

HOW TO PREPARE AN ANNUAL FINANCIAL REPORT (AFR)

TRAINING FOR NEW STAFF



AGENDA FOR CLASS

- AFR Introduction
- Common Pain Points
- Frequently Asked Questions
- ESE 348 Discussion
- Interactive Portion

ANNUAL FINANCIAL REPORT (AFR)

- Required by State Board of Education Rule 6A-1.0071, Florida Administrative Code and Section 1001.51 (12)(b), Florida Statutes.
- Due September 11 of each year
- Allows for comparability of financial information across school districts in the State of Florida

ANNUAL FINANCIAL REPORT (AFR)

Comprised of several components:

- ESE 348 Report of Financial Data to the Commissioner of Education ESE 145 Superintendent's Annual Financial Report (Basic financial statements)
- Index pages for ESE 348 and ESE145

ANNUAL FINANCIAL REPORT (AFR)

Comprised of several components (cont.):

- Supplementary Schedule of Federal Financial Assistance Program Expenditures
- ESE 374 and ESE 523 for Indebtedness or Authorized Obligations

ANNUAL FINANCIAL REPORT (AFR)

- ESE 348 Report of Financial Data to the Commissioner of Education
 - Primarily Statements of Revenues, Expenditures, and Changes in Fund Balance for all funds
 - Includes other tables required for State reporting such as:
 - Sub object expenditures
 - Schedule of long term liabilities
 - Schedule of categorical programs

ANNUAL FINANCIAL REPORT (AFR)

- ESE 145
 - Includes a little bit of everything, including:
 - MD&A, Footnote Disclosures, Entity wide statements, Balance sheets
 - Statements of Revenues Expenditures, and Changes in Fund Balance
 - Reconciliation pages from entity wide to fund statements

ANNUAL FINANCIAL REPORT (AFR)

- ESE 145 (cont.)
 - Changes in net position for proprietary funds
 - Cash flows for propriety funds
 - Changes in net position
 - Changes in assets for fiduciary funds and budget to actual comparisons.

COMMON PAIN POINTS – THINGS YOU CAN DO AHEAD OF TIME



- Review prior year AFR to become familiar with the data
- Crosswalk accounts and funds if necessary
- GASB 68 – Pensions (FRS)

COMMON PAIN POINTS – THINGS YOU CAN DO AHEAD OF TIME



- Debt (roll forwards, amortization amounts – tentative if a refunding or new issue is pending)
- Actuarial Reports (establish timelines for information from district to actuaries, and from actuaries to district)
- Beginning balances should be entered in conversion entries

COMMON PAIN POINTS – THINGS YOU CAN DO AHEAD OF TIME



- Budget to actual schedules for original budget and final when complete
- Major Funds test (preliminary) to identify any changes from major to non major
- Check the natural balances of all accounts (no errors at end of year when everyone is creating entries)

COMMON PAIN POINTS – THINGS YOU CAN DO AHEAD OF TIME



- Balance sheet should be reconciled through current month: receivables & payables
- Check ERP/Accounting system for errors (exception reports) for financial transactions

COMMON PAIN POINTS - ADDITIONAL TIPS

- Visit DOE website early:
 - FLdoe.org/finance
- Move in order of the website ---->
- Test upload a week prior to submission due date
 - There will be errors to address
 - Sometimes need to correct AFR
 - Sometimes need to provide explanation



Office of Funding and Financial Reporting Report of Financial Data to the Commissioner of Education 2015-16

PASCO COUNTY

[Summary of Changes](#)

[Instructions](#)

[Forms](#)

[Upload ESE348 Spreadsheets](#)

[Summary of Edits](#)

[Edit/Print Sheets](#)

[Update/Print Edit Explanations](#)

[Submit Final Data](#)

[Display Finalized Date](#)

FREQUENTLY ASKED QUESTIONS



- I. Do you enter information with their natural balances or use absolute values?
 - Revenues –enter negative of account balance on AFR
 - Expenditures –enter account balance on AFR
 - Other Financing Sources and Uses – enter negative of account balance on AFR
 - Assets – enter account balance on AFR
 - Liabilities – enter negative of account balance on AFR

FREQUENTLY ASKED QUESTIONS



2. Is inventory categorized as “Non spendable” on the AFR?
 - Yes

3. Where do you identify the categories of fund balance? (GASB 54 – Fund Balance Reporting – specific purposes for spending)
 - On the ESE 348, and on the Balance Sheet tab of the Entry Spreadsheet

4. Where do you enter beginning fund balance?
 - On the ESE 348

ESE 348 DISCUSSION

- Revenue Types
 - Federal Direct
 - Federal Through State and Local:
 - State
 - Local
- Expenditure Categories
 - By Function and Account Type

ESE 348 DISCUSSION

- Other Financing Sources
 - Inception of Debt
 - Transfers In
 - Sale of Assets
 - Insurance Loss Recoveries
- Fund Balance Categories (GASB 54)
 - Nonspendable (Inventories and Prepaid items)
 - Restricted
 - Committed
 - Assigned
 - Unassigned

INTERACTIVE PORTION

1. Open in sequential order (ESE 348, Entry Spreadsheet, ESE 145)
2. Enter appropriate information for the General Fund on ESE 348
3. On the Entry Spreadsheet, verify that the numbers were populated on the Statement of Revenues, Expenditures, and Changes in Fund Balance tab from the ESE 348

INTERACTIVE PORTION

4. On the Entry Spreadsheet, go to the Balance Sheet tab and enter the appropriate information
5. Open the ESE 145 and verify that the numbers were populated on the Statement of Revenues, Expenditures, and Changes in Fund Balance and Balance Sheet tab from the Entry Spreadsheet

INTERACTIVE PORTION – ERRORS

- The Entry Spreadsheet has several error checks at the bottom of the schedules
 - On the Balance Sheet, you should have the following error: “Total Assets/Deferred Outflows do not equal Total Liabilities/Deferred Inflows/Fund Balance”
 - To Correct, change accounts payable to 8,312,623

INTERACTIVE PORTION – ERRORS

- The Entry Spreadsheet has several error checks at the bottom of the schedules (cont.)
 - On the Statement of Revenues, Expenditures and Changes in Fund Balance, you should have the following error: “Fund balance does not equal amount in Column C of the Balance Sheet”
 - To correct, change Beginning Fund Balance back on the ESE 348 to 48,704,887