



COLORADO

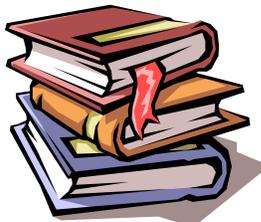
Office of the State Controller

Department of Personnel
& Administration

1

FY 2015 Closing & FY 2016 Opening Training

Presented by
Office of the State Controller



May 12, 2015
General Session

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Presenters

Financial Analysis & Reporting Section
Tammy Nelson 303-866-2659

Consulting & Analysis Unit
Brent Voge 303-866-2733
Susan Thomson 303-866-4161
Jennifer Henry 303-866-3809



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Presenters

Reporting Unit
Trevor Borgonah 303-866-3468

Financial Support Services Unit
Karoline Clark 303-866-3811



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Agenda

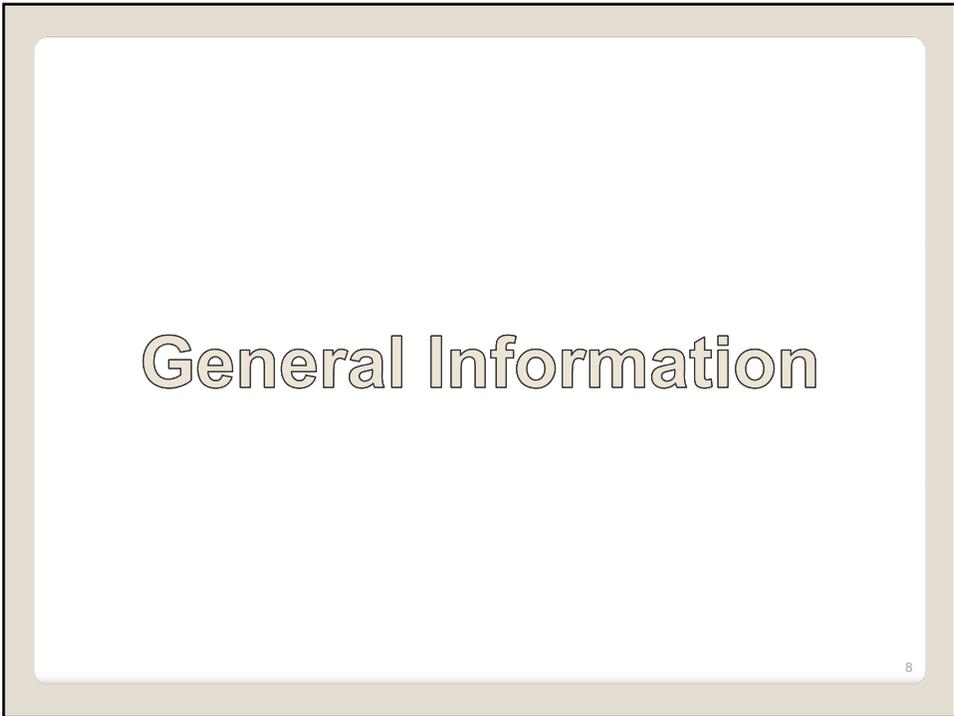
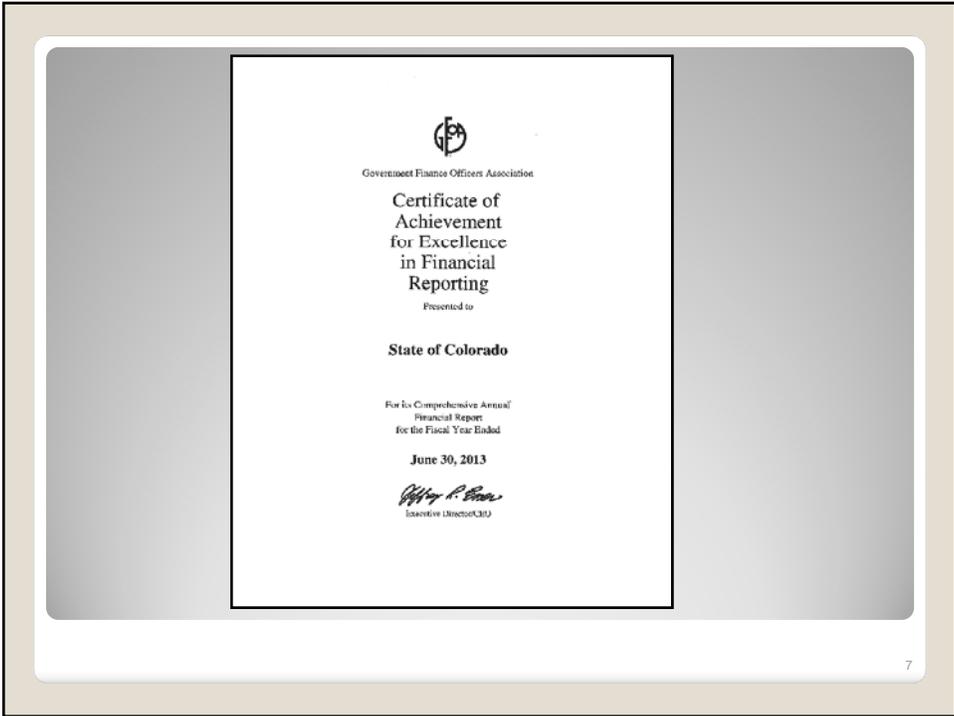
- ✓ Opening Comments
- ✓ General Information
- ✓ Calendar Highlights
- ✓ Budget Process
- ✓ Opening & Closing Procedures
- ✓ Reports & Exhibits
- ✓ Capital Construction
- ✓ GASB Standards
- ✓ Questions



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Opening Comments

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Financial Analysis & Reporting Section

**Consulting
& Analysis**
Brent Voge

Reporting
Trevor
Borgonah

**Internal
Audit**
Frank Ferraro

Cost Plans
Bhavna
Punatar

**Support
Services**
Karoline Clark

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Financial Analysis & Reporting Section



Central Mailbox
Financial Analysis & Reporting

DPA_FARmailbox@state.co.us

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Fiscal Procedures Manual

✓ Reorganized

- Chapter 1 – Introduction & General Information
- Chapter 2 – Budget
- Chapter 3 – Accounting
- Chapter 4 – Capital Activity
- Chapter 5 – Reports



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Fiscal Procedures Manual

✓ Reorganized

- Chapter 6 – Warrants
- Chapter 7 – External Bank Accounts
- Chapter 8 – Credit Policy
- Chapter 9 – Systems Policies
- Appendix 1 – Revision Log

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Fiscal Procedures Manual

✓Missing Items?

