



**Presentation of 2018
Auditor's Discussion and Analysis
Atlanta Independent School System
Audit Committee Meeting**

**MAULDIN
& JENKINS**





Auditor's Discussion and Analysis



- Engagement Team
- Results of the 2018 Audit
- Comments, Recommendations, and Other Issues
- Questions





Engagement Team



MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in 1918, large regional firm serving the Southeastern United States (**100 Year Anniversary**)
- Offices located in Macon, Atlanta, Albany, Savannah, Birmingham AL, Chattanooga TN, Columbia SC, and Bradenton FL with firm governmental leadership positioned in the Atlanta and Macon offices.

Governmental Sector:

- Largest specific industry niche served by Firm representing 25% of Firm practice.
- Serve 9 of the largest 30 school districts in Georgia and Florida combined.
- Serve more governmental entities in Georgia than any other certified public accounting firm requiring over 85,000 hours of service on an annual basis.
- Serves over 100 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- Auditor of a substantial part of the State of Georgia including: approximately 25% of the State's General Fund; 13 of the State of Georgia's component units, and 2 State of Alabama entities.
- Approximately 90 professional staff persons with current governmental experience.
- Current auditor for over 400 total governments in the Southeast, including approximately:
 - ✓ 100 Cities ✓ 45 Counties ✓ 50 School Systems and 35 charter schools ✓ 40 State entities
 - ✓ 140 Special Purpose Entities (housing, industrial development, health & welfare, other educational retirement, libraries, and etc.) ✓ 100 Water & Sewer Systems, 20 airport operations, 10 gas systems, 15 electrical utilities, and 10 transit services





Engagement Team



Engagement Team Leaders for the Atlanta Independent School System:

- Doug Moses, Engagement Partner – 19 years experience, 100% governmental
- James Bence, Quality Assurance Review Partner – 15 years experience, 100% governmental

Mauldin & Jenkins – Additional Information

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- Agri-Businesses
- Professional Services
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Long-term Healthcare
- Individuals, Estates and Trusts
- SEC Registrants
- Wholesale Distribution
- Manufacturing
- Employee Benefit Plans
- Non-Profit Organizations
- Retail Businesses
- Construction & Development
- Real Estate Management





Results of June 30, 2018 Audit



- Our Responsibility Under Auditing Standards Generally Accepted in the United States of America (GAAS)
 - We considered the internal control structure for the purpose of expressing our opinion on the School System's basic financial statements and not providing assurance on the internal control structure.
 - Our audit was performed in accordance with GAAS.
 - Our objective is to provide reasonable—not absolute—assurance that the basic financial statements are free of material misstatement.
 - The basic financial statements are the responsibility of the School System's management.
- Report on 2018 Basic Financial Statements of the School System
 - Unmodified ("clean") opinion on the basic financial statements. **Audit report date was February 20, 2019.**
 - Presented fairly in accordance with accounting principles generally accepted in the United States of America.
 - Our responsibility does not extend beyond financial information contained in our report.





Results of June 30, 2018 Audit (Continued)



■ Report on 2018 Federal Award Programs

- Unmodified opinion or clean opinion on major federal award programs (Title I, Part A) audited in accordance with Uniform Guidance. Audit report date was **February 20, 2019**. At June 30, 2018, the School System had a total of approximately \$70.6 million in federal awards. We audited approximately \$29.5 million or 41% of the total federal awards.

■ SPLOST Performance Audit

- Performance audit performed on the Fulton SPLOST and DeKalb SPLOST Programs.
- Tested a total of 85 SPLOST Expenditures (60 from Fulton SPLOST and 25 from DeKalb SPLOST Programs - all were expended on allowable costs in accordance with SPLOST Referendums).
- Reviewed 15 SPLOST Contracts for proper board approval, procurement servicers approval, and for evidence of multiple bids obtained prior to award.





Results of June 30, 2018 Audit (Continued)



- Significant Accounting Policies
 - The significant accounting policies used by the School System are described in Note 1 to the basic financial statements.
 - The policies used by the School System are in accordance with generally accepted accounting principles and similar government organizations, with no significant new policies to qualitative aspects of its policies other than implementing GASB 75 relating to OPEB plans, the School System is not involved in any controversial or emerging issues for which guidance is not available.
 - In considering the qualitative aspects of its policies, the School System is not involved in any controversial or emerging issues for which guidance is not available.
- Management Judgment/Accounting Estimates
 - The School System uses various estimates as part of its financial reporting process – including valuation of accounts receivable and depreciation expense for its capital assets and the net pension liability.
 - Management's estimates used in preparation of financial statements were deemed reasonable in relation to the financial statements taken as a whole. We considered this information and the qualitative aspects of management's calculations in evaluating the School System's significant accounting estimates.
- Financial Statement Disclosures
 - The footnote disclosures to the financial statements are also an integral part of the financial statements and the process used by management to accumulate the information included in the disclosures was the same process used in accumulating the statements. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit.





Results of June 30, 2018 Audit (Continued)



- Relationship with Management
 - We received full cooperation from the School System's management, staff, and others.
 - There were no disagreements with management on accounting issues or financial reporting matters.
- Audit Adjustments
 - Adjustments were proposed to the records of the School System and have been recorded in the School System's financial statements. The School System's accounting director has copies of these audit entries and will have available with this presentation. In addition, we had one (1) proposed audit adjustment that was deemed to be immaterial and not posted to the School System's accounts. We have obtained representation regarding the immateriality of these adjustments from management.
- Representation from Management
 - We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.





