CHAPTER 3: SECTION 1
YEAR-END APPROPRIATION TRANSFERS AND OVEREXPENDITURES

KEY DATES	
July 15 – August 2	Year-end diagnostic reports showing overexpenditures are available on Financial Data Warehouse daily.
July 16	Signed overexpenditure and transfer forms are due to the OSC.

1.1 Statutory Authority for Appropriation Transfers and Overexpenditures

The Colorado Revised Statutes contains two provisions intended to provide flexibility in dealing with overexpenditures. CRS 24-75-108 allows the Governor, or in the case of the Judicial Department the Chief Justice, to authorize transfers between like-purpose appropriations. This provision is not available prior to May 1 and is subject to a maximum statewide threshold of five million dollars. In addition to an increased limit, some exclusions to the definition of like purpose were removed effectively expanding the availability of this provision. CRS 24-75-109 allows the State Controller, with the approval of the Governor, to approve expenditures in excess of appropriations, this provision is not available prior to May 1 and shall not exceed three million dollars in any fiscal year. This section sets forth guidelines for agencies to request these approvals.

Advance approval to transfer an appropriation or overspend a budgetary line is required. Release of disbursements against an overdrawn appropriation without prior approval will subject a fiscal officer to penalties per CRS 24-30-202(14). Overexpenditures not covered by the provisions of statute must be considered null and void ab initio per CRS 24-30-202(3).

Year-end diagnostic reports showing overexpenditures are available on Financial Data Warehouse and are updated daily throughout the year. All overexpenditures must either be cleared by proper accounting entries, or supported by an approved appropriation transfer or overexpenditure form (see sections 1.2 and 1.3 of this chapter). The methodology used to compute overexpenditures is explained in the JBC/OPSB/OSC memo in Section 1.5 of this chapter.

Please make every effort to identify appropriation transfer needs and potential overexpenditures as soon as possible using the forms following Section 1.5. If you determine that an overexpenditure is going to occur, but you cannot identify the exact amount, submit a form with an estimate as soon as possible. (See <u>State of Colorado Fiscal Rules</u>: Rule 7.4.) You need to submit a revised form no later than July 16. If the deadline for reporting overexpenditures or estimates of overexpenditures cannot be met, an agency must provide sufficient written justification to the OSC no later than July 16, for review by the State Controller. Your cooperation is necessary to determine whether or not the State as a whole is in compliance with the statutes.

The State Controller and the OSPB will approve or disapprove all transfer and overexpenditure forms by July 23. The OSC will notify you whether or not your request is approved as soon as the action is taken.

1.2 How to Request an Appropriation Transfer

Wherever possible, overexpenditures should first be covered by transfers from an eligible budgetary line. If you have questions about which budgetary lines are eligible for possible transfer please refer to CRS 24-75-108. If you still have questions, consult your FAST field controller or OSPB analyst.

To request a transfer of spending authority:

1. Complete and submit the Appropriation Transfer Authorization Form for each budgetary line to your FAST field controller. See form example following Section 1.5 of this chapter. All submissions should be via attachments to e-mails. The electronic forms are available on the OSC website at: http://www.colorado.gov/dpa/dfp/sco/forms.htm.
2. Fully document the request for transfer, including why the transfer is needed, the steps taken to minimize the expenditures, and the consequences of the transfer being denied. Also include the events or circumstances leading up to the request; identify the "like" purpose; if it is a one-time or ongoing issue; and if it will require a statute or budget change in the future. If the request involves a cash fund, the current fund balance should be documented. Attach additional sheets if the space provided on the form is not sufficient.
3. State in the explanation whether disbursements (warrants) have been held.
4. Indicate the date you anticipate that without the transfer, the budgetary line will be overspent and the date of any affected payroll.
5. There is no need to send AP documents with the transfer request until the request is approved. Your agency will be notified of the amount approved and then asked to submit the necessary AP documents. The OSC will notify you of approval or rejection of your request by July 23.

1.3 How to Request an Overexpenditure Authorization

If an agency is unable to cover overexpenditures by an appropriation transfer, a request for overexpenditure approval should be made using the following procedures:

1. Complete and submit an Account Overexpenditure Authorization Form for each budgetary line where an overexpenditure is anticipated to your FAST field controller. See form example following Section 1.5 of this chapter. All submissions should be via attachments to e-mails. The electronic forms are available on the OSC's website at: http://www.colorado.gov/dpa/dfp/sco/forms.htm.
2. Fully document the reason for the overexpenditure, including the cause of the overexpenditure, the steps taken to minimize the expenditures, and the consequences of the overexpenditure being denied. Attach additional sheets if the space provided on the form is not sufficient.
3. State in the explanation whether disbursements (warrants) have been held.
4. Indicate the date you anticipate the budgetary line will be overspent and the date of any affected payroll.
5. The budget to actual expenditure report is the basis for identifying overexpenditures. Overexpenditures of appropriated funds are reported to the Governor as required by law for his approval. Overexpenditure forms signed by the department's executive director are due to the OSC by July 16 and shall contain, at a minimum, the following information:
    - The amount of the overexpenditure and a description of the circumstances surrounding the overexpenditure.
    - Name and position of the person responsible.
    - A statement of the administrative action taken to address the problem or an explanation as to why administrative action was not considered necessary.

- A statement of procedural changes or internal controls that have been or will be implemented to prevent recurrence.

6. If the overexpenditure is approved, CRS 24-75-109(3) requires that a like amount be restricted in the year following the overexpenditure. Your agency will be notified of the amount approved and asked to enter the necessary AP documents.

   - Overexpenditures of nonappropriated funds are reported to the Governor by the State Controller when the overexpenditures are significant, appear to be ongoing, are related to a sensitive activity, or for other reasons determined appropriate by the State Controller. You will be contacted by your FAST field controller if an overexpenditure form is needed for nonappropriated overexpenditures.

7. As required by statute, related accounts for FY13-14 will be restricted as an Overexpenditure restriction. The deadline to record the restriction is September 13. Use restriction type "O" (alpha) on the AP document.

1.4 Deficit Fund Balances

Deficit fund balances are reported in a note in the State CAFR. The abnormal balance report at year-end is the basis for identifying deficit fund balances. Statutory funds with cash funding source codes that have underearned revenue are not considered overexpenditures if the fund has sufficient fund balance to cover the underearning, however; funds with cash funding source codes that have underearned revenue and do not have sufficient fund balance will be considered an overexpenditure. Federal expenditures unsupported by federal revenue constitute an overexpenditure; they must be covered elsewhere in the budget or be reported as an overexpenditure. Agencies that have deficit fund balances as of final year-end close must submit an overexpenditure authorization form. See form example following Section 1.5 of this chapter. All submissions should be via attachments to e-mails. The electronic forms are available on the OSC's website at: http://www.colorado.gov/dpa/dfp/sco/forms.htm. (Note: The State Controller cannot approve an overexpenditure that results in a deficit fund balance per CRS 24-75-109(2)(b). The deficit fund balance will be reported in the Governor's Overexpenditure Letter and require an overexpenditure restriction as if it was a spending authority overexpenditure.

1.5 Methodology Used to Determine Overexpenditures

For FY13-14, overexpenditures will be calculated using the process described in the following memorandum. Both the OSPB and the JBC are in agreement to the continuance of the existing methodology with the format changes outlined in House Bill 08-1320. The memo will apply with the term “cash exempt” referring to “reappropriated” funds. Please be aware that with fund balance authority moving from cash exempt to cash there may be report anomalies due to program limitations. Please contact your FAST field controller if you have any questions.

TO: Department Controllers and Budget Officers
Chief Financial Officers of Boards of Higher Education

FROM: Kenneth Conahan, Staff Director
Joint Budget Committee

George Delaney, Director
Office of State Planning and Budgeting

Clifford W. Hall, State Controller
Division of Accounts and Control

DATE: June 29, 1994

SUBJECT: Determining Overexpenditures for FY93-94

The purpose of this memorandum is to provide the basis for determining how overexpenditures will be calculated for appropriated amounts in the Long Bill for FY93-94. This is necessary since additional columns have been added to the Long Bill, fund balance of statutory funds are appropriated in the Long Bill and the added flexibility and implied intent set forth in the transfer bill (HB94-1367).

Previously, overexpenditures were reported if the overexpenditures exceeded the total line item appropriation or if total expenditures less cash/federal revenues exceeded the general-funded appropriation budget line and there was no statutory fund balance to cover the overexpenditures. The requirement now exists to not only comply with the total line item appropriation but also to stay within the appropriation by Long Bill column (funding type) at the Long Bill line or group (funding source code level) depending on how the Long Bill is portrayed.

In order to measure compliance with this secondary level of budgetary control, it was necessary to devise a budget formula to compute expenditures by funding type at the funding source code level. Following are the allocation rules that will be applied in the order shown when year-end budget to actual compliance reports by funding type within funding source are prepared by the Office of the State Controller:

1. Direct coding by funding type at the appropriation code level will be recognized to the extent possible and take precedence over any allocation formula.
2. Federal expenditures will equal federal revenues and receive the first allocation of total expenditures for the funding source code.
3. Expenditures will be allocated next to the Cash Exempt and then to the Cash funding types to the extent of the lesser of the budget or earned revenues. In the case of reserve appropriations, the annotated budget will be added to earned revenues in the allocation calculation.

4. Remaining expenditures will be allocated next to the General Exempt and then to the General funding types based on the lesser of the budget or unallocated expenditures.
5. Remaining unallocated expenditures will then be distributed to the Cash Exempt and Cash funding types to the extent earned revenues exceed the budget amount.
6. Finally, any remaining expenditures will then be added to either General Exempt, if Fund 100, Capital Construction Exempt if Fund 461, or Cash Exempt if in another fund.

Some examples of the application of the Allocation formula are shown in Attachment A. Any questions about the calculation of overexpenditures should be directed to your field controller.

Attachment

cc: DOAC Field Controllers

Attachment A

CASE 1:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15	5		5		5
Revenue	5			3		2
Expenditure	10	5		3		2

General Purpose Revenue Fund (Fund 100); cash and federal revenues underearned; no overexpenditure.

CASE 2:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15	10		5		
Revenue	6			6		
Expenditure	15	10		5		

General Purpose Revenue Fund (Fund 100); cash overearned; no overexpenditure.

CASE 3:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15	10		5		
Revenue	4			4		
Expenditure	15	10+1		4		

General Purpose Revenue Fund (Fund 100); cash underearned; General Purpose Revenue Fund overexpenditure.

CASE 4:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15			10	5	
Revenue	9			9	5 (reserve approp.)	
Expenditure	15			9	5+1	

Cash fund; reserve approp of 5, cash rev of 9 underearned; cash exempt overexpenditure.

CASE 5:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15			10	5	
Revenue	11			11		
Expenditure	15			10	5	

Cash fund; reserve appropriation, cash rev overearned; no overexpenditure.

CASE 6:

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
Budget	15			10	5	
Revenue	11			5	6	
Expenditure	15			5	5+5	

Cash fund; cash rev underearned; cash exempt revenue overearned; cash exempt overexpenditure.

FISCAL YEAR 2012-2013 ACCOUNT OVEREXPENDITURE AUTHORIZATION

Department of Personnel & Administration, Office of the State Controller
633 17th Street, Suite 1500 · Denver, CO 80202 · Ph. (303) 866-6200 · Fax (303) 866-3569

Request # (1, 2, 3...) | Revision # (a, b, c...)

☐ Estimate ☐ Final

Department/Institution: Enter or select agency. Agency ____ Fund ____ Date ____

Long Bill Line Item Title	Long Bill Line Item	Funding Source	APPR Code	Current Spending Authority	Estimated Current FY Expenditures	Estimated Overexpenditure (or Fund Balance Deficit)	Est. Amount Disbursed After Request Date	Date of Initial Overexpenditure	Payroll Date (if applicable)	GCF
				$0	$0	$0	$0			
				$0	$0	$0	$0			
				$0	$0	$0	$0			
				$0	$0	$0	$0			
			TOTALS	$0	$0	$0	$0			

EXPLANATION: Cash fund balance $0.00 as of ____ ☐ Check here if related line exists in another agency.

What events or circumstances created this overexpenditure? Please be specific.

Is this a one-time or ongoing problem?

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FISCAL YEAR 2012-2013 ACCOUNT OVEREXPENDITURE AUTHORIZATION

Request # (1, 2, 3...) | Revision # (a, b, c...)

Department/Institution: Enter or select agency. Agency ____ Fund ____ Date ____ ☐ Estimate ☐ Final

What actions were/are being taken with regard to this overexpenditure?

Are there warrants being held? Identify time constraints associated with this overexpenditure.

Will this require a statutory or budgetary change in the future? Will it require a supplemental in the next fiscal year?

DEPARTMENT EXECUTIVE DIRECTOR USE ONLY	OFFICE OF THE STATE CONTROLLER USE ONLY	OFFICE OF STATE PLANNING & BUDGETING USE ONLY
Requested By (Printed Name)	RECEIVED DATE / FAST INITIALS	RECEIVED DATE / ANALYST INITIALS
Title	OSC Comments:	OSPB Comments:
Phone	☐ APPROVED ☐ DISAPPROVED	☐ APPROVED ☐ DISAPPROVED
Executive Director Signature / Date	State Controller Signature / Date	OSPB Signature / Date

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FISCAL YEAR 2012-2013 APPROPRIATION TRANSFER AUTHORIZATION

Department of Personnel & Administration, Office of the State Controller
633 17th Street, Suite 1500 · Denver, CO 80202 · Ph. (303) 866-6200 · Fax (303) 866-3569

Request # (1, 2, 3...) ___ Revision # (a, b, c...) ___

☐ Estimate ☐ Final

Requested by Department/Institution: Enter or select agency.

FROM: Agency ___ Fund ___

Long Bill Line Item Title	Long Bill Line Item	Funding Source	APPR Code	GCF	Amount
					$0
					$0
					$0
				TOTAL	$0

TO: Agency ___ Fund ___

Long Bill Line Item Title	Long Bill Line Item	Funding Source	APPR Code	GCF	Amount
					$0
					$0
					$0
				TOTAL	$0

EXPLANATION:

Cash fund balance $0.00 as of ___

What events or circumstances created the need for this transfer? Please be specific.

Identify "like purpose" if it is required for purposes of this transfer.

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FISCAL YEAR 2012-2013 APPROPRIATION TRANSFER AUTHORIZATION

Request # (1, 2, 3...) ___ Revision # (a, b, c...) ___

☐ Estimate ☐ Final

Requested by Department/Institution: Enter or select agency.

Is this a one-time or ongoing problem?

Are there warrants being held? Identify time constraints associated with this transfer.

Will this require a statutory or budgetary change in the future?

DEPARTMENT EXECUTIVE DIRECTOR USE ONLY	OFFICE OF THE STATE CONTROLLER USE ONLY	OFFICE OF STATE PLANNING & BUDGETING USE ONLY
Requested By (Printed Name)	RECEIVED DATE ___ FAST INITIALS ___	RECEIVED DATE ___ ANALYST INITIALS ___
Title	OSC Comments:	OSPB Comments:
Phone		☐ APPROVED ☐ DISAPPROVED
Executive Director Signature ___ Date ___		OSPB Signature ___ Date ___

COFRS Documents: ___

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CHAPTER 3: SECTION 2
REQUESTING ROLLFORWARD OF APPROPRIATION AUTHORITY FROM FY12-13 TO FY13-14

KEY DATES

July 12	Requests for rollforwards due to the OSC (CRS 24-75-102).
August 10	Target for the OSC to have rollforwards recorded on COFRS.

By state law, unexpended annual appropriations expire at the end of each fiscal year and do not carry over to a subsequent fiscal year, unless otherwise authorized by statute. The State Controller may approve the rollforward of unexpended annual appropriations as provided by State of Colorado Fiscal Rule 7-3 under the following circumstances: (1) The appropriated funds have been legally committed by purchase order or contract and there are extenuating circumstances that warrant carryover of the remaining appropriation, (2) there is express legislative intent that allows the rollforward of spending authority, (3) the appropriated funds have been legally committed by purchase order or contract with Colorado Correctional Industries (CCi) and delivery is reasonably anticipated within 60 days of fiscal year-end, or (4) the appropriation is from the capital construction fund. Due to continuing demands on resources, as communicated to agency controllers in Alert #201, agencies are encouraged to seek legislative approval through the addition of letternotes for any general-funded requests, including purchases from CCi.

The State Controller cannot rollforward an appropriation based on *implied* legislative intent.

2.1 Rollforward of Appropriated General and Cash Funds

A rollforward of an unexpended appropriation may arise out of timing problems associated with completing a legislatively authorized project within a single fiscal year. Rollforward requests are required to extend appropriations funded from general, cash, or reappropriated fund sources beyond the initial appropriation year. A rollforward request will not be considered when it represents an effort to capture unexpended balances for general operations or when an adequate appropriation is available in the next fiscal year for the same purpose. Each rollforward request must include both adequate justification and documentation of the issue(s) that prevented the expenditure of funds within the current year. Final approval of general-funded rollforwards requires that adequate General Purpose Revenue Fund balance is available to support the request.

A rollforward request is not required for custodial funds (e.g., federal funds), unless there is a requirement that the funds be appropriated. See Chapter 2, Section 2.8.2 for further discussion of establishing spending authority for custodial carryforward items in the new fiscal year. Although a request is not required for custodial/statutory carryforwards, an AP document must be completed by August 10 for fund balances in funds 100, 1EX, and 461. A rollforward request is required for encumbered Tobacco Settlement money that is allowed per the statute creating the program.

2.2 Procedures for Appropriated General and Cash Fund Rollforward Requests

Blocks of COFRS coding for rollforwards are assigned for each state agency by the OSC. These codes are permanently assigned to each agency. The codes assigned include Long Bill Line Numbers and Funding Source Codes. Agencies may assign any unique APP2 code to these lines. If the number of requests exceeds the number of lines assigned, the agency should contact Brenda Shelinbarger (303-866-4165 or brenda.shelinbarger@state.co.us) for additional COFRS line coding. The assigned codes are included on the following page.

DEPARTMENT NAME	ASSIGNED LINE NUMBERS
Department of Personnel & Administration	RF001 – RF019
Department of Agriculture	
Agriculture	RF020 – RF029
State Fair Authority	RF030 – RF039
Department of Corrections	RF040 – RF064
Department of Education	
Education	RF065 – RF074
School for the Deaf and Blind	RF075 – RF084
Governor’s Office	
Governor, Lt. Governor, OSPB	RF085 – RF089
Economic Development	RF090 – RF094
Energy Conservation	RF095 – RF096
Office of Innovation and Technology	RF097 – RF099 RF380 – RF399
Department of Public Health and Environment	RF120 – RF129
Higher Education	Call for assignment
Department of Transportation	RF100 – RF119
Department of Human Services	RF140 – RF149
Judicial Department	
Judicial, Supreme Court Library, Supreme Court Grievance	RF150 – RF159
Public Defender	RF160 – RF164
Alternate Defense Counsel	RF165 – RF166
Office of the Child’s Representative	RF167 – RF169
Department of Labor and Employment	RF170 – RF179
Department of Law	RF180 – RF199
Legislative Department	
General Assembly, Joint Budget Committee, Legislative Council, Legislative Legal Services	RF200 – RF209
Office of the State Auditor	RF210 – RF219
Department of Local Affairs	RF220 – RF229
Department of Military and Veterans Affairs	RF230 – RF239
Department of Natural Resources	RF240 – RF259
Department of Public Safety	RF260 – RF279

DEPARTMENT NAME	ASSIGNED LINE NUMBERS
Office of Homeland Security	RF400 – RF404
Department of Revenue	
Revenue, Collections	RF290 – RF299
State Lottery Division	RF300 – RF304
Division of Gaming	RF305 – RF309
Department of Health Care Policy and Financing	RF310 – RF329
Department of State	RF330 – RF339
Department of the Treasury	RF340 – RF349

- Completed rollforward request forms (see the OSC's website at: http://www.colorado.gov/dpa/dfp/sco/forms.htm) accompanied by proper and complete documentation including AP documents to record the rollforward, must be submitted to your FAST field controller no later than July 12.
- Separate "Request for Appropriation Rollforward" forms must be submitted for each appropriation code. The form requires the listing of funding sources by general exempt, cash funds, or reappropriated. Only federal funds subject to appropriation per the Long Bill headnotes are included on this form; other federal funds and custodial funds are not included on these forms.
- Proper documentation is necessary to explain and support the request. Proper documentation may come in various forms such as a letter explaining that an item on a purchase order, which under normal circumstances would have been delivered prior to June 30, has not been received. Please include a copy of the original encumbrance document with this type of request. If the justification for the rollforward is express legislative intent, please include a copy of the statute or Long Bill letter note or footnote that allows the funds to be rolled forward.
- Attach a COFRS appropriation code reference table (APP2) screen print for the appropriation code to be used in recording the rollforward spending authority. The appropriation end date is set to the planned liquidation date on the rollforward request form. If an agency determines during the fiscal year that this date needs to be changed, provide appropriate justification to your FAST field controller to have the date changed. Separate appropriation codes need to be established for each rollforward request. Establish these codes by submitting a zero-dollar AP document prior to the EPS purchase order roll process on July 12 in order to have purchase orders or contract encumbrances rolled forward into the new fiscal year. Attach a screen print of a new fiscal year AP document. The increase in spending authority should always be general exempt or cash. The following table provides agencies with guidance on how general and cash funds should be rolled forward based on the original appropriation type, the fund in question, and the earnings status of the amount to be rolled at year-end.

Original Appropriation Type	Fund 100/1EX Roll As	Funds 101 - 999 Roll As
General Funds	General Funds Exempt	N/A
Cash/Reappropriated Funds Already Earned	Cash Funds	Cash Funds
Cash Funds Not Yet Earned	Cash Funds	Cash Funds
Reappropriated Funds Not Yet Earned	Cash Funds	Cash Funds
Split funded including GF	See instructions below	See instructions below

To determine the funding source when there is split funding that includes general funds:

Use the COFRS AFSI screen to determine if the rollforward is general, cash, or federally funded. Calculate general-funded expenditures by taking the expended amount less the federal and cash earned revenues. Available general fund spending authority equals the general-funded appropriation less calculated expenditures.

Agencies should also ensure corresponding annotations are used when preparing the appropriation documents for the rolled amounts. Use RSRC 9523 when recording a rollforward for earned cash or reappropriated funds, especially funds earned in the General Purpose Revenue Fund as this will reserve fund balance to cover the rollforward expenditures in the following year. Failure to annotate rollforward spending authority of previously earned revenues (RSRC 9523) in Fund 100 could result in the unintended reversion of the spending authority, leaving the rollforward appropriation unfunded. The use of 952x in conjunction with the criteria under which the request is granted is the basis for the classification of the associated fund balance as either committed or assigned. (See Chapter 3, Section 6.8.)

- Please note that these AP documents can have numerous errors such as "BUBUE-APPR CODE NOT APPROVED" and "BUCGE-APPR DOES NOT EXIST ON APPI". The AP document should include the dollar amount(s) of the request on page one (the header), have an "05" spending authority indicator, and must be properly approved. Agencies will be notified of the approved amount by the OSC when the exact amount is determined after final close.
- The OSC will return a copy of the approved or denied rollforward request to the agency.
- Agencies requesting reconsideration of denied requests should submit any additional justification and or documentation directly to the State Controller.

To avoid delay in processing any rollforward request, the request forms must be properly completed and properly documented in accordance with the above instructions. Rollforward requests with insufficient documentation or justification will be disapproved. As a reminder, always round up on your rollforward requests. For example, if you need a rollforward for $87.16, make the request and AP document for $88.

Rollforward requests must be received at the OSC no later than 5:00 p.m. on July 12. The OSC will process rollforward requests prior to Period 1 close. If you have questions please call your FAST field controller.

Agencies will be responsible for numbering their own rollforward requests. The numbering convention to be used is the three-character, alpha agency code followed by sequential numbers (i.e., ACA1, ACA2, ACA3, etc.). The OSC will use these numbers throughout the process.

2.3 Rollforwards Related to Multiple-Year Contracts

In certain instances an agency may have multiple-year contracts extending beyond the current fiscal year that will require the rollforward of the current year appropriation. This includes late contracts that require an amendment to extend the performance period beyond June 30 into the next fiscal year. In these situations it is critical that both the contract/amendment and the rollforward be evaluated and approved at the same time. Therefore, if an agency submits a contract to the OSC that will require a rollforward of current year appropriation, the agency must also submit a completed rollforward request along with the contract. The OSC Central Contract Unit (CCU) will then work with the related field controller and the State Controller to evaluate the contract and the rollforward request together.

It is important to note that if the OSC approves a multiple-year contract it is assumed that any funding beyond June 30 of the current year will come from appropriations in the subsequent fiscal year. Contract provisions, unexpected circumstances, and other mitigating factors will be evaluated as part of the approval process and all such items should be clearly communicated to the OSC with the contract and the rollforward request. Communication on these types of contracts should occur as soon as possible after they are identified by the agency.

When state agencies route contracts to the central approvers that are contingent upon an approved spending authority rollforward they should attach a copy of the rollforward request. This will ensure that they are delivered to the OSC for review by the CCU and the FAST in a timely manner.

In addition, the OSC CCU may identify contracts submitted within 60 days of June 30 that they believe may need a rollforward. In these instances, the agency will be contacted to determine whether a spending authority problem exists for the current fiscal year or whether a rollforward is needed for the following year.

2.4 Rollforwards from the Reappropriated Column of the Long Bill

When an agency has a rollforward request that is from the reappropriated column, <u>both state agencies – the one spending the funds and the one providing the funding - must submit a rollforward request</u>.

REQUEST FOR APPROPRIATION ROLLFORWARD
FROM FISCAL YEAR 2012-13 TO FISCAL YEAR 2013-14

Department of Personnel & Administration, Office of the State Controller
633 17th Street, Suite 1500 · Denver, CO 80202 · Ph. (303) 866-6200 · Fax (303) 866-3569

Department/Institution: Enter or select agency. Agency: ____ Date: ____

Rollforward Request #RF ____

Check criteria under which rollforward is being requested:

- ☐ Moneys appropriated have been legally committed by purchase order or contract, and there are extenuating circumstances which warrant carry over. (Attach a copy of the encumbrance document with explanation of extenuating circumstances.)
- ☐ Footnote in the Long Bill or other specific statute authorizes the rollforward of an appropriation. (Attach copy of the legislation.)
- ☐ Colorado Correctional Industries encumbrance with expected delivery date before August 29th. (Attach copy of encumbrance.)

Source and Amount of Funding Rollforward Request:

General Exempt	Cash	Reappropriated**	Federal
$0.00	$0.00	$0.00	$0.00

***Becomes cash appropriation in FY12-13.*

If these funds are coming from another state agency, please list their #RF ____

Total Amount Requested	Unexpended Amount of Appropriation	Encumbrance Amount
$0.00		

Planned Liquidation Date* ____
**Determines end date in APP2.*

Encumbrance Document Number(s) ____

Current Fiscal Year Appropriation Recorded:

Fund	LBLI	Funding Source Code	Appropriation Code

Department/Institution Director/Controller Signature ____ Printed Name ____ Date ____

Submission is due to your field controller at the Office of the State Controller by Period 12 close.
Requests for reconsideration of denials should be submitted directly to the State Controller.

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SAMPLE

REQUEST FOR APPROPRIATION ROLLFORWARD
FROM FISCAL YEAR 2012-13 TO FISCAL YEAR 2013-14

Department/Institution: Enter or select agency. Agency: ____ Date: ____

Rollforward Request #RF ____

OFFICE OF THE STATE CONTROLLER USE ONLY

Comments: ____

Request approved for:		**Request denied for:**	
General Exempt	$	General Exempt	$
Cash	$	Cash	$
Federal	$	Federal	$

Amount approved is contingent upon available unexpended appropriation at close of fiscal year.

State Controller Signature ____ Date ____

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SAMPLE

CHAPTER 3: SECTION 3
CLOSING ACCOUNTING ISSUES

KEY DATES

June 21	Requests to cancel or reissue aged warrants from EAP18R report must be submitted to the OSC.
June 28	Walk-in cash deposits must be at the State Treasurer's Office by 2:00 p.m.
July 9	Last day to complete IT transactions involving higher education institutions.
July 11	Last day to have FY12-13 CR documents approved by the State Treasury.
July 12	Last day to reissue expired warrants from balance sheet account 2751.
July 12	Period 12 close (non-higher education IT transaction and PV document cutoff date, clear balance sheet account 2751).
July 17	The OSC issues the preliminary Period 12 Exhibit Reconciling Balance Report.
July 17	The OSC issues the preliminary Unrealized Gain/Loss Report on market valuation of Treasurer's pooled cash.
July 31	Period 13 of FY12-13 closes for agency input.
August 2	FY12-13 final close.
August 5	The OSC distributes the Exhibit J financial statement files.
August 7	The OSC issues Exhibit Reconciling Balance Report, Variance Analysis Reports, final Unrealized Gain/Loss Report, and Request for Response to Variances Analysis.
August 14	Variance analysis responses due to the OSC.
August 14	Most exhibits due to the OSC.
August 30	Exhibits H received after this date are considered audit adjustments.
September 6	Agency financial statements, Exhibit J, and Exhibit I due to the OSC.
Upon Availability	Copy of management representation letter to the OSC.

The material in this section has several intended purposes:

- Assist agencies in developing uniform year-end accounting procedures.
- Inform agencies of significant accounting changes that impact year-end financial reporting.

Each agency is responsible for accurate, timely, and complete year-end accounting. These procedures are applicable to all state agencies in the legislative, judicial, and executive branches of government.

3.1 Preparing Accounting Estimates

Agencies should review their current accounting estimation procedures to ensure they are consistent with this guidance. If more estimates are necessary to meet the closing timetable, this guidance will serve as a standard for developing processes to prepare those estimates. If an agency follows this guidance and produces an estimate that subsequently proves to be inaccurate, the agency will be supported by the standard. The revenue and expenditure accrual estimation methodologies need to be documented so the process and source data may be used from year to year to achieve consistency and improve the estimation methodology. An inaccurate estimate may indicate the need to research variances and use a different methodology that produces a more accurate estimate, within the given time and resource constraints. Each agency is expected to strive to improve its estimation process between closings with the objective of improving accuracy over time. Since agencies must enter information into the State accounting system well before financial statements are produced, and they are precluded from changing these entries after the close of Period 13, agencies are only responsible for providing estimates based on the best information known prior to agency close (Period 13 close).

3.1.1 Estimation of Accrued Expenditures

Agencies are required to accrue all known liabilities at year-end. In addition, agencies must report contingent liabilities in accordance with GASB Statement No. 62. As part of the year-end close process, some liabilities must be estimated. Agencies should make year-end estimates based on situations, circumstances, and documented evidence known before issuance of the financial statements. If there is a reason for a significant deviation from the historical methodology, the reason should be documented (e.g., a change in the weather from prior year would be a reason to deviate from the agency’s utility bill of the prior year, if all other factors remain constant).

3.1.2 Estimation of Accrued Revenues

Agencies are required to accrue revenues in accordance with GAAP and the revenue recognition criteria applicable to the fund for which the accrual is made. Estimates of accrued revenue are calculated based on situations, circumstances, and documented evidence known before the issuance of the financial statements. Should current events suggest a need to deviate from a historical information source, that change and the need for it should be documented.

3.1.3 Continuous Improvement of the Estimation Process

In order to assess the reliability of the estimation process and improve that process in successive years, agencies should compare accounting estimates with subsequent results. Agencies may want to refer to Statement of Auditing Standards (SAS) No. 57 to better understand the relevance of such a comparison.

3.2 Accounts Payable Accruals

FY12-13 payment vouchers (PVs) must be entered on or before Period 12 close on July 12. PVs with a June 27 effective date will automatically record a liability in the vouchers payable account 2100 for FY12-13. Because of the time involved in closing and feeding higher education accounting information to COFRS, IT transactions involving higher education institutions must be processed by July 9.

ITs should not be initiated after July 5 without the express agreement of the other agency involved. For goods and services received from sources other than state agencies on or before June 30, that have not been paid via a PV document by the close of Period 12 on July 12, you must record an accounts payable accrual. Debit an expenditure account and credit 2120-ACCOUNTS PAYABLE - OTHER using a journal voucher (JV document). Include the vendor code on the JV document for correct 1099 reporting. Intra/interfund accounts payable/receivable accruals must be confirmed with the controller of the other agency or fund by July 19 and must be finalized with the OSC by August 2. Agencies are encouraged to finalize the confirmations as soon as possible. The form in Chapter 3, Section 5.45 must be used to confirm your intra/interfund receivables and payables.

Documentation to support the payables should be retained in the agency for audit purposes. Do not accrue payables just to expend the balance of an appropriation. Conversely, all payables must be recorded even if it will result in an overexpenditure. Accounts payable relating to FY12-13 should be cleared by September 30. Because of the impact on the computation of available fund balance, it is essential that any payables accrued in the Regular Capital Projects (Fund 461) and General Purpose Revenue Fund (Fund 100) are valid.

When clearing accounts payable that are the result of over accruing expenditures in a prior fiscal year, it is important to look at the funding source of the accrued expenditures.

1. If the expenditure was against a general, cash, or reappropriated appropriation, revenue source code 8302 or 830A should be credited and accounts payable debited. If the activity is in Fund 100, appropriation code 999 should be credited.
2. If the expenditure was against a federal fund appropriation, the expenditure of the federal appropriation should be credited and accounts payable debited. An exception may exist if the federal grant is closed. In this case, you will need to coordinate with the federal agency the return of the federal funds.

3.3 Accounts Receivable Accruals

In all funds, accounts receivable should be recorded when the related revenue is earned, but not yet collected, or it has been determined that there is a valid debt owed to the agency. In a governmental fund, in order to record a receivable, it must also be susceptible to accrual, meaning both measurable and available. Measurable means that a reasonable estimate of the amount due can be made. Available means the receivable will be collected in time to be used to fund expenditures within the next fiscal year. If the collectability of the potential receivable is questionable, the agency needs to evaluate if a receivable should be recorded.

Receivables recorded in governmental funds that are not expected to be collected or are not due within the next fiscal year should not be recorded as current accounts receivable. Instead, they should be recorded as long-term receivables with an offset to deferred revenue because the asset/revenue is not available. The deferred revenue related to these long-term receivables must be recognized as revenue under the full accrual basis of accounting. The entries to recognize this revenue are recorded in the General Full Accrual Account Group (GFAAG – Fund 471).

Each year in the governmental funds, agencies will likely report additions to the deferred revenue balance and/or reductions of the deferred revenue balance (with revenue recognition as the offset). In the GFAAG, agencies must eliminate the deferral additions by recognizing revenue. Agencies must also eliminate the current year governmental fund revenue (that was recognized in prior periods on the accrual basis in the GFAAG) by debiting revenue. The State Controller is leaving it to the agency's discretion how these entries will be made in the GFAAG. Some agencies may choose to reverse the prior year GFAAG accrual entry and post a new accrual entry based on the ending balance of the governmental fund deferred revenue account balance. Other agencies may decide to track the governmental fund additions and reductions of deferred revenue and post equivalent eliminating entries in the GFAAG. Regardless of the method chosen, when the GFAAG and the governmental funds are combined the result must reflect revenues on the full accrual basis. **Note that in FY13-14 the recording of deferred revenue changes under GASB Statement No. 65 (See Chapter 3, Section 6.12).**

Generally Accepted Accounting Principles (GAAP) specify that governmental funds usually record miscellaneous fees and fines on the cash basis. However, it is the State Controller's policy that agencies use their professional judgment to determine if these items are measurable and available, and therefore, should be recorded as revenue and receivables before receipt of the cash.

In general, receivables should not be recorded with a credit to the allowance account for the total amount of the receivable.

Aging of accounts receivable is required by the Department of Personnel's Accounts Receivable Collections Administrative Rule. Section 1.32.02 of the rules requires a monthly "aged" trial balance of all accounts receivable included in total gross accounts receivable. The year-end "aged" trial balance should be maintained by the department for audit and other reporting purposes.

3.4 Receivable Categories

In FY05-06 the State Controller discontinued preparing and issuing the Accounts Receivable Report. The primary purpose of this Section 3.4 was to document the categories used in that reporting; therefore, the text is no longer relevant and has been removed. However, certain definitions previously included in this section remain relevant and have been added to the Chart of Accounts Definitions - Balance Sheet, which can be found under Authoritative Guidance on the OSC's website. If you have questions regarding which balance sheet account should be used to record a receivable, please contact your FAST field controller.

3.5 Accounts Receivable Allowances

Allowances for uncollectible receivables may be established at any time during the fiscal year. Factors including, but not limited to, the age of the receivable, payment history, and financial condition of the debtor should be considered in making an allowance determination. The following guidance has been modified, starting in FY12-13, to align with GASB Q&A7.40.3 and 7.72.2. When establishing or increasing a receivable allowance account (Type 01) related to revenue earned in the current fiscal year, the debit should be made to the related revenue source code as an account Type 31 entry. For receivables for which there is no related revenue, such as for a loan or note receivable, the debit is coded as an expenditure to account Type 22 or 24 and object code 4120 "Bad Debt Expense." When establishing or increasing an allowance account related to a receivable established in a prior year, the debit should be recorded as an account Type 24 expenditure using object code 4120. Object code 4120, except as unrelated to revenue, will be cleared and reclassified as a reduction in nonbudget revenue (Type 32) in the financial statement preparation process. The entry will be based on the associated revenue reported in Section E of Exhibit U2. (See Chapter 3, Section 5.35.2.) Because Higher Education Institutions report budgetary activity via the H398 Exhibit off-COFRS, the adjustment to revenue for bad debt may be posted directly to COFRS, reported on the Exhibit U2, or reported via an Exhibit H. Any timing issues in revising bad debt accounting practices for FY12-13 should be directed to Tammy Nelson (tammy.nelson@state.co.us or 303-866-2659).