- Calendar, Checklists, and Guidelines
- Exhibits
- Forms
- Financial Statement Mapping
- Chart of Accounts

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Fiscal Procedures Manual

✓Items of Note

- Calendar, Checklist, and Planning Guidelines
- Ongoing Updates
 - Changes communicated via Controllers distribution list and included in Appendix 1
- Audit Risk Letter

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Fundamental COFRS to CORE Changes

- ✓ CORE Open until Audit Opinion
- ✓ Performance Budget Integration with CORE
- ✓ Budget Roll Capability
- ✓ Recording Directly In and Reporting Directly From CORE

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Fundamental COFRS to CORE Changes

- ✓ Positive Coding of Revenues and Expenditures
- ✓ Elimination of Inter/Intra Fund Coding
- ✓ New TOPs website
 - <https://www.colorado.gov/apps/oit/transparency/index.html>

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Questions

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Calendar Highlights

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FY 2015 Closing Calendar Highlights



June 30

- Cash cutoff
- Goods must be received or services performed by this date
- Long bill budget interfaced from PB by this date

July 10

- Last day Departments can bill Higher Education Institutions (via invoice or IET for central billing agencies)

July 17

- Last day to record T-Pool Cash for activity that occurred on or prior to June 30
- Last to issue FY2015 payment documents

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FY 2015 Closing Calendar Highlights

August 4 - TABOR

- TABOR Nonexempt Revenue must be recorded by this date

August 10 - Period 12 Close

- Last day to record JV1CONV conversion documents

August 14 - TABOR

- Exhibit A1 & A2 due, as applicable
- TABOR Variance Analysis due
- Exhibit I2 due

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FY 2015 Closing Calendar Highlights

September 4 - Period 13 Close

- Last day for departmental regular input
- Last day for approval of capital construction reversion

September 11 - Period 14 Close

- OSC Close, all FY2015 documents route to the OSC for approval

September 16

- Unrealized gain/loss posted to CORE (non-higher ed)

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FY 2015 Closing Calendar Highlights

September 23

- Exhibits due, except A1, A2, I2, J and K
- Cash Funds Turnaround Report due
- Departments must post unrealized gains/losses on department-held investments by this date

October 2

- Entries after this date are considered audit adjustments

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FY 2015 Closing Calendar Highlights

October 5

- Exhibit J due

October 30

- Exhibit K due

November 20

- Estimated publication date for the Basic Financial Statements (Period 15 Close)

TBD

- Audit completion

23

FY2016 Opening Calendar Highlights

May 1

- \$0 BGA Budget Docs automatically generated based on FY2015 budget lines on May 1 (no action required)

June 30

- The operation section of the Long Bill interfaced from PB by this date

24

FY2016 Opening Calendar Highlights

September 11

- BGA documents automatically generated based on P14 closing balances for Continuing Capital Projects (estimated date)

September 30

- BGA documents must be submitted by this date for Continuing portion of Expired Capital Projects

TBD

- Appropriation Control turned on

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Period	Closing Date
6	Wednesday, May 06, 2015
7	Tuesday, May 19, 2015
8	Wednesday, June 03, 2015
9	Tuesday, June 23, 2015
10	Wednesday, July 08, 2015
CASH & PAYMENTS	Friday, July 17, 2015
11	Friday, July 24, 2015
TABOR	Tuesday, August 04, 2015
12	Monday, August 10, 2015
13	Friday, September 04, 2015
14	Friday, September 11, 2015
15	Friday, November 20, 2015
16	TBD

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Questions

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Budget Process

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FY2016 Chart of Accounts

- FY2016 Chart of Account Tables (NYTI)
 - Tables rolled May 1
 - Updates can be made to FY2016 on May 1
 - Updates after May 1 to FY2015 will be posted to FY2016 automatically via an incremental NYTI process that is scheduled to run every Friday night, except
 - Deletes, must be done in both years

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FY2016 Budget Structure

- FY2016 \$0 Budgets Created
 - Created May 1
 - Based on FY2015 budget lines
 - Lines not needed
 - BGA document to delete with a “BG10” Event Type with manual entry at each of the three budget levels
 - New lines needed
 - Submit manual \$0 BGA doc (“BG01”, SAI “7”)

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Long Bill



- Budget data contained in Performance Budgeting (PB)
 - PB syncs with CORE via appropriation unit
- New/changed coding in PB / CORE
 - Discretionary or new line
 - Request setup from Support Services Unit (DPA_FARmailbox@state.co.us)
- Department and OSC review in PB
 - Departments will need to sign off on PB before final OSC review begins.

Long Bill

- Preapproved interface to CORE by June 30
 - SAI “1”, Event Type “BG01”
 - Nonappropriated Federal 100% Reserved
- Corrections after interface
 - Manual BGA documents

Special & Supplemental Bills

- Interfaced from PB periodically based on effective date
 - Special Bills, SAI "2", Event Type "BG03"
 - Supplemental Bills, SAI "3", Event Type "BG03", except
 - Informational federal uses Event Type "BG01"

Emergency Supplementals

- Manual BGA document
 - Use SAI "3", Event Type "BG03"
 - Include "1331" in House Bill field
- Manual BGA reversal document when the supplemental is passed, or at the end of session if not passed
 - Use SAI "3", Event Type "BG03"
 - Decrease Indicator
 - Include "1331" in House Bill Field



Restrictions



- Departmental (SAI 12-16)
- Controller (SAI 17-21)
- Governor (SAI 22-26)
- Overexpenditure (SAI 27-31)

✓ Recorded as a decrease in spending authority

Activity-Based Budget Lines

- Budget is not based on an award document
- Use Prior Year Exp amount as justification (with documented changes for current year, if any)
- Be sure to use "Activity-Based" in description
- At end of year, reduce/increase budget to actual (with "True Up" in description)

Budgetary Control

- Spending controls
 - BQ90LV3/BQ91LV3 Level 3
 - Appropriation Unit Level
 - Plan to allow overrides for certain non-payment documents such year-end accruals
- Revenue
 - Do not anticipate using in FY2015

