

KENTUCKY DEPARTMENT OF EDUCATION

AUDITED AFR AND BALANCE SHEET

SUBMISSION GUIDE

FY2026

Funding and Reporting Branch
Division of District Support
Questions: finance.reports@education.ky.gov

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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 Audited Annual Financial Report (AFR) or their Audited Balance Sheet. The submission of the Audited AFR and the Audited 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 or other outside agencies and researchers.

The Audited AFR and Balance Sheet reports are due by November 15th of each year.

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

[Chart of Accounts](#)

PROCESS/INSTRUCTIONS

When files are uploaded via the [SEEK submission site](#), they go through a validation process. You might see errors, notes or pending statements.

ERRORS:

- The error list will be in numerical order and correspond to error descriptions in this document.
- Errors must be corrected in EERP before submitting files.
- Generate new files and resubmit after making corrections.

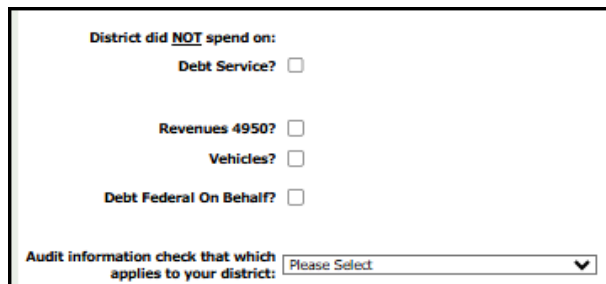
PENDING:

- You will receive an email that your submission is in Pending status.
- Your files have not been accepted and changes might be required.
- Please review the information in the email and provide an explanation to finance.reports@education.ky.gov.
- If KDE staff feel your explanation is adequate and no further changes are required, your reports will then be approved.

NOTES:

- Please review all notes received after submitting files and make changes, if needed.

CHECK BOXES & DROP-DOWN SELECTION:



District did **NOT** spend on:

Debt Service? ☐

Revenues 4950? ☐

Vehicles? ☐

Debt Federal On Behalf? ☐

Audit information check that which applies to your district:

1. **Debt Service?** – Check this box if your district did not have any debt service payment during the fiscal year.
2. **Revenues 4950?** – Check this box if your district did not accept donated food commodities. Checking this box prior to submission will bypass edit check #22.00.
3. **Vehicles?** – Check this box if your district did not have any expenditures in Fund 1, Function 27XX (Transportation) and Object Code 0732 (Vehicles). Checking this box prior to submission will bypass edit check # 23.00. **Checking this box in error can affect the SEEK tentative transportation funding.**
4. **Debt Federal On Behalf?** – Check this box if your district received federal debt service on-behalf funds (revenue code 4900).
5. **Audit information check...** - Please use the drop-down to select the capitalization threshold for your district. It is crucial this matches the capitalization threshold amount that is reported in the audit.

AFR - BASIC CHECKS

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

ERROR - The file name must be 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 Audited AFR to KDE.

2.00 RECORD TYPE INDICATOR IS DIFFERENT THAN RECORD TYPE SUBMITTED

ERROR – The record type in the file submitted to KDE must match the submission type. The record types are: “A” for Finance Record (AFF), “B” for Balance Sheet (BS). If the record type does not match, districts must generate the correct reports before submitting.

3.00 INVALID FISCAL YEAR

ERROR – The fiscal year submitted on the file must be 2026. Districts are required to generate the correct reports before submitting.

AFR - SEGMENT ERRORS

Please refer to [KDE Chart of Account](#) documents for information related to valid account segments.

Please refer to the [COA Changes](#) document if you need to make changes to accounts in EERP.

The reports can be submitted if an invalid segment’s Year-to-Date Actual equals zero.

4.00 INVALID FUNDS

ERROR – Fund Codes recorded in the reports must match valid Funds. If an invalid Fund Code was used, this must be corrected before submitting.

5.00 INVALID FUNCTIONS

ERROR – Function Codes included in the reports must match valid Functions. If an invalid Function was used, this must be corrected before submitting.

6.00 INVALID OBJECTS

ERROR – Object Codes contain at least four digits but can be up to six digits. However, the first four digits of the Object Code MUST match valid Object codes. If an invalid Object Code was used, this must be corrected before submitting.

6.10 INVALID OBJECT 0999

ERROR – Object Codes recorded on the AFR for beginning balance must match valid beginning balance Object Codes. The only 0999 Object Codes accepted in submission of the AFR are 0999N, 0999R, 0999C, 0999A, 0999U as outlined in the Fiscal Year End Processing Guide, BGL-2.

