

## **SECTION A: Accounting**

### **OVERVIEW - FUND ACCOUNTING**

This chapter is intended to provide information on general College accounting practices. It is not intended to serve as an authoritative source of accounting policy.

The College issues financial statements in accord with Generally Accepted Accounting Principles (GAAP). Publications including the AICPA Audit Guide are routinely furnished to the Regional Business Office by the Office of the Assistant Treasurer. These publications provide the basis for College accounting policy. Questions on accounting for College financial activity may be directed to the Office of the Assistant Treasurer.

Fund accounting is a manner of organizing and managing the accounting by which resources are classified for financial accounting and reporting. This is in accordance with activities or objectives as specified by donors, regulations, restrictions, or limitations approved by sources outside the institution, or with directions issued by the State Board of Trustees.

A fund is a self-balancing group of accounts consisting of assets, liabilities, revenues, expenditures, and fund balance. Each fund is separated in the financial records of the College and is limited to a specific use. This separation ensures the integrity of the individual funds and provides the necessary fiscal control over each fund group.

A fund group may be divided into two types of funds, Restricted and Unrestricted. Restricted Funds are those funds that are provided by donors or external agencies for specific purposes, programs or departments. Unrestricted funds are those funds that the College has the flexibility to designate the use of, in its operation of the College.

Currently, Ivy Tech Community College of Indiana operates the following fund groups:

- I. Current Funds
- II. Loan Funds
- III. Endowment and Similar Funds
- IV. Plant Funds
- V. Agency Funds

#### **I. Current Funds**

The current fund group accounts for those economic resources which are expendable for the purpose of performing the primary mission of the College and which are not restricted by

external sources or designated by the State Board of Trustees for other than operating purposes. This fund group contains three basic sub groups. They are Unrestricted, Restricted and Auxiliary.

## **A. Unrestricted Current Funds**

### **1. Operations Fund**

The operations fund accounts for the general operation of the College in fulfilling its mission. The Operations Fund includes the following examples of assets, revenue, expenditures, liabilities, and the fund balance.

ASSETS - includes object classes of cash, investments, and accounts receivable.

REVENUE - includes object classes of tuition and fees, state appropriations, overhead recoveries and investment income.

EXPENDITURES - includes object classes of equipment, consumable supplies, salaries and wages, utilities, leases and employee compensation.

LIABILITIES - includes object classes of accounts payable and accrued expenses.

FUND BALANCE - includes object classes that are allocated and unallocated.

## **B. Restricted Current Funds**

Restricted Current Funds are those available for financing operations, but which are limited in use by external agencies and other donors to specific purposes, programs, or functions.

### **1. Sponsored Program Funds** (Reference: COPM 1.61 and FMM, Section L)

- 1) Federal
- 2) State
- 3) Local
- 4) Apprenticeship
- 5) Private Grants and Contracts

Sponsored Program Funds noted above relate to specific grants, contracts and agreements between the College and external "Public" governmental entities, or "Private" organizations or individuals funded for the particular restricted purpose specified. Each of these individual programs is categorized by fund, according to the governmental entity or type of private organization that has entered into the agreement with the College. Sponsored Program Funds have the following assets, revenues, expenditures, liabilities and fund balances:

ASSETS - includes object classes of cash and accounts receivable.

REVENUES - includes restricted current funds to the extent that such funds were expended for operating purposes.

EXPENDITURES - includes expenses incurred as determined by GAAP.

LIABILITIES - includes object classes of deferred credits accrued and/or assessed liabilities.

FUND BALANCE - Allocated

## **2. Financial Aid Funds (Reference: Section F)**

Ivy Tech Community College of Indiana offers various federal, state, and local financial aid assistance to its student body. These programs are designed to assist those students with a financial need to attend Ivy Tech Community College of Indiana. While operating these programs, the College accepts a fiduciary responsibility to the granting agency. The College is responsible for administering these programs according to the granting agencies' regulations and sound management policies.

The financial aid programs are accounted for in the following restricted current funds.

### **1) Financial Aid Federal**

This fund will account for the following federal financial aid programs:

- a) Campus based programs
  - (1) College Work-Study
  - (2) Supplemental Educational Opportunity Grant
- b) Entitlement Programs
  - (1) Pell Grants

### **2) Financial Aid State**

This fund will account for the following state financial aid programs:

- a) Higher Education Award
- b) Hoosier Scholarship
- c) Stafford Loan
- d) State Summer Work-Study Program

### **3) Financial Aid Other**

This fund will account for any scholarship provided from a local agency or individual.

