

GASBO 2017 GaDOE

Financial Statement Preparation

November 8, 2017

Financial Review Team

Georgia Department of Education

AGENDA



Richard Woods,
Georgia's School Superintendent
"Educating Georgia's Future"
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- FY 2017 Data Collection Process
- Tips for Month End Closing
- Tips for Fiscal Year End Closing
- Error Checking Portal
- Common Error and Warning Codes
- Reconcile Expenditures from E to B
- Reconcile Revenues on Exhibit B
- Resources to Assist in Preparation

FY 2017 Data Collections Process

Georgia Department of Education

DE 46 – FY 2017 Submissions



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- On deadline date of October 9, 2017 – 46 districts, 12 state charters, and 2 RESAs had not finalized the reports for FY 2017.
- After the deadline – 18 districts, 8 state charters, 2 RESAs had not finalized the reports for FY 2017. – **14%**
- Currently (as of today) – 2 school districts, and 1 RESA have not finalized the reports for FY 2017.
- *What does this mean for FY 2018?*

DE 46 – FY 2018 Submissions



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*Deadline moved up to Monday,
September 17, 2018*



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DE 46 – FY 2018 Submissions



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- ESSA Report Card
- Financial Efficiency Star Rating
- Title I and SEC Maintenance of Effort
- Indirect Cost Rates
- SEC Excess Cost
- 65% Minimum Direct Classroom Expenditures
- Scholarship Calculation
- QBE Calculations
- Federal Reporting (Census and NCES)
- Federal Program Monitoring

***How will we be able to
complete the reports
earlier?***

***What can be implemented
now, to ensure you meet the
deadline next year?***

Fiscal Year End Closing



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The Tips for Fiscal Year End Closing document provides a checklist of procedures that need to be performed by the district. Not all items on the list may apply to your district. Unless otherwise noted, these procedures should be done before closing the year. The list can be found at:

<http://www.gadoe.org/Finance-and-Business-Operations/Financial-Review/Pages/default.aspx>

Financial Review

Financial Management of Georgia LUAS Manual

Preparing Basic Financial Statements

School System Financial Information

state Education Finance Study Commission

Financial Review

The Financial Review division was established for the purpose of reviewing financial records and accounting of local governing school boards and assisting local units of administration in training personnel in financial and budgetary accounting.

Financial Review is responsible for issuing and updating the chart of accounts utilized by local units of administration (LUAs) in reporting budget and financial data to the Georgia Department of Education.

Budget and Financial Data Reporting

- LUA Chart of Accounts
 - Changes to LUA - Chart of Accounts 2016 (obj prgm codes etc) Final
- Financial Management for Georgia LUAS Manual
- School System Revenues/Expenditures
- Transmission Dates
- DE46 File Layout
- **Tips for Fiscal Year Closing**
- Secure Data Transmission Portal



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Fiscal Year End Closing

- Bank statements reconciled for all 12 months
- Salaries and Benefit Payable accrued
- QBE Accounts Receivable posted
- Federal Grants reconciled (receivable, payables, deferred inflows posted where applicable)
- CS-1 reconciled for fiscal year
- Contracts/Retainages Payables posted for all construction projects
- Capital Assets listing updated
- Long Term Debt adjusted

Fiscal Year End Closing



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If the Year End General Ledger has all possible entries posted, what is left for financial statement preparation?



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Common Adjustments to General Ledger after submission to GaDOE



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- Fund Balance Adjustments – *prior year activity should not be posted to current year revenues and expenditures due to grant period of availability requirements. If correction to prior year revenue is required, the general ledger entry is to 0799 (or 0740 SFS). This must be reclassified per GAAP financial statements for audit presentation.*
- Delinquent Taxes – *If taxes are levied at due date (generally December), but not collected within 60 days of fiscal year end, the taxes are considered a **Deferred Inflow of Resources**. Entry to correct is to post an Accounts Receivable and Deferred Inflow of Resources for levied taxes not received by August 31st.*

