How did it get so late so soon?

- Dr. Suess
What the........
Is that........
Can’t be........
It is.......
Year-end!
Today’s Agenda

- Closing calendar for FY 19
- State Year-end Update
  - New GASB Standards
  - To do’s & reminders
  - GL Reconciliations
  - Disclosure form changes
  - Certifications
- Training & Resources
FY 2019 CAFR

- We issued our FY 2018 CAFR on November 21, 2018.

- We appreciate the time and effort of our state’s fiscal staff at all agencies and the SAO CAFR audit team for helping us meet our CAFR timeline.

- What’s the goal for FY 2019?
Do you feel like this?

“You busy?”
Key dates for FY19 closing

- **June 28** – Cash cutoff
- **July 15** – Disclosure forms open
- **July 19** – Interagency billings mailed
- **July 31** – Phase 1 cutoff – accruals
- **August 16** – Phase 1B – early state disclosure forms, interagency receivables/payables, *miscellaneous disclosures form*, and pollution remediation site status report due
- **August 30** – Phase 2 close – agency adjustments complete, remaining state and federal disclosure forms due
- **September 11** – State certification form due
- **February 28, 2020** – Federal certification form due
STRESSED?
I’M NOT STRESSED

THIS IS MY “YEAR-END” FACE!
What happens after Phase 2 close.....

• OFM Statewide Accounting analyzes AFRS data and disclosure forms
  o These activities often result in questions to the agencies so someone needs to be available to answer them.
  o No agency entries unless requested and/or approved by OFM.

• SAO audits the accounting data and the state’s CAFR.
  o If you (or your auditor) find a material adjustment or error after Phase 2 close, contact us immediately!
Governmental Accounting Standards Board (GASB) Statements
GASB Statements and Projects
GASB Statements and Projects
Implementing GAAP

• New in FY19

• GASB Stmt. 83 – Certain Asset Retirement Obligations.

• GASB Stmt. 88- Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.
Implementing GAAP

• GASB 84 – Fiduciary Activities
  o Implementation FY 2020

• GASB 90 – Majority Equity Interests
  o Implementation FY 2020

• GASB 87 – Leases
  o Implementation FY 2021

• GASB 89 – Accounting for Interest Cost Incurrent before the End of a Construction Period
  o Implementation FY 2021
Implementing GAAP

• Subscription-Based Information Technology Arrangements
  o Planned Implementation FY 2022

• Major Projects - www.GASB.org
  o Revenue and expense recognition
  o Financial reporting model
  o Disclosure Framework
SAAM Update June 1

- No significant changes to Chapter 75.
Administering Agency Responsibilities

- Administering agencies provide general oversight of financial accounting records at the Account level
- Monitoring cash
- Investigate unusual activity and/or GL balances
- Alert OFM Budget and SWA about fund balance or cash issues
To Do’s & Reminders

- Suspense Account
- Unreconciled
- One-Sided
- Unsupported
- Journal
- Material
- Omission
- General
- Provision
- SCARY
- ACCOUNTING
- Unauthorised
- Double
- Posted
- Prior Year Adjustment
- Material
- Error
To Do’s & Reminders

• Watch your spending - no overspent appropriations
• Record revenues and expenditures in correct fiscal year
• Interagency billings
  o Mailed out by July 19\textsuperscript{th}
  o Estimates or actual
  o Communicate, communicate, communicate
To Do’s & Reminders

• Due to/Due from’s
  o Most last year balances should be liquidated by now
  o Priority should be given to interagency receivables and payables – **DEADLINE Phase 1B 8/16/19**

• Liquidate over-accrued payables
  o Before Phase 2 close – adjust accrual
  o After Phase 2 close – immaterial prior period adjustment
  o If under-accrued payable – belated claim
To Do’s & Reminders

• Pollution remediation site status report **DEADLINE** Phase 1B – 8/16/19

• Adhere to the OST cash cutoff memo

• Receipt goods and services by 6/30

• Complete physical inventories
To Do’s & Reminders

• Clear In-Process (71xx) and Error reports
• Clear GL 9920
• Clear revenue sources 09xx
• Clear Account 01P Suspense
To Do’s & Reminders

• Run ER exception reports and clear all variances, such as:
  o Transfers
  o Assets with credit balances
  o Liabilities with debit balances
  o GLs with unchanged balances
  o Interfund/Interagency balances

• Record compensated absences
To Do’s & Reminders

• Capital assets
  o Record depreciation/accumulated depreciation
    ➢ Use the correct trans code
  o Reconcile capital asset GLs to capital asset system
  o Review GL 2510 Construction in progress, and if complete, reclassify to appropriate capital asset GL
  o Use capitalization thresholds in SAAM 30.20.20
  o Enter in CAMS or agency capital asset system
Unearned and unavailable revenues

- Unearned revenue GL Codes 5190/5290
  - Liability
  - Cash has been received, but the revenue has not yet been earned
  - Governmental & Proprietary fund type accounts

- Unavailable revenue GL Codes 5192/5292
  - Deferred inflow of resources
  - Applies to a future period so revenue will not be recognized until that time.
  - Governmental fund type accounts only
Review your subobject codes

