



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

## Office of the State Controller Alert #204

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**TO:** Controllers and Chief Fiscal Officers of State Departments, Higher Education Institutions and Boards

**FROM:** Robert Jaros, State Controller *Robert Jaros*

**DATE:** February 10, 2014

**SUBJECT:** CORE Update  
GASB 65 Implementation Entries  
2014 Fiscal Procedures Manual / Open/Close Training  
OSC Staff Changes  
FAST Communication  
FAST Assignments

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### CORE Update

The CORE project is moving along at a brisk pace. We express our appreciation for your continued support and very significant efforts to assure we have a successful implementation July 1, 2014.

Policies and procedures have been completed. Initial security roles have been designed and are being tested. Our vendor, CGI, is in the middle of integrated systems testing (IST). Next up is designing the new automated workflow process available in CORE. Workshops have been scheduled during the month of February to explain the workflow process and gather department and staff specific information. During February and March, we will also be working on developing user acceptance test (UAT) scripts.

Here are the key milestones:

- 1) Integrated Systems Testing (CGI) – 1/15/14 to 2/24/14
- 2) User Acceptance Test Scripts (State)
  - a) Develop – 2/3/14 to 3/28/14
  - b) Execute – 3/31/14 to 5/23/14



- 3) Training – 4/15/14 to 6/15/14
- 4) Go Live – 7/1/14

### GASB Statement No. 65 Implementation Entries

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for Fiscal Year 2013-14, reexamined items previously recognized as assets and liabilities. The evaluation resulted in one of three treatments; some items retained their classification as an asset or liability, some items became deferred inflows or outflows of resources, and some items became period costs or revenues. For the items that did not retain their classification as an asset or a liability, entries to reclassify the Fiscal Year 2013-14 beginning account balances are required. Please use the checklist attached to this Alert to complete the applicable beginning of the year account balance reclassifications by the close of Period 8. Please also forward a copy of the checklist to the [DPA\\_RAMailbox@state.co.us](mailto:DPA_RAMailbox@state.co.us).

For institutions of higher education that early implemented GASB Statement No. 65 for their stand-alone statements, the entries necessary are based on the unimplemented COFRS balances. Similar to Fiscal Year 2012-13, this will create an Exhibit J reconciliation difference in the opposite direction as the prior year.

In addition to reclassifying the affected beginning balances, any applicable activity recorded in these accounts during Fiscal Year 2013-14 in accordance with prior standards must also be reviewed and reclassified in accordance with GASB Statement No. 65. Adjustments to current year activity to comply with the standard are not required to be submitted to the OSC; however, the checklist contains some guidance about the impact on current year activity.

The full text of the standard can be accessed on GASB's website at [www.gasb.org](http://www.gasb.org). Chapter 3, Section 6.12 of the Fiscal Procedures Manual dated March 2013 also contains information about this standard. If you have any questions please contact Tammy Nelson (303-866-2659 or [tammy.nelson@state.co.us](mailto:tammy.nelson@state.co.us)).

### 2014 Fiscal Procedures Manual / Open/Close Training

With the implementation of CORE, instructions for opening and closing will be handled differently than in the past. A calendar with closing instructions will be issued as an addendum to the 2013 Fiscal Procedures Manual by the end of March. With few closing changes, training activities will instead focus on the conversion to CORE and opening activities. Additional information training will be distributed in the near future.



## OSC Staff Changes

Vance Finley with the Reporting and Analysis section accepted a position at the Department of Revenue. In his absence please submit payroll count reports, as well as any other inquiries normally directed to Vance, to the [DPA\\_RAMailbox@state.co.us](mailto:DPA_RAMailbox@state.co.us). Congratulations Vance!

Renee Strebelinski with FAST accepted a position at Health Care Policy and Financing. We want to wish her the best of luck with her new position! Please see the updated FAST assignments.

Valerie Smith with Central Accounting Operations section accepted a position at the Colorado Department of Health and Environment. Congratulations Valerie!

Welcome to Tammy Terrell, our new Central Payroll Manager. Tammy is new to State government, but has many years of payroll and systems development experience. We are happy to have her on our team!

