

TO: Tim Winter, South Kitsap School District
 CC: Heather Korten, ESD 114
 Ryan Montgomery and Cheryl Thresher, State Auditor's Office
 T.J. Kelley and Michelle Matakas, School Apportionment and Financial Services, OSPI
 FR: Mike Sando, Annual Financial Reporting Supervisor, OSPI
 DA: December 15, 2022

RE: 2021-22 F-196 Submission Correction for South Kitsap School District

While working to verify the data in the F-196 submissions statewide, we discovered that there was a miscalculation on your district's printed reports of the **Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund by Sub-Fund**. The miscalculation is only on the line, "Support Services," **all other totals in the section and report are correct.**

This is notification that your printed F-196 statement contained the error. This serves as your documentation of the correction of the calculation by us for your files. It is also being included in our records here at OSPI with your review, certifications, and any other correspondence included with your 2021-2022 F-196 submission and being forwarded to the State Auditor's Office for their information. The miscalculation is only on the printed reports and are not present in the district's submission in EDS F-196 application, it is an error in coding the F-196 for the calculation items. It will be fixed in the annual rollover this summer for next year's submission.

The calculation has to do with the changes prompted by GASB 87 (an update to accounting procedures) in leases, there was additional spending in Activity 85 (Debt Related Expenditures), Objects 1 (Credit Transfers), and 9 (Capital Outlay). In the capture of sub-fund expenses – these expenditures were not included in the items for this statement and caused miscalculation for 71 districts in the "Support Services" line under the heading "Current."

Below is an illustration of where to find the line in the report:

18402 South Kitsap School District			
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund, By Sub-Fund			
	Sub-Fund	Sub-Fund	General
	10	11	Fund
CURRENT: (excluding Object 9)			
Support Services	XXX,XXX.XX	XXX,XXX.XX	XXX,XXX.XX
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Attached is a spreadsheet with all the districts with the miscalculation, the district's correct numbers for the three items and the amount of the difference in the specific line. Again, the miscalculation does not affect the totals of the sub section or ending totals in the report.

If you have any questions or concerns, please contact Mike Sando, SAFS Annual Financial Reporting Supervisor, at (360) 725-6304 or email at mike.sando@k12.wa.us.