

Preparing Financial Statements with Abila MIP Fund Accounting Diocese of La Crosse Managers Training September 2014

Training Topics:

1. Default Financial Statements
2. Financial Statement Formats
3. Balance Sheet
4. Statement of Revenues and Expenditures
5. Cash Flow Statement
6. Statement of Financial Position
7. Statement of Activities
8. Other Features of Financial Statement Formats
9. Preparing the 990

Default Financial Statements

If you have set up your designation codes, there are default financial reports in each of the following reports:

- Balance Sheet
- Combining Balance Sheet
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Activities
- Statement of Revenues and Expenditures
- Combining Statement of Revenues and Expenditures
- Statement of Revenues and Expenditures by Period

Default financial statements are based on:

- Default report setup
- Default financial statement format
- General ledger designation code
- Program and restriction function

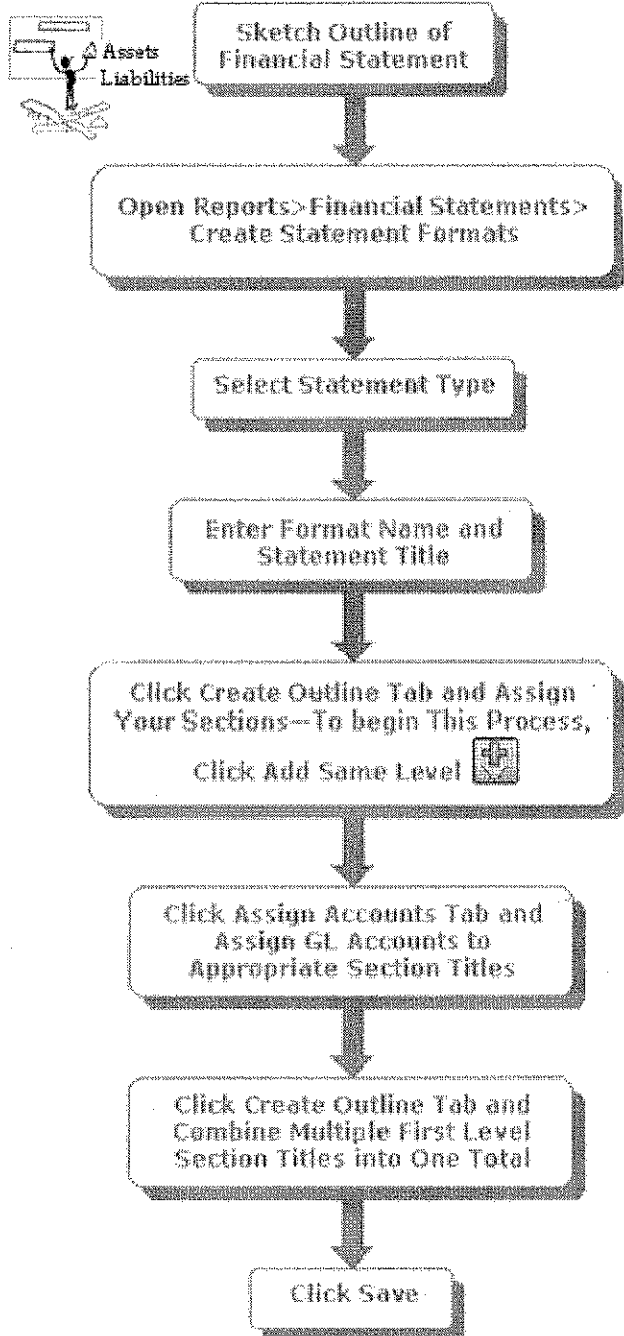
Default report setups have special characteristics:

- Are available with all organizations
- Are identified by <>
- May not be modified or deleted
- May be copied or saved with a different report name
- Use default financial statement formats
- Use segment function codes
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NOTE: None of the designation codes have been set for the Diocese of La Crosse databases

Financial Statement Formats

All financial statements need a format before they can be run. You can have as many formats as you want. The report format represents the outline of the report. Comparable formats can be used; such as a Balance Sheet Format can be used for a Statement of Financial Position. The following is an outline of the steps to follow to create an appropriate format.