FAST is happy to announce that we hired former FAST field controllers, Susan Meade and Robert Goodnough, and former controller at State Treasury, JoAnn Vondracek as FAST backups beginning February 2014. They will help to carry out FAST daily operational duties while the current FAST Field Controllers serve as CORE functional team leads focusing on User Acceptance Testing (UAT) and training. Welcome!

## FAST Communication

FAST has setup a new group email inbox [DPA\\_FAST@state.co.us](mailto:DPA_FAST@state.co.us). This was done in an effort to approve your requests, address your questions, and provide better coverage during implementation of CORE. Effective immediately, please send ALL emails that would normally be sent to your FAST Field Controller (i.e. AP/TA/JA approvals, APP2 approvals, accounting questions, etc.) to the following address: [DPA\\_FAST@state.co.us](mailto:DPA_FAST@state.co.us).

To prioritize all agency requests, it is **critical** to put your COFRS agency code in your email subject line. If your email needs immediate attention, please put words "urgent" or "important" in your email subject line as well. By adhering to these guidelines, requests will be addressed in a more efficient manner.

Please ensure that the new email address and guidelines are communicated to your staff.

## FAST Assignments

The updated FAST assignments are attached.





**Field Accounting Services Team (FAST) Agency Assignments**  
 Effective February, 2014

<b>ANGELA LUJAN</b> <a href="mailto:angela.lujan@state.co.us">angela.lujan@state.co.us</a> 303-866-3850	
AGRICULTURE	BAA
PUBLIC HEALTH & ENV	FAA-FMA
COMM. COLLEGES	GJA-GJT
FT LEWIS COLLEGE	GSA
WESTERN STATE CO UNIVERSITY	GWA
ADAMS STATE UNIVERSITY	GYA
CO MESA UNIVERSITY	GZA
JUDICIAL	JXX
LAW	LAA
TREASURY	WAA-WCA

<b>SUSAN THOMSON</b> <a href="mailto:susan.thomson@state.co.us">susan.thomson@state.co.us</a> 303-866-4161	
PERSONNEL	AAA-ARA
EDUCATION/CSI/CSDB	DAA-DAC, DBA
GOVERNOR'S OFFICE	EAA-ESA
DHE/PRIV OCC ED	GAA/GPA
COLLEGE ASSIST	GDA
MINES	GLA
AHEC	GMA
COLLEGE INVEST	GRA
LOCAL AFFAIRS	NAA
NATURAL RESOURCES	PXX

<b>TOM GAMACHE</b> <a href="mailto:tom.gamache@state.co.us">tom.gamache@state.co.us</a> 303-866-3890	
CORRECTIONS	CAA-CIA
CSU SYSTEM	GGA-GGJ
UNC	GKA
TRANSPORTATION	HAA
HUMAN SERVICES	IHA-ILF
MILITARY AFFAIRS	OAA-OCA
REVENUE	TAA-TGA
HEALTH CARE POLICY & FIN	UHA

<b>JING YE</b> <a href="mailto:jing.ye@state.co.us">jing.ye@state.co.us</a> 303-866-3891	
CONTROLLER	999
HISTORICAL SOCIETY	GCA
CU SYSTEM	GFA-GFE
MSU DENVER	GTA
LABOR & EMPLOYMENT	KAA
LEGISLATIVE BRANCH	MAA-MEA
PUBLIC SAFETY	RAA
REGULATORY AGENCIES	SXX
SECRETARY OF STATE	VAA

<b>BRENDA SHELINBARGER</b> <a href="mailto:brenda.shelinbarger@state.co.us">brenda.shelinbarger@state.co.us</a> 303-866-4165	
FIELD ACCOUNTING SERVICES TEAM ACCOUNTANT	

<b>BACK-UP FIELD CONTROLLERS FOR ALL DEPARTMENTS</b>	
BOB GOODNOUGH	<a href="mailto:bob.goodnough@state.co.us">bob.goodnough@state.co.us</a>
JOANN VONDRACEK	<a href="mailto:joann.vondracek@state.co.us">joann.vondracek@state.co.us</a>
SUSAN MEADE	<a href="mailto:susan.meade@state.co.us">susan.meade@state.co.us</a>

