

KENTUCKY DEPARTMENT OF EDUCATION

**UNAUDITED AFR AND BALANCE SHEET
SUBMISSION ERROR/NOTE/PENDING GUIDE
JULY 2024**

Unaudited AFR and Balance Sheet Submission Guide

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Unaudited AFR and Balance Sheet Submission Guide

PURPOSE

The Kentucky Department of Education (KDE) provides this guide to assist districts with errors, notes or pending status that can happen when submitting the Unaudited Annual Financial Report (AFR) or their Unaudited Balance Sheet. The submission of the Unaudited AFR and the Unaudited Balance Sheet checks the validity of the entries and required data. This guide lists errors, notes and pending status that are possible with a brief explanation for each of the edit checks. Errors, notes and pending status listed are based on Generally Accepted Accounting Principles (GAAP) or financial requests that KDE requires to report to legislators, OEA, federal government, KSBA, KEDC, other outside agencies and researchers. The Unaudited AFR data submitted to KDE assists in calculating districts tax rates, determine funding to local school districts and analyze how the school districts are using funding. Therefore, it is important that transactions submitted pass KDE validations so that accurate calculations and sound decisions regarding funding are the results for the children of Kentucky.

Please use the hyperlink below to access KDE's Current Chart of Accounts.

[Chart of Accounts](#)

(COA)

[Annual Financial Reports](#)

[Annual Fund Balance](#) (Carry-Forward Calculation)

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PROCESS/INSTRUCTIONS

When submitting files in the SEEK Web Submission Form districts that have errors will have a screen pop up to tell them what the errors are in numerical order. After correcting all errors your submission will process the next check of “pending.”

“Pending” statements are also in numerical order and require fixing to enable you to submit to avoid a pending statement in the email. (If you had a “pending” statement and you did not fix it, then you will get a “pending” statement in the email submission. The next stage will be to resolve the “pending” statement so a KDE staff person can approve the submission. In the email it will reference in that “pending” statement to email KDE at finance.reports@education.ky.gov. Depending on the explanation the KDE staff person will either deny your file to fix your data or the KDE staff person will accept your file that will result in an email that your submission is complete.)

Districts after they have corrected all errors and resubmit their Unaudited AFR files may receive the “Pending” statement and/or notes in their emails when submitting via the web submission process. (See the preceding paragraph if you did not correct the “pending” when you were fixing the errors. After resolving the pending and resubmitting then in the new email message it may show notes that means districts should review their data for the future submission of the Audited AFR. These notes provide additional tools from KDE to remind a district that they may need to make necessary corrections to their data when reporting their Audited AFR or Balance Sheet.

Districts can indicate whether specific transactions apply to the district by utilizing check boxes.

CHANGE: In the past there were six check boxes, we have removed #16 textbooks and some of the #17 checks because #28 and #29 are now able to accomplish those checks, now there are three check boxes that are available:

1. If a district does not accept donated food commodities check the box prior to submission to avoid edit check #22.00.
2. If a district has no expenditures in Fund 1, Function 27XX and Object Code 0732 check the box prior to submission to avoid edit check # 23.00. Checking this box in error can affect the SEEK tentative transportation funding.
3. Districts receiving federal on-behalf dollars using revenue code 4900 must check the box.

New beginning in FYE 2024: Districts must select from a drop down the capitalization threshold for their district. This will be an added item to the Indirect Cost Calculation web posting each year, so it is important to select what matches the audit.

UNAUDITED AFR ERRORS, NOTES AND PENDINGS

<u>Error or Note #</u>	<u>Error or Note or Pending Message</u>
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BASIC CHECKS

1.00 DISTRICT NUMBER IN FILE NAME IS DIFFERENT THAN NUMBER IN FILE

This **ERROR** test checks to ensure that the district number in the file name is the same as the district number in the file submitted to KDE. If the district number does not match, districts must correct the error before submitting their Unaudited AFR to KDE.

2.00 RECORD TYPE INDICATOR IS DIFFERENT THAN RECORD TYPE SUBMITTED

This **ERROR** test checks to ensure that the record type in the file submitted to KDE matches the submission type. The record types are: “A” for Finance Record (AFF), “B” for Balance Sheet (BS), and “W” for Working Budget (WKD) and “T” for Tentative Budget (TED). If the record type does not match, districts must correct the error before submitting their Unaudited AFR to KDE.

