

27. GENERAL PURPOSE FINANCIAL STATEMENTS

There are several statutory provisions requiring the review of local school system actions by the State Superintendent of Education. It is obvious that for the State to implement a statewide system of public schools that substantial uniformity must be imposed upon the financial operations and financial reporting by local boards of education. This is a necessity for sound fiscal operation and for accountability to

Review of Local Actions By State Board of Education

The first statutory provision gives the State Board and State Superintendent of Education authority to review any action by a local board of education:

The State Board of Education shall have the power and authority to promulgate rules and regulations governing the right and method of review and disposition upon review by the State Superintendent of Education of actions and orders of county and city boards of education and of county superintendents of education and city superintendents of schools in matters relating to finance and other matters seriously affecting educational interest (*Code of Alabama 1975, Section 16-3-27*).

Review Of Action Of County And City Boards By State Superintendent

Another statutory provision specifically gives the State Superintendent of Education authority to review financial matters of local boards of education:

The State Superintendent of Education, under rules and regulations promulgated by the State Board of Education, shall have the authority to review actions and orders of county and city boards of education and of county superintendents of education and city superintendents of schools in matters relating to finance and other matters seriously affecting the educational interest. Upon such review the State Superintendent of Education shall have the power to determine from the facts the just and proper disposition of the matter. The order of the state superintendent shall be binding (*Code of Alabama 1975, Section 16-4-8*).

County Boards of Education

Annual Financial Report Required of County Boards of Education

Further statutory requirements specifically place requirements on county boards of education for reports. This is logical as when these laws were written, the county was seen as a direct arm of the state government and was fiscal agent for all city boards of education located in the county:

The county superintendent of education shall, on or before the first day of November of each year, forward to the State Superintendent of Education on blanks to be furnished him by the latter an annual report of the public schools of his county for the preceding year. In the event any county superintendent shall fail to make and forward to the State Superintendent of Education any report required under this chapter within 10 days after the time it should be made, he shall be liable to impeachment, and the resolution of the State Board of Education duly adopted setting forth such failure shall be prima facie evidence of such fact. The books, accounts and vouchers of the county superintendent of education may be examined at any time by the State Superintendent of Education in person or by his duly authorized agent (*Code of Alabama 1975, Section 16-9-31*).

County Board of Education Required to Publish Annual Report

The county board of education shall publish annually in the month of October in the county newspaper at the county seat of each county a full and complete statement of the receipts by source and disbursements by function of the county for the 12 months' period ending September 30 in such form as is required by the State Superintendent of Education at the same time it forwards said statement to the State Superintendent of Education. The county board of education shall also publish annually in the county newspaper at the county seat of each county in the month of October, a statement of the outstanding indebtedness of the board of education on September 30, which statement must show the schedule by years for retiring said indebtedness and shall separate funded indebtedness from unfunded indebtedness, and the statement shall show the resources available to pay such unfunded indebtedness. The county board of education may also cause to be prepared and published annually in sufficient quantities for distribution among the citizens of the county a report covering the condition, current accomplishments and needs for the improvement of the schools. The refusal or negligent failure of any member of the county board of education to comply with the provisions of this section shall constitute a misdemeanor, and the State Superintendent of Education shall withhold the payment of public school funds until the provisions of this section have been complied with (*Code of Alabama 1975, Section 16-8-37*).

Forms Of Reports May Be Prescribed

The county board of education shall prescribe, upon the recommendation of the county superintendent of education, forms and blanks on which school trustees, supervisors, attendance officers, principals, teachers, janitors and other regular employees shall make such reports as shall be required from them by the county board of education

(*Code of Alabama 1975, Section 16-8-38*).

Reports By County Board To State Board

The county board of education shall make all the reports required to the State Board of Education at such time, upon such items and in such form and on such blanks as may be prescribed by the State Board of Education (*Code of Alabama 1975, Section 16-8-39*).

City Boards of Education

Cities have a different relationship to the Constitution of Alabama and to state government than do counties. There are a separate set of constitutional and statutory provisions governing the operation of cities distinct from those provided for counties. Therefore, separate code sections govern many of the operations of city boards of education distinct and apart from county boards of education.

Forms For Reports

The city board of education, subject to the provisions of this title, shall prescribe, on the recommendation of the city superintendent of schools, forms and blanks on which the superintendent, teachers, supervisors, attendance officers, janitors and other employees shall make such reports as may be required from them (*Code of Alabama 1975, Section 16-11-21*).

Reports Of City Board To State Board Of Education; Audit Of Accounts

The city board of education shall make all reports required by the State Board of Education at such time, and upon such items and in such form, and on such blanks as may be prescribed by the State Board of Education. The business and financial transactions of the city board of education and the records and accounts of its treasurer shall be kept in a manner approved by the State Superintendent of Education and shall be audited as early as possible after July first of each year, and may be published (*Code of Alabama 1975, Section 16-11-22*).

Annual Report Published

The city board of education shall publish annually in the month of October in a newspaper published in said city, if there is a newspaper published in said city, a full and complete statement of the receipts by source and disbursements by function of the city for the 12 months' period ending September 30, in such form as is required by the State

Superintendent of Education at the same time it forwards said statement to the State Superintendent of Education. The city board of education shall also publish annually in a newspaper published in said city, if there is a newspaper published in said city, in the month of October, a statement of the outstanding indebtedness of the board of education on last September 30, which statement must show the schedule by years for retiring said indebtedness and shall separate funded indebtedness from unfunded indebtedness, and the statement shall show the resources available to pay such unfunded indebtedness. The city board of education may also cause to be prepared and published annually in sufficient quantities for distribution among the citizens of the county a report covering the condition, current accomplishments and needs for the improvement of the schools. The refusal or negligent failure of any member of the city board of education to comply with the provisions of this section shall constitute a misdemeanor, and the State Superintendent of Education shall withhold the payment of public school funds until the provisions of this section have been complied with (*Code of Alabama 1975, Section 16-11-24*).

Financial Accountability

As has been presented earlier, the accountability legislation approved by the 1995 Legislature placed additional reporting requirements on all local boards of education.

Assessing Financial Stability of Local Boards of Education

In addition to providing quality instruction in classrooms, all local boards of education must be fiscally accountable. The local boards of education shall be required to provide annually financial documents, including but not limited to annual budgets and financial statements which are cost center based (school, area vocational/technical center), program based (regular education, special education, vocational education, etc.), and funding source based (local, state and federal). Just as local boards of education may be in need of assistance based on student achievement, they may also be in an unsound fiscal condition. The State Board of Education is directed to require, approve and audit budgets, financial statements, and other reports which may be deemed necessary to assess the financial stability of each local board of education. If a local board of education is determined to have submitted a fiscally unsound budget, the State Department of Education will provide assistance to complete and submit a revised budget. If during the assistance in preparing a revised budget the State Superintendent of Education determines that the local board of education is in an unsound fiscal position, a person or persons will be appointed by the State Superintendent of Education to advise the day-to-day financial operations of the local board of education. If after a reasonable period of time the State Superintendent of Education

determines that the local board of education is still in an unsound fiscal condition, a request will be made to the State Board of Education for the direct control of the fiscal operation of the local board of education. Upon approval by the State Board of Education, the State Superintendent of Education will appoint an individual to be chief financial officer to manage the fiscal operation of the local board of education. The chief financial officer shall perform his or her duties in accordance with rules and regulations established by the State Board of Education in concert with applicable Alabama law. Persons appointed by the State Superintendent of Education to serve as chief financial officer to manage the fiscal operation of a local board of education shall be required to give bond with a surety company authorized to do business in Alabama and shall not be required to receive approval of the local superintendent to expend monies as provided in Sections 16-8-33 and 16-11-6. The State Superintendent of Education shall have the authority to review decisions of the chief financial officer and the local board of education pursuant to Section 16-4-8 (*Code of Alabama 1975, Section 16-6B-4*).

Accountability Reports To The Public

(a) The local board of education shall prepare an annual accountability report for each school and area vocational/technical center under its jurisdiction, and for itself, to be provided to the public under regulations promulgated by the State Board of Education. Such accountability reports shall include, but not be limited to, all of the following:

(1) A Funding and Expenditure Report which shall include those documents specified in Section 16-6B-4 and which shall include the amount of foundation program funds or vocational/technical education funds, or both, earned and of all funds expended and any other data deemed necessary by the local board of education or the State Board of Education to inform the public about the financial status of each school.

(2) A Student Achievement Report which shall include a comparison of the immediately previous school year with the previous five years regarding student performance on testing required by the State Board of Education, dropout rates, attendance rates, graduation rates, college attendance, and any other data deemed necessary by the local board of education or the State Board of Education to inform the public about student achievement in each school.