3.6 Accounts Receivable Write-Offs

An accounts receivable may be written off as set forth in the "Department of Personnel & Administration's (DPA) Accounts Receivable Collections Administrative Rule" and write-off policy in Chapter 8, Section 1.4. Write-offs should be recorded as a credit to the appropriate accounts receivable account and a debit to the Type 01 allowance account. For accounts not fully allowanced, the offsetting debit is a reduction in revenue, and should be treated consistently with the guidance provided in Section 3.5 of this chapter.

3.7 Reconciliation of Past Due Accounts Receivable Assigned to Central Collection Service

The Central Collection Services (CCS) Client Inventory Report is available at fiscal year-end close. This monthly report of active accounts is used to reconcile your COFRS records to CCS records for receivables remitted to CCS for collection. Reconciliations should be kept at your agency for audit purposes and not be sent to the OSC. Discrepancies need to be resolved directly with CCS.

3.8 Credit Cards

CRS 24-19.5-101 allows state agencies to accept payments by credit card. The State Controller has adopted the following policy regarding payments received by credit card.

- If the full amount of the payment to the State is received from the customer and the agency subsequently disburses bank fees, or otherwise provides funds for the bank fees, the agency shall record the revenue gross and the bank fee as an expenditure. Object code 4105 - Bank Card Fees has been established for this purpose. When the fee has not been specifically budgeted to the agency, then the agency may use an account Type 24 (which does not reduce available budget) to expense the bank fee.

- When the agency receives the payment net of the bank card fees, then the agency shall record the revenue gross and the bank card fee as a debit to revenue in either 5208 - Credit Card Fees Nonexempt or 5209 - Credit Card Fees Exempt. Nonexempt or exempt classification is dependent on the nonexempt or exempt status of the revenue collected in the transaction.

Questions about this policy may be directed to your FAST field controller.

3.9 Augmenting Revenue

Prior to final closing, each augmenting revenue account should be analyzed and necessary adjusting entries made. These revenues may be from federally sponsored programs or cash sources, such as, agency charges for goods and services. If the revenue is from a reimbursement type grant, the federal revenue accruals should be based on the federal matching rate applied to the related expenditures. For nonreimbursement grants, apply the appropriate revenue recognition criteria in GASB Statement No. 33. Other agency cash funded revenue accounts should reflect only the actual earned revenue. Note that in FY13-14 GASB Statement No. 65 changes the revenue recognition requirements in GASB Statement No. 33 (see Chapter 3, Section 6.12).

In funds supported by general-purpose revenue (funds 100, 1EX and 461), an underearning of augmenting revenue may create an overexpenditure because augmenting revenues are subtracted from total expenditures to determine the net general fund expended. It is important that you carefully review each augmenting revenue balance to be sure that it is correct. In addition, it is important not to over accrue federal revenue since it will revert to fund balance.

3.10 Biweekly Payroll

House Bill 12-1246 was signed into law on April 16, 2012. The result is that beginning in FY12-13 state employees paid on a bi-weekly basis will no longer be part of the year-end (June) pay day shift.

3.11 Furniture and Equipment Inventory

Furniture and equipment having a useful life of more than one year and an acquisition cost of $5,000 or more per unit should be inventoried annually. If time does not permit the taking of a physical inventory at June 28, it is permissible to take the inventory at or after March 31 and adjust for additions and deletions occurring from the date of the physical inventory until June 28. The Office of the State Auditor should be advised if you elect to take inventory prior to June 28. These assets should be recorded in the General Full Accrual Account Group (Fund 471), with the exception of enterprise, internal service, higher education institutions, and trust fund assets that are recorded in those funds. Adjustments needed as a result of the inventory are discussed below.

Agencies, other than the Department of Human Services, should use the following procedures. Human Services will provide closing procedures to its staff.

Proprietary (enterprise and internal service funds) and fiduciary funds other than higher education funds should record fixed assets using a Type 23 account with a capitalizable property purchase object code (object group 60 in the chart of accounts). This will obligate the budget for the capital asset purchase and capitalize the asset in the fund. Higher education institutions should expense the capital purchase with a Type 22 account using a capitalizable property purchase object code (object group 60 in the chart of accounts). Higher education institutions should eliminate the capital expense on COFRS by crediting the appropriate capitalizable object codes in Fund 399 when debiting the capital asset or related clearing accounts. See higher education Year-

End Accounting Model YE5 and YE5X. From the fund category perspective, the net effect of this accounting treatment is a simple conversion of cash to a fixed asset. Higher education institutions should record capitalizable expenditures related to buildings directly into construction in progress and record noncapitalizable expenditures in a noncapital object of expenditure code.

In governmental funds, capitalizable property purchases should be expended in the governmental fund with a Type 22 account using a capitalizable property purchase object code (object group 60 in the chart of accounts). At year-end or more frequently, governmental fund accountants should convert the capital expenditure on COFRS to full accrual by crediting matching capitalizable object codes in Fund 471. This expenditure object is the offset when debiting the capital asset account to capitalize the asset. If you are coding an expenditure that is less than $5,000, only use object group 60 for items that will be capitalized.

In all funds, the capitalization of donated capital assets should be offset by revenue source codes 6607 through 6617. Governmental funds would only make this entry in Fund 471.

When a fixed asset inventory shows assets in excess of those capitalized through the processes described above it is likely because of a beginning balance problem or miscoding of capitalized property purchase objects or donated capital asset revenue source codes. The error should be identified and corrected.

When a fixed asset inventory shows assets less than the amount calculated as beginning balance plus capitalizable property purchases and donated capital assets less known fixed asset dispositions, a fixed asset has been lost or destroyed. The offset (debit) to reducing the book value of the capitalized asset should be made to the Type 31 revenue codes 65*xx* – Gain/Loss on Property Disposal.

Fund 471 is set to "presence control" on COFRS. You do not need to establish a budget amount for these transactions; however, a zero-dollar AP document needs to be processed to activate a valid appropriation code.

3.12 Cash Deposits with the State Treasurer

The State Treasurer must receive all walk-in cash and/or check deposits by 2:00 p.m. on June 28. Any walk-in cash and/or check deposits received after 2:00 p.m. on June 28 are recorded in the next fiscal year.

Agencies who have funds on deposit in agency bank accounts may choose to wire or book transfer cash from the agency account to the Treasurer's operating account on June 28 in order to have the balance included in the 1100 - TREASURER'S OPERATING CASH account for FY12-13. All ACH transfer requests must be emailed to Treasury no later than 11:00 a.m. on June 27 (Treasury email address treasurycashiers@state.co.us). Any money remaining in the agency bank account at the end of business on June 28 must be shown on COFRS in a 10*xx* account and included on the agency's Exhibit M. No amount should be reported in Balance Sheet code 1013 – Cash in Transit to Treasury at the close of the fiscal year. This procedure will ensure that bank statements as of June 30 parallel the COFRS presentation of the State Treasurer's operating cash and agency cash on deposit. All wire transfers for FY12-13 grant drawdowns must be initiated with enough lead time to ensure that cash is received and credited to the Treasury operating account by June 28. If your agency needs wire, ACH, or book transfer assistance please call the Treasury at 303-866-4948 or 303-866-2440. If you complete your own wire transfers, verify with your bank the time and amount of the wire.

A cash receipt (CR document) for claiming deposits must be emailed to the State Treasurer with third level approval by July 11. Once cash is claimed, it may then be distributed between funds with a JV document. This distribution should be made as soon as possible after July 1 since average daily balances in agency accounts are not affected for purposes of interest calculation until the distribution has final approval.

If you have any questions regarding this procedure, please contact the accounting section at the Treasury (303-866-4948) or your FAST field controller.

3.13 Compensated Absences Accrual

Under the requirements of GASB Statements No. 34 and No. 35 and GASB Interpretation No. 6, the liability for compensated absences is only a fund liability in the governmental funds if it is due and payable by June 30, 2011. The liability at June 30, 2011 (as computed below) is a fund liability for the proprietary and trust funds using full accrual accounting, but not for the governmental funds, which use modified accrual. The governmental funds will record their liability in Fund 471 less any payables recorded in the governmental fund at June 30.

Agencies may calculate their compensated absences balances at the end of periods 09 (March), 10 (April), or 11 (May) and make adjustments for material changes occurring through June 30. The salary amount used to calculate the liability must be the employee's salary at June 30. An averaging technique for a group of individuals may also be used when that calculation results in a reasonably accurate estimate.

The calculation of the compensated absences liability includes:

- The value of annual leave should be computed as the total days earned, but not taken, times the salary rate per day in effect at the close of the fiscal year. The annual leave accrual also includes the State share of PERA, FICA, or other retirement programs as appropriate. The PERA percentage is 16.55 percent of salary, except for state troopers and CBI agents for whom it is 19.25 percent, and Judicial Branch judges for which it is 17.36 percent. For employees hired after March 31, 1986, the state share of Medicare taxes of 1.45 percent of salary is added to the accrual.
- The value of the vested sick leave accrual should be computed as follows: 25 percent of the total number of sick leave days (not to exceed 45 days plus sick leave earned prior to July 1, 1988) earned but not taken by employees at the close of the accounting period, multiplied by the percentage of current employees covered by PERA that are expected to retire from state service, multiplied by the salary rate per day in effect at the close of the fiscal year. The actuarial percentage of current employees covered by PERA that are expected to retire from state service will not be known until April 2013 or later. This information will be communicated to agencies in an alert. The sick leave accrual does not include the state share of PERA, FICA, or other retirement plans since the state share is not paid out at retirement. For higher education employees who are covered by retirement programs other than PERA or FICA and who have vested sick leave retirement benefits, the employer should make a compensated absences accrual to assure that the appropriate liability is recorded per GAAP.

The increase or decrease (net change) to the compensated absence liability as of June 30, 2013, is recorded as follows:

- Funds using modified accrual (governmental funds):
- In Fund 471, record an increase in the compensated absences as:
  - A debit (Type 22 or 24) to 1810-Comp Absence - Annual Leave and 1820 - Comp Absence - Sick Leave, and
  - A credit to 2910 - LT Compensated Abs Liability - Annual Leave and 2920 - LT Compensated Abs Liability - S/L.

- In Fund 471, record a decrease in the compensated absences as:
  - A credit (Type 22 or 24) to 1810 - Comp Absence - Annual Leave and 1820 - Comp Absence - Sick Leave (this could result in an abnormal balance but that is allowable in Fund 471), and
  - A debit to 2910 - LT Compensated Absence Liability - Annual Leave and 2920 - LT Compensated Absence Liability - Sick Leave.
- In a governmental fund where the amount was payable at June 30, but not paid record as:
  - A debit (Type 22) to 1810 - Comp Absence - Annual Leave and 1820 - Comp Absence - Sick Leave, and
  - A credit to Type 02 - 2440 Current Compensated Absences
- Funds using full accrual (proprietary and trust funds):
- In the fund record an increase in the compensated absences as:
  - A debit (Type 24) to 1810 - Comp Absence - Annual Leave and 1820 - Comp Absence - Sick Leave, and
  - A credit to 2910 - LT Compensated Abs Liability - Annual Leave and 2920 - LT Compensated Abs Liability - S/L.
- In the fund record a decrease in the compensated absences as:
  - A credit (Type 24) to 1810 - Comp Absence - Annual Leave and 1820 - Comp Absence - Sick Leave, and
  - A debit to 2910 - LT Compensated Abs Liability-Annual Leave and 2920 - LT Compensated Abs Liability - S/L.

In all funds, including Fund 471, any portion of the liability that is current (expected to be paid in the next fiscal year) should be reclassified to Type 02 – 2440 Current Compensated Absences. This means that each agency is likely to have both current and long-term liabilities for compensated absences. If the current portion is estimated for the retirements to occur in the next year, the long-term liability will be the difference between the current portion and the total liability. Reasonable estimates should be used to allocate the liabilities between the current and long-term portions.

3.14 Prepaid Expenses and Consumable Inventories

Agency policies for recording prepaid expenses at June 30 should be reviewed and applied on a consistent basis from year to year. Prepaid expenses should be recorded if the amount is material and if the entire amount of the payment is attributable to the following year. If a significant and material portion of a payment is attributable to the following year, recording a prepaid expense for that portion should also be considered for recurring payments such as leases, dues, maintenance agreements, etc. Where the amount expensed from year to year is essentially the same, recording a prepaid amount may not be necessary. In all cases, "advance payments" should be closely reviewed to ensure that they are required by "contract terms" and are approved by the State Controller or delegee.

All agencies should record on their balance sheet at June 28 significant supplies or other consumable inventories. Significant for this purpose is defined as inventories totaling $100,000 or more per location. Agencies may record inventories under $100,000 at their discretion. However, agencies should be aware that increasing the threshold from a lower number to $100,000 requires expensing the difference against current budget. All inventories recorded on the balance sheet must be physically inventoried regardless of dollar amount (see inventory requirements below). If inventories under $100,000 are not included on the balance sheet, the

OSC does not require them to be inventoried. However, the agency may decide to conduct a physical inventory count for management purposes. In all cases, internal policies and procedures related to consumable inventories should be consistently applied from year to year, and the recorded balances of such inventories are subject to verification and audit.

Inventories greater than $100,000 per location must be inventoried annually. Recorded inventories less than $100,000 per location must be inventoried at least biennially. Estimates of changes in value should be booked in the year a physical count is not taken.

All inventories should be taken at year-end. However, if time or resources do not permit the taking of a physical inventory at year-end, it is permissible to take the inventory at the end of periods 09 (March), 10 (April), or 11 (May) and adjust for additions and withdrawals occurring from the date of the physical inventory until June 30.

Other inventory schedules may be established for perpetual inventories that are cyclical in nature. Physical counts of perpetual inventories may be taken on a prearranged schedule. This allows the physical counts for these inventories to be scheduled around the low point in the inventory stock cycle.

Agencies should notify the Office of the State Auditor in advance of all physical inventory counts. This may be done by providing an inventory schedule showing the dates and locations for planned physical inventory counts.

COFRS inventory module closing procedures:

Users of the COFRS inventory module (INV) have some unique aspects to their closing schedule. In addition to adhering to GAAP and physical inventory requirements regarding perpetual inventories, users of the INV module in COFRS need to follow these procedures.

1. All inventory documents for the fiscal year being closed must be accepted and open item tables (OSRH, OSRL, OSRC) must be completely closed. Scan the SUSF (Document Suspense Table) frequently for all open inventory documents that need further processing for year-end close. Any open inventory documents on SUSF, and/or on the INV05R (Outstanding Inventory Transactions Report), for the current fiscal year need to be processed. This includes all SR (Stock Requisitions) and their accompanying backorders, CI (Stock Issue Confirmations), OC (Over the Counter), (TI/TR) (Stock Transfer Issues and Stock Transfer Receipts), IA (Physical Inventory Adjustments)), and SN (Stock Return). Before approving any documents in June, please verify that the document date, accounting period, fiscal year and delivery date are valid for current year business only. No inventory documents can be outstanding after June 28. Inventory documents for the new fiscal year begin on July 1. Inventory documents, which do not match date criteria should reject and must not be approved. To help accomplish this, the following guidelines for document processing are *recommended*:

    a. Mid-June to last working day of June - Print copy of DocumentDirect report INV05R and process completely all open documents.

    b. 5th working day prior to June 30 - Last day to process SR documents.

    c. 3rd to last working day in June - Complete all open CI documents.

    d. 3rd to last working day in June - Use OC documents in place of SR documents for any ordering from a warehouse.

    <u>INV05R</u>

    The INV05R Report assists in year-end closing by listing all outstanding inventory Stock Requisitions and Stock Transfers. As of June 1, this report runs daily and will be available online in Document Direct. Please contact your Department Security Administrator if you need access to the INV05R report.

2. Inventory Freeze processes take a minimum of three days to complete, as outlined here:
   - Day One – Freeze Select of 1, 2, or 3 applied on the FREZ table. System must run overnight to begin physical inventory freeze process.
   - Day Two – INV68R1, 2 or 3 is printed and used for the physical count of items in inventory and totals then entered on the INVF table. INV70R, Physical Inventory Discrepancy Report, is printed to verify results entered on the INVF table. The FREZ table is then changed to remove freeze status and to post results of physical inventory to COFRS. System must run overnight to complete the physical inventory freeze process.
   - Day Three – Annual Physical Inventory Freeze process complete.

   Warehouses anticipating a longer than one day physical count of inventory items should adjust the minimum three day schedule accordingly to add additional counting days as necessary. Inventory module users should also take into consideration that the minimum three-day process does not take into account potential system or process malfunction.

   If a physical inventory is being conducted for a warehouse at year-end, the last recommended day to freeze an inventory for year-end adjustment is June 21. If there are questions regarding the details of how to post a physical inventory to the COFRS system or if the inventory discrepancy report needs to be rerun, please call the COFRS Service Desk at 303-764-7844. If you have questions regarding the details of how or when to conduct a physical inventory, please call your FAST field controller.
3. COFRS will run the regular nightly cycle process on the last working day of June. All entries made to the warehouses on this day will post to the general ledger and to the inventory ledger in that nightly cycle. Accounting personnel will be able to obtain the dollar value of the inventory by reading OLGL the next day.
4. On the last working day of June, COFRS will change the fiscal year field on the date table (DATE) for INV module transactions to read the new fiscal year account codes. COFRS will also reset the numbering scheme used for the CI documents on the job control language table (JCLT). If a change in the CI numbering scheme is required, please contact COFRS one week before this date with the changes.
5. At this point, users may change values on the WHSE table. These changes should be made July 1 before any INV transactions have been processed and accepted by COFRS for that particular warehouse for the new fiscal year.
6. The warehouses may then begin to enter and process all inventory transactions for the new fiscal year.

No matter when the physical inventory is taken, a clean cut-off at year-end is important. Problems may occur if items have been received and counted with the inventory prior to July 1, but the receiving report is not completed until after July 1. In this case, completion of the receiving report in the new fiscal year will add the value to the inventory in the new year when it was already added in the inventory adjustment in the year being closed. These types of difficulties come up because the inventory system “closes” for the fiscal year on June 28, while the accounting system remains “open” until final close. Pay particular attention to situations when the “three way match” is used in relationship to how the inventory system has recorded closing information.

One way to check to be sure that the cut-off is clean is to compare the value of the inventory at year-end in the inventory system to the value of the inventory in the general ledger. The value of the inventory may be obtained from INV40R for June 30; on the last page there is an extended value of the cost of the inventory. Compare this to the inventory accounting in the general ledger at year-end. These two balances should be close to the same amount. Large differences should be reviewed for possible adjusting entries.

3.15 Internal Control and Certification of Accounting and Reporting Systems

Certification of financial accounting and reporting systems is required on Exhibit I. Every agency within a department must be represented on an Exhibit I, but separate exhibits for each agency within a department are not required. Only one copy of Exhibit I needs to be submitted and is due on September 6. Be careful not to confuse the Exhibit I requirement with the reporting required under the Financial Responsibility and Accountability Act (CRS 24-17-101). See Chapter 5, Section 6.1 for the related Statement of Compliance due December 31.

3.16 Year-End Fund Balance Sweep Entries for Funds 100, 1EX and 461

The fiscal year-end sweep entries are generated automatically by COFRS and are processed shortly before Period 13 close. The purpose of the sweep is to ensure that agency year-end fund balances in funds 100, 1EX and 461 equal zero. The amount of the sweep entry for each agency will be the fund balance carried forward from the prior year (if any) plus the difference between revenues and expenditures in these funds. The entry will be a debit or credit to balance sheet account 3400 with the offset to the cash account 1100 and/or 1130. An equal and opposite entry will be made to agency 999 in the same fund. It is the intent of this process to prevent agencies from rolling forward fund balances and 1130 cash balances in funds 100, 1EX and 461. These entries will eliminate any negative cash position in the 1100 accounts caused by the absence of cash transfers to support general-funded expenditures. Agencies must manually include their portion of the sweep entry on any JA documents submitted during the OSC close that change revenue and/or expenditures in funds 100, 1EX or 461. As an example, an increase in Fund 100 expenditures would require an additional pair of entries - one that debits cash and credits fund balance in the agency, and the other, which will be prepared by the FAST, that credits cash and debits fund balance in agency 999 – Controller's Nonoperating Account. The amount of the sweep entry adjustment will be the difference between revenue and expenditures recorded on the entry. Because of the timing of these entries, there is the possibility that transactions processed during the OSC close will leave residual balances on COFRS that roll into the next fiscal year. Since the sweep process is designed to prevent meaningless balances from accumulating over time at the fund/agency level and is essentially for cosmetic purposes, no postclosing entries will be posted to correct errors in the sweep process occurring during the OSC close. Any balances related to such errors will simply be 'swept' in the subsequent year-end closing.

3.17 Interfund and Intrafund Transfers

Balancing of intra and interfund transactions is required for financial statement preparation at the statewide level. As in prior years, the OSC will produce transfer reports during the closing process to inform agencies of the status of their transfer transactions and efforts to balance those transactions. The transfer reports are available on the Financial Data Warehouse at: https://fdw.state.co.us in the section labeled "Diagnostic and OSC Reports". The use of the IT transactions by state agencies helps in ensuring the balancing of transfer accounts. However, there are some instances where the use of the IT transaction is not feasible and other instances where agencies are not using the IT transaction. The following information is provided to assist agencies in properly coding their transfer transactions. Communication between and within agencies is key to the consistent treatment of transfers and the balancing of all transfer accounts.

The OSC definition of a transfer is any payment from one state agency to another, or one fund to another, or one appropriated line item to another, which does not involve the exchange of money for goods or services, and which is generally of an involuntary nature and mandated by budget, statute, or administrative requirements. When goods or services are exchanged and the value received is commensurate with the value paid, then transfer accounts should not be used.

Transfers are most commonly used to move money from an agency or fund where it was properly earned as revenue to another fund or agency. For example, departmental indirect cost recoveries are often appropriated to fund administrative activities in a department. The original external revenue should be earned in the receipting agency, and the incoming transfer should be recorded by the other agency (e.g., central administration) to support its cash funded appropriation.

Subrecipient grant transactions with other state agencies should not be confused with transfers, and transfer accounts should not be used for these transactions. Disbursements to other state agencies for federal or state grants should be coded to object codes 5770 through 5776 with special attention paid to the intra/interfund nature of these object codes. Receipts of federal or state grants as a subrecipient from other state agencies should be coded to revenue source codes 7501-7523, 7526, 7530, 7540, 7541 or 7600-7631. Refer to Chapter 1, Section 3.5 for further information on identifying subrecipient relationships and the related accounting and reporting requirements.

The difference between intrafund and interfund transfers is defined at the statewide financial statement level. If two funds are presented in different columns in the combined or combining statements of the State CAFR then transactions between them are considered interfund. Conversely, transactions between funds presented in the same column of the combined or combining statements are considered intrafund transactions. Transactions between the expendable and nonexpendable funds within a permanent fund should be recorded as interfund even though they will be presented in a single column in the State CAFR.

The following table shows how COFRS funds will be grouped for intra/interfund transactions in FY13-14. Any transactions between funds within each category (cell) in the table below should be coded as intrafund. Any transactions between funds in different categories (cells) below should be coded as interfund transactions. ARRA funds (ARx) should be treated as the normal operating fund for purposes of intra/interfund determination, as also explained in the table footer. Note: This table can also be used to determine whether a receivable/payable or a federal/state grant to another state agency is considered intra or interfund.

FCAT	FUND CATEGORY NAME	COFRS FUNDS
	General Funds- General Purpose:	
G1	General Purpose Revenue Fund	100, 1EX
	General Funds- Special Purpose:	
G2	General Fund - Risk Management	11L, 11P, 11W
G3	General Fund - Restricted	106, 11F, 11Y, 12P, 14C, 14F, 14R, 156, 159, 16W, 16Y, 17E, 17L, 17P, 187, 18C, 193, 19V, 20U, 22A, 22B, 22C, 23F, 23V, 24G, 24Q, 24S, 253, 25C, 25D, 267, 26E, 26L, 27E, 27G,820, 860
G4	General Fund - Public Schools	113, 17H, 25F
G5	General Fund - Inventory	600
	Special Revenue Funds:	
R2	Highway Fund	400, 402, 404 thru 409, 414, 435, 437, 438, 715, 730, 731
R3	State Education Fund	440
R4	Labor Fund	136, 138 thru 140, 142, 143, 232 thru 234, 22Z, 260, 415 thru 417, 945
R5	Gaming Fund	13N, 19G, 19H, 19J, 19K, 21B, 21D, 24W, 274, 401
R6	Tobacco Impact Mitigation	11G, 11X, 13J, 13M, 13V, 14B, 14G, 15J, 15K, 17M, 18A, 18K thru 18N, 18P, 19F, 19S, 20H, 20J thru 20M, 20Q, 20R, 24E, 26R, 430, 434, 436, 765, 865
R8	Resource Extraction	12G, 12H, 152, 153, 15C, 15Q, 168, 170, 171, 18U, 18V, 19N, 211, 21C, 23C, 23D, 23E, 23H, 23M, 23R, 256, 25Z, 26W, 27F, 270, 424, 480 thru 493, 704, 744, 821, 829
R9	Resource Management	161, 163 thru 167, 16G, 16S, 209, 26P, 26S, 420, 750
RA	Environment and Health Protection	114, 116, 117, 119, 11S, 120 thru 124, 126 thru 128, 12A, 12K, 12R, 137, 13K, 14V, 14W, 14X, 14Z, 15A, 15D, 15L, 16K, 16L, 17C, 17R, 19R, 19T, 19W, 19Y, 19Z, 20B, 20Y, 20Z, 21L, 21M, 21Q, 21S, 224, 229, 22R, 22X, 23G, 23J, 23K, 23L, 23Q, 23Y, 23Z, 246, 249, 24A, 24L, 24T, 24V, 25J, 25S, 265, 266, 26A, 26Z, 275 thru 277, 279, 27A, 27B, 280, 284, 297, 334, 335, 403
RD	Unclaimed Property	22L, 823, 827, 832

FCAT	FUND CATEGORY NAME	COFRS FUNDS
RZ	Other Special Revenue Funds	101 thru 107, 109 thru 112, 115, 118, 11A, 11B, 11C, 11E, 11H, 11J, 11M, 11N, 11Q, 11R, 11T, 11V, 11Z, 125, 129, 12B thru 12F, 12J, 12L, 12M, 12Q, 12S thru 12Z, 131 thru 135, 13A thru 13H, 13L, 13P, 13R thru 13T, 13X, 13Y, 13Z, 141, 144 thru 149, 14A, 14D, 14E, 14H, 14J thru 14L, 14P, 14T, 14Y, 150, 151, 154, 155, 157, 15B, 15E, 15F, 15H, 15M, 15N, 15P, 15R, 15T, 15V thru 15Z, 160, 169, 16A thru 16F, 16J, 16M, 16N, 16P thru 16R, 16T thru 16V, 16X, 16Z, 174, 176 thru 179, 17A, 17B, 17D thru 17G, 17J, 17K, 17N, 17Q, 17S thru 17W, 17Y, 17Z, 180 thru 186, 188, 189, 18B, 18D, 18E, 18F, 18G, 18H, 18J, 18Q, 18R, 18S, 18W, 18Y, 18Z, 191, 192, 194 thru 199, 19A, 19B, 19C, 19D, 19E, 19L, 19M, 19P, 19Q, 19U, 200 thru 208, 20A, 20C thru 20E, 20N, 20P, 20S, 20T, 20V, 20W, 212 thru 219, 21A, 21E, 21F, 21J, 21K, 21N, 21P, 21R, 21T, 21V thru 21Z, 220thru 223, 225 thru 228, 22D , 22E, 22G, 22H, 22J, 22K, 22M, 22N, 22P, 22Q, 22S, 22U, 22V, 22W, 230, 231, 235 thru 239, 23A, 23B, 23N, 23S, 23T, 23U, 23W, 240 thru 245, 247, 248, 24B, 24C, 24D, 24F, 24H, 24J, 24K, 24N, 24P, 24R, 24U, 24Y, 24Z, 250 thru 252, 254, 255, 257 thru 259, 25A, 25B 25E, 25G, 25H, 25K, 25M, 25N, 25P, 25Q, 25R, 25T, 25V, 25W, 25Y, 261 thru 264, 269, 26B, 26C, 26D, 26F, 26G, 26H, 26J, 26K, 26M, 26N, 26Q, 26T, 26U, 26V, 26X, 271, 272, 278, 27C, 27D, 281 thru 283, 285 thru 296, 298, 299, 2WW, 419, 431, 432, 441 thru 443, 700, 713, 714, 716 thru 718, 722, 724 thru 726, 729, 732, 734, 740 thru 742, 745 thru 748, 760, 764, 811 thru 813, 815 thru 818, 822, 824 thru 826, 828, 907, 946, ARG, ARH
D1	Debt Service	450
C1	Capital Construction	461
C2	Special Capital Construction	12N, 22T, 25L, 273, 462, 463
	Permanent Funds:	
B1	State Lands Trust Nonexpendable	18T, 703, 851 thru 859, 866
B2	State Lands Trust Expendable	162, 705 thru 712, 733, 766
BY	Other Permanent Trusts NonExpendable	723, 850, 861, 862
BZ	Other Permanent Trusts Expendable	761 thru 763, 770
	Enterprise Funds:	
E1	Higher Education	3*xx* (398 Budget reporting only)
E2	Unemployment Insurance	21U, 23P, 24M, 25U, 26Y, 701, 702
E3	CollegeInvest	512 thru 514, 527, 528, 529, 531, 533
E4	Lottery Fund	503
E5	Parks and Wildlife Fund	16H, 172, 173, 175, 210, 21H, 22F, 410 thru 413, 418, 421 thru 423, 425, 426, 427, 428, 429, 433
E6	College Assist	501, 502, 511, 523, 524, 526
E7	State Fair Authority	510
E8	State Nursing Homes	505
E9	Correctional Industries	507
EA	Prison Canteens	506
EB	Petroleum Storage Tank	130

FCAT	FUND CATEGORY NAME	COFRS FUNDS
ET	Transportation Enterprise	536, 537, 538, 539
EZ	Other Enterprise	108, 504, 508, 509, 516, 517, 518, 519, 520, 521, 522, 525, 530, 534, 535, ARP, ARQ
	Internal Service Funds:	
I1	Central Services	601, 607
I3	General Government Computer Center	602, 613
I4	Telecommunications	603, 605
I5	Capitol Complex	610
I6	Transportation Internal Service.	606
I7	Public Safety Internal Service	612
I8	Administrative Courts	611
IZ	Debt Collection & Other	22Y, 604, 609
	Agency Funds:	
A1	Revenue Agency Funds	905, 914, 916 thru 928, 939, 940, 942, 944, 949, 951, 952
A2	Treasury Agency Funds	929 thru 938, 941, 943, 950, 953, 954
AZ	Other Agency Funds	900 thru 903, 906, 908, 909, 910, 911, 915, 947, 948, 955, 956
	Pension & Employee Benefit Trust Funds:	
P3	Group Benefits Plan	719, 91E, 91S
	Private Purpose Trust Funds:	
Z1	Treasurer's Private Purpose Trusts	801, 803, 804, 82A, 83A
Z2	College Savings Plan	515, 532, 545, 546
Z3	College Opportunity Fund	840
Z4	Multi-State Lottery Winners	806
ZZ	Other Private Purpose Trusts	15G, 721, 802, 805, 810, 830, 831
V1	Treasury Invest. Offset	995
Q1	Local Government	990
F1	General Full Accrual Account Group	471

Notes to the Fund Category Table: Fund 995, Treasury Investment Offset, and funds 990 and 991, Local Government, are not included in the statewide financial statements. Therefore, these funds are for memo entries only. Actual revenue, expense, and balance sheet entries must be made in other funds to be included in the statewide financial statements. Memo entries normally made into funds 990, 991, or 995 should not be made in any other funds because the entries would then be included in the statewide financial statements.

Any transactions *between funds in the SAME FUND CATEGORIES* (cell) in the table above should be coded as *INTRAFUND*. Any transactions between funds in DIFFERENT FUND CATEGORIES (cells) in the table above should be coded as INTERFUND transactions.

ARRA EXCEPTION TO INTER/INTRAFUND TRANSFER CODES: Activity in any ARx fund should be coded as if the activity were in a non-ARRA fund. For example, if your agency has activity in ARG because of ARRA, but would normally put the ARG activity in Fund 100, a transfer between ARG and Fund 100 would be coded as *INTRAFUND*, as if the transfer was Fund 100 to Fund 100. Transfers to/from any ARx fund should be viewed as activity to/from the non-ARRA fund structure.

Appropriations in the Long Bill are often based on an agency's receipt of funds from another agency or fund; these requirements to earn revenue are called annotations. The staff of the JBC expects to be informed of whether agencies earn revenue from the sources specified in the Long Bill. The OSC developed and implemented transfer codes to support reporting on Long Bill annotations and to facilitate balancing of the transfer accounts for financial reporting purposes. The coding is based on four alpha/numeric characters to allow for the many codes required by annotation reporting. Note the following about the coding system:

- First Character – Intrafund versus interfund is shown in the first character of the code – "A" for intrafund and "E" for interfund.
- Second Character – The budget attribute of the transfer is shown in the second letter of the code and is set up in pairs for each transfer type – cash-funded appropriations are represented by the first letter of the pair and reappropriated amounts are represented by the second letter of the pair. For example an "A" or "C" signifies a cash operating transfer and a "B" or "W" signifies a transfer budgeted in the reappropriated column. This requires that the selection of the proper transfer code always be dictated by the appropriation type of the agency or fund receiving the revenue. The OSC will revise or create new transfer codes to accommodate appropriation types as necessary.
- Third Character – The third character is always the other department involved in the transfer signifying which department money was received from or transferred to. When the transfer is internal to a department both the object and the revenue source code will use the exact same code. When a transfer is between departments, the code will be the same except for the third character.
- Fourth Character – The fourth character has no particular significance but is used to make the code unique for the annotation reporting process. Transfers that are not annotated should be reported in the generic internal codes established for each department.

The following table displays the coding scheme and lists the transfer types (second character):

First Character Intra or Interfund	**Second Character** Transfer Type	**Third Character** *OTHER* Department	**Fourth Character** Unique Transfer (Acct Name)
A (Intrafund)	A or C (Operating Trans. Cash)	A (Personnel)	A-(OT CS DPA INTERNAL) 31 & 22
			B-(OT CS DPA FM DEFFRD COMP.) 31 B-(OT CS DEFFRD COMP. TO DPA) 22
			C … etc.
		B (Agriculture)	Similar to above
		C (Corrections)…	Similar to above
	B or W (Operating Transfer Reappropriated)	A (Personnel)	A-(OT RE DPA INTERNAL) 31 & 22
			C-(OT RE DOL FM RISK MGMT) 31 C-(OT RE RISK MGMT TO DOL) 22
	D (Cash to Fund 100 – Shortfall – Related to FY02/FY03/FY04/FY05)	Repeat above	Similar to above
	E, F, & G (Cash to Fund 100 – Shortfall – Related to FY09/FY10/FY11)	Repeat above	Similar to above
	K (Student Fin. Aid Cash)	Repeat above	Similar to above
	L (Student Fin. Aid Reappropriated)	Repeat above	Similar to above
	M (HUTF Transfers Cash)	Repeat above	Similar to above
	N (HUTF Transfers Reappropriated)	Repeat above	Similar to above
	P (State Support Cash)	Repeat above	Similar to above
	Q (State Support Reappropriated)	Repeat above	Similar to above
	R (CMTF Cash)	Repeat above	Similar to above
	S (CMTF Reappropriated)	Repeat above	Similar to above
	T (Res. Equity Xfr Cash)	Repeat above	Similar to above
	U (Res. Equity Xfr Reappropriated)	Repeat above	Similar to above
	Y (Indirect Cost Cash)	Repeat above	Similar to above
	Z (Indirect Cost Reappropriated)	Repeat above	Similar to above
E (Interfund)	A or C (Operating Trans. Cash)	Repeat above	Similar to above
	B or W (Operating Transfer Reappropriated)	Repeat above	Similar to above
	(Categories similar to intrafund)	Repeat above	Similar to above
	Z (Indirect Cost Reappropriated)	A (Personnel)	A-(IC RE DPA INTERNAL) 31 & 22
		B (Agriculture)	Similar to above

Please refer to the current COFRS chart of accounts to identify the proper object and revenue source codes for individual transfer transactions. Note that residual equity transfers are no longer reported in the State CAFR; however, the transfer codes related to the residual equity transfer concept have not been deleted or changed. The codes were maintained to support existing coding by agencies, and the related balances will be presented with other interfund operating transfers.

3.18 Clearing Abnormal Balances and Clearing Accounts

Agencies should clear abnormal account balances and any balances in clearing accounts prior to Period 12 close on July 12. Abnormal account balances are identified on the OSC abnormal balance diagnostic report. Examples of clearing accounts are the Undistributed Charges codes 1583-1599 and Undistributed Receipts codes 2510 and 2520. This requirement in no way reduces the agency's responsibility to identify the proper distribution of amounts recorded in clearing accounts or accounts with abnormal balances.

3.19 Use of Account Type Codes 23 and 24

A careful review of COFRS general ledger reports such as GNL20R should be done to determine if these account types were used properly. Account type 23 is used when a payment is budgeted but the amount should be capitalized rather than impacting the GAAP operating statement. This account type is inferred when both the balance sheet code and appropriation code fields are filled on a PV. The result is that the debit appears on budgetary reports and tables as an expenditure, but the balance closes at year-end to the balance sheet account rather than to fund balance. Account type 23 and account type 01 balances are shown together on the GNL20R. Account type 24 codes result from JV documents where an expense/expenditure needs to be recorded for the operating statement but the item is not budgeted. Examples of appropriate use of this code are depreciation expense in proprietary fund types, bad debt expense as outlined in Section 3.5 of this chapter, and deferral of payroll and/or Medicaid expenditures related to the budgetary basis of accounting.

