



**COLORADO**  
Office of the State Controller  
Department of Personnel  
& Administration

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**FY 2015 Closing &  
FY 2016 Opening Training**

Presented by  
**Office of the State Controller**



May 6, 2015  
Higher Education Session  
Colorado Springs

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**Presenters**

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

Consulting & Analysis Unit  
Susan Thomson 303-866-4161

Reporting Unit  
Trevor Borgonah 303-866-3468



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**Agenda**

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



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Opening Comments

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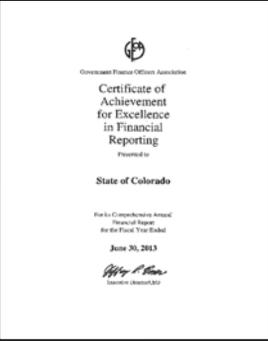
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General Information

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**Financial Analysis & Reporting Section**

<b>Consulting &amp; Analysis</b> Brent Voge	<b>Reporting</b> Trevor Borgonah
<b>Internal Audit</b> Frank Ferraro	<b>Cost Plans</b> Bhavna Punatar
<b>Support Services</b> Karoline Clark	

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**Financial Analysis & Reporting Section**



**Central Mailbox**  
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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
- ✓ Elimination of Inter/Intra Fund Coding

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### **Higher Ed Specific CORE Policies**

- IHEs use JV1ADV documents for manual entry to CORE, except
  - IET for internal moves of Treasury pooled cash
- State departments interact with IHE as external parties, except:
  - Central Billing agencies may bill IHE via IET that posts preapproved

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### Higher Ed Specific CORE Policies

- Capital Construction
  - IHEs manage projects in IHEs' systems
  - CORE reflects overall budgetary compliance
- Long Bill Informational Only Appropriations (LBI) (in progress)
  - Activity related to LBI reported in CORE for presentations at the State level as supplementary information in the CAFR

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### Higher Ed Specific CORE Policies

- Chart of Accounts
  - infoAdvantage FIN-RF-SR-HE02
    - Tab for Department, Fund, BSA, Revenue Source Code, Object Code, Reporting Code, and Function
      - Includes only institution chart information
      - Includes Higher-Ed designated posting code
      - Includes only FAC approved codes
  - Codes Pending FAC Review
    - FIN-RF-SR-0002 Statewide Chart of Accounts
    - IHE Indicator of "P"

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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 15**
  - OSC distributions unrealized Gain/Loss Allocation on T-Pool
- August 10 - Period 12 Close**
  - Last day to record JV1CONV conversion documents

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### FY 2015 Closing Calendar Highlights

- July 17**
  - Last day to record T-Pool Cash for activity that occurred on or prior to June 30
- August 4 - TABOR**
  - TABOR Nonexempt Revenue must be recorded by this date (305x funds)
- 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 normal institutional input
  - Last day for approval of capital construction reversions
- September 11 - Period 14 Close**
  - OSC Close, all documents route to the OSC for approval
- September 23**
  - Exhibits due (including Exhibit J), except A1, A2, I2 and K
  - Higher Ed budget entry must be posted by this date
  - Cash Funds Turnaround Report due

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### FY 2015 Closing Calendar Highlights

October 2

- Entries after this date are considered audit adjustments

November 20

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

TBD

- Audit completion

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### FY2016 Opening Calendar Highlights

May 1

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

June 30

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

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### FY2016 Opening Calendar Highlights

September 2

- 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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# 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 active FY2016 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")
        - Generally \$0 not necessary with capital construction moving to IHE funds

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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
  - Coordinated by Fiftwo Baldwin
  - Discretionary or new line
    - Request setup from Support Services Unit (DPA\_FARmailbox@state.co.us)
- Department and OSC review in PB

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### Long Bill

- Preapproved interface to CORE by June 30
  - SAI "1", Event Type "BG01"
  - Split between appropriated "LBA0" and nonappropriated "LBI0"
  - Federal 100% Reserved
    - Fiftwo will coordinate manual rebooking in SAI "4", Event Type "BG03"
- Corrections after interface
  - Manual BGA documents

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### 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"
- Note that Fiftwo Baldwin will coordinate any new coding necessary

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## Emergency Supplementals

- Fiftwo Baldwin coordinates manual BGA document
  - Use SAI "3", Event Type "BG03"
  - Include "1331" in House Bill field
- Fiftwo Baldwin coordinates 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

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## Capital Construction

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## Higher Ed Institution Capital Process

- Higher Ed will manage projects in their systems
- Budgetary compliance will be measured in the Capital Construction Fund
  - Transfers-Out for State-funded portion (cash)
    - IET: Event Type IN20 (FY2015\*), Object Code 7300 in 4610, Revenue Source Code 9300 in 305x/320x
  - Duplication of Higher Education-funded portion in the Capital Construction Fund
    - IET: Event Type IN20 (FY2015\*), Object Code 7300 in 4610 and Revenue Source code 9300 in 4610

