Financial Review Workshop

Financial Review

May/June 2014

Items to be Covered

- FY2014 Midterm Overview
- FY2015 Initial Overview
- Allotment Sheets
- Categorical Grants
  - Transportation
  - Nursing
  - Sparsity
  - Equalization/Local Five Mill Share

Items to be Covered

- Math & Science Supplement
- State Health
- Training & Experience
- Austerity
- Funding Formula Change
- 2014 Legislation
- Flexibility
- Chart of Accounts

Items to be Covered

- GASB's
- FMGLUA
- Affordable Care Act (ACA)
- ARRA
- CCRPI
- Risk Assessment
- Data Reporting
- Relationships

2014 MT Overview

- Fully Funded Enrollment Growth of 1.3% (approximately $130 million)
- Systems without Growth were held harmless (approximately $9.0 million)

2014 MT Overview

- New Charter Systems Funded (Banks, Coffee and Haralson) – Adjusted for Mid Term FTEs
- No more FTEs to Middle Grades Funding, all FTEs were moved to Middle School Funding
- If you use Program Code 1031, you will not be required to change for this year. However, be aware that you will receive a warning when you submit your DE46.

2014 MT Overview

- No adjustments to any of the Categorical Grants
  - Transportation
    - Updated distribution but no additional state funding
  - Sparsity
  - Nursing
  - Equalization
    - Except for one adjustment

2014 MT Overview

- Local Five Mill Share (Local Fair Share)
  - State Virtual Charter Schools
  - One Adjustment

2014 MT Overview

- State Health
  - Did NOT adjust at Mid-Term based on updated CPI Information
  - Treat similar to T&E funding
  - Did make some one-time adjustments for district errors

2014 MT Overview

- One-Time Adjustments
  - Corrections to Health Insurance counts
    - District
    - Site
  - Corrections to FTE counts
  - Program Code 1462

2014 MT Overview

- RESAs
  - No changes in state funding

2015 Initial Overview

- RESAs
  - Redirected funds from ETC to RESA
  - Received some increase in funding for specific programs
    - PBIS trainers
    - Technology Support
    - Blended Learning Trainers

2015 Initial Overview

- Changes from mid term allotment sheet
  - Updated T&E based on Oct 2013 CPI (CPI 2014-1)
  - Updated Health Insurance based on Oct 2013 CPI
  - Hold Harmless from MT will be removed for initial allotment
  - TRS rate updated from 12.28% to 13.15%
    - Employee rate remains at 6.0%
  - Austerity updated
  - Equalization and Local Fair Share were updated
  - Nursing and Transportation updated
  - Sparsity reviewed and updated

Allotment Sheets

- FY 2014 Midterm – Published
- FY 2014 Midterm Site Allotment Sheets – Published
- FY 2014 Accrual Allotment Sheets – (5/28/14)
- FY 2015 System Allotment Sheets – (5/23/14)
- FY 2015 Site Allotment Sheets – (June 2014)
- Salary & Operations Details- (June 2014)
- Weights for Funding Formula – (June 2014)

OFFICIAL

Georgia State Department Of Education

Earnings Sheet for FY 2014

3/17/2014

School System: State

FY 14 Midterm

THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF $2,430.57

DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	QBE EARNINGS	LESS LOCAL 5 MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec
		<-Earnings ($)-				->	<-Earned Positions-> <-Grades K-12->			
Kindergarten Pgm	116,510	612,114,053	9,105,071	621,219,124	115,597,100	505,622,024	7,767.34		258.90	105.93
Kindergarten Early Intr Pgm	14,658	100,368,267	1,145,529	101,513,796	17,758,539	83,755,257	1,332.54		32.57	13.33
Primary Grade(1-3) Pgm	329,843	1,391,315,941	28,333,073	1,419,649,014	263,017,736	1,156,631,278	19,402.53	956.09	732.95	299.88
Primary Grd Early Intrv(1-3) Pgm	36,756	233,045,919	3,157,376	236,203,295	42,711,309	193,491,986	3,341.45	106.54	81.68	33.42
Upper Elementary Grd(4-5) Pgm	200,321	644,662,602	14,106,557	658,769,159	121,424,394	537,344,765	8,709.63	580.65	445.14	182.12
UppElem Grd Early Intrv(4-5)	19,756	125,182,070	1,391,255	126,573,325	22,820,454	103,752,871	1,796.00	57.26	43.90	17.96
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00
Middle School(6-8) Pgm	319,599	1,162,948,145	22,505,895	1,185,454,040	214,144,739	971,309,301	15,979.98	926.39	710.19	290.57
High School Gen Educ(9-12)	339,938	1,026,867,565	38,616,947	1,065,484,512	193,527,000	871,957,512	14,779.99		755.39	309.06
CTAE(9-12) PGM	68,624	238,939,615	22,522,331	261,461,946	45,827,310	215,634,636	3,431.36		152.50	62.39
Students with Disab Cat I	19,023	153,936,655	4,735,952	158,672,607	30,836,089	127,836,518	2,378.12			17.30
Students with Disab Cat II	9,189	93,100,509	1,206,948	94,307,457	16,593,668	77,713,789	1,415.85			8.37
Students with Disab Cat III	54,014	705,720,841	11,029,863	716,750,704	128,866,355	587,884,349	10,859.99			49.37
Students with Disab Cat IV	10,170	222,623,433	4,295,946	226,919,379	39,552,841	187,366,538	3,419.67			9.33
Students with Disab Cat V	14,158	116,834,189	5,980,589	122,814,778	21,352,292	101,462,486	1,769.75			12.87
Gifted Student Category VI	93,295	509,027,075	9,413,401	518,440,476	96,164,511	422,275,965	7,774.58			84.82
Remedial Education Pgm	18,925	83,564,624	1,087,055	84,651,679	15,932,414	68,719,265	1,261.67			17.21
Alternate Education Pgm	19,202	86,235,993	1,352,187	87,588,180	15,378,914	72,209,266	1,280.13		42.67	17.46
Eng.Spkrs.of Other Lang.(ESOL)	16,707	154,779,436	959,615	155,739,051	28,579,805	127,159,246	2,386.71			15.19
Spec Ed. Itinerant				886,732	153,265	733,467				
Spec Ed. Supplemental Speech				4,890,174	844,524	4,045,650				
TOTAL DIRECT INSTRUC.	1,700,688	7,661,266,932	180,945,590	7,847,989,428	1,431,083,259	6,416,906,169	109,087.	2,626.93	3,255.89	1,546.58
INDIRECT COST										
Central Admin		219,140,423	183,604	219,324,027	39,278,966	180,045,061				
School Admin		405,643,840	11,893,572	417,537,412	76,651,808	340,885,604				
Facility M & O			506,804,839	506,804,839	92,056,215	414,748,624				
Sub Total (INDIRECT COST)		624,784,263	518,882,015	1,143,666,278	207,986,989	935,679,289				
MEDIA CENTER PGM.		190,188,289	23,796,569	213,984,858	39,148,173	174,836,685				
20 DAYS ADDITIONAL INSTRUCTION		63,875,012		63,875,012	11,668,338	52,206,674				
STAFF & PROFESSIONAL DEV				41,597,589	7,547,924	34,049,665				
PRINCIPAL STAFF & PROF. DEV				758,848	140,417	618,431				
MIDTERM HOLD HARMLESS				10,936,042	1,921,246	9,014,796				
Amended Formula Adjustment						(1,061,127,407)				
Charter System Adjustment				11,272,098		11,272,098				
QBE FORMULA EARNINGS		8,540,114,496	723,624,174	9,334,080,153	1,699,496,346	6,573,456,400	109,087.	2,626.93	3,255.89	1,546.58

	Earned Positions										
	Supt.	Asst Supt	Prin.	Asst Prin.	Secty.	Accnt.	VT/SW	Psych.	Sp Ed Ldr	Media Center
Central Admin	180.00	558.00			180.00	180.00	687.36	687.36	1,001.	
School Admin			2,261.00	2,722.31	3,358.69					
Sub Total (INDIRECT COST)	180.00	558.00	2,261.00	2,722.31	3,538.69	180.00	687.36	687.36	1,001.	
MEDIA CENTER PGM.										2,937.33
QBE FORMULA EARNINGS	180.00	558.00	2,261.00	2,722.31	3,538.69	180.00	687.36	687.36	1,001.	2,937.33

CATEGORICAL GRANTS		
Pupil Transportation Pgm (Includes 8892 Drivers and bus replacement funds of 0)	127,704,479	127,704,479
Sparsity - Regular	2,631,274	2,631,274
Nursing Services	32,740,966	32,740,966
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION	9,497,156,872	6,736,533,119
Education Equalization Funding Grant	475,324,163	475,324,163
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET	9,972,481,035	7,211,857,282
Charter Commission Admin - State		-2,511,278
One Time QBE Adjustment		3,818,353
DCH Direct Payment		-720,112,128
State Commission Charter Supplement	51,276,262	51,276,262
TOTAL FUNDING ON THIS ALLOTMENT SHEET	10,023,757,	6,544,328,491

NOTES

1. Expenditure Controls relating to direct instructional costs, media center costs, staff and professional development costs and 20 Days on Additional Instruction have been waived and shall not apply to nor be enforceable against a local system in FY 2014.
2. Health Insurance for Certificated Personnel is funded on a per member per month amount of $945.00, for an annual funding amount of $11,340 in QBE under appropriation in FY 2014 (HB 106).
3. Teacher Retirement is funded at 12.28% in QBE FY 2014 (HB 106).