Here is an example of a classified balance sheet format


Select Format | Create Outline | Assign Accounts | Create Totals

Section Title: ASSETS

Statement Outline





- [-] ASSETS
 - [-] Cash
 - Petty Cash
 - Checking Operational
 - Checking - Scrip
 - Checking Other
 - Savings - Operational
 - Savings - Other
 - [+] Accounts Receivable
 - [+] Scrip
 - [+] Prepaid Expenses
 - [+] Property & Equipment
- [-] LIABILITIES
 - [-] Accounts Payable and Accrued Expenses
 - A/P Trade
 - A/P Diocese
 - A/P Other
 - Payroll Withholding
 - Accrued Salaries
 - Accrued Other
 - [+] Prepaid Revenue
 - [+] Deferred Revenue
 - [+] Custodial and Other Liabilities
 - [+] Debt to the Diocese
- [-] NET ASSETS
 - Net Assets
- LIABILITIES & NET ASSETS

Create Outline Tab

1. Click the Create Outline tab. This is where the outline sketch from above is entered.
2. Click Add Same Level  on the top toolbar to set up the first Section. The system displays the Section Options form. (This form automatically appears when adding first level Sections.)
3. Enter the Title for the first Section in the **Statement** outline, which is ASSETS. The attributes for the Title can also be specified.
4. Click the Other button under Specify Section Type.
5. Select Asset for Specify Section Account Categories.
6. Accept the default for the other option buttons, and click OK to return to the outline.

Note: If creating a first level Section Title that represents a total of other first level Section Titles, such as Total Liabilities or Net Assets, for instance, select "Total" for Specify Section Type. All other first Section Titles should be specified as "Other." Edit these choices again at any time by selecting the first Section Title, and then clicking Section

Options 

7. Click Add Lower Level , since there are defined second and third Section Titles under ASSETS in the **Statement** outline.
8. Enter CURRENT ASSETS, as the Section Title, and press the Tab key.
9. Click Add Lower Level  again, since there is a third Section (or a Section beneath CURRENT ASSETS).
10. Enter CASH as the Title.
1. Click Add Same Level  (while still positioned at CASH) to add another third level Section Title, and enter ACCOUNTS RECEIVABLE.
2. Click CURRENT ASSETS to select that Section level, since the next Title is at the second Section level.
3. Click Add Same Level  again, and then enter FIXED ASSETS as the Title.
4. Continue this process to complete the remainder of the **Statement** outline. (When creating the Section called "Total Liabilities and Net Assets," select Total for the Specify Section

Assign Accounts Tab

1. Assign specific general ledger accounts to the appropriate Section Titles after completing the **Statement** outline. To do this, first click the Section Title for which you want to assign general ledger accounts (on the Create Outline tab). Then, using the Assign Accounts tab, assign the General Ledger Account. (Accounts cannot be assigned to any but the lowest Section under each first level Section Title. For example, in the outline, general ledger accounts cannot be assigned to ASSETS or to CURRENT ASSETS. When assigning accounts to CASH or ACCOUNTS RECEIVABLE (the lowest level Sections under ASSETS) they are effectively assigned to ASSETS and CURRENT ASSETS.)
2. Click Cash, and then click the Assign Accounts tab.
3. Use this tab to select the general ledger accounts to appear beneath the Title "Cash" when the **Financial Statement** is printed. Each general ledger account may be assigned to only one Section Title. Previously selected general ledger accounts do not appear in the list.
4. In order for the actual account code title and dollar balance to appear on the printed **Financial Statement**, move the general ledger account, and then click the Print Detail box. For the account balance to be combined with the other account balances assigned to this Section and the total dollar amount to appear next to the Section Title, do not select the Print Detail box for all accounts.
5. Click the Create Outline tab, and then select the next title in which to assign accounts (in this case, Accounts Receivable).
6. Click the Assign Accounts tab once again, and assign general ledger accounts to this title.

Create Totals Tab

1. The system automatically totals each Section created when printing the **Financial Statement**. However, if you want totals of any combination of first Sections, use the Create Totals tab.
2. For example, for the **Statement** of **Financial** Position, you may want a Section called TOTAL LIABILITIES AND NET ASSETS. (This title was created in Step 4.)
3. Click on TOTAL LIABILITIES AND NET ASSETS in the **Statement** outline, and then click the Create Totals tab.
4. Use the Mover (>) to choose which first level Section Titles to include in the total. Since this is a total Section, general ledger accounts cannot be assigned to it.
5. This completes our example of **formatting** the **Statement** of **Financial** Position. Use the same procedure to complete **formats** for all the other **Statement** Types.