Common Adjustments to General Ledger after submission to GaDOE



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- GASB 68 Entries – *post the liability and related adjustments to current year pension expense on the government wide financial statements.*
- Reclassification of New Capital Lease – *a new capital lease is required to be recognized at the present value of the lease, at the inception of the lease.*
- Reclassification of Debt Payments – *for budget purposes, you may report payments of bus leases to function 2700. This allows the budget comparison to report to management the budgeted expenditures for transportation. For GAAP, long term debt principal and interest payments should be posted to function 5000 – Debt Services.*

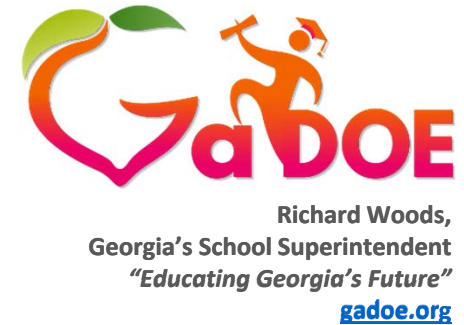
Common Adjustments to General Ledger after submission to GaDOE



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- Interfund Activity – *eliminate transfers in/out in the General Fund Major Opinion Unit or the Capital Projects Fund when the transfers are between funds that are combined in the Major Opinion Unit.*
- Interfund Activity – *eliminate revenues/expenditures between the governmental school activity funds and the general fund that were the result of the school reimbursing the central office for services or good provided (example – bus driver for field trip).*
- Reclassification of Fund Balance Designations – *reclassify fund balance designations to properly report per GASB 54.*

Common Adjustments to General Ledger after submission to GaDOE



- Reclassification of Cash/Investments – *reclassify assets for GAAP reporting.*
- Adjustment of Expenditures on Exhibit B – *the LEA may have some changes in Capital Assets or Long Term Debt that are not mapped correctly based on assumptions made in the universal mapping process.*
- Adjustment of Revenues on Exhibit B – *the LEA may have some reclassifications necessary for Revenues that are not mapped on the GaDOE Financial Statements.*

Error Checking Portal

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Error Checking Portal



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Financial Review

- CCRPI
- AYP Reports
- Consolidated Application
- COPS Financial
- Data Collection
- View Documents
- Facility and School Registry
- Finance Applications
- QBE
- School Nutrition
- Message Center
- Grants Application
- EOPA Reports
- ARRA Reporting
- Financial Review Application

- Financial Review Application
- GAORS
- Financial Review Error Checking**
- Chart of Accounts

Financial Error Checking Main Menu

- [Upload a Data File for Error Checking](#)**
- [Validation Routine](#)
- [Reports](#)

Error Checking Portal



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- Provides the same Error and Warning Codes as the End of Year DE 46 Financial File Submission
- Encouraged to upload monthly to identify any potential errors



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Common Error and Warning Codes

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Error and Warning Codes



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- E2014 – Program Code Not Valid With Function Code
- E931 – Program Code Not Valid with Fund Code
- E989 – Not a Valid Function Code and Object Code Combination
- These errors are checking to ensure the code relationships are valid based on what we assign in the Chart of Accounts. Prohibits certain combinations, such as the Title I Program Code 1750 reported with Fund 100. This would not be allowable.

Error and Warning Codes



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- E947 – Depreciation Object is Valid Only with Funds....
- Prohibits Depreciation Expense from being posted to a governmental fund. Can only be posted to a Government-wide Fund or Enterprise Fund.

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Error and Warning Codes



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- W985 – Total All Funds Equity Accounts – 8000 Out of Balance. Go to the main menu to enter written explanation for out-of-balance condition.
- This warning is when what is reported in control total 0001 for Beginning Fund Balance in the Current Year does not agree to what was reported in 0004 for Ending Fund Balance in the Prior Year.

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Error and Warning Codes



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- W2014 – An explanation is required for variances in FIN0102 DE046 School Nutrition Comparison Report.
- W2015 – An explanation must be written for salary and benefit information entered for Clerical staff in Function 1000.
- W2016 – An explanation must be written for salary and benefit information entered for Administrative personnel in Function 1000.