Results of June 30, 2018 Audit (Continued)

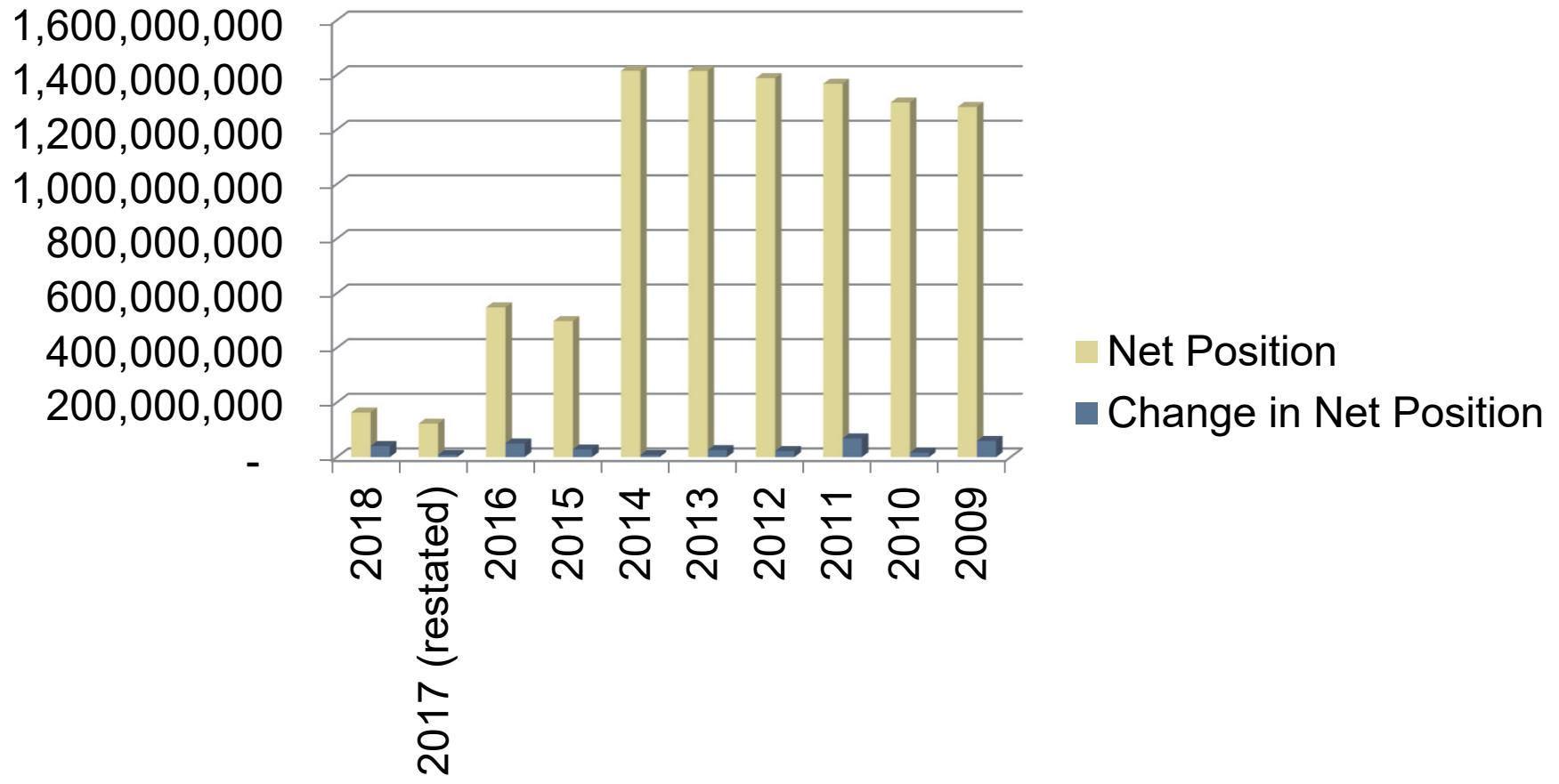


- Consultation with Other Accountants
 - To the best of our knowledge, management has not consulted with, or obtained opinions from, other independent accountants during the year, nor did we face any issues requiring outside consultation.
- Significant Issues Discussed with Management
 - There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements.
- Information in Documents Containing Audited Financial Statements
 - Our responsibility for other information in documents containing the School System's basic financial statements and our report thereon does not extend beyond the information identified in our report. If the School System intends to publish or otherwise reproduce the financial statements and make reference to our firm, we must be provided with printers' proof for our review and approval before printing. The School System must also provide us with a copy of the final reproduced material for our approval before it is distributed.
- Auditor Independence
 - In accordance with AICPA professional standards, M&J is independent with regard to the School System and its financial reporting process.
 - There were no fees paid to M&J for management advisory services during fiscal year 2018 that might effect our independence as auditors.





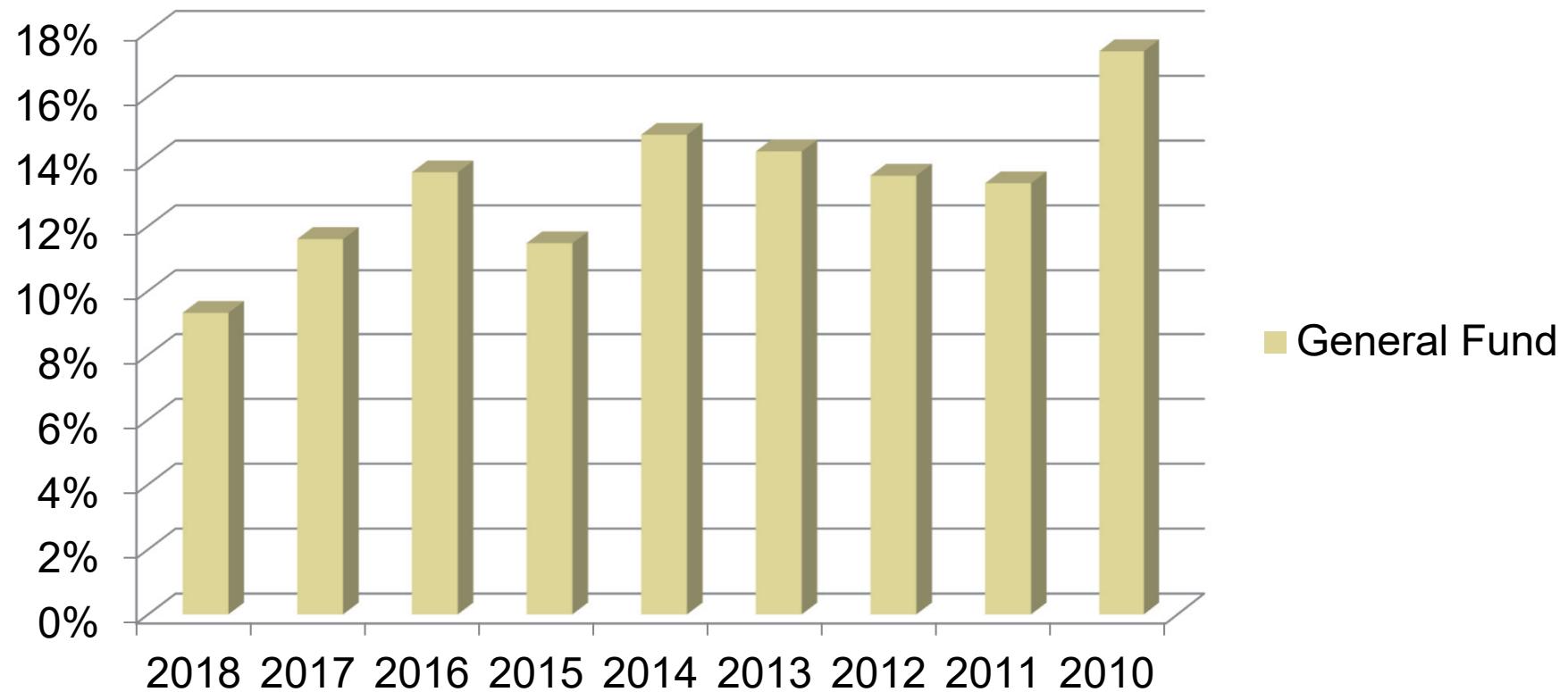
Financial Trends – Governmental Activities – Net Position vs. Change in net position



