

2016-2017 ANNUAL FINANCIAL REPORT "Reminders"

GENERAL

- The revenues, expenditures, beginning and ending fund balances and balance sheet amounts shown in the Annual Report must agree with the Audit Report completed by a certified public accountant.
- When completing the annual report, use only the IFARMS codes provided in the report. Be sure to categorize revenues and expenditures in the appropriate funds and programs. For example, Business Operation costs should be coded under program 651 (Business), not under District Administration program 632.
- The Bureau of Census and the National Center for Educational Statistics request financial data for Idaho's public schools. The requests cover all funds including the General Fund. The data sent to these agencies comes directly from the Annual Financial Reports.
- The Annual Report requests information about fixed assets and debt. If your school uses two different capital outlay thresholds, use the lower threshold for reporting on page 100 (Detail of General Fixed Assets) of the Annual Report. The audit will likely report capital assets using the higher threshold.
- Lottery dollars were distributed for school maintenance purposes in late August of FY 2017, These funds should have been coded to Fund 100 (or possibly 42X) using revenue code 437000-Lottery/Additional State Maintenance

IDAHO CODE COMPLIANCE

- IDAHO CODE 33-357 requires that schools maintain a publicly available website where the school's expenditures are posted. It also requires that the website be updated at least monthly.
- IDAHO CODE 33-1019 requires schools to spend or allocate two percent of the replacement value of student-occupied buildings for repairs and maintenance
- IDAHO CODE 33-1403 and 1405 require Idaho schools to charge **all** out-of-state students a tuition rate not less than the gross per-pupil cost, as determined by the State Department of Education, unless a waiver has been approved by the State Board of Education. The FY 2017 tuition rates were emailed to schools on July 25, 2016.
- IDAHO CODE 33-1120 provides for disposition of money remaining after bond redemption. Proceeds from bond sales should be recorded in the Capital Projects Fund (fund 410, revenue code 451000). Bond & Interest Tax Levy revenue should be recorded in the Bond & Interest Fund (fund 310, revenue code 412500).
- IDAHO CODE 33-801 allows a board to establish a general fund contingency reserve within the annual school district *budget*. The only fund in which a contingency is allowed is the General Fund. When contingency dollars are expended (board authorization is required), they must be reflected in the appropriate IFARMS function/program and object codes. "Contingency" is not an expenditure category. It is used only for budgeting purposes.
- IDAHO CODE 33-701(6) requires audit reports be filed with the SDE after the report's acceptance by the board of trustees by no later than November 10. Failure to submit by November 10 will result in the department withholding all or a portion of the school district's or charter school's November 15 distribution until the audit report has been received.

REVENUES

- Not all federal dollars received by schools pass through the state. Some federal dollars received by schools are direct federal assistance. The report of federal assistance (also known as the STARS single audit report), available on the Division of Financial Management's website in late August, includes only those federal dollars that passed through a state of Idaho agency. Be sure your auditors are aware of all federal dollars received.
- Property tax revenue should be recorded in the appropriate revenue accounts (i.e. supplemental, tort, etc.).
- State support dollars received from "outside" the formula, but as part of the public school appropriation, should be recorded as revenue code 431900 "Other State Support".
- Lottery dollars and Additional State Match dollars are to be recorded as revenue code 437000 in the fund where those dollars will be spent (typically the General Fund, sometimes the School Plant Facilities Fund).

TRANSFERS OUT

- All "Transfers Out" should be coded to program "920" and object "800." Transfers out should not be reported in any other program or object code.
- Overall "Transfers In" should equal the overall total shown for "Transfers Out".

FEDERAL

- All child nutrition revenue dollars (fund 290) distributed via the SDE are federal (445500). There are no state child nutrition revenue dollars.

- Carl Perkins dollars (fund 263) are federal (445300) dollars, not state dollars.
- Federal Forest (fund 220) dollars are recorded as indirect restricted (445900) federal revenue. These are federal dollars that pass through the state and county. IDAHO CODE 57-1304 states that the money may be retained, accumulated and expended for the purchase of school sites and for the construction and remodeling of school buildings within the discretion of the trustees of the district; provided, that when such moneys are not so needed, they may be expended for current expenses.
- Title I expenditures will usually be categorized in the Elementary School Program (512) and the Secondary School Program (515), rather than the Exceptional Child Program (521).
- IDEA Part B School-Age (fund 257) and IDEA Part B Preschool (fund 258) dollars should be accounted for in separate funds, not combined within a single fund. Fund 257 may account for both flow-through and discretionary funds. Fund 258 is to account for federal preschool exceptional child dollars. Expenditures in fund 257 are recorded in program 521, Exceptional Child Program and/or 616, Special Services Program. Expenditures in fund 258 are recorded in program 522, Preschool Exceptional Program.
- Carefully monitor maintenance of effort (MOE) compliance for your various federal grants.
- One of the most common findings in audits of federal programs is the absence of effective policies and procedures to ensure that personnel costs are charged to federal grants and programs in compliance with the federal time and effort reporting requirements. Schools and their auditors should be aware of these requirements and should take the necessary steps to ensure that their time distribution systems are in compliance with those requirements.

TRANSPORTATION

- Remember to report expenditures relating to transporting students to and from school in program 681 (Pupil to School) not 683 (General Transportation).

Please submit your 2016-2017 IFARMS Annual Financial Report no later than October 31, 2017.

Please submit your 2016-2017 Audit report so that it arrives at the SDE by no later than November 10, 2017.