Total T&E 3,465,879,607 includes T&E 2,363,001,526 and HI 1,102,878,081

FY : 2014

Folder Name : FY 14 Midterm

SALARY & OPERATION DETAILS

Date 3/17/2014

State

CATEGORY	Gifted			Remedial Education PGM			Alternative Education PGM			Eng. For Speakers of Other Lang. (ESOL) PGM			Total		
TEACHER STUDENT RATIO		12			15			15			7				
WEIGHT		1.6589			1.3087			1.4711			2.5049				
FTE		93,295			18,925			19,202			16,707			1,700,688	
SALARY (%)	Without T&E	T&E/HI	With T&E	Without T&E	T&E/HI	With T&E	Without T&E	T&E/HI	With T&E	Without T&E	T&E/HI	With T&E	Without T&E	T&E/HI	With T&E
DIRECT INSTR COST:															
Teacher	296,702,367	206,852,572	503,554,939	48,149,174	34,295,533	82,444,707	48,853,920	33,527,871	82,381,791	91,284,392	62,720,066	153,804,458	4,159,697,757	2,927,080,929	7,086,778,686
Aides/Paraprо													92,699,049		92,699,049
# Subject Specialists													100,252,140	70,586,416	170,838,557
Counselors							1,621,993	1,113,155	2,735,148				123,766,035	87,076,854	210,842,889
Tech Specialist	3,224,275	2,247,874	5,472,150	654,048	465,863	1,119,911	663,621	455,435	1,119,056	577,354	397,589	974,983	58,775,777	41,331,970	100,107,747
SubTotal	299,926,632	209,100,446	509,027,078	48,803,222	34,761,396	83,564,619	51,139,534	35,096,461	86,235,995	91,861,746	63,117,655	154,779,442	4,535,190,769	3,126,076,168	7,661,266,937
Indirect Costs-Central Administration															
Superintendent													8,210,833	6,073,627	14,284,460
Asst. Superintendent													25,453,583	18,666,796	44,120,379
(1)Secretary													2,863,004		2,863,004
(1)Accountant													4,273,286		4,273,286
Psychologist	1,433,011	999,055	2,432,066	290,688	207,050	497,738	294,943	202,416	497,359	256,620	176,706	433,326	26,122,568	18,369,764	44,492,332
Social Worker	1,433,011	999,055	2,432,066	290,688	207,050	497,738	294,943	202,416	497,359	256,620	176,706	433,326	26,122,568	18,369,764	44,492,332
Spec Ed Leadership	17,732,681	12,362,669	30,095,239										37,985,299	26,629,328	64,614,627
SubTotal	20,598,603	14,360,769	34,959,372	581,376	414,101	995,477	589,885	404,831	994,717	513,239	353,412	866,652	131,031,142	88,109,279	219,140,420
Indirect Costs-School Administration															
Principal													103,137,188	74,143,339	177,280,527
Asst. Principal	5,683,531	3,962,399	9,645,930	1,152,911	821,192	1,974,103	7,299,256	5,009,394	12,308,650	1,017,790	700,843	1,718,634	103,459,550	72,608,158	176,067,708
Secretary	2,378,090		2,378,090	482,398		482,398	489,469		489,469	425,861		425,861	52,296,607		52,296,607
SubTotal	8,061,621	3,962,399	12,024,020	1,635,309	821,192	2,456,501	7,788,715	5,009,394	12,798,109	1,443,652	700,843	2,144,495	258,892,345	146,751,497	405,643,843
MEDIA															
Personnel	5,683,531	3,962,399	9,645,930	1,152,911	821,192	1,974,103	1,169,786	802,810	1,972,596	1,017,790	700,843	1,718,634	111,633,087	78,555,201	190,188,287
SubTotal	5,683,531	3,962,399	9,645,930	1,152,911	821,192	1,974,103	1,169,786	802,810	1,972,596	1,017,790	700,843	1,718,634	111,633,087	78,555,201	190,188,287
20 Days Addtnl. Instruct.				484,291	344,949	829,240							37,487,559	26,387,462	63,875,020
SubTotal				484,291	344,949	829,240							37,487,559	26,387,462	63,875,020
QBE Earnings SALARY	334,270,387	231,386,013	565,656,401	52,657,109	37,162,829	89,819,938	60,687,921	41,313,496	102,001,417	94,836,467	64,872,755	159,709,222	5,074,234,891	3,465,879,606	8,540,114,498
OPERATIONS (%)															
Direct Instructional Operations Cost	9,413,397		9,413,397	1,087,055		1,087,055	1,352,191		1,352,191	959,616		959,616	180,945,571		180,945,571
SubTotal	9,413,397		9,413,397	1,087,055		1,087,055	1,352,191		1,352,191	959,616		959,616	180,945,571		180,945,571
Indirect Operations Costs															
Central Administration	0		0	0		0	0		0	0		0	183,604		183,604
School Administration	565,391		565,391	114,677		114,677	116,373		116,373	101,210		101,210	11,893,570		11,893,570
FACILITY M & O	27,801,949		27,801,949	5,639,646		5,639,646	5,722,181		5,722,181	4,978,733		4,978,733	506,804,825		506,804,825
SubTotal	28,367,339		28,367,339	5,754,323		5,754,323	5,838,554		5,838,554	5,079,944		5,079,944	518,882,000		518,882,000
Media Center Material	1,215,797		1,215,797	246,571		246,571	250,185		250,185	217,678		217,678	23,796,569		23,796,569
SubTotal	1,215,797		1,215,797	246,571		246,571	250,185		250,185	217,678		217,678	23,796,569		23,796,569
QBE Earnings OPERATIONS	38,996,534		38,996,534	7,087,949		7,087,949	7,440,929		7,440,929	6,257,238		6,257,238	723,624,140		723,624,140
STAFF DEVELOPMENT	2,908,010		2,908,010	452,872		452,872	527,665		527,665	825,164		825,164	41,597,589		41,597,589
PRINCIPAL STAFF & PROF. DEV	0		0	0		0	0		0	0		0	758,848		758,848
Spec Ed. Itinerant													886,736		886,736
SubTotal													886,736		886,736
Spec Ed. Supplemental Speech													4,890,176		4,890,176
SubTotal													4,890,176		4,890,176
QBE Earnings	376,174,931	231,386,013	607,560,944	60,197,930	37,162,829	97,360,760	69,656,515	41,313,496	109,970,011	101,718,870	64,872,755	166,591,624	5,845,992,381	3,465,879,606	9,311,871,987

Salary Costs

Operation Costs

* Figures in bold font are shown on the system allotment sheet. Totals and Subtotals may be off slightly due to rounding.

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OFFICIAL

Georgia State Department Of Education

Earnings Sheet for FY 2014

3/17/2014

School System: State

FY 14 Midterm

THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF $2,430.57

<---------Earned Positions---------->

NOTES

1. Expenditure Controls relating to direct instructional costs, media center costs, staff and professional development costs and 20 Days on Additional Instruction have been waived and shall not apply to nor be enforceable against a local system in FY 2014.
2. Health Insurance for Certificated Personnel is funded on a per member per month amount of $945.00, for an annual funding amount of $11,340 in QBE under appropriation in FY 2014 (HB 106).
3. Teacher Retirement is funded at 12.28% in QBE FY 2014 (HB 106).

Total T&E 3,465,879,607 includes T&E 2,363,001,526 and HI 1,102,878,081

Charter System Adjustment			11,272,098		11,272,098													
QBE FORMULA EARNINGS	8,540,114,496	723,624,174	9,334,080,153	1,699,496,346	6,573,456,400	109,[illegible]87.	2,626.93	3,255.89	1,546.58	180.00	558.00	2,261.00	2,722.31	3,538.69	180.00	687.36	687.36	1,001.	2,937.33
CATEGORICAL GRANTS																		
Pupil Transportation Pgm (includes 8892 Drivers and bus replacement funds of 0)			127,704,479		127,704,479													
Sparsity - Regular			2,631,274		2,631,274													
Nursing Services			32,740,966		32,740,966													
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION			9,497,156,872		6,736,533,119													
Education Equalization Funding Grant			475,324,163		475,324,163													
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET			9,972,481,035		7,211,857,282													
Charter Commission Admin - State					-2,511,278													
One Time QBE Adjustment					3,818,353													
DCH Direct Payment					-720,112,128													
State Commission Charter Supplement			51,276,262		51,276,262													
TOTAL FUNDING ON THIS ALLOTMENT SHEET			10,023,757,		6,544,328,491													

NOTES

1. Expenditure Controls relating to direct instructional costs, media center costs, staff and professional development costs and 20 Days on Additional Instruction have been waived and shall not apply to nor be enforceable against a local system in FY 2014.
2. Health Insurance for Certificated Personnel is funded on a per member per month amount of $945.00, for an annual funding amount of $11,340 in QBE under appropriation in FY 2014 (HB 106).
3. Teacher Retirement is funded at 12.28% in QBE FY 2014 (HB 106).