Event Type →	BG01	BG02	BG03	BG04	BG05	BG06	BG07
SAI ↓	Adopt	Allocate	Amend	Carryforward	Revert	Transfer In	Transfer Out
1 Long Bill	X ^{1,2}						
2 Special Bill	X ^{1,2}		X - Amending SB (uncommon)				
3 Supplemental	X ⁵		X ^{1,2}				
4 Custodial			X ⁴ - Amended Awards and New Awards	X - Carryforward of Award			
5 Rollforward				X			
6 Capital Reversion			X		N/A		
7 Transfers	X - \$0 Docs		X ³ - Only when Transfers Crossing Budget Structures			X ³	X ³
8 Capital Carryforward				X			
9 Year-End Transfer			X - Only when Transfers Cross Budget Structures			X	X
10 Statutory	X - Initial		X - Amend Initial Budget	X - Carryforward Authority			
11 Implied/Inferred	X - Initial		X - Amend Initial Budget				
12-31 Restrictions			X				
32-38 POTS			X ^{2b} - Only when Transfers Cross Budget Structures			X ^{2b}	X ^{2b}

Event Type – Spending Authority Matrix

Event Type – Spending Authority Matrix Scenarios

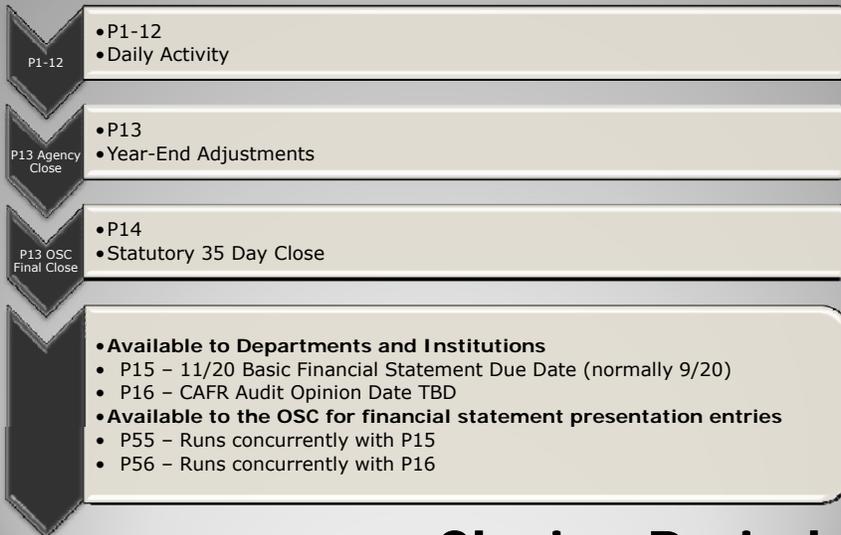
*Scenario	Matrix
¹ When correcting Long Bill errors or recording VSCF (Various Source of Cash Funds) changes. Simply reverse the initial document and re-enter with correct information.	SAI 1 and BG01 (Long Bill) SAI 3 and BG03 (Supplemental Bill)
² When scenario includes VSCF and POTS transfers, please complete the following steps: Step ^{2a} - Transfer VSCF to appropriate funds, using SAI 1 and BG01 (if from Long Bill), or SAI 3, BG03 (if from Supplemental Bill) Step ^{2b} - After VSCF has been transferred out, complete the POTS transfer using SAI 32-38 and BG06/BG07 (or BG03 if POTS is crossing budget structures)	
³ Changes between FUNDS only OR Changes in Appr Unit only and LB was booked correctly initially.	SAI 7 and BG06/BG07 OR SAI 7 and BG03
⁴ FY2015 - Book all new awards to SAI 4 and BG03 after April 2015. Long Bill booking with RSV10 will remain in SAI 1 and BG01. OSC will move all awards posted in SAI 4 and BG01 to SAI 4 and BG03.	
⁵ For Supplementals related to Federal, informational only, these codes will need to be coded with BG01, SAI 3	SAI 3 and BG01

Questions

Opening / Closing Procedures

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COFRS CORE



Closing Periods

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COFRS Account Type to CORE Closing Classification

01

- 1 – T-Pool Cash
- 4 – Contra-Assets
- 5 – All Other Assets

02

- 16 – Billed Unearned Revenue
- 17 – Collected Unearned Revenue
- 2 – All Other Liabilities

03

- 3 – Net Position

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COFRS Account Type to CORE Closing Classification

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- 10 – Cash Expense
- 11 – Accrued Expense

31

- 14 – Collected Revenue
- 15 – Billed Revenue

Nonbudget Defined by Posting Code
Type 24 Expense = XD04
Type 32 Revenue = XR02

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Document Availability

- Inventory transactions through June 30
- Cash receipt documents through July 17
- Payment documents through July 17
- Internal transactions with cash offsets cash offsets through P12 close
 - Except with Higher Ed that by July 10 (by policy)
- “1” interfaced documents not available after P13

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Document Availability

- Journal Voucher documents available through P16
- Cost Accounting documents available through P16
- Fixed Asset documents available through P16
- Budget Documents available through P16
- Manual accrual documents available from P13 –P16
- Internal transaction documents from P13 – P16 with payable/receivable offsets

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Automatic Document Numbering

- Based on current system date
- FY2015 document processed on July 1 and after will have a '16' or '2016' prefix
- Must put both FY and BFY 2015 for closing year entries
- Exception: \$0 Rolled Budget Lines will have a 2016 prefix (prior to July 1)

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COFRS to CORE Conversion

- COFRS P13 to CORE Period 0 complete
 - No issues identified at a statewide level that remain outstanding unless you have heard otherwise from Kelsey Jones (Financial Support Services)
- FY2014 to CORE in progress
 - Departments/Institutions have been contacted if prior year Exhibit H's have not been posted
 - Completion date, after P12 Close

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COFRS to CORE Conversion

- Discretionary Reclassifications
 - To reflect in Period 0, submit on a JV1CONV
 - Requires entry person to override document errors
 - Requires OSC approval
 - To reflect in current period, submit a JV1ADV

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COFRS to CORE Conversion

- Resources
 - Element Crosswalk
 - Account Type Crosswalk
 - Account-level Crosswalk

*Available soon on the OSC's website:
<https://www.colorado.gov/pacific/osc/chart-accounts>*

