**2019-20 Instructions for**

**Annual Financial Report (AFR)**

**Division of Florida Colleges Year-End Reports**

**Schedule of Expenditures of Federal Awards**

**\*\*\* PLEASE NOTE: ALL CHANGES/NEW INFORMATION FOR THIS YEAR WILL BE HIGHLIGHTED BRIGHT YELLOW \*\*\***

## **Annual Financial Report**

The Annual Financial Report consists of the following documents:

* Management’s Discussion and Analysis (MD&A)
* Statement of Net Position (SNP)
* Statement of Revenues, Expenses and Changes in Net Position (SRECNP)
* Statement of Cash Flows (SCF)
* Notes to Financial Statements

## **Division of Florida Colleges AFR Excel Workbook**

The forms required for end-of-year reporting to the Division include:

* Financial Statement Forms
* Report of Accounts by General Ledger Code
* Summary of Expenditures by Function
* Report of Capital Improvement Fees
* Distance Learning Course User Fee Report
* Student Activity and Service Fee Report
* Florida College System (FCS) Notes Schedule
* Component Unit (CU) Notes Schedule
* Final Review Check Sheet

## **Schedule of Expenditures of Federal Awards (SEFA)**

The forms required for the SEFA include:

* SEFA Reconciliation Template
* SEFA Checklist
* SEFA Form

All questions regarding the SEFA forms should be addressed to the College Budget Office staff, who will consult with DFS when necessary. Do not submit your institution’s SEFA forms directly to DFS.

## **AFR EXCEL PACKET FORMAT:**

The templates have all been pre-formatted for presentation and printing. Please do not alter the print layouts. The forms have also been programmed to allow typing or changes only in those cells necessary to complete the reports. This prevents the accidental altering of any critical formulas or data links. In general, any cells color coded light yellow can be altered or require data entry.

**SUBMISSION OF REPORTS:**

The Schedule of Expenditures of Federal Awards is due to the Department of Education by **Friday, August 14, 2020, for review by the College Budget Office staff**. The completed AFR Excel Workbook is due on or before **Friday, August 14, 2020, for review by the College Budget Office staff.**

For the review purposes of the College Budget Office staff, the GAAP basic financial statements, and the financial data utilized by college staff to include the college’s component unit(s) in the Annual Financial Report should be included with the August 15th submission of the AFR workbook. A component unit’s audited financial statements, draft financial statements or a trial balance are all acceptable.

A copy of the college’s MD&A, notes to the financial statements, will not be due until **September 2, 2020**.

All documents are to be submitted **electronically** to the Florida College System Budget Office at collegereporting@fldoe.org. Please note: A hard copy is **not** required to be sent to the Florida College System Budget Office.

**The file naming convention is:** short college name followed by “2019-20 AFR mmddyyyy hhmmAM” (or PM).

Example: **Broward 2019-20 AFR 08152020 1015AM.xls**

## **SPECIFIC INSTRUCTIONS:**

**Fill out the “Contact Information” tab first.** Then, complete the Accounts by General Ledger Code, and the SCF Support tabs. The data on these tabs will now automatically flow through where needed to the majority of the remainder of the forms, INCLUDING the SNP and SRECNP. See SCF Support Tab for more detailed instructions. The sheets have been pre-formatted and programmed to calculate appropriate subtotals and totals upon entry of amounts.

Only make entries where user input is needed, as any attempt to alter the worksheets will result in a reminder pop-up that no changes may be made to the templates. **Note**: If you copy cells from another Excel worksheet, make sure those cells are first “unlocked” under the protection settings in the cell format. Otherwise, if you copy a locked cell into an unlocked cell, you will lose the ability to change the copied cell. An entry of “0” has been pre-filled for each cell where a number is required. Please change the zeroes to correlate to the proper figures for your institution. If no revenues or expenditures were made for a specific code, leave the "0" in that cell or delete the “0” to change the cell color to white. All cells on the form must contain a numerical entry. All revenues and expenditures must be provided at the level of detail indicated by the General Ledger Code provided; i.e., tuition, out-of-state fees and state support revenues must be entered at the fourth digit level while most other items are to be reported at the third digit level. If your accounting records contain information at a more detailed level than shown, they should be aggregated to the appropriate level. The total of the amounts reported must equal the total of all revenues and expenditures of the college.

