

DISTRICT 2018 Audit Programs

June 30, 2018

FUND BALANCE/NET POSITION

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objectives and Related Assertions:</p> <p>A. All and only properly authorized restrictions and commitments of the fund balance are recorded. (1,2,3)</p> <p>B. Components of net position and/or fund balances and changes in fund balances are properly computed and are described, classified and disclosed appropriately as applicable in the entity-wide and/or fund financial statements. (4,10,11,12,13)</p> <p>Audit Procedures:</p> <p>A. Reconcile beginning and year-end fund balance. (Note: For convenience, the term “fund balance” is used in this section as a broad term to describe all components of fund equity. Fund equity of proprietary fund types consist of net position, which may have restricted and unrestricted components).</p> <p>B. Review funds, including Special Revenue Fund, student activity accounts, with deficit balances, determine the nature of the account and the reason for the deficit. Document findings and determine if a report comment on corrective action is necessary.</p> <p>C. Analyze and verify the changes in all fund balances and trace to supporting documentation as applicable.</p> <p>D. Determine each fund is properly classified by fund type in accordance with GASB Statement No. 54.</p> <p>E. Determine the proper classification of fund balances in the governmental fund financial statements:</p> <ol style="list-style-type: none"> 1. Nonspendable: <ol style="list-style-type: none"> a. Inventories. b. Prepaids. c. Long-term amounts of loans/notes receivable. d. Property acquired for re-sale. e. Permanent endowments or permanent funds (nonspendable portion). 2. Restricted: <ol style="list-style-type: none"> a. External restrictions (for example, special levies, statewide sales tax, bond covenants or State legislation). 	A,B				

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<ul style="list-style-type: none"> b. Enabling legislation (authorizes governing body to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement the resources be used only for specific purposes). c. Obtain a breakdown of categorical funding for note disclosure. 					
3. Committed – Amounts only available to be used for specific purposes determined by a formal action by Board resolution prior to year-end.					
4. Assigned – Amounts constrained by the Board's intent they be used for specific purposes, but are neither restricted nor committed.					
5. Unassigned.					
F. Determine the proper classification of net position in the entity-wide financial statements:	B				
1. Net investment in capital assets.					
2. Restricted net position:					
a. External restrictions (for example, special levies, statewide sales tax, bond covenants or State legislation).					
b. Enabling legislation (internal restrictions made by the governing body).					
3. Unrestricted net position.					
G. Determine restrictions, commitments and assignments of fund balances are properly authorized based on review of the minutes, debt agreements, etc.	A				
H. Certified Annual Report (CAR) (Chart of Account Upload and Web-Based Forms)	A,B				
1. Reconcile Certified Annual Report balances and selected line items with District ledgers.					
2. Through inquiry and/or scanning records, determine revenues received, such as tuition, federal, state or local grants, or other donations for special education purposes have been deducted from the special education expenditures reported. (After these have been deducted, the expenditures reported should be those for resident students only not funded through another source.)					

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<p>3. Investigate material variances.</p> <p>a. Material variances should be discussed with District. Material variances are corrected as "upward and downward auditor's adjustments" to beginning balance on the subsequent fiscal year's CAR.</p> <p>b. Consider report comment recommending contacting the DE regarding errors which could have a permanent effect on the District's unspent balance.</p> <p>I. Document reconciliation of the District's year-end financial statements for all funds and the LEA's Certified Annual Financial Report to appropriate exhibits or schedules in the audit report.</p> <p>J. Resolve any differences in balances. Document District adjustments or concurrence to adjust currently, if appropriate.</p> <p>K. Examine journal entries and other adjustments made directly to the financial statements. (AU-C 240.32 and AU-C 330.21)</p> <p>1. Identify and test the appropriateness of significant adjustments made in the preparation of the financial statements.</p> <p>2. Scan the journal entries throughout the period under audit and determine if testing is necessary. Document the items selected, if any.</p> <p>L. Determine fund balance disclosures are adequate.</p> <p>M. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p>	<p>A</p> <p>B</p>				

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<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for fund balances and the results of these procedures are adequately documented in the accompanying workpapers. Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					