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Agenda – General Session

- Opening Comments
- Calendar Highlights – Closing and Opening
- Administrative Highlights
- FAST Issues
- R&A Closing Changes/Issues
- Long Bill Recast
- Questions

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Certificate of Achievement for Excellence in Financial Reporting

Presented to
State of Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public companies that demonstrate superior compliance with financial reporting standards in government accounting and financial reporting.



Oliver S. Cox
President


Jeffrey A. Blum
Executive Director

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Opening Comments

- Fiscal Procedures Manual
– <http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual08-09.htm>
- Audit Risk Letter
- Highlights
- Agency Planning Checklist




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FY07-08
Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion




FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion

- Final Close of period 12.
- Last day for PV, IT, CR, encumbrance transactions. (See table Chapter 1, Section 3)




FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion

- Period 13 closes for agency input.
- This is it.
- No more entries.




FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion

• Agency exhibits (except I, J & K) due to OSC. (Chapter 3, Section 5)




FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion

• Exhibits I & J due to the OSC. (Chapter 3, Section 5)




FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion


• Submit copy of Management Representation Letter to OSC.



FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18



FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18

- Deadline for agency's level 3 approval on AP documents needed to record the FY08-09
- Long Bill

FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18


- Rollover of purchase documents from FY07-08 to FY08-09. Coding for EPS transactions must be correct, EAP transactions must be agency approved from SUSF. (Chapter 1, Section 4) For Higher Ed, applies to Capital Construction only.

FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18

- COFRS goes on "full appropriation control". For Higher Ed, could impact Capital Construction spending.



Administrative Updates

- Fiscal Officer contact information is now maintained ONLY on the OSC's website:
<http://www.colorado.gov/dpa/dfp/sco/contacts/fiscalcontacts.htm>
 - Do not submit changes to OSC staff
 - Make updates via the automated form
 - View contact information at these sites
- Acronym list – Chapter 1, Section 1
- Fiscal Rules 2.2 and 3.1
 - Recent presentations at CFMA & CCIT; Website
 - Bob Jaros, 303-866-3765 or bob.jaros@state.co.us

Administrative Updates

- Forms on the Website are now Adobe fillable forms.
 - Accounts Receivable collections 30 day waiver
 - **Capital Construction certification**
 - **Financial Responsibility and Accountability Act (FRAC)**
 - Loan and Advance Initial request
 - Loan and Advance Renewal request
 - Overexpenditure form
 - Rollforward form

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FY07-08 Closing Changes

* Sweep Entries

Include in JA entries made on July 31 and Aug 1

- Agency must include cash entry in JA
- Chapter 3, Section 3.16
- Normally automated except during OSC close
- Ensures fund balances in funds 100 and 461 equal zero.

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FY08-09 Opening Changes

- Carry Forwards into FY08
 - No carry forward AP's until close out of FY08
- IRS forms 8038, 8038-G, 8038-GC, and 8038-T
 - Chapter 5, Section 6.3
- Software Capitalization
 - Chapter 9, Section 1.4.1 thresholds
 - Chapter 9, Section 1.12 what to include in capitalizing internally developed software

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FAST Reminders

- Paydate shift
 - CPPS Institutions: See Chapter 3, Section 3.27
 - Non CPPS Institutions: On your own
- Diagnostic Reports
 - Don't wait for FAST
- JAs during OSC close
 - Not for agency use to finish closing process
 - OSC's time to review and make material corrections

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FAST Reminders

- Security
 - Audit comment - Employees retaining security after leaving employment

 - PV: enter, correct, approve not permitted

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Questions?