Fund Balance as a Percentage of Total Expenditures

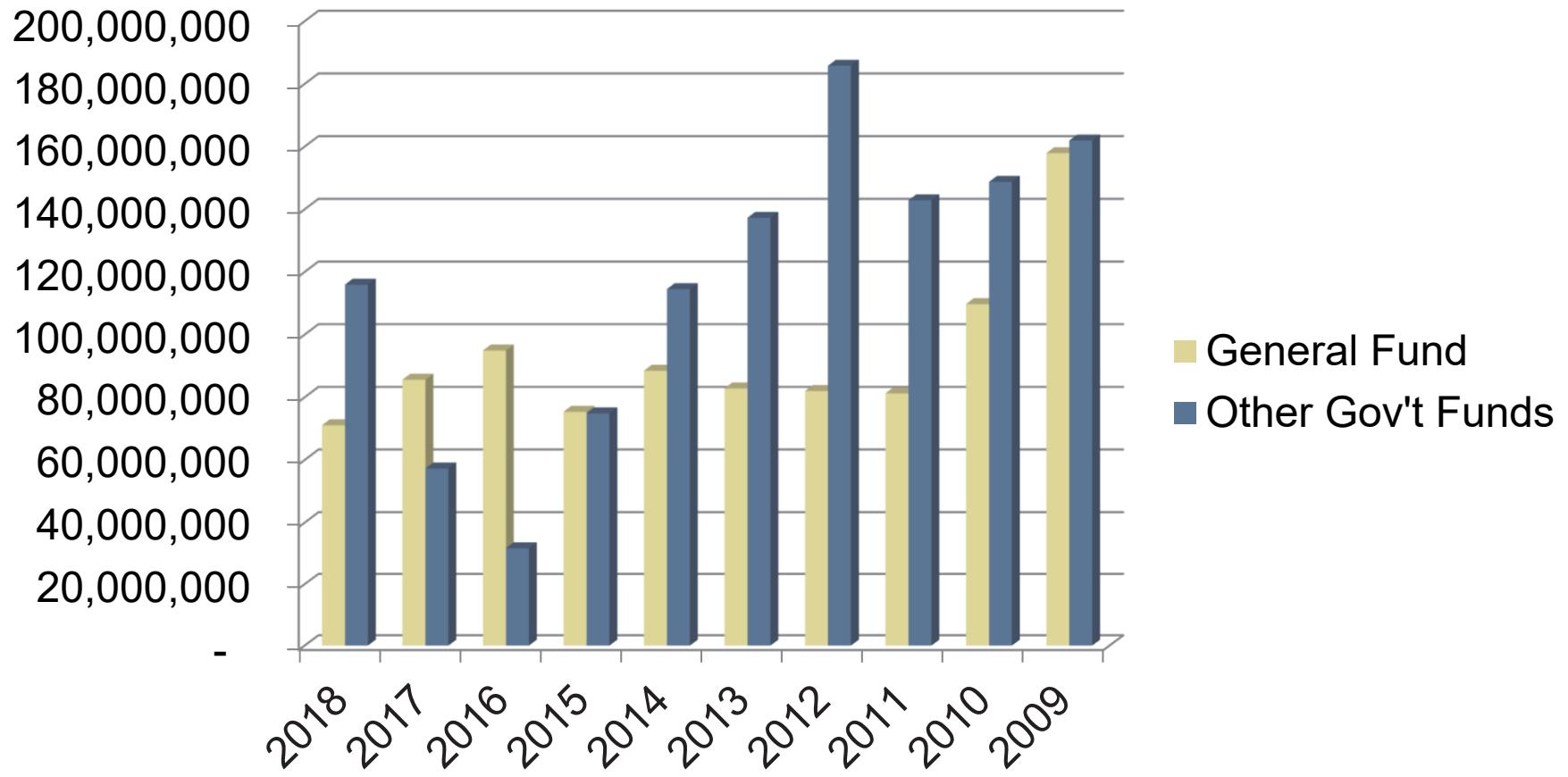


General Fund



10

Financial Trends – Fund Balances





Comments, Recommendations, & Other Issues



■ Findings – Material Weakness (Federal Award Programs) - Repeat

2018-001 - Procurement Requirements for Federally Funded Projects – U.S. Department of Education Title I, Part A (CFDA #84.010)

During our testing of procurement, suspension, and debarment for covered transactions, we noted the School System was not aware of the requirement regarding testing of certain vendors for inclusion on the Federal suspended or debarred list until about halfway through fiscal year 2018. One (1) out of nine (9) vendors reviewed during our testing was not reviewed by the School System in accordance with the procurement, suspension, and debarment compliance requirement.

The School System was not aware of the requirement until halfway through fiscal year 2018 and therefore did not test this vendor prior to entering into covered transactions; however, during our testing, there were no parties noted on the excluded parties listing.

We recommend the School System take necessary steps in the future to ensure there is a verification check for covered transactions, by checking the EPLS, collecting a certification from the vendor, or adding a clause or condition to the contract with a vendor prior to paying any Federal funds to a particular entity.