Higher education institutions only use account type 24 entries in funds 333 and 361, and otherwise should not use these account types. Because Higher education institutions are only reported for budgetary purposes through the postclosing process using Fund 398, there is no need for account types 23 and 24 that affect the budget in varying ways.

The following table summarizes the use and impact of account types 23 and 24.

ATTRIBUTE	ACCOUNT TYPE	
	TYPE 23	TYPE 24
Impacts GAAP Operating Statement	No	Yes
Obligates a Budget	Yes	No
Closes to an Asset Account	Yes	No
Closes to Fund Balance	No	Yes
Potential Applications	Proprietary fund-type budgeted capital purchases for year-end closeout to a capital asset account	Depreciation
	Budgeted loan disbursements for year-end closeout to a receivable account	Bad debt expense (see Chapter 3, Section 3.5)
		Payroll, OIT Purchased Services, and Medicaid Deferral/Reversal

3.20 Office of the State Controller Diagnostic Reports on the Financial Data Warehouse

The OSC produces diagnostic reports to assist you in ensuring that the year-end balances in your accounts and supplementary information is materially correct. For these reports to be useful, agencies must review them timely. The diagnostic reports are available on the Financial Data Warehouse (FDW) at: https://fdw.state.co.us.

The FDW is a web based reporting tool and contains the OSC diagnostic reports. The diagnostic reports in the FDW can be accessed by all state employees with the proper authorization. You can obtain access to the FDW by filling out the Security Request Form at: http://www.colorado.gov/dpa/dfp/sco/security.htm.

For more information regarding the Financial Data Warehouse, see Chapter 10, Section 2.

The diagnostic reports available on the FDW are run daily and may be viewed as needed by state agencies. The reports are updated nightly as part of the COFRS processing cycle and the FDW load cycle; therefore, the diagnostic reports related to the previous day's transaction should be available on the FDW when you arrive at work each day. During the time that two fiscal years or two fiscal periods are open on COFRS, the FDW Diagnostic Reports will always present the balances related to the older period. As a result no FY13-14 diagnostic reports will be available until after FY12-13 final close. Similarly, Period 4 Diagnostic Report balances will not be available until after Period 3 close. Additionally, period-end FDW reports are available.

The following table is a listing of the diagnostic reports available on the FDW.

FDW Report ID	Report Title	Agency Level
DGABN1A DGABN1D	Abnormal Balances	Agency Department
DGANN2A DGANN1D	Annotations Report	Agency Department
DGOEX1D	Budget-to-actual by Long Bill Group and Funding Source Code	Department
DGOEX3A	Budget-to-actual by Long Bill Group and Funding Source Code	Agency
DGOEX2C	Budget-to-actual by Long Bill Group and Funding Source Code	Agency Class
DGOEL1D	Budget-to-actual by Long Bill Line Item (Overexpended lines only)	Department Only
DGCCM1C	Capital Construction Expenditures Compared to Budget	Agency Class
DGCPE1C	Capital Project Expenditures Compared to Transfers To/From Plant Funds	H.E. Only
DGCOPSC	COPS - Cash Match Spending Notification	Agency Class (H.E. only)
DGXFR2NHE DGXFR3NHE	Interfund Transfers Intrafund Transfers	Department
DGXFR2HE DGXFR3HE	Interfund Transfers for Higher Ed Intrafund Transfers for Higher Ed	H.E. Only
DGMNO1D	Mandatory and Non-Mandatory Transfers Outside the System	H.E. only
DGGFA1D	Matching Object Codes Between Governmental Funds and GFAAG (471)	Department
DGUCH1A	Unchanged Balances	Agency
On the Financial Data Warehouse, diagnostic reports are available daily.		

The budget-to-actual (by funding source code) report cited in the table above is produced at three levels (department, agency, and agency class) to accommodate the varying methods of allocating budgets. If your department has only one agency indicator, your budget-to-actual report will only appear at the departmental level.

In addition to the diagnostic reports, the OSC will distribute the following reports after Period 12 close. When practicable, we will post the reports in the Financial Data Warehouse (in the section labeled "Diagnostic and OSC Reports").

- Unrealized Gains/Losses Report - This report provides agencies with information related to the gain or loss on the cash invested for state agencies by the State Treasurer. The report is only distributed to those agencies that prepare separately issued financial statements or request the information. The content of the report is also limited to those agencies that receive interest on the cash they deposit with the Treasurer. The balances in the report are based on Period 12 cash balances; it will be available in electronic format by July 17. Additionally, the report will distributed based on Period 13 cash balances, and that report will be the basis for the State financial statements. See Chapter 3, Section 5.17 for additional information about Period 12 versus Period 13 for the separately issued financial statements.
- Preliminary Exhibit Reconciling Balances - This report provides agencies and institutions with Period 12 COFRS balances related to exhibits C, D1, D2, F1, and W1 and W2 (reporting depreciation expense only), and Z. These exhibits are required to reconcile to both the current and long-term portions of liability balances on COFRS. The report is provided as a reminder and to aid in identifying year-end accounting entries necessary to properly classify liabilities between the long-term portion and the current portion (amounts due in the next fiscal year). The amounts presented are based on Period 12 closing data, and will be available by July 17 on the Financial Data Warehouse The report shows prior and current year balances for exhibits C, as well as current balances for the other exhibits on the report. Prior year balances include both Period 13 balances as well as any postclosing entries from the prior year. As this is a preliminary report, the balances presented on this report should not be used in completing the exhibit submissions. Final Period 13 balances must be used for that purpose, and reports providing that information will be distributed after the close of Period 13 as discussed below.

After the Period 13 final close, the OSC will distribute the following three reports in electronic format:

- Variance Analysis - This report identifies material year-to-year differences in line items by major fund on the statewide financial statements and shows agencies that contributed materially to those differences. The report compares the current year Period 13 balance with the prior year final audited balance including postclosing exhibits H. The OSC will distribute these reports via the Financial Data Warehouse by August 7. Agencies are required to review these reports and submit their explanation of the identified variances by August 14 to DPA_RAmailbox@state.co.us. Timely responses are essential to the preparation of the State financial statements. In addition, the variance analysis addresses an audit requirement at both the agency level and the statewide level. Your responses to this report should satisfy part of your auditor's request for an explanation of year-to-year changes in ending account balances. Your responses will also be used to explain year-to-year variances in the comparative financial statements required in the Management Discussion and Analysis and variances in the TABOR Schedule of Computations.

- Exhibit Reconciling Balances - This report provides agencies and institutions with COFRS balances that are required to reconcile to certain exhibits submitted to the OSC. The reconciling balances for exhibits C, D1, D2, F1, M, N1, R, W1, W2, and Z are included, as well as the five percent threshold for reporting concentration of credit risk on Exhibit N3. The amounts are based on final closing data, and the reports will be available on the Financial Data Warehouse by August 7. The report shows prior and current year balances for exhibits C, W1, and W2. Prior year balances include both Period 13 balances as well as any postclosing entries from the prior year. Agencies and institutions should proceed with preparing their exhibits and should use this report as a check to ensure that all COFRS balances have been included. As noted above, a preliminary version of this report will be provided after Period 12 for exhibits C, D1, D2, F1, and Z to aid with year-end accounting entries made to reclassify portions of long-term liabilities to current amounts due in the next fiscal year.
- Exhibit J Data Report – This report provides agencies in higher education institutions with a COFRS trial balance for their agency aggregated into the State CAFR financial statement line items. The report will be prepared by R&A and distributed by FAST in electronic spreadsheet format. Agencies outside of higher education that prepare proprietary fund financial statements may also request this report. This report is also available each time the diagnostic reports are produced for COFRS period closes. It is not available on the FDW at this time.

3.21 Changes to the COFRS Chart of Accounts

The chart of accounts in Appendix 2 should be used both for the FY12-13 closing and for coding transactions in FY13-14. An updated chart of accounts is continuously available on the Financial Data Warehouse. Proposed changes to the chart or related tables should be submitted to general Reporting and Analysis mailbox, DPA_RAmailbox@state.co.us, with Trevor Borgonah primarily being responsible for the changes (303-866-3468 or trevor.borgonah@state.co.us).

3.22 Reissuing Expired Warrants and Clearing the Expired Warrants Liability Account

CRS 24-30-202(9)(a) requires that the State Controller expire outstanding stale dated warrants annually and credit the General Purpose Revenue Fund (Fund 100) or if practicable the fund originally charged with the expense. Pursuant to CRS 38-13-112 all moneys for these expiring warrants, less federal amounts must be delivered to the Unclaimed Property administrator. Effective August 1, 2003, Senate Bill 03-062 mandated that outstanding warrants written on all funds are subject to the unclaimed property law and revert to the Unclaimed Property Fund upon expiration. Previously only outstanding warrants written on Fund 100 reverted to Unclaimed Property upon expiration. The warrant expiration process runs twice a year, in December and June. In June, activity must align with the year-end closing schedule.

All stale dated and outstanding warrants issued prior to July 1, 2012, that have not been canceled or reissued by June 28 will be expired. The moneys for these expiring warrants will be split between the original fund portion and the federal/exempt portion. An automated COFRS JA document will transfer the amount of the expiring warrant, less the federal/exempt portion, to Unclaimed Property and transfer the federal/exempt amount back to the agency.

On May 31 the Expired Warrants Table (EXPW) and the Expired Warrants Table by Agency (EXP2) within COFRS will be uploaded with detailed information about warrants scheduled for expiration. The warrant number and warrant date are displayed as well as payment voucher line detail. Agency, fund, appropriation code, grant budget line code, grant number and federal participation percentage, and amount are included for each line.

After the upload has occurred on May 31, agencies are required to review the EXPW or EXP2 table for all warrants. If any portion of the soon-to-be expired warrant was paid from federal funds or exempted funds, the federal/exempt amount must be entered in the federal/exempt amount field on the EXPW or EXP2 table prior to June 28, the date the expired warrant purge process takes place.

When the warrants expire on June 28 the identified federal/exempted amount of these warrants will be posted to balance sheet account 2751-CANCELED WARRANTS PRIOR YEAR. Agencies may reissue expired warrants from balance sheet account 2751 in accordance with procedures in Chapter 6, Section 1 until July 12.

Each agency is responsible for clearing balance sheet 2751 by the close of Period 12 on July 12. The amount of the federal/exempted funds transferred back to the agencies should be credited to the federal grant or exempt source.

3.23 Cancellation of Warrants Issued in FY12-13 and Canceled in FY13-14

All FY12-13 warrants received by the Central Accounting and Operations Section of the OSC after June 21 will be canceled in FY13-14. When the canceled warrant was originally issued, agencies may have debited accounting codes in FY12-13 that are no longer valid on COFRS for FY13-14. In order for the OSC to cancel these warrants and record the proper accounting entries required, agencies must identify the FY13-14 accounting codes to be used to restore these funds to the agency.

3.24 Capital Lease Accounting in Governmental Funds

Governmental accounting standards require special treatment of governmental fund capital leases as outlined in GASB Statement No. 62. The objective of the requirements is to show on the fund-level operating statement the source and use of funds related to the financing arrangement that resulted in the entity recording a capital asset and related lease liability on the government-wide financial statements. If an agency has questions regarding the classification of a lease, please refer to the Lease Classification Policy, which is available on the OSC website.

In the inception year of the lease, agencies should debit the appropriate object codes in the 63*xx* or 64*xx* series (Capital Property Lease Purchase) for the total value of the lease-purchased asset using account type 24. The use of account type 24 allows financial reporting of the transaction but avoids budgetary impact. The agencies should credit revenue source code 7200 (Future Capital Lease Payments) for an amount equal to the amount recorded in account type 24. The account type 24 expenditure and revenue source code 7200 are blocked from the OSC budgetary diagnostic reports. In the budget-to-actual financial statements, augmenting revenue will not be recognized for this nonbudgeted transaction. However, revenue source code 7200 does show as earned cash revenue on COFRS. Therefore, agencies should be careful when using COFRS tables or reports where they have earned revenue in source code 7200 that is recorded in the same funding source code as other earned cash revenue. The capital asset and related lease liability should be recorded in the General Full Accrual Account Group (GFAAG – Fund 471) in the same amount as was recorded in account type 24. This entry is part of the conversion to full accrual described below. If current or subsequent year lease payments are budgeted, record them as Type 22 expenditures in account 6810 (capital lease principal) and 6820 (capital lease interest).

Lease payments are normally recognized as expenditures in the year in which they are due. However, if debt service resources have been provided (that is, budgeted from general-purpose revenues or recognized augmenting revenue) during the current year for payment of principal and interest due early in the following year, the expenditure and related liability may be recognized in the fund and the principal amount removed from the General Full Accrual Account Group (GFAAG – Fund 471).

The accounting for leases recorded in governmental funds must be converted to the full accrual basis of accounting. Journal entries to convert to full accrual are done in the General Full Accrual Account Group (GFAAG – Fund 471). The OSC prefers (but does not require) that the conversion entries be made at the same time the lease accounting entries are made in the governmental fund. The capitalizable property purchase expenditure and other financing source recorded in the governmental fund at inception of the lease must be eliminated. In addition, the governmental fund expenditure related to lease principal payments must be converted to a reduction of lease liability. See Chapter 9, Section 2.5.2 for the journal entries demonstrating the conversion to full accrual for governmental fund lease accounting.

3.25 Closing a Fund and Fund Balance Accounting

If an agency needs to close a fund that has net assets, the fund should be closed using the object and revenue source codes for residual equity transfers or operating transfers. Under GASB Statement No. 34 residual equity transfers are no longer separately identified in the financial statements. However, the existing residual equity transfer codes have been preserved to allow agencies that routinely use these codes to continue that coding. The residual equity transfer codes will be presented as part of the other interfund transfer balances.

The entry in the fund to be closed will be a debit to object code EU*x*A. The credit will be to the asset, probably cash. Liabilities of the fund should be liquidated with assets of the fund or closed to the other fund. In the destination fund the entry will be a debit to the asset, probably cash, with the credit to revenue source code EU*x*A. Under the alpha transfer-coding format, both the transfer-out and transfer-in would be coded to EU*x*A (where the "*x*" is replaced by the department indicator letter of the department(s) involved in the transaction). Before the entries are made, it is important to be sure that all of the appropriate coding structure has been established in both of the funds. If you have questions about this process or have a deficit fund balance in a fund that you are closing, please contact your FAST field controller or R&A in the OSC.

State agencies should review their fund balance accounts annually to ensure that the classifications are current and valid. Prior to GASB Statement No. 54 many fund balance classifications were not used by the OSC, but were available for management use at the discretion of each agency. However, beginning in FY10-11 select fund balance are the basis for classifying fund balances into the appropriate category (see Chapter 3, Section 6.8). Any use of discretionary fund balance accounts cannot conflict with the requirements of GASB Statement No. 54, and if used, must be maintained. Any balances in discretionary accounts will be viewed by the OSC as 03-3400 F/B Unreserved Undesignated. The use of discretionary accounts has been common practice for account 03-3160 Reserved for Statutory Purposes. Although less common, some agencies continue to use 03-3800-Investment in General Fixed Assets. Note that GASB Statement No. 54 essentially eliminated the need for 03-3161 that was used for reservations of fund balance for purposes more restrictive than that of the fund.

State agencies frequently request approval of JA documents that are intended to correct prior year errors by adjusting balance sheet and fund balance accounts. Such adjustments require full disclosure in the State Comprehensive Annual Financial Report (CAFR), and under recently approved auditing standards are considered an indication of material weakness in internal control. Minimizing the need for and occurrence of such adjustments is important, and all adjustments to correct prior year errors that have been identified prior to Period 13 close should be posted to current operating statement accounts, rather than fund balance, unless they are material for disclosure as prior period adjustments in the State CAFR. You should apply professional judgment to determine whether an error correction is material for CAFR disclosure, and contact your FAST field controller if you are unsure.

3.26 Pay Date Shift

Senate Bill 03-197 (CRS 24-50-104) changed the pay date for salaries earned in the month of June from the last working day in June to the first working day in July. This applies to salaries paid to all state employees regardless of funding source. With the passage of House Bill 12-1246 (CRS 24-50-104), effective July 1, 2012, state employees paid on a bi-weekly basis are no longer part of the year-end pay day shift.

The legislation also changed the calculation of the General Purpose Revenue Fund (Fund 100) surplus to record salary expenditures against general-funded revenues upon payment of expenditures in July. This means salary expenditures related to the June payroll will be recorded against the FY13-14 budget for general-funded salary expenditures only. The legislation does not apply to salary expenditures funded by cash or federal sources accounted for in the General Purpose Revenue Fund (Fund 100).

Financial statements for the State must be prepared according to GAAP. Therefore, the monthly salary expenditures must be expended for financial statement reporting in FY12-13, but will be expended for budgetary reporting in FY13-14. The table below summarizes the effect of June salary expenses for financial statement and budget purposes.

Work Period	Schedule	Normal Pay Date	Revised Pay Date	GAAP	Budget
June 29-July 12	072	July 12	July 12	Posts to FY13	Leave in FY13
June 29 – June 30 Portion				Accrue in FY12 *if material*	
June 1-June 30	M06	June 28	July 1	Posts in FY12	Move GF to FY13

In order to accommodate the payroll disbursement on July 1, 2013, agencies using CPPS will record June payroll expenditures using the following process:

- The OSC will calculate a percentage of payroll object codes posted in COFRS that estimates the portion applicable to the monthly payroll based on prior year (FY2011-12) CPPS data. Two reports in the FDW are available to review the paydate shifted amounts during Period 12. These reports are named PAYS1 (Summarized Payroll Amounts) and PAYS2 (Summarized Payroll Amounts to be Rolled).
- Departments that redistribute payroll by using LDC or other in-house allocation programs should distribute the affected payroll in the same manner as they do the rest of the fiscal year. All distribution entries to redistribute payroll expenditures from the original payroll batch posting must be completed by July 10, 2013.
- COFRS, using an analysis of payroll expenditures (including account types 22 and 24) recorded as of July 10, 2013, will generate and post a JV document to allocate the payroll liability and related cash amounts allocated as monthly payroll in Fund 100, agency 998 back to the proper fund/agency combinations. This will record the proper liability amount in the applicable fund. The entry will be automatically reversed in FY13-14 to support the disbursement of pay on July 1. Payroll expenditure codes used to determine the liability entry include all state personnel system (SPS) and contractual salary and benefit codes including the new AED and SAED codes 1524, 1624, 1525, and 1625, with the exception of leave payout or leave conversion pay codes (1140, 1141, 1142, 1240, 1241, 1242). Other excluded codes include, client wages codes (1250, 1260, 1280), all other employee payment codes, (13*xx*), higher ed tuition reimbursements (1531, 1631), unemployment

compensation and workers compensation codes (1532, 1533, 1632, 1633, 1640), compensated absence codes (18*xx*), and all purchased services codes, (19*xx*).

- Given the process COFRS will use to allocate the June payroll liability and related cash, entries made to payroll expenditure codes recorded in Period 12 should only relate to June payroll expense. Any correcting entries for year-to-date payroll related expenditures through May 2013, should be processed in Period 11 or in Period 12 on either July 11 or July 12. Accruals related to the last day of June, which are required to be posted if material, should not be recorded on COFRS until Period 13.

For budgetary purposes, agencies are required to generate a journal voucher (JV document) to change the payroll expenditures for the general-funded portion of the monthly payrolls by crediting Type 22 expenditures and debiting Type 24 expenditures. The fund, agency, appropriation code, and object code must be included in this entry. Organization codes may be used if expense budgets are maintained, but are not required. For appropriation codes requiring a grant budget line (GBL), a dummy code should be established to keep the grant reporting clean. Federal draws should be completed as normal for June payroll expenditures.

- A budgetary adjusting entry based on estimated June payroll may be processed prior to the payroll posting in June, but must be adjusted to actual amounts by agency close on July 31.
- The budgetary adjusting JV document must be reversed in FY13-14, exactly as processed. Use of the reversal feature in the JV document should be used to avoid rekeying of the entry. The Long Bill line item needed to reverse the entry will be reestablished in FY13-14 even if it is not included in the agency's FY13-14 Long Bill. This is necessary for the correct reversal of the JV document. Agencies may move the payroll expenditures (Type 22), as necessitated by FY13-14 budget constraints. Do not move the Type 24 expenditures.
- For employees terminating service or retiring from state service effective June 30, 2013, GAAP require payments due and payable on the effective date of termination to be accrued. These types of expenditures should not be expended in July, even if processed through the payroll system in July.

Agencies not using CPPS:

- Monthly payroll related to June should not be disbursed until July 1, 2013.
- A liability for accrued payroll payable should be recorded as of June 30, 2013, and cleared on July 1.

Budgetary reports will not include account type 24 entries, nor will account type 24 expenses show on COFRS tables such as APPI. GNL reports will show account type 24 expenditures, but are summarized separately from the account type 22 expenditures.

3.27 OIT Purchased Services General Purpose Revenue Fund (Fund 100) Budgetary Shift

On July 1, 2010 many departmental information technology staff transferred to the OIT. To mitigate the normal budgetary impact of refinancing general-funded staff to cash-funded staff in FY10-11 and each fiscal year thereafter, House Bill 09-1367 allowed for the subsequent deferral of OIT service charges at the agency level for budgetary purposes. The amount of the deferral is based on the general-funded portion of the agencies' June 2010 payroll expense for the transferring staff. The impact on agencies is (was) as follows:

- Agencies communicated to the OIT the portion of salary for the transferred staff that was general-funded on June 30, 2010.
- For FY12-13 close, by June 30, 2013, and at each subsequent June 30, the OIT shall

work with agencies to determine the general-funded portion of the OIT costs. Agencies shall record an entry to defer its OIT costs (object codes 195x, 196x, 263x, 264x, 265x, or 2820) into the subsequent fiscal year, and communicate the deferral amount to the OIT by July 19. Similar to the pay date shift reversal, agencies shall generate a journal voucher (JV document) to change the OIT expenditures for the OIT identified portion of the billing by crediting account type 22 expenditures and debiting account type 24 expenditures. As with the general-funded pay date shift, the account type 22 and 24 reclassification entry must be reversed exactly in the following fiscal year.

Based on agency deferrals, the OIT will defer the same amount of expenditures and will submit an Exhibit H by August 21 to defer the revenue as an account type 32.

3.28 Refunds and Reimbursements – Credit to Expenditures

Based on Fiscal Rule 6-6, State agencies and institutions of higher education should record refunds or reimbursements to a revenue account (or accounts receivable if one was established by a credit to a revenue account) rather than a credit to expenditures. The only time a credit to the original expenditure is acceptable is if the refund or reimbursement is incidental, non-recurring, and for activities that involve a routine agency function. If refunds or reimbursements are received in a subsequent fiscal year, they should be credited to a non-augmenting revenue account (RSRC 83xx).

- If refunds or reimbursements of capital construction expenditures are received, they are treated as if they were received in the same fiscal year if received during the life of the project.
- If refunds or reimbursements of federal expenditures are received, they are treated as if they were received in the same fiscal year if received prior to award expiration and should be refunded to the awarding federal agency if received after the expiration of the award.
- If refunds or reimbursements for contracts or grants are received, they should be handled as stated in the term of the contract or the terms of the grant.

Please refer to Fiscal Rule 6-6 for specific guidance or call your FAST field controller.

CHAPTER 3: SECTION 4
FINANCIAL STATEMENTS

KEY DATES

September 6	Agency financial statements, Exhibit J, and Exhibit I due to the OSC.
September 20	Management Discussion and Analysis due to the OSC.

Financial statement requirements are different for higher education institutions than for non-higher education agencies. Requirements vary among non-higher education agencies. Following is a discussion of the financial statement requirements.

4.1 Higher Education Financial Statements

Financial statements required of higher education governing boards and/or institutions are discussed in Higher education Accounting Standard No. 17. One copy of these statements and related notes are to be sent to the OSC by September 6 along with Exhibit J (see Chapter 3, Section 5.17). The Management Discussion and Analysis that is part of the Basic Financial Statements should be sent to the OSC by September 20. Exhibit J should reconcile the COFRS Period 13 closing trial balance per GNL02R and GNL04R to the board or institution’s financial statements. The OSC prepares an electronic report, distributed via e-mail that provides the institution’s trial balance segregated into the State CAFR line items.

4.2 Non-Higher Education Agencies Financial Statements

COFRS generated financial statements, MCR01R - Comparative Balance Sheet and MCR02R - Statement of Revenue and Expense, meet the fiscal rule requirement for financial statement preparation for non-higher education agencies except for the following agencies that are required to prepare statements with full GAAP disclosures including Management Discussion and Analysis:

- State Fair Authority
- Legislative Department
- Gaming Division of the Department of Revenue
- Lottery Division of the Department of Revenue
- Colorado State Veteran’s Home at Homelake (Department of Human Services)
- Colorado Student Loan Program dba College Assist
- CollegeInvest
- Colorado High Performance Transportation Enterprise
- Colorado Bridge Enterprise

For the agencies listed above, one copy of financial statements and related notes are to be sent to the OSC by September 6 along with an Exhibit J (see Chapter 3, Section 5.17). Exhibit J shows the reconciliation of the COFRS Period 13 closing (August 2) balances to the agency’s financial statement line items. The Management Discussion and Analysis that is part of the Basic Financial Statements should be sent to the OSC by September 20.

Agencies not on the list above may prepare full GAAP disclosure statements and/or additional supplementary information if they believe that the information would be beneficial to management. These agencies are not required to submit an Exhibit J. However, all agencies are required to certify on Exhibit I that they have reviewed COFRS MCR01 and MCR02 reports and that the reports are materially correct (see Exhibit I in Chapter 3, Section 5.16). MCR01R and

MCR02R reports will be produced weekly by COFRS through Period 13.

4.3 Suggested PERA Pension Note Language

The following language is suggested for inclusion in the notes of any June 30 financial statements published for agencies or institutions of the State of Colorado. The language is only suggested and should be altered as necessary to reflect your particular situation, such as additional retirement or other postemployment benefits.

The amount contributed to the health care fund can be calculated as 6.52% (1.02/15.65) of the total contribution from July 1, 2012, through December 31, 2012, and the residual amount 93.48% (14.63/15.65) was contributed to the defined pension plan. From January 1, 2013 through June 30, 2013, these amounts changed to 6.16% (1.02/16.55) and 93.84% (15.53/16.55), respectively, to reflect the increased state contribution from 15.65% to 16.55% to include the increase in the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED), as discussed in the Funding Policy section of the PERA note below.

NOTE X. PENSION PLANS

A. PLAN DESCRIPTION

Some/Most/All of the department/institution’s employees participate in a defined benefit pension plan. The plan’s purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees’ Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the PERA Board of Trustees. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The state plan and other divisions’ plans are included in PERA’s financial statements, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting http://www.copera.org.

Non-higher education employees hired by the State after January 1, 2006 are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the State Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

Prior to legislation passed during the 2006 session, higher education employees may have participated in social security, PERA’s defined benefit plan, or the institution’s optional retirement plan. Currently, higher education employees, except for community college employees, are required to participate in their institution’s optional plan, if available, unless they are active or inactive members of PERA with at least one year of service credit. In that case they may elect either PERA or their institution’s optional plan. Community college employees hired after January 1, 2010, are required to become members of PERA and must elect either PERA’s defined benefit or defined contribution plan within 60 days, unless they had been a PERA member within the prior twelve months. In that case, they are required to remain in the PERA plan in which they participated previously.

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members (except state troopers) vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 – age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005 and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with any years of service.
- Hired between January 1, 2007 and December 31, 2010 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service. For members with less than five years of service credit as of January 1, 2011 age and service requirements increase to those required for members hired between January 1, 2007 and December 31, 2010.
- Hired between January 1, 2011 and December 31, 2016 – any age with 35 years of service, age 58 with 30 years of service, age 65 with 5 years of service.
- Hired on or after January 1, 2017 – any age with 35 years of service, age 58 with 30 years of service, or age 65 with 5 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.
- Hired between January 1, 2011 and December 31, 2016 – age 58 and age plus years of service equals 88 or more.
- Hired on or after January 1, 2017 – age 60 and age plus years of service equals 90.

State troopers and judges comprise a small percentage of plan members but have higher contribution rates, and state troopers are eligible for retirement benefits at different ages and years of service.

Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009, or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually in July after one year of retirement based on the member's original hire date as follows:

- Hired before July 1, 2007 – the lesser of 2 percent or the average of the monthly Consumer Price Index increases.
- Hired on or after January 1, 2007 – the lesser of 2 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after

January 1, 2007. (The reserve is funded by 1 percentage point of salaries contributed by employers for employees hired on or after January 1, 2007.)

- The upper limits on benefits increase by one-quarter percentage point each year when the funded ratio of PERA equals or exceeds 103 percent and declines by one-quarter percentage point when the funded ratio drops below 90 percent after having exceeded 103 percent. The funded ratio increase does not apply for three years when a negative return on investment occurs.

Members who are disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If there is no eligible child or spouse then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

B. FUNDING POLICY

The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly. Salary subject to PERA contribution is gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Most employees contribute 8.0 percent (10.0 percent for state troopers) of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan. Effective July 1, 2012, the temporary contribution rate increase of 2.5 percent for members in the State and Judicial Divisions to replace the 2.5 percent reduction in employer contributions effective for FY10-11 and 11-12 expired.

From July 1, 2012, to December 31, 2012, the State contributed 15.65 percent (18.35 percent for state troopers and 17.36 percent for the Judicial Branch) of the employee's salary. From January 1, 2013, through June 30, 2013, the state contributed 16.55 percent (19.25 percent for state troopers and 17.36 percent for the Judicial Branch). During all of FY12-13, 1.02 percent of the employees' total salary was allocated to the Health Care Trust Fund.

Per Colorado Revised Statutes, an amortization period of 30 years is deemed actuarially sound. At December 31, 2011, the division of PERA in which the State participates has a funded ratio of 57.7 percent and a 56 year amortization period based on current contribution rates. The funded ratio on the market value of assets is slightly lower at 57.6 percent.

In the 2004 and 2010 legislative sessions, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED requires PERA employers to pay an additional 0.5 percent of salary for calendar years 2006 and 2007, with subsequent year increases of 0.4 percent of salary through 2017, to a maximum of 5 percent (except for the Judicial Division whose AED contribution was frozen at the 2010 level).

In the 2006 and 2010 legislative sessions, the General Assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional one half percentage point of total salaries, for calendar years 2008 through 2017, to a maximum of 5 percent (except for the Judicial Division whose SAED contribution was frozen at the 2010 level). The SAED will be deducted from the amount otherwise available to increase State employees' salaries.

At a 103 percent funding ratio, both the AED and the SAED will be reduced by one-half percentage point, and for subsequent declines to below 90 percent funded both the AED and SAED will be increased by one-half percentage point. For the Judicial Division, if the funding ratio reaches 90 percent and subsequently declines, the AED and SAED will be increased by one-half percentage point.

Historically members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required, that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The department/institution's contributions to PERA and/or the state defined contribution plan for the fiscal years ending June 30, 2013, 2012, and 2011 were $x,xxx, $x,xxx, and $x,xxx, respectively. These contributions met the contribution requirement for each year.

NOTE XX. OTHER RETIREMENT PLANS

Defined Contribution Plan

The PERA Defined Contribution Retirement Plan was established January 1, 2006, as an alternative to the defined benefit plan. All employees, with the exception of certain higher education employees, have the option of participating in the plan. At July 1, 2009, the State's administrative functions for the defined contribution plan were transferred to PERA. New member contributions to the plan vest from 50 percent to 100 percent evenly over 5 years. Participants in the plan are required to contribute 8 percent (10 percent for state troopers) of their salary. The temporary contribution rate increase to 10.5 percent (12.5 percent for State Troopers) effective in Fiscal Years 2010-11 and 2011-12 expired on July 1, 2012. At December 31, 2011, the plan had 4,029 participants.

Deferred Compensation Plan

The PERA Deferred Compensation Plan (457) was established July 1, 2009, as a continuation of the State's deferred compensation plan which was established for state and local government employees in 1981. At July 1, 2009, the State's administrative functions for the 457 plan were transferred to PERA, where all costs of administration and funding are borne by the plan participants. In calendar year 2011, participants were allowed to make contributions of up to 100 percent of their annual gross salary (reduced by their 8 percent PERA contribution) to a maximum of $16,500. The reduction for the 8 percent PERA contribution reflects the expiration of the temporary contribution rate increase to 10.5 percent effective in Fiscal Years 2010-11 and 2011-12. Participants who are age 50 and older, and contributing the maximum amount allowable, were allowed to make an additional $5,500 contribution in 2010, for total contributions of $22,000. Contributions and earnings are tax deferred. At December 31, 2011, the plan had 17,821 participants.

NOTE XXX. VOLUNTARY TAX-DEFERRED RETIREMENT PLANS

PERA offers a voluntary 401k plan entirely separate from the defined benefit pension plan. The State offers a 457 deferred compensation plan and certain agencies and institutions of the State offer 403(b) or 401(a) plans.

NOTE XXXX. OTHER POSTEMPLOYMENT BENEFITS AND LIFE INSURANCE

Health Care Plan

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. The plan is a cost-sharing multiple-employer plan under which PERA subsidizes a portion of the monthly premium for health care coverage. The benefits and employer contributions are established in statute and may be amended by the General Assembly. PERA includes the Health Care Trust Fund in its Comprehensive Annual Financial Report, which may be obtained by writing PERA at PO Box

5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting http://www.copera.org.

After the PERA subsidy, the benefit recipient pays the balance of the premium through an automatic deduction from the monthly retirement benefit. Monthly premium costs for participants depend on the health care plan selected, the PERA subsidy amount, Medicare eligibility, and the number of persons covered. Effective July 1, 2000, the maximum monthly subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare and $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5 percent for each year less than 20 years.

Employees are not required to contribute to the Health Care Trust Fund, which is maintained by employer's contributions as discussed above in Note X B. Beginning July 1, 2004, state agencies/institutions are required to contribute 1.02 percent of gross covered wages to the Health Care Trust Fund. The department/agency/institution contributed $X,XXX, $X,XXX, and $X,XXX as required by statute in Fiscal Years 2012-13, 2011-12, and 2010-11, respectively. In each year the amount contributed was 100 percent of the required contribution.

The Health Care Trust Fund offers two general types of plans: fully-insured plans offered through health care organizations and self-insured plans administered for PERA by third party vendors. As of December 31, 2011, there were 50,217 enrolled participants, including spouses and dependents, from all contributors to the plan. At December 31, 2011, the Health Care Trust Fund had an unfunded actuarial accrued liability of $1.43 billion, a funded ratio of 16.5 percent, and a 49-year amortization period.

<u>Other Programs</u>

Refer to GASB Statements No. 43 and No. 45 for financial statement, note disclosure, and required supplementary information that must be presented for postemployment benefits (OPEB) other than the PERA Health Care Trust Fund. The information reported to the OSC on exhibits Y1 through Y4 are the basis for these presentations. Because the content of exhibits Y1 through Y4 dictate the presentation of OPEB information, no suggested OPEB note language is provided.

4.4 Financial Statement Line Item Account Groupings

Selected agencies and all higher education institutions are required to prepare financial statements and Exhibit J as specified in sections 4.1 and 4.2 of this chapter. The instructions for Exhibit J in Chapter 3, Section 5.17 refer to tables that list balance sheet accounts and operating statement accounts that comprise line items on the statewide financial statements. The tables on the following pages provide that information for the following basic financial statements:

- STATEMENT OF NET POSITION (Government-wide)
- BALANCE SHEET – GOVERNMENTAL FUNDS
- STATEMENT OF NET POSITION – PROPRIETARY AND FIDUCIARY FUNDS
- STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
- STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
- STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
- STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS

Agencies that prepare stand-alone financial statements should use the format and account groupings shown in the following tables. Higher education institutions may present additional detail in their financial statements; generally, that detail should consist of subsets of individual lines found in the following tables. In addition, higher education institutions may present operating expenses in the functional rather than natural object classifications.

As noted in the instructions, Exhibit J should be compiled so that all COFRS trial balance accounts that accumulate to a financial statement line item are grouped together and subtotaled at the financial statement line item level. Throughout the year and at year-end the OSC provides an electronic report (a spreadsheet distributed by e-mail) that lists agency accounts aggregated into financial statement line items. Adjusting, reclassifying, and presentation entries affecting a financial statement line item should also be subtotaled at the line item level.

As shown in the following tables, account 1348 - UNBILLED RECEIVABLES and account 1349 - ALLOWANCE FOR UNBILLED RECEIVABLES roll up into the "Student and Other Receivables" line on the statements. These accounts have been used primarily for management reasons (e.g., complying with an agreement not to bill an earned receivable). However, if management uses these accounts, please be aware that the OSC may require you to submit a postclosing entry. That entry would reclassify the unbilled receivables and the related allowance account so that the nature of the underlying receivable can be properly shown on the State financial statements.

The cash flow statement prepared under the direct method format is unique in that it requires assigning both balance sheet and operating statement accounts to line items. Some cash flows are unrelated to operating statement activities including:

- Purchase and sale/maturity of investments,
- Acquisition or disposal (at book value) of a fixed asset,
- Debt issuance and payments on principal,
- Lease principal payments,
- Receipts and disbursements of deposits held in custody or similar agency type activity.

Balance sheet accounts reported as cash on the financial statements (10*xx*, 11*xx*, 2000, and 2712) are excluded from the cash flow statement table below because they are the cash target that the cash flow statement attempts to identify by reporting the operating statement account balances as adjusted for balance sheet accounts. Compensated absences operating statement accounts and balance sheet account changes should net to zero. If they do not, the OSC reports the difference as a payment to or for employees. Accounts such as depreciation are included in the table even though they do not result in cash flows. This is done to ensure that the effect on the balance (e.g., fixed assets) where the change in cash is being measured is accurately represented. The depreciation recorded should offset the change in accumulated depreciation resulting in no cash flow reported.