Use the included “Check Sheet” tab to determine if the forms are filled out completely and are properly reconciling. If any values are red on the Check Sheet, please investigate for corrections or document the reason. **Do not change amounts based only on a red value in the check sheet or in one of the checks within the forms.**

Generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) statements, the AICPA State and Local Governments Audit Guide, [NACUBO: Financial Accounting and Reporting Manual - FARM](https://www.nacubo.org/topics/accounting), and [The Accounting Manual for Florida College System](http://fldoe.org/schools/higher-ed/fl-college-system/data-reports/finance/accounting-manual.stml) should be followed in preparing the schedules and statements. When questions arise in preparation of the reports, contact College Budget Office staff in order to determine a resolution based upon these principles.

## **ANNUAL FINANCIAL REPORT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Auditor General’s Office will provide a draft document to the College Budget Office for distribution to the colleges. Any amounts entered in the MD&A should tie to the current basic financial statements, notes to the financial statements, and to the prior year published MD&A. The pink tabs provided in the AFR packet can be utilized as an aid in completing the MD&A. The amounts listed in these tabs for the current year are based on information entered in the basic financial statements. Prior year’s audited data must be entered manually.

**GASB STATEMENTS: STATEMENT OF NET POSITION, STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, STATEMENT OF CASH FLOWS**

The basic financial statements required by GASB standards are included in the AFR Excel Packet file. Line item titles have been based on usage by all Florida College System institutions in the prior year audited financial statements. Some line items in the AFR packet may differ from those used by an individual institution due to infrequency of use by the entire system. Please include the information in another line item in which it could be appropriately classified. If no line item is present in which an amount could be appropriately classified, contact College Budget Office staff to determine the best resolution.

Conditional formatting within the financial statements will cause certain line items to change. For example, in the SRECNP, “Operating Income (Loss)” will change to “Operating Loss” if both the college and its component unit(s) have an operating loss. Please contact College Budget Office staff if any problems occur with this formatting.

**NOTES TO THE FINANCIAL STATEMENTS**

The Auditor General’s Office will provide a draft document to the College Budget Office for distribution to the colleges. Any amounts entered in the notes should tie to the basic financial statements and to the prior year published notes to the financial statements. The dark orange tabs provided in the AFR packet can be utilized as an aid in completing certain notes to the financial statements. The format of the dark orange tabs ties to the format of certain tables included in the Auditor General’s draft document to provide for ease in copying and pasting information from the tab into the Auditor General’s Word document.

## **DIVISION OF FLORIDA COLLEGES YEAR-END REPORTS**

**SUMMARY OF ACCOUNTS BY GENERAL LEDGER CODE**

*\*\* New GL Descriptions and Codes have been added to the Accounts by General Ledger tab. Those additions will be highlighted in* ***ORANGE****. \*\**

The Summary of Accounts by General Ledger Code (Accounts by GL) provides a summary of assets, liabilities, fund balances, revenues, and expenditures by General Ledger (GL) code for each fund. It should be the first form that is prepared, as much of the information contained in this Summary of Accounts will be utilized in preparing the Financial Statements. Each fund column and the “GASB Adjustments” column have been formatted for cells to turn red when an amount has been entered in a GL code that does not typically have a balance in that fund type or is not typically included in the year-end “GASB Adjustments”. The conditional cell formatting has been provided as an analytical tool for the colleges and should be used as such. Occasionally, an amount may have been entered in error. If an amount was not entered in error, a note in the notes column for the GL code can be used to describe the circumstances. If an amount is entered in a GL code that does not typically occur in a fund type, please contact the College Budget Office staff or leave a note in the notes column, so the formatting may be changed. This formatting has been included as a tool only. No GL codes have been locked for any fund type or in the “GASB Adjustments” column.

