

Date Issued: 7/2018



**Financial Accounting for  
New Jersey Private Schools  
for Students with Disabilities**

**The Audit Program  
2017-2018 School Year**

**New Jersey  
State Department of Education  
Office of School Finance  
P.O. Box 500  
Trenton, New Jersey 08625-0500**

**Dr. Lamont Repollet  
Commissioner of Education**

**Kevin Dehmer  
Assistant Commissioner / CFO  
Division of Finance**

**Michael J. Mindlin  
Director  
Office of School Finance – Fiscal Policy and Planning**



**State Board Of Education**

Arcelio Aponte .....Middlesex  
President

Kathy A. Goldenberg .....Burlington  
Vice-President

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 .....Salem

Ernest P. Lepore .....Hudson

Andrew J. Mulvihill .....Sussex

Joseph Ricca, Jr.....Morris

Sylvia Sylvia-Cioffi .....Monmouth



## Table of Contents

	<b>Page</b>
I. Digest of the APSSD Audit Requirement	N-1 to N-3
II. Directives to the APSSD's Governing Body	N-4 to N-10
Budget	N-4
Bookkeeping Records	N-4 to N-5
Petty Cash Fund	N-5 to N-6
Student Activity Funds	N-6 to N-7
Rules of Professional Conduct	N-7
Cooperation with the Auditor	N-7 to N-9
Hearing on Audit	N-9 to N-10
III. APSSD Bookkeeping and Accounting	N-11 to N-22
Private Placement Services	N-11
Funds – Restricted and Unrestricted	N-11 to N-12
Fund Accounting for Non-Profit Organizations	N-13
Operating Funds	N-13
Modified Fund Accounting for Profit-Making Organizations	N-13 to N-14
Fixed Asset Accounting	N-14 to N-16
Cash Receipts Journal	N-16 to N-17
Cash Disbursements Journal	N-17
General Ledger	N-17 to N-19
Tuition Ledger	N-19
Fixed Asset Inventory	N-20
New Jersey School Register	N-20 to N-21
Other Records	N-21 to N-22
IV. Scope of Funds to be Audited	N-23 to N-24
Scope of Funds to be Audited	N-23
Organizations under the Auspices of the School	N-23
Fund Raising in Schools by Outside Organizations	N-23
Funds Belonging to Outside Organizations	N-23 to N-24
Funds of Teacher Organizations and Parent Teacher Units	N-24
Funds for Immediate Purchase of Tickets	N-24



	<b>Page</b>
V. Conducting the Private School Audit	N-25 to N-86
Special Purpose/Component Financial Statements	N-25 to N-26
School's Governing Body Minute Records	N-26
Budgets	N-26
Revenues and Receipts	N-26 to N-27
Tuition	N-27
Expenditures	N-27 to N-30
Non-Allowable Costs	N-31 to N-55
Statement of Expenditures by Line Item	N-56 to N-61
Statement of Total Expenditures	N-62
Statement of Percentages for Cost Category Assignments	N-62 to N-64
Statement of Enrollment	N-64 to N-65
Statement of Tuition Rate Computation – Parts I & II	N-66 to N-68
Statement of Tuition Rate Computation – Working Capital	N-68 to N-69
Statement of Tuition Rate Computation – Surcharge	N-69 to N-70
Extraordinary Services – Statement of Expenditures by Line Item	N-71
Statement of Extraordinary Services – Tuition Rate Computation etc.	N-71
Statement of Billing Adjustment	N-72 to N-73
Statement of Non-Allowable Costs	N-73 to N-74
Statement of Food Service	N-74 to N-75
Community Eligibility Provision Schools as administered by NJDA	N-75 to N-76
Statement of Interest/Dividends Earned – Investment of Tuition Funds	N-76 to N-77
Early Intervention Program	N-77 to N-78
Revenues, Expenses, Fund Balances and Retained Earnings	N-78 to N-79
Statement of Accruals and Accounts Payable	N-79
State of New Jersey Single Audit Act	N-79 to N-80
Balance Sheet	N-80
Reporting Requirements for Non-Profit Organizations	N-81
Notes to Financial Statements	N-81 to N-84
Recommendations	N-84
Audit Software	N-85
Listing of Non-Compliance Errors in Audit Reports	N-85 to N-86
VI. Sample of Audit Report – Profit	P-1 to P-40
VII. Sample of Audit Report – Nonprofit	NP-1 to NP-65
<b>Appendix A</b> – N.J.A.C. 6A:23A- 18.1 through 18.16	
<b>Appendix B</b> – Chart of Accounts for Private Schools for Students with Disabilities.	



- Appendix B-1** – Narrative Explanation of the Chart of Accounts for Private Schools.
- Appendix C** – Private Schools for Students with Disabilities Financial Report Prescribed by the Department of Education.
- Appendix D** – Department of Education Mandated “Tuition Contract” for the Ten Month School Year and the Extended School Year.
- Appendix E** – Reserved.
- Appendix F** – Optional Department of Education Prescribed Employee Time Record Format.
- Appendix G** – Addresses - County Offices of Education.
- Appendix H** – State OMB Circular Letter 15-08 (refer to [State of New Jersey Treasury OMB Circular Letter](#)).
- Appendix I** – Maximum Salaries for 2017-2018.
- Appendix J** – 2017-2018 Tentative Tuition Rates for Private Schools for Students with Disabilities.
- Appendix K** – Approval for 2017-2018 Tentative Tuition Rates for Private Schools for Students with Disabilities, Based on Appeal.
- Appendix L** – 2017-2018 Tentative Tuition Rates for New Private Schools for Students with Disabilities.
- Appendix M** – Private Schools in Session Less Than the Required 180 Days of Instruction.
- Appendix N** – Recognized Position Titles.
- Appendix O** – Private Schools for Students with Disabilities - Auditor Independence in Accordance with N.J.A.C. 6A:23A-18.9(a).
- Appendix P** – Prescribed Cost of Ownership Format For Related Party Transactions.
- Appendix Q** – Federal OMB Circular A-133 (refer to [Federal OMB Circular A-133](#)).
- Appendix R** – Private Schools for Students with Disabilities Participating in the Child Nutrition Program for 2017-2018.
- Appendix S** – Private Schools’ Data Collection.



**Appendix T** – T-1 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration Percentage.  
T-2 Cost Category Assignments - Calculation of Non-allowable Costs - Deficient Instruction Percentage.  
T-3 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration and Deficient Instruction Percentages.

**Appendix U** – Prescribed Mileage Format for School-Owned or Leased Vehicles.

**Appendix V** – School District Code Listing.

The 2017-2018 complete update to “Financial Accounting for New Jersey Private Schools for Students with Disabilities – The Audit Program” is available on the Department of Education’s website at [APSSD Audit Program](#). Click on 2017-2018 Update to Financial Accounting for New Jersey Private Schools for Students with Disabilities – The Audit Program.