Balance Sheet

The balance sheet report includes account information, group account information, beginning balance information, current amount/percent information and prior amount/percent information. Complete balance sheets can only be successfully run on segments that contain Assets, Liabilities and Net Asset accounts. Typically this includes the "FUND" and "BALANCING" segment types. As with all financial statements, to create a balance sheet report, you must start with a balance sheet format. You can also use a Statement of Financial Position format, as it is a specific form of a balance sheet.

Example Balance Sheet Format - DBS

<ul style="list-style-type: none"> [-] Assets [-] Cash <ul style="list-style-type: none"> Petty Cash Checking Operational Checking - Scrip Checking Other Savings - Operational Savings - Other [-] Accounts Receivable <ul style="list-style-type: none"> A/R Parish Support A/R Tuition CY Less Allowance for Doubtful Accounts A/R Tuition LY Less Allowance for Doubtful Accounts A/R Child Care A/R Before, After Care A/R Other [-] Scrip <ul style="list-style-type: none"> Scrip Inventory Unearned Scrip Revenue [-] Prepaid Expenses <ul style="list-style-type: none"> Prepaid Insurance Prepaid Unemployment Comp Fund Prepaid Other [-] Property & Equipment <ul style="list-style-type: none"> Property and Equipment Less A/D Property and Equipment 	<ul style="list-style-type: none"> [-] LIABILITIES [-] Accounts Payable and Accrued Expenses <ul style="list-style-type: none"> A/P Trade A/P Diocese A/P Other Payroll Withholding Accrued Salaries Accrued Other [-] Prepaid Revenue <ul style="list-style-type: none"> Prepaid Tuition, Fees Prepaid Other [-] Deferred Revenue <ul style="list-style-type: none"> Deferred Tuition, Fees Deferred Parish Support Deferred Other [-] Custodial and Other Liabilities <ul style="list-style-type: none"> Custodial Accounts Other Liabilities [-] Debt to the Diocese <ul style="list-style-type: none"> Diocese Payable Prior Year Diocese Loan Payable Diocese Accrued Loan Interest [-] NET ASSETS <ul style="list-style-type: none"> Net Assets LIABILITIES & NET ASSETS
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In addition to a format, there needs to be a report setup. The report setup represents the content of the report. The report setup also defines the appearance of the financial statement.

Statement of Revenues and Expenditures

Example classified R&E format – Detail (ACS)

- Tuition & Fees
- Parish Investment
- Foundations
- Grants
- Development
- Athletic
- Childcare & Preschool
- Investment Income
- Food Service
- Organizations
- Other Income

- Salaries & Wages
- Fringe Benefits
- Advertising/Public Relations
- Fundraising Expense
- Professional Expense
- Technology Expense
- School Operations
- International Students
- SH 4K Program
- General Administrative
- Telephone
- Utilities
- Building & Grounds
- General Supplies
- Insurance
- Athletic
- Travel & Transportation
- Food Service
- Depreciation
- Loans & Interest
- Interfund Transfer
- Net Surplus (Deficit)

Example all detail Revenues and Expenditures statement format that could be used for segment substitution – DIS-ALL