Comments, Recommendations, & Other Issues



■ Management Letter Comments and Recommendations

- (1) During our testing of the completeness of the School System's accounts payable balances through our review of subsequent disbursements, we noted one (1) check in the amount of \$71,705 was improperly excluded from the School System's liability balances as of June 30, 2018. Due to the immaterial nature of this check, an audit adjustment was proposed and passed. However, we recommend the School System carefully review disbursements after fiscal year-end to ensure the proper cutoff of accounts payable so that all expenditures are reported in the proper accounting period.





Comments, Recommendations, & Other Issues



■ New GASB Pronouncements

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans was issued in June of 2015 and is effective for financial statements for periods beginning after June 15, 2017 resulting in the School System's fiscal year ending June 30, 2018. This standard establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The School System implemented this standard during fiscal year 2018 which resulted in the restatement (reduction) of beginning net position in the amount of \$433.8 million to recognize beginning total OPEB liability of \$449.2 million and beginning deferred outflows of resources of \$15.4 million.

Statement No. 81 Irrevocable Split-Interest Agreements was issued in March of 2016, and is effective for financial statements for periods beginning after December 15, 2016 resulting in the School System's fiscal year ending June 30, 2018. Irrevocable split-interest agreements (which are prevalent at colleges and universities) whereby split-interest agreements in which an asset is given to a government in trust. During stated term of the trust the income generated by the trust goes to the donor and when the trust ends then the assets become the governments. We do not expect this pronouncement to affect the financial reporting of the Government.



Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 83, *Certain Asset Retirement Obligations* – was issued in November 2016, and is effective for the first reporting period beginning after June 15, 2018. An asset retirement obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes the criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. Timing could be based on the occurrence of external laws, regulations, contracts or court judgments. Examples include the closure of a nuclear reactor or a sewage treatment facility. This statement addresses the financial reporting and accounting as well as the respective disclosures relative to ARO's.

Statement No. 84, *Fiduciary Activities* – was issued in January 2017 and is effective for the first reporting period beginning after December 15, 2018. This statement establishes criteria for identifying fiduciary activities with a focus on: 1) whether a government is controlling the assets of the fiduciary activity; and, 2) the beneficiaries with whom a fiduciary relationship exists.

Further, this statement describes four (4) fiduciary funds that should be reported, if applicable: 1) pension and other employee benefit trust funds; 2) investment trust funds; 3) private-purpose trust funds; and, 4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criterias.





Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 85, *Omnibus 2017* – was issued in March 2017 and is effective for the first reporting period beginning after June 15, 2017. This statement addresses a variety of topics including issues related to:

- Component Units - blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Goodwill - reporting amounts previously reported as goodwill and “negative” goodwill;
- Real Estate - classifying real estate held by insurance entities;
- Fair Value Measurement and Application - measuring certain money market investments and participating interest earning investment contracts at amortized cost;





Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 85, *Omnibus 2017 (Continued)*

- Postemployment benefits (pensions and other postemployment benefits [OPEB]):
 - Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
 - Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
 - Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
 - Classifying employer-paid member contributions for OPEB;
 - Simplifying certain aspects of the alternative measurement method for OPEB; and,
 - Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.



Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 86, *Certain Debt Extinguishment Issues* was issued in May 2017 and is effective for the first reporting period beginning after June 15, 2017. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed into an irrevocable trust for the sole purpose of extinguishing debt. This statement also addresses prepaid insurance on debt that is extinguished and the notes to financial statements for debt that is in-substance defeased.

Statement No. 87, *Leases* was issued in June 2017 and is effective for the first reporting period beginning after December 15, 2019. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that a lease is the financing of the right to use an underlying asset.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.





Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 88, *Certain Disclosures related to Debt, Including Direct Borrowings and Direct Placements* was issued in March 2018 and is effective for periods beginning after June 15, 2018 (meaning June 30, 2019). This standard defines debt for disclosure purposes and adds disclosures related to debt. Under Statement 88, debt for disclosure debt for disclosure purposes is defined as a liability that arises from a contractual obligation to pay cash (or other assets) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This would include, but is not limited to direct borrowings (loan agreement with a lender) and direct placements (debt security with an investor). This excludes leases and accounts payable. In addition to other disclosures related to debt, the notes to the financial statements should include the amount of any unused lines of credit; assets pledged as collateral for debt; terms specified in the debt agreement related to events of default, termination events, and subjective acceleration clauses; and debt disclosures should separate information regarding direct borrowings and direct placements.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* was issued in June 2018 and is effective for periods beginning after December 15, 2019 (meaning June 30, 2021). This standard eliminates the requirement/ability to capitalize construction period costs as part of a capital asset in enterprise funds. This standard should be applied prospectively with no restatement. This standard can be early implemented as part of fiscal year 2019.





Comments, Recommendations, & Other Issues



■ New GASB Pronouncements (Continued)

Statement No. 90, *Equity Interests an amendment of GASB Statements No. 14 and No. 61*, is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Applicable for June 30, 2020.



Comments, Recommendations, & Other Issues



- **Other Pending or Current GASB Projects** - As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

Conceptual Framework is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense things such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels) are measured at acquisition and which need to be re-measured at year-end. Project placed on hold for now.

Economic Condition Reporting is another long-term matter being looked into by GASB. Includes presentation of information on fiscal sustainability (including projections). Tabled for now pending resolution to issues raised on GASBs scope.

Re-Examination of the Financial Reporting Model is a project GASB has added to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates issuing an initial due process document on this project by the end of 2017 another long-term matter being looked into by GASB. Includes presentation of information on fiscal sustainability (including projections). Tabled for now pending resolution to issues raised on GASBs scope.





Comments, Recommendations, & Other Issues



FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free quarterly continuing education for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope City staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

- CAFR Preparation - GASB Updates - Grant Accounting Processes and Controls - GASB 68 & 71 (Pensions)
- Internal controls over revenue and cash receipting and accounts payable, payroll, and cash disbursements
- American Recovery & Reinvestment Act (ARRA) information, issues and updates - Single audits for auditees
- Collateralization of Deposits and Investments - Internal Controls over Accounts Payable, Payroll and Controls
- Policies and Procedures Manuals - Segregation of Duties - GASB No. 51 - Intangible Assets - Segregation of Duties
- GASB No. 54 - Governmental Fund Balance - Best Budgeting Practices, Policies and Procedures





Comments, Recommendations, & Other Issues



FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS (Continued)

Governmental Newsletters. We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are produced and delivered periodically, and are intended to keep you informed of current developments in the government finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to dmoses@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.