<b>GENERAL/MAIN</b>	
FAST MAILBOX	<a href="mailto:DPA_FAST@state.co.us">DPA_FAST@state.co.us</a>
FAST PHONE NUMBER	303-866-4162

<b>CORE ASSIGNMENTS</b>	
ANGELA LUJAN	ACCOUNTS PAYABLE FUNCTIONAL TEAM LEAD
JING YE	GENERAL ACCOUNTING FUNCTIONAL TEAM LEAD
SUSAN THOMSON	ASSET MANAGEMENT FUNCTIONAL TEAM LEAD
TOM GAMACHE	BUDGET IMPLEMENTATION FUNCTIONAL TEAM LEAD
BRENDA SHELINBARGER	BUDGET IMPLEMENTATION FUNCTIONAL TEAM MEMBER



**GASB Statement No. 65 Implementation Checklist  
 for Beginning Balance Reclassifications**

Balance Sheet Account	Action Required	Applicable?	Date Completed	Document Number(s)
<i>Governmental Deferred Revenue Related to Long-Term Receivables</i>				
02-25XX DEFERRED REVENUE (Related to Long-Term Receivables)	Complete a JV document to reclassify the applicable portion of deferred revenue balances related to long-term receivables recorded in governmental funds to a deferred inflow of resources in account 02-1949 (DI - UNAVAILABLE GOVTL REVENUE). Any activity in these accounts related to Fiscal Year 2013-14 should be handled in this same manner.			
<i>Debt Activity</i>				
01-1711 DEFERRED DEBT ISSUANCE COSTS (01-1710 for Institutions of Higher Education)	Submit a JA document to your FAST Field Controller to credit deferred debt issuance costs ( account 01-1711 for agencies and 01-1710 for the higher education institutions) and debit prepaid insurance (01-1503 for agencies and 01-1500 for higher education institutions) for any portion related to insurance, with the remainder as a credit to fund balance (03-3400). The prepaid insurance shall be expensed over the remaining life of the debt. Any activity in this account related to Fiscal Year 2013-14 should be expensed as a period cost in account 22/24-8120 COST OF ISSUANCE EXPENSE, with the exception of costs related to insurance which shall be reflected as a prepaid asset and subsequently amortized.			
02-2803 CAPTL UNAMORT REFNDG GAIN/LOSS	Complete a JV document to reclassify the unamortized refunding gain/loss to a deferred inflow or outflow of resources. Unamortized refunding losses should be reclassified as a deferred outflow of resources in account 01-1922 DO - REFUNDING LOSS. Unamortized refunding gains should be reclassified as a deferred inflow of resources in account 02-1942 DI - REFUNDING GAINS. Any Fiscal Year 2013-14 activity in this account should be treated similarly.			



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Balance Sheet Account	Action Required	Applicable?	Date Completed	Document Number(s)
02-2807 - NONCAP UNAMRT REFNDG GAIN/LOSS	Complete a JV document to reclassify the unamortized refunding gain/loss to a deferred inflow or outflow of resources. Unamortized refunding losses should be reclassified as a deferred outflow of resources in account 01-1922 DO - REFUNDING LOSS. Unamortized refunding gains should be reclassified as a deferred inflow of resources in account 02-1942 DI - REFUNDING GAINS. Any Fiscal Year 2013-14 activity in this account should be treated similarly.			
02-2814 CAPTL UNAMORT COPS RFNDG G/L	Complete a JV document to reclassify the unamortized refunding gain/loss to a deferred inflow or outflow of resources. Unamortized refunding losses should be reclassified as a deferred outflow of resources in account 01-1922 DO - REFUNDING LOSS. Unamortized refunding gains should be reclassified as a deferred inflow of resources in account 02-1942 DI - REFUNDING GAINS. Any Fiscal Year 2013-14 activity in this account should be treated similarly.			
02-25XX DEFERRED REVENUE (Grants)	For government mandated and voluntary nonexchange transactions, such as federal and private grants, complete a JV to reclassify any balance for which all of the eligibility requirements had been met <u>except</u> the time requirement as 02-1946 DI - NONEXCHANGE TRANSACTIONS. For additional guidance about government mandated transactions, voluntary exchange transactions, and eligibility requirements see GASB Statement No. 33 accessible at <a href="http://www.gasb.org">www.gasb.org</a> . For balances for which all of the eligibility requirements have been met, a reclassification entry is not necessary. The 02-25XX deferred revenue account series has been retitled to reflect the proper terminology under GASB Statement No. 65 as unearned revenue.			