3.00 INVALID FISCAL YEAR

This **ERROR** test checks to ensure that the fiscal year submitted to KDE is 2024 for July 2024 AFR Reporting. If the file is for any other fiscal year, districts must correct the error before submitting their Unaudited AFR to KDE.

SEGMENT ERRORS

4.00 INVALID FUNDS

This **ERROR** test checks to ensure that Funds recorded on the Unaudited AFR match the Funds listed on KDE’s current COA list of valid Fund Codes. If a Fund does not match the list of valid Funds on the COA, districts must fix it before submitting. The only exception will be if an invalid Fund Code Year-to-Date Actual equals zero, then the Unaudited AFR will submit.

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5.00 INVALID FUNCTIONS

This **ERROR** test checks to ensure that Functions included in the district's account codes recorded on the Unaudited AFR match the Functions listed on KDE's current COA list of valid Function Codes. If a Function Code does not match the list of valid Function Codes on the current COA, districts must correct the error before they can submit their Audited AFR to KDE. The only exception will be if an invalid Function Code Year-to-Date Actual equals zero then the Unaudited AFR will submit.

6.00 INVALID OBJECTS

This **ERROR** test checks to ensure that Object Codes recorded on the Unaudited AFR match the Object Codes listed on KDE's current COA list of valid Object Codes. Object Codes may contain six digits. KDE only checks the first four digits since districts may have alpha and/or numeric characters in the last two places. The first four Object Code characters **MUST** match the valid list of KDE's COA. If an Object Code does not match the list of valid Object Codes on the current COA, districts must correct the error before they can their Unaudited AFR. The only exception will be if an invalid Object Code Year-to-Date Actual equals zero then the Unaudited AFR will submit. For the AFR the range of Object Codes that are valid are 0999X and 01XX – 5640.

6.10 INVALID OBJECT 0999

This **ERROR** test checks to ensure that Object Codes recorded on the Unaudited AFR for beginning balance match the Object Codes listed on KDE's current COA list of valid Object Codes. The first four characters are valid for 0999 beginning balance checked in error #6. The following are the only 0999s accepted in submission of the unaudited AFR 0999N, 0999R, 0999C, 0999A, 0999U as outlined in the Fiscal YE Processing, BGL-2. The only exception will be if an invalid Object Code Year-to-Date Actual equals zero then the Unaudited AFR will submit.

7.00 INVALID PROGRAMS

This **ERROR** test checks to ensure that Program Codes included in the district's account codes recorded on the Unaudited AFR match the Program Codes listed on KDE's current COA list of valid Program Codes. If a Program Code does not match the list of valid Program Codes on the current COA, districts cannot submit their Unaudited AFR. The only exception will be if an invalid Program Code Year-to-Date Actual equals zero then the Unaudited AFR will submit.

8.00 INVALID INSTRUCTION LEVEL (IL)

This **ERROR** test checks to ensure that Instruction Level (IL) Codes included in the district's account codes recorded on the Unaudited AFR match the IL Codes listed on KDE's current COA list of valid IL Codes. If an IL Code does not match the list of valid IL Codes on the current COA, districts must correct

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the error before they can submit their Unaudited AFR. The only exception will be if an invalid IL Code Year-to-Date Actual equals zero then the Unaudited AFR will submit.

9.00 INVALID OBJECT CODE 0840

This **ERROR** test checks to ensure that districts are not using Object Code 0840 in the Unaudited AFR for recording Year-to-Date Actual Expenditures. Object 0840 is only for budgeted contingency amounts. If the Object Code 0840 has a year-to-date actual amount other than zero in the Year-to-Date column, districts must correct the error before they can submit their Unaudited AFR to KDE. The only exception will be if an Object 0840 Year-to-Date Actual equals zero then the Unaudited AFR will submit.

10.00 INVALID FUNCTION FOR EXPENDITURE OBJECT CODES

This **ERROR** test checks to ensure that Expenditure Object Codes (01XX – 0990X) align with the appropriate Function Codes (1XXX-5XXX). Expenditure Object Codes reported to Function code 0000 (only allowed with the Revenue/Balance Sheet Codes), districts must correct it before submitting their Unaudited AFR. The only exception will be if an Expenditure Object Code Year-to-Date Actual equals zero then the Unaudited AFR will submit.