If your agency records transactions in a proprietary fund, you may need to submit Exhibit V2 (see Chapter 3, Section 5.37). Higher education institutions are not required to submit Exhibit V2 because they are required to disclose noncash transactions on the cash flow statement exhibit (see Exhibit V1 in Chapter 3, Section 5.36).

Preparation of the direct method format cash flow statement is adversely affected by accounting shortcuts often used by state agencies. Therefore, agencies should observe the following requirements when entering proprietary fund-type transactions. These requirements do not apply to higher education, which is reporting as a special purpose government engaged solely in business-type activities.

- Agency fund-type accounting should not be done in proprietary funds. If you are holding and disbursing cash for another entity or fund (and therefore making no entries to operating statement accounts), the activity should be accounted for in an agency fund.
- Journal voucher type transactions (account adjustments) should not be done on documents involving cash, such as PVs, CRs, etc.
- When holding cash or disbursements on the balance sheet, for instance in deferred revenue or undistributed charges or receipts, the transaction that eventually distributes the receipt/disbursement should include an impact on cash. This will result in an equal debit and credit to cash with zero net impact on cash, but it will allow the OSC to identify the operating statement account impacted by the deferred cash accounting distribution.

STATEMENT OF NET POSITION – GOVERNMENT WIDE (Excludes Fiduciary Funds)	
Financial Statement Line Item	Accounts Included
ASSETS:	
CURRENT ASSETS:	
Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11*x*, 200*x*, 2712
Investments	12*xx*
Taxes Receivable, net	1310 thru 1329
Other Receivables, net	130*x*, 1330 thru 1344, 1347 thru 1349, 136*x*, 138*x*
Due From Other Governments	135*x*
Internal Balances	137*x*, 1390 thru 1394, 1396 thru 1399, 172*x*, 1730, 236*x*, 239*x*, 294*x*, 295*x*
Due From Component Units	1395
Inventories	14*xx*
Prepaids, Advances, and Deferred Charges	1500 thru 1539, 1581 thru 159B, PRLN, LDCR
NONCURRENT ASSETS:	
Restricted Cash and Pooled Cash	1034 and Cash and Pooled Cash of Restricted Funds
Restricted Investments	1634 and Investments of Restricted Funds
Restricted Receivables	1345, 1346, and External Receivables of Restricted Funds
Investments	1600 thru 1633, 1635 thru 1699
Other Long-Term Assets	1580, 170*x*, 171*x*, 1731 thru 1799, 1900 thru 1919, 193*x*, 1950 thru 1999, 2802, 2812, 2822, YYYY
Depreciable Capital Assets and Infrastructure, net	1801 thru 1814, 1816 thru 1856, 1858, 1859, 1861 thru 1871, 1873 thru 1879, 1890 thru 1899 (1881 thru 1886, 1888, 1889 for agencies other than HAA)
Non Depreciable Other Assets	1872
Land and Nondepreciable Infrastructure	1800, 1815, 1857, 1860, 1880, 1887, 1897 (1881 thru 1889 for agency HAA)
DEFERRED OUTFLOW OF RESOURCES:	
Deferred Outflow of Resources	192*x*
LIABILITIES:	
CURRENT:	
Tax Refunds Payable	2150
Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231*x*, 240*x*, 2410 thru 2414, 2416 thru 2439
TABOR Refund Liability	2415
Due to Other Governments	233*x*, 234*x*, 2351 thru 2359
Due to Component Units	2350
Deferred Revenue	25*xx*
Obligations Under Reverse Repurchase Agreements	2711
Accrued Compensated Absences	2440 thru 2499
Claims and Judgments Payable	230*x*
Leases Payable	2321, 2620
Other Postemployment Benefits	2680
Notes, Bonds, and COPS Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2679 2681 thru 2699
Other Current Liabilities	2370 thru 2389, 2700 thru 2710, 2713 thru 2799
NONCURRENT:	
Deposits Held in Custody For Others	297*x*
Accrued Compensated Absences	291*x*, 292*x*
Claims and Judgments Payable	287*x*
Capital Lease Payable	2820, 2823
Capital Lease Payable To Component Units	2825

Notes, Bonds, and COPS Payable	2800, 2801, 2803 thru 2811, 2813 thru 2819, 2821, 2824, 2826 thru 2849, 286*x*
Derivative Instrument Liability	285*x*
Due to Component Units	2980
Other Postemployment Benefits	288*x*
Other Long-Term Liabilities	293*x*, 296*x*, 2981 thru 2989, 299*x*
DEFERRED INFLOW OF RESOURCES:	
Deferred Inflow of Resources	194*x*

NET POSITION:	
Invested in Capital Assets, Net of Related Debt	18xx balances less (2321, 2620, 2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2699, 2800, 2801, 2803, 2804, 2808, 2809, 2814 thru 2816, 2819 thru 2829, 2830 thru 2869)
Restricted for Highway Construction and Maintenance	Identified by fund
Restricted for State Education	Identified by fund
Restricted for Unemployment Insurance	Identified by fund
Restricted for Debt Service	3220
Restricted for Emergencies	Specified in Statute (Recorded by the OSC)
Restricted - Permanent Endowment – Expendable	3230
Restricted - Permanent Endowment – NonExpendable	3240
Restricted – Court Awards and Other Purposes	3200 and other balances identified by fund
Unrestricted	Calculated as Residual Net Assets Not Restricted or Invested in Capital Assets

BALANCE SHEET – GOVERNMENTAL FUNDS	
Financial Statement Line Item	Accounts Included
ASSETS:	
Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11*xx*, 200*x*, 2712
Taxes Receivable, net	1310 thru 1329
Other Receivables, net	130*x*, 1330 thru 1344, 1347 thru 1349, 136x, 138x
Intrafund Receivables	1390 thru 1394, 1396 thru 1399, 1730 (Eliminated in postclosing entry after balancing by FCAT)
Due From Other Governments	135*x*
Due From Other Funds	137*x*, 172*x*
Due From Component Units	1395
Inventories	14*xx*
Prepaids, Advances, and Deferred Charges	1500 thru 1539, 1581 thru 159B, PRLN, LDCR
Restricted Cash and Pooled Cash	1034
Restricted Investments	1634
Restricted Receivables	1345 or 1346
Investments	12*xx*, 1600 thru 1633, 1635 thru 1699
Other Long-Term Assets	1580, 170*x*, 171*x*, 1731 thru 1799, 1900-1919, 193*x*, 1950 thru 1999, 2802, 2812, 2822, or YYYY
Capital Assets Held as Investments	1800 thru 1899 (Permanent funds only)
DEFERRED OUTFLOW OF RESOURCES:	
Deferred Outflow of Resources	192x
LIABILITIES:	
Tax Refunds Payable	2150
Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231x, 2400 thru 2414, 2416 thru 2439
TABOR Refund Liability	2415
Due to Other Governments	233*x*, 234*x*, 2351 thru 2359
Due to Other Funds	236*x*, 294*x*
Intrafund Payables	239*x*, 295*x* (Eliminated in postclosing entry after balancing by FCAT)
Due to Component Units	2350
Deferred Revenue	25*xx*
Obligations Under Reverse Repurchase Agreements	2711
Compensated Absences Payable	2440 thru 2499, 291*x*, 292*x*
Claims and Judgments Payable	230*x*, 287*x*
Leases Payable	2321, 2620, 2820, 2823,2825
Other Postemployment Benefits	2680
Notes, Bonds, COPs Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2679, 2681 thru 2699, 2800, 2801, 2803 thru 2811, 2813 thru 2819, 2821, 2824, 2826 thru 2849, 286*x*
Other Current Liabilities	2370 thru 2389, 2700 thru 2710, 2713 thru 2799, 2850, 288*x*, 293*x*, 296*x*, 2981 thru 2989, 299*x*
Deposits Held in Custody	297*x*
DEFERRED INFLOW OF RESOURCES:	
Deferred Inflow of Resources	194x

FUND BALANCE: *This is the anticipated classification based on the preliminary implementation approach for GASB Statement No. 54. See Chapter 3, Section 6.8.*	
Nonspendable:	
Inventories	14*xx*
Prepaid Expense	1500 thru 1507, 1530 thru 1537
Long-Term Loans Receivable	1762 thru 1764
Nonexpendable Permanent Funds	Funds 18T, 703, 723, 851 thru 859, 850, 861, 862, and 866
Spendable:	
Restricted	Fund/Agency combinations (see below), 3501
Committed	Residual default for other than the General Fund
Assigned	3601
Unassigned	Residual default for the General Fund
Fully Restricted Governmental Fund Balances - Agency Funds:	
AAA – 762, AEA – 21F	KAA – 115
CAA – 115	LAA – 146, 147, 148, 14P, 16B, 19A
DAA – 113, 440, 22A, 22B, DAC – 18C, 24Q	NAA – 115, 157, 252, 25V, 25W, 25Y, 747, 748, 946
EAA – 16T, EBB – 115, EDA – 115, 21K, EFA – 115, 179 thru 183, 223, EGB – 115, 23N	PAA 26P, PCA – 705 thru 712, 766, PKA – 270, 821, 829
Fxx – 115, FAA – 14W, 18M, 18N, 19F, 406, FEA – 14X, FLA – 18M, 18N, 19F	RAA – 700
GAA – 14Y, GCA – 725	TBA – 436, TGA – 24W, 401
HAA – 160, 17Z, 400, 402, 438	UHA – 15K, 18L, 18K, 23G, 25J, 436
IHA – 18R, IHH – 134, 135, 13S	WBA – 405, 406, 436, 705, WCA – 22B

STATEMENT OF NET POSITION – PROPRIETARY AND FIDUCIARY FUNDS		
Exhibit J Code	Financial Statement Line Item	Accounts Included
ASSETS:		
	CURRENT ASSETS:	
AA	Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11*xx*, 200x, 2712
AB	Short-Term Investments	12*xx*
AC	Taxes Receivable, net	1310 thru 1329
AD	Student and Other Receivables, net	130*x*, 1330 thru 1344, 1347 thru 1349, 136*x*, 138*x*
AE	Intrafund Receivables	1390 thru 1394, 1396 thru 1399, 1730 (Eliminated in postclosing entry after balancing by FCAT)
AF	Due From Other Governments	135*x*
AG	Due From Other Funds	137*x*
AH	Due From Component Units	1395
AI	Inventories	14*xx*
AJ	Prepaids, Advances, and Deferred Charges	1500 thru 1539, 1581 thru 159B, PRLN, LDCR
	NONCURRENT ASSETS:	
	Restricted Assets:	
BA	Restricted Cash and Pooled Cash	1034
BB	Restricted Investments	1634
BC	Restricted Receivables	1345, 1346
BD	Investments (By major type for fiduciary funds)	1600 thru 1633, 1635 thru 1699
BE	Due From Other Funds Long-Term	172*x*
BF	Other Long-Term Assets	1580, 170*x*, 171*x*, 1731 thru 1799, 1900-1919, 193*x*, 1950 thru 1999, 2802, 2812, 2822, YYYY
BG	Depreciable Capital Assets and Infrastructure, net	1801 thru 1814, 1816 thru 1856, 1858, 1859, 1861 thru 1871, 1873 thru 1879, 1881 thru 1886, 1888 thru 1896, 1898, 1899
BH	Land and Nondepreciable Infrastructure	1800, 1815, 1857, 1860, 1880, 1887, 1897
DEFERRED OUTFLOW OF RESOURCES:		
FA	Deferred Outflow of Resources	192*x*
LIABILITIES:		
	CURRENT LIABILITIES	
CA	Tax Refunds Payable	2150
CB	Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231*x*, 240*x*, 2410 thru 2414, 2416 thru 2439
CC	TABOR Refund Liability	2415
CD	Due to Other Governments	233*x*, 234*x*, 2351 thru 2359
CE	Due to Other Funds	236*x*
CF	Intrafund Payables	239*x*, 295*x* (Eliminated in postclosing entry after balancing by FCAT)
CG	Due to Component Units	2350
CH	Deferred Revenue	25*xx*
CI	Obligations Under Reverse Repurchase Agreements	2711
CJ	Compensated Absences Payable	2440 thru 2499
CK	Claims and Judgments Payable	230*x*
CL	Leases Payable	2321, 2620
CM	Other Postemployment Benefits	2680
CN	Notes, Bonds, COPs Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2679, 2681 thru 2699
CP	Other Current Liabilities	2370 thru 2389, 2700 thru 2710, 2713 thru 2799

LIABILITIES:		
	NONCURRENT LIABILITIES	
DA	Due to Other Funds	294*x*
DB	Deposits Held in Custody	297*x*
DC	Accrued Compensated Absences	291*x*, 292*x*
DD	Claims and Judgments Payable	287*x*
DE	Capital Lease Payable	2820, 2823
DF	Capital Lease Payable to Component Unit	2825
DG	Noncapital Debt Payable (presented with Notes, Bonds, COPs Payable)	2805 thru 2807, 2810, 2811, 2813, 2817
DH	Notes, Bonds, COPs Payable	2800, 2801, 2803, 2804, 2808, 2809, 2814 thru 2819, 2821, 2824, 2826 thru 2849, 286*x*
DI	Derivative Instrument	285*x*
DJ	Due to Component Units	2980
DK	Other Postemployment Benefits	288*x*
DL	Other Long-Term Liabilities	293*x*, 296*x*, 2981 thru 2989, 299*x*
DEFERRED INFLOW OF RESOURCES:		
FB	Deferred Inflow of Resources	194*x*
NET POSITION:		
	Invested in Capital Assets, Net of Related Debt	18*xx* balances less (2800, 2801, 2803, 2804, 2808, 2809, 2814 thru 2816, 2818, 2819, 2820, 2821, 2823 thru 2869)
	Restricted for Unemployment Insurance	Net Assets of Unemployment Insurance Fund
EG	Restricted for Debt Service	3220
EE	Restricted for Emergencies	Postclosing Entry
EH	Restricted - Permanent Endowment – Expendable	3230
EI	Restricted - Permanent Endowment – NonExpendable	3240
EF	Restricted – Other Externally Restricted	3200
	Unrestricted	Calculated as Residual Net Assets Not Restricted or Invested in Capital Assets
	Held in Trust for:	
	Pension/Benefit Plan Participants	Residual Balance By Fund Type
	Individuals, Organizations, and Other Entities	Residual Balance By Fund Type

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
REVENUES:		
Taxes:		
Individual & Fiduciary Income	31	2200 thru 2599, 2800 thru 2999
Corporate Income	31	2600 thru 2799
Sales and Use	31	0000 thru 1399
Excise	31	1400 thru 2199
Other Taxes	31	3000 thru 3900, 3905 thru 4199
License, Permits, Fines	31	3901 thru 3904, 4200 thru 4399, 5500 thru 5859, 5862 thru 5899
Charges for Goods and Services	31	4400 thru 5499, 6602
Rents	31	6100 to 6499
Investment Income (Loss)	31	59*xx*, 60*xx*
Federal Grants and Contracts	31	7400 thru 7599, 79*xx*
Permanent Fund Additions	31	9525, 9527
Other Revenues	31	6600, 6601, 6603 thru 6999, 73*xx*, 7600 thru 7899, 8000 thru 8800, 8801, 8802, 9400 thru 9524, 9526, 9528 thru 9999
EXPENDITURES: (See agency grouping by function at the bottom at this table.)		
General Government	22, 24	Agency group 1 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Business, Community & Consumer Affairs	22, 24	Agency group 2 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Education	22, 24	Agency group 3 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Health & Rehabilitation	22, 24	Agency group 4 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Justice	22, 24	Agency group 5 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Natural Resources	22, 24	Agency group 6 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Social Assistance	22, 24	Agency group 7 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Transportation	22, 24	Agency group 8 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999 (plus 231*x* and 7520 for CDOT Funds 400 and 471 only)
Capital Outlay	22, 24	61*xx*, 62*xx*, 63*xx*, 64*xx*, 6501 thru 6599, 66*xx*, 23*xx*
Intergovernmental Cities	22, 24	511*x*, 541*x*, 551*x*, 561*x*
Intergovernmental Counties	22, 24	512*x*, 542*x*, 552*x*, 562*x*
Intergovernmental School Dist.	22, 24	517*x*, 547*x*, 555*x*, 567*x*
Intergovernmental Special Dist.	22, 24	518*x*, 548*x*, 556*x*, 568*x*
Intergovernmental Federal	22, 24	543*x*, 563*x*
Intergovernmental Other	22, 24	5130 thru 5169, 5190 thru 5409, 5440 thru 5469, 5490 thru 5509, 5530 thru 5549, 5570 thru 5609, 5640 thru 5669, 5690 thru 5769
Debt Service	22, 24	67*xx*, 68*xx* for all funds except Fund 450, (0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999 for Fund 450)

OTHER FINANCING SOURCES/USES:		
Operating Transfers-In	31	E*xxx*
Operating Transfers-Out	22, 24	E*xxx*
Intrafund Transfers-In	31	A*xxx* (Balanced with transfers-out at the fund category level and not shown on the financial statements)
Intrafund Transfers-Out	22, 24	A*xxx* (Balanced with transfers-in at the fund category level and not shown on the financial statements)
Face Amount of Bonds/COPs Issued	31	700*x*, 710*x*, 7120 thru 7199
Bond/COP Premiums/Discounts	31	701*x*, 711*x*
Capital Lease Proceeds	31	72*xx*
Sale of Capital Assets	31	65*xx*
Insurance Recoveries	31	5860, 5861
Debt Refunding Proceeds	31	7020 thru 7099
Debt Refunding Payments	22, 24	8000

AGENCY GROUPING BY FUNCTION	
Functional Group	Agencies
General Government	99*x*, A*xx*, BWH, EAA, EBA, EC*x*, EG*x*, ESA, M*xx*, OAA, OCA, TAA, TBA, W*xx*
Business, Community, Consumer Affairs	BAA, EBB, ED*x*, EEA, EFA, KAA, NAA, SAA thru SCA, SEA thru SLA, TFA, TGA, V*xx*
Education	D*xx*, G*xx*
Health and Rehabilitation	F*xx*, IHH, IHM, IIA thru IJD, IL*x*, TCA
Justice	C*xx*, IKA, J*xx*, LAA, RAA, SDA
Natural Resources	P*xx*
Social Assistance	EHA, IHA, OBA, UH*x*
Transportation	H*xx*

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ALL PROPRIETARY FUND TYPES			
Exhibit J Code	Financial Statement Line Item	Type	Accounts Included
OPERATING REVENUES:			
JA	Unemployment Insurance Tax	31	3800, 3801, 3802
JB	Licenses and Permits	31	4200 thru 4399
JC	Tuition and Fees	31	48*xx*, 49*xx*, 5000, 5002 thru 5049, 5052 thru 5059, 5070 thru 5099
JD	Scholarship Allowance – Tuition/Fees	31	5050, 5051
JE	Sales of Goods and Service	31	4400 thru 47*xx*, 5001, 5100 thru 5449, 5452 thru 5499
JF	Scholarship Allowance – Sales of Goods and Service	31	5450, 5451
JG	Investment Income (Loss)	31	5904, 5905, 5909 (5900 thru 6099 for fund categories E3, E6)
JH	Rental Income	31	6420, 6421, (6100 thru 6499 for fund categories E7, EZ, and I5)
JI	Gifts and Donations	31	6604
JJ	Federal Grants and Contracts	31	7400 thru 7429, 7431 thru 7469, 7480 thru 7529, 7531 thru 7539, 7550 thru 7599, 79*xx* for funds where federal grants are related to the core purpose of the fund.
JK	Intergovernmental Revenue	31	7700 thru 7729, 7731 thru 7769, 7771 thru 7799, 8000 thru 8200
JL	Other Revenues	31	7000 thru 7399, 7600 thru 7629, 7632 thru 7699, 7800 thru 7829, 7831 thru 7899, 8201 thru 830*x*, 8312 thru 8399, 9400 thru 9524, 9526, 9528 thru 9999
EXPENSES:			
KA	Salaries and Fringe Benefits	22, 24	1*xxx*
KB	Operating and Travel	22, 24	2000 thru 4110, 4112 thru 4129, 414*x*, 4161 thru 4909, 4911 thru 5109, 5700 thru 6699, 7520, 9*xxx*
KC	Cost of Goods Sold	22, 24	4910
KD	Depreciation and Amortization	22, 24	4130
KE	Intergovernmental Distributions	22, 24	5110 thru 5554, 5556 thru 5699 (except Lottery)
KF	Debt Service	22, 24	4150, 4151, 6700 thru 7109 (fund categories E3 and E6 only – CollegeInvest and College Assist)
KG	Prizes and Awards	22, 24	4111, 4160

NON-OPERATING REVENUES AND EXPENSES:			
LA	Taxes	31	1000 thru 3799, 3900 thru 4199
LB	Fines and Settlements	31	5500 thru 5859, 5870 thru 5899
LC	Investment Income (Loss)	31	5900 thru 5903, 5906 thru 5908, 5910 thru 6099 (not included in operating revenues)
LD	Rental Income	31	6100 thru 6419, 6422 thru 6499 (not included in operating revenues)
LE	Gifts and Donations	31	6600, 6602, 6605, 6608, 6618 thru 6999
LF	Federal Grants and Contracts	31	7400 thru 7429, 7431 thru 7469, 747*x*, 7480 thru 7529, 7531 thru 7539, 754*x*, 7550 thru 7599, 79*xx* for funds where federal grants are not related to the core purpose of the fund, such as, internal service funds.
LG	Intergovernmental Distributions	22, 24	5555, (5110 thru 5699 for Lottery only)
LH	Gain/Loss on Sale or Impairment of Capital Assets	31	65*xx*, 5860, 5862 to 5869
LI	Insurance Recoveries from Previous Years	31	5861
LJ	Debt Service	22, 24	415*x*, 6700 thru 7109
LK	Other Expenses	22, 24	8*xxx*
LL	Other Revenue	31	8310, 8311
CONTRIBUTIONS AND TRANSFERS:			
MA	Capital Contributions	31	6603, 6606, 6607, 6609 thru 6617, 7430, 7530, 7630, 7631, 7730, 7770, 7830, 88*xx*
MB	Additions to Permanent Endowment	31	6601, 9525, 9527
MC/MD	Special and Extraordinary Items	22, 24, or 31	Postclosing entry from exhibit (requires both accounting entry and explanation)
ME	Operating Transfers-In	31	E*xxx*
MF	Operating Transfers-Out	22, 24	E*xxx*
MG	Intrafund Transfers-In	31	A*xxx*
MH	Intrafund Transfers-Out	22, 24	A*xxx*

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Tuition, Fees, and Student Loans	01	1332, 1335
	31	4801 thru 5059, 5062 thru 5099
Fees for Service	01	1330, 1331 (except Lottery), 1333, 1334 (except Lottery), 1336, 1337, 134*x*, 1351, 1352, 1354, 1583 thru 1589, 1596, 1597, 1599, (1335 for Transportation Enterprise and Central Services only), (1350 for Information Technology only), (1370 for Admin Courts, State Nursing Homes, Public Safety, and Information Technology only), (1362 and 1762 for CollegeInvest Fund 514 only)
	02	2501 for State Fair and Information Technology only, 250A for Central Services only
	22, 23, 24	412*x*
	31	4225 thru 4249, 4251 thru 4299, 4303, 4304, 4311, 4400 thru 4800, 5060 thru 5214, 54*xx*
Sales of Products	31	5300 thru 5399
	01	1338 thru 1341, 1350, 1359, 1370 thru 1389, (1334 for Lottery only), (1342 for Prison Canteen only)
	02	2501 for Correctional Industries and Lottery only
Gifts, Grants and Contracts	31	6602, 6604, 7400 thru 7429, 7450 thru 7526, 7540, 7541, 7600 thru 7629, 7700 thru 7729, 7750 thru 7769, 7800 thru 7829, 7901 thru 7999, 8340
	01	1353, 1355 thru 1358, 1395 thru 1399, (1350 for HE only)
	02	2500, (2333 for College Assist only)
Loan and Note Repayments	01	Credits (with cash offsets) to 1360 thru 1365, 1762 thru 1799, (1342, 1345, 1346 for CollegeInvest Fund 513 only), (1370 for CollegeInvest only), (Exhibit V adjustment provided by HE and CollegeInvest)
	02	2990 for CollegeInvest in Funds 512 and 513
	22	4270 thru 4300
	31	5904, 5905, 5909 thru 5929, (8330 for CollegeInvest Fund 513 only)
Unemployment Insurance Premiums	31	3800, 3801, 3802 and Other Sources for Unemployment Insur. only.
	01	1334 Unemployment Insurance only
	02	2330 Unemployment Insurance only
Income from Property	01	1366 thru 1367, (1342, 1370 for Capitol Complex only)
	31	6100 thru 6499
Other Sources	31	0000 thru 3903 thru 4224, 4226, 4250 thru 4302, 4305 thru 4310, 4312 thru 4399, 5215 thru 5299, 5500 thru 5899, 6700 thru 6999, 73*xx*, 8000 thru 8399, 9400 thru 9999
	01	1310 thru 1329, 1390 thru 1394, 1720 thru 1761 (1331 Lottery only)
	02	2390 thru 2399, 2501 thru 2599 (except Lottery), 295*x*
Cash Payments To or For:		
Employees	22, 23, 24	0000 thru 1531, 1610 thru 1631, 1890 thru 1909, 4240 thru 4259, (1910 for CollegeInvest only)
	01	1502, 1590 thru 1594, LDCR, PRLN

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
	02	2201 thru 2299, 2400 thru 2409, 2680 and 2880 except CSU, 293*x*
Suppliers	22, 23, 24	1532 thru 1609, 1632 thru 1809, 1910 thru 2309, 2680 and 2880 (CSU only), 2510 thru 4104, 414*x*, 4180 thru 4239, 426*x*, 4301 thru 5109, 5894
	31	(8301, 8309 for CollegeInvest Fund 512 only)
	01	1400 thru 1501, 1503 thru 1529, 1598, 159B, 1700 thru 1709, (1336 for CollegeInvest only), (1342, 1391 for CollegeInvest Funds 512 and 514 only)
	02	2001 thru 2149, 2310 thru 2314, 2350 thru 2389, 2410 thru 2414, 270*x*, 294*x*, 296*x*, 298*x*, (2333, 2391 for CollegeInvest), (2990 for HE and CollegeInvest in Fund 514 only)
Sales Commissions & Lottery Prizes	22, 23, 24	416*x*
	01	1342 Lottery only
	02	2716 thru 2732, (2333 Lottery only)
Unemployment Benefits	22, 23, 24	5895 and for Unemployment Insurance only – balance normally reported in payments to employees and suppliers.
Scholarships	22	5892, 5896, ABGL
Others for Student Loans, and Loan Losses	22, 23, 24	4270 thru 4300, (Exhibit V adjustment provided by HE and CollegeInvest), (4105 thru 4119, 4150, 4151, 417*x*, 5770 thru 5891, 5893, 5897 thru 6109, 7520, 811*x*, 8130 thru 9999 for College Assist only)
	01	Debits (with cash offsets) to 1360 thru 1363, 1762 thru 1799, (1342, 1345, 1346, for CollegeInvest Fund 513), (1370 for CollegeInvest), (Exhibit V adjustment provided by HE and CollegeInvest)
	02	(2990 for CollegeInvest Funds 512 and 513), (2420 for College Assist only)
Other Governments	22, 23, 24	5110 thru 5554, 5560 thru 5769 (except Lottery)
	02	2330 thru 2349 (except Lottery)
Other	22, 23, 24	4105 thru 4119, 4120 (College Assist only), 4150 (Parks and Wildlife and College Assist only), 4151 (College Assist only), 417*x*, 5770 thru 5891, 5893, 5897 thru 6109, 7520, 811*x*, 8130 thru 9999, 4120, 4151 (College Assist only),
	01	1530 thru 1579
	02	2150 thru 2200, 230*x*, 2415 thru 2419, 243*x*, 2710, 2711, 2713 thru 2717, 2740 thru 2799, 287*x*, 299*x*
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-In	31	E*xxx*
Transfers-Out	22, 23, 24	E*xxx*
Receipt of Deposits Held in Custody	02	Credits (with cash offsets) to 273*x*, 297*x*, (Exhibit V adjustment provided by HE and CollegeInvest)
Release of Deposits Held in Custody	02	Debits (with cash offsets) to 273*x*, 297*x*, (Exhibit V adjustment provided by HE and CollegeInvest)
Nonexchange Gifts – Not for Capital Purposes	31	6600, 6601, 6605
Intergovernmental Distributions	22, 23, 24	5555 thru 5559, (5110 thru 5769 Lottery only)
	02	2330 thru 2349, 2360 for Lottery only
Intrafund Transfers (should net to 0)	31	A*xx*x

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
	22, 23, 24	A*xxx*
Noncapital Debt Proceeds	02	Credits (with cash offsets) to 2323 thru 2329, 261*x*, 263*x*, 2807, 2810 thru 2812, 283*x*, (1711, 2420, 2600, 2805, and 2806 for CollegeInvest Fund 513 only), (Exhibit V adjustment provided by HE and CollegeInvest)
	01	1711 for CollegeInvest Fund 513 only
	22,23,24	4150 and 6720 for CollegeInvest Funds 512 and 513 only, 6720 and 6730 for Nursing Homes only

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
Noncapital Debt Service Payments	02	Debits (with cash offsets) to 2323 thru 2329, 261*x*, 263*x*, 2807, 2810 thru 2812, 283*x*, (Exhibit V adjustment provided by HE and CollegeInvest)
	22, 23, 24	415*x*, 6710 thru 6729, 8000 thru 8109, (812*x* for CollegeInvest and College Assist only)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	01	Debits (with cash offsets) to 1580 thru 1582, 1595, 159A, 18*xx*, (Exhibit V adjustment provided by HE and CollegeInvest)
	02	2315 thru 2319, 2321, 262*x*, 2640 thru 2699, 282*x*, 2840 thru 2869
	22, 23, 24	2310 thru 2509, 4130, 6110 thru 6709
	31	6504, 6607 thru 6699, 72*xx*, 88*xx*
Capital Contributions	31	EBGD/8800 where cash is transferred (Exhibit V adjustment provided by HE and CollegeInvest)
Capital Gifts, Grants, and Contracts	31	6603, 6606, 7430 thru 7449, 7530, 7630 thru 7699, 7730 thru 7749, 7770 thru 7799, 7830 thru 7900
Proceeds from Sale of Capital Assets	01	Credits (with cash offsets) to 1580 thru 1582, 1595, 159A, 18*xx*, (Exhibit V adjustment provided by HE and CollegeInvest)
	31	65*xx*, except 6504
Capital Debt Proceeds	02	Credits (with cash offsets) to 2320, 260*x*, 2800 thru 2806, 2808, 2809, 2813, 2814, 2817 (Exhibit V adjustment provided by HE and CollegeInvest)
	01	Credits (with cash offsets) 171*x*
	22	6730 thru 6809
	31	7000 thru 7119
Capital Debt Service Payments	02	Debits (with cash offsets) to 2320, 2322, 242*x*, 260*x*, 2800 thru 2806, 2808, 2809, 2813 thru 2816, (Exhibit V adjustment provided by HE and CollegeInvest)
	01	Debits (with cash offsets) to 171*x*
	22, 23, 24	415*x*, 671*x*, 672*x*, 8000 thru 8109, 812*x*, (except College Assist and CollegeInvest)
Capital Lease Payments	02	Debits (with cash offsets) to 2321, 262*x*, 282*x*, (Exhibit V adjustment provided by HE and CollegeInvest)
	22, 23, 24	6810 thru 7109
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest/Dividends on Investments	01	130*x*
	31	5900 thru 5903, 5906 thru 5908, 5930 thru 5999, (5904, 5909 for CollegeInvest Fund 514 only)

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
Proceeds from Sale/Maturities of Investments	01	Credits (with cash offsets) to 12*xx*, 16*xx*, (Exhibit V adjustment provided by HE and CollegeInvest)
	31	60*xx* (except 6050)
Purchase of Investments	01	Debits (with cash offsets) to 12*xx*, 16*xx*, 60*xx*, (Exhibit V adjustment provided by HE and CollegeInvest)
	31	60*xx* (except 6050)
Increase (Decrease) from Unrealized Gain (Loss) on Investments Underlying Pooled Cash	31	6050

The line item account groupings for the STATEMENT OF FIDUCIARY NET POSITION are shown with the STATEMENT OF NET POSITION – PROPRIETARY FUNDS because the groupings are similar except for investments and the net asset section. The investment and net assets groupings have been included on the proprietary line item schedule.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION		
Financial Statement Line Item	Type	Accounts Included
ADDITIONS:		
Additions By Participants	31	9525, 9527 (except fund category Z1)
Member Contributions	31	5100, 5102, 5105 thru 5109, 5111, 5113, 9531, 9533
Employer Contributions	31	5110, 5112, 9532
Investment Income (Loss)	31	5900 thru 6099
Employee Deferral Fees	31	5101, 5103, 5104
Unclaimed Property Receipts	31	9525, 9527 (for fund category Z1 only)
Other Additions	31	0000 thru 5099, 5114 thru 5899, 6100 thru 8399, 9400 thru 9524, 9526, 9528 thru 9530, 9534 thru 9999
Transfers-In	31	E*xxx*
DEDUCTIONS:		
Distributions to Participants	22, 24	9120
Benefits and Withdrawals	22, 24	9130
Health Insurance Premiums Paid	22, 24	4255
Other Benefit Plan Expenses	22, 24	4256
Pmts in Accord w/ Trust Agreements	22, 24	All nontransfer object codes for fund categories Z1, Z2, ZZ
Other	22, 24	0000 thru 4249, 4251 thru 4254, 4257 thru 7109, 7900 thru 9119, 9121 thru 9129, 9131 thru 9999
Transfers-Out	22, 24	E*xxx*

4.5 Discretely Presented Component Units Required by GASB Statement No. 39

The State implemented GASB Statement No. 39 during FY03-04. This standard requires foundations or other entities that meet certain requirements to be discretely presented as component units in the State financial statements. The State Controller initially adopted a policy that foundations with assets or revenues in excess of $75 million would be discretely presented as component units in the State financial statements. As a result of the implementation of GASB Statement No. 61 in FY11-12, the threshold starting in FY12-13 was reduced to $50 million for consistency with entities qualifying for discrete presentation under GASB Statement No. 14, as amended by Statement No. 61. The $50 million threshold is a starting point, and entities meeting the threshold will be further evaluated which may result in inclusion or exclusion of the entity as a discretely presented component unit. Currently this requirement applies only to higher education institution foundations. However, any state agency that has a relationship with an entity that meets the requirements of GASB Statement No. 39 and exceeds the $50 million threshold must comply with the requirements of this section.

In order to evaluate these foundations and include as discretely presented component units (DPCUs), as applicable based on the further evaluation, the OSC needs the audited financial statements of the foundations meeting the $50 million threshold. The state agency to which the DPCU is related must provide the audited foundation financial statements at the earliest date they are available, but not later than October 25. Because most of the DPCUs have the same fiscal year-end as the State, the OSC will present the applicable DPCUs financial information from the prior fiscal year in the Basic Financial Statements required by Colorado Revised Statutes at September 20. The OSC will update the DPCUs financial information for the Comprehensive Annual Financial Report using the applicable current year audited financial statements of the DPCUs.

The State Controller requires state agencies and institutions to prepare financial statements using Generally Accepted Accounting Principles (GAAP) similarly to how those standards apply to the State as a whole. Consistent with that requirement, the State Controller requires state agencies related to DPCUs of the State to include those entities as DPCUs in the agency’s audited financial statements.

If you have a receivable or payable with a foundation that meets the reporting requirements for a DPCU, please ensure that the receivable is recorded on COFRS in balance sheet account 1395-Receivable from Component Units and the payable is recorded in balance sheet account 2350-Payable to Component Units, 2825-Capital Lease Payable to Component Units, or 2980-Long Term Payable to Component Units.

4.6 Nonstatutorily Created Discretely Presented Component Units Required by GASB Statements No. 14, as amended by GASB Statement No. 61

The majority of entities potentially meeting the criteria in GASB Statements No. 14 and 61 for discrete presentation in the State’s financial statements are created in State statute. The OSC annually evaluates statutorily created entities as part of its review process. However, potential component units not created in statute must be reported to the OSC. For example, a nonprofit entity associated with an agency or institution could meet the criteria for inclusion as a component unit in the State’s financial statements. Similar to GASB 39 entities, to evaluate and include these entities as discretely presented component units (DPCUs), as applicable, the OSC needs the audited financial statements of nonstatutorily created entities with assets or revenues in excess of $50 million. The state agency to which the nonstatutorily created DPCU is related must provide the audited financial statements at the earliest date they are available, but not later than October 25. The requirements as outlined for GASB 39 entities in the previous section for similar inclusion in state agency/institutional audited financial statements, and the use of specific receivable and payable coding apply to entities identified in this section.

Because most of the DPCUs have the same fiscal year-end as the State, the OSC will present the applicable DPCUs financial information from the prior fiscal year in the Basic Financial Statements required by Colorado Revised Statutes at September 20. The OSC will update the DPCUs financial information for the Comprehensive Annual Financial Report using the applicable current year audited financial statements of the DPCUs.

The State Controller requires state agencies and institutions to prepare financial statements using Generally Accepted Accounting Principles (GAAP) similarly to how those standards apply to the State as a whole. Consistent with that requirement, the State Controller requires state agencies related to DPCUs of the State to include those entities as DPCUs in the agency's audited financial statements.

If you have a receivable or payable with a foundation that meets the reporting requirements for a DPCU, please ensure that the receivable is recorded on COFRS in balance sheet account 1395-Receivable from Component Units and the payable is recorded in balance sheet account 2350-Payable to Component Units, 2825-Capital Lease Payable to Component Units, or 2980-Long Term Payable to Component Units.