(3) A School Safety and Discipline Report which shall include statistical information relating to student safety and discipline in each school and any other data deemed necessary by the local board of education or the State Board of Education to inform the public about safety and discipline in each school.

(b) These reports shall be released to the media, presented to parent organizations, members of the Legislature who represent the

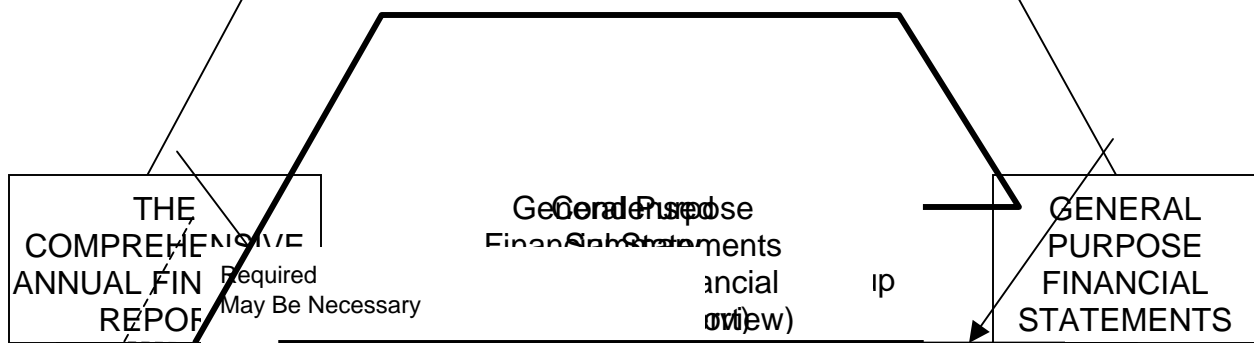
schools covered in each report, and the State Superintendent of Education. These reports shall be made available to the public upon request on or before ninety (90) days after the end of the fiscal year (*Code of Alabama 1975, Section 16-6B-7*).

Form Of Financial Statements

Financial statements present summaries of relevant financial information and inform various individuals and groups about the financial status of the local school system. The following generally comprise a general financial report. A combined financial summary includes a separate column for each of the funds used in the school systems. Financial statements can be prepared for a single fund. A balance sheet is designed to summarize the assets, liabilities, and fund balances of a local school system at a particular time, often the end of a fiscal year. A statement of changes in financial position identifies both the sources and uses of working capital (assets less liabilities) for a given time period. In a Combined Statement of Revenues, Expenditures, and Fund Balances, there is a separate column for each fund and since one is an independent financial entity, the total amount across all funds for the same account is for information only. The statement is for one fiscal year. Therefore, the amounts shown are the totals in each account (revenues received or expenditures made) summarized for the entire year. The excess of revenues over expenditures (or the excess of expenditures over revenue) is added to (or subtracted from) the fund balance at the beginning of the fiscal year to calculate it at the end of the year.

In a Statement of Revenues, Expenditures, and Changes in Fund Balance, there is only displayed a single fund and the actual result of local school system operations with the budgeted amount for the time period. The revenues which have been actually received and compared with the revenue projections on an account by account basis. Overages mean that more actual revenues were received than projected. Underages mean that fewer actual revenues were received than projected. This same comparison is done for expenditures. Overages represent actual expenditures greater than projected. Underages represent actual expenditures greater than projected. In a similar manner this type of report can be reported for each fund.

There are three types of financial statements. The first is the comprehensive annual financial report, the second is the general purpose financial statement, and the third is the general purpose financial statement. See **Figure 27-1** below:



Source: National Council on Governmental Accounting's *Governmental Accounting and Financial Reporting Principles, Statement 1*. Published by the Municipal Finance Officers Association, Chicago, Illinois, March 1979.

Government accounting requires the presentation of certain financial statements to comport with GAAP guidelines. These financial statements can be viewed in a financial reporting pyramid as shown above. The pyramid shown above has six reporting levels. The most important is the second through the fourth levels since they are critical to understanding financial statements. The pyramid begins on the bottom with the individual transactions taken from the accounting system and ends at the apex with highly aggregated summary data. Between these two extremes are the combined, combining, and individual fund/account group financial statements. The totality of these statements is The Comprehensive Annual Financial Report commonly referred to as CAFR. The combination of these statements is **the General Purpose Financial Statements** commonly referred to as **GPFS**.

The base of the pyramid – **Level 6** – is the sum of the financial operations or transactions that take place in a local school system's accounting system. The schedules described in **Level 5** are not required by GAAP. These supplementary schedules are normally found as the last section in the financial statements. Such schedules are not necessary for fair presentation in conformity with GAAP unless referenced in the notes to the financial statements. Schedules, however are appropriate to demonstrate compliance with legal or regulatory mandates, to provide additional detail to individual fund statements, or to present useful information normally not found in a financial statement.

Level 4 contains the several individual fund statements that are defined as financial statements which include only one individual fund. As has been previously presented, these will be statements for the four types of Governmental Funds, the two types of Proprietary Funds, the three types of Fiduciary Funds, and the two types of Account Groups.

Level 3 contains combining statements which are columnar statements presented for each generic fund type. In the combining statement, each of these individual funds is reported in a separate column followed by a total column.

Level 2 is an overview of the combined statements and is also known as the general purpose financial statements. This level provides financial report users with a broad overview and perspective of the local school system's financial positions and results of operations.

Level 1 is a totally optional report and is generally produced for relatively unsophisticated public consumption.

Producing the General Purpose Financial Statement for Alabama's Schools requires the assembly of multiple exhibits. These follow in **Table 27-1**:

Table 27-1

Exhibit	Title	Fund and/or Account Groups
F-I-A	COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS	General Fund Special Revenue Fund Debt Service Fund Capital Projects Fund Enterprise Funds Internal Service Funds Trust Funds Agency Funds Account Groups
F-II-A	COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS	General Fund Special Revenue Fund Debt Service Fund Capital Projects Fund Expendable Trust Funds
F-III-A	COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS—BUDGET AND ACTUAL	General Fund – Variance Special Revenue Fund - Variance
F-III-B	COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS—BUDGET AND ACTUAL	Debt Service Fund – Variance Capital Projects Funds – Variance
F-III-C	COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS—BUDGET AND ACTUAL	Expendable Trust Funds – Variance Total Governmental Funds and Expendable Trust Funds - Variance
F-IV-A	COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS	Enterprise Funds Internal Service Funds Non-Expendable Trust Funds
F-V-A	COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS	Enterprise Funds – Variance Internal Service Funds - Variance
F-V-B	COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS	Non-Expendable Trust Funds – Variance Total Proprietary and Non-Expendable Trust Funds – Variance
F-VI-A	COMBINED STATEMENT OF CASH FLOWS FOR ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS	Enterprise Funds Internal Service Funds Non-Expendable Trust Funds Total (memorandum)
F-VI-B	RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	Enterprise Funds Internal Service Funds Non-Expendable Trust Funds Total (memorandum)

Summary of Exhibits

Combined Balance Sheet – All Fund Types and Account Groups

This statement is a summary of the assets and other debits, liabilities, and equities of all funds and account groups of the local school system.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds

This statement is a summary of the operations and other equity changes of the general governmental funds and expendable trust funds. The statement contains a separate column for each of the general governmental fund types maintained by the local school system. The final number in each column should agree with the equity balance for that fund type as reported in the balance sheet.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance -- - Budget and Actual – General and Special Revenue Fund Types

This statement is presented to display a comparison of the actual result with the budget. With the exception of budget data, this statement contains the same captions and amounts as Example B. The statements have three columns: Budget, Actual, and Over/Under Budget. This statement also includes budget and actual data for other governmental fund types for which budgets have been adopted.

Combined Statement of Revenues, Expenses, and Changes in Fund Equity -- All Propriety Fund Types and Non-Expendable Trust Funds

This statement presents a summary of the revenues, expenses, other sources and uses of resources, and changes in retained earnings. There is a column for each fund group representing the totals for all funds in that group. The final numbers in each column should agree with the equity balances for that fund type as reported on the balance sheet in **Combined Balance Sheet**.

Combined Statement of Changes in Financial Position – All Proprietary Fund Types and Non-Expendable Trust Funds

This statement discloses the working capital or cash provided from or used in the operations of a specific period. It also provides a link between the balance sheet in Example A and the statement of Operations in Examples B & D for transactions that are not disclosed. The elements of net increase (decrease) in working capital reflect changes in the current asset and current liability accounts during the reporting period. This statement could be considered as a statement of source and application of funds.