## **C. Auxiliary Enterprise Funds (Reference: Section K)**

Auxiliary Enterprise Funds reflect financial data from activity conducted to provide a service either directly or indirectly to students, faculty or staff. An objective of the Auxiliary Enterprise

Fund is to be self-supporting. After an auxiliary enterprise becomes self-supporting and excess revenue is generated, this excess can be used (with appropriate approvals) to supplement the regional operation of the College. Currently the Auxiliary Enterprise Fund group maintains the following sub-groups:

1. Auxiliary Enterprise Bookstore

Accounts for the bookstore operation of the College.

2. Auxiliary Enterprise Parking Maintenance and Acquisition

## II. LOAN FUNDS

Loan Funds account for those resources that are available for loans to students, faculty and staff. Currently the only loan programs operated by the College are for the benefit of the students. As an example, Ivy Tech Community College of Indiana operates a College-wide program which has been provided by the Sears Foundation. Several Regional institutes operate other loan programs provided from gifts by local organizations and student governments.

## III. ENDOWMENT and SIMILAR FUNDS

There are three types of endowment funds:

- 1) True Endowment
- 2) Term Endowment
- 3) Quasi Endowment

True endowment funds are funds with respect to which donors have stipulated that the principal of the gift is to remain intact and is to be invested for the purpose of generating current and future income for a specified purpose. Term endowment funds are like endowment funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a certain event.

The College operates a Quasi Endowment Fund. A Quasi Endowment Fund represents funds established by the governing board to function like an Endowment Fund, but which can be terminated by the board at any time. Both income and principal are expendable.

Use of the word "Endowment" relates to disposition of the corpus (original principal) of the fund. Income earned from investment of the principal can be expended, and may be restricted or unrestricted depending upon the declarations of the donor.

#### IV. PLANT FUNDS

The Plant Fund group accounts for new construction, repair and rehabilitation of existing facilities, retirement of indebtedness, and the assets and liabilities of the College. The Plant Funds are divided into the following sub-groups:

##### **1. Unexpended Plant Fund**

This fund is used to account for the construction of new facilities.

##### **2. Renewals and Replacements**

This fund is used to account for repair and rehabilitation of existing facilities.

##### **3. Retirement of Indebtedness**

This fund is used to record the payment of both short-term and long-term debt obligations resulting from the financing for the construction of facilities or the acquisitions of major equipment.

##### **4. Investment In Plant**

The Investment-In-Plant is a self-balancing group of accounts and not a fund. The Investment-In-Plant group of accounts is used to record fixed assets and long-term liabilities of the College

#### V. AGENCY FUNDS

Agency Funds account for the resources held by the institution as custodian or fiscal agent for students, faculty organization, or governmental agencies. An Agency Fund consists of only assets and liabilities.

ASSETS - includes object classes of cash, receivables, and investments.

LIABILITIES - includes object classes of accounts payable.

Ivy Tech Community College of Indiana operates the following Agency Funds:

Sub Groups

### **1. Agency Fund Payroll**

The payroll fund accounts for federal, state and county taxes, employee payroll deductions, and College benefit contributions not yet forwarded to the appropriate agency.

### **2. Agency Fund Student Activity** (Reference COPM 7.3-14)

This fund is to account for student activities funded from the student activity fee and/or student government activities.

The College accounting system accepts the recording of revenue and expenditures within these accounts. This is designed to provide information only on additions and deductions to assets and liabilities. Business Directors should be cognizant that the activity will close to Fund Balance and the Fund Balance will be reclassified to the appropriate liability account.

## **INTERFUND TRANSFERS/ INTERFUND BORROWING**

### **I. INTERFUND TRANSFERS**

Interfund transfers are payment movements of amounts between fund groups to be used for the objectives of the fund group receiving the transfer. There are two types of transfers:

#### **A. Mandatory Transfers**

Mandatory transfers include transfers from Current Funds to other groups resulting from:

1. Binding legal agreements relating to the financing of the educational plant.
2. Grant agreements with agencies of the federal government and other governmental or private organizations to match gifts and grants to loan and other funds. Mandatory transfers may be required to be made from either unrestricted or restricted current funds.