Total T&E 3,465,879,607 includes T&E 2,363,001,526 and HI 1,102,878,081

FY : 2014

Folder Name : FY 14 Midterm

SALARY & OPERATION DETAILS

Date 3/17/2014

State

CATEGORY	Gifted	Remedial Education PGM	Alternative Education PGM	Eng. For Speakers of Other Lang. (ESOL) PGM	Total
TEACHER STUDENT RATIO	12	15	15	7	
WEIGHT	1.6589	1.3087	1.4711	2.5049	
FTE				16,707	1,700,688
SALARY (%)	758,848		758,848		
DIRECT INSTR COST:					
Teacher	886,736		886,736		
Aides/Parapro	886,736		886,736		
# Subject Specialists	4,890,176		4,890,176		
Counselors	4,890,176		4,890,176		
Tech Specialist	5,845,992,381	3,465,879,606	9,311,871,987		
SubTo					
Indirect Costs-Central Administrati					
Superintendent					
Asst. Superintendent					
(1)Secretary					
(1)Accountant					
Psychologist					
Social Worker					
Spec Ed Leadership					
SubTo					
Indirect Costs-School Administrati					
Principal					
Asst. Principal					
Secretary					
SubTo					
MEDIA					
Personnel					
SubTo					
20 Days Addtnl. Instruct.					
SubTo					
QBE Earnings SALARY					
OPERATIONS (%)					
Direct Instructional Operations Cos					
SubTo					
Indirect Operations Costs					
Cental Administration					
School Administration					
FACILITY M & O					
SubTo					
Media Center Material					
SubTotal					
QBE Earnings OPERATIONS					
STAFF DEVELOPMENT					
PRINCIPAL STAFF & PROF. DEV					
Spec Ed. Itinerant					
SubTotal					
Spec Ed. Supplemental Speech					
SubTotal					
QBE Earnings					

Salary Costs

Operation Costs

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* Figures in bold font are shown on the system allotment sheet. Totals and Subtotals may be off slightly due to rounding.

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Allotment Sheets – 2015

OCGA 20-2-182 (c)

"…one school counselor for every 450 full-time equivalent students. Beginning in Fiscal Year 2015 and thereafter, the program weights for the English for speakers of other languages program and the programs for persons with disabilities shall also earn school counselor funding. Further, beginning in Fiscal Year 2016 and thereafter, the program weights for the program for intellectually gifted students and the remedial education program shall also earn school counselor funding."

OFFICIAL

Georgia State Department Of Education

Earnings Sheet for FY 2014

3/17/2014

School System: State

FY 14 Midterm

THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF $2,430.57

DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	QBE EARNINGS	LESS LOCAL 5 MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec
		<-----Earnings ($)-----					<-----Earned Positions-----> <-----Grades K-12----->			
Kindergarten Pgm	116,510	612,114,053	9,105,071	621,219,124	115,597,100	505,622,024	7,767.34		258.90	105.93
Kindergarten Early Intr Pgm	14,658	100,368,267	1,145,529	101,513,796	17,758,539	83,755,257	1,332.54		32.57	13.33
Primary Grade(1-3) Pgm	329,843	1,391,315,941	28,333,073	1,419,649,014	263,017,736	1,156,631,278	19,402.53	956.09	732.95	299.88
Primary Grd Early Intrv(1-3) Pgm	36,756	233,045,919	3,157,376	236,203,295	42,711,309	193,491,986	3,341.45	106.54	81.68	33.42
Upper Elementary Grd(4-5) Pgm	200,321	644,662,602	14,106,557	658,769,159	121,424,394	537,344,765	8,709.63	580.65	445.14	182.12
UppElem Grd Early Intrv(4-5)	19,756	125,182,070	1,391,255	126,573,325	22,820,454	103,752,871	1,796.00	57.26	43.90	17.96
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00
Middle School(6-8) Pgm	319,599	1,162,948,145	22,505,895	1,185,454,040	214,144,739	971,309,301	15,979.98	926.39	710.19	290.57
High School Gen Educ(9-12)	339,938	1,026,867,565	38,616,947	1,065,484,512	193,527,000	871,957,512	14,779.99		755.39	309.06
CTAE(9-12) PGM	68,624	238,939,615	22,522,331	261,461,946	45,827,310	215,634,636	3,431.36		152.50	62.39
Students with Disab Cat I	19,023	153,936,655	4,735,952	158,672,607	30,836,089	127,836,518	2,378.12			17.30
Students with Disab Cat II	9,189	93,100,509	1,206,948	94,307,457	16,593,668	77,713,789	1,415.85			8.37
Students with Disab Cat III	54,014	705,720,841	11,029,863	716,750,704	128,866,355	587,884,349	10,859.99			49.37
Students with Disab Cat IV	10,170	222,623,433	4,295,946	226,919,379	39,552,841	187,366,538	3,419.67			9.33
Students with Disab Cat V	14,158	116,834,189	5,980,589	122,814,778	21,352,292	101,462,486	1,769.75			12.87
Gifted Student Category VI	93,295	509,027,075	9,413,401	518,440,476	96,164,511	422,275,965	7,774.58			84.82
Remedial Education Pgm	18,925	83,564								
Alternate Education Pgm	19,202	86,235								
Eng.Spkrs.of Other Lang.(ESOL)	16,707	154,779								
Spec Ed. Itinerant										
Spec Ed. Supplemental Speech										
TOTAL DIRECT INSTRUC.	1,700,688	7,661,266								
INDIRECT COST										
Central Admin		219,140								
School Admin		405,643								
Facility M & O										
Sub Total (INDIRECT COST)		624,784,253	518,882,015	1,143,666,278	207,986,989	935,679,289				
MEDIA CENTER PGM.		190,188,289	23,796,569	213,984,858	39,148,173	174,836,685				
20 DAYS ADDITIONAL INSTRUCTION		63,875,012		63,875,012	11,668,338	52,206,674				
STAFF & PROFESSIONAL DEV				41,597,589	7,547,924	34,049,665				
PRINCIPAL STAFF & PROF. DEV				758,848	140,417	618,431				
MIDTERM HOLD HARMLESS				10,936,042	1,921,246	9,014,796				
Amended Formula Adjustment						(1,061,127,407)				
Charter System Adjustment				11,272,098		11,272,098				
QBE FORMULA EARNINGS		8,540,114,496	723,624,174	9,334,080,153	1,699,496,346	6,573,456,400	109,087.	2,626.93	3,[illegible]5.89	1,546.58
CATEGORICAL GRANTS										
Pupil Transportation Pgm (Includes 8892 Drivers and bus replacement funds of 0)				127,704,479		127,704,479				
Sparsity - Regular				2,631,274		2,631,274				
Nursing Services				32,740,966		32,740,966				
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				9,497,156,872		6,736,533,119				
Education Equalization Funding Grant				475,324,163		475,324,163				
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				9,972,481,035		7,211,857,282				
Charter Commission Admin - State						-2,511,278				
One Time QBE Adjustment						3,818,353				
DCH Direct Payment						-720,112,128				
State Commission Charter Supplement				51,276,262		51,276,262				
TOTAL FUNDING ON THIS ALLOTMENT SHEET				10,023,757,		6,544,328,491				

	Earned Positions													
	Prin.	Asst Prin.	Secty.	Accnt.	VT/SW	Psych.	Sp Ed Ldr	Media Center						
Central Admin			180.00	180.00	687.36	687.36	1,001.							
School Admin	61.00	2,722.31	3,358.69											
Facility M & O														
Sub Total (INDIRECT COST)	180.00	558.00	2,261.00	2,722.31	3,538.69	180.00	687.36	687.36	1,001.					
MEDIA CENTER PGM.										2,937.33				
QBE FORMULA EARNINGS	180.00	558.00	2,261.00	2,722.31	3,538.69	180.00	687.36	687.36	1,001.	2,937.33				

NOTES

1. Expenditure Controls relating to direct instructional costs, media center costs, staff and professional development costs and 20 Days on Additional Instruction have been waived and shall not apply to nor be enforceable against a local system in FY 2014.
2. Health Insurance for Certificated Personnel is funded on a per member per month amount of $945.00, for an annual funding amount of $11,340 in QBE under appropriation in FY 2014 (HB 106).
3. Teacher Retirement is funded at 12.28% in QBE FY 2014 (HB 106).

Total T&E 3,46[illegible] includes T&E 2,363,001,526 and HI 1,102,878,081

Comments regarding Counselors earned

Allotment Sheets – 2015

- This comment will show how many counselors you would earn IF there was funding for counselors for Students with Disabilities Categories I-V along with ESOL.

- There currently is no funding in the FY2015 for these additional counselors.

Categorical Grants

Transportation Funds - 2015

- No overall funding change
- Allocations change based on formula

Transportation Funds - 2015

- Bonds for Buses
  - Remember you still have to submit copies of invoices to get reimbursed (Invoice Application in the Portal)
  - There will be $20 million in Bus Bonds in FY15
  - Funding $77,220.00 per bus.
  - Funding for 259 buses (11% of need)
  - Announcement for FY15 allocation expected in Mid-July 2014 (after bonds are sold)

Sparsity Funds - 2015

- Funding
  - 21 Districts Currently Receiving Funding in FY14
    - All will continue to receive funding in FY15
    - Those with increased funding will receive total amount
    - Those that calculated to have a reduction were held harmless for 1 year
    - 8 of the 21 had an additional school qualify
  - 22 Additional Districts Qualified for funding
    - All were funded based on formula
  - Total Additional Funding of $3,193,150

Sparsity Funds - 2015

- Formula Updated
  - Number of FTEs
    - All Elementary FTEs (K-5) less than 450
    - All High School FTEs (9-12) less than 485
    - Middle Schools do not qualify
  - Feasibility Study of School Consolidation
    - With adjoining districts must not be feasible (travel time)
  - Hold Harmless
    - Funding Calculation for 12 Districts declined for FY2015 but they were held harmless for one year ($676,830)

Nursing Funds - 2015

- Funding for FY2015 increased by $414,585
- Removed Health Insurance
- Raised pay for RN in formula from $42,000 to $45,000
  (Note: Does not mean you have to pay at that rate)
- Rate for LPN is $32,000
- Earn 1 LPN per 1800 FTEs and 1 RN per 9000 FTEs (5 LPNs for ever 1 RN)
- Increased state funding from 45% to 50% of formula as outlined in State Law OCGA 20-2-186

Equalization – 2015

- Equalization Formula was revised prior to FY2013
  - No longer using the 75th percentile district's digest dollars per weighted FTE (wealth calculation) as the base for determining the equalization funds
  - The base for determining the equalization funding is now calculated by first removing the top 5% (9 districts) and bottom 5% (9 districts) as ranked on the wealth calculation and calculating the average wealth for the remaining 162 districts.