7.00 INVALID PROGRAMS

ERROR – Program Codes recorded in the reports must match valid Program Codes. If an invalid Program Code was used, this must be corrected before submitting.

8.00 INVALID INSTRUCTION LEVEL (IL)

ERROR – Instruction Level (IL) Codes included in the reports must match valid IL Code. If an invalid IL Code was used, this must be corrected before submitting.

9.00 INVALID OBJECT CODE 0840

ERROR – Checks for ACTUAL expenditures in Object Code 0840. Object 0840 is only for BUDGETED contingency amounts. Expenditures must be moved to appropriate account before submitting.

10.00 INVALID FUNCTION FOR EXPENDITURE OBJECT CODES

ERROR – Checks to ensure that Expenditure Object Codes (01XX – 0990X) align with the appropriate Function Codes (1XXX-5XXX). Function Code 0000 is only valid for Revenue and Balance Sheet accounts. Corrections must be made before submitting.

11.00 INVALID FUNCTION FOR REVENUE OBJECT CODES

ERROR – Checks to ensure that Revenue Object Codes (0999X-5640) align with the appropriate Function Code of 0000. If errors are found, districts must make corrections before submitting.

12.00 INVALID OBJECT CODES FOR PROGRAM CODE

ERROR – Checks to ensure that Expenditure Object Codes (01XX – 0990) align with the appropriate Program Level Codes (1XX – 9XX). Program code 000 is only used with Revenue and Balance Sheet accounts. If Revenue Object Codes have Program Level Codes (1XX – 9XX), districts cannot submit their Audited AFR until corrected.

There are two exceptions:

- Expenditure Object Code with Program Level Code 000 Year-to-Date equals zero.
- Expenditure Object 0740 in Fund 8X will have Program Level Code 000.

13.00 INVALID FUND TRANSFERS OBJECT CODE

ERROR – Checks to ensure that Function 5200 was used only with Expenditure Object Code 091X. If the reports show that any other Object Codes were used with Function Code 5200, this results in an error. Corrections must be made before submitting. Refer to *Appendix C: Verifying Fund Transfers* in the [Fiscal Year End Processing \(BGL-2\)](#) document for information on identifying problems with fund transfers.

13.50 INVALID FUND TRANSFERS FUNCTION CODE

ERROR – Checks to ensure that Expenditure Object Codes 091X for “transfers out” was only used with Function Code 5200. If the reports show that any other Function Codes were used with Object Codes 091X, this results in an error. Corrections must be made before submitting. Refer to *Appendix C: Verifying Fund Transfers* in the [Fiscal Year End Processing \(BGL-2\)](#) document for information on identifying problems with fund transfers.

AFR - OTHER BASIC VALIDATIONS OR CALCULATIONS

14.00 REVENUES AND EXPENDITURES WITH NO ENTRIES

ERROR – Checks to ensure 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 the reports.

In Funds 310 and 320, this checks for at least one revenue or one 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 the reports.

15.00 BALANCED FUND TRANSFERS

ERROR – Checks that Fund Transfer Revenue Objects (52XX) match Fund Transfer Expenditure Objects 091X with Function (5200). Corrections must be made before reports can be submitted. Refer to *Appendix C: Verifying Fund Transfers* in the [Fiscal Year End Processing \(BGL-2\)](#) document for information on identifying problems with fund transfers.

16.00 NO EXPENDITURES REPORTED IN 400 DEBT SERVICE FUND

ERROR – Checks that all Debt Service on bonds are recorded 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, resubmit and check the box located beside “Debt Service?”.

17.00 RECORDING ON-BEHALF REVENUES AND EXPENDITURES

ERROR - Checks to ensure that districts have recorded Revenues and Expenditures for On-Behalf payments.

- a. Districts will receive an **ERROR** 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 Audited AFR to KDE. The message will state *"The Finance Record Import file has a sum of Expenditure Object 0280 that at the school level is zero."*
- 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 message 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."*
- c. Not checking the *"Debt Federal On Behalf?"* box at submission will trigger a check for fund 400, function 5100 and objects 0831, 0832 with projects beginning with Q or a B. If the year-to-date actual is equal to zero, you will receive an error. The **ERROR** 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

"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."

ERROR – Checks to ensure that districts do not have a net negative actual Expenditure amount recorded in Fund 1 Function 27XX. Function 27XX actuals are used in calculating SEEK Transportation Funding. If an overall negative amount exists in Function 27XX, excluding Function 2790 and excluding Instructional Level (IL) 11, corrections must be made before reports can be submitted.

