

**GAAP/WVEIS Entry
Receivable Example 1**

To record food service receivable in the fund financial statements

Action Needed: Food service billings should be recorded for meals provided during FY 2015. They should be recorded net of estimated uncollectibles.

GAAP/WVEIS Entry:

dr. 61..00153.001	Other accounts receivable	150,000	
cr. 61..00154.001	Estimated uncollectible account receivable		7,500
cr. 61..00601.006	Deferred inflows of resources		142,500

Where do the Numbers Come From?

Two types of receivables could exist for the food service program at year-end.

The first type is the federal reimbursement receivable, if any. This figure comes from the claim for reimbursement.

The second type is the amount of food service billings that are receivable for student meals. All county boards need to record the student billing receivable. The amount to record as a receivable is equal to the total amount of billings not received as of June 30. A contra-account, estimated uncollectible account receivable, is credited in an amount equal to the amount of billings outstanding at June 30 that is estimated to be uncollectible. (See entry above using the information below)

For the estimated uncollectibles, base the allowance percentage on a historical analysis for the past three – five years. This is the most accurate method and the one recommended by the Office of School Finance. You will need to compare the gross accounts receivable related to food service to be collected (from billings) for FY 11 (for example) with the collections received from that particular year during FY 11. Divide the collections received by the gross receivable to be collected to obtain a collection percentage for that particular year. Do this for a three to five year span FY11, FY 12, FY 13, FY 14 and FY 15. Get those percentages and subtract from 100 to arrive at an allowance percentage. Some will be uncollectible due to families moving away, graduation, or refusal to respond.

Entry information:

Total student billings not received as of June 30, 2015:	150,000
Total estimated allowance (5% of total billings not received):	7,500
Amount collected in September 2015:	142,500
Amount collected in July and August 2015:	0
Availability period:	60 days

**GAAP/WVEIS Entry
Receivable Example 2**

To record property taxes in the fund financial statements

Action Needed: Property taxes should be recognized in the period for which property taxes are being levied.
They should be recognized net of estimated refunds and uncollectibles.

GAAP/WVEIS Entry:

dr. 11..00121.001	Taxes receivable- property taxes	3,116,093	
cr. 11..01111.009	Revenues-property taxes		582,110
cr. 11..00122.001	Allowance for uncollectibles		1,084,388
cr. 11..00601.006	Deferred inflows of resources		1,449,595

Where do the Numbers Come From?

See property tax handout- attached.

**GAAP/WVEIS Entry
Receivable Example 3**

To record E-rate receivable and deferred inflows of resources in fund financial statements

Action Needed: To record E-rate receivable and deferred inflows of resources.

GAAP/WVEIS Entry:

Entry 1:

dr. 11..00153.001	Other accounts receivable	244,609	
cr. 11..01989.001	Revenue- E-rate		178,459
cr. 11..00601.006	Deferred inflows of resources		66,150

Where do the Numbers Come From?

E-rate receivable occurs because of a program whereby county boards of education receive discounted services for telecommunications, Internet access and Internet connections. Currently, the board must submit a request for reimbursement to the vendor after the full payment is made to the vendor. Therefore, most reimbursements are received in a subsequent fiscal year. (See entry above using the information below)

Entry Information:

Amount submitted for reimbursement:	244,609
Amount approved for reimbursement:	244,609
Collections through August	178,459
Availability period:	60 days

**GAAP/WVEIS Entry
Receivable Example 4**

To record medicaid receivable in the fund financial statements

Action Needed: To record medicaid receivable from fee-for-service billings not received as of June 30, 2015.

GAAP/WVEIS Entry #1:

dr. 11..00141.001	Intergovernmental receivables	100,000	
cr. 11..00601.004	Deferred inflows of resources		25,000
cr. 11..04221.009	Revenues-medicaid payments		75,000

Where do the Numbers Come From?

Medicaid funding is a reimbursement for previously incurred Medicaid-eligible expenditures. The amount to record as the fee-for-service billing is equal to the total amount of FY 15 billings not received as of June 30, 2015. (See entry above using the information below.)

Entry #1 information:

Amounts billed at June 30 for FY 15 services:	100,000
Amount received in July and August	75,000
Amount received after August	25,000
Availability period:	60 days

GAAP/WVEIS Entry
Reimbursements Receivable Example 5

To record reimbursements receivable in the fund financial statements

Action Needed: To record reimbursements receivable.

GAAP/WVEIS Entry:

dr. 61..00141.001	Intergovernmental receivables	654,134	
cr. 61..03991.009	Accrued state revenue		24,341
cr. 61..04991.009	Accrued federal revenue		629,793

Where do the Numbers Come From?

Receivables reported on the special projects worksheet at June 30th of the current year. This entry also assumes that the prior year accrual for reimbursements receivable has already been reversed in the current year.