## B. Non-mandatory Transfers

Non-mandatory transfers include those transfers from the Current Fund group to other fund groups made at the discretion of the governing board, and also may include the retransfer of resources back to Current Funds. However, unrestricted amounts transferred from other fund groups back to the Current Fund group are not considered revenues of Current Funds.

## **II. INTERFUND BORROWING**

Interfund borrowing is the movement of monies between fund groups; is temporary in nature, and there is a definite plan for repayment within a defined period of time. Borrowing of funds should be recorded as assets of the fund groups making the advances, and as liabilities of the fund groups receiving the advances.

## **III. FUND ADDITIONS and DEDUCTIONS**

Fund addition and deduction transactions may be used to move dollars between funds within a fund group. A more formal definition of additions is funds received or made available, while deductions represent decreases in fund balance.

## **ACCRUAL ACCOUNTING**

Ivy Tech Community College of Indiana reports its activities on an accrual basis of accounting. Accrual accounting represents the effects of transactions on the assets and liabilities in the period the event occurs, not when cash is received or paid. The accrual method is used to match expenditures and revenues within the operating cycle of the College (July 1 to June 30). The recording of accounts receivable and accrued liabilities using accrual accounting enables the College to measure its financial position at a given date.

### ASSETS

Assets of the College represent those items that are determined by generally accepted accounting principles to be economic resources of the College. Assets are divided into two main categories:

#### I. Current Assets

#### II. Fixed Assets

## **I. CURRENT ASSETS**

Current assets of the College represent those items that can be consumed or realized during the current operating cycle. The following represents the current assets of the College:

A. Cash

Funds available to meet the operating expenditures of the College.

B. Accounts Receivable

Revenue earned by the College but not yet collected. A Contra asset account may accompany an accounts receivable. The Contra asset account establishes an "Allowance for Uncollectible Accounts Receivable." The establishment of this account allows the accounts receivable to be reported on a more realistic basis.

C. Inventories

Current inventories represent those items that are used during the current operating cycle to continue current operations. Presently the only items that are inventoried are those retail items necessary to continue the Auxiliary Enterprises of the College.

D. Investments

Investing of excess short term cash for the purpose of generating additional revenue.

E. Prepaid Items

Expenditures for benefits not yet received

## **II. FIXED ASSETS**

Fixed assets represent those items of the College that economic resources of the College were used to acquire. Fixed assets may be real or personal property. They can be acquired by purchase, (includes capital leases), gift, bequest, or produced by the College.

A. Real Property

1. **Land**

Represents the purchase price and additional cost such as legal fees, brokers' commissions, title fees, razing, and other costs directly related to the cost of acquiring the property. If the land is donated, then the fair market value at the time of donation represents its value to the College.



## **2. Land improvements**

All improvements made to land such as paving, sidewalks, et al.

## **3. Buildings and Improvements**

Represent the cost other than land and moveable equipment in the construction or purchasing of an existing facility. If the building is being constructed and being financed from a debt agreement, then the interest paid during the construction phase is capitalized with the building cost. If the building is donated, the same rule applies as with land. Additional items added to the cost of a building are:

### **a. Repair and Rehabilitation Projects**

Represents those items that increase the value, efficiency, or usefulness of the facility and are capitalized when the project has a cost of at least \$10,000.

## **4. Leasehold Improvements**

Represent the improvements made to leased facilities of the College in preparing or remodeling for College use.

## **5. Mobile Units and Improvements**

The cost of acquiring mobile units and/or remodeling of those units.

## **6. Construction-In-Progress**

Includes all construction projects that are not completed by the fiscal year end.

## **B. Personal Property**

Represents all equipment owned by the College either purchased, leased (capital), gift, bequest, or produced by the institution. Please reference Section N, Fixed Assets, for the capitalization policy. Equipment is subdivided into the following areas:

### **1. Instructional Equipment**

All equipment used in the instruction of students, ranging from classroom furniture to lab equipment.

### **2. Office Furniture and Equipment**

Furniture and equipment used in the administration of the College (desks to calculators).

### **3. Machinery and Vehicles**

Includes non-instructional equipment and vehicles ranging from hand tools to cars.

### **4. Computer Equipment**

Represents computer equipment such as mainframes, terminals, mini computers and data communications equipment.

### **5. Library**

All books, tapes, periodicals costing over \$10.