11.00 INVALID FUNCTION FOR REVENUE OBJECT CODES

This **ERROR** test checks to ensure that the Revenue Object Codes (0999X-5640) align with the appropriate Function Code (0000). If the Revenue Object Codes Function Codes are not (1XXX-5XXX), districts must correct the error before submitting the Unaudited AFR. The only exception will be if a Revenue Object Code year-to-date-actual equals zero then the Unaudited AFR will submit.

12.00 INVALID OBJECT CODES FOR PROGRAM CODE

This **ERROR** test checks to ensure that Expenditure Object Codes (01XX – 0990) align with the appropriate Program Level Codes (1XX – 9XX). (Use Program code 1XX – 9XX with Expenditure Object Codes). If Expenditure Object Codes use Program Level Code (000), districts cannot submit their Unaudited AFR until corrected. (Use Program code 000 only with Revenue and Balance Sheet codes). If Revenue Object Codes have Program Level Codes (1XX – 9XX) districts cannot submit their Unaudited AFR until corrected. There will only be two exceptions: 1. Expenditure Object Code with Program Level Code 000 Year-to-Date equals zero. 2. Expenditure Object 0740 in Fund 8X will have Program Level Code 000. The only exception will be if a Revenue Object code tied to a Program Level Code (1XX – 9XX) and the Year-To-Date Actual equals zero then the Unaudited AFR will submit.

13.00 INVALID FUND TRANSFERS OBJECT CODE

This **ERROR** test ensures that Function 5200 only uses Expenditure Object Code 091X. If the Function Code 5200 uses any other Expenditure Object Code other than 091X, districts will receive an error and

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must correct it before they can submit their Unaudited AFR. The only exception will be if an Expenditure Object Code reported in Function 5200 has a Year-to-Date equal to zero then the Unaudited AFR will submit.

13.50 INVALID FUND TRANSFERS FUNCTION CODE

This **ERROR** will test that Expenditure Object Code 091x for fund transfers out reports to Function Code 5200 Fund Transfers Out for all funds. If the Expenditure Object Code 091x reports to Function other than Function Code 5200, districts will receive an error and must correct it before they can submit their Unaudited AFR. The only error exception will be if an Expenditure Object Code reported in a Function other than 5200, and the Year-to-Date equals zero then the Unaudited AFR will submit.

OTHER BASIC VALIDATIONS OR CALCULATIONS

14.00 REVENUES AND EXPENDITURES WITH NO ENTRIES

This **ERROR** test checks Revenues and Expenditures recorded in Funds: 1, 2, 310, 320 and 51. In Funds 1, 2, and 51 these checks ensure that all districts have at least one entry greater than zero recorded in the AFR. If there are no entries recorded in any of the Funds listed above that are greater than zero, districts must correct the error(s) before submitting their Unaudited AFR to KDE.

In Fund 310, this check will see if there is a revenue or an expenditure. If there is not at least one revenue or one expenditure entry recorded in this fund, districts must correct the error(s) before submitting their Unaudited AFR to KDE.

Exception: Fund 320 is not available for funding in all districts, so districts may show no activity in this fund. If there are no entries recorded in Fund 320, districts must submit their Unaudited AFR to KDE.

15.00 BALANCED FUND TRANSFERS

This **ERROR** test checks that Fund Transfer Revenue Objects (52XX) equals Fund Transfer Expenditure Objects 091X with Function (5200) in the Year-to-Date Actual. If unbalanced, once corrected the districts will be able to submit their Unaudited AFR.

16.00 NO EXPENDITURES REPORTED IN 400 DEBT SERVICE FUND

This **ERROR** test ensures all Debt Service on bonds are in Fund 400. If the sum of Fund 400 Expenditure Objects (01XX-0990) equal zero, districts must correct the error(s) before submitting their Unaudited AFR to KDE. If districts have no Debt Service on bonds be sure to check the box prior to submission.

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17.00 RECORDING ON-BEHALF REVENUES AND EXPENDITURES

These **NOTE/ERROR** tests check to ensure that districts have recorded Revenues and Expenditures for On-Behalf payments.

