



**Responsible Office:** Office of Business and Financial Services

## **PURPOSE**

This administrative procedure describes the process in which the Comprehensive Annual Financial Report ("CAFR") is prepared by the Office of Business and Financial Services at the Washoe County School District ("District" or "WCSD").

## **PROCEDURE**

1. The District is required to have an external financial audit of the financial statements annually per NRS 354.624. This audit is conducted by an external audit firm that is selected through the request for proposal process and approved by the Board of Trustees ("BOT"). This audit must be concluded and the report submitted to the BOT no later than four months after the close of the fiscal year for which the audit is conducted.
2. Prior to the end of the fiscal year, the external auditors provide a Prepared by Client ("PBC") list to Office of Business and Finance management detailing the audit schedules and other information to be provided and the tentative due date.
  - a. The Assistant Controller will distribute the PBC list to the appropriate staff with the date the information is due from their department.
3. The information that is collected from the PBC list is used to prepare the following audit schedules:
  - a. Cash
    - i. Cash audit schedules can be completed as soon as all of the bank reconciliations have been completed and grant funds have been finalized.
  - b. Debt
    - i. Debt audit schedules can be completed after all payments against the debt have been made for the fiscal year.
  - c. Accruals
    - i. Accounts Payable
      1. After the split Accounts Payable ("AP") check runs (automatically posts back to previous fiscal year) the Assistant Controller reviews all AP check runs for invoices that are supposed to post back to the previous fiscal year. These found invoices are accrued manually throughout the Audit Process.
    - ii. Construction in Process ("CIP")/Capital Assets

1. After the split AP check runs are completed, the Bond Accountant prepares the CIP schedule for all ongoing qualifying construction projects and construction projects that were completed throughout the fiscal year.
  2. The completed CIP schedule is given to the Assistant Controller to complete the fixed asset reconciliation.
  3. The CIP/Capital Asset accruals are handled the same way as the Accounts Payable accruals, but in addition the CIP spreadsheet used in the fixed asset reconciliation needs to be updated every time an accrual is done.
- iii. Revenue
1. These accruals are done as the information becomes available and are done manually.
- iv. Insurance Claims and Accruals
1. This information is obtained from the Risk Manager and can be accrued as soon as the actuarial reports are received.
- d. Pension and Other Retirement Liabilities
- i. Pension
    1. This schedule is prepared after the actuary report is received from the State of Nevada.
  - ii. Other Post Employment Benefits ("OPEB")
    1. This schedule is prepared after the OPEB Trust actuarial report is received for the fiscal year.
4. Annual Report Assembly
- a. The Assistant Controller will enter all of the previous year's numbers in the prior year columns in the Comprehensive Annual Financial Report ("CAFR") workbook for all fund financial statements and any other applicable summary statements in the CAFR.
  - b. The original and final budget numbers and the year to date actuals are added to the appropriate columns in the fund financial statements.
  - c. The year to date actuals are then added to the combining balance sheets.
  - d. The Government wide statements are then prepared and balanced to the fund financial statements.
  - e. The statistical section is prepared by the Business Office Accountant and reviewed by the Assistant Controller.

- i. This section can be started as soon as the fiscal year ends and the District and Washoe County demographics are available.
      - f. The Management's Discussion and Analysis ("MD&A") report is prepared by the Controller.
      - g. The Transmittal letter is prepared by the Chief Financial Officer ("CFO") and is addressed to the Board of Trustees.
      - h. The Auditors will provide the Assistant Controller with the Audit Opinions and the Compliance and Control Reports.
      - i. All of the information is compiled and presented in a bound report.
5. The CAFR is presented to the District's Internal Audit Committee for recommendation that the Board of Trustees approve the report. The CAFR is then presented to the Board of Trustees for final approval not more than 30 days after the report is submitted to the District.
  - a. The external auditors will provide a separate management letter to accompany the CAFR that will recommend any changes they have.
  - b. The Business Department will provide a response to these recommendations and work to implement these as needed.
6. After the CAFR is approved by the Board of Trustees, the report is submitted to the State Department of Education, the State Board of Taxation, the Washoe County Clerk and to the appropriate Bond Rating agencies.

## **IMPLEMENTATION GUIDELINES & ASSOCIATED DOCUMENTS**

1. This administrative regulation reflects the goals of the District's Strategic Plan.
2. This Administrative Procedure aligns with Nevada Revised Statutes (NRS) to include:
  - a. NRS Chapter 354, Local Financial Administration, specifically:
    - i. NRS 354.624, Annual Audit Requirements

## **REVIEW AND REPORTING**

1. This administrative procedure shall be reviewed as part District's standardized review and revision process, or as needed by the Office of Business and Financial Services. Additional associated documents may be developed as necessary to implement and support this document.

**REVISION HISTORY**

Date	Revision	Modification
11/29/2005	A	Adopted as a CSI Procedure
06/17/2020	2.0	Adopted