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CORE Data Integrity

- ❑ Missing Basic Elements
 - All Transactions – Department and Fund
 - Revenue – Revenue Source Code & Appropriation Unit
 - Expenditures – Object Code & Appropriation Unit
- ❑ “Missing Data Elements” Reports in OSC Diagnostics Folder in infoAdvantage

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CORE Data Integrity

- On the summary report, posting amount must equal 0 on every line

Department	Fund	Closing Classification	Revenue Source	Appropriation	Jrnl Posting Amt
999A	4610	14	9005		(1,000,000.00)
AAAA	27E0	14	5900		(3,467.56)
DAAA	1000	14	5008		0.00
DAAA	1000	14	6605		0.00
DAAA	1000	14	7800		0.00
EBBA	115E	14	6605		(170.00)
EFAA	28G0	14	4301		(33,759.94)

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CORE Data Integrity

- ❑ Unbalanced Cash
 - Problematic for Treasury cash balancing as this documents do not route to Treasury
 - OSC Diagnostic Folder
 - Cash Out of Balance on JV1STND, JVC, and CHC Documents

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CORE Data Integrity

- The Net Amount must equal \$0 at department level, unless
 - JV1STND hitting multiple departments

AAAA						
Jrnl Doc (Code,Dept,Id,Vers)	Department	Jrnl Doc Accounting Line No	Accounting Period	Jrnl Debit Amt	Jrnl Credit Amt	Net
JV1STND,AAAA,10002015000000000003,1	AAAA	05	9	62.50	0.00	62.50
JV1STND,AAAA,10002015000000000003,1	AAAA	08	9	0.00	(10.32)	(10.32)
JV1STND,AAAA,10002015000000000003,1	AAAA	09	9	10.32	0.00	10.32
JV1STND,AAAA,10002015000000000003,1	AAAA	13	9	251.63	0.00	251.63
JV1STND,AAAA,10002015000000000003,1	AAAA	12	9	0.00	(251.63)	(251.63)
JV1STND,AAAA,10002015000000000003,1	AAAA	02	9	0.00	(62.50)	(62.50)
JV1STND,AAAA,10002015000000000004,1	AAAA	09	9	0.00	(3,494.59)	(3,494.59)
JV1STND,AAAA,10002015000000000004,1	AAAA	10	9	3,494.59	0.00	3,494.59
JV1STND,AAAA,10002015000000000004,1	AAAA	13	9	0.00	(514,488.62)	(514,488.62)
JV1STND,AAAA,10002015000000000004,1	AAAA	14	9	514,488.62	0.00	514,488.62
JV1STND,AAAA,10002015000000000004,1	AAAA	17	9	0.00	(6,786.88)	(6,786.88)
JV1STND,AAAA,10002015000000000004,1	AAAA	18	9	6,786.88	0.00	6,786.88
JV1STND,AAAA,13002015000000000004,1	AAAA	02	9	527.63	0.00	527.63
JV1STND,AAAA,13002015000000000004,1	AAAA	04	9	0.00	(527.63)	(527.63)
Doc Department Total:						0.00

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CORE Internal Codes

- ❑ Transfer Codes
 - Operating Transfers – Same Cabinet
 - OBJ 7000 = (RSRC 9000 + 9010)
 - infoAdvantage Report in OSC Diagnostic Folder: Transfer Balancing – Same Cabinet
 - Operating Transfers – Other Cabinet
 - OBJ 7005 = (RSRC 9005 + 9015)
 - Looking at adding back cabinet-level detail

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CORE Internal Codes

- ❑ Grant Codes
 - 75xx, 76xx pass-thru grant code
 - Looking at adding back cabinet level detail
- ❑ Service Charges
 - Consolidated 44xx series 63xx/64xx revenue series

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Estimates

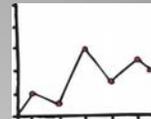
- Do NOT change methodology after P14 close
- Do NOT submit a Period 15 or 16 entry just to revise an estimate recorded on CORE
 - Based on the best information available as of fiscal year close
- DO submit a Period 15 or 16 entry for calculation errors
- DO submit revised estimates for contingencies reported on Exhibit L, if applicable



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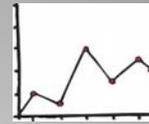
Unrealized Gain/Loss

- T-Pool Posted by the OSC to CORE in Period 15
 - Based on 1100 Account Balance as of P14 Close
- Department-Held Investments Posted by Departments in Period 15 by Sept. 23
 - Difference between book and market value as reported on the Exhibit N1



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Unrealized Gain/Loss



- Unrealized Investment Gain
 - Dr. Event Type A016, BSA 1605
 - Cr. Event Type XR02, RSRC 6050
 - Unrealized Investment Loss
 - Dr. Event Type XR02, RSRC 6050
 - Cr. Event Type A016, BSA 1605
-
- Unique Account Codes
 - 1105 Unrealized Cash
 - 1605 Unrealized Investments
 - 6050 Unrealized Investment Income

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Unrealized Gain/Loss

- Reversal of Prior Year Allocations
 - From FY2014
 - Posted to CORE by the OSC
 - Adjustment to Cash and Investment Balances offset by Net Position
 - From FY2015
 - Reverse entries in Period 1 FY2016

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Year-End Accruals

- ACC Manual Payable Accrual Document
 - Only available from P13-16
- ARE Receivable Accrual Document



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Open Encumbrance Roll



- Open encumbrances are planned to roll after FY2015 payments stop on July 17
 - Marked tables to roll or lapse (system default to roll)
 - COAX table available centrally for coding changes

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Transfers & Overexpenditures

- Statewide limits-
 - Overexpenditures are \$3 million
 - Transfers are \$5 million
 - Forms are due ASAP, but no later than August 14
- To release held payments, statutory spending authority will temporarily be granted to for approved overexpenditures

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Transfers & Overexpenditures

- Overexpenditures due to fund balance deficits will not include pension liability per AG opinion



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Loans & Advances



- OSC Plans to begin actively monitor by Period 9
- Submit forms, as in the past, except
 - Starting in FY2016, applicable on a fiscal year basis
- Additional incremental rate charged by Treasury for loans
- Negative interest allocation reversed by Treasury for advances

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Rollforwards



- Use rollforward request form
- As in the past, limited
- Request needed for all rollforwards
 - Includes Long Bill letternotes
 - Includes dual requests for reappropriated funds
 - Reappropriated rollforwards become cash in subsequent year