- a. Districts will receive a **NOTE** if the sum of expenditure object code 0280 at school level (location codes greater than 001) is zero, districts must correct the error before submitting their Unaudited AFR to KDE. The Message will state “The Finance Record Import file has a sum of Expenditure Object 0280 at the school level is zero. Correct this before submission of the Audited AFR.”
- b. Districts receive an **ERROR** if they checked the federal on-behalf box and the balance of object code 4900 and projects starting with a Q or a B is not equal to zero. The ERROR will state “You checked the box, however the Finance Record Import file the year to date actual for the Federal On-Behalf fund 400 object 4900 and objects projects beginning with Q or B sum greater than zero. Review your records and resubmit by including the expenditures for the Federal on Behalf.” Not checking the box at submission will trigger a check for fund 400, function 5100 and objects 0831, 0832 with projects beginning with Q or a B and if the year-to-date actual is equal to zero it will be an **Error**. The message will state “By not checking the box your Finance Record Import file should have Federal On-Behalf Expenditures in Fund 400, function 5100, objects 0831, 0832 and projects starting with Q or B and the year-to-date actual equals zero. Review, correct and resubmit.”

19.00 NEGATIVE AMOUNT OF TRANSPORTATION COSTS

This **ERROR** test checks to ensure that districts do not have a negative Fund 1 gross Expenditure amount recorded in the Transportation Functions of 27XX Year-to-Date Actual and used in calculating SEEK Transportation Funding. If districts have a negative amount in Function 27XX, excluding Function 2790 and excluding Instructional Level (IL) 11, they must correct the error before submitting their Unaudited AFR to KDE. The message will state “The Finance Record Import file has a total Transportation Costs that should never be a Negative Amount and will impact your SEEK Transportation funding calculation. Review, correct and resubmit your Finance Record Import file.”

22.00 DONATED COMMODITY CODES REVENUE OBJECT CODE 4950

This **ERROR** test checks to ensure that districts have recorded Donated Commodities in Revenue Object 4950. Districts reporting \$0 in revenue object 4950 must correct the error before submitting their Unaudited AFR to KDE. If your district does not accept donated food commodities, then be sure to check the box prior to submission. The message will state “The Finance Record Import file does not have Revenue object code 4950, Donated Commodities. Correct if before submitting your AFR.”

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23.00 FUND 1 FUNCTION 27XX EXPENDITURE OBJECT CODE 0732

This **ERROR** test checks for expenditure object code 0732 (Vehicles) are in Fund 1 and Function 27XX. There must be expenditures on Vehicles. If there is no expenditure in Object Code 0732 Fund 1 and Function 27XX the district must correct the error before submitting their Unaudited AFR to KDE. If Districts have no vehicle purchases in 27XX the district must be sure to check the box prior to submission. The message will state “The Finance Record Import file has no expenditures in Object Code 0732 Fund 1 and Function 27xx.”

24.00 OBJECTS 0831, 0832, 0838 OR 0839 HAVE INVALID FUNCTION FOR DEBT SERVICE

This **ERROR** test checks that expenditure object codes 0831, 0832, 0838 and 0839 uses only function 5100. If expenditure object codes 0831, 0832, 0838 or 0839 use any function other than 5100 districts must correct the error before submitting their Unaudited AFR to KDE. The message will state “The Finance Record Import file has Expenditure objects 0831, 0832, 0838 and 0839 are used with a function other than 5100.”

25.00 FUNCTION 2700 HAS NO EXPENDITURES >0 EXCEPT IN FUND 8

This **ERROR** checks that there are no expenditures in Function 2700 except in Fund 8. If there are expenditures in Function 2700 in any fund but Fund 8 the district must correct the error before submitting their Unaudited AFR to KDE. The message will state “The Finance record Import file has expenditure in Function 2700 other than Fund 8.”

26.00 CY BEGINNING BALANCE COMPARED TO PY ENDING BALANCE DO NOT MATCH

This **PENDING** is comparing Fund 51 for the current year (CY) beginning balance from the AFR object code 0999U or 0999R to the prior year (PY) ending balance AFR Balance Sheet object codes 8712 and 8739 to see if they equal. These object codes found in the Fiscal YE Processing, BGL-2, Appendix D where the fund equals “Yes” for the column titled “Period 1 Move to Beginning Balance”. The applicable Balance Sheet Object codes reported for Fund 51 based on GASB 34 for proprietary funds checked in the submission of the Unaudited AFR.