Equalization – 2015

- Results of Changing Formula
  - Districts Qualifying for Equalization
    - FY2012 (Old Formula) – 134 Districts
    - FY2013 – 125 Districts
    - FY2014 – 117 Districts
    - FY2015 – 119 Districts
  - Guaranteed Valuation has declined
    - FY2012 (Old Formula) - $176,248
    - FY2013 - $153,535
    - FY2014 - $142,124
    - FY2015 - $137,680

Equalization – 2015

- Fully Funded for FY2015
  - Formula Calculated a total amount of $479,385,097
  - Increase in funding of $4,951,363 (1.0% increase)

Equalization – 2015

- Statewide Guaranteed Valuation declined by over 3%

- If District's digest per weighted FTE did not decline at the same rate then their Equalization funding would have declined.

Equalization – 2015

- FY2015 information comes from FY2013 Data
  - 2012 Sales Ratio Study
  - FTEs from FY2013 Midterm
- Look at the State's Digest and FTEs
- Compare District's Digest and FTEs
- This will give you a preliminary idea if your Equalization will increase or decrease

DEPARTMENT OF AUDITS AND ACCOUNTS

SALES RATIO DIVISION
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(404) 656-2180

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DIRECTOR
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November 8, 2013

The following report includes the Revised State-wide Equalized 100% Digest for school tax purposes from the Sales Ratio Study for calendar year 2012. Each adjusted digest is computed by school district and includes a sales assessment ratio and adjusted 100% digest of each district.

Please substitute this information for that previously delivered to you on or about July 18, 2013.

2012 SALES RATIO STUDY
STATE-WIDE EQUALIZED 100% ADJUSTED PROPERTY TAX DIGEST REPORT - REVISED
November 8, 2013

CODE	SCHOOL DISTRICT	OVERALL RATIO		ADJUSTED 100% DIGEST
200	ATLANTA (DEKALB)	37.08	$	3,180,805,426
201	ATLANTA (FULTON)	37.64		56,004,419,163
202	BREMEN (CARROLL)	39.42		61,198,119
203	BREMEN (HARALSON)	42.16		468,399,977
204	BUFORD (GWINNETT)	39.36		1,890,212,756
205	BUFORD - HALL	39.87		452,313,360
206	CALHOUN	37.91		1,976,200,786
207	CARROLLTON	39.42		1,885,306,223
208	CARTERSVILLE	39.85		2,221,948,194
209	CHICKAMAUGA	36.85		326,713,558
210	COMMERCE	38.03		484,401,213
211	DALTON	100.15		3,653,978,030
212	DECATUR	46.34		2,686,321,523
213	DUBLIN	35.44		1,403,763,035
214	GAINESVILLE	99.67		3,602,551,262
215	JEFFERSON	38.03		1,382,484,041
216	MARIETTA	38.53		6,910,971,834
217	PELHAM	38.69		129,585,566
218	ROME	40.09		2,906,438,706
219	SOCIAL CIRCLE (NEWTON)	38.61		591,397
220	SOCIAL CIRCLE (WALTON)	37.55		453,599,315
221	THOMASVILLE	39.52		1,657,963,787
222	TRION	33.48		221,690,943
223	VALDOSTA	38.23		4,206,137,238
224	VIDALIA (MONTGOMERY)	42.39		31,614,908
225	VIDALIA (TOOMBS)	38.90		832,618,586
	SUB-TOTAL-CITIES		**$**	**99,032,228,946**
	SUB-TOTAL-COUNTIES			**765,297,155,961**
	100% STATE DIGEST		**$**	**864,329,384,907**

Equalization Worksheet

(this may give you an early idea of what may happen with your equalization)

	Year	Tax Digest	FTEs (if digest 2011 use FTEs from FY2012)	Digest per FTE	Equalization	Change
State	2011	875,651,367,224	1,642,411	533,150		
State	2012	864,329,384,907	1,660,320	520,580		
District 1	2011	128,356,893	1,426	90,012	3,252,717	
District 1	2012	129,585,566	1,428	90,746	2,890,243	-11%
District 2	2011	70,037,728,188	164,455	425,878	65,656,094	
District 2	2012	69,366,024,571	167,815	413,348	69,078,801	5%

Local Five Mill Share - 2015

- Reminder that it is no longer capped
- Utilizes 2012 Sales Ratio Study for FY15
- Statewide property digest dropped by 1.3%
- Total Local Five Mill Share for State went down by $28,852,920

Local Five Mill Share Worksheet

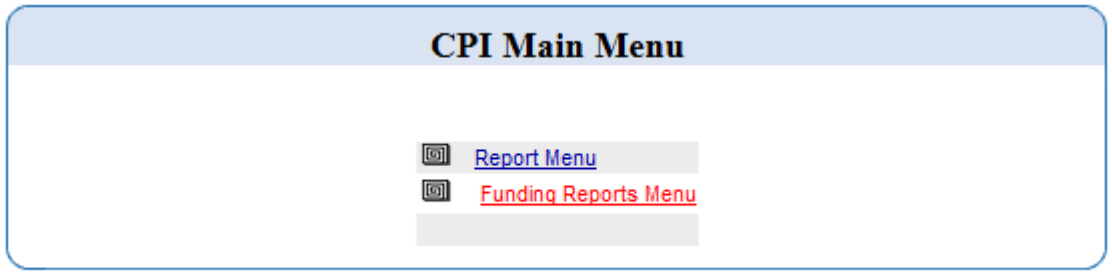
(this may give you an early idea of what may happen with your local five mill share)

	Year	Tax Digest	Change	% Change	Actual LFMS	Change
District 3	2011	3,002,757,467			5,772,687	
District 3	2012	2,906,438,706	(96,318,761)	-3.2%	5,551,667	-3.8%
			Estimate would have been		5,587,518	

Math & Science Supplement

- Math & Science Supplement
  - Funded for those teachers reported as eligible on the October 2013 report (CPI 2014 – 1) report. Program was only funded to pay teachers that were eligible up to Step 4 (Year 6). If they attained that level, they were no longer eligible. Also funded those K – 5 teachers that were eligible and REPORTED CORRECTLY for the Stipend
  - Only fringes will be TRS (13.15%) and Medicare (1.45%)
  - Funding should become available early in FY2015
- NOTE: Districts were not and are not to move these teachers up on the salary schedule based on this bill.

Math & Science Supplement



Math & Science Supplement

Go To CPI Main Menu

CPI Funding Reports Menu

- CP090 Certified State and Other Health Plan
- CP038A HB280 Math/Science Eligibility - Grades 06-12
- CP003 Certified Staff/FTE Experience
- CP038B HB280 Math/Science Eligibility - Grades KK-05
- View to GA PSC Database

Health Insurance – 2015

- Certified per member per month (PMPM) rates to remain at $945.00
- Non-Certified PMPM rate will not increase for FY2015. Below are the rates that have been published by DCH:
  - FY2013 - $446.20 PMPM
  - FY2014 - $596.20 PMPM
  - FY2015 - ~~$746.20 PMPM~~ Remained at $596.20

Health Insurance – 2015

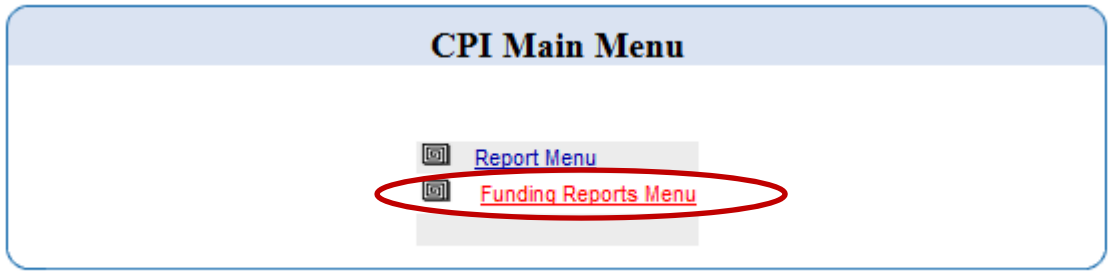
- DCH Prepayments WILL CONTINUE through May and June 2014
- Currently **DO NOT** Anticipate State Health Prepayments to continue for FY2015
- Review

Health Insurance - CPI

Transmission Period

- CPI Menu for March, 2014 (CPI 2014-2)
- CPI Menu for October, 2013 (CPI 2014-1)
- CPI Menu for July, 2013 (CPI 2013-3)
- CPI Menu for March, 2013 (CPI 2013-2)
- CPI Menu for October, 2012 (CPI 2013-1)