### **6. Construction in Progress - Movable Equipment**

## **LIABILITIES**

Liabilities represent obligations of the College arising from past events and are to be satisfied by paying cash, transferring of assets, or providing future services. A liability has technically occurred when it can be reasonably estimated and assured of happening. Liabilities are generally divided into two categories:

I. Current Liabilities

II. Long-Term Liabilities

### **I. CURRENT LIABILITIES**

Current Liabilities are designated obligations that are to be liquidated during the current operating cycle and by using current assets. The College recognizes the following current liabilities:

A. Accounts Payable

Materials and supplies acquired for the delivering of services to the students, faculty, or staff of the College.

B. Salary, Wages, and Fringe Benefits

The accrual of salaries, wages and fringe benefits that have been earned in one period and paid in the next.

#### C. Deferred Revenue

Revenue that has been received, but is not yet earned.

#### D. Other Liabilities

The current position of long term debt that is to be liquidated within the current period.

## **II. LONG-TERM LIABILITIES**

Long-term liabilities represent those items that are planned to be paid back over a period in excess of one year. Long-term liabilities of the College represent the principal amounts of Bond Indentures and Lease/Purchase agreements. (NOTE: Capital lease agreements should also be included under Long-Term Liabilities.)

## **REVENUE**

Revenue represents the increase in assets provided from the delivering of services or other earning activities delivered by the College. Current sources of revenue of the College are:

#### A. Tuition and Fees

All tuition and fees assessed against students for the delivery of instruction to them.

#### B. Governmental Appropriations

Includes all unrestricted and restricted appropriations for the current operation of the College.

#### C. Governmental Grants and Contracts

Grants and contracts awarded by a governmental agency.

#### D. Private Gifts, Grants and Contracts

Non-governmental source for the purpose of a particular instruction or a select group of instruction.

#### E. Interest Income

Income earned from the short-term investments of the College.

#### F. Sales and Services

Goods and services provided to the students, faculty, or staff through the auxiliary enterprises of the College.

#### G. Overhead Recovery

A partial recovery of operating expenditures of the College which is generally provided through contractual agreements of the College.

#### H. Other Income

All other income that can not be classified into one of the above categories.

It must be remembered that generally any revenue earned by the College can and should be classified into one of the above categories.

### **EXPENDITURES**

Expenditures represent the cost of goods and services used or acquired by the College in providing its services to the public. Current classifications of expenditures are:

#### A. Exempt (salaried)

Used to identify administrative salary staff.

#### B. Non-Exempt (hourly)

Identifies all hourly personnel.

#### C. Instructional Staff

Identifies instructors.

#### D. Staff Benefits

Identifies staff benefits provided by the College.

#### E. Supplies and Expenses

Identifies expenditures other than those listed here.

#### F. Utilities

Identifies utilities for owned or leased facilities operated by the College.

#### G. Leases

Identifies lease payments made by the College.

#### H. Travel

Identifies travel expenses of the College.

#### I. Cost of Goods Sold

Generally used in the bookstore to identify cost of items for resale.

#### J. Capital

Identifies all capital expenditures of the College.

#### K. Scholarships and Grants

Identifies financial aid passing through the College records.

When deciding on what major classification to use for a particular expenditure, the following two items must be considered:

1. Excessive detail object classification should be avoided since it tends to complicate the accounting procedure and is often of very little benefit in financial management.
2. The selection of the most appropriate classification should be based on an objective assessment of what the item is commonly described as, not what its purpose for a particular situation might be.

Expenditures may be defined as either a direct or indirect cost. Direct costs are those costs that may be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity; or that may be directly assigned to such activities relatively easily with a high degree of accuracy, and without an inordinate amount of accounting. These costs may include salaries, wages, benefits, services, materials, and equipment. It is not the nature of the goods or services that determine direct cost classification; rather, it is the identification with the sponsored work or final cost objective.

Indirect costs, in contrast with direct costs, are those that have been incurred for purposes common to a number or all of the specific projects, programs, or activities of an institution, but which cannot be identified and charged directly to such projects, programs, or activities relatively easily with a reasonable degree of accuracy and without an inordinate amount of accounting. Examples include such items as heating, lighting, air conditioning, and janitorial services of buildings; and administrative services such as accounting, purchasing, personnel, and library services.

Without indirect cost reimbursements, sponsored programs and auxiliary enterprise in colleges and universities would require institutional support of indirect services, to the detriment of other functions of the institutions.