**MAULDIN
& JENKINS**



Questions & Comments



Client: 0304162 - Atlanta Independent School System
 Engagement: 0304162 - Atlanta Independent School System
 Period Ending: 6/30/2018
 Trial Balance: 0200.100 - General Fund Database
 Workpaper: 0204.100 - General Fund AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|---------|-------------|---------|-------|--------|
|---------|-------------|---------|-------|--------|

Adjusting Journal Entries JE # 1

Record OT Pay.

| | | | | |
|---------------|-------------------------------|-------------|-----------------|-----------------|
| 100-132-0000 | Interfund Accounts Receivable | PBC AJE # 2 | 6,314.61 | |
| 100-1000-1100 | Instr_Teachers - Reg Pay | | | 299.62 |
| 100-1000-2200 | Instr_Fica | | | 4.34 |
| 100-2213-1100 | InstrStaffTrn - OT Pay | | | 300.00 |
| 100-2213-2200 | InstrStaffTrn FICA | | | 4.35 |
| 100-422-0000 | Salaries Payable | | | 5,623.03 |
| 100-422-0002 | Benefits Payable | | | 83.27 |
| Total | | | 6,314.61 | 6,314.61 |

Adjusting Journal Entries JE # 2

To book expenditures and receivables.

| | | | | |
|-------------------|--------------------------------|-------------|------------------|------------------|
| 100-132-0000 | Interfund Accounts Receivable | PBC AJE # 3 | 50,770.91 | |
| 100-2213-8100-150 | InstrStaffTrn - Dues and Fees | | 11,650.00 | |
| 100-5000-9300 | OthrOut_Op TransTo Other Funds | | 10,514.54 | |
| 100-2213-8810-150 | InstrStaffTrn Schoolwide Schoo | | | 1,135.46 |
| 100-421-0001 | GL AP | | 61,285.45 | |
| 100-5200-0000-150 | Oper Transf Other Funds | | 10,514.54 | |
| Total | | | 72,935.45 | 72,935.45 |

Adjusting Journal Entries JE # 3

To accrue back benefits to previous year and move benefits expenses from incorrect fund to correct fund.

| | | | | |
|---------------|--------------------------------|-------------|---------------|---------------|
| 100-1000-2200 | Instr_Fica | PBC AJE # 4 | 10.42 | |
| 100-1000-2300 | Instr_Teachers Retirement Syst | | 155.18 | |
| 100-1000-2904 | Instr_Dental Insurance | | 1.18 | |
| 100-1000-2905 | Instr_Life Insurance | | 0.04 | |
| 100-422-0002 | Benefits Payable | | 166.82 | |
| Total | | | 166.82 | 166.82 |

Adjusting Journal Entries JE # 4

To record FY18 Post Close GF AP accruals for checks.

| | | | | |
|---------------|-------------------------------|-------------|-------------------|-------------------|
| 100-1000-6100 | Instr_Supplies | PBC AJE # 5 | 19,699.04 | |
| 100-2210-3000 | Implnst_Purch Prof & Tech Svc | | 150,000.00 | |
| 100-2600-3000 | M&O_Purch Prof & Tech Svc | | 80,783.63 | |
| 100-421-0001 | GL AP | | | 250,482.67 |
| Total | | | 250,482.67 | 250,482.67 |

Adjusting Journal Entries JE # 5

To record transfer from fund 100 to fund 300 to cover expenditures.

| | | | | |
|---------------|--------------------------------|-------------|-------------------|-------------------|
| 100-5000-9300 | OthrOut_Op TransTo Other Funds | PBC AJE # 7 | 233,327.43 | |
| 100-402-0000 | Interfund Accounts Payable | | 233,327.43 | |
| Total | | | 233,327.43 | 233,327.43 |

Adjusting Journal Entries JE # 6

To record GASB54 Entries for FY18.

| | | | | |
|--------------|---------------------------|-------------|------------------|------------------|
| 100-740-0099 | GASB 54 740 Contra | PBC AJE # 8 | 49,303.44 | |
| 100-799-0000 | Fund Balance - Unassigned | | | 49,303.44 |
| Total | | | 49,303.44 | 49,303.44 |

Adjusting Journal Entries JE # 7

PBC AJE # 9

11/15/2018
12:07 PM

Client: 0304162 - Atlanta Independent School System
Engagement: 0304162 - Atlanta Independent School System
Period Ending: 6/30/2018
Trial Balance: 0200.100 - General Fund Database
Workpaper: 0204.100 - General Fund AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|--|---|---------|-------------------------------------|-------------------------------------|
| To accrue AP Utility invoices. | | | | |
| 100-2600-6200 100-421-0001 Total | M&O_Energy/ GL_AP | | 604,261.20 604,261.20 | 604,261.20 604,261.20 |
| Adjusting Journal Entries JE # 8 | | | | |
| To accrue AP Utility invoices. | | | | |
| 100-2600-6202 100-421-0001 Total | M&O_Energy/ GL_AP | | 556,443.73 556,443.73 | 556,443.73 556,443.73 |
| Adjusting Journal Entries JE # 9 | | | | |
| To accrue AP Utility invoices. | | | | |
| 100-2600-6201 100-421-0001 Total | M&O_Gas GL_AP | | 290,409.25 290,409.25 | 290,409.25 290,409.25 |
| Adjusting Journal Entries JE # 10 | | | | |
| To accrue AP Utility invoices. | | | | |
| 100-2600-6201 100-421-0001 Total | M&O_Gas GL_AP | | 95,100.98 95,100.98 | 95,100.98 95,100.98 |
| Adjusting Journal Entries JE # 11 | | | | |
| To reclass revenue from the deeds in the Other Local Revenue account and put it in the donation account. | | | | |
| 100-132-0000 100-402-0000 Total | Interfund Accounts Receivable Interfund Accounts Payable | | 1,861,000.00 1,861,000.00 | 1,861,000.00 1,861,000.00 |
| Adjusting Journal Entries JE # 12 | | | | |
| To book total indirect costs for FY18. | | | | |
| 100-132-0000 100-1990-0010 Total | Interfund Accounts Receivable Reimb Fed Indirect Cost | | 111,618.10 111,618.10 | 111,618.10 111,618.10 |
| Adjusting Journal Entries JE # 13 | | | | |
| To record benefit accruals not posted. | | | | |
| 100-132-0000 100-422-0002 Total | Interfund Accounts Receivable Benefits Payable | | 1,038.44 1,038.44 | 1,038.44 1,038.44 |
| Adjusting Journal Entries JE # 14 | | | | |
| To record interfund transfer. | | | | |
| 100-132-0000 100-5000-9300 Total | Interfund Accounts Receivable OthrOut_Op TransTo Other Funds | | 2,739.31 2,739.31 | 2,739.31 2,739.31 |
| Adjusting Journal Entries JE # 15 | | | | |
| To book revenue received FY18. | | | | |
| PBC AJE # 23 | | | | |