Notes to Financial Statements

A narrative statement of any information necessary to explain significant or unusual financial occurrences.

Interim Financial and Personnel Reports

The production of accurate and timely General Purpose Financial Statements is both crucial and essential to the LEAs operation. However, for proper financial management, it is also equally important for the Superintendent and Board to be provided with monthly statements of revenues and expenditures compared to those projected when the budget was approved. It is also important to track personnel as this is the biggest cost element in the financial operations.

Monthly Budget Status Report

Each local school system should prepare a monthly budget status report for each fund. Each member of the school system board should be provided a copy at the board's regular monthly meeting. The report contains the most current approved budget amounts by summary level accounts and the fund balance at the beginning and end of the period being analyzed. As part of the budget status report, the superintendent or his designee should provide each member of the board of education with a brief written explanation of any significant deviations in revenue and expenditure projections that may affect the financial status of the district.

Monthly Statement of Financial Condition

Each local school system should prepare to provide the school board members with a monthly statement of financial condition. The statement of financial condition is a balance sheet showing the assets, liabilities, reserves, and equities for each fund type and account group.

Monthly Personnel Budget Status Report

Each local school system should prepare to provide the school board members a monthly personnel status report. This report should display the combined responsibilities of the district's administrative staff for personnel management and budget control and shows the status of expenditures and commitments for salaries and wages. The report should also shows the number of certificated and classified positions planned in the budget and the amount of funds budgeted for those positions summarized by program and responsibility area. The number of positions filled and the amount of funds expended and encumbered in support of these positions should also shown in a manner that can be compared with budget. Any significant variance between budgeted positions and actual should be explained. A local school board could use the

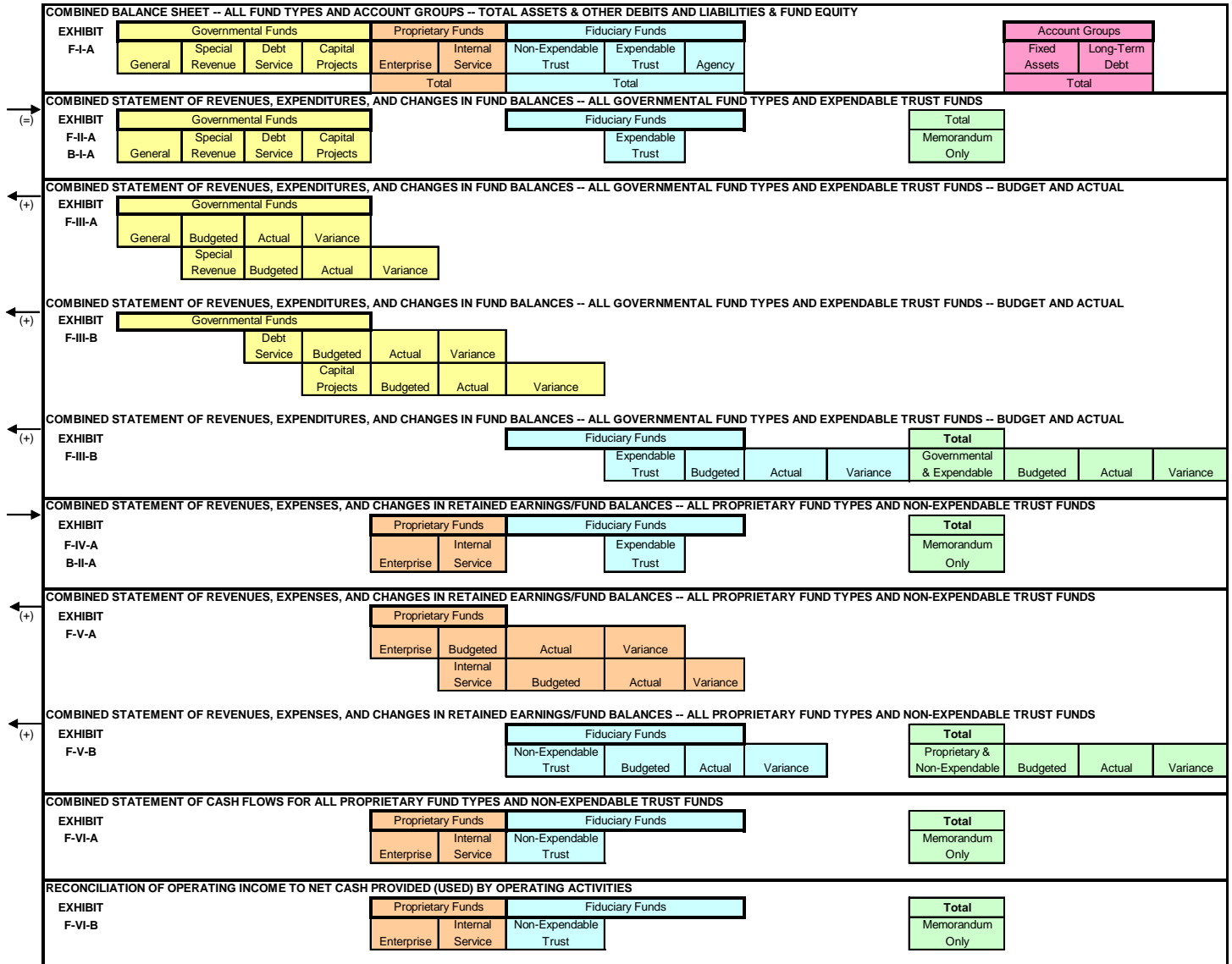
personnel status report with a monthly budget status report and the statement of financial condition to manage the financial position of the district.

Appendices Which Follow

27. GENERAL PURPOSE FINANCIAL STATEMENTS

Appendix 27-1	Flowchart of General Purpose Financial Statements
Appendix 27-2	Cover Page for General Purpose Financial Statements
Appendix 27-3	Exhibit F-I-A
Appendix 27-4	Exhibit F-II-A
Appendix 27-5	Exhibit F-III-A
Appendix 27-6	Exhibit F-III-B
Appendix 27-7	Exhibit F-III-C
Appendix 27-8	Exhibit F-IV-A
Appendix 27-9	Exhibit F-V-A
Appendix 27-10	Exhibit F-V-B
Appendix 27-11	Exhibit F-VI-A
Appendix 27-12	Exhibit F-VI-B
Appendix 27-13	Supplemental Report I – Status of Federal Funds
Appendix 27-14	Supplemental Report II – Local Funds
Appendix 27-15	Supplemental Report III – Affidavit of Superintendent
Appendix 27-16	Supplemental Report IV – Federal Programs Capitalized Equipment Purchases
Appendix 27-17	Schedule of Debt
Appendix 27-18	Financial Statement Checklist
Appendix 27-19	Desk Review
Appendix 27-20	End of Year Reminders

Appendix 27-1
 Flowchart of General Purpose Financial Statements



Appendix 27-2
Cover Page for General Purpose Financial Statements

ALABAMA STATE DEPARTMENT OF EDUCATION

Fiscal Year 2004

BOARD OF EDUCATION

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

FOR FISCAL YEAR OCTOBER 1, 2003 - SEPTEMBER 30, 2004
Due on or Before November 1, 2004

Subscribed and sworn to before me this the
_____ day of _____, 20 _____

Notary Public

The information in this report has been carefully
checked and is correct to my knowledge and belief.