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Rollforwards

- General Fund rollforwards
 - Become general exempt in subsequent year
- Federal Fund rollforwards (Appropriated)
 - Stays federal
- Due by August 10
- Attach form to a \$0 BGA document
 - SAI "5", Event Type BG04
 - Use Existing Coding
 - System approve will signify approval of request

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Rollforwards

- Submit a BGA document in FY2016
 - SAI "5", Event Type BG01
 - Use New Rollforward Coding
 - Reference original BGA doc where request was approved
 - Support availability of remaining dollars with BQ90LV3 or BQ91LV3 screen



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Underearned Revenues in the General Fund

- Overexpenditures of cash, reappropriated and federal funds in the General Fund related to underearnings
 - Reclassification entry to move from a cash, reappropriated or federal expense to a general fund expense

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Fund Balance Authority (9523)

- For fund balance authority (equivalent of 952x AP doc annotations in COFRS)
 - JV1STND
 - Event Type XG30 in Progress 
 - Dr. Unbudgeted Revenue
 - RSRC 9523 (Regular) or 9521 (Restricted)
 - Cr. Budgeted Revenue
 - RSRC 9523 (Regular) or 9521 (Restricted)

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Reversions for Special Purposes

- Merit Pay Reversions
 - Most Personal Services and Operating lines with remaining GF reverts to the State Employee Reserve Fund
- OIT Reversions
 - Savings generated in Department's GF departmental OIT lines reverts to the OIT Revolving Fund
- Legislative Reversions
 - General Funds remaining in the Legislative Department revert to the Legislative Department Cash Fund

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Reversions for Special Purposes

- With positive coding the General Fund amount is identifiable in CORE
- Departments must complete an IET with Event Type IN21 in Period 13 to record the transfer offsetting due to/due from accounts
 - Note, a batch job is available to clear payables/receivables
 - However, the cash transfer related to Merit Pay cannot be made until the publication of the CAFR

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A/R A/P Confirmations

- Same process as in the past
 - Expect seller to initiate, except CU
- Departments can refuse to confirm past the August 18 deadline
 - Significant differences will require an Period 15 adjusting entry
 - Note: Higher Ed on regular closing schedule



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Sweep Entries

- Previously automated process in COFRS to move cash from Agency 999 to Agencies based on net activity in the General and Capital Construction Fund
- Discussing method for doing similar entry at P13 close, and at P15 close to capture P14-P16 activity



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Type "23" Entries

- Two-Step Process
 - ✓ Payment document records budgeted expense
 - ✓ JV document clears expenses with an unbudgeted expense credit, with an asset debit
 - New Event Type in Progress for Step 2

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Pay Date Shift

Pay Date Shift Event Types

- XG13 reclassifies budgeted expense to nonbudgeted expense for the pay date shift.
- XG18 reverses the pay date shift entries in the subsequent year.

- Cash entry no longer necessary
- Cash does not get moved to Central Payroll prior to payday

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JVA1 Pay Day Cash Interface

- Project in progress to develop JVA1 interface to move estimated cash on payday
- JVA1 will be reversed when payroll posted to CORE

The logo for PAYDAY 2, featuring the word "PAYDAY" in bold black letters and the number "2" in a stylized blue font.

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OIT Purchased Services Shift

OIT Purchased Services Shift

- XG23 reclassifies budgeted expense to nonbudgeted expense for the OIT purchased services shift.
 - XG24 reverses the OIT purchased services shift in the subsequent year.
-
- OIT must record associated revenue as nonbudget
 - Posting Code XR02

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Medicaid Shift

- Posted directly on CORE in Period 15
 - HCPF will coordinate
 - Due September 30



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Year-End Reclass Event Types

Expense Correction/Allocation (cash offset)

- GA01 is appropriate to correct or allocate expenses across funds and departments (multiple Pair A). This must be used for 1099 corrections, even within the same fund and department.

Revenue Correction/Allocation (cash offset)

- GA05 is appropriate to correct or reclassify revenue across funds and departments duplicating Pair A.

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Year-End Reclass Event Types

Expense Correction/Allocation (no cash offset)

- XG01 is appropriate to correct or reallocate expenses within the same fund and department.

Revenue Correction/Allocation (no cash offset)

- XG03 is appropriate to correct or reallocate revenue within the same fund and department.

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Year-End Reclass Event Types

Reclassifications (within same fund & department)

- Assets - XG15 supports asset reclassifications such as adjustments between current and long-term assets at year end.
- Contra-Assets - XG26 supports contra-asset reclassifications such within accumulated depreciation and allowances for doubtful accounts.
- T-pool Cash: GA10 is used to reclass Tpool cash such as transfers between bank codes.
- Asset/Contra-Asset - XG27 allows for adjustments between these types such as a reclass between an receivable and the allowance for doubtful accounts when an account is approved for write-off.

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Year-End Reclass Event Types

Reclassifications (within same fund & department)

- Liabilities - XG16 supports liability reclassifications such as adjustments at year end between current and long-term liabilities.
- Asset/Liability - XG20 supports reclassifications between assets and liabilities such as reclassifying a negative receivable to a liability.
- Reclass Fund Balance/Net Position - XG17 supports fund balance adjustments between restricted and unrestricted net assets.

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Year-End Reclass Event Types

Rev/Exp Reclassifications (within same fund & department)

- Revenue/Expenditure - XG21 supports reclassifications between revenues and expenses such as reclassifying debit expenditures to revenue at year-end.

Compensated Absences

- XG14 records unbudgeted expense as the offset to changes in compensated absence liabilities at year end.

