

Prescribed Financial Report

The objective of the prescribed financial report is to provide private schools for students with disabilities with a mechanism to determine a per diem tuition rate on an annualized basis. The expenditures, revenues, and average daily enrollment are presented on a year-to-date basis to allow an annualized per diem tuition rate. This report will provide management the opportunity to compare the tentative per diem tuition rate actually charged during the school year to a year-to-date (YTD) per diem tuition rate reflected in the financial records. This report is based on a July to June school year and must reflect the year-to-date expenditures, revenues and enrolled days for the year-to-date time period based on the accrual basis of accounting. In accordance with N.J.A.C. 6A:23A-18.5(a)2, at a minimum, an approved private school for the disabled shall use accrual accounting on a quarterly basis. Therefore, a private school for the disabled must accrue all expenses, including but not limited to quarterly payroll taxes, depreciation and pension contributions.

In accordance with 6A:23A-18.3(a)2, if the private school for the disabled proposes to charge a final tuition rate in excess of 10 percent above the tentative tuition rate charged, the private school shall notify each sending district board of education and the Assistant Commissioner, Division of Finance that such an increase will be charged and the reason for the increase on or before the following dates: December 15th for the first quarter, March 15th for the second quarter, June 15th for the third quarter and September 15th for the fourth quarter, or the next business day when applicable. In accordance with N.J.A.C. 6A:23A-18.3(a)2i, if the sending district board of education and the Assistant Commissioner, Division of Finance are not notified on or before the dates noted in (a)2, the private school shall charge an increase not to exceed 10 percent of the tentative tuition rate charged.

Instructions

1. The following schedules comprise the “Financial Report” as prescribed by the New Jersey State Department of Education per N.J.A.C. 6A:23A-18.5(a)11. These schedules include the following:
 - A) Expenditure Report.
 - B) Enrollment Computation - Computation of YTD ADE.
 - C) Statement of Revenues and Expenditures.
 - D) Per Pupil Cost Computations – Profit/Non-Profit.
2. Acceptance of the “Financial Report” shall be documented in the minutes of the Board of Directors meetings. The “Financial Report” shall be prepared and submitted, at a minimum, on a quarterly basis to the private school’s governing body and must be submitted, at a minimum, for the following quarter ending dates: 1) September 30; 2) December 31; 3) March 31; and 4) June 30. The report should be completed no later than 30 days after the reporting period ending date.
3. Pages 1 through 12, “Expenditure Report.”
 - A) Enter the name of the school on the line at the top of page 1.
 - B) Enter in column D, lines 3500 through 89660, all the expenditures incurred during the year-to-date reporting period by the line accounts indicated. The term “expenditures” includes total

charges incurred, whether paid or unpaid, less refunds (Expenditure = Cash Disbursements plus obligations/accounts payable minus refunds). Enter only those expenditures which are in compliance with N.J.A.C. 6A:23A-18.1 et seq.