Superintendent

Date

APPROVED, State Superintendent of Education

Appendix 27-3
 Exhibit F-I-A

BOARD OF EDUCATION
 COMBINED BALANCE SHEET --- ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 2004

EXHIBIT F-I-A

FUND TYPES & ACCOUNT GROUPS DESCRIPTION	GOVERNMENTAL				PROPRIETARY	FIDUCIARY	ACCOUNT
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPR/INTERNAL	TRUST & AGENCY	F/A & L/T DEBT
ASSETS & OTHER DEBITS:							
Cash & Cash Equivalents							
Investments							
Receivables							
Allowance for Doubtful Accounts					()		
Interfund Receivables							
Other Receivables							
Inventories							
Other Assets							
Fixed Assets							
Accumulated Depreciation					()	()	()
Other Debits							
Amount Available in Debt Service							
Amount to be Provided for Payment of Long-Term Debt							
Other Debits							
TOTAL ASSETS & OTHER DEBITS							
LIABILITIES & FUND EQUITY:							
LIABILITIES:							
Salaries & Benefits Payable							
Payroll W/H & Deductions Payable							
Claims Payable							
Other Payables							
Interfund Payables							
Other Payables							
Other Liabilities							
Long-Term Liabilities							
TOTAL LIABILITIES							
FUND EQUITY:							
Investment in Fixed Assets							
Retained Earnings							
Contributed Capital							
Reserved Fund Balance:							
Unreserved Fund Balance:							
TOTAL FUND EQUITY							
TOTAL LIABILITIES & FUND EQUITY							

Appendix 27-4
 Exhibit F-II-A

BOARD OF EDUCATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-II-A

FUND TYPES DESCRIPTION	GOVERNMENTAL				FIDUCIARY	TOTAL (Memorandum Only)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	
REVENUES:						
State Revenues						
Federal Revenues						
Local Revenues						
Other Revenues						
TOTAL REVENUES						
EXPENDITURES:						
Instructional Services						
Instructional Support Services						
Operation & Maintenance						
Auxiliary Services						
General Administrative Services						
Capital Outlay						
Debt Services						
Principal						
Interest						
Other Expenditures						
TOTAL EXPENDITURES						
OTHER FINANCING SOURCES (USES):						
Transfers In						
Other Financing Sources						
Transfers Out						
Other Fund Uses						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES						
BEGINNING FUND BALANCE - OCT 1						
ENDING FUND BALANCE - SEPT 30						

Appendix 27-5
 Exhibit F-III-A

BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-III-A

FUND TYPE DESCRIPTION	GENERAL			SPECIAL REVENUE		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	
REVENUES:						
State Revenues						
Federal Revenues						
Local Revenues						
Other Revenues						
TOTAL REVENUES						
EXPENDITURES:						
Instructional Services						
Instructional Support Services						
Operation & Maintenance						
Auxiliary Services						
General Administrative Services						
Capital Outlay						
Debt Services						
Principal						
Interest						
Other Expenditures						
TOTAL EXPENDITURES						
OTHER FINANCING SOURCES (USES)						
Transfers In						
Other Financing Sources						
Transfers Out						
Other Fund Uses						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS REVENUES & OTHER SOURCES OVER(Under) EXPENDITURES & OTHER USES						
BEGINNING FUND BALANCE - OCT 1						
ENDING FUND BALANCE - SEPT 30						

Appendix 27-6
 Exhibit F-III-B

BOARD OF EDUCATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-III-B

FUND TYPE DESCRIPTION	DEBT SERVICE		VARIANCE FAVORABLE (UNFAVORABLE)	CAPITAL PROJECTS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		BUDGET	ACTUAL	
REVENUES:						
State Revenues						
Federal Revenues						
Local Revenues						
Other Revenues						
TOTAL REVENUES						
EXPENDITURES:						
Instructional Services						
Instructional Support Services						
Operation & Maintenance						
Auxiliary Services						
General Administrative Services						
Capital Outlay						
Debt Services						
Principal						
Interest						
Other Expenditures						
TOTAL EXPENDITURES						
OTHER FINANCING SOURCES (USES)						
Transfers In						
Other Financing Sources						
Transfers Out						
Other Fund Uses						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES						
BEGINNING FUND BALANCE - OCT 1						
ENDING FUND BALANCE - SEPT 30						

Appendix 27-7
 Exhibit F-III-C

BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-III-B

FUND TYPE DESCRIPTION	DEBT SERVICE			CAPITAL PROJECTS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	
REVENUES:						
State Revenues						
Federal Revenues						
Local Revenues						
Other Revenues						
TOTAL REVENUES						
EXPENDITURES:						
Instructional Services						
Instructional Support Services						
Operation & Maintenance						
Auxiliary Services						
General Administrative Services						
Capital Outlay						
Debt Services						
Principal						
Interest						
Other Expenditures						
TOTAL EXPENDITURES						
OTHER FINANCING SOURCES (USES)						
Transfers In						
Other Financing Sources						
Transfers Out						
Other Fund Uses						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS REVENUES & OTHER SOURCES OVER(UNDER) EXPENDITURES & OTHER USES						
BEGINNING FUND BALANCE - OCT 1						
ENDING FUND BALANCE - SEPT 30						

Appendix 27-8
 Exhibit F-IV-A

BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NON EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-IV-A

FUND TYPE DESCRIPTION	PROPRIETARY		FIDUCIARY	TOTAL
	ENTERPRISE	INTERNAL SERVICE	NON EXPENDABLE TRUST	(Memorandum Only)
OPERATING REVENUES:				
Local Revenues (Specify):				
Other Local Revenues (Attach Schedule)				
TOTAL OPERATING REVENUES				
OPERATING EXPENSES:				
Personal Services				
Employee Benefits				
Purchased Services				
Materials & Supplies				
Depreciation Expense				
Other Objects				
TOTAL OPERATING EXPENSES				
Operating Income (Loss)				
NON-OPERATING REVENUES:				
State Revenues (Attach Schedule)				
Federal Revenues (Attach Schedule)				
Other Revenues (Attach Schedule)				
TOTAL NON-OPERATING REVENUES				
Income (Loss) Before Operating Transfers				
Operating Transfers In				
Operating Transfers (Out)	()	{ }	()	()
NET INCOME				
RETAINED EARNINGS/FUND BALANCE - OCT. 1				
RETAINED EARNINGS/FUND BALANCE - SEPT. 30				

Appendix 27-9
 Exhibit F-V-A

BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NON EXPENDABLE TRUST FUNDS
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-V-A

FUND TYPE DESCRIPTION	ENTERPRISE			INTERNAL SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:						
Local Revenues (Specify):						
Other Local Revenues (Attach Schedule)						
TOTAL OPERATING REVENUES						
OPERATING EXPENSES:						
Personal Services						
Employee Benefits						
Purchased Services						
Materials & Supplies						
Depreciation Expense						
Other Objects						
TOTAL OPERATING EXPENSES						
Operating Income (Loss)						
NON-OPERATING REVENUES:						
State Revenues (Attach Schedule)						
Federal Revenues (Attach Schedule)						
Other Revenues (Attach Schedule)						
TOTAL NON-OPERATING REVENUES						
Income (Loss) Before Operating Transfers						
Operating Transfers In						
Operating Transfers (Out)						
NET INCOME						
RETAINED EARNINGS/FUND BALANCE - OCT. 1						
RETAINED EARNINGS/FUND BALANCE - SEPT. 30						

Appendix 27-10
 Exhibit F-V-B

BOARD OF EDUCATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NON EXPENDABLE TRUST FUNDS
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-V-B

FUND TYPE DESCRIPTION	NONEXPENDABLE TRUSTS		VARIANCE FAVORABLE (UNFAVORABLE)	TOTAL PROPRIETARY AND NONEXPENDABLE TRUST FUNDS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		BUDGET	ACTUAL	
OPERATING REVENUES:						
Local Revenues (Specify):						
Other Local Revenues (Attach Schedule)						
TOTAL OPERATING REVENUES						
OPERATING EXPENSES:						
Personal Services						
Employee Benefits						
Purchased Services						
Materials & Supplies						
Depreciation Expense						
Other Objects						
TOTAL OPERATING EXPENSES						
Operating Income (Loss)						
NON-OPERATING REVENUES:						
State Revenues (Attach Schedule)						
Federal Revenues (Attach Schedule)						
Other Revenues (Attach Schedule)						
TOTAL NON-OPERATING REVENUES						
Income (Loss) Before Operating Transfers						
Operating Transfers In						
Operating Transfers (Out)						
NET INCOME						
RETAINED EARNINGS/FUND BALANCE - OCT. 1						
RETAINED EARNINGS/FUND BALANCE - SEPT. 30						

Appendix 27-11
 Exhibit F-VI-A

BOARD OF EDUCATION
 COMBINED STATEMENT OF CASH FLOWS
 FOR ALL PROPRIETARY FUND TYPES AND NON EXPENDABLE TRUST FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2004

EXHIBIT F-VI-A

FUND TYPE DESCRIPTION	PROPRIETARY		FIDUCIARY	TOTAL
	ENTERPRISE	INTERNAL SERVICE	NON EXPENDABLE TRUST	(Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received:				
Cash Received from Participants & Users				
Other Cash Receipts				
Cash Payments:				
Cash Paid to Employees				
Cash Paid to Suppliers				
Cash Paid for Claims				
Other Payments of Cash				
* Net Cash Provided by (Used In) Operating Activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers for General Fund				
Other Subsidies				
Net Cash Provided by (Used In) Non-Capital Financing Activities				
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Proceeds from Sale of Fixed Assets				
Other Proceeds from Capital & Related Activities				
Payments for Fixed Assets				
Payments of Principal on Capitalized Lease Debt				
Payments of Interest on Capitalized Lease Debt				
Other Payments for Capital Activities				
Net Cash Provided (used) by Cap. & Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments				
Other Cash Flows From Investing Activities				
Net cash provided (used) by investing activities				
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS				
CASH & CASH EQUIVALENTS - OCTOBER 1				
CASH & CASH EQUIVALENTS - SEPTEMBER 30				

* Reconciles to Net Cash Provided by (Used In) Operating Activities on Page B.