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Compensated Absences - PERA

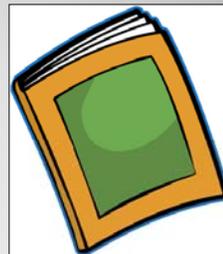
- Compensated Absences Accrual-PERA Percentage Applicable to Annual Leave
 - PERA's actuary Cavanaugh Macdonald Consulting
 - Percentage expected to retire
 - Not Yet Available
 - TBD for State Troopers



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Suggested Note Disclosure - PERA

- Will be added to FPM when available
 - Will include GASB 68 Suggested Disclosures
 - Expected Date - TBD



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Closing infoAdvantage Reports

- Balance Sheet & Statement of Revenue and Expenditures
 - FIN-GA-SR-0001
- Expiring Capital
- Continuing Capital
- Expiring Capital
- Budget-to-Actual
 - FIN-BA-SR-0003
- Missing Data Elements
 - Missing Data Elements – Summary

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Closing infoAdvantage Reports

- Cash Funds Turnaround Report
- Exhibit Reconciling Balances
- Chart of Accounts
 - FIN-RF-SR-0002
- Transfer Balancing
- Abnormal Balances
 - FIN-GA-SR-0060
- Exhibit J
- Available reversion amount for Merit Pay, the Legislature, and OIT

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Questions

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Reports & Exhibits

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TABOR



- Refund Year
 - Provision for refunds based on Proposition AA misestimate of total nonexempt revenues (estimated refund of \$58 million)
 - Amount of FY2015 nonexempt revenue over the Excess State Revenues Cap (estimated at \$70 million, including refund of amounts held from pre-Ref C)

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TABOR in CORE

- TABOR Revenue
 - Enterprises – Fund Level
 - Non-Enterprises – Revenue Source Code Level
 - Revenue Source Code Class
 - NEXM – Nonexempt
 - Everything else – Exempt for Reason Cited
- Review any revenues received from these agencies/institutions for proper TABOR treatment

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TABOR Enterprise Exceptions

- **TABOR Nonexempt** Enterprises for FY2015
 - Adams State University expected to disqualify (same as prior year)
 - Western State Colorado University expected to disqualify (new)
 - State Fair expected to disqualify (same as prior year)
 - Reminder: AHEC is only partially designated (same as prior year)

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TABOR

- **TABOR Nonexempt Revenue**
 - FY2015 TABOR Close - August 4
 - FY2015 entries impacting TABOR Nonexempt Revenue after 8/4 must be processed in Period 15 subject to OSC approval (similar to Exhibits H in the past)
- **New Exhibit I2**
 - Certification of accuracy and completeness of TABOR revenue by August 14
 - TABOR variance analysis due by August 14

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Exhibits



- Available by May 31 on OSC's website
- Submit to DPA_FARmailbox@state.co.us
- Original submission generally due September 23, revisions due as soon as practical once error or omission is discovered

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Exhibits



- Reminders:
 - Please indicate department code in subject line of e-mail
 - Mark revisions as revised, and include only changed sheets

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Exhibit A1 & A2

TABOR

- Due August 14 (earlier, if possible)
 - Error Correction
 - Enterprise Qualification/Disqualification



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Exhibit H – N/A

- JV1ADV N Entries directly on CORE
 - Routes to the OSC/Consulting Unit for approval
 - Period 15 through October 2, unless requested by the OSC between October 5 and November 20
 - Period 16 from November 22 until the publication of the CAFR
 - These are considered audit adjustments and will be evaluated for materiality

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Exhibit H – N/A

- Exhibit “H” Revisions
 - Once a JV1ADV N has been approved in P15 or P16, any additional revisions do not replace the prior entry, but most are in addition to the original entry
- Unapproved Valid Audit Adjustments
 - Do not delete unapproved entries until directed to do so by the OSC, unless rescinding (unposted audit adjustments)
- Unapproved Rescinded Audit Adjustments
 - Delete from document catalog
- Eliminates need for follow-up entries in next year!

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Exhibit I & I2

- **Exhibit I Financial Certification**
 - Based on FIN-GA-SR-0001 Department Financial Statements
 - Based on FIN-GA-RP-0006 Travel Report, if applicable
- **Exhibit I2 TABOR Certification**
 - TABOR Revenue Report (TBD)
 - Variance Analysis (TBD, may be available within infoAdvantage)
 - Exhibits A1 and A2, if applicable



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Exhibit J

Financial Statement Reconciliation

- Reconciliation
 - Fewer differences because of entries on CORE remaining open
 - Unposted Audit Adjustments by the OSC, but included in stand-alone financials

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Exhibit J

- Exhibit J Files (in progress)
 - infoAdvantage CAFR Folder
 - Financial Statement by Cabinet, Department, can be run on demand
 - Formatted Financial Statement
 - Audit Report
 - Crosswalk Report
 - Raw Data

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Formatted Financial Statement

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
HIGHER EDUCATION VIEW - CSU
FOR THE YEAR ENDED JUNE 30, 2014

(DOLLARS IN THOUSANDS)	Colorado State University System	Colorado State University	CSU - Global Campus	Colorado State University - Pueblo	Colorado State University Total
OPERATING REVENUES					
Unemployment Insurance Premiums	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Tuition and Fees	0	426,158	48,940	41,904	518,002
Scholarship Allowance for Tuition and Fees	0	(92,724)	0	(12,773)	(105,497)
Sales of Goods and Services	0	243,713	9	25,929	269,660
Scholarship Allowance for Sales of Goods and Services	0	(3,709)	0	(2,063)	(5,773)
Investment Income (Loss)	0	0	0	0	0
Rental Income	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Federal Grants and Contracts	0	211,753	0	40,086	251,838
Intergovernmental Revenue	0	376	0	0	376
Other	0	46,289	187	1,328	48,404
TOTAL OPERATING REVENUES	0	831,855	50,136	95,010	977,001

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Financial Statement Audit Report

Fiscal Year	2014				
Statement	COPRCSL005 - STATEMENT OF NET POSITION PROPRIETARY FUNDS - HIGHER EDUCATION DEPARTMENTS JUNE 30, 2014		Last Refreshed on 4/29/15		
Column	C010 - Colorado State University System				
Row	Row Title	Cell	Cell Formula	Cell Selection Criteria	Amount
R005	ASSETS				
R010	Current Assets:				
R015	Cash and Pooled Cash	C010R015	RUR015C010	C010R01501_Balance Sheet Category=AC10 C010R01502_Fund Category=E100 C010R01503_Department=GGAC010R01504_Fund NOT IN 3610.333F	1,545,986.70
R020	Investments	C010R020	RUR020C010	C010R02001_Balance Sheet Category=AC15 C010R02002_Fund Category=E100 C010R02003_Department=GGAC010R02004_Fund NOT IN 3610.333F	0.00
R025	Premiums Receivable, net	C010R025	RUR025C010	C010R02501_Balance Sheet Category=AC21 C010R02502_Fund Category=E100 C010R02503_Department=GGAC010R02504_Fund NOT IN 3610.333F	0.00
R030	Student and Other Receivables, net	C010R030	RUR030C010	C010R03001_Balance Sheet Category=AC20 C010R03002_Fund Category=E100 C010R03003_Department=GGAC010R03004_Fund NOT IN 3610.333F	0.00