FAST:

Lynn Gabenski	303-866-2626
Tom Gamache	303-866-3890
Susan Meade	303-866-4161
Trinka Mullin	303-866-4162
Tammy Nelson	303-866-3891
Brenda Shelinbarger	303-866-4165

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Reporting & Analysis Issues

- General Information

- Changes to F/S and Closing Accounting Issues

- Changes to Exhibits
 - Exhibits D, E, H, Bank Confirmation
 - GASB 48 – Sales and Pledges of Receivables and Future Revenues (as it relates to Exhibit E1/E2)

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Reporting & Analysis Issues

- Changes to Chart of Accounts (to be mentioned during the Long Bill discussion later)
- Upcoming Standards
 - GASB 49 – Pollution Remediation
 - R&A will be sending a survey for responses

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R&A General Information

- Annual reports prior to final close (after Period 12)
 - Unrealized Gain/Loss (T-Pool Allocation)
 - Based on Period 12 cash balances and June 30 fair value
 - Exhibit Reconciling Balances Report
 - Exhibits C, D1, D2, F1 only, and depreciation expense
 - Purpose: proper classification of balance sheet accounts between current and long-term

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R&A General Information

- Agency close is Wednesday, July 30th.
 - Closing reports on or shortly after August 6th (Page 102-103)
 - Final Diagnostics
 - Variance Analysis
 - Exhibit J Data Report (distributed by FAST)
 - Final Exhibit Reconciling Balances Report

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Chapter 3 Section 3

- **Compensated Absences Accrual PERA Percentage applicable to annual leave**
(page 89)
 - 12.05% most state employees
 - 14.75% State Troopers /CBI Agents
 - 15.56% Judges

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Chapter 3 Section 3

- **Percentage of employees expected to retire (from PERA's actuary):**
- **FY08**
 - Most state employees 56.1%
 - State Troopers 83.5%
- **FY07 (for comparison)**
 - Most state employees 56.0%
 - State Troopers 83.6%

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Chapter 3 Section 3

- **Diagnostics available on Financial Data Warehouse** (page 100-101)
 - Self-service
 - Available every day based on COFRS prior nightly cycle

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Chapter 3 Section 4

- Suggested PERA footnote disclosures (page 112)
 - Contribution rate changes for AED and Supplemental AED

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Chapter 3 Section 5: Exhibit D1/D2 – Debt Service Requirements to

Maturity (page 144-147)

- New section added to these Exhibits for additional disclosure purposes
 - Provide the Total Amount of the Original Obligation for Each Type of Debt
 - Provide the original obligation amount including any premium or discount.
 - Helps readers of the CAFR determine State's progress in paying down its debt.

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Exhibit E - Schedule of Revenue Bond Coverage

(page 148)

- Reporting on this exhibit has been expanded due to GASB Stmt 48.
- Exhibit E is now split into Exhibit E1 and Exhibit E2.

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Exhibit E1 – Schedule of Revenue Bond Coverage

- Section A: Same as previous years (amount of pledged gross revenues and related Debt Service) EXCEPT:
 - Report each pledge commitment (debt issuance) on a separate line of this section.
 - The pledged revenue amounts in this section must tie in total to the Pledged Revenue accounts in COFRS.

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Exhibit E1 (continued)

- Section B: Pledged Revenue Detail (new):
 - For each pledge in Section A, list the pledged revenue source code(s) and provide the projected revenues through the end of the pledged revenue commitment.
 - Calculate Pledged Revenue as a percentage of the total revenue stream.
 - Provide inception date and end date of each commitment.

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Exhibit E1 (continued)

- Section C: Nature and Purpose of Debt Secured (new)
 - Provide information for each pledge commitment.

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Exhibit E2 – Sale of Future Revenue Streams (page 150)

- We are required to disclose information related to the sale of future revenue streams.
 - Complete this exhibit in the year of sale.
 - **Section A:** Provide information such as:
 - Sale proceeds
 - Present Value of future revenues sold
 - Period to which sale applies.
 - Total amount of revenues sold
 - Sold revenue as a percentage of the total revenue stream

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Exhibit E2 (continued)

- **Section B:** Significant assumptions used to determine amount of future revenue.
- **Section C:** Significant assumptions used to determine the present value of future revenue.

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Exhibit H – Proposed Post Closing Entries (page 158-159)

- The OSC has changed the threshold of this exhibit.
 - Report only errors or audit adjustments that exceed **\$200,000**.
 - In addition, use this exhibit to report errors that are over \$1,000 that would cause/prevent an overexpenditure.

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Bank Confirmation Form (page 192)

- Due to an audit comment in FY07, we have made some changes to the bank confirmation form.
 - Format change - new column for the PDPA number.
 - If your agency has more than one account at a bank with the same PDPA number, use one confirmation form and list each account number separately.