In Fund 51 (proprietary fund) if you use both 8739 and 8739I only move the 8739 alone to the beginning balance to 0999R.

(Due to a change in guidance for the inventory portion reported in 6171 Inventories for consumption reported in 8739 can now use balance sheet object code 8739I excluding it from comparing it to the ending balance to the current year beginning balance 0999R.)

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If the total in the prior year 8712 or 8739 does not match 0999U or 0999R the district will get a **PENDING** stating, “The Finance Record Import file for district’s Fund 51 current year (CY) beginning balance in revenue objects 0999U or 0999R, from the AFR, does not match your prior year ending balance in balance sheet objects 8712 and 8739 (not including 8739I), from the AFR Balance Sheet. Use the guidance from the FY End Processing, BGL-2 and contact the financereports@education.ky.gov to explain why it is different.”

27.00 PROJECTS 7XXX RECORDED IN FUND 7XXX NOT FUND 6X

This **PENDING** will check that Student Activity and Club project codes starting with a 7 have not used a fund code starting with a 7. If there a total of the year-to-date-actual not equal to zero for project codes starting with a 7 in a fund code starting with a 7 then the district will receive a **PENDING** status stating, "The Finance Record Import file contains projects starting with a 7 (Student Activity) in fund code starting with a 7 and must now be recorded in a fund code starting with a 6. Email your status to the Finance.reports@education.ky.gov."

28.00 ON-BEHALF EXPENDITURES REPORTED DOES NOT MATCH WEB TOTALS

This **NOTE** will check that all on-behalf expenditures match the total for each category posted to the web. ([Web page link for the state On-Behalf information](#)) Document is called “On-Behalf Summary Report FY ##### - #####”

- a. Districts would receive a **NOTE** if the column called “Total Payroll Related Payments” in the above workbook does not match what the report in the Unaudited AFR expenditures. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state “The Finance Record Import file has a total expenditure amount that is different for the report called "On-Behalf Summary Report FY XXXX - XXXX and column called "Total Payroll Related Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”
- b. Districts would receive a **NOTE** if the column called “Total Technology Related Payments” in the above workbook does not match the report in the Unaudited AFR expenditures. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state “The Finance Record Import file has a total expenditure amount that is different for what the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "Total Technology Related Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be

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set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”

- c. Districts would receive a **NOTE** if the column called “KISTA Capital Lease Payments” in the above workbook does not match what the report in the Unaudited AFR expenditures. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state, “The Finance Record Import file has a total expenditure amount that is different from what the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "KISTA Capital Lease Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”
- d. Districts would receive a **NOTE** status if the column called “SFCC Debt Service Payments” in the above workbook does not match what the report in the Unaudited AFR expenditures. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state, “The Finance Record Import file has a total expenditure amount that is different from the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "SFCC Debt Service Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”

29.00 ON-BEHALF REVENUES REPORTED DOES NOT MATCH WEB TOTALS

This **NOTE** will check that all on-behalf revenues match the total for each category posted to the web. ([Web page link for the state On-Behalf information](#)) Document is called “On-Behalf Summary Report FY ##### - #####”

- a. Districts would receive a **NOTE** if the column called “Total Payroll Related Payments” in the above workbook does not match the report in the Unaudited AFR for revenues. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state “The Finance Record Import file has a total revenue amount that is different from the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "Total Payroll Related Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to

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contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”

b. Districts would receive a **NOTE** if the column called “Total Technology Related Payments” in the above workbook does not match the report in the Unaudited AFR for revenues. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state “The Finance Record Import file has a total revenue amount that is different from the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "Total Technology Related Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”

c. Districts would receive a **PENDING** status if the column called “SFCC Debt Service Payments” in the above workbook does not match the report in the Unaudited AFR for revenues. The XXXX – XXXX in the message below will reflect the fiscal year reporting. The message will state, “The Finance Record Import file has a total revenue amount different from the report in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "SFCC Debt Service Payments". This is a note in the unaudited AFR submission. Please review. However, in the Audited AFR submission if the difference falls outside the 5% materiality rule the district’s finance record import file will be set to “Pending” and the district will have to contact KDE at Finance.reports@education.ky.gov and a KDE staff person will contact the district to assist in working through completing the submission process.”