Please note that during the FY2014 OSF Summer Conference, OSF concluded that the requirements of GASB Statement No. 33 for non-exchange transactions makes it unlikely that a county would have deferred inflows of resources related to state and federal grant awards. However, CSBOs should review their list of earmarks at year-end to determine if a true deferred inflow of resources exists for local, intermediate, state, and federal projects. If it is determined that a deferred inflow of resources exists, an entry to debit accrued revenue and credit deferred inflows of resources should be made as part of the year-end closing entries.

You can review the requirements of GASB 33 and the OSF conclusions at:
<http://wvde.state.wv.us/finance/workshops/2014/july-much-ado-about-accounting/GASB%2065.pdf>

Entry information:

Total accounts receivable reported on the special projects worksheet at June 30, 2015:	654,134
Amount attributable to state source revenue:	24,341
Amount attributable to federal source revenue:	629,793

**GAAP/WVEIS Entry
Example 6**

To record accrued FY2015 liabilities in the fund financial statements that HAVE been paid in FY 2016.

Action Needed: Liabilities and expenses that arise in the current year need to be properly recorded in the current year.

GAAP/WVEIS Entry:

FY 2015:

To record FY 2015 liabilities that have already been paid in FY 2016:

Entry 1 (to record the liability):

dr. 11..X1XXX.XXX	Expenditures- Instruction	70,000	
dr. 11..X31XX.XXX	Expenditures- Food service	15,000	
dr. 11..X24XX.XXX	Expenditures- School administration	25,000	
dr. 11..X27XX.XXX	Expenditures- Student transportation	20,000	
cr. 11.00421.004	Accounts payable		130,000

FY 2016:

Entry 2 (to unrecord [reverse] the FY 16 entry where the FY 15 liability was paid):

dr. 11.00421.004	Accounts payable	130,000	
cr. 11..X1XXX.XXX	Expenditures- Instruction		70,000
cr. 11..X31XX.XXX	Expenditures- Food service		15,000
cr. 11..X24XX.XXX	Expenditures- School administration		25,000
cr. 11..X27XX.XXX	Expenditures- Student transportation		20,000

FY 2015 Encumbrance Entry:

Entry 3 (If the invoice was encumbered, you must release the encumbrance):

THIS IS AN ENCUMBRANCE ENTRY

dr. 11.00603.006	Fund Equity for Encumbrances	125,000	
cr. 11..X1XXX.XXX	Expenditures- Instruction		70,000
cr. 11..X31XX.XXX	Expenditures- Food service		12,000
cr. 11..X24XX.XXX	Expenditures- School administration		23,000
cr. 11..X27XX.XXX	Expenditures- Student transportation		20,000

Where do the Numbers Come From?

Liabilities and expenses need to be properly recorded as of June 30 even if vendor invoices have not been received as of that date. A liability arises when services are performed or goods are received rather than when a vendor's invoice is received and processed. Review invoices received after June 30, 2015 for services and goods relating to FY 2015.

**GAAP/WVEIS Entry
Example 7**

To record accrued FY 15 liabilities in the fund financial statements that HAVE NOT been paid in FY 16.

Action Needed: Liabilities and expenses that arise in the current year need to be properly recorded in the current year.

GAAP/WVEIS Entry:

****NONE NEEDED****

Procedures have been given in Kim Harvey's FMS Year End Instructions. Please see her handout for entire instructions. Below is a summary of the steps.

- * Collect invoices received after fiscal YE relating to FY 15 expenses.
 - * In WVEIS FY 15, enter these invoices, post, and then run county's schedule of checks.
 - * In WVEIS FY 16, carry these invoices forward (either as a batch or individually), and then run county's schedule of checks. Compare this schedule to previous schedule to ensure all invoices were carried forward.
- If all invoices have been carried forward, run check writer to cut checks.

Where do the Numbers Come From?

Liabilities and expenses need to be properly recorded as of June 30 even if vendor invoices have not been received as of that date. A liability arises when services are performed or goods are received rather than when a vendor's invoice is received and processed. Review invoices received after June 30, 2015 for services and goods relating to FY 15.

**GAAP/WVEIS Entry
Example 8**

To correct prior year expenditures in current year fund financial statements

Action Needed: Liabilities and expenses from the prior year that are recorded in the current year need to be corrected. Because these amounts are the product of errors from a prior period, they are not properly included as part of the results of operations of the current period, even though they are reported in the current period. Prior period adjustments are not necessary for clearly immaterial amounts. If you question the materiality of the amount needing corrected, you should contact your auditor.

GAAP/WVEIS Entry:

dr. 11..007XX..007	Fund Balance (choose appropriate fund balance category)	450,000	
cr. 11..X1XXX.XXX	Expenditure- Instruction		350,000
cr. 11..X24XX.XXX	Expenditure- School administration		100,000

Where do the Numbers Come From?