- REVENUES
- EXPENDITURES
- ADJUSTED INCOME/EXPENSES

Statement of Cash Flows

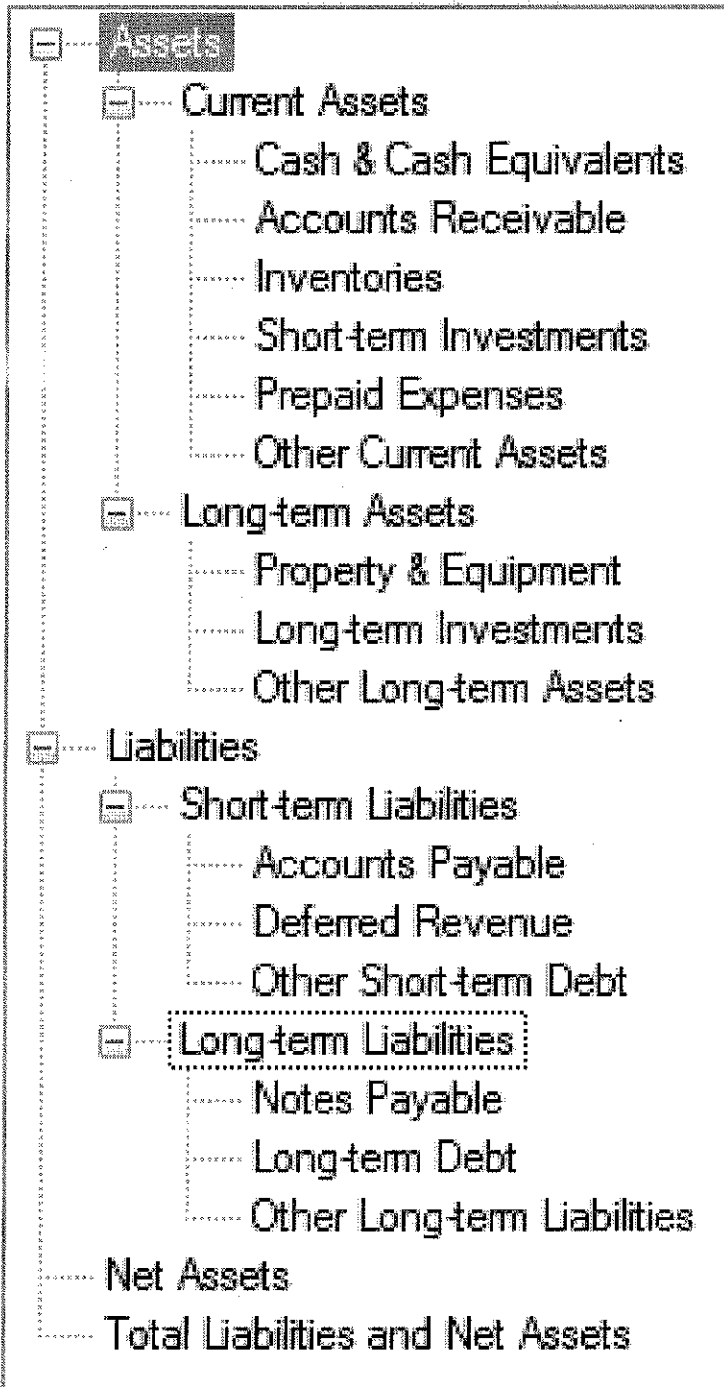
Example of Statement of Cash Flows format - Finance/Commission

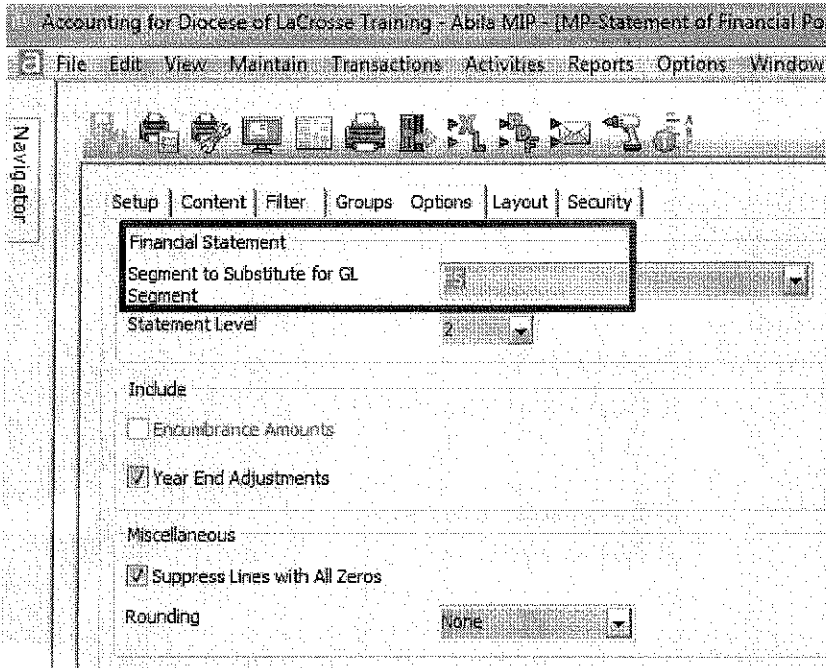
<input type="checkbox"/>	Cash Flows from Operating Activities
	..... Change in Net Assets
<input type="checkbox"/> Adjustment to Reconcile Change in Net Assets
	..... Depreciation Expense
<input type="checkbox"/> Changes in Assets & Liabilities
	..... A/R Parish
	..... A/R Tuition
	..... A/R Other
	..... Prepaid Expenses
	..... Scrip Program
	..... Temporary Restricted Funds
	..... Payroll Withholding
	..... Accrued Salaries
	..... Accrued Retirement
	..... Accrued Other
	..... Prepaid Tuition & Fees
	..... Deferred Parish Investment
	..... Deferred Tuition
	..... Accounts Payable - Trade
	..... Accounts Payable - Other
	..... Debt to Diocese
<input type="checkbox"/>	Cash Flows from Investing Activities
	..... Acquisition of Property & Equipment
	..... Net Cash from Investment Transactions
<input type="checkbox"/>	Cash Flows from Financing Activities
	..... Change in Endowment Assets
	..... Beginning Cash & Cash Equivalentents
	..... Ending Cash & Cash Equivalentents