Appendix 27-13
 Supplemental Report I – Status of Federal Funds

Alabama State Dept. of Education
 Attachment to GPFS FY 04

Supplemental Report I
 Status of Federal Funds
 At September 30, 2004

LEA: _____
 CLB #: _____

Program Name/CFDA Number	CFDA Number	Fund Source Code/Appr. Yr.	Funds Available (1)	Expenditures per GPFS File (2)	Unexpended Balance (3) (Carryover to FY2004 "if applicable")
Comprehensive School Reform Demonstration:					
NCLB Title I, Part F, CSRD	84.332	4117-0			
NCLB Title V, Part D, FIE	84.332	4173-0			
Individuals With Disabilities Education Act:					
VI B, School Program	84.027	3210-0			
VI B, School Program, Carryover	84.027	3210-1			
Preschool Program	84.173	3220-0			
Preschool Program, Carryover	84.173	3220-1			
Career/Technical Education:					
Basic Grant	84.048A	3310-0			
Displaced Homemaker/Single Parents	84.048A	3312-0			
Career Academy/Magnet	84.048A	3313-0			
Career/Technical Program Improvement	84.048A	3317-0			
Tech Prep	84.048A	3330-0			
No Child Left Behind:					
Title I, Part A	84.010	4110-0			
Title I, Part A Carryover	84.010	4110-1			
Title I, School Improvement	84.010	4120-0			
Title I, School Improvement Carryover	84.010	4120-1			
Title I, Part B, §1 Reading First	84.375A	4111-0			
Title I, Part B, §1 Reading First, Carryover	84.375A	4111-1			
(4) Title I, Part B, §1 Reading First, Summer Funds (0061)	84.375A	4111-0			
Title I, Part B, §3 Even Start	84.213	4113-0			
Title I, Part C, Migrant Education	84.011	4115-0			
Title I, Part D, Neglected & Delinq.	84.010	4116-0			
Title II, Part A, Teacher Training	84.367	4130-0			
Title II, Part A, Teacher Training, Carryover	84.367	4130-1			
Title II, Part D, EETT, Formula Funds	84.318	4136-0			
Title II, Part D, EETT, Formula Funds	84.318	4136-1			
Title II, Part D, EETT, Competitive Funds	84.318	4137-0			
Title II, Part D, EETT, Competitive Funds	84.318	4137-1			
Title III, English Language Acquisition	84.365	4150-0			
Title III, English Language Acquisition, Carryover	84.365	4150-1			
Title IV, Part A, Safe & Drug Free Schools & Comm.	84.186	4160-0			
Title IV, Part A, Safe & Drug Free Sch. Carryover	84.186	4160-1			
Title IV, Part B, 21st Century Comm. Learning Ctrs.	84.287C	4161-0			
Title IV, Part B, 21st Century CLC, Carryover	84.287C	4161-1			
Title V, Part A, Innovative Programs	84.298	4170-0			
Title V, Part A, Innovative Programs, Carryover	84.298	4170-1			
Title V, Part A, Professional Dev. Grant (ARA)	84.298A	4175-0			
Title VI, Part B, Rural Education Initiative	84.358	4180-0			
Title VI, Part B, Rural Education Initiative, Carryover	84.358	4180-1			
Title X, Homeless Education	84.196A	4195-0			
Title X, Homeless Education, Carryover	84.196A	4195-1			
Other Programs:					
Learn and Serve America	94.004	3930-0			

Instructions:

- (1) **Funds Available** should include original allocation, plus or minus any funds transferred in accordance with the transferability provisions of NCLB. For carryover funds, include the approved carryover amount, including pennies.
- (2) **Expenditures per GPFS file** should include actual expenditures, not including transfers out that were made in accordance with the transferability provisions of NCLB, that were made from the total funds available in the appropriate fund source.
- (3) **Unexpended Balance** should be the Funds Available less Expenditures reported in (2). If these funds are eligible for carryover, they may be retained for expenditure in FY04 budget approval. If funds are not eligible for carryover, please include any refunds due to the SDE with your General Purpose Financial Statement submission. Approval cannot be given for the GPFS until all refunds due have been received. Refunds to the SDE should be paid by a debit to the appropriate revenue code and a credit to cash.

SUPPLEMENTAL REPORT II

A. LOCAL FUNDS EQUIVALENT TO 10 MILLS

Act 95-314, Section 16-13-231 of *Code of Alabama* requires that local support for schools must be funded at an amount equivalent to 10 mills of ad valorem tax. In order to review the condition of local funding, the following outline should be used.

Data from the 2003-04 General Purpose Financial Statement must be used in completing this section.

1. Amount of Regular District Ad Valorem Tax (code 6210)..... \$ _____
2. Number of Mills of Regular District Ad Valorem Tax..... \$ _____
3. Value of 1 Mill (Divide Item 1 by Item 2)..... \$ _____
4. Value of 10 Mills (Item 3 times 10)..... \$ _____
5. Local Effort
 - a. Total County Tax Revenues...(codes 6010 – 6190)..... \$ _____
 - b. Total District Tax Revenues...(codes 6210 – 6390)..... \$ _____
 - c. Other Local Governmental Revenue...(codes 6510 – 6590)..... \$ _____
 - d. Total Local Governmental Effort (must be equal to or greater than Item 4). \$ _____

B. SCHEDULE OF LOCAL GOVERNMENTAL TAX REVENUE SOURCES FY 03

Instructions: Complete the millage and rates for all revenue sources applicable to your school system.

<u>Revenue Codes</u>	<u>Revenues</u>	<u>Mills/Rate</u>
County Tax Revenues		
6010	County Regular Ad Valorem	
6020	County Reappraisal Ad Valorem	
6030	County Special Ad Valorem	
6040	County Special Ad Valorem	
6050	County Special Ad Valorem	
6060	County Special Ad Valorem	
6090	Other County Ad Valorem Taxes	
6095	Business Privilege Tax	
6110	County Sales Tax	
6120	County Sales & Use Tax-Motor Vehicles	
6130	County Gasoline Tax	
6140	County Alcohol Beverage Tax	
6160	County Tobacco Tax	
6170	County Mineral Lease Docum. Tax	
6180	County Severance Tax	
6190	Other County Tax	
District Tax Revenues		
6210	District Regular Ad Valorem	
6220	District Reappraisal Ad Valorem	
6230	District Special Ad Valorem	
6290	Other District Ad Valorem Taxes	
6310	District Sales Tax	
6330	District Gasoline Tax	
6340	District Alcohol Beverage Tax	
6350	Amusement Tax	
6360	District Tobacco Tax	
6370	Helping Schools-Vehicle Tags	
6380	Manufactured Homes-Registration Fee	
6390	Other District Tax	
Other Local Government Revenue		
6510	County Commission Appropriations	
6520	City Council Appropriations	
6530	Pari-mutuel Betting	
6540	TVA In Lieu of Taxes	
6550	Revenue in Lieu of Taxes	
6590	Other Local Government Taxes	

Appendix 27-15
Supplemental Report III – Affidavit of Superintendent

Supplemental Report IV – Federal Programs Capitalized Equipment Purchases

Supplemental Report IV
 Federal Programs
 Capitalized Equipment Purchases
 (Unit cost - \$5000 or more)

Include equipment purchases for all programs listed on Supplemental Report I. (Copy this form as needed.)

*Fund Source	Function/Program/Object Code	Description of Items	No. of Items	Unit Cost	Total Cost	Location/Cost Center

*Group by Fund Source

Appendix 27-18
Financial Statement Checklist

Alabama State Department of Education
FY 2003-2004 GPFS

Financial Statement Checklist

1. Cover Page with original signature of the Superintendent submitted _____
2. Financial Statements submitted (F-I-A through F-VI-8) _____
3. Completed Supplemental Report I submitted _____
4. Completed Supplemental Report II submitted _____
5. Completed Supplemental Report III submitted with required signatures _____
6. Completed Supplemental Report IV submitted _____
7. FY 2004 Schedule of Debt _____
8. Magnetic Media submitted and accepted via Internet _____
9. Completed Desk Review submitted – signed and dated _____

You need to send a copy of this worksheet with your Financial Statements.

