

Financial Accounting for New Jersey Private Schools for Students with Disabilities

The Audit Program 2024-2025 School Year

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

Kevin Dehmer Commissioner of Education

David Corso
Assistant Commissioner
Division of Finance and Business Services



State Board of Education

Kathy A. Goldenberg, President	Burlington
Nedd James Johnson, Vice President	Salem
Arcelio Aponte	Middlesex
Mary G. Bennett	Essex
Mary Beth Berry	Hunterdon
Elaine Bobrove	Camden
Ronald K. Butcher	Gloucester
Jack Fornaro	Warren
Claudine Keenan	Atlantic
Jeanette Pena	Hudson
Joseph Ricca, Jr	Morris
Ahmed Shehata	Union



Table of Contents

		Page
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-5 to N-6
	Petty Cash Fund	N-6
	Student Activity Funds	N-6 to N-7
	• Rules of Professional Conduct	N-7
	• Cooperation with the Auditor	N-7 to N-10
	• COVID-19 Paid Time off (PTO) Policy	N-10
	Hearing on Audit	N-10
III.	APSSD Bookkeeping and Accounting	N-11 to N-24
	• Private Placement Services	N-11
	 Funds – Restricted and Unrestricted 	N-11 to N-13
	 Fund Accounting for Non-Profit Organizations 	N-13
	Operating Funds	N-13 to N-14
	 Modified Fund Accounting for Profit-Making Organizations 	N-14
	Fixed Asset Accounting	N-15 to N-16
	 Cash Receipts Journal 	N-16 to N-17
	 Cash Disbursements Journal 	N-17 to N-18
	General Ledger	N-18 to N19
	Tuition Ledger	N-20
	• Fixed Asset Inventory	N-21
	 New Jersey School Register 	N-21 to N-22
	• Other Records	N-23 to N-24
IV.	Scope of Funds to be Audited	N-24 to N-25
	 Scope of Funds to be Audited 	N-24
	 Organizations under the Auspices of the School 	N-24
	 Fund Raising in Schools by Outside Organizations 	N-25
	 Funds Belonging to Outside Organizations 	N-25
	 Funds of Teacher Organizations and Parent Teacher Units 	N-25
	 Funds for Immediate Purchase of Tickets 	N-25



		Page
V.	Conducting the Private School Audit	N-26 to N-93
	• Special Purpose/Component Financial Statements	N-26 to N-27
	School's Governing Body Minute Records	N-27
	• Budgets	N-27
	Revenues and Receipts	N-28
	• Tuition	N-28
	• Expenditures	N-29 to N-32
	Non-Allowable Costs	N-32 to N-61
	• Statement of Expenditures by Line Item	N-61 to N-68
	• Statement of Total Expenditures	N-68
	• Statement of Percentages for Cost Category Assignments	N-69 to N-70
	• Statement of Enrollment	N-70 to N-71
	• Statement of Tuition Rate Computation – Parts I & II	N-71 to N-74
	• Statement of Tuition Rate Computation – Working Capital	N-74 to N-75
	• Statement of Tuition Rate Computation – Surcharge	N-75to N-76
	• Extraordinary Services – Statement of Expenditures by Line-Item	N-76
	• Statement of Extraordinary Services – Tuition Rate Computation etc.	N-76 to N-77
	• Statement of Billing Adjustment	N-77 to N-79
	Statement of Non-Allowable Costs	N-79 to N-80
	Statement of Food Service	N-80 to N-81
	 Community Eligibility Provision Schools as administered by NJDA 	N-81 to N-82
	• Statement of Interest/Dividends Earned – Investment of Tuition Funds	
	• Early Intervention Program	N-83
	Revenues, Expenses, Fund Balances and Retained Earnings	N-84 to N-85
	• Statement of Accruals and Accounts Payable	N-85
	State of New Jersey Single Audit Act	N-85 to N-86
	Balance Sheet	N-86
	Reporting Requirements for Non-Profit Organizations	N-87
	• Notes to Financial Statements	N-87 to N-91
	• Recommendations	N-91 to N-92
	Audit Software	N-92
	COVID-19 Guidance	N-92
	Annual Disclosure Statement	N-92
	• Nepotism	N-92
	• FASB – ASC 842	N-93
	• Listing of Non-Compliance Errors in Audit Reports	N-94 to N-95
VI.	Sample of Audit Report – Profit	P-1 to P-63
VII.	Sample of Audit Report – Nonprofit	NP-1 to NP-69

- Date Updated: 10/2025
- **Appendix A** N.J.A.C. 6A:23A-18.1 through 18.23
- Appendix 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 Form and Directions 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 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 2024-2025.
- Appendix J 2024-2025 Tentative Tuition Rates for Private Schools for Students with Disabilities.
- **Appendix K**—Approval for 2024-2025 Tentative Tuition Rates for Private Schools for Students with Disabilities, Based on Appeal.
- **Appendix** L —2024-2025 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.
- **Appendix Q** Federal OMB Circular A-133 (refer to <u>Part 99</u> <u>Audit of States, Local</u> Governments, and Non-profit Organizations).
- **Appendix R**—Private Schools for Students with Disabilities Participating in the Child Nutrition Program for 2024-2025
- Appendix S APSSD Budget and Audit System

• Appendix T

 T-1 Cost Category Assignments - Calculation of Non-allowable Costs - Excess Administration Percentage.

Date Updated: 10/2025

- 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 2024-2025 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 <u>APSSD Audit Program</u>. Click on <u>2024-2025 Update to Financial Accounting for New Jersey Private Schools for Students with Disabilities — The Audit Program</u>.