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Balance Sheet Account	Action Required	Applicable?	Date Completed	Document Number(s)
02-25XX DEFERRED REVENUE (Primarily Fines)	For imposed nonexchange transactions, such as fines, that are reported as a receivable prior to the period in which legal authorized for expenditure, complete a JV document to reclassify the deferred revenue balance to a deferred inflow of resources in account 02-1946 DI - NONEXCHANGE TRANSACTIONS. For balances not meeting this criteria, the 02-25XX deferred revenue account series has been retitled to reflect the proper terminology under GASB Statement No. 65 as unearned revenue.			
<i>Leasing Activity</i>				
02-25XX DEFERRED REVENUE (Lessor's Initial Direct Costs)	Submit a JA document to your FAST Field Controller to reclassify deferred revenue balances for remaining unamortized lessor costs offsetting fund balance (03-3400). Any activity in this account related to Fiscal Year 2013-14 should be expensed as a period cost.			
Unspecified Accounts (gain/loss on property with full or partial lease-back)	Complete a JV document to reclassify balances for any remaining unamortized gain/loss as a deferred inflow or outflow of resources. For remaining unamortized losses, reclassify the balance as a deferred outflow in account 01-1923 DEFERRED OUTFLOWS OTHER and for remaining unamortized gains reclassify the balance as a deferred inflow of resources in account 02-1943 DEFERRED INFLOWS OTHER. Any activity in these accounts related to Fiscal Year 2013-14 should be handled in this same manner. Reporting and Analysis will request a description of the activity posted to these deferred inflow and outflow accounts as generic in nature.			
<i>Lending Activity</i>				
02-25XX DEFERRED REVENUE (loan origination fees)	Submit a JA document to your FAST Field Controller to debit the remaining unamortized balance of loan origination fees (02-25XX) and credit a deferred inflow of resources in account 02-1941 DI - LOAN ORIGINATION POINTS for amounts related to points with the remainder as a credit to fund balance (03-3400). The points shall be amortized as revenue over the life of the loan. Any loan origination fees in this account related to Fiscal Year 2013-14 should be recognized as revenue, with the exception of points which shall be reflected as a deferred inflow of resources.			



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Balance Sheet Account	Action Required	Applicable?	Date Completed	Document Number(s)
01-15XX PREPAID ASSETS or 01-1710 DEFERRED CHARGES (loan costs)	Submit a JA document to your FAST Field Controller to credit the remaining unamortized balance of loan costs (02-15XX) and debit fund balance (03-3400). Any loan costs in this account related to Fiscal Year 2013-14 should be expensed as a period cost.			
02-25XX DEFERRED REVENUE (commitment fees)	No beginning balance entry is required as unamortized commitment fee balances are treated as unearned revenue balances under GASB 65 and this terminology change was accomplished through account renaming. However, beginning in Fiscal Year 2013-14, rather than recognizing revenue over the life of the loan or when the commitment is exercised, revenue should be recognized when the commitment is exercised or upon expiration of the commitment.			
01-13XX RECEIVABLES (difference between purchase price of a group of loans (net of fees paid or received) and the loan principal)	Submit a JA document to your Field Controller to reclassify the applicable portion of the receivable balance remaining related to the difference between the purchase price of a group of loans (net of fees paid or received) and the loan principal with an offset to fund balance (03-3400). Any differences related to Fiscal Year 2013-14 should be expensed or recognized as a period cost or revenue.			
<i>Other Activity</i>				
Specialized activities; acquisition costs related to insurance activities, regulated operations, mortgage banking actives, and sales and transfers of future revenue streams	Contact Tammy Nelson (303-866-2659 or <a href="mailto:tammy.nelson@state.co.us">tammy.nelson@state.co.us</a> ) or your FAST Field Controller.			