In the column titled “GASB Adjustments” (column N), **only** adjustments for financial statement purposes should be posted. A listing of the appropriate adjustments can be found in Section 14 of the Accounting Manual. The column titled “Adjusted Total All Funds” (column O) will automatically calculate the revised balances used for financial statement purposes. Please note that there are balancing checks at the bottom of this report. **Failure to balance all checks, (specifically, reflecting zero balances and thus all green colored figures where indicated) will result in the Summary of Accounts being immediately returned and not considered timely submitted, if not balanced by August 14, 2020.**

The last page of the Summary of Accounts contains cells to provide detailed information regarding the fund balance in the Current Fund-Unrestricted. The amount entered in the row entitled "Prior Year 6-30 Fund Balance" should be the ending Fund Balance of the prior year minus the Compensated Absences before audit adjustments. The "Audit Adjustments" row should show any audit adjustments, corrections, or changes that are not reflected in the amounts reported in the general ledger codes for revenues and expenditures that are included on the spreadsheet. The “Other Adjustments” row should include all other adjustments. The amount entered in the row entitled "Grand Total Revenues" should be the total of the revenues entered in the revenue portion of the file.

**SUMMARY OF EXPENDITURES BY FUNCTION**

The Summary of Expenditures by Function (Summary of Expenditures) provides a summary of Current Fund-Unrestricted expenditures by function. Enter the total expenditures in the 500, 600 and 700 GL codes for each function. Similar type information is required for the Current Fund-Unrestricted expenditures in the Notes to Financial Statements under Functional Distribution of Operating Expenses; however, it includes all funds combined and Summary of Expenditures includes Current Funds-Unrestricted, only.

**REPORT OF CAPITAL IMPROVEMENT FEES**

The purpose of the Report of Capital Improvement Fees is to report the collection and disbursement of Capital Improvement Fees. These fees are collected under the provisions of sections 1009.22(6) and 1009.23(11), Florida Statutes. For this form, Capital Improvement Fees are reported separately from interest and other revenue sources. Below is an outline of each line as shown on the schedule:

## **Revenues:**

1. The amount reported as the “Beginning Fund Balance, 07-01-2019” should be the same number reported on the “Ending Fund Balance as of 06-30-2019” on last year’s Report. If this number does not agree with the last year’s figure, please attach a reconciliation between the two numbers. Also, provide written justification on the reconciliation noting the reason (e.g., audit or other type adjustment) for the difference.
2. “Capital Improvement Fees” - Report the collections of fee revenue during the fiscal year. These figures are automatically filled in from the Summary of Accounts by General Ledger Code sheet.
3. “Interest Received” - Report all interest earned as a result of investment of Capital Improvement Fees.
4. “Other Receipts” - Report all other revenue assigned to the projects funded from Capital Improvement Fees that is in addition to Capital Improvement Fees and interest. Please note that there should not be Capital Improvement Fees reported under “Other Receipts” and the cell is left intentionally blank to emphasize this point.

## **Expenditures:**

1. “New Construction” - Report expenses associated with new construction or major additions to buildings and/or structures.
2. “Remodeling”- Report capitalized remodeling expenses associated with existing buildings and/or structures.
3. “Renovation” - Report capitalized renovation expenses associated with existing buildings and/or structures.
4. “Equipment” - Report all minor and major equipment expenses (GLC’s 66506, 66507, 705xx, 706xx, and 710xx); with the exception of Technology equipment (GLC’s 70506, 70606, 71011). These GLC’s are reported under “Technology” (located in item #6 below) to match the Technology Expenditure Analysis (TEA).
5. “Maintenance” - Report all Non-capitalized Repairs, Maintenance, Remodeling and Renovation Expenses (GLC 76000).
6. “Technology” - Report IT expenditures consistent with the Technology Expenditure Analysis (TEA) report.

If your college records Capital Improvement Fees and Other Revenue Sources in the same Cost Center, expenditures should be prorated between the two columns at your discretion.

**DISTANCE LEARNING COURSE USER FEE REPORT**

Section 1009.23(16)(b), Florida Statutes, authorizes a per credit hour distance learning course user fee and requires that colleges submit a distance learning course user fee report to the Division of Florida Colleges. This report should provide the total amount of revenue generated by the distance learning course user fee for the prior academic year and how the revenue was expended.