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Financial Statement Crosswalk Report

Statement Name		COFRCSU05 - STATEMENT OF NET POSITION PROPRIETARY						
Statement Row Title		R015 - Cash and Pooled Cash						
Statement Column Title		C010 - Colorado State University System						
Fiscal Year	Actg Per	Source Table	Balance Sheet Category	Fund Category	Department	Fund	Balance Sheet Account	Source Amount
2014	13	DWStatement External Data	AC10	E100	GGAA	320G	1043	-11,861,627.32
2014	13	DWStatement External Data	AC10	E100	GGAA	320G	1100	13,407,224.02
2014	13	DWStatement External Data	AC10	E100	GGAA	320G	2000	0.00
Total for Cell - C010:R015								1,545,596.70

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Financial Statement Raw Data

Fiscal Year	Actg Per	Cell	Statement Column	Statement Column Title	Statement Row	Statement Row Title	Balance Sheet Category	Fund Category	Department	Fund	Balance Sheet Account	Balance Sheet Class	Source Amount
2014	13	C010R015	C010	Colorado State University System	R015	Cash and Pooled Cash	AC10	E100	GGAA	320G	1043	ASST	-11,861,627.32
2014	13	C010R015	C010	Colorado State University System	R015	Cash and Pooled Cash	AC10	E100	GGAA	320G	1100	ASST	13,407,224.02
2014	13	C010R055	C010	Colorado State University System	R055	Cash and Pooled Cash	AC10	E100	GGAA	320G	2000	LIAB	0.00
2014	13	C010R055	C010	Colorado State University System	R055	Prepays and Advances	AC35	E100	GGAA	320G	1500	ASST	1,500.00
2014	13	C010R000	C010	Colorado State University System	R000	Total Current Assets	AC10	E100	GGAA	320G	1043	ASST	-11,861,627.32
2014	13	C010R000	C010	Colorado State University System	R000	Total Current Assets	AC10	E100	GGAA	320G	1100	ASST	13,407,224.02
2014	13	C010R000	C010	Colorado State University System	R000	Total Current Assets	AC10	E100	GGAA	320G	2000	LIAB	0.00
2014	13	C010R000	C010	Colorado State University System	R000	Total Current Assets	AC35	E100	GGAA	320G	1500	ASST	1,500.00
2014	13	C010R075	C010	Colorado State University System	R075	Restricted Cash and Pooled Cash	AN10	E100	GGAA	320G	1034	ASST	11,861,627.32
2014	13	C010R110	C010	Colorado State University System	R110	Total Noncurrent Assets	AN10	E100	GGAA	320G	1034	ASST	11,861,627.32
2014	13	C010R115	C010	Colorado State University System	R115	TOTAL ASSETS	AC10	E100	GGAA	320G	1043	ASST	-11,861,627.32

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Exhibit K1



- Report in Progress to pull data from Cost Accounting module
 - Uses combination of Major Program Class (Federal Agency) and Major Program Category (Federal Program)

Exhibit K1

- No CFDA: use correct MP Class, and "0000" for MP Category
 - Must also fill out the MP Description with Other Identifying Information "|" (concatenation symbol) and the Program Name.

Exhibit K1

- Cost Accounting P&P
CA_P06_Create Exhibit K1
- Guidance on various BS, RSRC and OBJT codes used to create columns of Exh K1.

Exhibit K1

Direct Administrative Expenditures:

Requirement of Statewide Federal Assistance as Reported by State Agencies

- Must use subobject FADM to identify Admin

Exhibit K1

- ❑ CORE report will be available closer to year end
- ❑ For this transitional year, you may provide Exhibit K1 activity on a spreadsheet (same as prior years).
- ❑ Next year, all activity must be in CORE!

Exhibit N1 - Investments



- No changes, but
- Record unrealized gain/loss on department-held investments in CORE
 - Difference between market and book value

Exhibit U2 - Bad Debt Expense

Uncollectible Revenue \neq Bad Debt Expense

COFRS Practice

- GASB Q&A 7.40.3 and 7.72.2
 - Offset to the Allowance for Doubtful Accounts is a reduction in revenue (except loans)
 - Higher Ed Contra Revenue Bad Debt Accounts
 - Recorded as Bad Debt Expense, reported on the Exhibit U2, and OSC reclassified as a revenue reduction in the financial statements
- Eliminated from U2 with CORE functionality to record nonbudget revenue

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Bad Debt Event Types

- Revenue Earned in Current Year - XG02 reduces budgeted revenue.
- Revenue Earned in Prior Year - XG(TBD) reduces unbudgeted revenue and is the most typical allowancing scenario.
- NonRevenue Related - XG11 charges nonbudget expense and is appropriate to allowance a receivable when not related to revenue, such as a loan.

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Cash Funds Uncommitted Reserves Report

- For fees set in statute in CORE
 - Subrevenue code STAT
 - Verified by Departments on Turnaround Form
- Due September 23

Cash Funds Uncommitted Reserves Report

- Updated with HB15-1261-MAXIMUM RESERVE FOR A CASH FUND WITH FEE REVENUE.

Cash Funds Uncommitted Reserves Report

Changes:

- "Maximum Reserve" (was "Target Reserve");
- Uncommitted Reserves \$200K (was \$50K)
- Updated language related to fees set in statute;
- Repeal dates for excluded funds;

Cash Funds Uncommitted Reserves Report

Changes:

- Treatment of multi-year revenue streams (turnaround report);
- Waiver process;
- Spending restriction applied if fund is in excess 3 or more years;

Cash Funds Uncommitted Reserves Report

HB15-1280 (CAPITAL RESERVE IN CERTAIN CASH FUNDS)

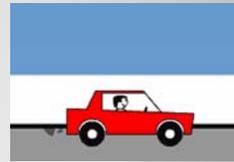
- Cash Funds with monies appropriated for Capital Outlay or Capital construction:
- Includes Depreciation
- Separately disclosed on Cash Funds Report (still excluded)

Indirect Costs Excess Recovery Fund & Indirect Costs

- Commencing project to look at how indirect costs are recorded in relation to this fund
 - Outstanding audit comment to develop consistent process