- Certain subobject codes are only to be used for interagency payments
- Do not use these codes for payments to outside vendors
<table>
<thead>
<tr>
<th>Subobject Title</th>
<th>Pay to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>EK Facilities &amp; Services</td>
<td>DES</td>
</tr>
<tr>
<td>EL Data Processing Services</td>
<td>CTS, DES, OFM</td>
</tr>
<tr>
<td>EM Attorney General Services</td>
<td>ATG</td>
</tr>
<tr>
<td>EN Personnel Services</td>
<td>DES, OFM</td>
</tr>
<tr>
<td>ET Audit Services</td>
<td>SAO</td>
</tr>
<tr>
<td>EV Admin Hearing Services</td>
<td>OAH</td>
</tr>
<tr>
<td>EW Archives &amp; Records Mgt Services</td>
<td>Sec of State</td>
</tr>
</tbody>
</table>
Transfers

• Be sure to use the correct Trans Code so that transfer amounts show up correctly as debits or credits in AFRS

• Transfers from one Account to another Account within the same agency must be in balance
To Do’s & Reminders

• Analytical review
  o In terms of the $ amount change or the % change, is the current year-end balance reasonable?
  o Review your Trial Balance
    • Have prior year short-term receivables & payables been liquidated?
    • Do I have all GL activity reported and in the correct GL?
    • Do the balances agree with supporting documentation or internal system?
To Do’s & Reminders

• All agency entries should be completed by August 30\textsuperscript{th}!

• Disclosure forms complete by August 30\textsuperscript{th}!
General Ledger
Reconciliations
I ❤️ Reconciliations
GL reconciliation means:

- Knowing what makes up the balance in each GL,
- Having a plan for any action that is needed to correct the balance.
  - This includes prior year or prior biennium GL balances that need to be corrected.
GL Reconciliations

• General ledger (GL) reconciliations should be up-to-date
  o All GLs should be reconciled
    • Agree with subsidiary records
  o An error in one GL may mean an error in another GL
    Example: A receipt was credited to GL 1312 A/R, when it should have been credited to GL 1319 Other Receivables. Now both GL balances are wrong.
  o Agency director and CFO certification
GL Reconciliations

Not a reconciliation!!
Disclosure Forms
State Disclosure Form Security

• Each agency has a security administrator (form required). They can add new users with View or Edit access.

• Log in beginning 7/15 to verify that your username & password are working.
State Disclosure Forms
SAAM Section 90.40

- Not every form will apply to your agency
- Some of the forms are questionnaires
- Some of the forms prefill with AFRS beg/ending GL balances and require you to fill in the actual increase and decrease activity for the FY.
Early disclosure for:
- 4 Cash & Investment forms
- 3 Bond forms
- 2 COP forms
- Internal Control/Internal Audit Questionnaire
- Miscellaneous Disclosure form

Request an extension in writing from SWA if the early date can’t be met
State Disclosure Forms

• 4 forms are now required to be completed by all agencies
  - State Financial Disclosure Certification
  - Miscellaneous Disclosure
  - Cash and Investments Restricted Disclosure
  - Internal Control/Internal Audit Questionnaire
  ○ Certain forms are specific only to certain agencies: OST, DRS and Higher Ed
Disclosure Forms
New for FY19

- Taxes receivable (90.40.30)
  - Revised the dropdown list of types of taxes receivable to include:
    - Hazardous substance
    - Public utility
Disclosure Forms New for FY19

- Debt General Disclosure (90.40.55.a)
  - Renamed from Bonds Payable General Disclosure
- Added question regarding direct borrowings or placements to implement GASB Statement 88
Disclosure Forms New for FY19

- Miscellaneous Disclosure (90.40.75.A)
  - Added new question to capture information for the requirements of GASB Statement 83 – Certain Asset Retirement Obligations.
  - Added some descriptive language to the discretely reported and blended component units questions.
Disclosure Forms New for FY19

- Internal Control/Internal Audit Questionnaire Disclosure (90.40.80.A)
- Three questions are:
  - Internal Control Officer
  - Risk assessment
  - Internal audit program
Revised some of the wording throughout the Certification form but no substantial changes

28 statements
State Financial Disclosure Certification form 90.40.95

- Read all 28 items listed
- Signed by Agency Director & CFO
- Include attachments, if applicable
- Email scanned signed copy with required attachments - due 9/11/19
  - Re-sign & re-submit if material changes are made after the original submission
Financial Disclosure Certification
SAAM 90.40.95

Attachments may include:

• Narrative disclosing deficiencies in internal control
• Pollution remediation site status report (due Phase 1B)
• Narrative related to a Service Organization Control (SOC) report
• Certification related to the use of a specialist
• Narrative disclosing changes to methods of measurement, assumptions, or interpretations related to federal expenditures
• Narrative related to certification exceptions detailing variances and proposed or completed corrective action
Common disclosure form problems

• User can’t get into the application
• Changes are made in AFRS, but the related disclosure form isn’t updated
• Variances aren’t explained
• Certification forms aren’t submitted timely
Training & Resources
Year-end training classes

Update classes
- State Fiscal Year-end Closing

Workshops
- Fiscal Year-end Workshop
  - Combined the Revenue, Reconciliations, & Phase 2 Adjustments and Expenditures & Payables workshops into one.
Other Recommended Training Classes

• General Ledger Review
• General Ledger Reconciliation: Basics
• GL 5111 Accounts Payable Reconciliation
• In-Process Report Training
• Administering Agency
• Intro to GAAP
• Internal Control: Basics
• Payroll Revolving Account Reconciliation
• Health Insurance Reconciliation
• Accounting for Capital Assets
Resources

SAAM

Year-End Resources

Enterprise Reporting
FISCAL YEAR END...

LET'S DO THIS!!
Questions?