31.00 OBJECT 0960 RESTRICTED TO FUNCTIONS 2311 OR 5XXX

*This **ERROR** will check that expenditure object 0960 only uses function 2311 or 5xxx. The Error message will state, “The Finance Record import file for the Unaudited AFR has submitted 0960 in a function other than function 2311 or 5xxx. Email Finance.reports@education.ky.gov for assistance if you do not understand what to correct.”*

32.00 REPORTING PRESCHOOL INSTRUCTIONAL LEVEL CODE 11

This **NOTE** will check to see that districts are reporting Pre-Kindergarten Instructional Level Code 11. The note message will state, “The Finance Record import file for the Unaudited AFR has a year to date actual of zero for instructional level 11 Pre-Kindergarten in the submission of the Unaudited Annual Financial Reports. KDE suggests your district review the pre-kindergarten ORGS for instructional level 11 used to capture pre-kindergarten expenditures. Email Finance.Reports@education.ky.gov for assistance if you do not understand why you received this note and someone will be glad to assist you.”

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33.00 REPORTING KINDERGARTEN INSTRUCTIONAL LEVEL CODE 12

This **NOTE** will check to see that districts are reporting Kindergarten Instructional Level Code 12. The message will state, “The Finance Record import file for the Unaudited AFR has a year to date actual of zero for instructional level 12 Kindergarten in the submission of the Unaudited Annual Financial Reports. KDE suggests your district review the kindergarten ORGS used to capture kindergarten expenditures. Email Finance.Reports@education.ky.gov for assistance if you do not understand why you received this note and someone will be glad to assist you.”

34.00 FUND 25 HAS NO REVENUES IN THE DISTRICT’S SUBMISSION FILE

This **NOTE** will check to see that districts are reporting revenues in Fund 25 in their data submission. This check is to see if there is a year-to-date actual amount greater than zero for the revenue object codes 1xxx – 5xxx. This message will state, “The Finance Record import file for the Unaudited AFR does not have any revenue object codes in Fund 25 in the submission of the Unaudited AFR. KDE reminds the district that according to GASB 84 all districts are required to report Student Activity Funds using Fund 25 by the submission of the audited AFR. Email: Finance.Reports@education.ky.gov for assistance if you do not understand why you received this note, and someone will be glad to assist you.”

35.00 FUND 25 HAS NO EXPENDITURES IN THE DISTRICT’S SUBMISSION FILE

This **NOTE** will check to see that districts are reporting expenditures in Fund 25 in their data submission file. This check is to see if there is a year-to-date actual amount greater than zero for expenditure object codes 01xx – 0990. This message will state, “The Finance Record import file for the Unaudited AFR does not have any expenditure object codes in Fund 25 in the submission of the Unaudited AFR. KDE reminds the district that according to GASB 84 all districts are required to report Student Activity Funds using Fund 25 by the submission of the audited AFR. Email: Finance.Reports@education.ky.gov for assistance if you do not understand why you received this note, and someone will be glad to assist you.”

36.00 OBJECT 045X RESTRICTED TO FUNCTIONS 4XXX

This **NOTE** will check that object codes in 045x uses only functions in 4xxx. The note message will state, “The Finance Record import file for the Unaudited AFR has submitted expenditure object starting with 045 in a function other than function 4xxx. It is a note in the unaudited AFR, but it will be an error in the Audited AFR. Email Finance.reports@education.ky.gov for assistance if you do not understand what to correct.”

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UNAUDITED AFR BALANCE SHEET ERROR, NOTES AND PENDING

<u>Error or Note #</u>	<u>Error or Note Message</u>
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BASIC CHECKS

1.00 DISTRICT NUMBER IN FILE NAME IS DIFFERENT THAN NUMBER IN FILE

This **ERROR** test checks to ensure that the district number in the file name is the same as the district number in the file submitted to KDE. If the district number does not match, districts must correct the error before submitting their Unaudited AFR Balance Sheet to KDE.

2.00 RECORD TYPE INDICATOR IS DIFFERENT THAN RECORD TYPE SUBMITTED

This **ERROR** test checks to ensure that the record type in the file submitted to KDE matches the submission type. The record types are: “A” for Finance Record (AFF), “B” for Balance Sheet (BS), and “W” for Working Budget (WKD) and “T” for Tentative Budget (TED). If the record type does not match, districts must correct the error before submitting their Unaudited AFR Balance Sheet to KDE.