Annual Travel Report

- Manual Travel Turnaround Report Eliminated
 - Employee mileage calculated
 - Mileage costs reimbursed divided by the average effective rate for the fiscal year
 - Object codes 2513 and 2533
 - Subobject codes 2WHD, 4WHD



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FIN-GA-RP-0006

Cabinet	G - Department of Higher Education						
Department	GAA - Department of Higher Education						
Department	GIBA - Arapahoe Community College						
			Cash or Cash Re-				
Fund	Travel Objects	Total Employee Travel Expenses	General Fund Expenses	Appropriated Expenses	Federal Fund Expenses	2WDMileage	4WDMileage
320J - Colorado Community Colleges	In State	29,564.63	0.00	29,564.63	0.00	0.00	0.00
320J - Colorado Community Colleges	Out of State	61,995.74	0.00	61,995.74	0.00	0.00	0.00
Total for Department GIBA - Arapahoe Community College		91,560.37	0.00	91,560.37	0.00	0.00	0.00

0.00 in 2WD and 4WD columns indicates that employee travel expenses were recorded without the mileage subobject codes

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Questions

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Capital Construction

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6-Month Rule

- Appropriation Type End Date set at 6-month date
- Appropriation Type Date Adjusted to 6/30 upon receipt of certification
- Once six-month end date passes with no certification, transactions cannot be processed
 - SB15-234 Long Bill signed on 4/24/2015
 - October 25, 2015 6-Month Rule Date



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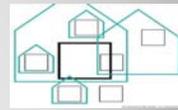
HB 14-1336/1342 Contingent Projects

- Specified Capital Projects were funded on September 15, 2014
 - ✓6-month encumbrance date - 3/16/2015
 - ✓3-year expiration date - 6/30/2018
- Controlled Maintenance with Score 12 and CM Score 14 were funded on December 29, 2014
 - ✓6-month encumbrance date - 6/30/2015
 - ✓3-year expiration date - 6/30/2018

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New Capital Projects in SB15-234

- Record manually in FY2016 by project by September 4
 - ✓SAI "1", Event Type "BG01"
 - ✓No OSC lump sum booking
 - ✓Appropriation Unit will be deactivated after approval of the BGA budget document until the receipt of the SC4.1



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Continuing Capital Construction Projects

- Carryforward in FY2016 by project
- Expiration End Date Maintained in Appropriation Class Short Name
 - ✓Continuing Projects Within 3-Year Life
 - Anticipate Automation
 - Based on 9/11 P14 closing balances
 - Continuing Project infoAdvantage report (Not yet available)

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Continuing Capital Construction Projects

- Carryforward in FY2016 by project
 - ✓ Expired Projects
 - Manual BGA documents by 9/30
 - SAI "8", Event Type "BG04"
 - Supporting Encumbrance Documentation
 - Based on P14 closing balances

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Expiring Capital Construction Projects

- Manual BGA document by September 4
 - ✓ SAI "6", Event Type "BG03"
 - ✓ Documentation
 - BQ90LV3/BQ91LV3 CORE Screen
 - Expiring Project infoAdvantage report (Not Yet Available)

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Questions

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GASB Standards

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GASB Pronouncements

Available on GASB's website at:

- <http://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391>

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GASB Standards Effective for FY 2015

- GASB Statement No. 68 – Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27
- GASB Statement No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68
- GASB Statement No. 69 – Government Combinations and Disposals of Government Operations

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GASB 68 & 71 – Pension Standards



- PERA is a cost-sharing multiple employer plan
- Collective Net Pension Liability
 - Represents State's share of the Unfunded Accrued Actuarial Liability
 - Measured based on PERA's 12/31/2014 CAFR

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GASB 68 & 71 – Pension Standards

- Prior Period Adjustment for Net Pension Liability (NPL) as of 12/31/2013
- Updates to NPL and amortization of pension expense impacted by:
 - Difference between actual contributions and expected contributions (experience gains/losses)
 - Change of proportionate share of the plan
 - Change in assumptions
 - Difference between actual and expected investment returns

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GASB 68 & 71 – Pension Standards

- Contributions after 12/31/14
 - Deferred Outflows
- Pension Expense (recognized immediately)
 - Service Cost
 - Interest on Net Pension Liability
 - Change in Benefit Terms
 - Employee Contributions
 - Projected Earnings
 - Plan Administrative Costs

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GASB 68 & 71 – Pension Standards

- Plan-Level
 - Changes in Assumptions
 - Deferred Inflows and Outflows amortized over the remaining service life
 - Difference between actual and expected earnings
 - Deferred Inflows and Outflows amortized over 5 year period

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GASB 68 & 71 – Pension Standards

- Employer-Level
 - Change in proportionate share of plan
 - Deferred Inflow or Outflow that is amortized over expected remaining service life of employee
 - Difference between actual contributions and the actuarially expected contributions
 - Deferred Inflow or Outflow that is amortized over expected remaining service life of employee

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GASB 68 & 71 – Pension Standards

New Accounts

- 2998, Net Pension Liability
- 4031/5031, DO/DI related to experience gains/losses
- 4032/5032, DO/DI related to investment earnings
- 4033, DO contributions after 12/31
- 4034/5034, DO/DI changes in assumptions
- 4035/5035, DO/DI proportionate share
- 1626, Pension Expense
- 1627, Pension Expense Offset
 - PERA, AED & SAED codes remain intact

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GASB 68 & 71 – Pension Standards

- PERA Provided Data
 - Collective Deferrals
 - New Collective Amortization Each Year
 - Remaining Service Life
 - PERA Employer percentage of State Division
- OSC will maintain statewide amortization schedules, and post entries in P15

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GASB 68 & 71 – Pension Standards

- Disclosures
 - Extensive, expect to request covered payroll information from Departments
 - Separate communication
 - OSC to provide suggested disclosures as amendment to the Fiscal Procedures Manual
 - Date TBD

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GASB 69 – Governmental Combinations & Disposals

Standard addresses:

- Mergers
- Acquisitions
- Transfers of Operations

Statutory in nature

- Identified in OSC's legislative review
 - OSC will contact impacted department/institution individually

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GASB Standards Effective for FY 2016

GASB Statement No. 72 - Fair Value Measurement and Application

- Requires fair value measurement of assets and liabilities
 - Significant, more information to come!

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Questions

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