Client: 0304162 - Atlanta Independent School System
 Engagement: 0304162 - Atlanta Independent School System
 Period Ending: 6/30/2018
 Trial Balance: 0200.100 - General Fund Database
 Workpaper: 0204.100 - General Fund AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|--|--------------------------------|---------|-----------------------|-----------------------|
| 100-132-0000 | Interfund Accounts Receivable | | 40.52 | |
| 100-1995-0000 | Other Local Revenues | | | 40.52 |
| Total | | | 40.52 | 40.52 |
| Adjusting Journal Entries JE # 16 | | | | |
| Book indirect costs. | | | | |
| 100-132-0000 | Interfund Accounts Receivable | | 409.85 | |
| 100-1990-0010 | Reimb Fed Indirect Cost | | | 409.85 |
| Total | | | 409.85 | 409.85 |
| Adjusting Journal Entries JE # 17 | | | | |
| To net transfers in and transfers out in the General Fund. | | | | |
| 100-5200-0000-150 | Oper Transf Other Funds | | 185,042,285.92 | |
| 100-5000-9300 | OthOut_Op TransTo Other Funds | | | 185,042,285.92 |
| Total | | | 185,042,285.92 | 185,042,285.92 |
| Adjusting Journal Entries JE # 18 | | | | |
| To upload the June SABO transactions for Accounts 705 & 500. PC # 28. | | | | |
| 500-2100-6100 | Pupsrv_Supplies | | 72,125.90 | |
| 500-101-0004 | Cash - SBA | | | 72,125.90 |
| Total | | | 72,125.90 | 72,125.90 |
| Adjusting Journal Entries JE # 19 | | | | |
| To fix immaterial difference in order to make the trial balance agree to the debt rollforward. | | | | |
| 100-1000-1100 | Instr_Teachers - Reg Pay | | 656.00 | |
| 100-5100-8310 | DebtSrv_Redemption of Principa | | 7,499.00 | |
| 100-5100-8300 | DebtSrv_Interest | | | 8,155.00 |
| Total | | | 8,155.00 | 8,155.00 |
| Adjusting Journal Entries JE # 20 | | | | |
| To reclass interfund payables | | | | |
| 100-402-0000 | Interfund Accounts Payable | | 2,094,327.43 | |
| 500-402-0000 | Interfund Accounts Payable | | 1,197.27 | |
| 100-132-0000 | Interfund Accounts Receivable | | | 2,095,524.70 |
| Total | | | 2,095,524.70 | 2,095,524.70 |

Client: **0304162 - Atlanta Independent School System**
 Engagement: **0304162 - Atlanta Independent School System**
 Period Ending: **6/30/2018**
 Trial Balance: **0200.211 - Other Federal Funds Database**
 Workpaper: **0204.211 - Other Federal Funds AJE Report**

| Account | Description | W/P Ref | Debit | Credit |
|--|-------------------------------|---------|------------------------|------------------------|
| <hr/> | | | | |
| Adjusting Journal Entries JE # 1 | | | | PBC AJE # 2 |
| To record OT pay. | | | | |
| 460-1000-1991 | Instr_Oth Sal & Comp - PT | | 2,278.48 | |
| 460-1000-2200 | Instr_Fica | | 34.78 | |
| 460-2213-1991 | InstStaffTrn - Oth Sal & Comp | | 3,944.17 | |
| 460-2213-2200 | InstrStaffTrn FICA | | 57.19 | |
| 460-402-0000 | Interfund Accounts Payable | | | 6,314.62 |
| Total | | | <u>6,314.62</u> | <u>6,314.62</u> |
| <hr/> | | | | |
| Adjusting Journal Entries JE # 2 | | | | MJ PBC # 2 |
| To adjust Federal Revenues to match PBC adjustments to Federal Expenditures. | | | | |
| 460-141-0000 | InterGov't Accts Rec - State | | 6,314.62 | |
| 460-4520-0000 | Other Federal Grants GDOE | | | 6,314.62 |
| Total | | | <u>6,314.62</u> | <u>6,314.62</u> |

Client: **0304162 - Atlanta Independent School System**
 Engagement: **0304162 - Atlanta Independent School System**
 Period Ending: **6/30/2018**
 Trial Balance: **0200.214 - Title I Fund Database**
 Workpaper: **0204.214 - Title I Fund AJE Report**