3.00 INVALID FISCAL YEAR

This **ERROR** test checks to ensure that the fiscal year submitted to KDE is 2024 for July 2024 Unaudited AFR Balance Sheet Reporting. If the file is any other fiscal year, districts must correct the error before submitting their Unaudited AFR Balance Sheet to KDE.

SEGMENT ERRORS

4.00 INVALID FUNDS

This **ERROR** test checks to ensure that Funds recorded on the Unaudited AFR Balance Sheet match the Funds listed on KDE’s current COA list of valid Fund Codes. If a Fund does not match the list of valid Funds on the COA, districts must fix it before submitting. The only exception will be if an invalid Fund Code Year-to-Date Actual equals zero, then the Unaudited AFR will submit.

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5.00 INVALID OBJECTS

This **ERROR** test checks to ensure that Object Codes recorded on the Unaudited AFR Balance Sheet match the Object Codes listed on KDE's current COA list of valid Object Codes with the range of 6100 – 8757 and 8770. Object Codes may contain six digits. KDE only checks the first four digits since districts may have alpha and/or numeric characters in the last two places. The first four Object Code characters must match the valid list of KDE's COA. If an Object Code does not match the list of valid Object Codes on the current COA, an error will trigger and the district cannot submit their AFR files, unless the year-to-date equal zero. If the year-to-date does not equal zero correct the object code before submitting.

OTHER BASIC VALIDATIONS AND CALCULATIONS

7.00 ASSETS MUST EQUAL LIABILITIES & FUND BALANCES IN FUNDS 1, 2, 310, 320 AND 51

This **ERROR** test checks to ensure each fund has Assets that equal Liabilities plus Fund Balances. In Funds: 1, 2, and 51, if Assets do not equal liabilities plus Fund Balances, then correct the error(s) before submitting your Unaudited AFR Balance Sheet to KDE. The message will state "The Finance Record Import file assets do not match liabilities and fund balances for fund 1, fund 2, and /or fund 51.

In Fund 310, this check will see if there is an asset and if there is then it will check to assure that the assets equal liabilities plus fund balances. If assets do not equal liabilities plus fund balances in Fund 310, correct the error(s) before submitting your unaudited AFR Balance Sheet to KDE. The message will state "The Finance Record Import file assets do not match liabilities and fund balances for fund 310. Exception: Fund 310 may not have any assets, liabilities, or fund balances if a district received and expended funds within the same year; therefore, districts could submit their Unaudited AFR Balance Sheet to KDE.

Exception: Fund 320 is not available for funding in all districts, so districts may show no activity in this fund. If there are no entries recorded in Fund 320, districts could submit their Unaudited AFR Balance Sheet to KDE. The message will state "The Finance Record Import file assets do not match liabilities and fund balances for fund 320.

10.00 ONLY FUND 1 CAN HAVE CREDIT IN BAL. SHEET OBJECT CODE 8770

This **ERROR** test checks to ensure that balance sheet object 8770 shows a credit balance in Fund 1 only. If any other fund shows a credit balance, district will correct the error before submitting their Unaudited AFR Balance Sheet to KDE. (Review Fiscal Year End Processing (BGL-2) for the correct entries to use for year-end processing for balance sheet object 8770.) (Change from 2012) In odd years not properly moving balances for 310 and 320 from 8770 to 8738 per the Fiscal YE Processing, BGL-2

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can affect your local available revenue calculation. The message will state “The Finance Record Import file has balances in the Balance Sheet Object Code 8770 in Fund 2, Fund 310, Fund 320, Fund 360, or Fund 400. Please review and moved restricted balances to the appropriate account.”

11.00 BALANCE SHEET OBJECT CODES WITH FUNCTION 0000

This **ERROR** test checks to ensure that the Balance Sheet Object Codes (6000-8775) match with the appropriate Function Code (0000). If the Balance Sheet Object Codes match to Function Codes (1XXX-5XXX), districts cannot submit their Un-Audited/Audited AFR Balance Sheet until corrected. The only exception will be if a Balance Sheet Object Code tied to the Function Code (1XXX-5XXX), but the Balance equals zero.