4. Page 13, “Enrollment Computation”

- A) A “public school placement” is a pupil whose tuition is paid by a New Jersey school district or a New Jersey state agency. A “private placement” is a pupil whose tuition is paid by a source other than a New Jersey school district or New Jersey state agency such as, but not limited to, the following: a parent, guardian, an out-of-state school district, an out-of-state agency or funded by the private school the pupil is attending.
- B) **Private schools without private placements.** For the purpose of this statement, the Year-to-Date ADE is calculated by adding the total year-to-date enrolled days for all students, as reflected in the school registers, and dividing by the number of possible enrolled days for one pupil (July through June school year, includes the ten month and extended school years). Enrolled days are the total days both present and absent from the time a student is enrolled for services until the student is terminated by the private school or withdrawn by the sending district (refer to state contract for billing and enrollment procedures upon termination or withdrawal). No amount should appear in column B.
1. Enter in column A, lines 1-34, by school register the total number of possible enrolled days for all pupils in that register for the year-to-date period.
 2. The total of the number of enrolled days inserted in column A, lines 1-34 will be inserted on line 35 (Total Enrolled Days) and in the Computation of YTD ADE on line 1, columns A and C.
 3. Insert on line 2, columns A and C the number of enrolled days for one pupil in the July through June school year and divide line 1 by line 2, columns A and C and enter the result on line 3, columns A and C. Round to the nearest four decimal places.
 4. Line 4 is not part of this calculation if the school does not have private placements.
- C) **Private schools with private placements.** For the purpose of this statement, the Year-to-Date ADE is calculated by adding the total year-to-date enrolled days for all students, as reflected in the school registers, and dividing by the number of possible enrolled days for one pupil (includes the ten month and extended school years). Enrolled days are the total days both present and absent from the time a student is enrolled for services until the student is terminated by the private school or withdrawn by the sending district (refer to state contract for billing and enrollment procedures upon termination or withdrawal).
1. Enter on lines 1-34, by school register the total number of possible enrolled days for public school placements in column A and private placements in column B for the year-to-date period.
 2. The total of the number of enrolled days inserted in columns A and B, lines 1-34 will be inserted on line 35, columns A and B and on line 1, (Total Enrolled Days) columns A and B in the Computation of the YTD ADE. The sum of line 1, columns A and B will be inserted on line 1, column C.

3. Insert on line 2, columns A and B, the number of enrolled days for one pupil in the July through June school year and divide line 1, columns A and B by line 2, columns A and B. Enter the results on line 3, columns A and B. Column C is automatically totaled. Round to the nearest four decimal places.
4. Divide line 3, columns A and B by line 3, column C and insert the results as a percentage (2 decimal places) on line 4, columns A and B. The public school placement percentage from line 4, column A and private placement percentage column B are used to allocate costs on the Statement of Revenue and Expenditures. Please refer to item 5B for additional instructions.
5. **Important:** A pupil enrolled in a preschool program (ten hours per week of pupil instruction), a half-day program or enrolled in a full day program on a shared time basis shall not have a maximum average daily enrollment in excess of 0.5 for the entire school year. A pupil enrolled in one of these programs shall be considered as a half-day enrollment for each day of the week.

5. Page 14, "Statement of Revenues and Expenditures."

A) Private schools without private placements

1. Enter in column C, lines 140 through 700 all revenues accrued during the year-to-date period by category. The term "revenues" includes total charges for services, whether received or receivable.
2. Totaled column C determines the "Total Revenue" on line 1000.
3. Enter in column C, lines 3660 through 89660, all expenditures for the year-to-date period by account series totals as reflected on pages 1 through 20.
4. Total column C to determine "Total Expenditures" and insert the result on line 90000 and "Total Net Expenditures." There is no entry on Private Placement Percentage Adjustment since there are no adjustments necessary as a result of private placements.
5. In column C, subtract the amount listed on "Total Net Expenditures" from the amount listed on the "Total Revenues," line 1000 and enter the result on the line "Excess (Deficit) Revenues Over Expenditures." If the expenditures exceed revenues, the balance over expended must be bracketed to indicate a negative (deficit) balance.

B) Private schools with private placements

1. Enter in columns C through D, lines 140 through 700 all revenues accrued during the year-to-date period by category. The term "revenues" includes total charges for services, whether received or receivable.
2. Columns E sums determines the total for lines 140 to 700 and "Total Revenue" on line 1000.
3. Enter in columns C and D, lines 3660 through 89660, all expenditures for the year-to-date period by account series totals as reflected on pages 1 through 12.
4. Total columns C and D, "Total Expenditures"; Column E sums to determine total expenditures on line 90000.
5. The following directions are used to allocate costs between column C (Public school placements) and column D (Private placements) from column E (Total). Multiply line 90000 column E (Total) by the private placement percentage on page 13, line 4, column B. Insert the result in column D, on the "Private Placement Percentage Adjustment" line and insert the same amount as a negative number in column C, on the "Private Placement

Percentage Adjustment” line. For instance, if line 90000, column E was \$100,000 and the percentage on page 21, line 4, column B is 15%, then \$15,000 would be inserted into column D, line “Private Placement Percentage Adjustment” and a negative (\$15,000) would be inserted into column C, line “Private Placement Percentage Adjustment”.