**This report is intended to describe the use of the distance learning course user fee revenue, therefore, only report the expenditures of the revenues collected in GL 40450; do not report any additional distance learning expenditures even though actual expenses may exceed the revenues collected.**

Note: A small list of expenditure categories have been provided with additional lines titled “Other (Specify)”. If expenditures do not meet the categorical options provided, enter the amount beside the line titled “Other” and provide a description beside the word “Other”. If additional lines are needed, please contact the College Budget Office staff.

**STUDENT ACTIVITY AND SERVICE FEE REPORT**

The purpose of the Report of Student Activity and Service Fees is to report the collection and disbursement of Student Activity and Service Fees. These fees are collected under the provisions of section 1009.23(7), Florida Statutes. Below is an outline of each line as shown on the report:

1. “Beginning Balance” - The amount reported as the “Beginning Balance” should be the same number reported on the “Ending Balance” of last year’s Report. If this number does not agree with the prior year’s figure, please attach a reconciliation between the two numbers. Also, provide written justification on the reconciliation noting the reason (e.g., audit or other type adjustment) for the difference.
2. “Fees Collected” - Report the collections of Student Activity fee revenue during the fiscal year. This figure is automatically filled in from the Summary of Accounts by General Ledger Code sheet.
3. “Other Revenues” - Report the collections of other appropriate fee revenues during the fiscal year and provide an explanation in the space provided at the bottom of the form.
4. “Expenditures” - Report the expenditures by type of Student Activity and Service Fee as appropriate. If the “other” category is used, provide an explanation in the space provided at the bottom of the form.

**TUITION AND FEE REPORT**

This form is completely automated and requires no user action.

**FCS NOTES SCHEDULES**

The orange tab titled “FCS Notes Sched Cap Assets” is provided to collect information **required** by the Department of Financial Services. The formatting of this information is similar to the formatting of certain notes to the financial statements. Information should be completed for the **college’s changes** in capital assets. Please complete all information highlighted in light yellow. **Do not include the college’s component unit(s) data in these forms.** The information should match the college’s notes to the financial statements.

New GASB 83 have been added under the “FCS Asset Retirement Obligation” tab. This is a required form by the Department of Financial Services and the requested data must be completed. The “FCS Instructions ARO” tab is provided to assist with completion of this form.

**CU NOTES SCHEDULE**

The orange tab titled “CU Notes Sched” contains information **required** by the Department of Financial Services. Complete all information highlighted in light yellow. This information will tie to the college’s component unit financial statements.

**MD&A TABS IN AFR EXCEL PACKET**

The MD&A tabs are pink. The data that are pre-populated in the MD&A tabs are generated from the SNP, SRECNP, and SCF. Prior year audited financial statement data will auto populate using the college name selected on the “Contact Information” tab. These forms are provided as a tool for use in preparation of the Management’s Discussion and Analysis.

## **DEPARTMENT OF FINANCIAL SERVICES YEAR-END REPORTS**

**COMPONENT UNIT FORMS**

The green tabs contain the required DFS Component Unit forms. **These forms should be filled out using both the College’s and any Direct Support Organization’s (DSO’s) combined financial information.** Keep in mind that the College and all of its component units represent **a single component unit of the state**.

New GASB 88 have been added under the Form CU9 - Debit Disclosures tab. This is a required form by the Department of Financial Services and the requested data must be completed. The “CU9 Instruct. Debit Disclosures” tab is provided to assist with completion of this form.

**ADJUSTMENT FORM**

The DFS Adjustment Form will populate based on the information reported in the AFR packet and reviewed by College Budget Office staff to ensure that it balances.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

A separate email will be sent with the SEFA forms and instructions. Submit your SEFA forms and information along with your AFR and Year-End Reports to the College Budget Office for review. The budget office will forward all needed forms to DFS after a review has taken place.

**ANNUAL FINANCIAL REPORT and YEAR-END REPORTING DOCUMENTS**



**Florida Comprehensive Annual Financial Report**

Below is the implementation schedule, provided by The State of Florida, for new statements issued by the Governmental Accounting Standards Board (GASB) effective for the fiscal year ending June 30, 2020:

1. **Delay of GASB Standards Implementation**
2. GASB delays the implementation of the following standards as indicated:****