Review expenditures made in the beginning of FY 15 to ensure expenditures relate to FY 15.

**GAAP/WVEIS Entry
Example 9**

To record current year OPEB liability.

Action Needed: The OPEB accrued expenditure/liability must be recorded at the appropriate program/function.

GAAP/WVEIS Entry:

dr. 11..X1XXX.217	Expenditure- OPEB	38,000	
dr. 11..X21XX.217	Expenditure- OPEB	2,413	
dr. 11..X22XX.217	Expenditure- OPEB	1,206	
dr. 11..X23XX.217	Expenditure- OPEB	605	
dr. 11..X24XX.217	Expenditure- OPEB	4,222	
dr. 11..X25XX.217	Expenditure- OPEB	1,206	
dr. 11..X26XX.217	Expenditure- OPEB	4,825	
dr. 11..X27XX.217	Expenditure- OPEB	7,841	
cr. 11..00462.004	Accrued ARC for OPEB		60,318

Where do the Numbers Come From?

The total comes from the PEIA web contributions system and is the sum of the invoiced amounts for all months of FY 15 (which should include the applied OPEB credit for FY15). The expenditure amount must be broken down by program/function code.

NOTE: Counties must also compare the overall ending OPEB liability per the PEIA web contributions system against the ending balance recorded on the prior year financial statements. The amount may be slightly from invoice amounts for the current year due to adjustments made by PEIA for prior periods. The current year ending liability should match the PEIA web contribution liability balance as of June 30, 2015.

GAAP/WVEIS Entry
Prepaid Expenses Example 10

To record workers' compensation expense in the fund financial statements

Action Needed: To record prepaid workers' compensation expense.

GAAP/WVEIS Entry #1:

dr. 11..00183.001	Prepaid workers' compensation premiums	150,000	
cr. 11..XXXXX.261	Workers' compensation expense		150,000

Where do the Numbers Come From?

Prepaid workers' compensations arises for amounts paid for workers' compensation premiums in advance of the coverage period. Please note that the entry in this example assumes that the prior year prepaid workers' compensation entry was reversed at the beginning of the current fiscal year. If the prior year entry was not reversed, the total of the entry would be adjusted down by the amount of prepaid workers' compensation at the end of the prior year. In this situation, a credit to prepaid workers' compensation may be necessary if the prior year balance is greater than the current year balance.

Entry information:

Workers' Compensation premium paid in March 2015	300,000
Coverage period	Apr. 2015 - Sept. 2015
Calculations needed for entry:	
Months in policy period	6
Month of coverage prepaid as of year-end (July, August, and September)	3
Ratio to be applied to premium	50%
Premium paid prior to year-end	300,000
Total prepaid workers' compensation at June 30, 2015	150,000

GAAP/WVEIS Entry Prior Period Adjustments

Record all errors in the prior year financial statements as a restatement of beginning fund balance in the FY 15 statements.

Action Needed: Determine if errors were made in the prior year financial statements. If so, record the cumulative effect on fund balance as an adjustment to beginning fund balance on the financial statements and detail the adjustments in the notes to the financial statements.

Note - This entry should rarely be used. You should discuss any restatements of fund balance with your auditors.

Step 1 - Accumulate all entries made directly to fund balance as a result of correcting errors in prior year statements.

	<i>General Current Expense Fund</i>		<i>Special Revenue Fund</i>	
	dr.	cr.	dr.	cr.
E-rate receivable		75,000		
Deferred inflows of resources			621,367	
Accounts payable	45,000			

Step 2 - Total the amounts going to fund balance

Totals from Step 1	\$ 45,000	\$ 75,000	\$ 621,367	\$ -
Net effect	\$ (30,000) credit balance		\$ 621,367 debit balance	

Step 3 - Enter this on the appropriate line of the Statement of Revenues, Expenditures and Changes in Fund Balances.

SAMPLE COUNTY, WEST VIRGINIA, BOARD OF EDUCATION							
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (excerpt)							
	General Current Expense	Special Revenue Fund	Debt Service Fund	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Fund balances - beginning	450,000	(25,000)					-
Restatement of fund balance	30,000	(621,367)					-
Fund balances - beginning, as restated	480,000	(646,367)					-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Step 4 - Complete the note to the financial statements regarding restatement of beginning fund balance.
(It is Note 13 in the template.)

GAAP/WVEIS Entry
Other Entries to Consider

- Transfer of county contribution for Food Service
- Record Federal food service commodities/donated foods
- Record Tools for Schools allocation
- Record unfunded retirement liability allocation
- Record retainage payable on current construction contracts
- Record bank interest income
- Reclassify summer pays/prorated payrolls to cash
- Record June indirect costs