 2011.

State Aid Revenue

2009-10 state aid revenues must match the June 30, 2010 notice. This notice is in the district's Homeroom folder and is called "FY10_ADJUSTED_STATE_AID_xxxx.PDF".

TPAF – State Payments

State-paid TPAF must match the number provided to school district auditors. The spreadsheet is available here:

<http://www.state.nj.us/education/finance/fp/audit/0910/>

FICA Reimbursement

Many school districts reported FICA reimbursements that vary by more than 10% from the payments that the State has made. Please check that this is accurate.

Preschool Education Aid

Many school districts that receive Preschool Education Aid recorded the expenditures on Line 9650 – Other State Projects (20- xxx-xxx-xxx). Preschool Education Aid expenditures must be recorded on Lines 13010 through 13300 (20-218-xxx-xxx).

Many school districts receiving Preschool Education Aid that have **Contracted Preschool** programs reported the expenditures on Purchased Services lines. Contracted Preschool must be reported on Line 13145 (20-218-200-321).

Federal Aid - Whole School Reform Transfers

Many school districts that transfer Federal funds to Fund 15 have not reported the correct transfer amount on Line 9731 (20-xxx-520-930). The appropriate Federal expenditures (e.g. Title 1 – Line 9670) may need to be reduced accordingly.

Debt Service

Principal and interest payments must be entered on the appropriate lines.

Tuition Revenue

Tuition revenue from individuals must be reported on Line 195 (10-1310). Tuition revenue from other LEAs must be reported on Line 196 (10-1320). Preschool tuition from individuals must be reported on Line 416 (20-1310). Preschool tuition from other LEAs must be reported on Line 417 (20-1320).

Audit Questionnaire Information

This information must be correct; it is used to determine which districts should be reviewed against the criteria of N.J.S.A. 18A:7A-55 for the appointment of a State monitor. Many of the answers in this section are not correct when compared to the Comprehensive Annual Financial Report.

Please contact Dennis Smeltzer at (609) 292-6097 or dennis.smeltzer@doe.state.nj.us with any questions.

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