Health Insurance - CPI



Health Insurance - CPI

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Health Insurance - CPI

Back To Funding Reports Menu

			Certified Staff																	
			All Fund Code			Fund Code = 74			Fund Code = 72			Fund Code = 00						Other		
School			All Certified Staff			GNET			RESA			PreSchool			Other (Not PreSchool)			Fund Code		
ID	Name	RTC	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O
0100	Summit Hill Elementary	N	54	41	0	0	0	0	0	0	0	1	1	0	51	39	0	2	1	0
0101	Abbotts Hill Elementary School	N	58	43	0	0	0	0	0	0	0	0	0	0	58	43	0	0	0	0
0102	Creek View Elementary School	N	68	45	0	0	0	0	0	0	0	0	0	0	68	45	0	0	0	0
0103	Hembree Springs Elementary School	N	72	53	0	0	0	0	0	0	0	4	2	0	63	47	0	5	4	0
0104	Spalding Drive Elementary	N	44	37	0	0	0	0	0	0	0	0	0	0	41	35	0	3	2	0
0105	Hopewell Middle School	N	103	78	0	0	0	0	0	0	0	0	0	0	102	77	0	1	1	0
0106	Milton High School	N	130	102	0	0	0	0	0	0	0	0	0	0	129	101	0	1	1	0
0107	Renaissance Middle School	N	97	75	0	0	0	0	0	0	0	0	0	0	91	70	0	6	5	0
0109	Renaissance ES	N	58	50	0	0	0	0	0	0	0	2	1	0	54	48	0	2	1	0
0114	Feldwood Elementary School	N	62	48	0	0	0	0	0	0	0	2	2	0	57	45	0	3	1	0
0115	Fulton Sunshine Charter Elementary	N	42	0	31	0	0	0	0	0	0	0	0	0	42	0	31	0	0	0
0116	Main Street Charter Academy Elementary	N	41	0	41	0	0	0	0	0	0	0	0	0	41	0	41	0	0	0
0117	Main Street Charter Academy Middle	N	16	0	13	0	0	0	0	0	0	0	0	0	14	0	11	2	0	2
0118	Hapeville Charter Career Academy	N	40	28	0	0	0	0	0	0	0	0	0	0	37	25	0	3	3	0
0119	Cambridge High School	N	101	78	0	0	0	0	0	0	0	0	0	0	101	78	0	0	0	0

Training & Experience – 2015

- Based on ACTUAL number of General Funded Certified Positions reported on October 2013 CPI CPI Report 2014-1
- Does not matter if more or less than the number of positions earned on allotment sheet
- Paid all State salary differences between T4-E ($33,424) and State salary of where they are on the Salary Schedule

Training & Experience - CPI

Transmission Period

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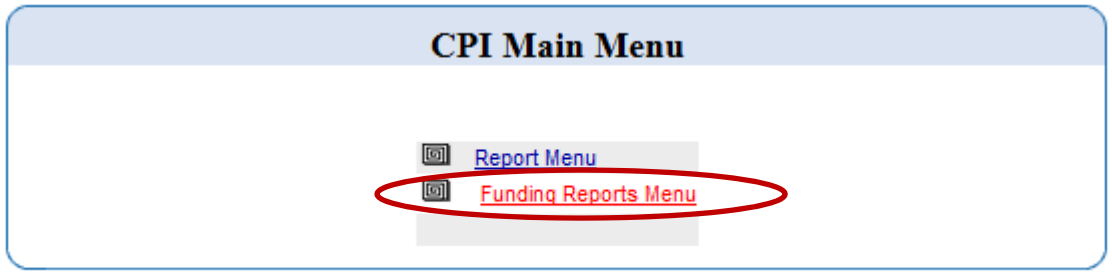
Training & Experience - CPI



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Training & Experience - CPI

	FTE Count with Provisional Certification*				FTE Count with Professional Certification*						Total
	B4	B5	B6	B7	T1	T2	T4	T5	T6	T7	
0	0	0	0	0	0	0	2	0	0	0	2
1	0	1	0	0	0	0	3	3	.49	0	7.49
2	1	0	0	0	0	0	0	0	0	0	1
3	0	0	0	0	0	0	4	1	0	0	5
4	0	0	0	0	0	0	3	1	0	0	4
5	0	0	0	0	0	0	2	2	1	0	5
6	0	0	0	0	0	0	4	4	0	0	8
7	0	0	0	0	0	0	2.95	8	0	0	10.95
8	0	0	0	0	0	0	3	4	2	0	9
9	0	0	0	0	0	0	3.20	3	4	0	10.20
10	0	0	0	0	0	0	3	2	2	0	7
11	0	0	0	0	0	0	3	4	5	0	12
12	0	0	0	0	0	0	2	2	5	0	9
13	0	0	0	0	0	0	1	2	4	0	7
14	0	0	0	0	0	0	3	5	1	1	10
15	0	0	0	0	0	0	2	4	4.87	0	10.87
16	0	0	0	0	0	0	1	4.66	5	.80	11.46
17	0	0	0	0	0	0	1	4	3.57	1	9.57
18	0	0	0	0	0	0	2	7	1	0	10
19	0	0	0	0	0	0	4	2	5	0	11
20	0	0	0	0	0	0	1	3	3	0	7
21+	0	0	0	0	0	0	15	31.49	33.26	5	84.75
System Total	**1**	**1**	**0**	**0**	**0**	**0**	**65.15**	**97.15**	**80.19**	**7.80**	**252.29**

Austerity– 2015

- State-wide Austerity for FY2014MT was $1,061,127,407 for an average of 14.1%
- Austerity Reduced by $314,295,574 in FY2015 to $746,831,833 (9.7%)
- All Districts rebalanced to 9.7%

Austerity– 2015

- HB 744 stated that the increase in funds (reduction of austerity) was to provide local educational authorities the flexibility to
  - eliminate teacher furlough days,
  - increase instructional days, and
  - increase teacher salaries
- Received letter from Senator Hill and Representative England

Austerity– 2015

- What did you do with the increased funds due to a reduction in Austerity?
- Already being asked that question from OPB
  - No approved budget
  - Waiting on allotment sheets to be published
  - Digest value unknown
- Also, what if you did not see a TOTAL increase in your State funds?

Austerity– 2015

- Example:

	FY2014MT	FY2015	Difference
QBE	8,700,000	8,700,000	0
LFMS	(250,000)	(250,000)	0
Austerity	(1,150,000)	(820,000)	330,000
Equalization	3,250,000	2,890,000	(360,000)
Nursing	30,000	45,000	15,000
Transportation	30,000	30,000	0
TOTAL	10,610,000	10,595,000	(15,000)

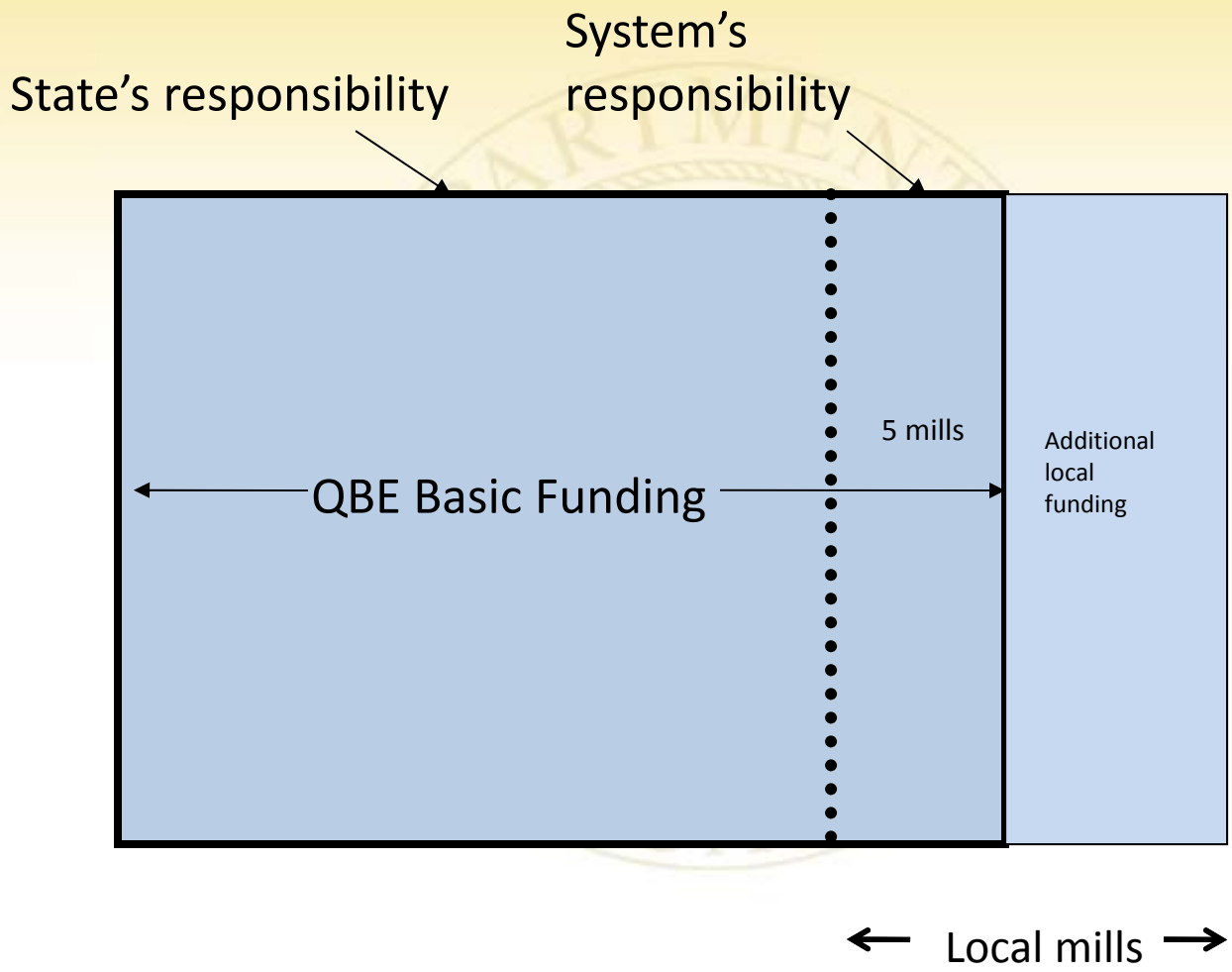
Austerity– 2015

- What did you do with the increased funds due to a reduction in Austerity?
  - Although you did not have any "additional" funds you should determine what you "WOULD HAVE HAD TO HAVE DONE" if you did not receive the additional funds through reduced austerity (furlough days, etc.)

