

# 2019 GAAP Packet Preparation Notes



**Trial Balance:** A trial balance is an accounting report that lists the general ledger accounts and balances. Agencies should review their trial balance for reasonableness, unnatural (abnormal) balances, balances that are not changing from year to year, and for accuracy.

**What is considered an unnatural (abnormal) account balance?** This refers to when an asset, liability, fund balance/net position, revenue, or expense account has a balance that unusual for its classification. If an account has an unnatural (abnormal) account balance, it should be investigated and actions taken to correct, if necessary. See summary table below.

	Asset	Liability	Fund Balance/Net Position	Revenue	Expenditure
<b>Normal balance</b>	Debit	Credit	Credit	Credit	Debit
<b>Account begins with...</b>	1	2	3	4	6-8
<b>Debit</b>	Increase	Decrease	Decrease	Decrease	Increase
<b>Credit</b>	Decrease	Increase	Increase	Increase	Decrease



**Accruals:** OFR will be posting accrual entries for revenue and expense transactions recorded in MAGIC through July 31, 2019 for fiscal year 2020, budget year 2019. The agencies may need to record additional accruals for the month of August. The use of estimates is encouraged.

If a **due to or due from other funds, transfer in or transfer out** is recorded on a fund, a matching due from or due to other funds, transfer out or transfer in must be recorded on another fund. If both funds belong to your agency, **make sure** both sides are recorded. If one fund belongs to another agency, **confirm** with the other agency the amount they are reporting.

**Leases:** All new leases should be reported on Schedule 24.40.15.



The **MAAP Manual** has been updated to assist with GAAP Packet preparation.

**Deleting Parked Documents:** All parked Y0 and Y1 documents that no longer need to be posted should be deleted before **Friday, AUGUST 16, 2019.**

**REMINDER:** GAAP Packet submission deadline is **Friday, AUGUST 16, 2019!**