Statement of Financial Position

Use this statement to print the FAS 117 balance sheet equivalent. To produce the FAS 117 compliant reports use the segment substitution feature to report the Net Asset section by Restriction (on the options tab).

Example Statement of Financial Position format = Detail





When you make these changes, the Net Assets portion of the report will report the Net Assets by restriction:

Diocese of LaCrosse Training
 Statement of Financial Position - MP-Statement of Financial Position
 As of 6/30/2010

	Current Year Balance	Prior Year	YTD % Change
Assets			
Current Assets	1,160,249.38	1,202,239.11	(3.49)
Long-term Assets	335,459.60	357,683.60	(6.21)
Total Assets	1,495,708.98	1,559,922.71	(4.12)
Liabilities			
Short-term Liabilities	332,922.19	297,602.39	11.87
Long-term Liabilities	229,220.19	619,423.90	(62.99)
Total Liabilities	562,142.38	917,026.29	(38.70)
Net Assets			
Unrestricted	288,979.16	(320.83)	(90,172.36)
Temporarily Restricted	272,217.76	257,421.38	5.75
Permanent Restricted	372,369.68	385,795.87	(3.48)
Total Net Assets	933,566.60	642,896.42	45.21
Total Liabilities and Net Assets	1,495,708.98	1,559,922.71	(4.12)

Statement of Activities

Key to the FASB 117 compliant Statement of Activities is the use of Segment Substitution to report expenses by functional category instead of their natural classifications. Using segment columns and column totals the user can further customize the Statement of Activities to meet reporting needs.

Begin with the statement format. You will make a similar setting as the Statement of Financial Position, this time for the expenditure section.

Accounting for Diocese of LaCrosse Training - Abila MIP - [S/A All Detail | Create Statement Formats]

File Edit View Maintain Transactions Activities Reports Options Window Help (0)

Navigator

Select Format | Create Outline | Assign Accounts | Create Totals

Section Title: Expenditures

Print Balance for
 GL Account
 Segment selected at report time

GL Accounts Available Items:

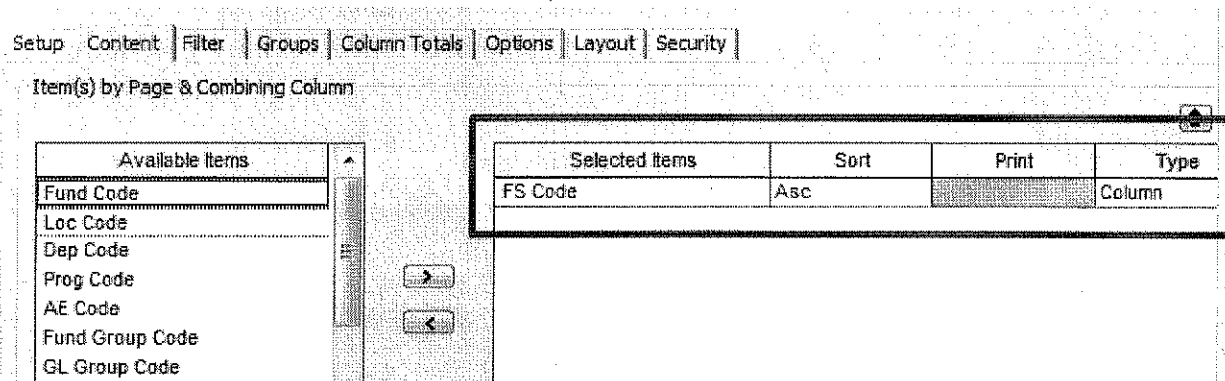
Code	Title
1001	Petty Cash
1105	Checking - Operational
1106	Checking - Scrip
1107	Checking - Restrict...
1108	Checking - Athletic ...
1109	Checking - Royal Par...
1110	Checking - Music As...
1111	Checking - Food Ser...
1205	Savings - Diocese
1208	Savings - Athletic A...
1209	Savings - Home & S...
1210	Savings
1305	Prnker Investments
1350	Endowment Funds
1405	A/R - Parish Investm...
1410	A/R - Tuition & Fees ...
1415	A/R - Tuition & Fees ...
1416	A/R Choice Revenue
1420	A/R - Childcare
1425	A/R - Aftercare
1426	A/R School District I...
1430	A/R - Food Service
1435	Due From Foundation