12.00 UNAUDITED AFR BALANCE SHEET FUNDS 310/320

This **ERROR** is to check for accounts used in Funds 310 and 320 for the Odd and Even Years. See [BGL-2](#), page 31, for full details on how the entries should be done. These balance sheet object codes listed calculate the Local Available Revenue in Odd Years.

For Odd Years, the following codes are the only valid accounts: Restricted – SFCC Escrow – Prior Offer (8734), Restricted – Future Construction Projects (BG-1) (8735), Restricted – SFCC-Current Offer (8738) (see last page of BGL-2 document).

For Even Years the following codes are the only valid accounts: Restricted – SFCC Escrow – Prior Offer (8734), Restricted – Future Construction Projects (BG-1) (8735), Restricted – Other (8737) Restricted – SFCC-Current Offer (8738). Submitting these two codes would be rare, but they are acceptable: Nonspendable – Prepays (8723), Nonspendable-Other (8727) (see last page of BGL-2 document).

The error message will state that “The Finance Record Import file contains incorrect balances in Balance Sheet Accounts in Fund ‘ ‘. (see last page of Fiscal YE Processing, BGL-2 document Appendix D).”

13.00 UNAUDITED AFR BALANCE SHEET FUND 360 AND FUND BALANCE OBJECT CODES

This **ERROR** is to check for the fund balance object codes used in fund 360. Since fund 360 is a restricted fund the only fund balance object codes used is 8723 prepaids, 8727 prepaid other (rarely used), 873X restricted. If any other fund balance object codes used is with year to date actual not equal to zero, the district must correct the error before submitting their Unaudited AFR Balance Sheet to KDE. The message will state “The Finance Record Import file contains a non-zero balance in fund 360 for Object Code other than 8723 prepaids, 8727 prepaid other (rarely used), 873X restricted.

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14.00 FUND 51 OPERATING & PENSION/OTHER POST EMPLOYMENT BENEFITS LIABILITY BALANCES

This **NOTE** is to check for the fund balance object codes used in fund 51 (and used in other 5x funds) when reporting pension liability for proprietary funds. Object codes for pension liability or the other post-employment benefits are 6400 (debit), 7476 (credit), 7541 (credit), 7700 (credit), 8737P (debit) (P for the Pension Liability) and 8737O (debit) (O for the Other Post-Employment Benefits Liability). Each of these other asset and liability codes should use a “P” in the 5th digit for the Pension Liability reporting or an “O” in the 5th digit for the Other Post-Employment Benefits Liability (OPEB). We are viewing this non-operational reporting and although all of your codes may balance to zero, we are separating them to help in the reporting for the CNPS done for Food Services. The operational balance sheet codes will be all of the other balance sheet object codes that are not the ones listed previously. We are treating these as two groupings, so each set should equal to zero when totaled. If they do not the total to zero, the district will get a message. The message will state, “The Finance Record Import file for the Unaudited AFR Balance Sheet when adding the balances for the pension liability codes that are a combination of (6400, 7476, 7541, 7700, 8737O or 8737P) the balance amount does not equal to zero, or when adding the other balance sheet codes balance amounts not in (6400, 7476, 7541, 7700, 8737O or 8737P) the balance amount does not equal to zero. In the Audited AFR it becomes an error, and you must correct your data file for your submission. Email the Finance.reports@education.ky.gov for assistance if you do not understand what to correct.”

19.00 FUND 5X AND BALANCE SHEET OBJECT CODE 8770

This **ERROR** test checks that there are no balances in Fund 5X, Object Code 8770 and that the only balances are in object codes 8711, 8712, or 8739 per GASB 34 for proprietary funds. The error for reporting object code 8770 when the year-to-date-actual is not zero will keep the district from submitting the unaudited AFR Balance Sheet. (These fund balance object codes 8711, 8712, and 8739 or the only designated for the proprietary fund. Except for recording pension (8737P) per GASB 68 or other post-employment benefits (8737O) per GASB 75 in 5X for reporting and it must match exactly. If there is a balance in any code other than the designated proprietary object code districts correct the error before submitting your Unaudited AFR Balance Sheet to KDE. The message will state “The Finance Record Import file object codes for 8xxx for fund 5x are incorrect. Please use the AFR submission guide and change the entry to the codes in the guidance for proprietary funds.”