Error and Warning Codes



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- W2006 – Depreciation expense not reported. Please provide an explanation for approval.
- W2002 – No budgeted expenses reported for this facility.
- W2009 – Function 1000 Direct Instruction Funds reported at Central Office facility code 8010.
- W2056 – Negative Expenditure for this Account.
- W2020 – An expenditure amount must be reported for each Program Code that has earned revenue.
- W2054 – Object 890 expenditures exceed 10% of the function.

Mappings

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GaDOE Mappings



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- Financial Statement Mappings developed for FY 2007
- Used Cognos Application to map
- Migrating to a new platform since FY 2015
- Mapping is completed by Programmers
- Programmers follow the mapping file that is included on our website
- Every Fund, Program, Function, Object, and Revenue Source mapped

GaDOE Mappings



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Offices & Divisions ▾

Programs & Initiatives ▾

Data & Reporting ▾

Learning & Curriculum ▾

Finance & Operations ▾

Contact ▾



→ Finance and Business Operations → Financial Review

Financial Review

Financial Management of
Georgia LUAS Manual

Preparing Basic Financial
Statements

School System Financial
Information

state Education Finance Study

Financial Review

The Financial Review division was established for the purpose of reviewing financial records and accounting of local governing school boards and assisting local units of administration in training personnel in financial and budgetary accounting.

Financial Review is responsible for issuing and updating the

New Financial Statements

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Financial Statements



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New location for Financial Review Applications. Currently only Exhibits A and C.

Financial Review

- View Alerts
- AYP Reports
- View Calendar
- Consolidated Application
- COPS Financial
- CPI-Active
- View Documents
- Finance Applications**
- Invoice Application
- View News
- School Nutrition
- Title I LEA
- Message Center
- Grants Application
- ARRA Reporting
- Financial Review Application**

OLD

NEW

Financial Review Application

- Reports**
- Financial Review
- Admin

Amy Rowell

Report Menu



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| Financial Review Reports | | | |
|--|---------------------------|-------------|-------------|
| Report Category | Financial Basic Reports ▼ | Report Name | Exhibit A ▼ |
| Fiscal Year | 2015 ▼ | | |
| System ID | Decatur County - 643 | | ▼ |
| <input type="button" value="View Report"/> | | | |

Select: **Financial Basic Reports**
Exhibit
Fiscal Year
System ID
View Report

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Step 1: Is Actuals Ledger Mapping Correctly?

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Check Actuals Ledger to Financial Statements



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- Are funds mapped correctly?
- Are all accounts mapping in correctly?
 - Program Codes
 - Revenues on Exhibit B
 - Expenditures on Schedule of Expenditures of Federal Awards
 - Schedule of State Revenue

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Check Actuals Ledger to Financial Statements



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- Are all accounts mapping in correctly?
 - Capital Assets
 - Are capital assets recorded on the Actuals Ledger?
 - Is the activity recorded in the Expenditures?
 - Is the activity recorded by netting the prior year and current year change in Accounts 303 and 304?
 - How it is recorded makes a difference in the mappings.

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Check Actuals Ledger to Financial Statements



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- Are all accounts mapping in correctly?
 - Long Term Debt
 - Is debt recorded on the Actuals Ledger?
 - Is the activity recorded in the Expenditures?
 - Is the activity recorded by netting the prior year and current year change in Accounts 303 and 304?
 - How it is recorded makes a difference in the mappings.

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Step 2: Check the Detail

Reconcile Expenses Reported on Exhibit B to
Expenditures Reported on Exhibit E

Review Expense Column on Exhibit B



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- Reconcile the Expenses recorded on Exhibit B to the Expenditures recorded on Exhibit E.
- Only differences between Fund Statements and District-wide statements are due to activity in Funds 800 and 900.
- Utilize the template developed for the drilldown reconciliation, determine if there are any corrections necessary.