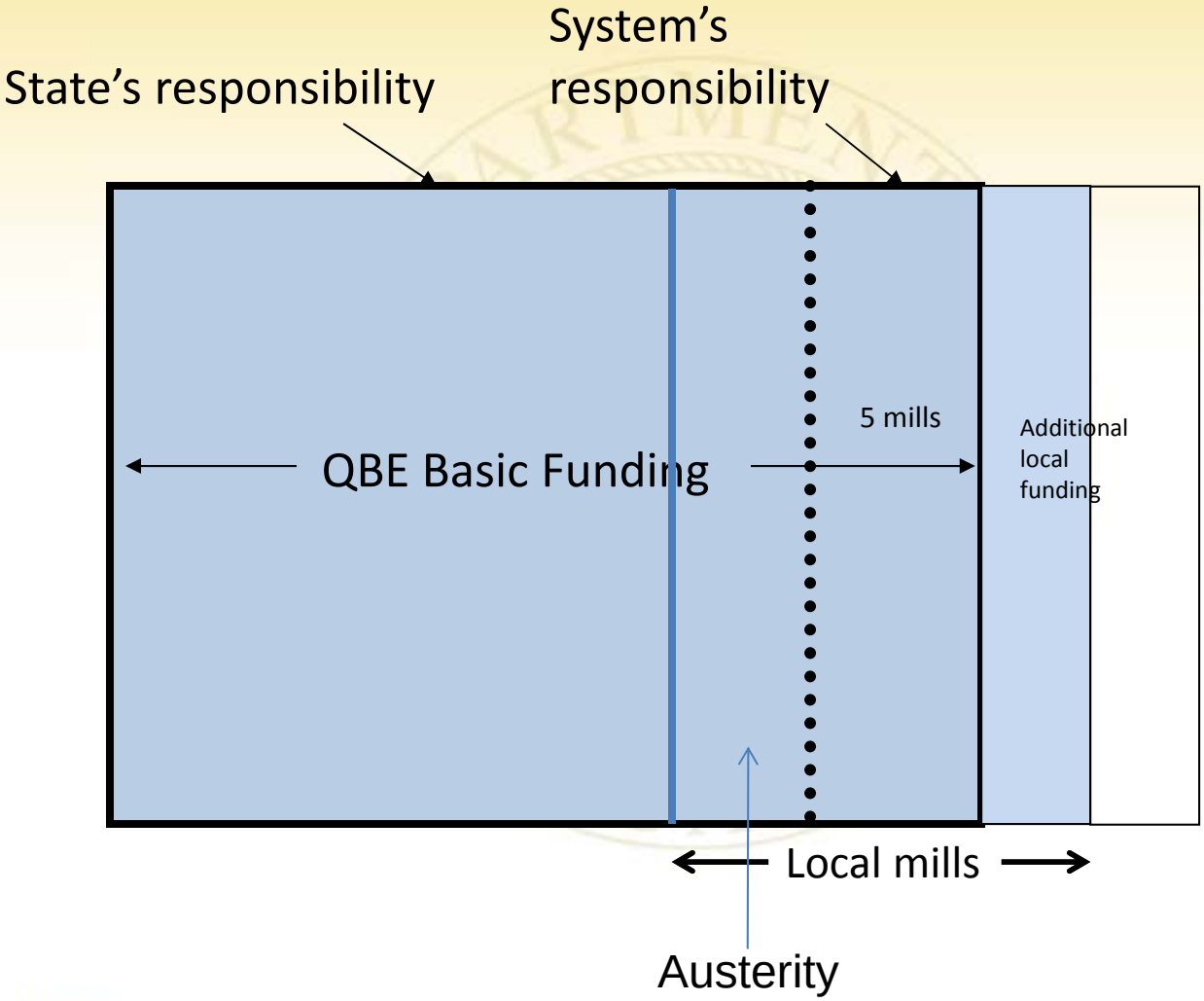
Austerity– 2015

- Example earlier district had an austerity reduction of $330,000 but their net change in total QBE earnings was a reduction of $15,000.
- Assume a furlough day equates to $66,000.
- Although they were unable to reduce furlough days, etc., without the reduction in austerity they would have had to reduce cost equivalent to taking 5 furlough days.

Funding for School Systems - QBE



Funding for School Systems - QBE



Funding for School Systems - QBE

- QBE FORMULA for Direct and Indirect Cost
  - Direct Instruction $7.85 Billion
  - Indirect Costs $1.48 Billion
  - Total $9.33 Billion
  - Less LFMS -$1.70 Billion
  - Less Austerity -$1.06 Billion
  - State Funds $6.57 Billion

Funding for School Systems - QBE

- QBE FORMULA for Direct and Indirect Cost
  - State Funds $6.57 Billion
  - QBE Teacher Salaries $7.35 Billion
    - (Teachers, Counselors, Media, Add'l Inst)

QBE Elements of the Formula

Overall 91.5% of QBE Formula is tied to Salaries

Factors Determining Formula Salaries

- Students (FTE Counts)
- Class size (Funding Student/Teacher Ratios)
- Teacher Pay (Teacher Salary Schedule)

2014 Legislation

- HB 897 - Title 20 Clean Up Bill – DID NOT PASS
  - Eliminate Middle Grades Program (6-8)
  - Teacher Contracts and Tenure
- HB 729 - Title Ad Valorem Tax (TAVT) – VETOED
- SR 875 - Establish Joint Study Committee on the Property Tax Digest Impact on Education Funding (PILOTs)

2014 Legislation

- HB 802 – Sales Tax for Educational Purposes – DID NOT PASS
  - Specific as to what it could and could not be used
  - Other versions as well (HR 1109)

- HB 832 – Supplement for Special Education Teachers similar to Math & Science – DID NOT PASS

2014 Legislation

- HB 856 – Coffee County School Tax Exemption for those 65 and older – DID NOT PASS

- HB 871 – Jeff Davis County School Tax Exemption for those 65 and older – DID NOT PASS

Other Legislation – 2013 Session

- HB 327 (Did not pass) – Flexibility and Accountability Act for Student Achievement (passed House, stalled in Senate)
  - Category 1: Strategic School System
  - Category 2: High Performing System
  - Category 3: Charter System

Flexibility

- By June 30, 2015 each district must notify the Department of Education of its intention to request increased flexibility – OCGA 20-2-84.3
  - IE2, Charter or Status Quo
- Items to Consider
  - Expenditure Controls
  - Waivers

Chart of Accounts

- One time QBE Payments
  - Source Code 3120 , Program Code 1462
- Function 2300 – General Administration
  - Pay attention to what is being charged here
- Object Code 195 – Terminal Leave Payments
- Teacher of the Year Payments

Year	Fund	Program	Source
2014	100	7052	3800

Year	Fund	Program	Function	Object
2014	100	7052	1000	199

GASB 67 & 68
Pension Plan Accounting and Reporting

- GASB 67 – Effective for FY 2014
  - Anticipate minor impact on reporting for most districts
  - Could be a major impact to districts with their own individual Pension Plans (Defined Benefit)

GASB 67 & 68
Pension Plan Accounting and Reporting

- GASB 68 – Effective for FY 2015
  - Recognize the long term obligations of their Pension Plans to include TRS, ERS and PSERS
  - Will be even more involved for districts with their own Pension Plans
  - Show large number on your Government Wide Statements
  - Actuarial Estimate
  - Communication is key
  - Understand it is the current unfunded liability if contributions were to cease immediately

FMGLUA

- Continuously updating as needed
  - GASB 65
  - Chapter 32 – Clarifying when budgets need to be advertised

Affordable Care Act (ACA)

- Continues to change creating some uncertainty
- Each district needs to seek their own legal advice as to how to handle many of the requirements and to make sure you are in compliance with ACA.
- Be careful when contracting work out
  - Custodians
  - Substitutes
- Penalties can be extremely high

ARRA Reporting

- The Recovery Accountability and Transparency Board issued a Press Release in January stating that the FY 2014 Omnibus Spending bill **ended the 1512 Recipient Reporting requirements for ARRA**.