CHAPTER 3: SECTION 5
SUPPLEMENTAL INFORMATION FOR STATEWIDE REPORTING

KEY DATES

August 2	Intra/Interfund Receivable/Payable Confirmation Form due to the OSC.
August 14	Agency Exhibit Listing and applicable exhibits A1, A2, B, C, D1, D2, E1, E2, F1, F2, G, L, M, N1, N2, N3, O1, O2 P, Q, S, T, U1, U2, V1, V2, W1, W2, Y1, Y2, Y3, Y4, and Z are due to the OSC.
September 6	Exhibits H398, I, and J are due to the OSC.
September 20	Exhibit K1 and K2 (as applicable) due to the OSC.

The following additional information, which cannot be obtained from COFRS, is needed for statewide reporting purposes. Exhibits must be based on COFRS data as of the Period 13 close as provided on the Exhibit Reconciling Balances Report, which is available on the Financial Data Warehouse under Other Reports, Diagnostic & OSC Reports. For postclosing Exhibit H adjusting entries, incorporate the entry into any affected exhibit, or revise affected exhibits, if submitted by the Exhibit H cutoff date on August 30. After the Exhibit H cutoff date, R&A will request any affected exhibits if the Exhibit H is posted. Please do NOT automatically send the revision to affected exhibits with your Exhibit H after August 30. Please do not aggregate agencies on the exhibits except on exhibits I and J if appropriate.

You are not required to complete an exhibit for an agency if it is not applicable. Instead you must show which exhibits are applicable on the Agency Exhibit Listing form discussed in Section 5.1 of this chapter.

Please submit the Agency Exhibit Listing and all applicable exhibits (except Exhibit I and Exhibit R) in electronic format. An Excel template is available through e-mail from R&A or through the OSC website at: http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/exh_list.xls. Submit all exhibits directly to R&A through the central e-mail (DPA_RAmailbox@state.co.us), even if you have dealt with a specific staff member in prior years. Note the “Date Prepared” line on each exhibit. We will refer to this date to ensure that we are using the latest version of each agency’s exhibits in preparing the State financial statements. Please be sure to include your e-mail address on each exhibit submitted. Please delete any unused exhibit tabs on the spreadsheet that you are submitting to our office, and be sure that the exhibits that you are submitting are reported on the Agency Exhibit Listing page.

The Exhibit H will be submitted to the OSC in a separate spreadsheet, and is no longer included in the Agency Exhibit Listing.

5.1 Agency Exhibit Listing

The completed Agency Exhibit Listing form is your representation of which exhibits were applicable, and it shows the date on which you submitted the applicable exhibits.

The form provides a space at the top to enter the agency code for each active COFRS agency for which you are responsible. For this purpose, active COFRS agencies are agencies having general ledger activity, outstanding or defeased debt, federal assistance, or outstanding lease agreements. In the columns under the agency code, please provide the date that you submitted the exhibit to R&A, or leave it blank if the exhibit is not applicable. Please delete the exhibit tabs within the spreadsheet if the exhibit is not used by your agency or department. DO NOT SUBMIT BLANK EXHIBITS.

With the exception of the H, H398, I, J, K1, and K2 (as applicable) the original submission of exhibits is due by August 14.

The Exhibit H, if applicable, does not have a specific due date; however, exhibits H received after August 30 are considered audit adjustments.

If you are not submitting your exhibits I, J, or K with your other exhibits because they have later due dates, you should leave the related cell blank. R&A will record the date it receives your exhibits H398, I, J, K1 and K2 (as applicable).

You may use multiple copies of the Agency Exhibit Listing form if you are responsible for more than four agencies. You should not revise the form if you submit revised exhibits; R&A will record the revision date on your original exhibit listing.

The Exhibit H will be submitted to the OSC in a separate spreadsheet, and is no longer included in the Agency Exhibit Listing.

It is difficult to identify the changes made if an agency submits a full set of exhibits when it makes a revision. **Therefore, if you submit an exhibit revision, include ONLY the exhibits that have changed.** This can be done by deleting all unchanged exhibits from the Agency Exhibit Listing tab or by copying only the changed exhibit to a new workbook for submission. Please explain the changes you have made to the exhibits in your revision e-mail or other communication. Revised exhibits are due as soon as practical once an error in the original submission has been identified.

AGENCY EXHIBIT LISTING
For the Fiscal Year Ending June 30, 2013

	Agency			
A1-Changes in TABOR Revenue or Base Fiscal Year Spending				
A2-Changes in TABOR District or Enterprise Status				
B-Risk Financing and Related Insurance Issues				
C-Schedule of Changes in Long-Term Liabilities				
D1-Governmental & ISF Debt Service Requirements to Maturity				
D2-BTA Debt Service Requirements to Maturity				
D3-Effect of Hedging Instruments on Hedged Debt Service Payments				
E1-Schedule of Revenue Bond Coverage				
E2-Schedule of Sales of Future Revenue Streams				
F1-Schedule of Capital Leases				
F2-Schedule of Operating Leases				
G-Advanced Debt Refunding and Defeasance				
H398- (HE Only) Regular Appropriated and Informational Appropriated Activity				
I-Letter of Certification of Financial Systems				
J-Financial Statement Reconciliation Format				
K1-Schedule of Federal Assistance				
K2-Schedule of Federal Assistance. State Reporting				
L-Summary of Material Contingent Liabilities				
M-Custodial Risk of Cash Deposits				
N1-Fair Value of Investments				
N2-Credit Quality of Debt Securities				
N3-Interest Rate and Other Risk Disclosures				
N4- Derivative Summary				
N5-Hedging Derivatives (Effective)				
N6-Investment Derivatives, Ineffective Hedges, Contingent Features, etc.				
O1-Summary of Related Party Disclosures				
O2-Service Concession Arrangements				
P-Major Estimates				
Q-Governmental Fund Balance Disclosures				
R-Petty Cash Delegation Certification/Application				
S-Changes in Short-Term Financing				
T-Segment Reporting				
U1-Other Accounting Disclosures				
U2-Other Accounting Disclosures				
V1-Higher Ed Cash Flow Statement - Supplemental Information				
V2-Proprietary Fund Noncash Transactions (nonhigher ed only)				
W1-Changes in Capital Assets - Govt'l and Internal Service Funds				
W2-Changes in Capital Assets - Enterprise Funds				
Y1-OPEB - Disclosures for Financial Statement and RSI Notes				
Y2-OPEB - Plan Financial Statements and RSI Schedules				
Y3-OPEB - Disclosures for Financial Statement Notes, RSI and RSI Notes				
Y4-OPEB - Required Supplementary Information				
Z-Pollution Remediation Obligations				

Instructions:
1. Enter your three character agency indicator at the top of a column.
2. For each of the exhibits listed enter either:
   "**NONE**" if the conditions requiring the exhibit did not exist at your agency.
   "XX/YY" if you are submitting an exhibit; replace the XX with the month and the YY with the day
   the exhibit is being submitted to the State Controller's Office.
   " " leave the cell blank if an exhibit will be submitted later because it has a later due date.
3. Complete one column for each active COFRS agency; use multiple copies of this form if needed.
4. Submit this form as a cover to your package of exhibits.
5. Beginning in Fiscal Year 2011-12, the Exhibit H is prepared on a separate spreadsheet.

Prepared By: ______________________ Department Name: ______________________
Phone Number: ______________________ Date Prepared: ______________________
Email Address: ______________________

5.2 Exhibit A1 – Changes in TABOR Revenue and Base Fiscal Year Spending

A change in fiscal year spending (nonexempt revenues) is either an increase or decrease to nonexempt revenues with a matching offset to exempt revenues or a balance sheet account. Such a change may affect prior year refunds, the base fiscal years (used to compute current limits), and the revenues of the fiscal year just completed. A change could be due to resolution of audit findings or misclassifications of revenues. Show on the Exhibit A1 the balanced journal entry that would have been made to correctly state the TABOR revenues of the base year and additional years shown on the exhibit. Similar to the exhibits H, please submit an Exhibit A1 as soon as practical once an error has been discovered.

Based on the statute of limitations for receiving a state refund, the OSC's policy is to correct errors relating to each of the prior four fiscal years that affect TABOR refunds and/or the current year TABOR limit. Any newly identified error that affects nonexempt revenue, exceeds the $200,000 Exhibit H threshold, and occurred within the previous four fiscal years (not including the current year for which the TABOR report is being prepared) should be reported on the Exhibit A1. If you identify a material error that applies to years prior to those listed on Exhibit A1 please contact Karoline Clark, (303-866-3811 or karoline.clark@state.co.us) in R&A. Corresponding changes to the current year (FY12-13) are done on an Exhibit H unless they have already been posted on COFRS. The same $200,000 materiality threshold applies to Exhibit A1 as applies to Exhibit H.

The OSC will determine which, if any, of the four fiscal years reported on the Exhibit A1 affect the TABOR base or excess state revenues cap (ESRC) calculation. Each year's TABOR fiscal year spending limit is the lesser of the adjusted prior year limit or the adjusted prior year fiscal year spending (nonexempt revenue). The ESRC is not adjusted downward when nonexempt revenue falls below the ESRC.

EXHIBIT A1

CHANGES IN TABOR REVENUES AND BASE FISCAL YEAR SPENDING
FOR AMOUNTS OVER $200,000
FOR THE FISCAL YEAR ENDING JUNE 30, 2013
BASE FISCAL YEAR IS FY2011-12

Fiscal Year	Agency	Fund	Revenue Source Code	Debit	Credit
2008-09					
2009-10					
2010-11					
2011-12					

Note: Fiscal Year Spending is the same as nonexempt revenue.

Explanation:

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.3 Exhibit A2 – Notification of Changes in the TABOR District or Enterprise Status

The purpose of this exhibit is to provide the OSC with the information necessary to ensure that the comparison of TABOR revenues between fiscal years is legitimate. The Exhibit A2 has two sections.

Section A – Decreases in TABOR Limit

Use Section A to report the prior-year nonexempt revenues of a newly qualified or requalified enterprise. Such a qualification may occur because of legislation, because the activity received state support of less than ten percent, or for other reasons. When an activity qualifies as a TABOR enterprise, its prior year revenues should not be counted in the limit. To ensure comparability between years, the OSC must know the amount of the prior year nonexempt revenue of the activity in order to appropriately reduce the TABOR base.

Section B – Prior Year Expense/Expenditures That Crossed the District Boundary

Newly Qualified Enterprises

If your activity became a qualified enterprise in FY12-13, use Section B to report the prior-year payments that your agency made to other state agencies that were not TABOR enterprises in FY11-12 and were therefore within the State TABOR district. Under your agency's newly qualified TABOR enterprise status, all FY12-13 payments to state agencies that are not TABOR enterprises are considered district boundary crossing (original source revenue of the district that must be counted as nonexempt). The OSC will use the amounts reported in Section C to increase the base so that it will be comparable to the district boundary crossing payments in FY12-13.

Newly Disqualified Enterprises

If your activity became disqualified from enterprise status in FY12-13, use Section B to report the prior-year payments that your agency made to other state agencies that were TABOR enterprises in FY11-12 and were not therefore within the State TABOR district. Because your agency is no longer an enterprise, all FY12-13 payments to state agencies that are TABOR enterprises are considered district boundary crossing (original source revenue of the district that must be counted as nonexempt). The OSC will use the amounts reported for disqualified enterprises in Section B to decrease the base so that it will be comparable to the district boundary crossing payments in FY12-13.

EXHIBIT A2

NOTIFICATION OF CHANGES IN THE TABOR DISTRICT OR ENTERPRISE STATUS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A

Prior Year Nonexempt Revenue of the Newly Certified or Recertified Enterprise

Agency	Fund	Revenue Source Code	Amount

Section B

Prior Year Expense/Expenditures That Crossed the District Boundary

Agency	Fund	Expense/Expend Object Code	Amount

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.4 Exhibit B – Reporting for Risk Financing and Related Insurance Issues

This exhibit reports the detail of agencies' arrangements for insuring against risks. It is required for State Risk Management and any agencies that self-insure their risks other than through State Risk Management.

At the top of the form, enter a summary of the transactions that affected your risk management liability. The remainder of the form is descriptive in nature, and the sections are self-explanatory.

Accounting literature references for this exhibit include GASB Statement No. 10, GASB Interpretation No. 4, and GASB Implementation Guide for Statement No. 10.

Please provide a separate Exhibit B for management of each separate risk pool.

EXHIBIT B

REPORTING FOR RISK FINANCING AND RELATED INSURANCE ISSUES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30

Directions: This form is required for any agency that self-insures its risks. Do not include any risks assigned to State Risk Management, unless you are completing this form as State Risk Management. Also include the following:

(a) A description of the risks of loss to which you are exposed and the way in which those risks are handled (for example the purchase of insurance, participation in a risk pool, etc.).

(b) A description of any significant reductions in insurance coverage from coverage in the prior year. Also indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years.

(c) If you are in a risk pool, a description of the nature of the participation including yours, and the pool's, rights and responsibilities. If you are not in a risk pool explain the basis for estimating your liabilities, the carrying amount of liabilities for unpaid claims that are discounted and the range of discount rates, the aggregate outstanding amount of claims liabilities for which annuity contracts have been purchased in the claimants' names and the related liabilities that have been removed from the books.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.5 Exhibit C – Schedule of Changes in Long-Term Liabilities

This exhibit reports the gross increases and decreases in long-term liabilities matching the level of detail shown in the notes to the State financial statements. The exhibit is divided into the following nine sections that parallel the disclosure in the financial statement notes:

- Long-Term Deposits Held in Custody (Account 2970) - Show additional deposits received during the year as an increase and deposits released as a decrease.
- Claims and Judgments Payable (Account 2870) - Show increases in actual and estimated claims as well as increases in judgments payable as an increase. Show payments of claims, estimated claims reductions, and judgment payments as a decrease. This information will duplicate the amounts shown on Exhibit B if your agency has only risk financing activity in account 2870. Since judgments are not included on Exhibit B, the claims information must be included on both exhibits.
- Capital Lease Payable (Accounts 2820, 2823, and 2825) Show new lease liabilities incurred as an increase and payments on lease principal as a decrease. Note that the Exhibit C information for leases is not the same as that reported on Exhibit F1, but it is required to show the gross changes in capital lease liability.
- Derivative Instrument Liability (Account 2850) – Report increases and decreases to derivative instrument liabilities in this section.
- Bonds (Accounts 2800, 2801, 2803, 2805, 2806, 2807, 2816, and 2817) - Show bonds issued as an increase and payments on principal as a decrease. Show premium/discount and gain/loss on refunding in separate lines. Original recording of premium/discount or gain/loss on refunding should be shown in the increase column, and amortization of these balances should be shown in the decrease/adjustments column. Use the sign convention discussed below.
- Certificates of Participation (Accounts 2808, 2809, 2813, 2814, and 2815) - Show COPs issued and original premium/discount as increases and payments on principal and amortization of premium/discount as decreases. Show premium/discount and gain/loss on refunding in separate lines. Original recording of premium/discount or gain/loss on refunding should be shown in the increase column, and amortization of these balances should be shown in the decrease/adjustments column. Use the sign convention discussed below.
- Notes, Anticipation Warrants, and Mortgages (Accounts 2810, 2811, 2830 and 2840) - Report your noncurrent notes (and any related premium/discount), anticipation warrants, and mortgages.
- Other Postemployment Benefits Liability (Account 2880) – Report increases and decreases to your OPEB liability in this section.
- Other Long-Term Liabilities (Accounts 2960, 2980 2990) - Show the gross increases and decreases in these liability accounts in the respective columns.

In each of the categories, both the current and prior year account balances must agree with the COFRS balances, adjusted for postclosing entries. The current and prior year balances are provided on the Exhibit Reconciling Balance Report for your department/agency after the close of Period 13. These reports will be available on the Financial Data Warehouse in the section labeled "Diagnostic and OSC Reports".

All amounts should be entered with the accounting normal-balance signs, that is, credit balances are entered as negative numbers and debit balances are entered as positive numbers. Compensated absences liabilities are also included in the financial statement notes; however, the OSC will estimate the gross increase and decrease in this liability based on the payouts recorded in object codes 114X and 124X.

After the cutoff date for exhibits H on August 30 please DO NOT include an updated Exhibit C with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is material and is posted to the financial statements.

For all liabilities reported on this exhibit, reclassifications from long-term to current should be included in the column titled “Decreases/Adjustments.” If reclassifying activity between funds, or reclassifying activity between account 2800 and 2817 (or 2808 to 2813 or 2820 to 2823), the debit and credit should both be included in the column titled “Decreases/Adjustments.” If reclassifying principal balances from long-term to current liability accounts and a payment is made against the current liability, only the reclass from long-term to current should be shown as a decrease/adjustment in the long-term lease liability. The payment is a reduction of the current liability, which is not reported on this exhibit.

For governmental funds, the total amount listed in Capital Lease Additions must match the revenue recorded in RSRC 7200 (Future Capital Lease Payments).

The nature of amounts reported in Other Long-Term Liabilities should be described at the bottom of the exhibit. The description should be adequate to explain the nature of the liability to an uninformed user of the financial statements.

EXHIBIT C
SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

COFRS		6/30/2012	Changes		6/30/2013
Fund	**Account**	(Balance)	(Increase)	Decrease/Adjustments	(Balance)
Deposits Held in Custody (2970)					
Claims and Judgments (2870)					
Capital Lease Payable (2820, 2823, 2825)					
Derivative Instrument Liability (2850)					
Bonds Payable (2800, 2801, 2803, 2805, 2806, 2807, 2816, 2817)					
Certificates of Participation (2808, 2809, 2813, 2814, 2815)					
Notes, Anticipation Warrants, Mortgages (2810, 2811, 2830, 2840)					
Other Postemployment Benefits Liability (2880)					
Other Long-Term Liabilities (2960, 2980, 2990, 2995)**					
Totals					

**Describe the nature of Other Long-Term Liabilities listed above:

The beginning and ending balance must equal the balances from the Exhibit Reconciling Balances report plus any exhibits H posted.

Note: Liabilities reported on the state's financial statements that are not current should be included on this exhibit. Therefore, it includes the COFRS accounts noted parenthetically above. Do not include Compensated Absence liabilities.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.6 Exhibit D1 – Governmental and Internal Service Fund - Debt Service Requirements to Maturity

GASB Statement No. 38 requires disclosure of both principal and interest payments individually by year for the first five years and in five-year increments throughout the term of the debt. The Exhibit D1 reports the debt service requirements for the liabilities reported in the governmental activities column of the Statement of Net Position.

Enter the amount to be paid in each fiscal year by your governmental and internal service fund types. Do not include amounts to be paid by enterprise funds or fiduciary funds on the Exhibit D1. Unamortized premiums, discounts, refunding gains, and refunding losses (COFRS balance sheet accounts 2801, 2803, 2806, 2807, 2809, 2811, and 2814) should not be allocated to the individual periods on the exhibit, but should be shown in aggregate at the bottom of the exhibit in the line titled "Unamortized Balances". Please note that if the Unamortized Balance is a debit balance, it should be shown as a negative number on the exhibit. These amounts should only be entered in the principal columns. The subtotals for the four types of liabilities shown on the exhibit in the principal columns must equal the balances in COFRS accounts 2800, 2805, 2808, 2810, 2813, 2815, 2816, 2817, 2830 and 2840, plus current liabilities in accounts 2320, 2323, 2600. 2605, 2608, 2610, 2630, and 2640 (as adjusted for postclosing entries). If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. The amounts classified as current (accounts 23*xx* and 26*xx*) must equal the amount shown on this exhibit as payable in FY13-14. If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit D1 with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

The Totals on Exhibit D1 will not agree to Exhibit C by the amount classified as current. If you have pledged revenue, the total of Revenue Bonds should equal the Remaining Balance of Pledged Revenue Commitment on Exhibit E1.

Please be aware that the amount of amortization of premium/discount and gain/loss on refunding for the following year (FY13-14) should not be reclassified as a current liability in FY12-13.

The information provided in the Total Amount of the Original Obligation for Each Type of Debt will be disclosed in order to provide a frame of reference for the financial statement reader so that they can determine the State progress in paying down its borrowing obligations. Report the amount of the original obligation including any applicable premium or discount. This information should be available from the original offering statements, the original note, or the deed of trust. If applicable to your department or agency, please report any unaccreted interest on your debt. Accreted interest is interest that is accrued and not paid, but increases the principal amount of your obligation. Unaccreted interest represents the balance of accreted interest that has not yet been added to the principal balance at year end.

Please note that lease liability accounts are not included on this exhibit, as they are reported on Exhibit F1 (Schedule of Capital Leases) or Exhibit F2 (Schedule of Operating Leases).

EXHIBIT D1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
GOVERNMENTAL AND INTERNAL SERVICES FUNDS
AT JUNE 30, 2013

	Type of Debt							
	Revenue Bonds		Notes, Warrants Payable		Mortgages Payable		Cert.of Participation	
Year Ending June 30	(2320, 2600, 2605, 2800, 2805, 2816)		(2323, 2610, 2630, 2810, 2817, 2830)		(2640, 2840)		(2608, 2808, 2813, 2815)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014								
2015								
2016								
2017								
2018								
2019 to 2023								
2024 to 2028								
2029 to 2033								
2034 to 2038								
2039 to 2043								
2044 to 2048								
2049 to 2053								
2054 to 2058								
2059 to 2063								
2064 to 2068								
Add 5 yr grps as needed								
Subtotals								
Unamortized Balances (2801, 2803, 2806, 2807, 2809, 2811, 2814)								
Unaccreted Interest								
Totals								
Total Amount of the Original Obligation for Each Type of Debt								

The principal subtotal for each debt type and the related unamortized/unaccreted balance must equal the COFRS Period 13 ending balance from the Exhibit Reconciling Balances Report plus any exhibits H posted. In addition, the 2014 balances for each debt type must equal the balances in the current portion accounts (2320, 2323, 2600, 2608, 2610, 2630, 2640).

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.7 Exhibit D2 – Business-Type Activities - Debt Service Requirements to Maturity

GASB Statement No. 38 requires disclosure of both principal and interest payments individually by year for the first five years and in five-year increments throughout the term of the debt. The Exhibit D2 reports the debt service requirements for the liabilities reported in the business-type activities column of the Statement of Net Position.

Enter the amount to be paid in each fiscal year by your enterprise fund types. Do not include amounts to be paid by governmental fund types, internal service funds, or fiduciary fund types on the Exhibit D2. Unamortized premiums, discounts, refunding gains, and refunding losses (COFRS balance sheet accounts 2801, 2803, 2806, 2807, 2809, 2811, and 2814) should not be allocated to the individual periods on the exhibit, but should be shown in aggregate at the bottom of the exhibit in the line titled “Unamortized Balances”. Please note that if the Unamortized Balance is a debit balance, it should be shown as a negative number on the exhibit. These amounts should only be entered in the principal columns. The subtotals for the four types of liabilities shown on the exhibit in the principal columns must equal the balances in COFRS accounts 2800, 2805, 2808, 2810, 2813, 2815, 2816, 2817, 2830 and 2840, plus current liabilities in accounts 2320, 2323, 2600, 2608, 2610, 2630, and 2640 (as adjusted for postclosing entries). If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. The amounts classified as current (accounts 23*xx* and 26*xx*) must equal the amount shown on this exhibit as payable in FY13-14. If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit D1 with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

The totals on Exhibit D2 will not agree to Exhibit C by the amount classified as current. If you have pledged revenue, the total of Revenue Bonds should equal the Remaining Balance of Pledged Revenue Commitment on Exhibit E1.

Please be aware that the amount of amortization of premium/discount and gain/loss on refunding for the following year (FY13-14) should not be reclassified as a current liability in FY12-13.

The information provided in the Total Amount of the Original Obligation for Each Type of Debt will be disclosed in order to provide a frame of reference for the financial statement reader so that they can determine the State progress in paying down its borrowing obligations. Report the amount of the original obligation including any applicable premium or discount. This information should be available from the original offering statements, the original note, or the deed of trust. If applicable to your department or agency, please report any unaccreted interest on your debt. Accreted interest is interest that is accrued and not paid, but increases the principal amount of your obligation. Unaccreted interest represents the balance of accreted interest that has not yet been added to the principal balance at year end.

Please note that lease liability accounts are not included on this exhibit as they are reported on Exhibit F1 (Schedule of Capital Leases) or Exhibit F2 (Schedule of Operating Leases).

EXHIBIT D2

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
AT JUNE 30, 2013

	Type of Debt							
	Revenue Bonds		Notes Payable		Mortgages Payable		Cert.of Participation	
Year Ending June 30	(2320, 2600, 2605, 2800, 2805, 2816)		(2323, 2610, 2630, 2810, 2817, 2830)		(2640, 2840)		(2608, 2808, 2813, 2815)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014								
2015								
2016								
2017								
2018								
2019 to 2023								
2024 to 2028								
2029 to 2033								
2034 to 2038								
2039 to 2043								
2044 to 2048								
2049 to 2053								
2054 to 2058								
2059 to 2063								
2064 to 2068								
Add 5 yr grps as needed								
Subtotals								
Unamortized Balances (2801, 2803, 2806, 2807, 2809, 2811, 2814)								
Unaccreted Interest								
Totals								
Total Amount of the Original Obligation for Each Type of Debt								

The principal subtotal for each debt type and the related unamortized/unaccreted balance must equal the COFRS Period 13 ending balance from the Exhibit Reconciling Balances Report plus any exhibits H posted. In addition, the 2014 balances for each debt type must equal the balances in the current portion accounts (2320, 2323, 2600, 2608, 2610, 2630, 2640).

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.8 Exhibit D3 – Effect of Hedging Derivative Instruments on Hedged Debt Service Payments

When the hedged item in an effective hedging derivative instrument is debt, the cash flows related to the hedging derivative offset or increase the total debt service payments. GASB Statement No. 53 requires disclosure of the net debt service requirements after the application of the effective hedge derivative cash flows to the debt service payments. The hedging derivative cash flows are calculated assuming the current variable interest rates and reference rates at the balance sheet date were to remain unchanged over the maturity of the debt. Principal and interest payments that are reported on Exhibit D3 should **not** be reported on Exhibit D1 or Exhibit D2.

Because we expect to see limited occurrences of debt related hedging derivatives, Governmental Activities and Proprietary Activities have been combined on Exhibit D3. Please report your principal, interest, and net debt related effective hedging derivative cash flow in the Section that matches the governmental or proprietary nature of your activity.

EXHIBIT D3
EFFECT OF HEDGING DERIVATIVE INSTRUMENTS ON HEDGED DEBT SERVICE PAYMENTS
AT JUNE 30, 2013

GOVERNMENTAL ACTIVITIES

Fiscal Year(s) Ending June 30	Principal	Interest	Debt Hedging Derivatives, Net	Total
2014				-
2015				-
2016				-
2017				-
2018				-
2019 to 2023				-
2024 to 2028				-
2029 to 2033				-
2034 to 2038				-
2039 to 2043				-
2044 to 2048				-
2049 to 2053				-
2054 to 2058				-
2059 to 2063				-
2064 to 2068				-
Total	-	-	-	-

NOTE: This disclosure will be presented with the long-term liability disclosures in the CAFR. Report the nature of the related debt instrument (such as, revenue bond, lease, COP, or note. See GASB 53 Paragraph 78)

BUSINESS TYPE ACTIVITIES

Fiscal Year(s) Ending June 30	Principal	Interest	Debt Hedging Derivatives, Net	Total
2014				-
2015				-
2016				-
2017				-
2018				-
2019 to 2023				-
2024 to 2028				-
2029 to 2033				-
2034 to 2038				-
2039 to 2043				-
2044 to 2048				-
2049 to 2053				-
2054 to 2058				-
2059 to 2063				-
2064 to 2068				-
Total	-	-	-	-

NOTE: This disclosure will be presented with the long-term liability disclosures in the CAFR. Report the nature of the related debt instrument (such as, revenue bond, lease, COP, or note. See GASB 53 Paragraph 78)

Prepared by: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.9 Exhibit E1 – Schedule of Revenue Bond Coverage

Use this exhibit to report information about any revenues at your agency that are pledged to meet debt service requirements. Beginning in FY07-08, GASB Statement No. 48 required additional disclosures be presented in the State financial statements.

Section A – Pledged Gross Revenue and Related Debt Service Requirements

Complete this section to report the extent to which pledged revenues were available to meet debt service needs. For gross pledges, report the pledged gross revenue (column 1). Direct operating expenses are not applicable to gross pledges so pledged gross revenue carries over to the available net revenue (column 3). For net pledges, Report the gross amount of the revenue pledged to service your revenue-bond debt (column 1) and the direct operating expense related to those revenues (column 2). Calculate the available net revenue (column 3) as the difference between pledged gross revenue and direct operating expense. Enter the debt service principal (column 4) and interest related to the revenue bonds (column 5), and calculate the total debt service as the sum of the principal plus interest (column 6). If you have both gross and net pledges to report, please present both on this exhibit, selecting the appropriate drop-down box in the first column of Section A. At a minimum you must present the total of your gross pledges on a separate line from the total of net pledges. The exhibit refers to one aggregated line as Issuance 1 and the other as Issuance 2, but you may use more descriptive titles if you choose. If you need to add additional pledges, please add lines to the exhibit (where needed) and designate if the pledge is gross revenue or net revenue.

In Section A, the Debt Service Requirement should be reported for the amount paid in the current fiscal year.

Section B – Pledged Revenue Detail

Complete this section to provide additional detail about the entire revenue stream(s) related to the pledged revenues reported in Section A. For each different type of revenue stream that is pledged (e.g., tuition, auxiliary fees, etc.), provide the remaining balance of the pledged revenue commitment. That is, tell us how much revenue remains pledged related to the remaining principal and interest requirement of the secured debt. Per GASB Statement No. 48, paragraph 21(a), related to the Remaining Balance of the Pledged Revenue Commitment: "…the approximate amount of the pledge would be equal to the remaining principal and interest requirements of the secured debt." This amount should tie to the revenue bond totals on Exhibits D1, D2, and D3, not including the unamortized/unaccreted balances.

The amounts in Section B should be broken out by type of revenue stream. Reference the pledged revenue stream, as applicable based on the level of aggregation and number of issuances, to the issuance number (or other more descriptive title if used) in Section A.

In addition, you will need to calculate the pledged revenue as a percentage of the total revenue stream. For example, if you have pledged the gross amount of the entire revenue stream (i.e., the entire stream), this number should be 100%. If you have pledged the entire net amount of the revenue stream, this total should be the amount of the pledge (i.e., the net amount) divided by the total revenue stream or (3)/(1) from Section A on the exhibit.

If you have a pledged gross fixed percentage of the total revenue stream (which may be reduced for scholarship allowance per your bond documents), you should report that fixed percentage. If you have a pledged net fixed percentage, and if your bond documents require it, you should reduce the amount of gross revenue resulting from the fixed percentage by any applicable Direct Operating Expense before calculating the percentage to show in Section B.

Lastly, provide the inception date and end date of the pledged revenue commitment. These dates may correspond to your debt origination and payoff dates.

Section C – Description of the Nature and Purpose for the Debt Secured by the Pledged Revenue

For each pledged revenue stream noted in Section B, please describe the nature and purpose of the debt secured by the pledged revenue. Be as specific as possible since this information is required by GASB Statement No. 48 for adequate financial statement disclosure.

EXHIBIT E1

SCHEDULE OF REVENUE BOND COVERAGE
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Pledged Gross Revenue and Related Debt Service Requirements

	Is Pledged Revenue Gross Revenue or Net Revenue (from Bond Documents)	Pledged Gross Revenue (1)	Direct Operating Expense (2)	Available Net Revenue (3)=(1)-(2)	Debt Service Requirement Principal (4)	Interest (5)	Total (6)=(4)+(5)
Issuance 1:							
Issuance 2:							
Totals							

(For additional pledges, you may add lines to this exhibit and desginate the pledge as Gross Revenue or Net Revenue)

Section B - Pledged Revenue Detail (Please separate pledge information for each *different* revenue stream pledged.)

	Title of Pledged Revenue St (e.g., "Tuition" or "Auxiliary F	Remaining Balance of the Pledged Revenue Commitment (or related Secured Debt)	What % is the Pledged Revenue of the Total Revenue Stream?	Range of Pledge Comittment (or Debt Term) MM/YY to MM/YY
Issuance 1:				
Issuance 2:				

Section C - Description Of The Nature and Purpose For The Debt Secured By The Pledged Revenue

Issuance 1:	
Issuance 2:	

Note: Multiple bond commitments may be aggregated, but only to the revenue stream level (e.g., fees, tuition, etc). For each different type of revenue stream that is pledged, please report on a separate line of Section B and Section C.

Prepared By:	______________	Agency Name:	______________
Phone Number:	______________	Agency Code:	______________
Email Address:	______________	Date Prepared:	______________

5.10 Exhibit E2 – Sale of Future Revenue Streams

Beginning in FY08-09, GASB Statement No. 48 requires disclosures be presented in the State financial statements related to the sale of future revenue streams. (See GASB Statement No. 48, paragraph 8 to determine whether proceeds received in exchange for future cash flows meet the definition of a sale at your agency.)

Use this exhibit to provide information related to any futures revenue streams sold by your agency. This exhibit should be completed in the year of sale.

Section A – Sale of Future Revenues

Complete this section to provide detailed amounts related to the sale of future revenues.

- **Sale Proceeds** – Report the amount received from the sale of the future revenue stream.
- **Present Value of Future Revenues Sold -** Report the amount of the future revenue sold, discounted to present value.
- **Period To Which The Sale Applies** – Report the time period that future revenues would have been earned.
- **Total Amount of Future Revenues Sold** – Report the gross amount of future revenue that has been sold.
- **Sold Revenue as a Percentage of the Total Revenue Stream** – Calculate the future revenue sold as a percentage of the total future revenue stream during the period that the sale applies.

Section B – Significant Assumptions Used In Determining the Approximate Amount of Future Revenue

Describe the specific revenues that were sold and the assumptions used in estimating the amount of future revenues, (i.e., how was the future revenue stream identified including forecasting methods, growth rates used, etc.)

Section C – Significant Assumptions Used In Determining the Present Value of Future Revenue

Describe the assumptions used in determining the present value of future revenues sold, (e.g., discount rate(s) used in calculating the present value and the time period(s) used in the calculation).

EXHIBIT E2

SCHEDULE OF SALES OF FUTURE REVENUE STREAMS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Sale of Future Revenues

	Sale Proceeds	Present Value of Future Revenues Sold	Period to Which the Sale Applies		Total Amount of Future Revenue Sold	Sold Revenue as a Percentage of Total Revenue Stream
	$	$	MM/YY	MM/YY	$	%
Totals						

Section B - Description of the Specific Revenues Sold and Significant Assumptions Used In Determining the Approximate Amount of Future Revenue

Section C - Significant Assumptions Used In Determing the Present Value of Future Revenue

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.11 Exhibit F1 – Schedule of Capital Leases

Use this exhibit to report information on capital assets acquired under lease financing.

At the top of the form, enter the gross amount of capital assets under lease at fiscal year-end by asset type. This should include only assets that remain under lease, and it should be the balances originally recorded in the COFRS 18*xx* accounts at acquisition without regard to depreciation. Assets financed by Certificates of Participation should not be included in these amounts. Combine the land and improvements to land accounts (1800, 1810, and 1815) under the category Land. Combine the buildings, leasehold improvements, and construction-in-progress accounts (1820, 1830, and 1860) under the heading Buildings. Combine the equipment, library books and holdings, and other capital assets accounts (1840, 1841, 1842, 1843, 1850, 1855, 1857, and 1870) under the heading Equipment and Other. This information is presented in the CAFR as a frame of reference to show the State progress in paying for its leased assets.

In completing the section on future minimum lease payments, apply the criteria in GASB Statement No. 62 to differentiate between capital and operating leases. Report operating leases on Exhibit F2. For your capital leases enter the total payments per your lease payment schedule by fiscal year. Enter the portion of the payment that is interest or executory costs. Executory costs comprise insurance, maintenance, and taxes included in your lease payment. Calculate the payments on principal as the capital lease payments less implicit interest and executory costs. Regarding subleases with other state agencies, we would expect that the agency that is paying the lease to the external party would fill out the Exhibit F1.

The COFRS combined balances in accounts 2321 and 2620 must equal the amount reported as principal payments due in FY13-14. If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. The total future payments on principal for all years combined must equal the lease liability recorded in accounts 2321, 2620, 2820, and 2825 on COFRS. If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount.

After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit F1 with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

Amounts related to COPs are reported on Exhibit D1 and/or Exhibit D2; <u>do not include them on Exhibit F1</u>.

Report as a single total amount the sublease rental payments you will receive from third party sublessees in all future years.

Report the amount of contingent rentals for the current fiscal year. Contingent rentals are any lease payment that is determined in relation to some factor other than the passage of time. An example of a contingent rental is a lease payment based on the usage level of equipment.

At the bottom of the form, provide a description of your leasing arrangement along with a description of the basis for determining contingent rentals, renewal, and purchase options or escalation clause, and restrictions imposed by the lease agreements. If the exhibit covers more than one lease arrangement, provide a description for each major leasing arrangement.

EXHIBIT F1

SCHEDULE OF CAPITAL LEASES
AT JUNE 30, 2013

	Land	Buildings	Equipment and Other
Gross Amount of Capital Assets Under Lease at June 30, 2013:	(1800, 1810, 1815)	(1820, 1830, 1860)	(1840-1843, 1850, 1855, 1857, 1870, 1872)

At June 30, 2013, Annual Lease Payments Required for Each Fiscal Year	Total Payments	Implicit Interest & Executory Costs	Payments On Principal
2014			
2015			
2016			
2017			
2018			
2019 to 2023			
2024 to 2028			
2029 to 2033			
Add 5 yr groups as needed			
Total	$ -	$ -	$ -

Total Sublease Rentals to be Received in the Future (if any): $ ____________

Contingent Rentals Incurred for FY 2012-13 (if any): $ ____________

Lease Description:

(Provide a general description of your leasing arrangement including; the basis for determining contingent rentals, renewal and purchase options or escalation clauses, and restrictions imposed by the lease agreements.)