Step 2: Check the Detail

Reconcile Revenues Reported on Exhibit B to
Revenues Reported on Exhibit E

Review Revenue Column on Exhibit B



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- Reconcile the Revenue recorded on Exhibit B to the Revenue recorded on Exhibit E.
- Only differences (in total) between Fund Statements and District-wide statements are due to activity in Funds 800 and 900.

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Review Revenue Column on Exhibit B



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- Save a pdf or csv file of the drill-down on the Operating Grants and Contributions column on Exhibit B.
- If the programmed mapping is not correct for your district, adjustments to your financial statements are necessary.
- Remember: programming is standardized for all districts.

Does Revenue Reconcile Between E and B?



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| Exhibit E | | Exhibit B | |
|-----------------|----------------------|--|----------------------|
| State Revenue | 25,780,858.87 | Operating Grants and Contributions | 34,262,048.61 |
| Federal Revenue | 9,614,751.74 | Capital Grants and Contributions | 77,220.00 |
| | | Grants Not Allocated Not Restricted to Specific Programs | 1,056,342.00 |
| | <u>35,395,610.61</u> | | <u>35,395,610.61</u> |

If Amounts Do Not Agree, Look at Mappings and Funds 800 & 900

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Operating Grants and Contributions



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| Program Code | Program Description | Expenses | Revenues | Total Expenses | Expense Percentage | Program Revenues Operating Grants and Contributions |
|-------------------------|---|--------------|--------------|----------------|--------------------|---|
| 1000 Instruction | | | | | | |
| 100 General Fund | | | | | | |
| 1011 | Kindergarten | 1,796,164.29 | 2,113,557.00 | 1,796,164.29 | 100 | 2,113,557.00 |
| 1021 | Primary Grades Program 1-3 | 3,685,305.16 | 4,444,156.00 | 3,685,305.16 | 100 | 4,444,156.00 |
| 1041 | High School General Education Program 9-12 | 4,508,096.01 | 2,477,869.00 | 4,508,096.01 | 100 | 2,477,869.00 |
| 1051 | Upper Elementary Grades Program 4-5 | 2,299,431.26 | 2,049,615.00 | 2,299,431.26 | 100 | 2,049,615.00 |
| 1061 | Kindergarten Early Intervention Program | 147,279.72 | 189,285.00 | 147,279.72 | 100 | 189,285.00 |
| 1071 | Primary Grades Early Intervention Program 1-3 | 672,944.28 | 464,511.00 | 672,944.28 | 100 | 464,511.00 |

Revenue is allocated on a proportionate basis

Reconcile Revenue from E to B



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- **NEW FOR FY 2017**

- Any revenue coded to a program code that does not also report expenditures to the program code, will be unallocated in the Operating Grants and Contributions Column of Exhibit B.
- Exceptions: 4010 – Local Fair Share and 4080 – Austerity Reduction are mapped to function 1000
- District will have to determine how to allocate the Revenue.

Reconcile Revenue from E to B



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MILLER COUNTY BOARD OF EDUCATION STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

EXHIBIT "B"

