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Learning Objectives

- Identify the different components of a school district's financial statements
- Explain the impact of GASB standards on how financial statements are prepared



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Basic Financial Statements

- Government-Wide Financial Statements
 - Statement of Net Position
 - Statement of Activities
- Fund Financial Statements
 - Governmental Funds
 - Balance Sheet
 - Reconciliation to the Statement of Net Position
 - Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Reconciliation to the Statement of Activities



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Basic Financial Statements (Continued)

- Fund Financial Statements (Continued)
 - Proprietary Funds
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Fiduciary Funds
 - Statement of Net Position
 - Statement of Changes in Net Position
 - Notes to Basic Financial Statements



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Why So Many Statements?

- GASB 34 Basic Financial Statements
 - o Created the Government-Wide Financial Statements
- Basis of Accounting
 - Full Accrual Basis of Accounting
 - Government-Wide Financial Statements
 - Proprietary Fund Financial Statements
 - Fiduciary Fund Financial Statements
 - Modified Accrual Basis of Accounting
 - Governmental Fund Financial Statements



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Full Accrual (FASB and GASB)	Modified Accrual (GASB only)
Recognize economic events regardless of when cash is received or paid	Focus on cash or near cash transactions
Capital Assets / PP&E / Fixed Assets are recognized – includes depreciation	Purchase of capital assets are expensed
Long-term liabilities are recorded	Principal and interest payments are expensed, debt proceeds are other sources (i.e. revenue)
Revenue is recognized when economic event occurs	Revenue is recognized when measurable and expected to be collected near term
Expense is recognized when economic event occurs	Expenditures are recognized when incurred with some exceptions

GASB 34 – Basic Financial Statements

- Governmental Activities
 - All governmental funds and any internal service funds
 - o Conversion activity for modified accrual to full accrual
 - Detailed on reconciliation schedules
- Business type
 - o Enterprise Funds
 - No significant conversion entries
 - Food Service BA entries potentially
- Fiduciary funds- excluded



Common Reconciling Items

Fund Balance

- + Capital Assets
- + Long-term assets not considered available
- Long-term obligations
 - Long-term debt
 - Premium on debt
 - Compensated absences
 - Net pension liability/asset
 - Net OPEB liability/asset
 - Accrued interest
- +/- Deferred in/outflows related to pensions/OPEB
- = Net position