\*FY2016, new XN\*\* will be available by July 1

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### Higher Ed Capital Construction Transfers Compared to Institutional Fund Expenditures

- OSC Diagnostic Folder in infoAdvantage
- Based on "matching" 4610 / 305x or 320x project appropriation units
- Future Enhancement, Add Budget

GA - Lamar Community College

Fiscal Year	Accounting Period	Appropriation Unit	Appropriation Line No.	Ranking Code	Appropriation Class Name	Capital			Higher Education Fund Capital Construction Expenditure	Higher Education Fund Off-Budget	Capital Construction Off-Budget
						Higher Education Fund Expenditure	Capital Construction Expenditure	Higher Education Fund Off-Budget			
2015 9	CPYCD04F	CPY999	PCT	GFAM3046	Repair/Replace Barn Roads and Outside Areas	\$214,086.00	\$208,260.00	\$15,826.00	(\$20,260.00)	\$195,836.00	
2015 9	CPYCD06F	CPY970	PCT	GFAM3046	Upgrade Elec. Trusses, Admin, Classroom, Atrium	\$2,000.00	\$27,074.41	(\$4,074.41)	(\$27,074.41)	(\$4,074.41)	
2015 9	CPYCD08F	CPY963	PSW	2015C08M4	Repair Roof and Ceiling, Bowerman Building	\$15,200.00	\$15,200.00	\$15,200.00		\$15,200.00	
						\$231,286.00	\$250,534.41	\$16,956.00	(\$45,204.41)	\$165,536.00	

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### 6-Month Rule

- Appropriation Unit End Date set at 6-month date
- Appropriation Unit End 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
  - ✓Fiftwo will coordinate the setup of new appropriation units
  - ✓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
  - ✓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 11
- ✓SAI "6", Event Type "BG05"
- ✓Documentation
  - BQ90LV3/BQ91LV3 CORE Screen
  - Expiring Project infoAdvantage report (Not Yet Available)

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### Opening / Closing Procedures

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### COFRS CORE

**P1-12**  
• P1-12  
• Daily Activity

**P13 Agency Close**  
• P13  
• Year-End Adjustments

**P13 OSC Final Close**  
• P14  
• Statutory 35 Day Close

**Available to Departments and Institutions**

- P15 – 11/20 Basic Financial Statement Due Date (normally 9/20)
- P16 – CAFR Audit Opinion Date TBD

**Available to the OSC for financial statement presentation entries**

- P55 – Runs concurrently with P15
- P56 – Runs concurrently with P16

**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**

**22**

- 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**

- JVA1 interfaced feed documents not available after P13
- JV1ADV documents available from P1-P16
- CR documents through P12
- MDx documents through P12
- IET documents
  - CORE allows with cash offsets through P12 close
  - CORE allows some IET in P13 – P16 with payable/receivable offsets

\* Per policy, higher ed records cash cutoff by July 10

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### Automatic Document Numbering

- o Based on current system date
- o FY2015 document processed on July 1 and after will have a '16" or '2016' prefix
- o Must put both FY and BFY 2015 for closing year entries
- o 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
  - o 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
  - o 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
  - o For Higher Ed, might include Internal Payables/Receivables
    - To reflect in Period 0, submit on a JV1CONV
      - o Requires entry person to override document errors
      - o Requires OSC approval
    - To reflect in current period, submit a JV1ADVN

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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 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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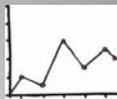
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### Unrealized Gain/Loss

- Posted by IHE's and fed to CORE in Period13
  - OSC will provide the allocation for posting Treasury Pooled Cash unrealized gains/losses by July 15
    - Based on IHE's 1100 Account Balance as of July 10
    - If June interest income has not posted, the July 10 balance will be adjusted to include the interest not yet posted and reflected in the July 10 balance



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### Unrealized Gain/Loss

- IHEs must record gain/loss for institution-held investments and feed to CORE
  - Difference between book and market value as reported on the Exhibit N1
- Unique Account Codes
  - 1105 Unrealized Cash
  - 1605 Unrealized Investments
  - 6050 Unrealized Investment Income (GC\*\*\*NAP0)

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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
    - Posted by IHEs and fed to CORE

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### Closing infoAdvantage Reports

- Exhibit Reconciling Balances
- Higher Ed Chart of Accounts
  - FIN-RF-SR-HE02
- Capital Balancing
  - Capital Construction Transfers Compared to Institution Expenditures
- Transfer Balancing
- Abnormal Balances
  - FIN-GA-SR-0060
- Exhibit J

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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
- Cash Funds Turnaround Report

