Documents used in preparing GAAP Financial Statements

INSTILL TRUST : PROVIDE GUIDANCE : APPLY EXPERTISE : OFFER VISION

THECSHWAY

Introduction

- We currently have offices in the following locations:
  - Cincinnati
  - Cleveland
  - Columbus
  - Miami Valley
  - Northern Kentucky
  - Springfield
  - Toledo
- Over the past 3 years, Clark, Schaefer and Hackett complete, on average, 15-20 School District GAAP Conversions annually

THECSHWAY

GAAP Financial Reporting

- Typically School District's run on a cash basis throughout the year and at fiscal year end convert to GAAP statements.
- School District's fiscal year end – June 30th
- Deadline for filing the Financial Statements – November 30th following the fiscal year end.

THECSHWAY

Benefits to Improving this process

- More accurate information
  - The more automated the process the less likely there are transposition or data extraction issues
- Increased accuracy of statements could provide for easier audit process.
- Limits the amount of questions you receive from your compiler and auditors
- Potentially a reduction in costs for compilation and audit

THECSHWAY

Document Request Listing

Generally we will provide clients with a document request listing in July or August so that they can start compiling the information.

- A majority of the data can be found on MVECA's website from their fiscal reports.
- Other information will need to be provided through source documents (invoices, inventory reports, grant information, etc.)

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Accounts Payable

- The accounts payable at fiscal year end would be the liability owed for services already provided, or for goods received, but not yet paid for until after fiscal year end.
- If the District flags the received date in the system, a payables report can simply be printed at fiscal year end.

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Accounts Receivable

- Accounts receivable is revenue that is due to the District as of fiscal year end but has not yet been received.
- These revenue items can be flagged by using a two character code or even providing more detail in the description when posting the revenue.

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Cash Export File

- The Cash Export File can be uploaded into the WEB-GAAP System and automatically loads all of the cash transactions for the fiscal year.
- They are classified on the financial statements as they are classified in the revenue and expenditure ledgers.
- Additionally, can be helpful for the BVA statements, if properly utilized.

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Budgetary Documents

The following information is needed:

- Original and Final Budget for the fiscal year for both the revenue and expenditure side.
- This is automatically imported directly into WebGAAP based on the selections input into the system.
- If flagged properly when the GAAP EXP file is uploaded to the WEB-GAAP System, the BVA statements would be included.

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Accrued Wages and Benefits

- This includes wages and benefits that would be due to an employee as of fiscal year end.
- Make note of the different contract periods:
  - 12 month employees
  - Teacher contracts
  - Supplemental contracts

THECSHWAY

Accrued Wages and Benefits

The following information is needed:

- Accrued Wage Obligation Report (WAGACT)
  - Be conscientious of contract dates
- Health, Life, Vision and Dental Insurance, if applicable
  - Need the amounts paid for July and August broken down by fund/function

THECSHWAY

Fiscal Year End Reports

- Accounts Payable
- Accounts Receivable
- Cash Export File (GAAPEXP)
- Budgetary Documents
- Accrued Wages
- Compensated Absences

THECSHWAY

Compensated Absences

- This is an estimated liability for benefits that are considered part of an employees compensation – sick leave, vacation leave, personal leave, etc.
- It would be the dollar amount that was paid to an employee when they retire from the District.
- This estimate can vary from District to District based on their policies.

THECSHWAY

Compensated Absences

The following information could be needed, depending on payout policy and the accounting estimate used by the District:

- Employee Name
- Fund/Function
- Birth Date
- Hire Date
- Employee Rate
- Sick and Vacation Leave Balance
  - Amount
  - Hours

THECSHWAY

Compensated Absences

Where does that information currently come from?

- Pay Account Benefit Obligation (BENACT) – PDF and CSV
- Employee Benefit Obligation (BENEMP) – PDF only
- Hire/Birth Dates Report

THECSHWAY

Compensated Absences

Current Process

- Either manually enter it or use data extraction software
- Potential issues with current process
  - Accuracy when manually entering
  - Forms have various formats

Ideally would like to be able to obtain this information with as few reports as possible.

THECSHWAY

Upfront effort in appropriately entering and flagging items within the system can save enormous amounts of time, energy and questions months down the road during the GAAP Conversion and Audit.

Feel free to contact me regarding any questions you may have.

Shanna Baxter
Clark, Schaefer, Hackett & Co.
937-399-2000
sbaxter@cshco.com

THECSHWAY

THANK YOU!
CLARK SCHAEFER HACKETT
CPAs & BUSINESS CONSULTANTS