| | PROGRAM REVENUES | | | | | | |
|--|------------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|------------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental Activities | | | | | | | |
| Instruction | \$4,941,648.02 | \$965.30 | \$4,215,945.34 | | -\$724,737.38 | | -\$724,737.38 |
| Support Services | | | | | | | |
| Pupil Services | \$554,849.20 | | \$290,081.52 | | -\$264,767.68 | | -\$264,767.68 |
| Improvement Of Instructional Services | \$360,284.42 | | \$372,723.38 | | \$12,438.96 | | \$12,438.96 |
| Educational Media Services | \$108,720.24 | | \$119,476.00 | | \$10,755.76 | | \$10,755.76 |
| General Administration | \$671,109.19 | | \$280,877.93 | | -\$390,231.26 | | -\$390,231.26 |
| School Administration | \$657,837.25 | | \$365,962.00 | | -\$291,875.25 | | -\$291,875.25 |
| Support Services - Business | \$189,212.36 | | \$79,887.66 | | -\$109,324.70 | | -\$109,324.70 |
| Maintenance And Operation Of Plant Services | \$1,032,654.34 | | \$311,394.67 | | -\$721,259.68 | | -\$721,259.68 |
| Student Transportation Service | \$610,721.60 | | \$315,027.32 | | -\$295,694.29 | | -\$295,694.29 |
| Support Services - Central | | | | | | | \$0.00 |
| Other Support Services | \$79.39 | | \$51,472.60 | | \$51,393.21 | | \$51,393.21 |
| Operations of Non-Instructional Services | | | | | | | |
| Enterprise Operations | | | | | | | \$0.00 |
| Community Services Operations | | | | | | | \$0.00 |
| School Nutrition Program | \$271,188.97 | \$30,878.64 | \$744,844.08 | | \$51,615.35 | | \$51,615.35 |
| Facilities Acquisition And Construction Services | | | | | | | \$0.00 |
| Interest On Short-Term And Long-Term Debt & Fees | \$226,817.59 | | | | -\$226,817.59 | | -\$226,817.59 |
| Revenue Sources Not Allocated on Exhibit B | | | \$365,797.00 | | \$365,797.00 | | \$365,797.00 |
| Total Governmental Activities | \$10,078,041.87 | \$31,843.94 | \$7,513,490.40 | | -\$2,532,707.53 | | -\$2,532,707.53 |
| General Revenues and Special Items | | | | | | | |
| Taxes | | | | | | | |
| Property Taxes | | | | | | | |
| For Maintenance and Operations | | | | | \$3,728,407.63 | | \$3,728,407.63 |
| For Debt Services | | | | | \$123,479.17 | | \$123,479.17 |

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Reconcile Revenue from E to B

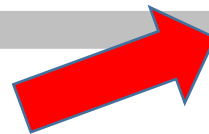


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MILLER COUNTY BOARD OF EDUCATION REVENUE DETAILS YEAR ENDED JUNE 30, 2017

EXHIBIT "BC3" - DETAIL

| Fund Code | Source Code | Program Code | Program Description | Revenues | Expenses (0) | Program Revenues Operating Grants and Contributions |
|--|-------------|-------------------------------|--|---------------------|---------------|---|
| 100 | | | | | | |
| | 3120 | | | | | |
| | | 1091 | UPPER ELEMENTARY GRADES EARLY INTERVENTION PROGRAM 4-5 | \$170,550.00 | \$0.00 | \$170,550.00 |
| | | 1100 | TWENTY DAYS ADDITIONAL INSTRUCTION | \$33,499.00 | \$0.00 | \$33,499.00 |
| | | 2211 | REMEDIAL EDUCATION PROGRAM | \$69,893.00 | \$0.00 | \$69,893.00 |
| | | Source Code 3120 Total | | \$273,942.00 | \$0.00 | \$273,942.00 |
| | 3125 | | | | | |
| | | 1490 | SPARSITY GRANT | \$91,855.00 | \$0.00 | \$91,855.00 |
| | | Source Code 3125 Total | | \$91,855.00 | \$0.00 | \$91,855.00 |
| | 3800 | | | | | |
| | | 3526 | EXTENDED YEAR, VOCATIONAL STATE GRANT FUNDS | \$0.00 | \$0.00 | \$0.00 |
| | | Source Code 3800 Total | | \$0.00 | \$0.00 | \$0.00 |
| Fund Code 100 Total | | | | \$365,797.00 | \$0.00 | \$365,797.00 |
| Program Revenue with NO PROGRAM EXPENSE Total | | | | \$365,797.00 | \$0.00 | \$365,797.00 |





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What to Check?

- GSFIC Revenue
- Transportation Revenue
- Medicaid Revenue
- Unallocated Revenue
- Any misclassifications of Revenue adjusted on Exhibit E?

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Resources to Assist



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- Financial Review – Preparation of Financial Statements
- Mapping File – Every Account Mapped
- Department of Audits and Accounts
 - Financial Statement Preparation Training
 - Financial Statement Checklists
 - Review Checklists

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Questions?

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Financial Review Division

www.gadoe.org

Finance and Business Operations

Financial Review

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