College and Career Ready Performance Index - CCRPI

- Expenditures will be calculated from the district's DE46 submission
- Those expenditures allocated to the school by the district within the DE46 will be used
- Those expenditures that are not allocated by the district but are charged to a central location will be distributed to each of the schools (currently planning to allocate based on FTEs)

Risk Assessment

- Assessment developed to establish a risk rating to help identify where there may be the potential for increased risk
- Utilizes numerous variables in assessing risk
- Will have presentation at GASBO in the fall to review what goes in to calculation

Data Reporting

- Important to make sure ALL reporting is done accurately and timely
  - DE46 used for
    - Some QBE calculations
    - Risk Assessment
    - Federal Reporting (NCES, Census, etc.)
    - CCRPI Star Rating
    - Numerous Requests Throughout Year

Data Reporting

- Facility Data
  - Capital Outlay Funding
  - QBE Principal Funding
- FTE Data
  - QBE Funding
- CPI Data
  - T&E Calculations
  - State Health Calculations
    - Several districts have under reported ($11,340 per employee)

Relationships

- Know Legislators (HB 856 and HB 871)
- Internally
  - CPI, FTE, etc.
  - Title Program Managers (monthly/quarterly)
- Externally
  - Local Tax Assessor and Tax Commissioner
  - Legislators
  - GaDOE

PCGenesis

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GDOE/DOAA Year End Workshops

2014

Department of Audits & Accounts
Education Audit Division

Overview

- GASB Updates
- Note Disclosure Updates
- Common Audit Issues (Discussed at GAINS)
- Miscellaneous Information

Items Previously Reported as Assets and Liabilities

GASB 65

GASB 65 – Note Disclosure for Restatement of Beginning Net Position.

- Restatements to Beginning Net Position if:
  - Bond Issuance Costs were deferred and amortized over the life of the loan in the prior year.
  - Entry:
    - Debit Beginning Net Position, Credit Deferred Charges for balance of Deferred Charge at July 1, 2013.
  - Notes:
    - Paragraph explaining the restatement. Layout will be included in the standard notes included on our website.

GASB 65 – Note Disclosure for Restatement of Beginning Net Position.

For fiscal year 2014, the School District made several prior period adjustments due to the adoption of GASB Statement No. 65, as described in "New Accounting Pronouncements" below, which require the restatement of the June 30, 2013, net position in Governmental Activities. The result is an increase in Net Position at July 1, 2013 of $_____. This change is in accordance with generally accepted accounting principles.

Net Position, June 30, 2013, as previously reported	$
Reclassification of Bond Issuance Costs	
Deferral of loss on Refunding Series 200X	_____
Net Position, July 1, 2013, as restated	$

GASB 65

Restatement necessary based on Paragraph 34 of GASB 65:

> "The cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position or fund balance, as appropriate, for the earliest period restated. In the period this Statement is first applied, the financial statements should disclose the nature of any restatement and its effect. Also, the reason for not restating prior periods presented should be explained."

GASB 65

- Other Changes that will not result in a restatement:
- District Wide Statements:
  - Reclassification of Deferred Gain or Loss on Debt Refunding
    - Debit/Credit Deferred Outflows/Inflows of Resources instead of Long Term Liabilities
  - Prepayment of future property tax levy:
    - Credit Deferred Inflow of Resources instead of Deferred Revenue

GASB 65 – Other Changes that will not result in a misstatement:

- Governmental Funds:
  - Property Taxes Not Received within 60 days
    - Imposed Non-Exchange Transaction
    - Credit Deferred Inflow of Resources instead of Deferred Revenue
  - GSFIC Revenue not received within period determined by LEA
    - Voluntary Non-exchange transaction
    - Credit Unavailable Revenue instead of Deferred Revenue
- Terminology Change:
  - Deferred Revenue is now Unavailable (or Unearned) Revenue
  - Also have seen term “Advances”

GASB 65 – Example of Statement of Net Position

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	$	1,212,846.00
Investments		8,463,114.00
Accounts Receivable, Net		
Taxes		1,091,872.00
State Government		1,120,287.00
Federal Government		641,160.00
Inventories		20,427.00
Capital Assets, Non-Depreciable		4,628,651.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)		59,508,124.00
Total Assets		76,686,481.00
LIABILITIES		
Accounts Payable		293,743.00
Salaries and Benefits Payable		3,133,750.00
Interest Payable		160,472.00
Long-Term Liabilities		
Due Within One Year		3,289,842.00
Due in More Than One Year		11,914,371.00
Total Liabilities		18,792,178.00
DEFERRED INFLOW OF RESOURCES		
Gain on Refunding of Debt		2,536,411.00
NET POSITION		
Net Investment in Capital Assets		46,396,151.00
Restricted for		
Continuation of Federal Programs		268,488.00
Debt Service		2,243,120.00
Capital Projects		1,253,808.00
Unrestricted (Deficit)		5,196,325.00
Total Net Position	$	55,357,892.00

GASB 65 – Example of Balance Sheet

	GENERAL FUND	DISTRICT-WIDE CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 658,668.00	$ 553,714.00	$ 464.00	$ 1,212,846.00
Investments	5,566,447.00	1,482,851.00	1,413,816.00	8,463,114.00
Accounts Receivable, Net				
Taxes	885,317.00	206,555.00		1,091,872.00
State Government	1,120,287.00			1,120,287.00
Federal Government	641,160.00			641,160.00
Inventories	20,427.00			20,427.00
Total Assets	8,892,306.00	2,243,120.00	1,414,280.00	12,549,706.00
LIABILITIES				
Accounts Payable	$ 293,743.00			$ 293,743.00
Salaries and Benefits Payable	3,133,750.00	$ 0.00	$ 0.00	3,133,750.00
Total Liabilities	3,427,493.00	0.00	0.00	3,427,493.00
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	703,475.00			703,475.00
Total Deferred Inflows of Resources	703,475.00	0.00	0.00	703,475.00
FUND BALANCES				
Nonspendable	20,427.00			20,427.00
Restricted	248,061.00	2,243,120.00	1,414,280.00	3,905,461.00
Assigned	656,183.00			656,183.00
Unassigned	3,836,667.00			3,836,667.00
Total Fund Balances	4,761,338.00	2,243,120.00	1,414,280.00	8,418,738.00
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,892,306.00	$ 2,243,120.00	$ 1,414,280.00	$ 12,549,706.00

GASB 65 – Example of Note Disclosure Description

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. [The School District has only one item that qualifies for reporting in this category. The deferred charge on refunded debt resulting from the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt.] [The School District did not have any items that qualified for reporting in this category for the year ended June 30, 2014.]

In addition to liabilities, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. [The School District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reporting only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.]

Accounting and Financial Reporting for Pensions

GASB 67/68 – AUDIT ISSUES

Department of Audits & Accounts
Education Audit Division

Summary

- GASB 67
  - *Financial Reporting for Pension Plans*
    - Objective to improve financial reporting of state and local government pension plans
    - Expands note disclosures and Required Supplementary Information to be reported, including Net Pension Liability which is actuarially determined based on the Total Pension Liability less the plan's net position
- Effective Date
  - Periods beginning after June 15, 2013 (FY 2014)

Summary

- GASB 68
  - *Accounting and Financial Reporting for Pensions*
    - Objective to improve financial reporting of pensions by state and local governments (employers)
    - Expands information to be reported, including recording the employer's proportionate share of the plan's Net Pension Liability on the financial statements.
- Effective Date
  - Periods beginning after June 15, 2014 (FY 2015)

Plan Auditor Requirements

- Required by auditing standards to obtain sufficient appropriate evidence that plan financial statements reported under GASB 67 are materially correct.
  - This includes evidence of accuracy and completeness of the census data reported to the plan by employers
  - Census data used by actuary to calculate the Total Pension Liability

Plan Auditor Problem

Some plans have thousands of employers how can the plan auditor possibly test the accuracy of all of the data submitted?

AICPA Solution

- In late February 2014 issued "white paper" for guidance
  - *Single-Employer and Cost-Sharing Multiple-Employer Plans: Issues Associated with Testing Census Data in an Audit of Financial Statements*

Census Data Testing Approach

- Plan auditor select a representative group of employers each year on a rotating basis for testing of underlying payroll records of employees

- If not feasible for plan auditor to perform site visits to directly test census data at each employer, the employer auditor can perform the testing and issue an attestation report.

- Plan auditor will rely on the attestation reports of the employer auditors for evidence that the census data was complete and accurate.

Census Data Testing Approach

- TRS auditor is selecting a list of employers to test.

- DOAA or other firms will perform testing of census data at the selected sites.
  - A separate examination engagement will be performed
  - Will review data such as hire date, birth date, salary reported, etc. and compare to TRS data
  - We are currently working with TRS on testing approach and timing related to FY13 and FY14 data

Employer Auditor Requirements

- Required by auditing standards to obtain sufficient appropriate evidence that employer's financial statements reported under GASB 68 are materially correct.
  - This includes the proportionate share of the net pension liability recorded on the financial statements by the employer

Employer Auditor Problem

- How to gather the information necessary to test that the net pension liability and other pension data recorded are materially correct?
  - GASB 67 does not require the plan to allocate the shares of pension activity to individual employers.
  - How will employers get the information required to be in compliance with GASB 68?
    - GASB is leaving it to the employers and plans to coordinate.

AICPA Solution

- In late February 2014 issued "white paper" for guidance
  - *Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting*

Employer Pension Reporting Testing Approach

- Plan will prepare allocation schedules of pension amounts by employer.
- Plan auditor will provide an opinion on these allocation schedules.
- Employer auditor may rely on plan auditor opinion on these schedules as sufficient audit evidence of the employer's recorded amounts.