Statement of Net Position					
ASSETS Cash and investments Receivables: Taxes Accounts Due from Other Governments Prepaid Items Net Penson Asset Capatal Assets:	\$	Governmer 2023 7,978,936 1,591,976 43,524 217,229 103,980	\$	2022 9,012,692 1,482,770 51,966 309,942 24,733 3,592,606	
Not Being Depreciated Being Depreciated Being Depreciated and Amortized, Net Total Assets DEFERRED OUTFLOWS OF RESOURCES Pension Reliated Amounts Other Postemptoyment Related Amounts Total Deferred Cultimos of Resources	_	8,480,856 10,034,917 28,451,418 8,472,982 376,190 8,849,172	_	6,798,610 10,649,849 31,923,168 6,798,903 436,066 7,234,969	
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Statement of Net Posi	tion (Con	tinue	d)	
DEFERRED OUTFLOWS OF RESOURCES Person Related Amounts Other Posterpioyment Related Amounts Total Deferred Outflows of Resources	8,472,982 376,190 8,849,172	6,798,903 436,066 7,234,969		
LIGHTIES Accounts Popuble Accounts Popuble Account and Other Current Liabilities Account demand Proyectures Uncore Term Configuration Lings Term Configuration Day in One Year Other Popublishment Other Popublishment Services Other Popublishment Services United Technique Configuration Other Popublishment Services United Technique Committed Services	288,434 1,541,637 53,676 12,107 580,582 9,447,644	1,680,016 1,422,059 60,293 22,259 570,582 10,058,728		
Due in One Year Due in More Than One Year Person Liability Total Liabilities	31,989 649,116 2,324,805 14,929,990	718,553 14,601,570		
DEFERRED INFLOWS OF RESOURCES Pension Related Amounts Other Postemptoyment Related Amounts Total Deferred Inflows of Resources	4,874,006 759,153 5,633,159	8,472,177 665,821 9,137,998		
NET POSITION Net Investment in Capital Assets Restricted. Personal	10,284,317 113,725 274,219 1,652,924 552,834 3,859,422 \$ 16,737,441	10,449,261 3,592,606 146,535 310,012 33,058 150,522 736,575 \$ 15,418,569		
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Reconciliation				
Reconciliation to the Statement of Net Position	2023	2022		
Total fund balances as shown on previous page	\$ 8,093,467	\$ 7,757,769		
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	18,515,773	17,448,459		
Long-term assets are not considered available; therefore are not reported in the funds: Net Pension Asset		3,592,606		
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.				
Deferred Outflows Related to Pensions Deferred Inflows Related to Pensions Deferred Outflows Related to Other Postemployment Benefits	8,472,982 (4,874,006) 376,190	6,798,903 (8,472,177) 436,066		
Deferred Inflows Related to Other Postemployment Benefits Long-term liabilities are not due and payable in the current period	(759,153)	(665,821)		
and, therefore, are not reported in the funds: Bonds and Notes Payable Financed Purchase Payable Lease Liability Debt Premiums	(8,690,000) (42,218) - (228,613)	(9,165,000) (82,286) (55,514) (241,314)		
Compensated Absences Other Postemployment Benefits Liability Pension Liability Accrued Interest on Long-Term Obligations	(1,067,395) (681,105) (2,324,805) (53,676)	(1,085,196) (787,633) (60,293)		
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Capital Assets – Purchase of an Asset

- Governmental Funds
 - Expense in appropriate Function
- Government-Wide
 - o Record as a capital asset
- Conversion adjustment
 - Eliminate Expense
 - Record Asset



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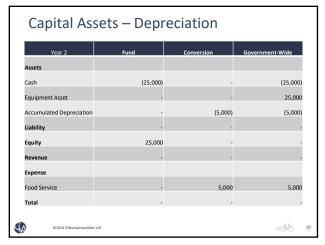
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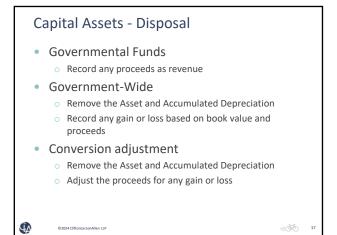
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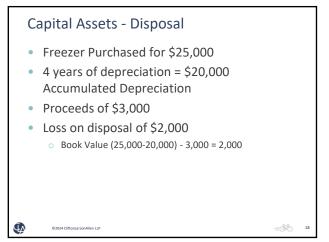
Capital Assets - Depreciation

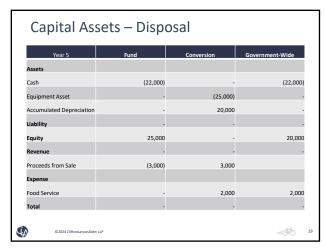
- Governmental Funds
 - No activity recorded
- Government-Wide
 - o Accumulated Depreciation recorded
 - Depreciation Expenses recorded
- Conversion adjustment
 - o Record Depreciation Expense
 - o Record Accumulated Depreciation



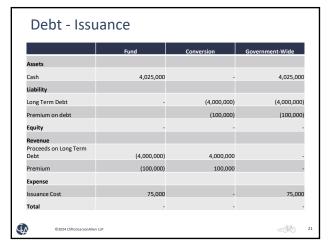








Governmental Funds Record proceeds on debt as an Other Financing Source Record premium on debt as an Other Financing Source Record issuance cost as an expense Government-Wide Record the proceeds as a long term liability Record premium on debt as a long term liability Record issuance cost as an expense Conversion adjustment Remove the proceeds and premium, record the liability Nothing for issuance cost



