

# Illinois State Board of Education

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## **Changes to the FY2011 Annual Financial Report (AFR)**

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# Cover Page

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## Certified Public Accountant Information:

- ❑ Must enter the expiration date and the Illinois license number.
- ❑ Name of the Audit Supervisor changed to Audit Manager.

# Table of Contents:

## Qualifications of Auditing Firm:

- ❑ School Districts/Joint Agreements are being notified if they contract with an unqualified auditing firm, regardless of A-133 requirements.
- ❑ When contracting with any auditing firm, LEAs have been instructed to request assurance that the auditor is qualified by ISBE rules to complete the audit.
- ❑ Audits will be returned if the LEA contracts with an unqualified auditor. LEA will be responsible for these costs.

# Auditor's Questionnaire (Page 2)

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## Part C – Additions and Changes

- ❑ #22. Added note regarding the “Type of Audit Report Issued” (this comes from the cover page).
  - *If it is Qualified because of Cash Accounting, do not check the box and do not enter anything in the comment box.*

# Auditor's Questionnaire (Page 2) Cont...

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## Part D. Explanation of Accounting Practices for Late Mandated Categorical Payments (MCATS)

- ❑ #23. Enter the date that the district used to accrue MCATS payments.
  - *The cut off date to accrue all late revenue payments that have a voucher date prior to June 30, 2011 but not released until after year end as reported in ISBE FRIS system.*
  
- ❑ #24. For the listed MCATS revenue codes.
  - *Enter the amounts where those payments were recorded. If recorded as a revenue, enter the amount in Direct Revenue.*

# Auditor Questionnaire (Page 2) Cont...

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## ❑ **The Auditor's Questionnaire in General:**

- *Must be consistent with the Financial Notes and AFR.*
- *Inconsistent responses from FY10 AFR are:  
#5, 9, 10, 13, 18, and 21.*

# Auditor Questionnaire (Page 2) Cont...

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5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
9. One or more inter-fund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
10. One or more inter-fund loans were outstanding beyond the term provided by statute.

# Auditor Questionnaire (Page 2) Cont...

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13. The chart of accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Sections 2-3.27 and 2-3.28 of the School Code. *[105 ILCS 5/2-3.27; 2-3.28]*
  
18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
  
21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effect Date \_\_\_\_\_.

# Auditor's Questionnaire (Page 2) Cont...

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## Part E – Qualifications of Auditing Firm

- ❑ Change in the statement of qualifications.
- ❑ Certification by the auditing firm.
- ❑ By signing this report, the audit firm is stating they are following ISBE rules.
  - *The paper copy of the AFR must have a business signature (hand written or stamped).*

# Basic Financial Statement (Page 7 & 8)

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## Permanent Transfers Accts 7110

- Abolishment vs. Abatement of Working Cash
  - *Two 7110 accounts but for different purposes.*
  - *Abatements can be transferred to any fund.*
  - *Abolishment can only be transferred to Education Fund.*

# Other Issues & Reminders Cont...

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- ❑ When meeting with the district to discuss the audit, please review the following estimates and compare with the prior year values.
  - Profile Score and Designation
  - Administrative Cost Percentage
  - Operating Expense Per Pupil/Per Capita Tuition Charge and 9 Month Average Daily Attendance.
  - Indirect Cost Rates
- ❑ If errors are discovered, they must be resolved immediately. Bringing them to our attention in February or March, is too late.

# Other Issues & Reminders Cont...

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## Embedding PDF and Word Files (page 34)

- All supporting documentation must be embedded into the Opinion-Notes 34.
  - Embed files not pictures or an icon of the file.
  - Please do not embed excel files. Instead add them as additional sheet and rename the tab.
  - If you amend the AFR at a later date, these files must be embedded in the amended file. If you want us to use the previously embedded files you need to tell us.

# Unprotect the A-133 Federal Compliance Reports

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- A-133 sheets from pages 35 through 44 have a blank password. This means you can unprotect these sheets if necessary for additional space or corrections.
  - However, these pages are formatted to ISBE's specifications and should remain in the same basic format.
  - To unprotect select: Tools – Protection – Unprotect Sheet.

# Downloading & Submitting FY11 AFR

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- To download and submit, go to:  
<http://www.isbe.net/sfms/afr/afr.htm>
- All the information is there, including the ISBE presentations.

# Due Dates

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- ❑ AFRs are due to the Regional Office of Education (ROE)/Intermediate Service Centers (ISC) by October 15, annually.
- ❑ AFRs are due to ISBE by November 15, annually (unless an extension is granted).
- ❑ Extension of Time can be obtained by the ROE/ISC up to December 15, annually.
- ❑ ROEs must submit a copy of the Extension approval letter to ISBE by fax, email, or postal service.

# Questions?

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## **School Business Services Division**

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