The Payments on Principal 2014 balance must equal the COFRS balance (plus any exhibits H posted) for accounts 2321 and 2620. In addition, the Total Payments on Principal for all years combined must equal the COFRS balance (plus any exhibits H posted) for accounts 2321, 2620, 2820, 2823 and 2825.

Prepared By: ____________ Agency Name: ____________

Phone Number: ____________ Agency Code: ____________

Email Address: ____________ Date Prepared: ____________

5.12 Exhibit F2 – Schedule of Operating Leases

GAAP requires disclosure of future minimum lease payments for all noncancelable operating leases. State contracts contain a clause making them contingent on the availability of future lease appropriations. However, since these contracts are normally funded, this clause alone will not qualify the lease as cancelable. Therefore, you should look to other provisions of the lease agreement to determine if your operating lease is noncancelable, and thus, should be reported on this exhibit. The operating lease disclosure requirements are intended to show external commitments; therefore, lease arrangements with Capitol Complex and other internal lease arrangements should not be included on this exhibit. Regarding subleases with other state agencies, we would expect that the agency that is paying the lease to the external party would fill out the Exhibit F2.

In completing the section on future minimum lease payments, apply the criteria in GASB Statement No. 62 to differentiate between capital and operating leases. Report capital leases on Exhibit F1. Enter your future minimum lease payments by year from your lease payment schedule.

GASB Statement No. 13 requires specific accounting for operating leases with scheduled rent increases. Scheduled rent increases are increases that are fixed by contract. They occur with the passage of time and are not contingent on future events. There are two types of rent increases. Systematic and rational increases result from inflation or increases in the value or availability of the leased item. For this type of rent increase, the contract amount should be recorded as rent expense/expenditure and entered on the Exhibit F2. A second type of rent increase occurs when certain operating lease payments are low in relation to other payments as an inducement to enter the lease. For this type of rent increase, proprietary funds should record expense based on the straight line or effective interest method. Governmental funds should record the contract amount of rent in the governmental fund, and make an adjustment in the General Full Accrual Account Group (Fund 471) to convert the expenditure to the full accrual basis of accounting (that is, rent expense based on the straight line or effective interest method). When this condition occurs for governmental or proprietary funds, the amounts shown on the Exhibit F2 should be based on the straight line or effective interest method calculation rather than the contract. See GASB Statement No. 13 for more information.

In the middle of the form report the total minimum sublease rentals related to the leases reported above. This should be the total of payments you expect to receive from a third party (external to the State reporting entity) for the use of an asset you have rights to under the operating leases reported above. This information should be provided in total, not by year. Report the amount of contingent rentals for the current fiscal year. Contingent rentals are any lease payment that is determined in relation to some factor other than the passage of time. An example of a contingent rental is a lease payment based on the usage level of equipment.

At the bottom of the form, provide a description of your operating leasing arrangement. If the exhibit covers more than one lease arrangement, provide a description for each major leasing arrangement.

EXHIBIT F2

SCHEDULE OF OPERATING LEASES
AT JUNE 30, 2013

At June 30, 2013, Annual Lease Payments Required for Each Fiscal Year			Total Payments
2014			
2015			
2016			
2017			
2018			
2019	to	2023	
2024	to	2028	
2029	to	2033	
2034	to	2038	
2039	to	2043	
2044	to	2048	
2049	to	2053	
Add 5 yr groups as needed			______
Total			______

Total Minimum Sublease Rentals: $ ______

Contingent Rentals Incurred for FY 2012-13 (if any): $ ______

Lease Description: (Provide a general description of your operating lease arrangements.)

Prepared By: ______ Agency Name: ______

Phone Number: ______ Agency Code: ______

Email Address: ______ Date Prepared: ______

5.13 Exhibit G – Advance Debt Refunding and Defeasance

GASB defines debt as 'defeased in-substance' if cash or other assets are placed with an escrow agent, in a trust to be used solely for satisfying debt payments. Use this exhibit to report the balance of all previously in-substance defeased debt and to document debt refunding and/or debt defeasance occurring during the fiscal year. You should complete an Exhibit G for each refunding transaction or addition to the in-substance defeased debt balance made during the fiscal year. Detailed examples of refunding calculations are shown in the appendices of GASB Statements No. 7 and No. 23.

Section A computes the ending balance of all in-substance defeased debt for the year which need only be shown on one copy of Exhibit G. This balance should include both current year and prior year in-substance defeased debt that is still outstanding. Though the possibility that payment will be required by the entity is remote, GASB Statement No. 7 requires that information regarding prior year balances be disclosed. This information should be available from your escrow agent. The New Defeasance (current year) amount should generally equal the face amount of the old debt that was defeased. Only debt that is in-substance defeased should be reported in Section A.

All advanced or current refundings should complete Section B of the exhibit. If debt is in-substance defeased using current funds rather than a refunding transaction, you should complete an Exhibit G so that the OSC can support the change in the in-substance defeased debt balance. If you have a defeasance that does not involve the issuance of new debt, enter the amount deposited with the escrow agent in the column titled 'Escrow Deposit or New Debt' for the lines titled:

- Face amount of debt or deposit
- Sum of debt service cash flows or deposit
- Sum of present values of debt service cash flows or deposit

The sum of debt service cash flows (a and b) is the real dollar projected cash flows for both interest and retirement of debt excluding payments related to accrued interest received at the new debt issuance. The present value sums (c and d) are the present value of each year's cash flows (excluding accrued interest received) totaled for the term of the debt with each discounted at the effective interest rate. The effective interest rate is the rate that, when used to discount the debt service requirements on the new debt, produces a present value equal to the proceeds of the new debt (including accrued interest) net of any premiums, discounts, underwriting spread, and issuance costs that are not recoverable through escrow account earnings. Issuance costs include all costs incurred to issue the bonds.

The economic gain or loss is the change in the sum of present values of future cash flows. If the issuance and other costs were not covered from the proceeds of new debt, then those costs should further reduce the economic gain or increase the loss on the refunding. Also note that if the new debt is issued in an amount greater than that required for the refunding, only that portion of the new debt applicable to the refunding should be reported on the Exhibit G.

GASB Statement No. 23 requires that proprietary fund-type activities, defeasing debt through current or advance refunding, defer the difference between the reacquisition price and the net carrying amount (g-f) of the old debt and amortize that amount as interest expense over the shorter of the remaining life of the old debt or the new debt. Thus, no gain or loss is reported in the operating statement at the defeasance date. On the statement of net position, the deferred amount should be reported as a deduction from or an addition to the new debt liability. Note that GASB Statement No. 23 applies to higher education institutions. Governmental funds that have an accounting gain or loss on refunding would not report it in the governmental funds, but they are required to defer the gain or loss in the General Full Accrual Account Group (Fund 471) and amortize it over the shorter of the remaining life of the old debt or the new debt. Note that in FY13-14 with the implementation of GASB Statement No. 65, rather than report refunding the gain/loss as an addition or deduction to the new debt liability, the amount should be recognized as a deferred inflow or outflow of resources. (See Chapter 3, Section 6.12.)

All other items on the exhibit are self-explanatory and should be completed thoroughly.

EXHIBIT G

ADVANCED DEBT REFUNDING AND DEFEASANCE
DURING THE FISCAL YEAR ENDED JUNE 30, 2013

SECTION A: ENDING BALANCE OF ALL IN-SUBSTANCE DEFEASED DEBT

Beginning Balance (from prior year Exhibit G)	$ ________
New Defeasance (current year)	________
Escrow agent payments on defeased debt (current year)	________
Ending balance of all in-substance defeased debt	$ ________

SECTION B: CURRENT YEAR REFUNDING OR DEFEASANCE:

	Old Debt	Escrow Deposit or New Debt
Face amount of debt or deposit	$ ________	$ ________
Interest rate	________ %	________ %
Remaining term of the debt	________ yrs.	________ yrs.
Sum of debt service cashflows or deposit	(a) $ ________	(b) $ ________
Sum of present values of debt service cash flows or deposits	(c) $ ________	(d) $ ________

Underwriting, insurance, and other issuance costs		(e) $ ________
Change in debt service cashflows		(a-b) $ ________
Economic gain or (loss) *(c-d-e) if additional costs were not part of bond proceeds		(c-d)* $ ________
Carrying Value of Old Debt		(f) $ ________
Reacquistion Price		(g) $ ________
Indicate amount by which reaquisition price exceeded carrying value of the debt and the amortization term of the deferred gain/loss.	Term: ________	(g-f) $ ________
Did the refunding or escrow deposit result in an in-substance defeasance?	Yes: ________	No: ________

Official Title and Description of Old Debt:

Official Title and Description of New Debt:

Note: A separate exhibit should be completed for each refunding transaction and/or addition to the in-substance defeased balance.

Prepared By:	________	Agency Name:	________
Phone Number:	________	Agency Code:	________
Email Address:	________	Date Prepared:	________

5.14 Exhibit H – Proposed Financial Statement Postclosing Entry for Identified COFRS Errors Over $1,000/$200,000

This exhibit is required to report errors, including proposed audit adjustments, on the final COFRS reports and ledgers that exceed $200,000 after the close of COFRS. However, the Exhibit H must also be submitted for errors over $1,000 that would cause or prevent an overexpenditure. Do not submit this exhibit for differences between estimated payables and other accruals and the subsequently identified actual amounts. Although there is no due date, submit an Exhibit H as soon as practical once an error is discovered, as these exhibits will be analyzed for material impact on line items in the statewide financial statements. Due to system limitations, the Exhibit H template is also the mechanism for reporting certain nonbudgeted expenditures and revenue, such as for Medicaid deferrals and OIT Purchased Service deferrals. These types of exhibits H are due on August 21. Finally, higher education budgetary reporting occurs via the Exhibit H template and is due on September 6 (See Chapter 3, Section 5.15). If you have any questions regarding the need for or the content of an Exhibit H, please contact your FAST field controller.

Due to the large number of exhibits H processed for each year's financial statements, the following three requirements are in place to improve tracking of these exhibits:

- Each Exhibit H submitted may contain no more than a single entry. Please note in the explanation if related entries should be considered in posting an entry.
- All exhibits H should be sequentially numbered. A space has been provided at the bottom right of the exhibit template for the agency assigned Exhibit H number. This number should be a maximum of 2 digits (e.g., 01, 02, A1, A2, etc.).
- Revisions to an Exhibit H must reference the agency assigned number of the original Exhibit H submitted. Exhibit H revisions should provide the correct entry, and thus, it should replace rather than adjust the originally submitted Exhibit H. Please make it clear in the explanation on the revision the number of the originally submitted Exhibit H that is being replaced by the revision.

An Exhibit H should not be submitted for presentation differences noted on the Exhibit J Financial Statement Reconciliation (see Section 5.17 of this chapter). The Office of the State Auditor or its designee may identify other errors that were not deemed material for the agency's financial statements, and therefore, an audit adjustment was not proposed. These types of errors that exceed the Exhibit H thresholds must also be submitted to the OSC on an Exhibit H.

The State of Colorado does not present comparative financial statements. Therefore, agencies should not submit exhibits H to adjust prior years' (FY11-12 and earlier) account balances. All adjustments applicable to prior years that are identified after Period 13 close must be submitted as current year prior period adjustments that debit or credit fund balance accounts rather than operating statement accounts.

Provide a detailed explanation of the proposed entry. The explanation should include the initial condition, the error, and the correction of the error. <u>The explanation should be detailed enough that no prior knowledge of the conditions leading to the proposed entry is necessary</u> and should be sufficient for audit purposes. Please explain if posting the entry will impact the upcoming supplemental appropriations process, as this may affect the decision regarding whether or not to post the entry.

At the bottom of the form, the block of cells on the left is exclusively for agency use. The block on the right is primarily for the OSC's use. However, it also includes a line for agencies to sequentially number their exhibits H, to indicate whether the H is a revision of a prior H, and whether the H affects amounts on another exhibit.

If an Exhibit H entry is approved for posting to the statewide financial statements and requires adjustment of accounting records on COFRS, you will be contacted during FY13-14 by the OSC. Such adjustments may involve real or nominal accounts as well as adjustments to fund balance. Adjustments to COFRS for postclosing entries cannot be finalized until the OSC receives the financial statement audit opinion. Therefore, a time frame for posting system adjustments related to Exhibit H postclosing entries cannot be specified; however, the OSC will try to complete this process before supplemental budget requests are due.

Additional Requirements Related to the Exhibit J only:

In some instances, a postclosing adjusting entry (Exhibit H) may be recorded on agency financial statements but not approved for the State CAFR. When this occurs, the adjustment will be a reconciling item on the Exhibit J in the initial year and also in the subsequent year because the entry must be posted to COFRS in the subsequent year. In the subsequent fiscal year’s Exhibit J:

- The adjustment must be reported in the Adjusting/Reclassification Entries column,
- It must be clearly marked as resulting from a prior year Exhibit H, and
- A copy of the prior year’s Exhibit H must be resubmitted with the Exhibit J.
- Additional Requirements Related other Exhibits Affected by Exhibits H:

After the cutoff date for Exhibits H, please DO NOT include updated related exhibits with the proposed Exhibit H. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.


STATE · OF · COLORADO
UNION AND CONSTITUTION
NIL SINE NUMINE
1876

EXHIBIT H
PROPOSED FINANCIAL STATEMENT POST-CLOSING ENTRY
FOR IDENTIFIED COFRS ERRORS OVER $1,000/$200,000
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

OSC Use Only Post	Ref#	AGCY H#	COFRS Agcy	COFRS Fund	Acct Type	BS Acct	Appr Code	Rsrc/ Objt	Account Name	Debit	Credit
									Total:		

If it is an operating statement account, an appropriation code must be provided.

Describe the initial condition, the error, and the correction as provided by this Exhibit H.
(Explanation should be sufficient to obtain an understanding of the entry and as support for audit purposes).

Agency Description:

This explanation must be detailed enough that the Exhibit H stands on its own. R&A should be able to clearly understand the error without needing additional information. Additionally, <u>if the Exhibit H is below the threshold it must have a budgetary impact</u> and must clearly state so in the explanation.

OSC Use Only:

H01

Agency Name: ______________________

Email Address: ______________________

Phone Number: ______________________

Date Prepared: ______________________

Prepared By: ______________________

Agency Exhibit H Number: ____________ *Max of 2 digits (e.g, 01, 02, A1, A2, etc.)*

Is this a revision? (If yes, be sure to use the same Exhibit H number.) Select One

If this H affect another exhibit(s) provide exhibit letter(s). ____________

Is this entry being posted to your financial statements? Select One

R&A Posted By: ____________

R&A Reviewed By: ____________

5.15 Exhibit H398 – Higher Education Institution Regular Appropriated and Informational Only Appropriated Activity

This exhibit is used to report budgetary information for Institutions of Higher Education. The exhibit is essentially an Exhibit H as described in the preceding section. The purpose of this exhibit is to capture actual revenues and expenses for budgeted activities, as that information is not contained discretely in COFRS. Budgeted activity for Institutions of Higher Education includes both regular appropriations and informational only appropriations. Because the exhibit data partially duplicates COFRS data, the information is gathered post-closing off-COFRS through this exhibit for sole use in budgetary reporting.

The Exhibit H398 is used to report both Higher Education Institution regular appropriated revenues and expenses, and informational only appropriated revenues and expenses. The "398" reference in the exhibit title is to the off-COFRS fund used to accumulate the Exhibits H398. The revenues and expenses associated with the regular appropriations should be segregated from the revenues and expenditures associated with informational only appropriations. The revenues and expenses associated with regular appropriations should reference appropriation code LBA. The revenues and expenses associated with informational only appropriations should reference appropriation code LBI. Because this entry is for budgetary presentation only, debits representing the expenses are not required to equal the credits representing the revenues.

EXHIBIT H398
INSTITUTIONS OF HIGHER EDUCATION REGULAR APPROPRIATED
AND INFORMATIONAL ONLY APPROPRIATED ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

OSC Use Only Post	OSC Use Only Ref#	AGCY H#	COFRS Agcy	COFRS Fund	Acct Type	BS Acct	Appr Code	Rsrc/ Objt	Account Name	Debit	Credit
									Total:	0	0

Report the revenue and expense associated with Long Bill appropriations using appropriation code ***"LBA"*** *, and revenue and expense associated with informational only appropriations using appropriation code* ***"LBI".***

Agency Name: ______________________ Is this a revision? __________

Email Address: ______________________

Phone Number: ______________________

Date Prepared: ______________________

Prepared By: ______________________ R&A Posted By: ______________________

R&A Reviewed By: ______________________

5.16 Exhibit I – Letter of Certification

This exhibit provides the OSC with the department/agency/institution's chief financial officer's certification that the COFRS balances are materially correct (as adjusted by exhibits H). Note that neither the Executive Director, Agency Head, nor the Institution President are required to sign the Exhibit I. Also note that it is due to the OSC on the same date that financial statements and Exhibit J are due, September 6. If you are not submitting financial statements and an Exhibit J to the OSC you may choose to submit your Exhibit I at an earlier date along with your other exhibits.

The Exhibit I is intended to give assurance to the State Controller that agencies have properly reviewed their accounting estimates, year-end account balances, COFRS financial statements (MCR01 and MCR02), and that informational disclosures necessary for statewide financial reporting have been made. This certification is to be signed by the chief financial officer. Due to the attest signature required on this exhibit, it must be submitted in paper format with original signatures. List every agency for which the chief financial officer is responsible. Please explain fully any exceptions in the space provided.

Due to the increase in detail, complexity, and compliance aspects of the State Controller's representation letters to the State Auditor, it was determined in FY04-05 that the previously existing Exhibit I was inadequate to support the representations being made. In addition, the Exhibit I deadline is too early to support the representation letter. In order for the State Controller to have a basis for making representations to the State Auditor, all agencies/departments are required to provide the State Controller with a signed copy of the department/agency/institution's representation letter to the State Auditor. The signed copy is due on the same day that it is provided to the State Auditor. The date of this submission will be dictated by the close of audit fieldwork by the Statewide Audit Team. The signed representation letters should be sent to your FAST field controller who will log the letters and ensure that the submission is complete.

The requirement to submit department/agency/institution representation letters is in addition to the Exhibit I certification and the reporting required under the Financial Responsibility and Accountability Act (CRS 24-17-101). See Chapter 5, Section 6.2 for more information.

Please send your completed Exhibit I (with original signature) to:

Office of the State Controller
Attn: FAST
633 17th Street, Suite 1500
Denver, CO 80202

EXHIBIT I

LETTER OF CERTIFICATION OF FINANCIAL ACCOUNTING
AND REPORTING SYSTEMS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

The undersigned certify to the following statements regarding this agency/department:

> We have reviewed the Period 13 Colorado Financial Reporting System (COFRS) general ledger balances (Reports MCR01 and MCR02) for our agencies, and those account balances are materially correct and properly classified, in accordance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board (GASB), after adjustment and reclassification entries that have been submitted to the Office of the State Controller on Exhibits H. For any and all separately prepared agency financial statements, we have based those financial statements on the MCR01 an MCR02 balances (or equivalent Exhibit J data report provided by the Office of the State Controller) and informed the State Controller of all material or immaterial adjustments to those financial statements through the Exhibit H and Exhibit J processes. All exhibits and other supplementary information requested by the State Controller in the Fiscal Procedures Manual have been submitted by the specified due dates and reconciled to COFRS ending balances.

List and explain any exceptions to the above statements in the box below.

Note: This exhibit must be submitted in paper form because of the original signature requirement.

This certification is for the following agencies:

Department: ______________________________

Agency Name(s): ______________________________

Agency Code(s): ______________________________

Signature: ______________________________ Date: ____________________
Chief Financial Officer

5.17 Exhibit J – Financial Statement Reconciliation

The Exhibit J is mandatory for agencies or institutions that are required to or choose to prepare separately issued financial statements. One copy of the Exhibit J and the financial statements and related notes are due to the OSC by September 6. The financial statements include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, and the related footnotes. The Exhibit J, in conjunction with the Exhibit I and copies of the agency's or institution's financial statements and related notes, are used:

- To reconcile the institution's trail balance per the State of Colorado's book of record (COFRS) to the institution's financial statements,
- To provide assurance to the State Controller that the department/agency/institution financial statements properly accumulate COFRS accounts in the format of the State CAFR financial statement line items,
- As a basis for state agencies/institutions compliance with the statutory requirement to obtain the State Controller's examination and approval all financial statements and reports of state government prior to publication, CRS 24-30-201(1)(d) and Colorado Fiscal Rule 8-1 Financial Statements, and
- To document agency compliance with CRS 24-30-204 requiring that financial statements be submitted to the State Controller no later than August 25. Note: As allowed by CRS 24-30-204 the State Controller has granted an extension from August 25 to September 6 for submission of this information. See the State Controller's memorandum "FY12-13 Closing/FY13-14 Opening Procedures" replicated in Chapter 1, Section 1 of this manual.

Prepare the Exhibit J using COFRS accounting Period 13 information and the financial statements you prepared for your auditors. The OSC will provide higher education institutions (and other proprietary funds upon request) a Period 13 trial balance organized by state CAFR line items in electronic format. Agencies are not required to use this electronic trial balance, but they must organize the Exhibit J by state CAFR line items if they choose to provide their own trial balance.

The instructions for this exhibit are specific to institutions of higher education; however, the format of the exhibit is applicable to those agencies operating in non-higher education funds that are required to prepare financial statements. These agencies should show their Period 13 COFRS balances, adjusting entries, reclassification entries, any presentation entries, and the financial statement line item amount. If you are not using the electronic trial balance provided by the OSC, COFRS reports GNL02 and GNL04 provide the needed information for the 'Amount' column on the Exhibit J.

The Exhibit J does not eliminate the requirement that the institution reconcile COFRS to their internal systems on a monthly basis. Entries to correct reconciling items should be processed into COFRS and/or the institution's internal system on a timely basis throughout the year. If this procedure is followed it should minimize the number of adjusting and reclassification entries needed at year-end.

The OSC's review of the Exhibit J ensures that the institution's financial statements reconcile with COFRS. This review also includes determining the reasonableness and proper classification of the adjusting, reclassification, and presentation entries, and ensures that the required exhibits H are prepared and submitted.

For the purpose of the Exhibit J instructions, the following definitions apply:

- "Institution's financial statements" means the financial statements supplied to the OSC and the institution's auditors.
- "CAFR" means the State Comprehensive Annual Financial Report and implies the roll-up of funds and accounts used to compile the CAFR.
- "Fund category" means the grouping of either COFRS funds or institution's accounting system funds into columns for financial statement presentation. Grouping of COFRS funds into fund categories for the CAFR presentation are shown in a table in Chapter 3, Section 3.17. The fund category for CAFR purposes may be broader than the groupings at the individual stand-alone financial statement level.
- "Line item" means an individual title and related amounts on the CAFR or institution's financial statements and implies the roll-up of accounts appropriate to the financial statement type.

The exhibit shows the relationship between the CAFR and the institution's separately issued financial statements. At least one Exhibit J should be prepared for each CAFR enterprise fund category.

The Exhibit J is organized as follows. The left side of the exhibit consists of the COFRS trial balance aggregated to the CAFR line item level. The right side of the exhibit consists of the related totals per the institution's financial statement line items. Two columns in the center of the exhibit are for posting of adjusting, reclassifying, and presentation entries. Further explanations of these sections follow.

- The left side of Exhibit J is a trial balance by COFRS account subtotaled by CAFR line item. Subtotaling at the CAFR line item level provides the OSC with information on how adjusting and reclassifying entries affect the line items in fund category columns on the State CAFR. Chapter 3, Section 4.4 contains "Financial Statement Line Item Account Grouping Tables" which show how COFRS balance sheet accounts and operating statement accounts feed into line items for the statewide financial statements. <u>If an institution elects not to use the trial balance provided by the OSC (as discussed above), the institution must provide the agency, fund, type, and account information that was aggregated to CAFR line items on the left side of the exhibit. This information may be supplied by additional columns or rows on the Exhibit J or by providing a separate supporting schedule to show the detail in each CAFR line item.</u>
- The right side of Exhibit J shows the institution's financial statement line items related to the CAFR line items on the left side of the exhibit. For the Statement of Net Position and portions of the Statement of Revenues, Expenses, and Changes in Net Position, there will often be a one-to-one relationship between CAFR line items and agency financial statements. However, institutions are allowed to disaggregate CAFR line item balances into additional lines on their financial statements resulting in a one-to-many relationship. Higher education has elected to present operating expenses by functional categories rather than by natural object classifications (except depreciation). While the OSC has agreed to this presentation, the Exhibit J must show how adjusting, reclassification, or presentation entries affect the CAFR line items, which are not presented in the functional category format. In addition, because the two formats (natural and functional) will not tie directly by line item, the total operating expenses per the CAFR classifications must agree to the total operating expenses presented under the functional format.

- The center section of Exhibit J consists of columns for adjusting and reclassifying entries and presentation entries. The definitions below for adjusting, reclassifying, and presentation entries apply to both higher education fund types and non-higher education fund types. To facilitate review, all adjusting, reclassification and presentation entries must be cross-referenced and be shown separately on the Exhibit J (<u>do not aggregate or offset amounts</u>). A separate schedule showing the COFRS coding string and financial statement line item impacted must be provided Include an explanation that is adequate for audit purposes and requires no prior knowledge of the underlying conditions to understand the purpose and impact of the adjustment.

The columns for adjusting and reclassification entries are combined into one column on the Exhibit J template. The number of columns for these entries has been expanded to included a column for exhibits H submitted prior to September 6 (automatically posted), a column for proposed audit adjustments (may or may not be posted at the state level), a column for adjustments not meeting the Exhibit H threshold, and a column for prior year unposted entries. The following definitions have been kept separate because the distinction between adjusting and reclassification entries remains relevant to the discussion of timing differences in posting entries to agency financial statements as compared to the State CAFR.

ADJUSTING ENTRIES:

Adjusting entries correct both a COFRS balance sheet account and COFRS revenue or expense/expenditure account with the net effect of changing the ending fund balance. Accordingly, adjusting entries always change the State financial statement fund category ending fund balance and COFRS ending fund balance.

All the adjusting entries made to an agency's financial statements after Period 13 must be included on Exhibit J. In order for the OSC to properly analyze the cumulative effect of all adjusting entries on the CAFR, an Exhibit H must be completed for each adjusting entry on the Exhibit J that exceeds $1,000/$200,000 (please review Section 5.14 of this chapter for additional information on preparing an Exhibit H). Exhibit H explains the reason the entry is needed and provides the COFRS account code information needed to determine the impact on the statewide financial statements. If the Exhibit H is determined to be material at the statewide level and is posted to the State financial statements, the OSC will request COFRS JA documents in the subsequent year to make the accounting records agree to the audited financial statements. In these cases, the nominal accounts will be netted and recorded in fund balance.

Because unrealized gains and losses on investments are not posted to COFRS, a standard reconciliation adjustment is necessary to reflect the impact of the allocation. For gains and losses related to Treasury pooled cash, preliminary allocation data based on Period 12 pooled cash balances will be distributed by July 17. Final allocation data will be distributed based on Period 13 pooled cash balances by August 7. The State financial statements will be prepared using Period 13 data. Due to timing, agencies and institutions may use Period 12 allocation data for reporting purposes, if not materially different from Period 12 allocation data. It is not anticipated that the difference will be material to issuers of stand-alone financial statements.

In some instances, a postclosing adjusting entry may be recorded on an agency's financial statements but not be approved for the State CAFR. In other instances the OSC may be required to post an entry to the State CAFR that is not posted to the agencies financial statements. When either of these situations occurs, the adjustment will be a reconciling item in the initial year and also in the subsequent year because the entry must be posted to COFRS (or to the agency's financial statements) in the subsequent year. In the subsequent fiscal year's Exhibit J:

- The adjustment must be reported in the Prior Year Unposted Adjusting/Reclassification Entries column,
- It must be clearly marked as resulting from a prior year Exhibit H, and
- A copy of the prior year's Exhibit H must be resubmitted with the Exhibit J.

RECLASSIFICATION ENTRIES:

Reclassification entries correct the COFRS trial balance classification of certain amounts in the Statement of Net Position or the Statement of Revenues, Expenses, and Changes in Net Position. Reclassification entries change CAFR lines and may change a COFRS ending fund balance but never change the CAFR fund category ending fund balance. Reclassification entries may change the total from one balance sheet classification to another or from one revenue/expense line to another. For example, reclassifying a credit balance in accounts receivable to accounts payable.

All reclassification entries made to an agency's financial statement after Period 13 must be included on the Exhibit J. In order for the OSC to properly analyze the cumulative effect of all reclassification entries on the CAFR, an Exhibit H (see Section 5.14 of this chapter) must be completed for each reclassification entry contained on the Exhibit J that exceeds $1,000/$200,000. Reclassification entries for amounts below $200,000 or those with no budgetary impact should be avoided. Exhibit H will provide the information needed for the OSC to properly combine like entries, calculate the cumulative effect, and determine if an adjustment needs to be made to the CAFR. If the Exhibit H is determined to be material at the statewide level and is posted to the State financial statements, the OSC will request COFRS JA documents in the subsequent year to make the balance sheet accounts agree to the audited financial statements.

Balance sheet reclassification entries made to an agency's financial statements, but not posted to the State CAFR, must be posted to COFRS in the subsequent year. Nominal account reclassifications should not be posted to COFRS in the subsequent year.

Each institution should make every effort throughout the year to reconcile their system to COFRS and process timely corrections to minimize the need for adjusting and/or reclassifying entries at year-end.

YEAR-END TREATMENT of ADJUSTING and RECLASSIFICATION ENTRIES:

In order to ensure the OSC has sufficient time to prepare the State basic financial statements and CAFR, the following schedule will be used regarding adjusting and reclassification entries:

- On or before August 30 agencies and higher education institutions are allowed to make adjusting and reclassification entries to their separately issued financial statements without the approval of the OSC. As stated above, these entries must be included on the Exhibit J in the CY Adjusting and Reclass column and an Exhibit H (see Section 5.14 of this chapter) must be submitted to the OSC, if the proposed entry is greater than $1,000/$200,000 or in other circumstances as outlined in the instructions for the Exhibit H.
- After August 30 adjusting and reclassification entries are considered proposed audit adjustments. If the proposed audit adjustment is greater than $1,000/$200,000, the agency or institution should submit an Exhibit H (see Section 5.14 of this chapter) to the OSC as soon as the adjustment is identified. These items are to be entered into the CY Audit Adjustments column. A final Exhibit J is required for any audit adjustments posted to the agency's separately issued financial statements. Acceptance of the final Exhibit J is considered the OSC approval of separately issued financial statements.

- After August 30, the OSC will only post entries that are either material to the State financial statements, or are necessary for reconciling to exhibits, or if the entry impacts budgetary compliance, or any entries that are necessary to post after consultation with the auditors. The institution should always consider the materiality of any adjusting and reclassification entries.

PRESENTATION ENTRIES:

Presentation entries adjust account balances that are reported on a different financial statement line item for the State of Colorado than for the institution. These entries do not require the approval of the OSC. The key to identifying a presentation entry is that the account balance(s) is properly recorded on COFRS for the State of Colorado's CAFR. However, because the institution is issuing separate financial statements with a different reporting perspective the account balance(s) must be presented differently. An example of a presentation entry is the reporting of indirect cost transfer payments to the Colorado Commission on Higher Education. On the financial statements for the State of Colorado indirect cost payments are shown as "Interfund Operating Transfers", but on the separately issued financial statements for the institutions they are shown as an operating expense (institutional support). If the OSC determines, as part of the review of the Exhibit J, that an agency or higher education institution has made a presentation entry that is in fact an adjusting or reclassification entry, the agency or institution will be contacted and requested to revise the Exhibit J and submit a corresponding Exhibit H (see Section 5.14 of this chapter).

Following is a listing of the acceptable PRESENTATION entries. Other items that the institution believes are presentation entries should be discussed with the OSC before they are included on the Exhibit J.

- Changing the presentation of transfers (COFRS transfer codes ABGF and ABGH) between the University of Colorado at Denver, Metropolitan State College of Denver, the Community College of Denver and the Auraria Higher Education Center.
- Changing the presentation of transfers of state appropriation (COFRS transfer code EQGB) from an operating transfer to nonoperating revenue.
- Changing the presentation of transfers of state appropriated student financial aid awards from CCHE to the institutions (COFRS transfer codes ELGB) from an operating transfer to grant and contract revenue.
- Eliminating offsetting intrafund receivables and payables between institutions of the same board.
- Eliminating offsetting intrafund transfers-in and intrafund transfers-out between institutions of the same board.
- Combining immaterial amounts from one CAFR line into another CAFR line in a like financial statement category (see Chapter 3, Section 4 for CAFR classifications).
- Disaggregating private, state, and local grants and contracts from other operating revenue to aggregating with federal grants and contracts operating revenue on institutional financial statements.
- Changing the presentation for higher education institutions' payments to DHE for statewide indirect cost assessment (COFRS transfer codes EYGA) from nonoperating transfers to other operating expense (institutional support).

- Disaggregating a CAFR financial statement line into more detailed lines within the same financial statement classification for presentation on the institutions financial statement (see Chapter 3, Section 4 for CAFR classifications).
- Aggregating CAFR line items with the related line where parenthetical presentations are used instead on the institutions financial statements, such as scholarship allowances.
- Restoring the receivable from the College Opportunity Fund and the related deferred revenue for students that confirm their attendance in summer school classes. The receivable and deferred revenue are originally recorded on COFRS and then eliminated in Fund 399 for statewide financial statements. The student confirmations to which the elimination is applicable are those that occur within the fiscal year but after DHE's final allocation of their appropriation between stipends and fee-for-service contracts.
- Reclassifying balances recorded on COFRS as intra or interfund transfers for the difference between the carrying value and the cash received or paid for receivables sold to another state agency. The reclass will normally be to gain/loss on sale for the seller/transferor and to the appropriate expense account for the buyer/transferee.
- Changing the presentation of transfers (COFRS transfer codes AAGG and AAGN) related to the transfer of state resources and capitalization of state-paid interest for the higher education COP projects from operating transfers to contributed capital.
- Changing the presentation of transfers (COFRS transfer code AAWM) related to the institutions participation in COPs for higher education COP projects from an operating transfer to an adjustment to a lease liability.
- Changing the presentation of transfers (COFRS transfer codes AAWQ and AAWP) related to interest expense and capitalization of interest for the participating higher education share from operating transfers to interest expense.
- Other presentation items as approved by the OSC, including transactions between AHEC and its constituent institutions for the higher education COP projects.
- For FY12-13, the reduction of revenue related to bad debt expense if the institution did not post the adjustment on COFRS. (See Chapter 3, Section 3.5 for more information.)

AUDIT ADJUSTMENTS:

As a result of the audit process, the Office of the State Auditor or its designee may require entries to an agency or institution's financial statements in order to issue an unqualified opinion. These entries should be submitted to the OSC on the Exhibit H (see Section 5.14 of this chapter). As stated above, all adjusting or reclassification entries identified by either the auditors or the agency after August 30 are considered to be audit adjustments. These entries require the approval of the State Controller prior to posting to the institution's financial statements. In addition, the Office of the State Auditor, or its designee, may identify other errors that were not deemed material for financial statement adjustment purposes, and therefore, an audit adjustment was not proposed. These types of errors that exceed the Exhibit H thresholds must also be submitted to the OSC on an Exhibit H.

NOTE: Hidden columns C thru K may be exposed to use the trial balance format provided by the OSC.

EXHIBIT J
FINANCIAL STATEMENT RECONCILIATION FORMAT
JUNE 30, 2013

CAFR Financial Statement Line Item Title	Amount	CY Adjusting & Reclass (Hs submitted on or before Aug. 30)		CY Audit Adjustments (Hs submitted after Aug. 30)		CY Immaterial Adjustments Less than H Threshold		PY Unposted Hs & Immaterial Adj.		Presentation Entries		Subtotal Dr/Cr	Agency Financial Statement Totals	Agency Financial Statement Line Item Title
		Amount	Ref #	Amount	Ref #	Amount	Ref #	Amount	Ref #	Amount	Ref #			
Column Subtotals														

This exhibit is required from agencies issuing financial statements other than those produced by COFRS.

Notes: (1) CAFR balance must agree with COFRS trial balance at the close of Period 13.
(2) Exhibit H forms must be submitted to explain all adjusting and reclassification entries over $1,000/$200,000. Put in Audit Adjustments column if submitted after Sept. 6.
(3) Agency financial statement totals must tie directly to line items in the accompanying agency financial statements.
(4) Account detail if shown should be grouped and subtotaled according to the "Financial Statement Line Item Account Grouping" tables in Chapter 3, Section 4.4.
(5) Each posted adjusting, reclassification, or presentation entry should carry a cross reference number to where the entry is explained.
(6) Add the amounts for any current year immaterial adjustments and prior year immterial adjustments and prior year unposted exhbits H, if applicable.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.18 Exhibit K1 – Schedule of Federal Assistance

This exhibit is required for preparing the Statewide Schedule of Expenditures of Federal Awards, which is reviewed by the State Auditor in the statewide single audit. That schedule provides a listing of federal assistance by Catalog of Federal Domestic Assistance (CFDA) number or other identifying number. The same data are used in preparing the Report of Federal Moneys required by CRS 24-75-212 for submission to the General Assembly by November 1 each year. The exhibit format is based on the reporting requirements in Section __.310(b) of OMB Circular A-133, reporting requirements contained in CRS 24-75-212, and agreement with the Office of the State Auditor.

