

FY 2016 School District Annual Financial Report Review, Submission, and Publication Instructions

Arizona Revised Statutes (A.R.S.) §15-904 requires school districts to prepare and submit an annual financial report (AFR), in electronic format, by October 15. The Auditor General in conjunction with the Arizona Department of Education (ADE) is required to prescribe the AFR format to be used by all school districts. The Auditor General and ADE developed the AFR format in Microsoft Excel, to incorporate the information districts are statutorily required to include in their AFR.

FINAL REVIEW

Complete the following checklist to help ensure the accuracy of amounts reported in the district AFR and accounting data file:

- Ensure district accounting records include activity of all funds (record auxiliary operations, tax credit, debt service, etc., revenues and expenditures if not already included).
- Reconcile district accounting records to CSS and County Treasurer's records and resolve any differences.
- Reconcile district revenues to revenue reports from ADE (APOR64-1, CSF Summary, grants system, etc.) and adjust accounting records as needed.
- Scan accounting records for incorrect coding (expenditures and revenues).
 - Ensure functions used for expenditures are the most detailed, required functions. For example, function 3000 should never be used, as it is not detailed enough.
 - Check for inconsistent revenue object codes used in funds, such as using a state revenue object code (3000 range) in a federal grant fund (100-399).
- Review meals, miles, and riders reported to ADE for accuracy and reasonableness, adjust as needed.
- Prepare the AFR based on the complete and reconciled accounting records.
- Have a second person review the AFR to ensure it matches the accounting records.
- Submit the AFR by October 15 as described below.
- Submit the accounting data file immediately after submitting the AFR as described below.
- Publish the AFR by November 15 as described below.

SUBMISSION AND PUBLICATION

ADE will only accept FY 2016 AFR forms submitted electronically using either the Excel forms with the 8/16 revision date or software that produces an electronic file in a format approved by ADE. Districts may download the forms from the Auditor General's or ADE's websites at <http://www.azauditor.gov/reports-publications/school-districts/forms> or www.azed.gov/finance/budgets.

Submission

Once the governing board, superintendent, and business manager have completed and signed the printed cover page of the AFR, the completed electronic forms must be uploaded via the Common Logon on ADE's website at www.azed.gov/CommonLogon by October 15. **Files can be uploaded**

to ADE after September 1, 2016. Data validation checks are included in ADE's file upload system. These initial checks will ensure that formulas have not been overwritten, that total fields reflect the sum of their details, and that fields that should equal each other are in fact equal. Formulas should not be changed and applicable footnotes and instructions should be followed to ensure uploaded files will pass all validation checks. Districts should ensure that no alerts remain on the cover page of the AFR before uploading the files. **Note: Districts that do not have a food service program do not need to submit a Food Service AFR file. Likewise, districts that were not eligible to budget for and expend desegregation monies do not need to submit the Deseg AFR file.**

After uploading the files, districts should verify the files have been successfully processed by checking their file submission page at www.ade.az.gov/Budget/. If a file did not process, districts should click on the linked error message. If unable to correct the error; districts should contact the budget team at SFBudgetTeam@azed.gov. For Common Logon password information or help, please contact ADE's Support Center at (602) 542-7378 [outside the Phoenix area call (866) 577-9636] or email enterprise@ade.az.gov. If it becomes necessary to submit a revision to any of the files, please email the School Finance budget team for instructions. If a revised file is uploaded it will not process into the ADE budget reports until the current processed file has been archived by School Finance. Please email the ADE School Finance Budget Team for assistance at SFBudgetTeam@azed.gov.

In addition, districts not participating in the accounting responsibility program must submit the AFR to the County School Superintendent (CSS) for approval by October 15. Districts should contact the CSS for specific submission procedures.

After Submission

After the AFR has been electronically submitted to ADE, complete the following steps:

- Within 5 days, submit **only** a copy of the **completed cover page** signed by the Governing Board members, the Superintendent, and Business Manager by scanning and emailing it to ADE's budget team at SFBudgetTeam@azed.gov. ADE will only accept electronic/scanned copies of the cover page.
- In accordance with A.R.S. §15-904(A), districts that maintain a website must provide a link on their website to ADE's website where the district's AFR can be viewed (<http://www.ade.az.gov/SchoolFinance/Forms/LEAQuery/SubmittedFiles.aspx>).
- Electronically submit the District's summary accounting data file to both the Office of the Auditor General, Division of School Audits, at dsa@azauditor.gov and to ADE at SFBudgetTeam@azed.gov. Instructions for preparing the data file for both CIMS and Infinite Visions accounting systems are available on the Auditor General's website at: http://www.azauditor.gov/sites/default/files/CIMS_Instructions.pdf and <http://www.azauditor.gov/sites/default/files/IVEECCreatingAuditFile.pdf>.

Publication

In accordance with A.R.S. §15-904(C), by **November 15**, districts must publish the entire AFR, or AFR summary, by **one of the following methods**:

- **Posting to ADE's website**—Districts that maintain a website may satisfy the publication requirement with the link to their submitted AFR on ADE's website, as described above. **Districts**

that publish in this manner must email ADE at SFBudgetTeam@azed.gov, by November 15 with a clickable link to the page on the district's website where the AFR link was placed. For audit purposes, districts should retain a copy of the email and a screen shot of their website. The screen shot should **not** be emailed to ADE.

- **Publishing in a Newspaper**—Print the AFR or AFR summary in 8-point type in the official newspaper of the county as defined in A.R.S. §11-255 or in a newspaper of general circulation within the district (since the report provides information for the residents and taxpayers of the district, a newspaper that is widely read should be selected for publication). The publisher's affidavit of newspaper publication must be filed with ADE within 30 days after publication. To meet this requirement, districts should scan and email the affidavit to SFBudgetTeam@azed.gov.
- **Mailing**—Mail the AFR or AFR summary to each household in the district. An affidavit or other documentation of mailing must be filed with ADE within 30 days of the mailing. To meet this requirement, districts should scan and email the affidavit or other documentation to SFBudgetTeam@azed.gov.

If you have any questions on this guidance or need assistance, please contact the ADE School Finance Budget Team at (602) 542-5695 or SFBudgetTeam@azed.gov, or the Office of the Auditor General, Accounting Services Division at (602) 553-0333 or asd@azauditor.gov.