Debt - Principal Payment

- Governmental Funds
 - o Record principal payment as an expense
 - o Record interest payment as an expense
- Government-Wide
 - o Record principal as a reduction in the long term liability
 - o Record interest payment as an expense
 - Adjusted for accrued interest
- Conversion adjustment
 - o Eliminate principal expense and reduce the liability
 - Potential adjustment for accrued interest



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Interest Expense

- Governmental Funds
 - o Agrees to the interest payments during the year,
- Government-Wide
 - o Interest payments made during the year
 - Adjusted for:
 - Change in accrued interest
 - Premium and Discount amortization
 - Deferred Loss on Refunding Amortization



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Other Forms of Debt • GASB 87 Leases & GASB 96 SBITA • Conversion entries are the same • Proceed on debt • Principal on debt • Issuance Costs • Complications from the identification process and the calculations necessary

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Pension

- GASB 67, 68, 71, 73, 78
- Cost Sharing Multi-Employer (WRS)
 - Reports obtained from ETF
 - Allocated based on employer share of contributions by function
- Single Employer Pension
 - o Based on actuarial report obtained by District
 - o Allocated based on costs of pension plan



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Other Post Employment Benefits

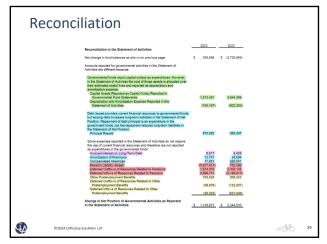
- GASB 74 and 75
- Cost Sharing Multi-Employer (LRLIF)
 - Reports obtained from ETF
 - Allocated based on employer share of contributions by function
- Single Employer OPEB
 - o Based on actuarial report obtained by District
 - Allocated based on costs of OPEB plan
 - Amounts in Fund 73 trust will reduce the overall OPEB liability



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		Program Revenues		Net (Expensand Changes		
		Open Charges for Grant		Governmen		
Functions/Programs	Expenses	Services	Contributions	2023	2022	
GOVERNMENTAL ACTIVITIES Instruction Support Services Community Services Nonprogram Interest and Fiscal Charges	\$ 9,042,416 7,090,909 185,740 3,047,690 167,373	\$ 189,585 351,690 7,810 851,947	\$ 1,918,076 1,055,960 - 109,390	\$ (6,934,755) (5,673,259) (177,930) (2,086,353) (167,373)	\$ (6,050,919) (4,656,780) (127,193) (1,829,366) (200,850)	
Depreciation and Amortization - Unallocated	690,241			(690,241)	(802,204)	
Total Governmental Activities	\$ 20,214,369	\$ 1,401,032	\$ 3,083,426	(15,729,911)	(13,667,312)	
	Specific Functi Interest and Inv Gain on Disposa Miscellaneous	tal Aids not Restrict ons estment Earnings al of Capital Assets ral Revenues POSITION		6,970,727 5,168 9,978,568 58,410 17,048,783 1,318,872 5,418,569 \$ 16,737,441	6,515,407 6,130 9,281,897 13,501 46,567 46,343 15,911,845 2,244,533 13,174,036 \$ 15,418,569	



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Netting of interfund activityAllocation of grant revenues to functional categories

Additional Differences



How to review these differences District Responsibilities District should be providing capital additions/disposals District provides compensated absences data Debt information should be maintained by the District Understand premium and gain/loss calculations Auditor should provide this OPEB/Pension studies provided by District Auditor Responsibilities Work with the District to better understand where the information comes from and how it is handled in the conversion Provide conversion entries, including the supporting documentation

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Upcoming GASBs GASB 101 Compensated Absences Does not change presentation Changes calculation GASB 103 Financial Reporting Model Focuses on MD&A, Proprietary Funds, Component Units, Budget Schedules Does not effect governmental funds