Include on the Exhibit K1 awards you receive directly from federal agencies and awards you receive from other entities as a subrecipient. Subrecipient awards are of two types, that is, awards received from other state agencies and awards received from nonstate entities. Those received from state agencies would normally have revenue source codes of 7501 through 7523 and 7530 and are not reported on the Exhibit K1. Those received from nonstate entities would normally have revenue source code of 7500 and must be reported on the Exhibit K1. Both direct and subrecipient awards must be reported by CFDA number – if one has been assigned by the federal agency administering the original award – unless the award is for research and development as discussed below. Please see Item F in the Specific Instructions related to reporting ARRA programs.

In some instances, state agencies receive federal funds from nonstate entities – a portion of which the nonstate entity may have received from a State of Colorado agency. When this occurs the receipt and related expenditures should be shown on the Exhibit K1 unless either of the two following conditions is met:

1. The funds received from the nonstate entity are received by the State in its capacity as a vendor. Examples of the vendor relationship are rent receipts for space the State provided or payments for services that the State provided for which the State is not responsible for carrying out the requirements related to the federal funds. See Chapter 1, Section 3.5 for more about determining if a relationship is vendor or subrecipient in nature.
2. The nonstate entity can identify for you the portion of your receipt that came from a State of Colorado agency. Do not include this portion on your Exhibit K1.

While the balances reported on the Exhibit K1 are not required to tie directly to COFRS account balances, it is important that you be able to reconcile the federal balances shown on this exhibit to COFRS. Beginning balances (if provided—see item J below) should equal the ending balance shown on the prior year exhibit. Any differences between prior year ending and current year beginning balances may have to be explained to the auditors. For agencies using the COFRS grants module, the GPP01R report is a good source of expenditure amounts for this exhibit.

In compiling this exhibit, please be certain to include all amounts related to federal awards regardless of the method of payment or the fund used to account for the activity. The Single Audit Act of 1984 (Amended 2003) defines federal financial assistance:

> ‘Federal financial assistance’ means assistance that nonfederal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as described in Section ___.205(h) and Section ___.205(i).

The Single Audit Act of 1984 (Amended 2003) defines subrecipient:

> 'Subrecipient' means a nonfederal entity that receives federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Section __.210 of OMB A-133 provides additional directives on determining the difference between subrecipients and vendors.

Section __.205 of OMB A-133 provides additional directives for loan and loan guarantee programs. The following paragraphs are addressed specifically to higher education institutions, but they may also apply to other state agencies. Reporting requirements are dependent upon whether there are continuing compliance requirements other than loan repayment, and whether the institution makes the loans.

Continuing Compliance Requirements: Report the value of new loans made or received during the fiscal year, plus the balance of loans from previous years for which there are continuing compliance requirements, plus any interest subsidy, cash or administrative cost allowance in the direct expenditures column on the Exhibit K1. The Federal Perkins Loan Program (CFDA 84.038) is a typical example of a loan program meeting these reporting requirements. If receipts are reported on the Exhibit K1, report in the non-cash receipts column the same amount as reported in the direct expenditures column.

No Continuing Compliance Requirements / Loans Made to Students but Not Made by Institutions: Report the value of loans made during the year to students, where the loans are not made by the institution, in the direct expenditure column (and in the non-cash receipts column if used). Do not include the outstanding balance from prior years as the lender accounts for the prior balances. Also for prior loan and loan guarantees for which there are no continuing compliance requirements other than loan repayment, the outstanding balance of loans for prior years should not be included as direct expenditures. The OSC requires state institutions of higher education to report the amount of new loans issued during the state fiscal year under the Federal Family Education Loan Program (CFDA #84.032). New loans issued that are guaranteed by entities external to the State of Colorado should be reported using CFDA #84.032. In addition, institutions should report the amount of new loan issuances that are guaranteed by College Assist (formerly College Access Network and CSLP) using CFDA #84.CSL. New loan issuances should be measured as the amount of receipts from lenders that are applied against student receivables during the fiscal year. The OSC will combine the amounts reported in CFDA #s 84.032 and 84.CSL for reporting in the Schedule of Expenditures of Federal Awards. The amount in CFDA #84.CSL will also be used for note disclosure of the amount of new loan issuance guaranteed by College Assist.

The following paragraph applies only to College Assist. College Assist should continue to report its Federal Family Education Loan program expenditures including its incentive fees and reinsurance of student loan defaults paid to lenders. In addition, College Assist should report, as footnote information to the Exhibit K1, the outstanding balance of loans at June 30. The outstanding balance should include all loans issued since inception of the program that have not yet been paid off by the student or reinsurance.

Please be certain to include all amounts related to federal funds regardless of the method of payment or the fund used to account for the activity. For example, checks received from the federal government for Pell administrative fees should be included on the Exhibit K1 in the indirect expenditures column.

A-133 allows clustering of certain programs for reporting on the Schedule of Expenditures of Federal Awards. Awards related to research and development are one instance of the allowed clustering. When reporting research and development awards, institutions should enter "R&D" in the Federal Program Name field whether or not the CFDA number is provided. If a valid CFDA number is not provided, then the OSC Assigned Fed Org Code or Federal Agency Name must be provided. This information will allow R&A to classify research and development by federal awarding agency as required by A-133.

SPECIFIC INSTRUCTIONS:

Agencies are encouraged to send the Exhibit K1 data to the OSC in Microsoft Excel format. The Exhibit K1 is used to support the preparation of the Schedule of Expenditures of Federal Awards and state reporting requirements. House B ill 12-1009 expanded state reporting requirements for executive branch agencies (excluding higher education institutions) and offices of the governor. The expanded elements are described further in bullets M (direct Admin), O, and P. The following are descriptions of the exhibit fields by footnote reference on the form:

A. Agency Code – This is a required field for all lines of the Exhibit K1.

B. Employer Identification Number – This is a required field; please list the EIN number associated with the grant. Exclude any dashes. The EIN number is the nine-digit Taxpayer Identification Number assigned by the Internal Revenue Service (IRS). The State primary EIN No. is 840644739; however, agencies that do federal grant reporting under a different EIN number should enter the EIN number under which they do the grant reporting. If you fail to match the Exhibit K1 EIN number to the grant reporting EIN number, the federal audit clearinghouse will not be able to provide federal agencies with the A-133 audit report that demonstrates compliance with grant requirements. If you have received funds as a subrecipient, use the State primary EIN, not the EIN of the nonfederal agency from which you received the federal funds.

C. Primary Data Universal Numbering System Number (DUNS) – This is a required field for federal awards received directly from the federal government. Please list the DUNS number associated with the grant. Exclude any dashes. The DUNS number is the nine-digit identification sequence assigned by Dun & Bradstreet (D&B) and is required on all federal award applications submitted on or after October 1, 2003. Please use the DUNS number on the award application for each line of the Exhibit K1. If you have received the award as a subrecipient grantee, the DUNS number is requested but not required.

D. Subrecipient State Agency DUNS Number – This is a required field if you have passed a federal award to a subrecipient grantee, who is another State of Colorado agency. Please provide the DUNS number of the subrecipient grantee. Per the Frequently Asked Questions report on the Federal Audit Clearinghouse website (http://harvester.census.gov/sac/2004_FAQ.htm), "…If another organization served as the financial administrator of the federal awards expended by the auditee, that organization's DUNS numbers should be listed as well." You may provide this information in either of two ways: 1) Report all subrecipient DUNS numbers for each CFDA number, along with the specific expenditures for these State of Colorado subrecipient agencies (for your tracking purposes); or, 2) By listing all subrecipient DUNS numbers without specifying related CFDA numbers or amounts. For reporting purposes, the subrecipient DUNS number is provided to the Federal Audit Clearinghouse, but is not tied to federal expenditures. A list of state agency DUNS numbers is available on the OSC website at:
http://www.colorado.gov/dpa/dfp/sco/alphaindex.htm#D

E. Federal Agency Name – This is a required field if neither a valid CFDA number nor an OSC Assigned Fed Org Code is provided. Enter the name of the federal suborg (institute, bureau, etc.) administering the program followed by the oversight level federal department. For example, Office of Justice Programs – Department of Justice.

F. OSC Assigned Fed Org Code – This is a required field if the CFDA number is not provided and the OSC has preassigned this code to the federal program being reported. See the table that follows this section for the available codes.

G. Federal Program Name – This field is required under two circumstances. First, higher education institutions should always enter “R&D” in this field for research and development awards even if a CFDA number is provided. Second, for all other awards for which a CFDA number is not provided, the program name should be entered as it appears in the award document.

Report ARRA-related activity on separate lines than non-ARRA activity, with “ARRA” included in the Program Name. Two exceptions are related to CFDA 84.033 (Federal Work Study - FWS) and 84.063 (Federal Pell Grant). The 2010 Compliance Supplement has provided reporting guidance that since the disbursements to auditees of the FWS and Pell moneys contain both ARRA and non-ARRA moneys, it is not possible for auditees to separately report ARRA on the SEFA.

H. CFDA Number – These are program codes that are listed in the Catalog of Federal Domestic Assistance (CFDA) published by the General Services Administration. The CFDA is available on the Internet at: www.cfda.gov. Some programs may not have been assigned a CFDA number. If no CFDA number is assigned, then complete the columns Federal Program Name, Other Identifying Number, and OSC Assigned Fed Org Code or Federal Agency Name.

I. Nonfederal Pass-through Entity – This is a required field in all instances of subrecipient federal funds from an external entity. Enter the name of the pass-through entity. Do not report funds received from other State of Colorado agencies.

J. Other Identifying Number – This is a required field under two circumstances. First, for subrecipient awards, enter the contract, award, or other identifying number assigned by the external pass-through entity. Second, in all instances when a CFDA number has not been assigned, enter the contract, award, or other program number. Do not use COFRS numbers in this field. This number is used to assist federal personnel in tracking these awards back to the original program source.

K. Beginning Due-From or Advanced By Federal Sources – This column is not required for A-133 reporting. It is used only to facilitate the audit. This balance should equal the prior year ending balance of your audited Exhibit K1. Deferred Revenue and Advanced By Federal Sources balances (if provided) should be shown in brackets.

L. Receipts – This column is not required for A-133 reporting. It is used only to facilitate the audit.

- Direct – Show the funds received directly from a federal agency. Show the normal balance for receipts as positive numbers unbracketed.
- Subrecipient – These are subrecipient funds received from entities other than State of Colorado agencies. If there is an amount in this field then columns G, H, and I should also be completed. Show the normal balance for receipts as positive numbers unbracketed.
- Noncash – Except for food stamps and commodities – which are expended when

distributed – receipts for noncash assistance should be recognized on this schedule at the same time and in the same amount as the related expenditures for such assistance in accordance with Section__.205 of Circular A-133. The noncash expenditure should be shown as an expenditure in L and should not be combined with cash assistance. This requires noncash assistance to be on a line separate from cash assistance. Show the normal balance for receipts as positive numbers unbracketed.

If you are not reporting receipts, you must clearly indicate all noncash expenditures. Noncash expenditures must be reported on a separate line of this exhibit.

M. Expenditures – This column is required for A-133 reporting. Direct Admin expenditures are combined with Indirect expenditures to calculate the percentage federal funds expended for administration for reporting to the legislature under House Bill 12-1009.

- Direct Program – These are amounts expended for the direct costs of federal programs. Show the normal balance for expenditures as positive numbers unbracketed. When Section__.205 of Circular A-133 requires you to report expenditures for which there will be no cash receipt (such as, reporting outstanding loan balances) be sure to report an equal amount of noncash receipts in column K if you are reporting receipts.
- Direct Admin – This distinction, separate from Direct Program, is not required by A-133, but is needed for certain agencies to comply with state reporting requirements. These are amounts that are directly chargeable as administrative costs under the regulations of the federal program, and typically include items such as office supplies, accounting staff, and travel costs. If there are no Direct Admin expenditures, please report zero on in this field.
- Indirect – These are amounts expended for the indirect costs of federal programs. This distinction is not required by A-133 but is needed to comply with state reporting requirements. Show the normal balance for expenditures as positive numbers unbracketed.
- Pass-through – These are federal funds passed through to an external entity (outside Colorado state government). These amounts should not duplicate amounts shown in Direct Expenditures or Indirect Expenditures. Show the normal balance for expenditures as positive numbers unbracketed.
- For all expenditures, if you are correcting an error from a previous year, please show the correction on a separate line of the exhibit and provide a footnote explaining the error, the fiscal year affected, and the amount.

N. Ending Due-From or Advanced By Federal Sources – This column is not required for A-133 reporting. It is used only to facilitate the audit. This amount should equal beginning balance minus receipts plus expenditures (+J -K +L). Deferred Revenue and Advanced By Federal Sources balances (if provided) should be shown in brackets.

O. Purpose of Funds – This column is not required by A-133, but is needed for certain agencies as defined in House Bill 12-1009 for state reporting purposes. Include in this column a description of how the funds were used. The description should contain sufficient detail and context to be understandable to a reader unfamiliar with the program.

P. Obligations - This column is not required by A-133, but is needed for certain agencies as defined in House Bill 12-1009 for state reporting purposes. Include in this column any financial obligations to the State such as a State matching requirement along with the source of the matching funds, asset maintenance obligations, unfunded administrative costs, and potential liabilities or future State costs. Do not include current performance obligations to carry out the purpose for which the funds were received, as that is implicit in the purpose. If there are no obligations as a result of acceptance, please indicate this by putting 'none'.

Based on the information provided on the Exhibit K1, the OSC will calculate the following percentages for each applicable department as required by House Bill 12-1009:

- Department-level percentage of expenditures that are federal: Federal revenue in the 74, 75, and 79 revenue source code series, divided by the department's Type 22, 23, and 24 expenditures (excluding fund 471).
- Grant-level percentage of federal expenditures that are administrative: Indirect and Direct Admin reported in the Exhibit K1, divided by the sum of the Direct Program, Direct Admin, Indirect, and Pass-Thru expenditures.

Any questions about these instructions or our interpretation of A-133 requirements should be directed to Vance Finley (303-866-3894 or vance.finley@state.co.us) or Karoline Clark (303-866-3811 or karoline.clark@state.co.us).

EXHIBIT K1
SCHEDULE OF FEDERAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013

Agency Code[A]	Employer ID Number[B]	Primary DUNS Number[C]	Subrecipient State Agency DUNS Number[D]	Federal Agency Name[E]	OSC Assigned Fed Org Code[F]	Federal Program Name[G]	CFDA Number[H]	Non-Federal Pass-Through Entity[I]	Other Identifying Number[J]	Due-From or (Advanced By) Fed Sources 6/30/12[K]	Receipts[L]			Expenditures[M]				Due-From or (Advanced By) Fed Sources 6/30/13[N]	Purpose of Funds[O]	Obligations due to Fund Acceptance[P]
											Direct	Subrecipient	Non-Cash	Direct Program	Direct Admin	Indirect	Pass-Thru			
Totals								Total Federal Amounts												

[A]Please provide the agency code associated with each grant.
[B]Please provide the employer identification number associated with each grant.
[C]If the grant is received directly from the federal government, provide the Primary DUNS numbers in list format or associate it with each grant.
[D]If you have passed a direct Federal award to ANOTHER STATE AGENCY, please provide the DUNS number of the other state agency (D).
[E]If an OSC Assigned Org Code or a CFDA Number is not provided in (F) or (H) then a Federal Agency Name must be provided in (E).
[F]If a CFDA Number is not provided in (H) then an OSC Assigned Federal Org Code should be provided in (F). See the table following this exhibit for a list of codes.
[G]If a CFDA Number is not provided in (H) then a Federal Program Name must be provided in (G). Enter "R&D" if activity is related to research and development.
[H]A CFDA Number should always be provided if assigned.
[I]For funds received as a subrecipient provide a CFDA Number, a Non-Federal Pass-Through Entity Name, and an Other Identifying Number (assigned by Pass-Through Entity) in (H) (I) and (J), and related balances in (K) through (N).
[J]Provide an Other Identifying Number in (J) if a CFDA Number in (H) is not assigned or if you received funds as a subrecipient (use number assigned by entity providing you the funds.)
[K] This column is not required for A-133 reporting. It is only used to facilitate the audit. If using, this should equal the beginning balance of amounts receivable from or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.
[L] This field is not required for A-133 reporting. It is only used to facilitate the audit. Refer to the attached instructions for determining Federal receipts (show the normal balance as positive number with no brackets).
[M] This field is required for A-133 reporting. The Indirect segregation is required for all agencies for state reporting purposes. With expanded state reporting requirements in HB12-1009, the Direct Admin portion is required for executive branch agencies (excluding IHEs) and office of the Governor. If not required to report the Direct Admin portion separately, report both program and adminstrative costs under Direct Program and mark Direct Admin "N/A".
[N] This field is not required for A-133 reporting. It is only used to facilitate the audit. This should equal the ending balance of amounts receivable from or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.
[O]With expanded state reporting requirements in HB12-1009, this field is required for executive branch agencies (excluding IHEs) and offices of the Governor. Provide a description of the purpose for which the moneys were used. If not required to report, mark "N/A".
[P]With expanded state reporting requirements in HB12-1009, this field is required for executive branch agencies (excluding IHEs) and offices of the Governor. Provide a description summarizing obligations imposed on the State as a result of accepting the federal moneys. If no obligations, mark "none", or if not required to report mark "N/A".

Note: Column widths were set to accommodate letter sized paper; expand column widths as necessary to match the data elements entered.

Prepared By: ____________________ Agency Name: ____________________
Phone Number: ____________________ Agency Code ____________________
Email Address: ____________________ Date Prepared: ____________________

5.18.1 Exhibit K2 – Federal Assistance Reduction Operating Plans

This exhibit is required under HB12-1009, the Federal Funds Transparency Act for executive branch agencies and offices of the governor. It is not required for institutions of higher education. The purpose of the exhibit is to provide a guideline for each department's plan for operations in the result of loss of federal funding. Two separate scenarios are required for this exhibit.

Operating plan given a 5% reduction in federal funding - Include a discussion of the department's operating plan in the event that there is an overall 5% reduction in federal funds. Given the specific nature of the most federal funds, it may be helpful to discuss at a division or program level, by the general nature of the grants as one-time or ongoing, whether discretionary or entitlement, and so forth.

Operating plan given a 25% reduction in federal funding - Similar to the 5% plan, include a discussion of the department's operating plan in the event that there is an overall 25% reduction in federal funds.

EXHIBIT K2
SCHEDULE OF FEDERAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013

Plans for operating the State Agency if there is a Reduction of:

Five percent or more in the total amount of all federal moneys that the state agency receives:

Twenty-five percent or more in the total amount of all federal moneys that the state agency receives:

Prepared By: ___________________________________
Phone Number: ___________________________________
Email Address: ___________________________________
Agency Name: ___________________________________
Agency Code: ___________________________________
Date Prepared: ___________________________________

5.19 Office of the State Controller Assigned Federal Org Codes

The following table provides a listing of codes assigned to federal agencies by the OSC. These codes are to be used on the Exhibit K1 when a valid CFDA number has not been assigned; this code will specify the federal agency originating a federal award. This table is updated on an annual basis from the Catalog of Federal Domestic Assistance (CFDA) and from federal agencies identified on the Exhibit K1 that are not listed in the CFDA.

The information contained in the following table is the most current information available at the time of printing of the Fiscal Procedures Manual. Any updates before year-end will be posted on the OSC website.

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
01.ADF	AFRICAN DEVELOPMENT FOUNDATION
04.IAF	INTER-AMERICAN FOUNDATION
07.ONDCP	OFFICE OF NATIONAL DRUG CONTROL POLICY
08.PC	PEACE CORPS
09.LSC	LEGAL SERVICES CORPORATION
10.AARC	ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION (AARC) CENTER, DEPARTMENT OF AGRICULTURE
10.AMS	AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE
10.APHIS	ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE
10.ARS	AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE
10.ASAOO	DEPARTMENT OF AGRICULTURE, ASSISTANT SECRETARY FOR ADMINISTRATION, OFFICE OF OUTREACH
10.CCC	COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE
10.CSREE	COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE
10.DM	DEPARTMENTAL MANAGEMENT, DEPARTMENT OF AGRICULTURE
10.DOA	DEPARTMENT OF AGRICULTURE
10.ERS	ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE
10.FAS	FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE
10.FCS	FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE
10.FNS	FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE
10.FS	FOREST SERVICE, DEPARTMENT OF AGRICULTURE
10.FSA	FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE
10.FSIS	FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE
10.GI	GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION, DEPARTMENT OF AGRICULTURE
10.LTGB	LOCAL TELEVISION GUARANTEE BOARD, DEPARTMENT OF AGRICULTURE
10.NASS	NATIONAL AGRICULTURAL STATISTICS SERVICE, DEPARTMENT OF AGRICULTURE
10.NIFA	NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, DEPARTMENT OF AGRICULTURE
10.NRCS	NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE
10.NSIIC	NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE
10.OCD	OFFICE OF COMMUNITY DEVELOPMENT, DEPARTMENT OF AGRICULTURE
10.OCE	OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE
10.OCRE	OFFICE OF CIVIL RIGHTS ENFORCEMENT, DEPARTMENT OF AGRICULTURE
10.RBCS	RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE
10.RD	RURAL DEVELOPMENT, DEPARTMENT OF AGRICULTURE
10.RHS	RURAL HOUSING SERVICE (RHS), DEPARTMENT OF AGRICULTURE
10.RMA	RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
10.RUS	RURAL UTILITIES SERVICE, DEPARTMENT OF AGRICULTURE
11.BC	BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE
11.BEA	BUREAU OF ECONOMIC ANALYSIS, ECONOMICS AND STATISTICS ADMINISTRATION, DEPARTMENT OF COMMERCE
11.BOEA	BUREAU OF EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE
11.DOC	DEPARTMENT OF COMMERCE
11.EDA	ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE
11.ITA	INTERNATIONAL TRADE ADMINISTRATION, DEPARTMENT OF COMMERCE
11.MDBA	MINORITY BUSINESS DEVELOPMENT AGENCY, DEPARTMENT OF COMMERCE
11.NIST	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE
11.NMFS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE
11.NOAA	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE
11.NODC	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL OCEANOGRAPHIC DATA CENTER, DEPARTMENT OF COMMERCE
11.NOS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA), NATIONAL OCEAN SERVICE (NOS), DEPARTMENT OF COMMERCE
11.NTIA	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE
11.NTIS	NATIONAL TECHNICAL INFORMATION SERVICE, DEPARTMENT OF COMMERCE
11.NWS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE
11.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF COMMERCE
11.PTO	U.S. PATENT AND TRADEMARK OFFICE, DEPARTMENT OF COMMERCE
11.SU	STAT-USA, ECONOMICS AND STATISTICS ADMINISTRATION, DEPARTMENT OF COMMERCE
12.AATD	AVIATION APPLIED TECHNOLOGY DIRECTORATE (AATD), AVIATION AND TROOP COMMAND (ATCOM), DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE
12.AFMC	DEPARTMENT OF THE AIR FORCE, MATERIEL COMMAND, DEPARTMENT OF DEFENSE
12.ANGB	DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE
12.ARMC	DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE
12.DANTES	DEFENSE ACTIVITY FOR NONTRADITIONAL EDUCATION SUPPORT
12.DARPA	DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE
12.DIA	DEFENSE INTELLIGENCE AGENCY, DEPARTMENT OF DEFENSE
12.DLA	DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE
12.DOD	DEPARTMENT OF DEFENSE
12.DON	DEPARTMENT OF THE NAVY, SPAWAR, DEPARTMENT OF DEFENSE
12.DTRA	DEFENSE THREAT REDUCTION AGENCY, DEPARTMENT OF DEFENSE
12.FVAP	FEDERAL VOTING ASSISTANCE PROGRAM, DEPARTMENT OF DEFENSE
12.MCSC	MARINE CORPS SYSTEMS COMMAND, DEPARTMENT OF DEFENSE
12.NGB	NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE
12.NMLC	NAVAL MEDICAL LOGISTICS COMMAND/DEPARTMENT OF DEFENSE
12.NSA	NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE
12.NSWC	DAHLGREN DIVISION, NAVEL SURFACE WARFARE CENTER, DEPARTMENT OF THE NAVY
12.OASES	OFFICE OF THE SECRETARY OF DEFENSE, OFFICE OF THE ASSISTANT SECRETARY (ECONOMIC SECURITY), DEPARTMENT OF DEFENSE
12.OCE	OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE
12.OEA	OFFICE OF ECONOMIC ADJUSTMENT, DEPARTMENT OF DEFENSE

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
12.ONR	OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY
12.OSD	OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE
12.OUSDPR	OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS, DEPARTMENT OF DEFENSE
12.SOMD	SECRETARIES OF MILITARY DEPARTMENTS, DEPARTMENT OF DEFENSE
12.USRO	U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND
12.USUHS	UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES, DEPARTMENT OF DEFENSE
14.CPD	COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.DHUD	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.H	HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.HFHC	OFFICE OF HOUSING-FEDERAL HOUSING COMMISIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.MAMD	MULTIFAMILY ASSET MANAGEMENT AND DISPOSITION, OFFICE OF HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OFHEO	OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OHHLHC	OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OISFH	OFFICE OF INSURED SINGLE FAMILY HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.ONAP	OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OPDR	OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OPIH	OFFICE OF PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.PIH	PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.PIHO	PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
15.BIA	BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR
15.BIE	BUREAU OF INDIAN EDUCATION, DEPARTMENT OF THE INTERIOR
15.BLM	BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR
15.BOEM	BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIORS
15.BOR	BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR
15.BR	BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR
15.DOI	DEPARTMENT OF THE INTERIOR
15.GS	GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR
15.IACB	INDIAN ARTS AND CRAFTS BOARD, DEPARTMENT OF THE INTERIOR
15.MM	MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR
15.NPS	NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR
15.OIA	OFFICE OF INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR
15.OIEED	OFFICE OF INDIAN ENERGY AND ECONOMIC DEVELOPMENT (IEED), DIVISION OF ECONOMIC DEVELOPMENT, DEPARTMENT OF INTERIOR
15.ONRR	OFFICE OF NATURAL RESOURCES REVENUE, DEPARTMENT OF THE INTERIOR
15.OSMRE	OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR
15.USFWS	U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR
15.USGS	U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR
16.BATF	BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
16.BJA	BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.BJS	BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS
16.CD	CIVIL DIVISION, DEPARTMENT OF JUSTICE
16.CPO	CORRECTIONS PROGRAM OFFICE, DEPARTMENT OF JUSTICE
16.CPOJP	CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.CRD	CIVIL RIGHTS DIVISION, DEPARTMENT OF JUSTICE
16.CRS	COMMUNITY RELATIONS SERVICE, DEPARTMENT OF JUSTICE
16.CSCRD	CRIMINAL SECTION, CIVIL RIGHTS DIVISION, DEPARTMENT OF JUSTICE
16.DCPO	DRUG COURT PROGRAM OFFICE, DEPARTMENT OF JUSTICE
16.DEA	DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE
16.EOWS	EXECUTIVE OFFICE FOR WEED AND SEED, DEPARTMENT OF JUSTICE
16.FBI	FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE
16.J	DEPARTMENT OF JUSTICE
16.NIC	NATIONAL INSTITUTE OF CORRECTIONS, DEPARTMENT OF JUSTICE
16.NICPS	NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE
16.NIJ	NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE
16.NIJJP	NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.OCOPS	OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE
16.OJJDP	OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE
16.OJP	OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.OJPBJS	OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE
16.OJPDP	OFFICE OF JUSTICE PROGRAMS, OFFICE FOR STATE AND LOCAL DOMESTIC PREPAREDNESS SUPPORT, DEPARTMENT OF JUSTICE
16.OJPJA	OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE
16.OJPVC	OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE
16.OJPVW	OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE
16.OSOSM	OFFICE OF SEX OFFENDER SENTENCING, MONITORING, APPREHENDING, REGISTERING, AND TRACKING, DEPARTMENT OF JUSTICE
16.OVC	OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE
16.VAWO	VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE
17.BLS	BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR
17.DOL	DEPARTMENT OF LABOR
17.EBSA	EMPLOYEE BENEFIT SECURITY ADMINISTRATION
17.ESA	EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR
17.ETA	EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR
17.MSHA	MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR
17.ODEP	OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR
17.OLMS	OFFICE OF LABOR-MANAGEMENT STANDARDS, EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR
17.OSHA	OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR
17.VET	OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR
17.WB	WOMEN'S BUREAU, OFFICE OF THE SECRETARY, DEPARTMENT OF LABOR
19.BC	BUREAU OF COUNTERTERRORISM, DEPARTMENT OF STATE

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
19.BDHRL	BUREAU OF DEMOCRACY, HUMAN RIGHTS AND LABOR, DEPARTMENT OF STATE
19.BEAPA	BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS/DEPARTMENT OF STATE
19.BEBA	BUREAU OF ECONOMIC AND BUSINESS AFFAIRS, DEPARTMENT OF STATE
19.BEC	BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE
19.BECS	BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, U.S. DEPARTMENT OF STATE
19.BIR	BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE
19.BISN	BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION, DEPARTMENT OF STATE
19.BNEA	BUREAU OF NEAR EASTERN AFFAIRS, DEPARTMENT OF STATE
19.BOIESA	BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS/DEPARTMENT OF STATE
19.BP	BUREAU OF PERSONNEL, DEPARTMENT OF STATE
19.BPRM	BUREAU OF POPULATION, REFUGEES, AND MIGRATION, DEPARTMENT OF STATE
19.BWHA	BUREAU OF WESTERN HEMISPHERE AFFAIRS, DEPARTMENT OF STATE
19.DOS	DEPARTMENT OF STATE
19.DS	DIPLOMATIC SECURITY, DEPARTMENT OF STATE
19.INLEA	INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, DEPARTMENT OF STATE
19.OCAEE	OFFICE OF THE COORDINATOR OF U.S. ASSISTANCE TO EUROPE AND EURASIA, DEPARTMENT OF STATE
19.OLA	OFFICE OF THE LEGAL ADVISER, DEPARTMENT OF STATE
19.OMC	OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE
19.OOS	OFFICE OF OVERSEAS SCHOOLS, DEPARTMENT OF STATE
19.OSS	OFFICE OF THE SECRETARY OF STATE, DEPARTMENT OF STATE
19.PMAWRA	POLITICAL MILITARY AFFAIRS/ WEAPONS REMOVAL AND ABATEMENT/DEPARTMENT OF STATE
19.SORMC	SECRETARY OFFICE REPRESENTATIVE TO MUSLIM COMMUNITIES, DEPARTMENT OF STATE
19.TIP	TRAFFICKING IN PERSONS, DEPARTMENT OF STATE
19.USPDPA	UNDER SECRETARY FOR PUBLIC DIPLOMACY AND PUBLIC AFFAIRS, DEPARTMENT OF STATE
20.BTS	BUREAU OF TRANSPORTATION STATISTICS, DEPARTMENT OF TRANSPORTATION
20.DOT	DEPARTMENT OF TRANSPORTATION
20.FAA	FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FHWA	FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FMCA	FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FRA	FEDERAL RAILROAD ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FTA	FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.MA	MARITIME ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.NHTSA	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION
20.OSAS	OFFICE OF THE SECRETARY (OST) ADMINISTRATION SECRETARIATE/DEPARTMENT OF TRANSPORTATION
20.PHMSA	PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.RAIT	RESEARCH AND INNOVATION TECHNOLOGY, DEPARTMENT OF TRANSPORTATION
20.RSPA	RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
21.CDFIF	COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION FUND, DEPARTMENT OF TREASURY
21.CS	U.S. CUSTOMS SERVICES, DEPARTMENT OF THE TREASURY

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
21.DOT	DEPARTMENT OF TREASURY
21.IRS	INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY
23.ARC	APPALACHIAN REGIONAL COMMISSION
27.OPM	OFFICE OF PERSONNEL MANAGEMENT
29.CCR	COMMISSION ON CIVIL RIGHTS
30.EEOC	EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
31.EIBUS	EXPORT-IMPORT BANK OF THE UNITED STATES
32.FCC	FEDERAL COMMUNICATIONS COMMISSION
33.FMC	FEDERAL MARITIME COMMISSION
34.FMCS	FEDERAL MEDIATION AND CONCILIATION SERVICE
36.FTC	FEDERAL TRADE COMMISSION
39.GSA	GENERAL SERVICES ADMINISTRATION
40.GPO	U.S. GOVERNMENT PRINTING OFFICE
42.LOC	LIBRARY OF CONGRESS
43.NASA	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
44.NCUA	NATIONAL CREDIT UNION ADMINISTRATION
45.FCAH	FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.IMLS	INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NEA	NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NEH	NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NFAH	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
46.NLRB	NATIONAL LABOR RELATIONS BOARD
47.NSF	NATIONAL SCIENCE FOUNDATION
53.CEPD	PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES
57.RRB	RAILROAD RETIREMENT BOARD
58.SEC	SECURITIES AND EXCHANGE COMMISSION
59.SBA	SMALL BUSINESS ADMINISTRATION
60.S	SMITHSONIAN INSTITUTE
61.ITC	U.S. INTERNATIONAL TRADE COMMISSION
62.TVA	TENNESSEE VALLEY AUTHORITY
64.DVA	DEPARTMENT OF VETERANS AFFAIRS
64.NCS	NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS
64.VBA	VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS
64.VHA	VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS
66.EPA	ENVIRONMENTAL PROTECTION AGENCY
66.LISOOW	LONG ISLAND SOUND OFFICE, OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY
66.OA	OFFICE OF THE ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY
66.OAR	OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY
66.OARM	OFFICE OF ADMINISTRATION AND RESOURCES MANAGEMENT, ENVIRONMENTAL PROTECTION AGENCY
66.OCFO	OFFICE OF THE CHIEF FINANCIAL OFFICER, ENVIRONMENTAL PROTECTION AGENCY
66.OCSPP	OFFICE OF CHEMICAL SAFETY AND POLLUTION PREVENTION, ENVIRONMENTAL PROTECTION AGENCY
66.OECA	OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY
66.OEI	OFFICE OF ENVIRONMENTAL INFORMATION, ENVIRONMENTAL PROTECTION AGENCY
66.OEJ	OFFICE OF ENVIRONMENTAL JUSTICE, ENVIRONMENTAL PROTECTION AGENCY
66.OGD	OFFICE OF GRANTS AND DEBARMENT, ENVIRONMENTAL PROTECTION AGENCY

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
66.OIA	OFFICE OF INTERNATIONAL AFFAIRS, ENVIRONMENTAL PROTECTION AGENCY
66.OPPTS	OFFICE OF POLLUTION PREVENTION AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY
66.ORD	OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY
66.OSWER	OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY
66.OW	OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY
66.R1	REGION 1, ENVIRONMENTAL PROTECTION AGENCY
66.R10	REGION 10. ENVIRONMENTAL PROTECTION AGENCY
66.R11	REGION 10. ENVIRONMENTAL PROTECTION AGENCY
66.R12	REGIONS 1 AND 2, OFFICE OF ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY
66.R3	REGION 3, ENVIRONMENTAL PROTECTION AGENCY
66.R4	REGION 4, ENVIRONMENTAL PROTECTION AGENCY
66.R6	REGION 6, ENVIRONMENTAL PROTECTION AGENCY
66.R7	REGION 7, ENVIRONMENTAL PROTECTION AGENCY
66.R8	REGION 8, ENVIRONMENTAL PROTECTION AGENCY
66.R9	REGION 9, ENVIRONMENTAL PROTECTION AGENCY
68.NGA	NATIONAL GALLERY OF ART
70.OPIC	OVERSEAS PRIVATE INVESTMENT CORPORATION
72.CNCS	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
77.NRC	NUCLEAR REGULATORY COMMISSION
77.OIRM	OFFICE OF INFORMATION RESOURCES MANAGEMENT, NUCLEAR REGULATORY COMMISSION
77.ONRR	OFFICE OF NUCLEAR REGULATORY RESEARCH, NUCLEAR REGULATORY COMMISSION
77.OSP	OFFICE OF STATE PROGRAMS, NUCLEAR REGULATORY COMMISSION
78.CFTC	COMMODITY FUTURES TRADING COMMISSION
81. EIA	ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY
81.CRWM	CIVILIAN RADIOACTIVE WASTE MANAGEMENT, DEPARTMENT OF ENERGY
81.DOE	DEPARTMENT OF ENERGY
81.EM	ENVIRONMENTAL MANAGEMENT, OFFICE OF MANAGEMENT AND EVALUATION, DEPARTMENT OF ENERGY
81.ODP	OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY
81.OEERE	OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY
81.OEM	OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY
81.OER	OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY
81.OMEI	OFFICE OF MINORITY ECONOMIC IMPACT, OFFICE OF ECONOMIC IMPACT AND DIVERSITY, DEPARTMENT OF ENERGY
81.ONEST	OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY
81.ONNS	OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY
81.OP	OFFICE OF POLICY, DEPARTMENT OF ENERGY
81.OSETI	OFFICE OF SCIENCE EDUCATION AND TECHNICAL INFORMATION, DEPARTMENT OF ENERGY
81.RFETS	ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY
82.USIA	UNITED STATES INFORMATION AGENCY
83.FEMA	FEDERAL EMERGENCY MANAGEMENT AGENCY
83.MD	MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY
83.PTED	PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
83.RRD	RESPONSE AND RECOVERY DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY
84.BEML	OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION
84.CPCFO	CONTRACTS AND PURCHASING, OFFICE OF THE CHIEF FINANCIAL OFFICER, DEPARTMENT OF EDUCATION
84.DBEML	OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION
84.DOE	DEPARTMENT OF EDUCATION
84.ERI	OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.ERSI	ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.ESE	OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.HRA	OFFICE OF HUMAN RESOURCES AND ADMINISTRATION/DEPARTMENT OF EDUCATION
84.IES	INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION
84.OELA	OFFICE OF ENGLISH LANGUAGE ACQUISITION; DEPARTMENT OF EDUCATION
84.OERI	OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.OESE	OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.OII	OFFICE OF INNOVATION AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.OPE	OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.OS	OFFICE OF THE SECRETARY
84.OSDFS	OFFICE OF SAFE AND DRUG-FREE SCHOOLS, DEPARTMENT OF EDUCATION
84.OSFAP	OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION
84.PEPD	OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT
84.SERS	OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION
84.SPE	OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.SSER	OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION
84.SVAE	OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION
84.VAE	OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION
85.BGS	BARRY M. GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION
85.CCFF	CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
85.HTSF	HARRY S TRUMAN SCHOLARSHIP FOUNDATION
85.JMMF	JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION
85.MCC	MILLENNIUM CHALLENGE CORPORATION
85.MUS	THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION
85.S	SMITHSONIAN INSTITUTE
85.WWIC	THE WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
86.ATB	ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD
86.PBGO	PENSION BENEFIT GUARANTY CORPORATION
89.NARA	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
90.BBG	BROADCASTING BOARD OF GOVERNORS
90.DC	DENALI COMMISSION
90.DRA	DELTA REGIONAL AUTHORITY

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
90.EAC	ELECTION ASSISTANCE COMMISSION
90.JUFC	JAPAN-US FRIENDSHIP COMMISSION
91.USIP	UNITED STATES INSTITUTE OF PEACE
92.NCD	NATIONAL COUNCIL ON DISABILITY
93.ACF	ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.AHCPR	AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.AHRQ	AGENCY FOR HEALTHCARE RESEARCH AND QUALITY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.AOA	ADMINISTRATION ON AGING, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BHP	BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BHRD	BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BPHC	BUREAU OF PRIMARY HEALTH CARE, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CDCP	CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CMHS	CENTER FOR MENTAL HEALTH SERVICES (CMHS), DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CMMS	CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.DHHS	DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.FDA	FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.FYSB	FAMILY YOUTH SERVICES BRANCH, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HCFA	HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HHS	DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HRSA	HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.IHSHS	INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.IHSPH	INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NICHD	NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NIH	NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NIOSH	NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OASPE	OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OCA	U.S. OFFICE OF CONSUMER AFFAIRS, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OCS	OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ODPH	OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OMH	OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OPA	OFFICE OF POPULATION AFFAIRS, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ORHP	OFFICE OF RURAL HEALTH POLICY, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

OSC ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
93.ORR	OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.PCPFS	PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.PHS	PUBLIC HEALTH SERVICE
93.PHSII	PUBLIC HEALTH SERVICE-II
93.PSC	PROGRAM SUPPORT CENTER, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.SAMHS	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.SHCDC	NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.TSDR	AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
94.CNCS	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
94.SUB	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
95.EOP	EXECUTIVE OFFICE OF THE PRESIDENT
95.OPC	OUNCE OF PREVENTION COUNCIL
96.SSA	SOCIAL SECURITY ADMINISTRATION
97.DHS	DEPARTMENT OF HOMELAND SECURITY
97.NPS	NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR
98.AID	AGENCY FOR INTERNATIONAL DEVELOPMENT
98.USAFID	UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
99.CIA	CENTRAL INTELLIGENCE AGENCY
99.CPSC	CONSUMER PRODUCT SAFETY COMMISSION
99.NRC	NATIONAL RESEARCH COUNCIL
99.OTH	OTHER FEDERAL AGENCIES
99.SI	SMITHSONIAN INSTITUTE
99.SJI	STATE JUSTICE INSTITUTE
99.UNKNOWN	OTHER FEDERAL AGENCIES
99.USPS	UNITED STATES POSTAL SERVICE

5.20 Exhibit L – Summary of Material Contingent Liabilities in Excess of $5,000,000

This exhibit is used to report conditions that may result in material liabilities contingent on future events. Contingent liabilities include items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, potential lawsuits, and unsettled disputed claims or audit disallowances. Only unrecorded contingent liabilities should be included on the exhibit. If possible, estimate the potential loss amount or range of amounts. Do not include amounts that would be immaterial to your financial statements, or contingencies less than $5,000,000. Do not include lawsuits that have been referred to the Attorney General's Office because the OSC receives a separate listing of those lawsuits from the Attorney General's Office. Please provide a brief description of the item for disclosure in the State CAFR. Any changes in the initial estimated potential loss or range of amounts between submission of the exhibit and completion of the State CAFR should be submitted on a revised Exhibit L.