Selected Items:

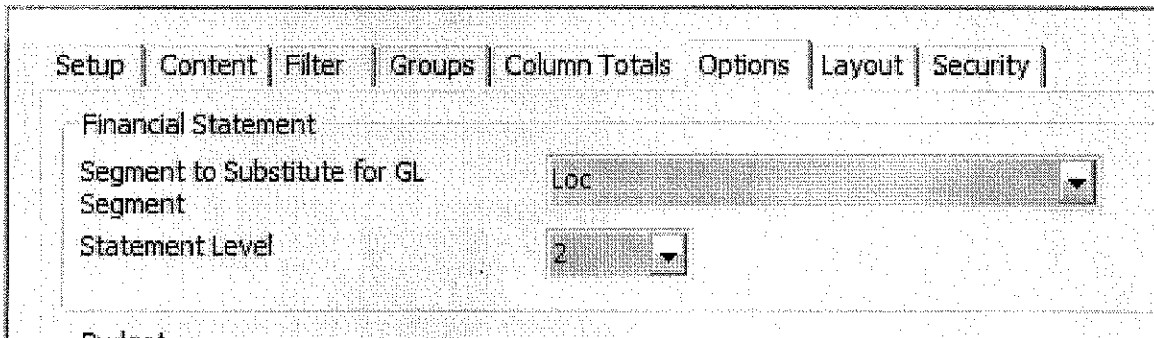
Code	Title	Print Detail
5005	Salaries & Wages - ...	<input checked="" type="checkbox"/>
5010	Salaries & Wages - ...	<input checked="" type="checkbox"/>
5015	Stipends	<input checked="" type="checkbox"/>
5020	Payroll Taxes	<input checked="" type="checkbox"/>
5025	Retirement	<input checked="" type="checkbox"/>
5030	Health Insurance	<input checked="" type="checkbox"/>
5035	Dental Insurance	<input checked="" type="checkbox"/>
5040	Unemployment Insur...	<input checked="" type="checkbox"/>
5045	Workmen's Comp Ins...	<input checked="" type="checkbox"/>
5050	Education Reimburs...	<input checked="" type="checkbox"/>
5055	Clergy Compensation	<input checked="" type="checkbox"/>
5060	Auto Allowance - R...	<input checked="" type="checkbox"/>
5065	Other Fringa Benefits	<input checked="" type="checkbox"/>
5070	Life Insurance	<input checked="" type="checkbox"/>
5075	Other Employee Exp...	<input checked="" type="checkbox"/>
5105	Public Relations	<input checked="" type="checkbox"/>
5110	Advertising	<input checked="" type="checkbox"/>
5115	Insurance - Liability	<input checked="" type="checkbox"/>
5120	Postage	<input checked="" type="checkbox"/>
5125	Printing	<input checked="" type="checkbox"/>
5130	Office Equipment Re...	<input checked="" type="checkbox"/>
5135	Office Equipment Le...	<input checked="" type="checkbox"/>
5140	Bank Service Charge	<input checked="" type="checkbox"/>

Find New Delete Close Help

Then on the content tab of the statement setup you will pick the appropriate column in the Items by Page & Combining Column section. This is the restriction segment.



Then on the options tab, pick the segment to substitute for the general ledger codes. In my example I only substituted the expenses, and not the revenues.



Making those changes resulted in a report such as this. This is a fairly simple substitution; you can get very complicated by only substituting for a few sections if that is your preference.