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### A/R A/P Confirmations

- Same process as in the past
  - Expect seller to initiate, except CU
  
- Agencies can refuse to confirm past the August 18 deadline
  - Significant differences will require an Period 15 adjusting entry



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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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### TABOR



- Refund Year
  - Provision for refunds based on Proposition AA misestimate of total nonexempt revenues (estimated refund of \$58 million)
  - Amount of F2015 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)
    - IHE – Manual CORE Entry
- 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](mailto: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**

- JV1ADVN 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 JV1ADVN 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 H398 – N/A**

- JV1ADVN Reclassification Entry directly on CORE
  - Due September 23
    - Routes to the OSC/Consulting Unit for approval
  - Budgeted LBA0 and LBI0 Revenue
    - Debit unbudgeted revenue in posting code XR02 in revenue source code 5499
    - Credit budgeted revenue in posting code R010 in revenue source code 5499
      - Split between LBA0 and LBI0 appropriation units

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**Exhibit H398 – N/A**

- Budgeted LBA0 and LBI0 Expenses
  - Debit budgeted expense in posting code D011, object code 5999
  - Credit unbudgeted expense in posting code XD04, object code 5999
    - Split between LBA0 and LBI0 appropriation units

Note: In addition to this entry, IHE's will need to review any budgeted activity that may be in LBA0 or LBI0 due to interest distributions or central billings and clear to nonbudget.

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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

	Balance	Amount
B	0	0
B	0	0
B	0	0
B	1,000.00	1,000.00
B	1,000.00	2,000.00
B	1,000.00	3,000.00
B	1,000.00	4,000.00
B	1,000.00	5,000.00
B	1,000.00	6,000.00

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### Exhibit J

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

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### Exhibit U2 - Bad Debt Expense

Uncollectible Revenue ≠ 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 (non-higher ed issue)

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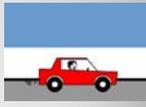
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### Annual Travel Report

- Applicable only to Institutions Subject to State Fiscal Rules
- 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
    - JV1ADVN reclass on CORE



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### FIN-GA-RP-0006

Cabinet		G- Department of Higher Education						
Department		GWA- Department of Higher Education						
Department		GBA- Arapahoe Community College						
Fund	Travel Objects	Total Employee Travel Expenses	General Fund Expenses	Cash/Cash/RE		Federal Fund Expenses	2WD/Mileage	4WDMileage
				Appropriated Expenses	Unappropriated Expenses			
3001- Colorado Community Colleges	In State	29,994.63	0.00	29,994.63	0.00	0.00	0.00	0.00
3001- Colorado Community Colleges	Out of State	61,995.74	0.00	61,995.74	0.00	0.00	0.00	0.00
<b>Total for Department GBA- Arapahoe Community College</b>		<b>91,990.37</b>	<b>0.00</b>	<b>91,990.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

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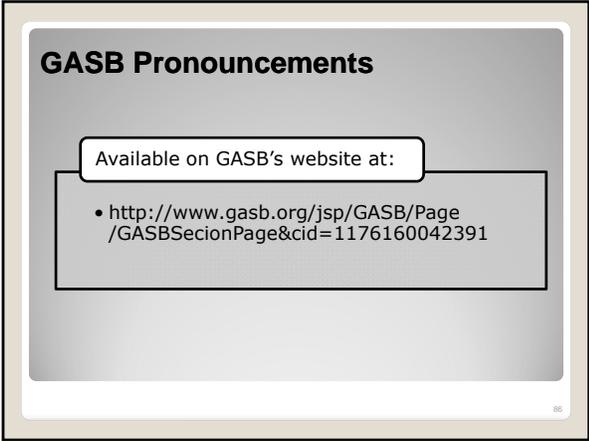
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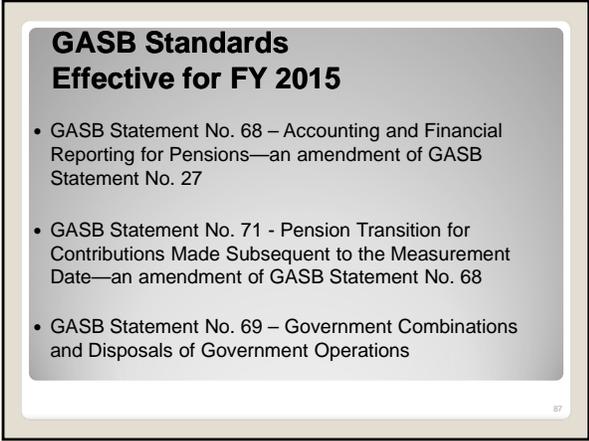
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### **GASB 68 & 71 – Pension Standards**



- 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, except
  - Higher Ed will record on their systems and feed to CORE, based on OSC provided schedules

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### **GASB 68 & 71 – Pension Standards**

- Disclosures
  - Extensive, expect to request covered payroll information from IHEs
    - 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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