| Account | Description | W/P Ref | Debit | Credit |
|---|---------------------------------|---------------------|-------------------|-------------------|
| Adjusting Journal Entries JE # 1 | | PBC AJE # 3 | | |
| To record expenditures and receivables. | | | | |
| 402-1000-3210 | Instr_Contr Svc Teachers | | 9,642.78 | |
| 402-1000-6160 | Instr_Expend Computer Equip | | 10,619.19 | |
| 402-141-0000 | InterGov't Accts Rec - State | | 50,769.38 | |
| 402-2100-3210 | PupSrv_Contr Svc Teach-T1ONLY | | 4,743.18 | |
| 402-2210-3210 | ImplInst_Contr Svc Teach-T1ONLY | | 24,630.30 | |
| 402-2213-8810 | InstrStaffTrn Schoolwide Schoo | | 1,133.93 | |
| 402-402-0000 | Interfund Accounts Payable | | | 50,769.38 |
| 402-4520-0000 | Other Federal Grants GDOE | | | 50,769.38 |
| Total | | | 101,538.76 | 101,538.76 |
| Adjusting Journal Entries JE # 2 | | PBC AJE # 22 | | |
| To record benefit accruals that did not get posted. | | | | |
| 402-2100-2200 | PupSrv_Fica | | 163.79 | |
| 402-2213-2100 | InstrStaffTrn State Health Ins | | 147.97 | |
| 402-2213-2200 | InstrStaffTrn FICA | | 19.36 | |
| 402-2213-2300 | InstrStaffTrn Tchr Retirement | | 193.79 | |
| 402-2213-2904 | InstrStaffTrn Dental Ins | | 1.47 | |
| 402-2400-2100 | SchlAdm_State Health Insurance | | 140.80 | |
| 402-2400-2200 | SchlAdm_Fica | | 22.88 | |
| 402-2400-2300 | SchlAdm_Teachers Retirement Sy | | 348.33 | |
| 402-2400-2905 | SchlAdm_Life Insurance | | 0.05 | |
| 402-402-0000 | Interfund Accounts Payable | | | 1,038.44 |
| Total | | | 1,038.44 | 1,038.44 |
| Adjusting Journal Entries JE # 3 | | PBC AJE # 27 | | |
| To book indirect cost and book receivables. | | | | |

Client: **0304162 - Atlanta Independent School System**
Engagement: **0304162 - Atlanta Independent School System**
Period Ending: **6/30/2018**
Trial Balance: **0200.214 - Title I Fund Database**
Workpaper: **0204.214 - Title I Fund AJE Report**

| Account | Description | W/P Ref | Debit | Credit |
|---------------|--------------------------------|---------|---------------|---------------|
| 402-141-0000 | InterGov't Accts Rec - State | | 409.85 | |
| 402-2300-8800 | GenAdm_Fed Indirect Cost Charg | | 409.85 | |
| 402-402-0000 | Interfund Accounts Payable | | | 409.85 |
| 402-4520-0000 | Other Federal Grants GDOE | | | 409.85 |
| Total | | | 819.70 | 819.70 |

Adjusting Journal Entries JE # 4

M&J PBC # 3, 22, 27

To adjust Federal revenues to match Federal expenditures due to PBC
adjustments.

| | | | |
|---------------|------------------------------|-----------------|-----------------|
| 402-141-0000 | InterGov't Accts Rec - State | 1,038.44 | |
| 402-4520-0000 | Other Federal Grants GDOE | | 1,038.44 |
| Total | | 1,038.44 | 1,038.44 |

Client: 0304162 - Atlanta Independent School System
 Engagement: 0304162 - Atlanta Independent School System
 Period Ending: 6/30/2018
 Trial Balance: 0200.215 - Title VI-B Fund Database
 Workpaper: 0204.215 - Title VI-B AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|--|--------------------------------|---------|--------------------------|--------------------------|
| Adjusting Journal Entries JE #3 | | | | |
| To book total indirect costs for FY18. | | | | |
| 404-2300-8800 | GenAdm_Fed Indirect Cost Charg | | 111,618.10 | |
| 404-402-0000 | Interfund Accounts Payable | | | |
| Total | | | <u>111,618.10</u> | <u>111,618.10</u> |
| Adjusting Journal Entries JE # 5 | | | | |
| To book revenue received FY18. | | | | |
| 404-141-0000 | InterGov't Accts Rec - State | | 40.52 | |
| 404-402-0000 | Interfund Accounts Payable | | | |
| Total | | | <u>40.52</u> | <u>40.52</u> |
| PBC AJE # 23 | | | | |
| To book intergovernmental due to GDOE for funds received for IDEA Capacity Building Grant. | | | | |
| 404-411-0000 | Intergovernmental Accounts Pay | | 2,911.63 | |
| 404-141-0000 | InterGov't Accts Rec - State | | | |
| Total | | | <u>2,911.63</u> | <u>2,911.63</u> |
| PBC AJE # 24 | | | | |
| To book final June Accounts Receivable for FY18. | | | | |
| 404-141-0000 | InterGov't Accts Rec - State | | 107,949.00 | |
| 404-411-0000 | Intergovernmental Accounts Pay | | | |
| 404-4520-0000 | Other Federal Grants GDOE | | | |
| Total | | | <u>107,949.00</u> | <u>107,949.00</u> |
| M&J PBC AJE # 19, 23, 24, 25 | | | | |
| To adjust Federal revenues to match Federal expenditures due to PBC adjustments. | | | | |
| 404-141-0000 | InterGov't Accts Rec - State | | 4,296.90 | |
| 404-4520-0000 | Other Federal Grants GDOE | | | |
| Total | | | <u>4,296.90</u> | <u>4,296.90</u> |
| Adjusting Journal Entries JE # 9 | | | | |
| To reclass debit balance in payables to receivables. | | | | |
| 404-141-0000 | InterGov't Accts Rec - State | | 2,283.83 | |
| 404-411-0000 | Intergovernmental Accounts Pay | | | |
| Total | | | <u>2,283.83</u> | <u>2,283.83</u> |
| 0202.215 | | | | |

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Client: 0304162 - Atlanta Independent School System
Engagement: 0304162 - Atlanta Independent School System
Period Ending: 6/30/2018
Trial Balance: 0200.216 - Title II Fund Database
Workpaper: 0204.216 - Title II Fune AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|---|--------------------------------|---------|--------------------|--------------------|
| Adjusting Journal Entries JE #1 | | | | |
| To record expenditures and receivables. | | | | |
| | PBC AJE # 3 | | | |
| 414-141-0000 | InterGov't Accts Rec - State | | 1.53 | |
| 414-2213-8810 | InstrStaffTrn Schoolwide Schoo | | 1.53 | |
| 414-402-0000 | Interfund Accounts Payable | | 1.53 | |
| 414-4520-0000 | Other Federal Grants GDOE | | 1.53 | |
| Total | | | <u>3.06</u> | <u>3.06</u> |

