



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

September 13, 2011

TO: Public School Auditors

FROM: Yut'se Thomas, Director
Office of School Finance

SUBJECT: Audit Summary Worksheet for 2010-2011

The Audit Summary Technical Manual and respective program is available for download from the State of New Jersey Department of Education website. The Internet site address for the 2010-2011 audit summary materials is <http://www.nj.gov/education/finance/audsum/>. As audit summary data can impact State and Federal aid and required Federal reporting, we will again review audit summary submissions and compare them against other sources and Comprehensive Annual Financial Reports. Incorrect data will require revision and re-submission. These are some of the areas that required revision by many school districts:

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 Education Aid

Preschool Education Aid expenditures must be reported on Lines 13010 through 13300 (20-218-xxx-xxx). These expenditures should not be reported on Line 9650 – Other State Projects.

School districts receiving Preschool Education Aid that have **Contracted Preschool** programs must reported these expenditures on Line 13145 (20-218-200-321).

Federal Aid - Whole School Reform Transfers

School districts that transfer Federal funds to Fund 15 must report 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.

There are some changes from last year's audit summary worksheet which are summarized below for ease of reference. Please see the technical manual for detailed information regarding the application.

- **Vocational School Supplemental Data for Tuition Purposes**

A new screen was added last year for County Vocational School Districts to reflect the allocation of certain expenditures between regular and special vocational programs. These figures will be used in the certification of per pupil tuition rates. No one completed this screen in the 2009 -10 audsum. Be sure to complete this screen in the 2010 – 11 audsum if necessary for tuition purposes.

- **Transmission of Audsum Data**

A modification was made three years ago to allow users to save the audsum data to a USB drive. The districts and charter schools had to install the newest version of the **web-enabled DOENet** to transmit the data to the state from a USB drive. The audsum diskettes will not be sent directly to the State Department of Education. The independent audit firms will send the diskette/USB drives along with the transmittal letter to the appropriate district or charter school for submission to the state via the **web-enabled DOENet**. Security procedures have been instituted to prevent modification of the data by the LEA.

- **ARRA and Ed Jobs Expenditures**

For federal reporting purposes, districts must report ARRA Expenditures on new lines (7510 – 7540). ARRA Title 1 and ARRA IDEA expenditures for instruction, support services, construction services, equipment and nonpublic schools must be reported. Ed Jobs expenditures for instruction and support services must be reported. These expenditures should also be reported on the existing lines for Title 1 (line 9670) and IDEA (line 9690).

- **Line Number Changes; Lines out of sequence**

Line item changes were made to the 2010-2011 audit summary worksheet. The line items that are highlighted in orange on the asw.xls worksheet (found on our website) represent the lines removed from the 2010-11 audsum. The line items highlighted in bright yellow represent the new lines for 2010-11. There are also several sections of our chart of accounts that must be placed at the end of the Expenditure section due to limitations in our system. They are highlighted in pale yellow and are: ‘Other Support Services-Students Related Services’; ‘Other Support Services-Students Extraordinary Services’; ‘Undistributed Expenditures – Central **Services**’ and ‘Other Support Services-Admin Information Technology’. These sections are highlighted in pink due to their unexpected location in the audsum. They had to be placed at the bottom of the audsum expenditure screen, so the asw.xls worksheet will serve to assist you in locating these sections on the application.

As a reminder, the data submitted on the audit summary worksheet diskette will be automatically downloaded into the 2012-2013 school district budget programs for the 2010-2011 actual columns. Therefore, board secretaries/business administrators must receive copies of all reports generated from the diskette so they can attest to the accuracy of the data and sign off on the transmittal letter. If discrepancies in the 2010-2011 information are identified when the district receives the 2012-2013 budget program, corrections to these actual numbers can only be made through the submission of a new audit summary worksheet diskette. This restriction has been our practice for many years. In addition, we are asking that the special revenue funds be reported in the Audit Summary Worksheet on a budgetary basis of accounting as presented in the Combining Schedule of Revenues and Expenditures.

A transmittal letter will automatically print when transferring the data to a diskette. Both the auditor and the board secretary/business administrator should sign the transmittal letter. The auditor must send the completed diskette and the transmittal letter to the district or charter school for their transmission of the data via web enabled DOENET by December 7, 2011. Districts and Charter Schools must then send the transmittal letter with the two signatures to:

New Jersey Department of Education
Attn: Heather Leary, Office of School Finance
P.O. Box 500
Trenton, NJ 08625-0500

For specific instructions, please refer to the technical manual available on the website http://www.nj.gov/education/finance/audsum/audsum_man.doc. If you need further assistance, call Heather Leary at (609) 984-4945. Thank you for your continued cooperation.

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c: David Corso
David Hesper
Pam Castellanos
Heather Leary
Patricia Scott
Executive County Superintendents
School Districts