## **FUND BALANCE**

The fund balance of a particular fund represents the past accumulation of revenue minus expenditures plus any additional adjustments. A fund balance can either be unallocated or allocated. An unallocated fund balance represents those resources that are available without a future restriction as to their use. While in turn, an allocated fund balance is either restricted to a particular use by an external entity or designated as to a particular use by the governing board.

## **LEASES**

Ivy Tech Community College of Indiana classifies its lease agreements in accordance with generally accepted accounting principles:

- I. Capital Leases
- II. Operating Leases

### **I. CAPITAL LEASES**

A capital lease is recorded as an asset and as an obligation at an amount equal to the present value of the property being leased. Capital leases are determined by any one of the following criteria:

- A. The lease transfers ownership of the property to the lessee by the end of the lease term.
- B. The lease contains a bargain purchase option.

C. The terms of agreement are equal to 75% or more of the estimated useful life. (NOTE: If the lease falls within the remaining 25% of useful life, the above criteria is no longer valid.)

D. "The present value at the beginning of the lease term of the minimum lease payments, excluding that portion of the payments representing executory cost such as insurance, maintenance, and taxes to be paid by the Lessor, including any profit thereon, equals or exceeds 90% of the excess of the fair value of the leased property to the lessor at the inception of the Lease." (AICPA Professional Standards Volume 3, Section 4053.007)

When applying the above criteria to land and buildings the following should be applied:

1. If the lease falls under items A or B, the land and buildings should be capitalized separately.
2. If the lease falls under C or D and the fair value of the land is less than 25% of the total, then the land and building is considered as a single unit. If the value of the land is 25% or more, then the land and buildings are considered separately.

## II. OPERATING LEASES

An operating lease is any lease that does not fall into any of the four criteria under capital leases. It is a lease agreement that the College has no intention of acquiring title to. The lease is not capitalized, but is treated as a recurring expenditure over the term of the lease.

## LIBRARY EXPENSES

The Library cost center has been identified as the area in which to record all expenses for the operation of and services provided by the Library.

The following definitions are provided to properly classify, record, and report library expenses:

### A. Library

Activities that support the collection, cataloging, storage, and distribution of published materials; activities that directly support the operations of a catalogued collection or otherwise classified collection. This includes activities providing audio visual services and other services that aid in the transmission of information in support of the College's instruction and public service programs.

The activities include the following:

1. Acquire materials

- a. Determine acquisition policy.
- b. Screen and evaluate available materials.
- c. Obtain materials for the libraries.

2. Prepare materials

- a. Prepare and maintain materials for general use and distribution.
- b. Examples:  
searching  
cataloging  
recording  
shelving  
binding  
repair

3. Provide service to identify and access materials.

- a. Provide services and aids to identify and locate documents or materials
- b. Examples:  
information desk  
indexes  
visual aids (posters, signs)  
reference services

4. Distribute materials

- a. The control and distribution of library materials
- b. Examples:  
circulation services  
reserve services  
loan and rental services

5. Participate in inter-institutional exchange and loan services.

- a. The borrowing or lending materials to other libraries
- b. Examples:  
inter-library loan office  
messenger services

6. Disseminate information/promote Library

- a. Provide general information about the library and its activities to promote library use.



b. Examples:

publications

advertisements and exhibits

personal communication

The purchase of books by a department from its funds would not be classified in this category, even though a departmental "library" is produced. The appropriate program categories may be used in classifying activities when the library serves a single, specific, academic program or department.

#### B. Branch Library

Auxiliary unit of a central library unit, which is administered from a central unit, and which has all of the following:

a. separate quarters

b. a permanent basic collection of books

c. a permanent staff

d. a regular schedule for opening to the public

References: Higher Education Finance Manual (HEFM)

Program Classification Structure (PCS)

IPEDS Libraries Survey

### **AUTO REPAIR PROGRAMS**

Automotive repair, as referred to in this section includes auto mechanics and body shop. This section is provided due to tax related and classification and reporting issues.

Automotive programs frequently involve hands-on instruction in mechanics and body shop. Students may elect to use their personal vehicles; however, the instruction may involve the use of vehicles owned by individuals other than Ivy Tech students. In all cases, the preferred practice for acquiring parts and supplies is for the vehicle owner to provide the required items. This is generally accomplished based upon estimates of parts and supply needs.

The practice of the vehicle owner providing parts and supplies is preferred to minimize problems with Indiana Gross Income Tax and Indiana Sales Tax. In addition, this practice provides for a uniform method of dealing with the acquisition of automotive program parts and supplies and does not require the Region to maintain an inventory of parts.