22.00 DONATED COMMODITY CODES REVENUE OBJECT CODE 4950

"The Finance Record Import file does not have Revenue object code 4950, Donated Commodities. Correct if before submitting your AFR."

ERROR - 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 Audited AFR to KDE. If your district does not accept donated food commodities, resubmit and check the *"Revenues 4950?"* box located on the submission screen.

23.00 FUND 1 FUNCTION 27XX EXPENDITURE OBJECT CODE 0732

"The Finance Record Import file has no expenditures in Object Code 0732 Fund 1 and Function 27xx."

ERROR - Checks for actual amounts in object code 0732 (Vehicles) in Fund 1 with Function 27XX. If there are no expenditures reported in Object Code 0732/Fund 1/Function 27XX, corrections must be made before resubmitting. If no vehicle purchases were made during the year, resubmit and check the "Vehicles?"

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

"The Finance Record Import file has Expenditure objects 0831, 0832, 0838 and 0839 are used with a function other than 5100."

ERROR - Checks that expenditure object codes 0831, 0832, 0838 and 0839 used only function code 5100. If expenditure object codes 0831, 0832, 0838 or 0839 use any function other than 5100, this must be corrected before submitting reports.

25.00 FUNCTION WITH EXPENDITURES IN FUNDS OTHER THAN FUND 8

"The Finance Record Import file contains expenditures coded to Functions 2100, 2200, 2300, 2400, 2500, 2600, or 2700. These functions are for Capital Assets Only and may only be used with Fund 8."

If these functions are being used in a fund other than Fund 8x (Capital Asset Funds), corrections must be made before submitting reports.

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

"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 finance.reports@education.ky.gov to explain why it is different."

PENDING – This validation compares current year (CY) Fund 51 beginning balance object code 0999U and/or 0999R to the prior year (PY) ending balance AFR Balance Sheet object codes 8712 and/or 8739. (8739I-Inventory does not get moved to beginning balance revenue code.)

- CY Fund 51/Revenue Object Code 0999U = PY Fund 51/Balance Sheet Object Code 8712
- CY Fund 51/Revenue Object Code 0999R = PY Fund 51/Balance Sheet Object Code 8739

Your submission is not complete until a valid reason is given for the variance or corrected reports have been submitted.

Please send an email to finance.reports@education.ky.gov with an explanation as to why the beginning balance amounts do not match prior year ending fund balance. If a valid reason isn't provided to KDE, corrections must be made and reports resubmitted.

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

"The Finance Record Import file contains projects starting with a 7 (Student Activity) in fund code starting with a 7."

PENDING – Checks that Project Codes beginning with a 7 have not been used in a fund code starting with a 7.

If the accounts in Fund 7x are being used for scholarship funds, please change the project codes to a number in the range of 001x-099x. Scholarship accounts should not be set up using project codes in the 7x range. This currently presents a PENDING message. However, this will change to an ERROR in the future. Refer to the [COA Changes](#) document for information related to making account changes.

28.00 ON-BEHALF EXPENDITURES REPORTED DOES NOT MATCH WEB TOTALS

PENDING – Checks that all on-behalf expenditures match the total for each category posted to the [On Behalf webpage](#). Document is called "On-Behalf Summary Report FY ##### - #####". A PENDING message will be received if the difference is greater than a 5% variance.

- a) Districts receive a **PENDING** message if the column called "Total Payroll Related Payments" in the above workbook does not match expenditures in the AFR. 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 in the web document called "On-Behalf Summary Report FY ##### - ##### and column called "Total Payroll Related Payments".* The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process."
- b) Districts receive a **PENDING** message if the column called "Total Technology Related Payments" in the above workbook does not match expenditures in the AFR. 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 in the web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "Total Technology Related Payments".* The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process."
- c) Districts receive a **PENDING** message if the column called "SFCC Debt Service Payments" in the above workbook does not match expenditures in the AFR. 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".* The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process."

29.00 ON-BEHALF REVENUES REPORTED DOES NOT MATCH WEB TOTALS

PENDING – Checks that all on-behalf revenues match the total for each category posted to the [On Behalf webpage](#). Document is called “On-Behalf Summary Report FY ##### - #####”.