All Financial Statements are due November 1, 2004. If these statements are not received by the due date, your Superintendent will be notified by letter. We will not accept partial submission of reports due. Late or inaccurate submission of this information could affect funding for FY 2006 and/or disbursement of FY 2005 funds.

Appendix 27-19
 Desk Review

Revised 9/15//04

DESK REVIEW FOR THE FY04 GENERAL PURPOSE FINANCIAL STATEMENTS

Reviewed by: _____ LEA _____
 Date reviewed: _____ CLB No. _____
 Date approved: _____

REVIEW ITEM:	YES	NO	N/A
1. Do TOTAL ASSETS AND OTHER DEBITS equal TOTAL LIABILITIES AND FUND EQUITY for each fund type?	Y	N	N/A
2. Do TOTAL ASSETS AND OTHER DEBITS equal TOTAL LIABILITIES AND FUND EQUITY for each fund source?	Y	N	N/A
3. Does Inventories (0140-0149) equal Reserved for Inventories (0342) in the Child Nutrition fund sources (5000-5299)?	Y	N	N/A
4. Does Total Fixed Assets (0170-0189) equal Investment in General Fixed Assets (0310) in the General Fixed Asset Account Group (88)?	Y	N	N/A
5. Does TOTAL OTHER DEBITS (0190-0199) equal TOTAL LONG TERM LIABILITIES (0290-0299) in General Long Term Debt Account Group (89)?	Y	N	N/A
Do the revenue amounts shown in the General Fund Type and Capital Outlay Fund Type equal the total amounts shown in the "State Fiscal Year Disbursement" column of the SDE printout LEA TRANSACTIONS BY SYSTEM - 10/01/03 THROUGH 9/30/04 for each of the State Revenues listed below:			
6. Public School Fund Capital Outlay (2120) and Interest (2130) equal FUND-FY 300110-04?	Y	N	N/A
7. K-12 Foundation Program (1110), Current Units (1120), 1 % salary adjustment (1530), Transportation (1310), Fleet Renewal (1320) equal FUND-FY 230300-04?	Y	N	N/A
8. State Preschool Revenues (1520) equals FUND-FY 290300-04?	Y	N	N/A
9. State At Risk Revenues (1410) equals FUND-FY 290400-04?	Y	N	N/A
10. Alabama Reading Initiative Revenues (1230) equals FUND-FY 291400-04?	Y	N	N/A
11. Alabama High Hopes (1240) equals FUND-FY 290800-04?	Y	N	N/A
12. School Nurses Program (1220) equals FUND-FY 290700-04?	Y	N	N/A
13. Do Expenditures plus encumbrances reported in Fund Source 1310 (Transportation) balance to the revenues?	Y	N	N/A
14. Do Expenditures plus encumbrances reported in Fund Source 1230 (Alabama Reading Initiative) balance to the revenues?	Y	N	N/A

Appendix 27-19 (continued)
 Desk Review

	YES	NO	N/A
15. Do Expenditures plus encumbrances reported in Fund Source 1410 (At Risk) balance to the revenues?	Y	N	N/A
16. Do Expenditures plus encumbrances reported in Fund Source 1520 (State Preschool) balance to the revenues?	Y	N	N/A
17. Do Fund Transfers In (XX-4-9210 thru 9243) equal Fund Transfers Out (XX-5-9910-920,922,923,924) in the total column on F-Exhibit II?	Y	N	N/A
18. Does Indirect Cost Revenue (XX-4-9010 F.S. 6001) equal Indirect Cost payments from federal fund sources (XX-5-object code 910)?	Y	N	N/A
19. Do the interfund payables (0261) equal interfund receivables (0133)?	Y	N	N/A
20. a. Do expenditures plus encumbrances reported in Fund Source 1110 (Foundation Program) equal the amount allocated by the State (State funds plus local revenues calculated at 10 mills)?	Y	N	N/A
b. Do Local Revenues (11-4-6010 thru 6590) reported in Fund Source 1110, appropriation year 0 equal the amount calculated by the State?	Y	N	N/A
21. a. Are expenditures for salaries reported in Fund Source 1110, appropriation year 0, Function Codes 1000-2999, and Object Codes 001-099 equal to or greater than amount allocated by the State for salaries to include Vocational Education extended contracts?	Y	N	N/A
b. Expenditures for instructional salaries and benefits (11-5-(1000-2999) obj. code 001-299, F.S. 1110) must be at least equal to or greater than the total of foundation program calculation for salaries, foundation calculation for benefits, and 1% salary allocation per Act 97-238.	Y	N	N/A
22. a. Do expenditures plus encumbrances reported in Fund Source 1240 (Alabama High Hopes) equal the amount allocated by the State?	Y	N	N/A
b. If not, has state refund been received?	Y	N	N/A
23. a. Do expenditures plus encumbrances reported in Fund Source 1220 (School Nurse Program) equal the amount allocated by the State?	Y	N	N/A
b. Are expenditures (11-5-2140-121, 326-XXXX-1220-0-XXXX-XXXX) greater than zero?	Y	N	N/A
24. Are expenditures plus encumbrances reported in State Fund Sources 1000-2999 under Program Codes 3000-3800 equal to or greater than Vocational Education expenditures reported in FY 1995? NOTE: This edit may be met by on a per capita (voc ed enrollment) basis by comparing per pupil expenditures for voc ed students in 1995 to the per pupil expenditures for voc ed for 2003. This will have to be done “manually.”	Y	N	N/A

Appendix 27-19 (continued)
 Desk Review

<u>Child Nutrition Program</u>	YES	NO	N/A
25. Are commodity foods received from the USDA included in the Child Nutrition Fund Source (5101, 5170) under USDA Food Donation Program (Revenue Code 5160)?	Y	N	N/A
26. Are USDA commodity foods consumed included in function 4210 - Food Service Child Nutrition, object code 461?	Y	N	N/A
27. LEA is not using asset code 0142 (Inventories – USDA Commodities). (Acct Type 1, Account Code 0142 is not a valid code)	Y	N	N/A
28. There is not a balance in Cash Over/Cash Short for CNP Fund. (Acct Type 1, Account code 0118, fund source 5101/5170 is zero or is not in the file.)	Y	N	N/A
29. There is not a balance in Notes Receivable for CNP Fund. (Acct Type 1, Account code 0135, fund source 5101/5170 is zero or is not in the file.)	Y	N	N/A
30. CNP Overall/Total Cash in Bank is not a negative balance. (Acct Type 1, Account code 0110, fund source 5101/5170 is > or = to zero)	Y	N	N/A
31. CNP Purchased food inventory has a positive balance. (Acct Type 1, Account code 0143, fund source 5101/5170 is > zero)	Y	N	N/A
32. There are no “other payables” reported in CNP. (Acct type 2, Account code 0263-0266, Fund source 5101/5170 =0 or is not in file)	Y	N	N/A
33. There are no “transfers out” reported in CNP. (Acct type 5, object code 920-929, Fund Source 5101/5170 = 0 or is not in file)	Y	N	N/A
34. All CNP revenue is coded to a school cost center. (Acct type 4, fund source 5101/5170 must have a valid school site cost center, cost center cannot be 8000-8999)	Y	N	N/A
35. CNP revenue for Al a Carte is greater than zero. (Acct type 4, acct code 6730, fund source 5101/5170 must be > zero.)	Y	N	N/A
36. CNP revenue for CNP reimbursements is greater than zero. (Acct type 4, acct code 5110, fund source 5101/5170 must be > zero.) Exception: Mountain Brook – CLB 175	Y	N	N/A
37. CNP revenue for Daily lunch sales is greater than zero. (Acct type 4, acct code 6710, fund source 5101/5170 must be > zero)	Y	N	N/A
38. CNP fund does not have any expenditures coded to Commodities. (Acct type 5, obj code 462, fund source 5101/5170 = zero or is not in file)	Y	N	N/A
39. All CNP expenditures, including indirect cost, are coded to account codes 3000-3999, 4210, or 9340. (Acct type 5, fund source 5101 and 5170, can only use account codes 3100-3999, 4210, 9340)	Y	N	N/A
40. CNP expenditures are not coded to cost centers 8420 or 8620. (Acct type 5, fund source 5101 and 5170, cost center 8420 and 8620 is zero or not in file.)	Y	N	N/A