A second acceptable practice, which may be used if the preferred practice described above is programmatically impractical, permits College funds to be used to acquire necessary parts. The total expense including sales tax should be accounted for in a program specific accounts receivable account in the operations fund. Vehicle owners are required to pay amounts due as a condition of the return of their vehicle. If balances are in the Accounts Receivable account at fiscal year end, a schedule must be forwarded to the Assistant Assistant Treasurer listing (a) Vehicle Owner, (b) Date of Purchase of Parts, and (c) Total Amount Due. The total of this schedule must agree with the balance in the accounts receivable account.

Regions who want to use alternative methods to the two practices detailed above for acquiring and costing vehicle parts and supplies, must file a request annually with the College Vice President for Finance/Treasurer. The request will be reviewed to determine the appropriateness of the alternative method. The request will be filed for each fiscal year and, if approved, will be retained by the Executive Director of Finance for review by internal and external auditors.

## **FINANCIAL STATEMENTS**

The Ivy Tech Community College of Indiana prepares and distributes an annual financial report. The report is prepared to meet internal needs, as well as to provide data for oversight bodies and for public distribution.

The annual financial report includes three basic statements: (1) Balance Sheet, (2) Statement of Changes in Fund Balance, and (3) Statement of Current Fund Revenues, Expenditures, and Other Changes. The Notes to Financial Statements are considered to be an integral part of the Statements. Additional schedules, statements, etc. are included in the report as supplemental information to assist the reader/user of the report. The College has elected to use the columnar report format for the basic statements.

For financial reporting purposes, funds with similar characteristics are combined into fund groups. The College has summarized funds for reporting purposes as:

### **Current Funds**

#### **1. Unrestricted**

- a. Operations Fund
- b. Auxiliary Enterprise Bookstore
- c. Auxiliary Enterprise Parking Acquisition/Maintenance

#### **2. Restricted**

- a. Sponsored Programs Federal
- b. Sponsored Programs State
- c. Sponsored Programs Local
- d. Sponsored Programs Apprentice

- e. Private Grants & Contracts
- f. Student Aid Federal
- g. Student Aid State
- h. Student Aid Other
- 3. Student Loan Fund
- 4. Endowment and Similar Funds
- 5. Plant Funds
  - a. Plant Fund Unexpended
  - b. Plant Fund Renewal and Replacement
  - c. Plant Fund Retirement of Indebtedness
  - d. Plant Fund Investment-In-Plant
- 6. Agency Funds
  - a. Agency Fund Payroll
  - b. Agency Fund Student Activity

The Balance Sheet is a statement of financial position at the end of the College fiscal year-June 30. Account balances for Assets, Liabilities, and Fund Balance are combined for each fund group as needed for fair presentation. Comparative data is presented for Prior Year.

The Statement of Changes in Fund Balance reports the change in the financial position for the reporting period for each fund group. All fund groups containing a fund balance are reported.

The Statement of Current Fund Revenues, Expenditures and Other Changes reports revenue detail by source, and expenditure detail by function for each fund group. Total Revenue and Total Expenditure data should concur with data reported in Statement of Changes in Fund Balance.

The Notes to Financial Statements should be considered to be an integral part of the financial statements. A disclosure summary of significant accounting policies is contained. The summary briefly describes the fund groups, together with a short narrative concerning activity within each fund group. Additional notes are contained as required for fair presentation. This may include, but is not limited to, investment valuation, valuation of Investment-in-Plant, basis of accrual accounting, significant change in accounting procedure(s), significant changes in fixed assets and/or long-term liabilities, as well as other material financial consideration. Correction of an error and/or adjustment of a material amount in previously issued financial statements may be disclosed in the financial statements or in the notes to the statements.

Supplemental schedules may include Statement of Allocated Fund Balance. The Statement provides detail of allocated fund balance(s) by fund group. The allocated totals by fund group should concur with reported allocated funds on the Balance Sheet.

Supplemental schedules on Auxiliary Enterprise Fund Bookstore are currently included. The purpose is to provide greater detail on an area of concern to management. Greater detail on one fund in a fund group may be included to provide additional focus on an activity currently receiving additional management analysis. In addition, graphs and/or charts may be included to provide alternative presentation of financial data.

Supporting schedules are included on debt service and lease purchase. The schedules may be detailed by project/location and summarized to report College commitment.