Client: **0304162 - Atlanta Independent School System**
 Engagement: **0304162 - Atlanta Independent School System**
 Period Ending: **6/30/2018**
 Trial Balance: **0200.222 - Other Special Projects Fund Database**
 Workpaper: **0204.222 - Other Special Projects AJE Report**

| Account | Description | W/P Ref | Debit | Credit |
|---|-------------------------------|--------------------|------------------|------------------|
| Adjusting Journal Entries JE # 1 | | | | |
| To roll equity. | | | | |
| 589-790-0000 | Assigned Fund Balance | | 2.00 | |
| 589-2300-6100 | GenAdm_Supplies | | | 2.00 |
| Total | | | 2.00 | 2.00 |
| Adjusting Journal Entries JE # 2 | | PBC AJE # 6 | | |
| To reclass funds received in excess of AR and adjust for GASB54 entry for FY18. | | | | |
| 585-141-0000 | InterGov't Accts Rec - State | | 20,239.80 | |
| 585-740-0099 | GASB 54 740 Contra | | 20,239.80 | |
| 585-3995-0000 | Funds from Other State Agency | | | 20,239.80 |
| 585-770-0099 | GASB 54 740 Contra | | | 20,239.80 |
| Total | | | 40,479.60 | 40,479.60 |

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Client: 0304162 - Atlanta Independent School System
Engagement: 0304162 - Atlanta Independent School System
Period Ending: 6/30/2018
Trial Balance: 0200.224 - Lottery Grants Fund Database
Workpaper: 0204.224 - Lottery Grants Fund AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|--|--------------------------------|---------|------------------------|------------------------|
| Adjusting Journal Entries JE # 1 | | | | |
| To record intergovernmental due to Bright from the Start Summer Transition programs. | | | | |
| 560-3400-0000 | Grant Pre-K Lottery | | 2,739.31 | |
| 560-1000-5950 | Instr_Other Purchased Services | | | |
| Total | | | <u>2,739.31</u> | <u>2,739.31</u> |
| Adjusting Journal Entries JE # 2 | | | | |
| To credit back operating fund transfer from GF to cover deficit in Lottery Pre-K. | | | | |
| 560-5200-0000 | Oper Transf Other Funds | | 2,739.31 | |
| 560-402-0000 | Interfund Accounts Payable | | | |
| Total | | | <u>2,739.31</u> | <u>2,739.31</u> |
| PBC AJE # 14 | | | | |

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Client: 0304162 - Atlanta Independent School System
Engagement: 0304162 - Atlanta Independent School System
Period Ending: 6/30/2018
Trial Balance: 0200.600 - School Nutrition Fund Database
Workpaper: 0204.600 - School Nutrition AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|---|--------------------------------|----------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1 | | | | |
| To roll equity. | | | | |
| | | 7500.000 | | |
| 600-3100-6100 | SchNut_Supplies | | 1.00 | |
| 600-799-0000 | Fund Balance - Unassigned | | <u>1.00</u> | <u>1.00</u> |
| Total | | | <u>1.00</u> | <u>1.00</u> |
| Adjusting Journal Entries JE # 2 | | | | |
| To reverse nutrition correction. | | | | |
| 600-1995-0000 | Other Local Revenues | | 444,350.00 | |
| 600-3100-5700 | SchNut_Food Service Management | | <u>444,350.00</u> | <u>444,350.00</u> |
| Total | | | <u>444,350.00</u> | <u>444,350.00</u> |

Client: 0304162 - Atlanta Independent School System
 Engagement: 0304162 - Atlanta Independent School System
 Period Ending: 6/30/2018
 Trial Balance: 0200.335 - Capital Projects Fund Database
 Workpaper: 0204.335 - Capital Projects Fund - AJE Report

| Account | Description | W/P Ref | Debit | Credit |
|---|-------------------------------|---------|----------------------|--------|
| Adjusting Journal Entries JE # 1 | | | | |
| To roll equity. | | | | |
| 300-790-0000 | Assigned Fund Balance | | 1.00 | |
| 354-4000-6100 | Facil_Supplies | | <u>1.00</u> | |
| Total | | | <u>1.00</u> | |
| Adjusting Journal Entries JE # 2 | | | | |
| To record interfund transfer. | | | | |
| 300-132-0000 | Interfund Accounts Receivable | | 233,327.43 | |
| 300-5200-0000 | Oper Transf Other Funds | | <u>233,327.43</u> | |
| Total | | | <u>233,327.43</u> | |
| Adjusting Journal Entries JE # 3 | | | | |
| To reclass revenue from the deeds in the Other Local Revenue account and put it in donation account. | | | | |
| 354-1995-0000 | Other Local Revenues | | 1,861,000.00 | |
| 354-402-0000 | Interfund Accounts Payable | | <u>1,861,000.00</u> | |
| Total | | | <u>1,861,000.00</u> | |
| Adjusting Journal Entries JE # 4 | | | | |
| SPLOST Accrual. | | | | |
| 355-2600-4300 | M&O_Rep And Mtce Services | | 10,760.00 | |
| 355-4000-4420 | Facil_Rental Of Equip And Veh | | 5,699.01 | |
| 354-421-0001 | GL_AP | | <u>16,459.01</u> | |
| Total | | | <u>16,459.01</u> | |
| Adjusting Journal Entries JE # 5 | | | | |
| To net internal - interfund balances with the District Wide Capital Projects Fund for financial statements purposes | | | | |
| 300-402-0000 | Interfund Accounts Payable | | 233,327.43 | |
| 353-402-0000 | Interfund Accounts Payable | | 7,202.90 | |
| 354-402-0000 | Interfund Accounts Payable | | 51,288,204.05 | |
| 300-132-0000 | Interfund Accounts Receivable | | 233,327.43 | |
| 355-132-0000 | Interfund Accounts Receivable | | 51,290,366.95 | |
| 355-402-0000 | Interfund Accounts Payable | | 5,040.00 | |
| Total | | | <u>51,528,734.38</u> | |

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Client: 0304162 - Atlanta Independent School System
Engagement: 0304162 - Atlanta Independent School System
Period Ending: 6/30/2018
Trial Balance: 0200.700 - Agency Fund Local School Club Database
Workpaper: 0204.700 - Agency Fund Adjusting Journal Entries Report

| Account | Description | W/P Ref | Debit | Credit |
|---|-------------------------|---------|-------------------|-------------------|
| Adjusting Journal Entries JE # 1 | | | | |
| To upload the June SABO transactions for Accounts 705 & 500. PC # 28. | | | | |
| 705-491-0010 | Dep Pay - Disbursements | | 260,257.43 | |
| 705-101-0004 | Cash - SBA | | | 260,257.43 |
| Total | | | 260,257.43 | 260,257.43 |