Tentative Employer Sample FY13

- Atlanta Public Schools
- Cobb County
- Coweta County
- Dade County
- Dooly County
- Forsyth County
- Fulton County
- Gilmer County
- Gwinnett County
- Lowndes County
- Peach County
- Polk School District
- Schley County
- Thomas County
- Union County
- Ware County
- Washington County
- Whitfield County
- Wilkinson County

GASB 67/68 More information

- Free information on www.gasb.org
  - Copy of GASB 67/68 pronouncements
  - Implementation Guides with Q&A

Minor Changes to the Notes to the Financial Statements

FY 2014

Department of Audits & Accounts
Education Audit Division

FY 2014 Notes – Note 2: Summary of Significant Accounting Policies

- Restatement of Prior Year Net Position
  - Anticipate this restatement paragraph will be necessary for all school districts that previously deferred bond issuance costs.
- New Accounting Pronouncements
  - Paragraph regarding GASB 65
  - Modify last sentence, depending on if a restatement was necessary.
- Deferred Outflows/Inflows of Resources
  - Discussed in GASB 65 section.
  - Will modify based on specific situation at each school district.
- Compensated Absences
  - Removed 3 year comparison of activity.

FY 2014 Notes – Note 2: Summary of Significant Accounting Policies

- Deficit Net Position
  - Provides a breakdown of the Unrestricted Net Position
  - Isolates the deficit to the specific use/purpose of that portion of Net Position
  - Explanation of the deficit as deemed necessary

FY 2014 Notes – Other Note Disclosures

- Deposits and Investments Note
  - Categorization of Deposits – both paragraph options will now include a breakdown of Cash that is reported as Investments in Notes.
  - Total carrying amount to reconcile to Cash in the Governmental Funds and the Fiduciary Funds.
  - Additional separation in the categorizations that do not require disclosure of custodial credit risk:
    - Balance insured by FDIC
    - Balance collateralized with securities held in the School District's name

FY 2014 Notes – Other Note Disclosures

- Deposits and Investments Note
  - Categorization of Investments – includes sentence identifying the CD's that are reported as Cash for collateralization purposes in the notes.

FY 2014 Notes – Other Note Disclosures

- Capital Assets Note
  - Summary of Capital Assets now includes a TRANSFERS column.
  - Deletions in CWIP that are capitalized will be shown in this column.
- Long Term Liabilities Note
  - Changed terminology to “Liabilities” vs “Debt” for continuity between exhibits and notes.

FY 14 Notes – Other Note Disclosures

- Subsequent Events Note
  - Disclose the adoption of GASB 68 in FY 2015.
  - May include estimate of liability at July 1, 2014.

Common Audit Issues

FY13 TO DATE

Common Audit Issues – School Activity Deficiencies

- Common Issues
  - Lack of Segregation of Duties
  - Purchase Orders not Utilized
  - Receipt documentation not on hand
  - Bank reconciliations not completed timely or adequately
- Common Solutions
  - Schools reconcile each other's monthly bank reconciliations
  - Secretary and Bookkeeper split duties
  - No purchase order = no payment
  - No evidence of receipt = no payment
  - Consider updating policy, i.e., purchase orders required for all purchases over $50

Common Audit Issues – Separation of Duties

- Common Issues
  - One individual that is responsible for issuing purchase orders, writing checks, and reconciling bank statements
  - One individual that is responsible for collecting funds, entering into general ledger, and reconciling bank statements
  - Access within financial system is too broad
- Common Solutions
  - Separate individuals responsible for approving the purchase orders, entering payment into financial system, and reconciling statements
  - If financial system access is too broad, consider implementing other manual controls such as additional reviewers

Common Audit Issues – Capital Assets

- Common Issues
  - No physical inventory performed
  - School District has not adopted a policy regarding the physical inventory of assets
  - Listings are not maintained that adequately document the assets of the school district

- Common Solutions
  - Adopt a detailed capital asset policy that includes requirements for the listing, depreciation method, valuation method, impairment valuation procedures, physical inventories

Common Audit Issues – Capital Assets

- Chapter 37 of the FMGLUA indicates the policy should include:
  - Capitalization threshold
  - Asset categories
  - Tagging policy
  - Controlling noncapitalized items
  - Frequency of Inventory
  - Disposition of Property
  - Gifts and Donations
  - Federal Property

- Specifically, Chapter 37 states,
  - " The LUA should set a policy for how often a physical inventory should be conducted. It is recommended an inventory be conducted at least every five years."

Common Audit Issues – Journal Entries

- Common Issues
  - Documentation not maintained
  - No evidence of preparer or reviewer

- Common Solutions
  - Ensure a policy is established that indicates responsibilities for:
    - Preparation of Entry
    - Approval of Entry
    - Posting of Entry into Financial System
    - Supporting Documentation Requirements

Common Audit Issues – Findings Format

- Findings will have a very different "Cause" section
  - Goal is to better serve you in providing recommendations
  - We will ask for your input as to why the finding occurred
  - This will help us complete the "Recommendation" section
  - Also ensures that the finding has been fully discussed with you

- Management Responses
  - Opportunity will be provided for you to respond to all management letter comments which will be included in the body of the letter (optional)
  - Audit finding responses are included with the findings instead of separately

Common Audit Issues – Example of Change in Format

Cause:

In discussing the issue with management, they stated that the internal control deficiencies related to School Activity Accounts occurred due to a shortage of personnel at the school and failure of those personnel to follow the established policies and procedures.

Views of Responsible Officials and Corrective Action Plans:

We concur with this finding. The Board has increased the administrative staff responsible for the accounting functions at the schools. The Board and School Administration will implement procedures and compensating controls to ensure that the key accounting functions of custody, record keeping and authorization are segregated as much as possible. Procedures and forms have been developed that will provide the necessary documentation for receipts. School staff has been directed on the procedures to make deposits timely.

Common Audit Issues – Example of Change in Format

Cause:

In discussing the issue with management, they stated it was an oversight in preparing and posting the appropriate journal entries to the general ledger.

Views of Responsible Officials and Corrective Action Plans:

We concur with this finding. The Board and Administration will implement procedures and compensating controls to ensure accuracy of the financial reporting process. Appropriate journal entries will be made in the accounting system to record the principal payment for long-term debt.

Miscellaneous Information

VARIOUS TOPICS

Purchasing Card Data – Transparency in Government Act

- Effective FY 2014, to comply with the Transparency in Government Act, P-card activity will be required to be reported in the TIGA report.

- DOAA Survey for school districts expected to be released in June asking for additional information.
  - Name of Bank
  - Dollar amount of activity
  - Number of Cards
  - Types of Cards
  - Purchasing Card Policies
  - Contact information

Property Taxes – General Information

- Accounts Receivable is equal to the Delinquent Taxes at June 30th
- Accounts Receivable is the same amount on the Fund and District Wide Statements
- Only July receipts are recorded as Accounts Receivable for the Title Ad Valorem Taxes
- Deferred Inflow of Resources – Unavailable Revenue is only reported for delinquent taxes on the Fund Statements.
  - If delinquent taxes are greater than the July/August receipts, the difference between the receipts and delinquents is recorded as Unavailable Revenue.
  - If delinquent taxes are less than the July/August receipts, then check the levy and due dates for future levies. A portion of the July/August receipts may not be related to the 2013 calendar tax year.
- Determine the categories of the delinquent taxes reported on the confirmation at June 30th. Some tax categories may have July/August receipts that are not part of the delinquent balance and therefore should not be netted.

Property Taxes – Calculate the Unavailable Revenue:

UNAVAILABLE REVENUE		
Total Delinquent Tax-Per Confirmation	152,858.89	"Confirm Tax" tab 2
Less: Tax Commissioner's Fee (.025)	(3,821.47)	Per tax commissioner, the delinquent amount on the confirmation includes commissioner's fee
Less: Uncollectible	(3,057.18)	Insignificant - 2% of entity delinquent amount
Less: July and August Subsequent Period Receipts-Per Confirmation	(24,583.53)	Tab 2, Property and mobile home only
Total Unavailable	121,396.71	*

Property Taxes – Calculate the Accounts Receivable:

RECEIVABLES		
Total Delinquent Tax at June 30	121,396.71	* See Below - within deferred revenue calculation
July and August receipts not included Delinquent	81,618.97	Tab 3, After backing out Property and Mobile Home tax below, none of these amounts are included in delinquent.
Less: Tax Commissioner's Fee (.025)		Already backed out
Less: Uncollectible		Already backed out
Total A/R	203,015.68	^

Financial Statement Preparation Workshop

Topics Covered:

- Overview of School District Financial Statements
- In-depth look at District-wide statements
- Review of fund statements
- In-depth look at Year End Journal Entries
- In-depth look at conversion entries from the Fund Statements to District-wide Statements
- In-depth look at reconciliations between Fund Statements and District-wide Statements
- Review of Notes to the Financial Statements
- Review of Management's Discussion and Analysis
- Review of Supplementary Schedules

Financial Statement Preparation Workshop

Confirmed Dates and locations:

June 12-13 – Pioneer RESA – Cleveland, GA

July 21-22 – Southwest GA RESA - Camilla, GA

August 6-7 – North GA RESA - Ellijay, GA

August 12-13 – Bryan County BOE, Black Creek, GA

August 19-20 – Heart of GA RESA, Mount Vernon, GA

How To Help the Auditors

- Have financial statements ready early so auditors can arrive early

- Complete Client Satisfaction Survey at end of engagement

FY 2014 Audit Cycle

- <u>Due Dates:</u>
  - August 15th – Salaries and Travel Report (CS1)
  - October 1st – Audit History File
  - November 17th – Financial Statements and related audit evidence to auditors
  - December 15th – SPLOST Schedule
  - December 31st – Public Employers Affidavit

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Questions?