Appendix 27-19 (continued)
 Desk Review

YES	NO	N/A	
	Y	N	N/A
41. Special use code 0034 is only used for the CNP pass through payment. (if spec. use =34, Acct type 4, Acct code must be 9210; if spec. use =34, Acct type 5, must use acct code 9910, object code 920)			
42. There are no CNP funds expended for real property, unless building improvements. (Acct type 5, fund source 5101/5170, object code 510-514, 516-519 = zero or is not in file) Note: If using object 515, must have written approval from CNP)	Y	N	N/A
43. CNP funds have not been expended for debt service. (Acct type 5, fund source 5101/5170, object code 610-619, 930-939 =zero or is not in file)	Y	N	N/A
44. No CNP salaries/benefits have been paid from foundation or local fund sources. (Acct type 5, acct code 4210, object code 100-299, fund source cannot be 1110 or 6000-7999)	Y	N	N/A
45. CNP funds have not been expended for Claims Against the LEA. (Acct type 5, fund source 5101/5170, object code cannot be 960-969)	Y	N	N/A
46. Indirect cost for CNP is calculated properly for each cost center. Total Expenditures (Acct type 5, fund source 5101/5170) Less: Equip. >500 (Obj codes 500-599, 431-439, fund source 5101/5170) Food (obj code 461, f.s. 5101/5170) Commodities (obj. code 461, f.s. 5101/5170) (should be zero) Food Processing Supplies (obj code 464. fs 5101/5170) Ind. Cost (obj code 910, fs 5101/5170) Equals: Total direct cost Multiplied by applicable CNP rate	Y	N	N/A
47. Overall Unreserved Fund Balance is not negative (not<0) for Fund Source 5101.	Y	N	N/A
48. Are Revenues for rebates (Revenue source 8993) equal to or greater than amounts per Y SDE records. (Separate Database to be used).	N		N/A
49. Do all CNP Account Codes (4210 or 9340) use either 5101 or 5170 Fund Sources?	Y	N	N/A
50. Do CNP Revenues for each revenue code (all fund type 12) listed below match amounts in SDE records?			
a. Revenue Code 5110 + 5120 = School Lunch (fund 346684)	Y	N	N/A
b. Revenue Code 5125 = Snack Program (Fund 346284)	Y	N	N/A
c. Revenue Code 5130 + 5135 = School Breakfast Program (Fund 344284)	Y	N	N/A
d. Revenue Code 5170 = Summer Food Program (sponsors only) (Fund 344584+346184)	Y	N	N/A
e. Revenue Code 5199 = Child and Adult Care Program Meals and Cash-in-lieu (Funds 344484+344684+346584+346784)	Y	N	N/A

End CNP Edits

Appendix 27-19 (continued)
 Desk Review

	YES	NO	N/A
51. a. Are fund balances in applicable <u>federal</u> Fund Sources adjusted to zero as applicable by deferring revenues and/or accruing expenditures?	Y	N	N/A
b. Do revenue amounts for each of the Federal fund sources, listed on Supplemental Report I, equal the total expenditures reported?	Y	N	N/A
c. Does the balance sheet <u>cash on hand</u> plus receivables for each of the fund sources on Supplemental Report I equal the amount of deferred revenue plus any payables for each Fund Source?	Y	N	N/A
52. Are local school accounting records included in the General Purpose Financial Statements (Fund Sources 7000-7999)?	Y	N	N/A
53. Local revenues or local payments on behalf ((11,13, or 14)-4-(6010-6590, 8430)-XXX-XXXX-2120-0) must be => amount calculated on allocation sheet (State) under Capital Purchases Local Funds or expenditures or local payments on behalf of for debt service (XX-5-(8000-8999)-(931,932)-9200-6XXX, 8430-X-9200-0030) must be => amount calculated on allocation sheet (State) under Capital Purchases Local Funds.	Y	N	N/A
a. If LEA has leveraged Capital Purchase Funds, are these funds coded to 12, 13, or 14-4-2120-000-0000-8410-0-0000-0000?	Y	N	N/A
b. Debt expenditures for leveraged Capital funds are coded in 12, 13, 14-5-8100-(931-932)-9200-8410-0-9200-0000.	Y	N	N/A
54. Are Transportation Fleet Renewal Funds only spent for buses or debt service for buses (11 or 14-5-(4120-4140)-531-XXXX-1320) or (11 or 13-(8000-8999)-(930-939)-XXXX-1320)	Y	N	N/A
55. a) Is at least 20% of At-Risk funds spent on community services and coded to 11-5-XXXX-XXX-8100-1410-0-XXXX-0054?	Y	N	N/A
56. Do Agency funds (35-49) have only assets (account type 1) and liabilities (account type 2) in these funds?	Y	N	N/A
57. Do Account Groups (fund type 80-89) have only assets (account type 1), liabilities (account Type 2) and Investment in General Fixed Assets (fund equity code 0310) recorded? Revenues and expenditures and all other fund equity codes, except 0310, should not be recorded in Account Groups.	Y	N	N/A
58. All expenditures have a fund type, account code, object, cost center, fund source, appropriation year, and program code. If account type = 5, then fund type, account code, object, cost center, fund source, and program cannot be 0000.	Y	N	N/A
59. All revenues have a fund type, account code, fund source, and appropriation year Code. If account type = 4, then fund type, account code, and fund source cannot be 0000.	Y	N	N/A
60. Do Encumbrances (0341) equal (0358) Reserve for Encumbrances?	Y	N	N/A

Appendix 27-19 (continued)
 Desk Review

	YES	NO	N/A
61. Do expenditures plus encumbrances in Children First equal revenues ? (Fund Type 12, Acct type 5, Fund Source 1250 + 12,3,350, f s 1250 must equal 12-4-1250, fs. 1250)		Y	N N/A
62. Do expenditures plus encumbrances in Children First Social Worker equal revenues ? (Fund Type 12, Acct type 5, Fund Source 1251 + 12,3,350, f s 1251 must equal 12-4-1250, fs. 1251)	Y	N	N/A
Non-automated checks:			
63. Does the cover page have original signatures of the superintendent and notary public?		Y	N N/A
64. Does Total Fund Equity equal the FUND BALANCE - SEPTEMBER 30, 2003 in each of the GOVERNMENTAL FUND TYPES and FUND SOURCES?		Y	N N/A
65. Are the expenditures that were coded to state fund sources as reserved for encumbrances at the end of FY03 coded to appropriation year "9" in FY2004.		Y	N N/A
66. As of 9/30/04, revenues, expenditures, liabilities, and assets (except cash) should have a credit or debit balance that is normal to that account code. For example: expenditures have a normal debit balance. No "negative" balances except cash accounts.		Y	N N/A
67. Do the amounts included in the ACTUAL columns on Exhibit F-III A, B, and C equal the amounts shown on Exhibit F-II-A.		Y	N N/A
68. Are pages included for any Proprietary and Non-Expendable Trust Funds?		Y	N N/A
69. Is Supplemental Report I (Federal Programs - Status of Funds) included?		Y	N N/A
70. For each of the programs listed on Supplemental Report I, the following should be verified:			
a. Current year amounts listed as Funds Available are correct per the allocation sheets.		Y	N N/A
b. Do the expenditures reported in Column 2 agree with expenditures included in the GPFS for each Fund Source?		Y	N N/A
c. Total expenditures in each major program category do not exceed amounts budgeted in that category by more than 10%.		Y	N N/A
d. Carryover amounts listed as Funds Available reported are correct per last Budget Amendment for the program (Supplemental I Report must include pennies).		Y	N N/A
e. Benefits charged are in line with amounts calculated based on salaries charged.		Y	N N/A
f. Indirect cost charged does not exceed the amount calculated based on the total direct costs [not including capitalized equipment (objects 54x - 589)] multiplied by the applicable rate. (Note that the unrestricted rate may be used for Title IV.)		Y	N N/A

Appendix 27-19 (continued)
 Desk Review

	YES	NO	N/A
f. For LEAs that chose to consolidate their administrative funds under NCLB administrative costs charged do not exceed limitations of 15% for Title I, and 5% for other NCLB programs.	Y	N	N/A
h. Do LEA 9/30 Transaction Report cash disbursement amounts for all Federal Funds found on Supplemental Report I match the Revenue reported on the GPFS plus any amount recorded as deferred revenue, less any amount recorded as a receivable?	Y	N	N/A
i. Do fund equity accounts for fund sources on Supplemental Report I have a zero balance as of 9/30/03?	Y	N	N/A
j. Are all carryover funds expended? Any fund balance remaining in carryover funds should be returned to the State of Alabama, if funds have been disbursed as reported on the 9/30/03 LEA transaction report.	Y	N	N/A
71. Is Supplemental Report IV included?	Y	N	N/A
a. Do the costs reported agree with expenditures included in the GPFS?	Y	N	N/A
b. Was prior approval for equipment acquisitions obtained in the Program application?	Y	N	N/A
c. Has only capitalized equipment (unit cost \$5,000 or greater) been reported?	Y	N	N/A
72. Is Supplemental Report II (Schedule of Local Revenue Sources and Local Funds Equivalent to 10 mills) included?	Y	N	N/A
Item A (Local Funds Equivalent):			
1. Does line 1 equal the revenue reported in the GPFS under revenue code 6210?	Y	N	N/A
2. Is the number of mills indicated for District Ad-Valorem, Regular (6210)?	Y	N	N/A
3. Does line 3 equal line 1 divided by line 2?	Y	N	N/A
4. Does line 4 equal line 3 multiplied by ten?	Y	N	N/A
5. Does line 5a equal Total County Revenues (6010-6199) as reported in the GPFS?	Y	N	N/A
6. Does line 5b equal Total District Revenues (6200-6399) as reported in the GPFS?	Y	N	N/A
7. Does line 5c equal Other Local Government Revenue (6500-6599) as reported in the GPFS?	Y	N	N/A
8. Is Line 5d the sum of lines 5a through 5c?	Y	N	N/A
9. Does Line 5d exceed line 4?	Y	N	N/A