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Bank Confirmation Form (con't)

- Link to a listing of PDPA numbers by higher education board:

<http://www.dora.state.co.us/banking/pdpainformation/pdpaapplications/pdpa08.pdf>
- Complete the PDPA section of the form before sending it to the bank.
 - Once received, please review the form carefully, and contact the bank if the form is incomplete or incorrect.

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Exhibit Y3/Y4 – Other Post Employment Benefits

- Report agency's OPEB activity under GASB 45.
 - Applies to plans that offer postemployment benefits outside of a pension plan.

 - Applies whether or not the plan assets and liabilities are reported in trust or agency funds in the employer's financials.

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Exhibit Y3 – OPEB Employer Reporting

- Questions 1 through 12 apply regardless of the type of OPEB plan that your agency provides.
- Question 13: Cost-Sharing-Multiple-Employer plans only
- Questions 14-25: Sole or agent employer plans only.
 - Please see the instructions for this exhibit on page 232 for more information.

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Exhibit Y3 (con't)

- If your agencies have fully insured (risk is transferred) OPEB plans where the premiums are paid only while employees are in active service
 - Review GASB 45, paragraph 28 and provide information to R&A (separately from the Y3 and Y4)

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Exhibit Y4 – OPEB Required Supplementary Information

- Sections A and B – Applicable to sole and agent employers only.
 - Section A – report the changes in benefits, trends in funding status of the OPEB plan, and explain any known factors affecting the trends.
 - Section B – three years (or valuations) of the single year (or valuation) information requested in Y3 question 17.

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Exhibit Y4 – OPEB RSI (con't)

– Section C – Applicable to cost-sharing-multiple-employer plans only.

- Required to provide information to allow the financial statement reader to put the cost-sharing plan information in perspective
 - For example, the percentage that your participation in the plan represents of the total plan.

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Exhibit Y4 – OPEB RSI (con't)

– Section C

- The Schedule of Funding Progress and the Schedule of Employer Contributions should be reported for the entire cost-sharing-multiple-employer plan as a whole, not just your individual participation in the plan.

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Exhibit Y3/Y4 – OPEB

– Please obtain a thorough understanding of GASB 45 and the related implementation guides in order to answer the questions on both Exhibits Y3 and Y4.

– Add lines as necessary to both exhibits in order to fully address each question.

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A/R and A/P Confirmations
(page 236-239)

- The cutoff date for initiating a rec/pay confirmation is 07/22/08 for FY08.
- In the past, selling agencies have sent confirmation forms after the cutoff date, which requires the buying agency to record additional expenditures/payables late in the process.

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**A/R and A/P Confirmations
(con't)**

- New for FY08:
 - No confirmations may be initiated after the cutoff date. Buying agencies are authorized to refuse confirmations after this date.

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**A/R and A/P Confirmations
(con't)**

- New Procedure:
 - After cutoff date, the selling agency must record the receivable as EXTERNAL instead of inter/intrafund.
 - If the external receivable amount exceeds the \$200,000 Exhibit H threshold, selling agency must submit an Exh H to OSC.

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A/R and A/P Confirmations
(con't)

- The buying agency will be requested to complete an Exhibit H (by OSC) for a intra/interfund payable only if the OSC determines that the entry would be material to the financials.

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Chap 5 Sec 5 TABOR (page 303)

- Table listing of TABOR exempt enterprises with fund numbers has been updated.

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Chap 5 Sec 5 TABOR (con't)

- At this time, we are anticipating that Western State College, Mesa State College and potentially Adams State College will lose TABOR enterprise status for FY07-08.

- Once disqualified, these agencies will need to complete an Exhibit A2 and follow the Auxillary Sales Matrix.

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Chap 5 Sec 5 TABOR (con't)

- As a reminder, TABOR indicators are now displayed with the State Chart of Accounts.

1. The Fund/Agency combination determines the TABOR status before the revenue source code.
2. Follow the Higher Ed Chart of Accounts and Higher Ed models including the Auxillary Sales Matrix.

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Questions?

Additional Information:

R&A@state.co.us