- a. Districts receive **PENDING** message if the column called “Total Payroll Related Payments” in the above workbook does not match the on-behalf revenues being reported on AFR. 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". The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process.”*
- b. Districts receive a **PENDING** message if the column called “Total Technology Related Payments” in the above workbook does not match the on-behalf revenues being reported on AFR. The XXXX – XXXX in the message below will reflect the fiscal year reporting. *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". The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process.”*
- c. Districts receive a **PENDING** message if the column called “SFCC Debt Service Payments” in the above workbook does not match the on-behalf revenues being reported on AFR. 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 web document called "On-Behalf Summary Report FY XXXX - XXXX and column called "SFCC Debt Service Payments". The difference falls outside the 5% materiality rule. Your submission has been set to "Pending" and your submission process is not finished, email your status to the Finance.Reports@education.ky.gov and a KDE staff will contact you to complete the submission process.”*

31.00 OBJECT 0960 RESTRICTED TO FUNCTIONS 2311 OR 5XXX

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

32.00 REPORTING PRESCHOOL INSTRUCTIONAL LEVEL CODE 11

NOTE - Checks that report includes Pre-Kindergarten Instructional Level Code 11. The note message will state, *"The Finance Record import file for the Audited AFR has a year to date actual of zero for instructional level 11 Pre-Kindergarten in the submission of the Audited 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."*

Pre-Kindergarten expenditures need to be coded using ORG codes with Instructional Level 11. KDE highly recommends you make changes before submitting future reports. KDE uses the data from district reports to fulfill requests from outside agencies. This may change to an ERROR in the future.

33.00 REPORTING KINDERGARTEN INSTRUCTIONAL LEVEL CODE 12

NOTE – Checks that report includes Kindergarten Instructional Level Code 12. The message will state, *"The Finance Record import file for the Audited AFR has a year to date actual of zero for instructional level 12 Kindergarten in the submission of the Audited 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."*

Kindergarten expenditures need to be coded using ORG codes with Instructional Level 12. KDE highly recommends you make changes before submitting future reports. KDE uses the data from district reports to fulfill requests from outside agencies. This may change to an ERROR in the future.

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

ERROR – Checks that revenue amounts are included in Fund 25-School Activity Fund. Report must contain actual amounts for the revenue object codes in Fund 25. This message will state, *"The Finance Record import file for the Audited AFR does not have any revenue object codes in Fund 25 in the submission of the Audited AFR or the year-to-date actual equals zero. KDE reminds the district that according to GASB 84 all districts are required to report Student Activity Funds using Fund 25 with the submission of the Audited AFR. Email: Finance.Reports@education.ky.gov for assistance if you do not understand why you received this error, and someone will be glad to assist you."*

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

ERROR – Checks that expenditure amounts are included in Fund 25-School Activity Fund. Report must contain actual amounts for expenditure object codes in Fund 25. This message will state, *"The Finance Record import file for the Audited AFR does not have any expenditure object codes in Fund 25 in the submission of the Audited AFR or the year-to-date actual equals zero. KDE reminds the district that according to GASB 84 all districts are required to report Student Activity Funds using Fund 25 with the submission of the Audited AFR. Email: Finance.Reports@education.ky.gov for assistance if you do not understand why you received this error, and someone will be glad to assist you."*

36.00 OBJECT 045X RESTRICTED TO FUNCTIONS 4XXX

ERROR – Checks that 045x object codes were only used with functions 4xxx. The error message will state, “*The Finance Record import file for the Audited AFR has submitted expenditure object starting with 045 in a function other than function 4xxx with a year to date actual not equal to zero. Email Finance.reports@education.ky.gov for assistance if you do not understand what to correct.*”

BALANCE SHEET - BASIC CHECKS

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

ERROR – The file name must be 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 Audited AFR to KDE.

2.00 RECORD TYPE INDICATOR IS DIFFERENT THAN RECORD TYPE SUBMITTED

ERROR – The record type in the files submitted must match the submission type. The record types are: “A” for Finance Record (AFF), “B” for Balance Sheet (BS). If the record type does not match, districts must generate the correct reports before submitting.

3.00 INVALID FISCAL YEAR

ERROR – The fiscal year submitted on the file must be 2026. Districts are required to generate the correct reports before submitting.

BALANCE SHEET - SEGMENT ERRORS

Please refer to [KDE Chart of Account](#) documents for information related to valid account segments.

The reports can be submitted if an invalid segment’s Year-to-Date Actual equals zero.

4.00 INVALID FUNDS

ERROR – Fund Codes recorded in the reports must match valid Funds. If an invalid Fund Code was used, this must be corrected before submitting.

5.00 INVALID OBJECTS

ERROR – Object Codes contain at least four digits but can be up to six digits. However, the first four digits of the Object Code MUST match valid Object codes. If an invalid Object Code was used, this must be corrected before submitting.

BALANCE SHEET - OTHER BASIC VALIDATIONS AND CALCULATIONS

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

ERROR – Checks that each Fund’s Assets equal Liabilities plus Fund Balances.