6. Add lines 90000 and “Private Placement Percentage Adjustment”, columns C, D and E and insert the results on line “Total Net Expenditures”, by column. Subtract line 90000 from the amounts listed on line 1000, “Total Revenues” in columns C, D and E, and enter the results on the line “Excess (Deficit) Revenues Over Expenditures” by column. If the expenditures exceed revenues, the balance over expended must be bracketed to indicate a negative (deficit) balance.
 7. A private school has the option of applying the private placement percentage on page 13, line 4, column B to each line separately (3660 through 89660). If a school chooses this option, line “Private Placement Percentage Adjustment” will not be used and lines 90000 and “Total Net Expenditures” will be the same.
6. Page 15, “Per Pupil Cost Computations” for a profit-making school.
 - A) Enter on line 1, the Total Public School YTD Expenditures from page 14, line “Total Net Expenditures”, column C. Multiply line 1 by line 2 (1.025) to determine the Total Public School YTD Expenditures and Surcharge. Enter the amount on line 3.
 - B) Enter on line 4, the Public School YTD ADE from page 13, line 3, column A. Divide line 3 by line 4 to determine the YTD Per Pupil Tuition Rate and enter the amount on line 5.
 - C) Enter on line 6, the Enrolled Days for one pupil from page 13, line 2, column A. Divide line 5 by line 6 and enter the result on line 7. This amount is the YTD Per Diem Tuition Rate.
 - D) Enter on line 8, the Tentative Per Diem Tuition Rate Charged which is the per diem rate the private school is charging the school districts for the school year.
 7. Page 15, “Per Pupil Cost Computations” for a non-profit school.
 - A) Enter on lines 9, 17 and 22, the Total Public School YTD Expenditures from page 14, line “Total Net Expenditures”, column C.
 - B) Multiply line 17 by line 18 (0.15) to determine the Maximum Working Capital and enter the result on line 19.
 - C) The prior year public school placement restricted working capital fund balance on line 20 must be determined based on an allocated portion of the amount depending on the quarter the financial report is being prepared. The prior year public school placement restricted working capital fund balance appears on the prior years June 30th audited financial statement and must be multiplied by the indicated percentages to determine the allocated prior year public school placement restricted working capital fund balance, based on the quarter ending. Enter on line 20 the following amounts depending on the quarterly report that is being prepared: 25% for September, 50% for December, 75% for March and 100% for June. Subtract line 20 from line 19 and enter the result on line 21, “Working Capital A.” However, the **school’s management must be aware** that at

year-end (June 30), if line 21 “Working Capital A” results in a **negative** amount, this amount must be deducted from the school’s Total Public School YTD expenditures to determine the YTD Per Diem Tuition Rate on this report and in the audited financial statements.

- D) Multiply line 22 by line 23, Maximum Working Capital Percentage and insert the result on line 24, Working Capital B. Insert the lesser of lines 21 (Working Capital A) and 24 (Working Capital B) on lines 25 and 10. This may be a negative amount.
- E) Add line 9 and 10 and insert the result on line 11 Total Public School YTD Expenditures and Working Capital.
- F) Enter on line 12 the Public School YTD ADE from page 13, line 3, column A.
- G) Divide line 11 by line 12 and enter the result on line 13, the YTD Per Pupil Tuition Rate.
- H) Enter on line 14 the Enrolled Days for one pupil from page 13, line 2, column A.
- I) Divide line 13 by line 14 and enter the result on line 15. This amount is the YTD Per Diem Tuition Rate.
- J) Enter on line 16, the Tentative Per Diem Tuition Rate Charged which is the per diem rate the private school is charging the school districts for the school year.
- K) If the YTD Per Diem Tuition Rate is **greater than 10%** of the Tentative Per Diem Tuition Rate Charged, the private school **must** comply with N.J.A.C. 6A:23A-18.3(a)2 in order to charge a Final Tuition Rate in excess of 10 % the Tentative Tuition Rate Charged.