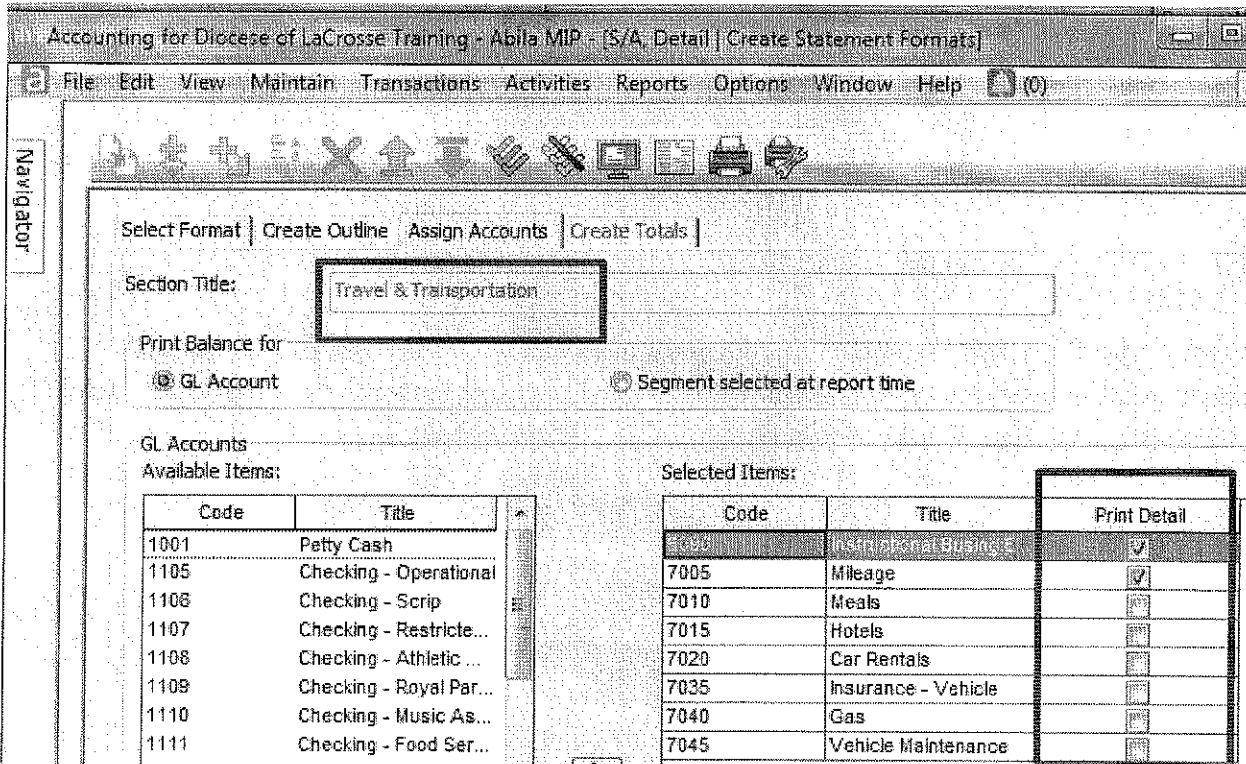
Diocese of LaCrosse Training
Statement of Activities
From 7/1/2009 Through 6/30/2010

	Unrestricted	Temporarily Restricted	Permanent Restricted	Total
Revenues				
Total Revenues	4,437,286.24	162,202.52	21,353.81	4,620,842.57
Expenditures				
Central Office	1,810,351.18	64,067.35	0.00	1,874,418.53
Assumption High School	1,121,227.23	86,630.73	0.00	1,207,857.96
Assumption Middle School	363,773.96	14,190.59	0.00	377,964.55
St. Vincent de Paul Elementary	299,937.03	17,391.07	0.00	317,328.10
Our Lady Queen of Heaven Elementary	234,185.55	10,138.22	0.00	244,323.77
St. Lawrence Early Childhood Center	266,580.20	11,766.98	0.00	278,347.18
Total Expenditures	4,096,055.15	204,184.94	0.00	4,300,240.09

Other Features of Financial Statement Formats

By turning on and off the print detail function of your statement formats, you can get the same report setup to display different GL details as needed.

Below is an example from a Statement of Activities format called Detail. Notice for my Travel and Transportation section, I have some Print Details chosen, and some not. This will result in the codes with print detail on to report on a separate line item while all the other codes in that section will collapse and report as "Other".



Here is an example of how this section would display in your report:

Travel & Transportation		
Instructional Busing Expense		6,750.00
Mileage		3,400.00
Other		0.00
Total Travel & Transportation		10,150.00

Preparing the 990

We need to do some set up to allow MIP to prepare the financial portion of the 990. First the proper form must be set in Administration>System Set up>Edit Organization Information>Organization