- Funds 1, 2, and 51 – You will receive an error message if Assets do not equal Liabilities plus Fund Balances. 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.”* Corrections must be made before submitting reports.
- Fund 310 – You will receive an error message if assets do not equal liabilities plus fund balances. The message will state, *“The Finance Record Import file assets do not match liabilities and fund balances for fund 310.”* Corrections must be made before submitting reports. Exception: Fund 310 may not have any assets, liabilities, or fund balances if a district received and expended funds within the same year. In this case, district can still submit their Audited AFR Balance Sheet to KDE.
- Fund 320 – You will receive an error message if assets do not equal liabilities plus fund balances. The message will state, *“The Finance Record Import file assets do not match liabilities and fund balances for fund 320.”* Corrections must be made before submitting reports. Exception: Fund 320 may not have any assets, liabilities, or fund balances if a district received and expended funds within the same year. In this case, districts can still submit their Audited AFR Balance Sheet to KDE.

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

ERROR – Checks that balance sheet object 8770 is being used for fund balance in Fund 1 only. If any other fund shows a balance in object code 8770, an error message will be received. 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.”* Corrections must be made before submitting.

Refer to the KDE EERP document, Fiscal Year End Processing-BGL-2, for correct fund balance entries.

Reminder: In odd numbered fiscal years, not properly recording fund balances in Funds 310 and 320 can affect your local available revenue (unmet need) calculation.

11.00 BALANCE SHEET OBJECT CODES WITH FUNCTION 0000

ERROR – Checks that Balance Sheet Object Codes 6000-8775 are only used with accounts that contain Function Code 0000. If the Balance Sheet Object Codes were used with accounts containing Function Codes 1XXX-5XXX, an error will be received. Corrections must be made before submitting reports.

12.00 AUDITED AFR BALANCE SHEET FUNDS 310/320

ERROR – Checks for accounts used in Funds 310 and 320 for the Odd and Even Years. Refer to the KDE EERP document, Fiscal Year End Processing-BGL-2, for detailed information on how to handle year end fund balance entries.

Odd Numbered Fiscal Years – Allowable Balance Sheet Codes are as follows:

- 8734 (Restricted-SFCC Escrow-Prior Offer)
- 8735 (Restricted-Future Construction ProjectsBG-1)
- 8738 (Restricted -SFCC-Current Offer)

Even Numbered Fiscal Years – Allowable Balance Sheet Codes are as follows:

- 8734 (Restricted-SFCC Escrow-Prior Offer)
- 8735 (Restricted-Future Construction Projects BG-1)
- 8737 (Restricted-Other)
- 8738 (Restricted-SFCC-Current Offer).
- Submitting these two codes would be rare, but they are acceptable: 8723 (Nonspendable-Prepays); 8723 (Nonspendable-Other)

An **error** message will be received if amounts are reflected in the wrong Balance Sheet accounts. 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).” Corrections must be made before submitting reports.

Reminder: In odd numbered fiscal years, not properly recording fund balances in Funds 310 and 320 can affect your local available revenue (unmet need) calculation.

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

ERROR – Checks for the fund balance object codes used in Fund 360. Since Fund 360 is a restricted fund, the only fund balance object codes permitted are 8723-prepays, 8727-prepaid other (rarely used), 873X-restricted. An **error** will be received if there are actuals in any other fund balance object code. The error message will state, *“The Finance Record Import file contains a non-zero balance in fund 360 for Object Code other than 8723 prepays, 8727 prepaid other (rarely used), 873X restricted.”* Corrections must be made before submitting reports.

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

"The Finance Record Import file for the Audited AFR Balance Sheet when adding the balances for the pension liability codes that are a combination of (6400, 6541, 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, 6541, 7476, 7541, 7700, 8737O or 8737P) the balance amount does not equal to zero. Email Finance.reports@education.ky.gov for assistance if you do not understand what to correct."

ERROR – Checks that Other Post-Employment Benefits (OPEB) and Pension entries in Fund 5x net to zero.

OPEB object codes must contain an "O" in the fifth digit. Pension object codes must contain a "P" in the fifth digit.

19.00 FUND 5X AND BALANCE SHEET OBJECT CODE 8770

ERROR – Checks that there are no balances in Object Code 8770 in Proprietary Funds (Funds starting with 5). The only allowable fund balance object codes are 8711, 8712 or 8739 per GASB 34. Other allowable object codes are 8737O and 8737P that are used for reporting OPEB and pension liability per GASB 68.

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."*

Corrections must be made before submitting reports.