Item B (Schedule of Local Revenue Sources):

Appendix 27-19 (continued)
 Desk Review

1. Are number of mills and rates listed for all applicable revenue sources?	Y	N	N/A
	YES	NO	N/A
73. Is Supplemental Report III included?	Y	N	N/A
a. Does the AFFIDAVIT OF LOCAL SUPERINTENDENT have the original signatures of the superintendent and notary public?	Y	N	N/A
b. Is the ANNUAL REPORT REGARDING OPPORTUNITIES AFFORDED MINORITY-RACE PROFESSIONALS AND MINORITY-RACE OWNER/MANAGED BUSINESS ENTERPRISES included and completed?	Y	N	N/A
74. a. Is the amount of Learn & Serve expenditures Fund Source 3930 equal to the system's allocation?	Y	N	N/A
b. Are total expenditures for LEARN & SERVE matching funds greater than or equal to the total funds expended from the Learn & Serve federal funds? (XX-5-XXXX-XXX-not between 3000 and 5999-0-XXXX-0028) must be => (12-5-XXXX-XXX-XXXX-3930-0-XXXX-XXXX)	Y	N	N/A
<p>Note: Some matching items may be in kind, third party donations which will not be reflected on the books. In these cases, supporting documentation should be submitted to document the required match.</p>			
75. Are expenditures for Fund source 4110 (Title I) appropriation year 0 equal to or greater than 85% of the system's total allocation? If the system's expenditures are less than 85% of their allocation, has a Waiver letter been sent in and approved?	Y	N	N/A
76. Are expenditures for Fund Source 4160(Title IV) appropriation year 0 equal to or greater than 75% of the system's allocation? If system's expenditures are less than 75% of their allocation, has a Waiver letter been sent in and approved?	Y	N	N/A
77. Were <u>actual</u> beginning fund balances used (must closely match the FY 2003 ending balances as reported on 2003 GPFS).	Y	N	N/A
78. a. Are all Children First Funds expended, encumbered or refunded? If encumbered, must have reasonably certain expectation that goods or services will be delivered/received in near future.	Y	N	N/A
b. Are balance sheet entries for fund source 1250 correct (Intergovernmental payable set up to equal refund due, or Cash on hand to equal encumbrances or payables, if applicable)?	Y	N	N/A
79. Are accounting guidelines for expenditures for exhaustible land improvements, building improvements, and buildings costing less than \$50,000 being used (objects 701-704)?	Y	N	N/A
80. Has a FY 2004 Schedule of Debt been completed and submitted?	Y	N	N/A
81. Any remaining Clearing Account fund balances have been cleared by journal entries.	Y	N	N/A
82. During the GPFS submission process, the submission error reports have been printed and all critical errors/edits have been resolved.	Y	N	N/A

Appendix 27-20
End of Year Reminders

Alabama State Department of Education
FY 2003-2004 GPFS

End of Year Reminders

1. Rules for Apportionment of Funds-Alabama Administrative Code

On Thursday, September 12, 2002, the State Board of Education amended the rules of Apportionment of Funds contained in the **Alabama Administrative Code**. Rule 290-2-1-.01(4)(a) was changed to require the local boards of education to prepare budgets and financial statements that meet *reporting requirements of the State Department of Education*. (This rule previously required that budgets and financial statements meet generally accepted government accounting principles.)

This rule change should have no effect on the way you prepare your budgets and financial statements. This rule was changed so that recent changes in accounting requirements for audited financial statements do not have to be incorporated into your accounting records. Depreciation, escrow salary accruals, and property tax accruals will be calculated for the audited financial statements but will not be included in the financial statements filed with the SDE.

2. State Funds Encumbrances

State funds must be expended or encumbered by September 30 (excluding Fleet Renewal and Capital Purchase funds). Outstanding purchase orders must be rebudgeted in the next fiscal year. When paid, the expenditure should be separated from current year expenditures by assigning the appropriation year "9" to the fund source code, thus tracking this expenditure as one having been paid from a prior year State appropriation. Any balance resulting from liquidating purchase orders must revert to State Department.

3. Local School Funds

Local School Financial information must be included in the General Purpose Financial Statements at 9/30/04.

4. Federal Funds Reporting

- A. Unfilled purchase orders must be canceled September 30 and reissued from Carryover, if applicable, or next year's allocation.
- B. Accruals must be made at year-end for unpaid invoices for materials that have been received or for services rendered at September 30.
- C. A receivable should be set up for cash not yet received to cover the total expenditures at September 30 (disbursements plus accrued expenditures.)

Appendix 27-20 (continued)
 End of Year Reminders

- C. Cash received in excess of total expenditures at September 30 should be deferred with adjusting entry **if funds are available** for use during a future fiscal period.
- D. Cash received in excess of total expenditures at September 30 **that is due to be refunded** should be refunded by reducing the appropriate revenue code and recording a cash payment to the SDE. This applies to federal programs and/or projects that cannot be carried over.
- E. Separate Final Expenditure Reports are not required for federal programs listed on the Supplemental Report I. End of Year approval of these programs will be based on the GPFS and the Supplemental reports attached. Instructions are included on the forms.
- F. Refunds received by the LEA on prior year expenditures of federal funds should be reported as follows:

- 1. Funds still available for obligation as carryover:

	Debit	Credit
Cash	XXX	
Refund on Prior Year Expenditures		
Fund Source (Applicable Federal Program) Appropriate Year		XXXX

- 2. Funds are not allowed to be carried over or carryover period has expired:

	Debit	Credit
a. Cash	XXX	
Intergovernmental Payable		XXX
Fund source (Applicable federal Program) Appropriation year		

- b. Revert to USDE through SDE:

Intergovernmental Payable	XXX	
Cash		XXX

Make check payable to the State Department of Education and mail along with a letter identifying the federal program and applicable FY to which the prior year expenditure applied. Any refunds due to SDE must be submitted with the GPFS.

Appendix 27-20 (continued)
End of Year Reminders

H. IMPORTANT REMINDER: IF YOUR SYSTEM HAS NOT RECEIVED AN APPROVAL LETTER FOR WAIVERS SUBMITTED, WE ASSUME THE WAIVER LETTER WAS NOT SENT. IT IS YOUR RESPONSIBILITY TO MAINTAIN AN ACCURATE RECORD OF WAIVERS SUBMITTED AND APPROVAL GRANTED.

1. Maintenance Screen Requirement

Before you close your books, you need to make sure that you have account 0350 (Unreserved fund balance) set up for all fund sources. Failure to have this account number set up will cause revenues and expenditures to close into fund source 0000.

2. Desk Review

Complete copy of desk review and submit with financial statements. Desk review must show signature of person completing.

3. Clearing Accounts

A new requirement for 2004 GPFS concerns Clearing Accounts. All balances in clearing account funds must be cleared out before submission of the GPFS file. Balances in clearing accounts will be considered critical errors and will result in the GPFS file not being accepted.

4. File Submission/Edit Process

Financial statement files are to be submitted via a web based application which will perform certain edits at the time of submission. Certain “critical” edits will have to be resolved before the file will be accepted into the SDE system for further review by the SDE.

5. Adjustments to Financial Files After Books are Closed

When it is necessary to adjust the books for edits or errors made in a closed year, be sure to open up the last month (September) of the fiscal year and make any needed corrections through the journal entry program. Print out all journal entries made to document the changes to all accounts. If the corrections will affect fund balances, the maintenance screens may be used to adjust fund balances only. No other corrections to accounts such as cash, revenue, or expenditures should be made through the maintenance programs.