The OSC will contact state agencies via e-mail regarding subsequent events, which are due September 17 for the Basic Financial Statements and updates are due by December 10 for the CAFR. This includes events occurring after June 30 that warrant disclosure in the State CAFR.

EXHIBIT L
SUMMARY OF MATERIAL CONTINGENT LIABILITIES
IN EXCESS OF $5,000,000
AT JUNE 30, 2013

Item	Estimated Amount or Range	Estimated Percentage Probability of Loss	Estimated Settlement Date

Note: Only list unrecorded contingent liabilities. If possible, estimate the possible loss amount or range of amounts. Do not include amounts that would be immaterial to your financial statements (or less than $5,000,000), and do not include lawsuits that have been referred to the AttorneyGeneral's Office.

Prepared By: ______________________ Agency Name: ______________

Phone Number: ______________________ Agency Code: ______________

Email Address: ______________________ Date Prepared: ______________

5.21 Exhibit M – Custodial Credit Risk Related to Cash on Hand or Deposited with Financial Institutions

Deposits with financial institutions include all imprest cash accounts, checking accounts, depository accounts, nonnegotiable certificates of deposit (negotiable CDs should be accounted for and reported as investments), restricted cash (not held for an agency by the State Treasurer) and amounts held in trust for students, inmates and patients. If these balances are not transferred to the State Treasurer by the close of business on June 30, they should be classified in 10*xx* accounts and reported on Exhibit M. Do not include on Exhibit M any balances classified in 11*xx* accounts or balances reclassified to account 1034–Restricted Cash Per GASB Statement No. 34 that were held by the State Treasurer at June 30. Please be sure to include money market accounts at financial institutions that are cash deposits. If you hold money market mutual funds, they should be excluded from the Exhibit M since they are investments. The money market mutual funds should be reported on the Exhibit N.

In order to meet the note disclosure requirements of GASB Statements No. 3 and No. 40, we require you to classify your financial institution deposits into the following categories of risk:

- Category A includes: Federally insured deposits, uninsured deposits that are fully collateralized with securities held by the state or its agent in the State name; uninsured deposits that are fully collateralized with securities held by the pledging financial institution’s trust department or agent in the State name; petty cash, change funds, and other cash on hand. The bank balance should be zero for petty cash, change funds, and cash on hand. The pooling of collateral allowed by the Colorado’s Public Deposit Protection Act should be reported in this category.
- Category B includes: Deposits that are uninsured and uncollateralized, uninsured deposits that are collateralized with securities held by the pledging financial institution, and uninsured deposits that are collateralized with securities held by the pledging financial institution’s trust department or agent that are not in the State name. Deposits that are uninsured and uncollateralized are not in compliance with the Colorado Public Deposit Protection Act.

Colorado statutes state that public moneys may only be deposited in financial institutions designated as eligible public depositories. The statutes also require that amounts of public moneys on deposit in excess of the FDIC insurance coverage shall be collateralized. These requirements apply to both banks and savings and loan institutions.

A bank confirmation form is provided following Exhibit M, which should be used to determine the appropriate risk category for your deposits. It is important for the information confirmed by the bank to be complete and accurate. For any information requested and not confirmed by the bank, or for any information provided that appears to be in error, the department should contact the bank for clarification. Due to differences in interpretation of the rules concerning coverage of FDIC insurance, we must rely on the banking institution’s representation to the agency of the amount of available insurance or collateralizing assets.

After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit M with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

EXHIBIT M

CUSTODIAL CREDIT RISK RELATED TO
CASH ON HAND OR DEPOSITED WITH FINANCIAL INSTITUTIONS
AT JUNE 30, 2013

Bank Balance Risk Category*	Bank Balance	COFRS Balance
A		
A		
A		
A		
A		
A		
A		
A		
Subtotal Category A		
B		
B		
B		
B		
B		
B		
B		
B		
Subtotal Category B		
TOTALS:		

*RISK CATEGORIES:

1. Category A includes: Federally insured deposits, uninsured deposits that are fully collateralized with securities held by the state or its agent in the state's name, uninsured deposits that are fully collateralized with securities held by the pledging financial institution's trust department or agent in the state's name, petty cash, change funds, and other cash on hand. The bank balance should be zero for petty cash, change funds, and cash on hand.
2. Category B includes: Deposits that are uninsured and uncollateralized, uninsured deposits that are collateralized with securities held by the pledging financial institution, and uninsured deposits that are collateralized with securities held by the pledging financial institution's trust department or agent that are not in the state's name. Deposits that are uninsured and uncollateralized are not in compliance with the Public Deposit Protection Act.

Note: Report on this exhibit all amounts classified in 10XX accounts on COFRS on June 30, including certificates of deposit and restricted cash (if not held by the State Treasurer). Do not include any amounts recorded in 11XX or amounts held by the State Treasurer that have been reclassifed to 1034.

The COFRS balance must equal the COFRS Period 13 ending balance from the Exhibit Reconciling Balances report plus any exhibits H posted.

Prepared By: ______________ Agency Name: ______________

Phone Number: ______________ Agency Code: ______________

Email Address: ______________ Date Prepared: ______________

5.21.1 Bank Confirmation Form

In order for your agency to properly prepare Exhibit M, you need to confirm June 30 checking, savings, and certificate of deposit account balances. The Bank Confirmation Form requests information about amounts insured and collateralized under a given Public Deposit Protection Act (PDPA) number. The confirmation in the form of an Excel spreadsheet is now included in the Exhibit Listing that is sent out by Reporting & Analysis. If an agency has more than one PDPA number at the same bank, please use one confirmation form, with the account numbers and PDPA numbers filled out by your agency. For your reference, a listing of the PDPA numbers for each agency can be found at:

http://www.dora.state.co.us/banking/pdpainformation/pdpanumbers.html

The information received from the financial institutions on this form should be summarized on the Exhibit M. Reporting & Analysis uses the risk classification information for note disclosure in accordance with GASB Statements No. 3 and No. 40 in the statewide financial statements.

The information provided on the confirmation by the banking institution must be reviewed carefully. Incomplete or inaccurate information should be clarified with the bank. If FDIC insurance is applicable on the account, it should be reported as the lesser of the June 30 balance or the applicable FDIC limit. Questions regarding FDIC insurance should be directed to the Division of Banking at 303-894-7855.

It is also important to determine that the PDPA number assigned to your department is the PDPA number attached to the account on the banking institution's records. Banking institutions report monthly to the Division of Banking regarding FDIC insurance and collateralization requirements for public funds identified with a PDPA number. If the bank does not confirm the PDPA number, contact the bank.

DATE: ________________________________

TO: ________________________________

FROM: ________________________________

SUBJECT: Verification of Deposits Insurance and/or Collateralization

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In order for our agency to properly report its cash deposits in fiscal year-end financial statements, we need the information requested below. It would be appreciated if you could provide the information by July 5, 2013.

The following is a listing of accounts for our agency under the given Public Deposit Protection Act Number that are on deposit in your financial institution along with space to report the balance, insurance, and collateral as defined in Column C below. Also, please confirm that the agency PDPA number listed below is the number actually attached to these accounts.

A	B	C	D
Account Number	6/30/13 Balance	Total Amount that is: 1) Insured, or 2) Collateralized With Securities Held By: a) the State, or b) Your Trust Department or Agent in the State's Name	State Agency PDPA Number

In addition, I (we) certify that our financial institution is an Eligible Public Depository as required in Title 11 of the Colorado Revised Statutes.

Name of financial institution: ________________________________

Person submitting the information: ________________________________

Telephone number of preparer: ________________________________

5.22 Exhibit N1 – Fair Value of Investments

Use this exhibit to provide information about the types of investments your agency holds, the custodial risk associated with the security evidencing the investment, the difference between carrying value and fair value, and additional information about how you manage your investments. GASB Statements No. 3, No. 31, and No. 40 require disclosure of the information that is requested on exhibits N1, N2, and N3.

GASB Statement No. 31 requires investments to be reported at fair value with only a few exceptions (such as money market investments). Effectively, this requires the OSC to record revenues related to realized or unrealized gains or losses on investments. To ensure that statewide reporting of unrealized gains and losses is done consistently, the OSC has decided that all entries for unrealized gains/losses will be handled as postclosing entries. Therefore, you should not make an entry to COFRS for unrealized gains/losses on investments that your agency holds. Exhibit N is divided into three sections as follows:

<u>Section A – Custodial Credit Risk Classification</u>

In this section enter the fair value and indicate the custodial credit risk category (A or B) for each investment type as follows:

- Category A investments are all investments not reported in Category B including those not evidenced by securities that exist in physical or book entry form, such as, reverse repurchase agreements, open-end mutual funds, positions in investment pools, investments not held for income or profit, advance refunding escrow assets, venture capital, limited partnerships, real estate, mortgages and other loans, annuity contracts, or guaranteed investment contracts. The exhibit includes lines for reverse repurchase agreements, guaranteed investment contracts, and mutual funds; other material investments individually listed in the previous sentence should be shown in the line item titled “Other – Uncategorized”, and the type of investment should be disclosed.
- Category B investments include securities that are uninsured, <u>and</u> are not registered in the State name, <u>and</u> are held by either a) the counterparty or b) the counterparty’s trust department or agent but not in the State name.
- The amount by which a repurchase agreement exceeds the fair value of the underlying securities is subject to custodial credit risk and should be reported in Category B. Closed end mutual funds and unit investment trusts are securities evidenced by a physical document, and they are therefore subject to custodial credit risk disclosure.

<u>Section B – Fair Value Information</u>

In order for the OSC to make the necessary unrealized gain/loss entries, both the carrying value and the fair value of your investments is needed. Although, GASB Statement No. 31 allows certain investments (money market funds and investment contracts having less than one year to maturity at the time of purchase) to be reported at amortized cost, it is the State Controller’s policy that all investments be reported at fair value. For most investments fair value will be determined by quoted market prices. However, if other valuation methods are used they must be disclosed (see Section C below). For the investments your agency holds, report the June 30 carrying balance by fund (COFRS Period 13 close balance as adjusted by exhibits H posted to the State financial statements) and the related June 30 fair value. These investments should be recorded in COFRS balance sheet accounts 12*xx* or 16*xx*.

Section C – Valuation Disclosures

GASB Statements No. 31 and No. 34 require several disclosures related to fair value of investments. The questions presented in Section C of Exhibit N1 address the disclosures that can only be identified at the agency level. For the first question, check the appropriate box. If you used something other than a quoted market price to establish fair value, then explain the significant assumptions and methods used in valuing that investment.

For the second question, check yes or no and list the fund that reported the investment asset and the fund that reported the investment income. Explain the reason for reporting the income in a fund category other than the one in which the asset was reported.

The third major item in Section C is a disclosure requirement of paragraph 121 in GASB Statement No. 34, and it applies to donor-restricted endowments, which the OSC interprets as including donor restricted permanent funds. For item a, provide the net appreciation of donor-restricted investments. This should include the unrealized gain/loss included in Section B as well as realized investment earnings (interest, capital gains, etc.) Also provide the amount that management has the authority to expend.

For item b, state how the amount available for expending is reported in the net assets section of the financial statements. For higher education, the donor-restricted investment should be part of the required fund balance reclassification entry that segregates the fund balance accounts as follows:

- 3200 – Externally Restricted – Other
- 3230 – Permanent Endowment – Expendable
- 3240 – Permanent Endowment – Nonexpendable

If the amount available for expending is offset in net assets by related liabilities, please explain that condition. For permanent funds, the classification as to expendable or nonexpendable is determined by the fund in which the investment revenue is recorded.

For item c, state your policy for authorizing and expending endowment earnings that are subject to management's discretion. The standard cites spending rate (a percentage of investment income) and total return (all of investment income, realized and unrealized) as two policy options that entities may be using.

After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit N with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

EXHIBIT N1

FAIR VALUE OF INVESTMENTS

AT JUNE 30, 2013

Section A

Type of Investment	Risk Category *	Fair Value
U. S. Government Securities		
Bank Acceptances		
Commercial Paper		
Corporate Bonds		
Corporate Equities		
Repurchase Agreements		
Asset Backed Securities		
Mortgages		
Mutual Funds		
Reverse Repurchase Agreements		
Guaranteed Investment Contracts		
Private Equities		
International Equities		
Hedge Funds		
Other - Uncategorized (List by type)		
	Total:	

* - See instructions for risk category classifications.

Section B (Balance Sheet Accounts 12xx, 16xx)

Fund	COFRS Balance	Fair Value
Totals:		

Section C

Was the fair value of any investment estimated by a method other than quoted market prices, including but not limited to the use of the equity method for accounting for investments?

Yes ______ No ______ If yes, list the investment and explain the estimation method below.

Was the income from any investment reported in or assigned to a fund category other than the one in which the investment asset was reported? Yes ______ No ______ If yes, explain below.

For **donor-restricted endowments** (GASB 34 Paragraph 121):

a) What amount of net appreciation of investments was available for authorization for expenditure by the board?

Net Appreciation: ______

Amount Available: ______

b) How is the available amount reported in net assets?

c) What is your agency/institution policy regarding authorizing and spending investment income?

The COFRS balance under Section B must equal the COFRS Period 13 ending balance from the Exhibit Reconciling Balances report, plus any exhibits H posted.

Prepared By: ______ Agency Name: ______

Phone Number: ______ Agency Code: ______

Email Address: ______ Date Prepared: ______

5.23 Exhibit N2 – Credit Quality Rating for Debt Securities

GASB Statement No. 40, paragraph 7 requires governmental entities to provide information about the credit risk associated with their investments by disclosing the credit quality rating of investments in debt securities. The credit quality ratings must be done by nationally recognized statistical rating organizations (NRSRO). The standard requires this disclosure for fixed income securities held individually as well as participation in external investment pools, money market funds, bond mutual funds, and other pooled investments. The standard also requires disclosure of the amount of debt securities or debt based securities that are unrated. Obligations of the U.S. government and obligations explicitly guaranteed by the U.S. government are exempted from the credit quality disclosure requirements, and therefore, there may not be a match between exhibits N1 and N2. Investment instruments issued by government-sponsored enterprises, such as, the Federal Farm Credit Banks, Federal Home Loan Bank System, Freddie Mac (Federal Home Loan Mortgage Corporation), Fannie Mae (Federal National Mortgage Association), and Sallie Mae (Student Loan Marketing Association) are subject to credit quality disclosures.

The left column of Exhibit N2 lists the investment types that are subject to the disclosure requirement. For each investment type that your agency holds, you should report the fair value amount and related credit quality rating that reflects the highest level of risk as set by any one of the three rating agencies. If a debt security investment is not rated by any of the three rating agencies, it should be reported in the far right column titled “Unrated”. If an agency has multiple debt instruments of a single investment type with different credit quality ratings you should show the fair value amount related to each rating. (Question 17 of the GASB Statement No. 40 implementation guide precludes using the credit quality rating of the issuer rather than the credit quality rating of the individual instrument.) For each investment type, the fair value amount reported on Exhibit N2 should agree to the fair value amount reported on Exhibit N1. As noted above, obligations of the U.S. government and obligations explicitly guaranteed by the U.S. government are exempted from the credit quality disclosure requirements and therefore will not match between exhibits N1 and N2.

The tables at the bottom of Exhibit N2 provide the major credit quality ratings used by the three rating agencies for long-term investments and short-term investments. The ratings agencies often provide further gradation in their credit quality ratings (usually through “+” and “-” indicators); however, the State will only report at the rating level shown in the table. State statute requires that bank acceptances be of the highest three ratings, commercial paper be of the highest rating, and corporate bonds be at least investment grade. Statutes do not specify the required rating for the other debt securities. You should report the actual rating even if it is below the statutorily required level. The University of Colorado operates its own treasury and investment operations separate of the Colorado State Treasurer’s Office, and it has different requirements regarding allowable investments.

State agencies should not “look through” debt instrument based mutual funds to the rating of the underlying security. The rating of the mutual fund itself should be presented instead. If there is no NRSRO rating of the mutual fund itself, the mutual fund investment should be shown as unrated. State agencies must report the credit quality rating of their investments in mutual funds even if the underlying securities are solely in U.S. government securities with explicit guarantees.

Repurchase agreements are subject to credit quality risk disclosures if the underlying securities are subject to such disclosures. Repurchase agreements where the underlying securities are U.S. government securities with explicit guarantees are not subject to credit quality risk disclosures.

EXHIBIT N2
CREDIT QUALITY RATING FOR DEBT SECURITIES
AT JUNE 30, 2013

	MOODY'S		STANDARD & POOR'S		FITCH		UNRATED
INVESTMENT TYPE	RATING	FAIR VALUE	RATING	FAIR VALUE	RATING	FAIR VALUE	FAIR VALUE
U.S. Govt Agencies (No Explicit Guarantee)							
Bank Acceptances							
Commercial Paper							
Corporate Bonds							
Guarantee Investment Contracts							
Repurchase Agreements (if the underlying securities are subject to credit risk disclosures)							
Asset Backed Securities							
Money Market Mutual Funds							
Bond Mutual Funds (that are not guaranteed U.S. Govt Obligations)							

LONG-TERM CREDIT RATINGS

	MOODY'S	STANDARD & POOR'S	FITCH
Gilt Edge	Aaa	AAA	AAA
High Grade	Aa	AA	AA
Upper Medium	A	A	A
Lower Medium	Baa	BBB	BBB
Speculative	Ba	BB	BB
Very Speculative	B	B	B
High Default Risk	Caa	CCC	CCC
		CC	CC
		C	C
Default	Ca	D	DDD
	C		DD
			D

SHORT-TERM CREDIT RATINGS

	MOODY'S	STANDARD & POOR'S	FITCH
Highest	P1/MIG1	A-1	F-1
High	P2/MIG2	A-2	F-2
Good	P3/MIG3	A-3	F-3
Speculative	SG	B	B
Default Risk		C	C
Default		D	D

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.24 Exhibit N3 – Interest Rate Risk and Other Risk Disclosures

GASB Statement No. 40, paragraph 14 requires governmental entities to provide information about the interest rate risk associated with their investments by disclosing the maturities of their debt investments. This disclosure requirement applies to all fixed income investments including obligations guaranteed by the U.S. government. While the standard provides five options for making this disclosure, the State has selected average weighted maturity as its primary mechanism for reporting interest rate risk. If interest rate risk is managed by monitoring investment duration, then duration may be used to disclose interest rate risk. You should not report weighted average maturity and duration for the same investment. The standard also requires several disclosures of other investment related risks not reported on exhibits N1 or N2, which are addressed on Exhibit N3.

In the first box on Exhibit N3 you should report the fair value amount of debt investments. (For most investment types, this amount should agree to the fair value amount reported on Exhibit N1; however, certain investment types, such as mutual funds will only be reported on N3 if the underlying securities are primarily debt related. The OSC will not attempt to reconcile exhibits N1 to N3, but will rely on the agencies' representation of which investments are debt related and belong on N3.) Unless you manage investment risk by duration, you should report the maturity amount related to the fair value reported and the weighted average maturity (in years) of that maturity amount. Illustration No. 3 in GASB Statement No. 40 demonstrates the calculation of weighted average maturity. The OSC will use the maturity amount and the reported weighted average maturity to calculate a statewide aggregate weighted average maturity for the individual investment types. If you manage interest rate risk by monitoring investment duration, then you should report the fair value amount and the duration of the investment managed using duration. Money market funds that qualify as 2a7-like pools (pooled investments with underlying securities of very short maturities managed to maintain a constant dollar value) are exempt from this interest rate risk disclosure.

GASB Statement No. 40, paragraph 11 requires governmental entities to disclose the fair value of investments where an individual issuer represents more than five percent of the total investments for a major fund. Since individual agencies may not know the total investments held in a major fund (or aggregate nonmajor funds), the OSC will provide a table showing the five percent threshold for each major fund and aggregate nonmajor funds. This table will be provided as part of the Exhibit Reconciling Balances report distributed by the OSC after Period 13 close. In the box titled "Concentration of Credit Risk", you should report the fund name, issuer's name, and fair value amount of any individual security that exceeds the amount reported in the five-percent-threshold table. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The remaining questions and required disclosures on the Exhibit N3 are self-explanatory. In general, they are intended to report concentrations of credit risk, foreign currency risk, and to identify and report the terms of investments that are highly sensitive to interest rate changes. Terms that make an investment highly sensitive to interest rate changes include: coupon multipliers, benchmark indexes, reset dates, and embedded options. An extended time to maturity also makes an investment highly sensitive to interest rate changes; however, that condition is addressed in the weighted average maturity or duration disclosures above. Because of the effect of interest rate changes on the prepayment of mortgage obligations, investments with mortgages as the underlying security (Fannie Mae, Ginnie Mae, Freddie Mac, Collateralized Mortgage Obligations) may be considered highly sensitive to interest rate changes. If you have questions regarding these required disclosures please contact your FAST field controller.

EXHIBIT N3
INTEREST RATE RISK AND OTHER RISK DISCLOSURES
AT JUNE 30, 2013

		WEIGHTED AVERAGE MATURITY		
INVESTMENT TYPE	FAIR VALUE AMOUNT	MATURITY AMOUNT	WEIGHTED AVERAGE MATURITY	DURATION (In Years)
U. S. Government Securities				
Bank Acceptances				
Commercial Paper				
Corporate Bonds				
Repurchase Agreements				
Asset Backed Securities				
Money Market Mutual Funds (Non 2a7-like pools)				
Bond Mutual Funds				

Name of the Major Fund using the Duration Methodology ______________________

Summarize below your agency or institution's policy on managing interest rate risk (e.g. limits on maturity of investments):

List any assumptions that affect the interest rate risk disclosure made above, e.g., cash flow timing, interest rate changes, call provisions. Also provide the fair value amount to which these assumptions apply:

Are your agency or institution's investments exposed to a concentration of credit risk? ____________ Yes ____________ No
If yes, summarize below your agency or institution's policy for managing concentration of credit risk:

Concentration of Credit Risk: (excluding guaranteed U.S. government securities, mutual funds, and investment pools)

Major Fund	Issuer's Name	Fair Value Amount

Are your agency or institution's deposits or investments exposed to foreign currency risk? ____________ Yes ____________ No
If yes, summarize below your agency or institution's policy for managing foreign currency risk:

If yes, provide the U.S dollar amount of the deposit or investment by currency denomination and, if applicable, by investment type:

Other Disclosures:
Do any of your investments have variable rates that use a multiplier that enhances or amplifies the effects of interest rate changes? ___Yes ____No
If yes provide the fair value amount, the coupon multiplier, and the benchmark index:

Do any of your investments vary inversely with a benchmark index (e.g. four percent minus the three-month LIBOR with a floor of one percent)? ____ Yes _____ No If yes, provide the fair value of the investment, its multiplier, its benchmark, and the frequency of reset dates.

Do repayments of your asset-backed investments vary significantly with changes in interest rates? ____Yes ____ No. If yes, provide the fair value amount, the nature of the underlying assets, and explain how the repayments may vary with changes in interest rates:

Prepared by: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.25 Exhibit N4 – Derivative Summary

Background:

Changing financial and commodity prices may expose governments to changes in cash flows and fair values that can be effectively managed by using derivative instruments. Derivative instruments, however, also can expose governments to significant risks and liabilities. As a result of those risks the State Treasurer is prohibited from investing the State cash pool in derivatives; however, if other state agencies have used derivatives as investments or to manage cash flow or fair value risk, they should complete this exhibit. The exhibit's instructions are not a substitute for the GASB Statement No. 53 text, and the statement should be reviewed in its entirety before completing Exhibit N4. The fair value recognition requirements of GASB Statement No. 53 do not apply to governmental fund financial statements reported under the current financial resources flows focus, but do apply to the proprietary/fiduciary fund statements and the government-wide statements. As a result, governmental fund fair value recognition activity occurs in fund 471.

Derivatives have all three of the following characteristics: 1) settlement terms based on rates (referenced to other conditions or products) that are applied to a contract amount (notional amount in dollars or units); 2) the use of leverage, which results in changes in the investor's cash flows or fair value based on changing market conditions with a small or zero dollar initial investment; and 3) provisions allowing net settlement that reduce gross outflows and inflows. Normal purchase and sale contracts for commodities often meet the above definition, but are excluded from GASB Statement No. 53 requirements if they are recurring, the government normally takes delivery, and the volume of the contract is consistent with government usage of the commodity. Insurance contracts reported under GASB Statement No. 10 are also exempt from GASB Statement No. 53 requirements as are certain contracts (not traded on a market exchange) and certain loan commitments.

The fair value of derivatives must be reported on the Statement of Net Position. The change in fair value must be reported on the Statement of Activities if the derivative is considered an investment or an ineffective hedge, but the change in fair value may be deferred (reported as an offset on the Statement of Net Position) if the derivative is considered an effective hedge. Most of GASB Statement No. 53 is about determining the effectiveness of a derivative as a hedge. Refer to GASB Statement No. 53 for measurement methods, hedge effectiveness evaluation methods and accounting, and termination of hedge accounting.

This Exhibit N4 must be submitted in electronic format due to the extensive text disclosures that are included in the tabular spreadsheet format. A printed version may not show all the data entered. Each section of the exhibit should be clearly marked as "Not Applicable" if you are submitting Exhibit N4, but are not entering data in that section. An Exhibit N4 must be submitted as of the date an effective hedge terminates, if not held for the entire fiscal year. This is in addition to any outstanding effective hedges in place as of fiscal year-end.

In all sections of this Exhibit N4, disclosure information for similar derivative instrument types may be provided individually or aggregated; similarity is assessed based on derivative naming conventions, nature of the derivative, nature of the hedged item (if applicable), and the related reference rate.

Summary information shall be presented as required by GASB Statement No. 53 paragraph 69. The following provides definitions and explains the individual rows and columns in the spreadsheet.

Fair Value Hedge: A hedge that protects against the risk of either total changes in fair value or adverse changes in fair value caused by fixed terms, rates, or prices.

Cash Flow Hedge: A hedge that protects against the risk of either changes in total variable cash flows or adverse changes in cash flows caused by variable prices, costs, rates, or terms that cause future prices to be uncertain.

Investment Derivative: A derivative instrument that is entered primarily for the purpose of obtaining income or profit, or a derivative instrument that does not meet the criteria of a hedging derivative instrument.

- Column A – Enter the derivative description, such as, receive-fixed swap, pay-fixed swap, swaption, rate cap, basis swap, or futures contract.
- Column B – Notional amount is the dollar or unit amount upon which the derivative payments depend.
- Column C – Fair value at fiscal year-end should be based on market quotations (if available), discounted forecasted cash flows, formula based, or mathematical methods.
- Column D – Report the financial statement line item, such as, Investment, Derivative Instruments, or Bonds/Notes/COPs Payable where the derivative is reported.
- Column E – Report the valuation method used, such as, market quotations (if available), discounted forecasted cash flows, formula based, or mathematical methods. If a valuation service is used, their methodology should be disclosed to the extent they will provide the information, and so state if they will not.
- Column F – report the change in fair value for all derivatives including effective hedges.
- Column G – Report the name of the financial statement affected using the following acronyms SONA, SOA, SCRECNA, or SCFNA and the financial statement line item (such as, on the SONA: Deferred Inflow, Deferred Outflow – or on the operating statements: Investment Revenue).
- Column H – Report the fair value of any previously effective hedging derivative that was reclassified as a derivative investment because it became ineffective during the fiscal year. (See the first note to the first table in the "Disclosures Example Derivative Instruments" in Illustration #12 in Appendix C of GASB Statement No. 53.)
- Column I – Report the amount of Deferred Inflow or Deferred Outflow (from the prior year) that was removed from the SONA and recognized in Investment Income related to the ineffective hedge reported in Column H. The amount in Column I will usually not match the amount in Column H due to the current year change in fair value of the derivative.

Synthetic Guaranteed Investment Contracts (SGICs) should not be reported in the summary information on Exhibit N4.

EXHIBIT N4
DERIVATIVE SUMMARY
AT JUNE 30, 2013

Summary Information									
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
	Type of Derivative	**Notional Amount In Dollars or Units**	**Fair Value at 6/30/2012**	**Financial Statement Line Where FV Is Reported**	**Valuation Methods and Assumptions**	**Change in Fair Value From 6/30/12 to 6/30/13**	**FV Change Reported In: Financial Statement and Financial Statement Line**	**FV of Hedging Derivative Reclassified to Investment Derivative**	**Deferred Inflow/Outflow Amount Recognized In Investment Revenue**
GOVERNMENTAL FUNDS:									
Hedging Derivatives (Instruments Meeting Requirements of GASB 53 Paragraph 26 to 62)									
Fair Value Hedges:									
	Derivative Description								
	Add lines as needed								
Cash Flow Hedges:									
	Derivative Description								
	Add lines as needed								
Investment Derivatives (Derivatives Not Qualifying for Hedge Accounting):									
	Derivative Description								
	Add lines as needed								
PROPRIETARY FUNDS:									
Hedging Derivatives (Instruments Meeting Requirements of GASB 53 Paragraph 26 to 62)									
Fair Value Hedges:									
	Derivative Description								
	Add lines as needed								
Cash Flow Hedges:									
	Derivative Description								
	Add lines as needed								
Investment Derivatives (Derivatives Not Qualifying for Hedge Accounting):									
	Derivative Description								
	Add lines as needed								
FIDUCIARY FUNDS:									
Hedging Derivatives (Instruments Meeting Requirements of GASB 53 Paragraph 26 to 62)									
Fair Value Hedges:									
	Derivative Description								
	Add lines as needed								
Cash Flow Hedges:									
	Derivative Description								
	Add lines as needed								
Investment Derivatives (Derivatives Not Qualifying for Hedge Accounting):									
	Derivative Description								
	Add lines as needed								

Prepared by: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.26 Exhibit N5 – Hedging Derivatives

Background:

Derivatives are divided into two major categories, those that are hedge derivatives and qualify for hedge accounting, and those that are investment derivatives (collectively called derivative instruments in GASB Statement No. 53). Hedge derivatives are reported on Exhibit N5, and investment derivatives are reported on Exhibit N6. Hedge derivatives are further subdivided into two categories, those that qualify as effective hedges and those that are ineffective hedges. When a hedge derivative becomes ineffective it should be reported as an investment derivative on Exhibit N6 and the reclassification from hedge to investment derivative should be reported in the summary information on Exhibit N4. An investment derivative is a derivative instrument that is entered primarily for the purpose of obtaining income or profit, or a derivative instrument that does not meet the criteria of a hedging derivative instrument.

GASB Statement No. 53 provides various methods for determining effectiveness of a potential hedge derivative including the consistent critical terms method, one of the quantitative methods (synthetic instrument, dollar offset, or regression analysis), or other qualifying method. Please refer to the statement to determine whether your potential hedge derivative qualifies for hedge accounting and reporting on Exhibit N5.

This Exhibit N5 must be submitted in electronic format due the extensive text disclosures that are included in the tabular spreadsheet format. A printed version may not show all the data entered. Each section of the exhibit should be clearly marked as "Not Applicable" if you are submitting Exhibit N5, but are not entering data in that section. In all sections of this Exhibit N5, disclosure information for similar derivative instrument types may be provided individually or aggregated; similarity is assessed based on derivative naming conventions, nature of the derivative, nature of the hedged item (if applicable), and the related reference rate.

Hedge specific information shall be presented as required by GASB Statement No. 53 paragraphs 70 through 75. The information is divided into Fair Value Hedges and Cash Flow Hedges, which are defined as follows:

Fair Value Hedge: A hedge that protects against the risk of either total changes in fair value or adverse changes in fair value caused by fixed terms, rates, or prices.

Cash Flow Hedge: A hedge that protects against the risk of either changes in total variable cash flows or adverse changes in cash flows caused by variable prices, costs, rates, or terms that cause future prices to be uncertain.

The following explains the individual rows and columns in the spreadsheet.

- Column A – Enter the derivative description, such as, receive-fixed swap, pay-fixed swap, swaption, rate cap, basis swap, or futures contract.
- Column B – Enter text that provides your objective in entering the hedge, the context necessary to understand the objective, your strategy for achieving the hedge objective, and the type of derivative instrument entered into.
- Column C – Enter the notional amount in dollars or units upon which the hedge cash flows are based.
- Column D – Enter the terms of the hedging derivative, including the reference rate such as indices or interest rates, and the pay versus receive arrangements.
- Column E – Enter any embedded options such as caps, floors, or collars.
- Column F – Enter the date when the hedging derivative instrument was entered into.
- Column G – Enter the date when the hedging derivative is scheduled to terminate or

mature.

- Column H – Enter the amount of cash paid or received at inception of the hedge derivative.
- Column I – Enter the credit quality rating of the counterparty to the hedge derivative.
- Column J – Enter the maximum amount of loss due to credit risk (based on the fair value of the hedging derivative instrument as of the end of the reporting period) that the government would incur if the counterparties to the hedging derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangement.

Enter the above data in the portion of Section A that aligns with the classification of the fund where the derivative AND related hedgable item is reported on the State financial statements, that is, Governmental Activity, Proprietary Activity, or Fiduciary Activity.

Sections B through I:

An explanation of the required disclosure is provided for each section in the Exhibit N5 spreadsheet, and no further instruction is deemed necessary.


STATE · OF · COLORADO
UNION
AND
CONSTITUTION
NIL SINE NUMINE
1876

EXHIBIT N5
HEDGING DERIVATIVES (EFFECTIVE)
AT JUNE 30, 2013

SECTION A: Hedging Derivatives Only										
	A	B	C	D	E	F	G	H	I	J
	Type of Derivative	Objective, Context, and Strategy	Notional Amount In Dollars or Units	Terms: Including Reference Rates & Pay and Receive Provisions	Embedded Options	Effective Date	Date the Contract Terminates or Matures	Cash Paid or Received at Inception (if any)	Counter Party Credit Rating or Unrated	Maximum Loss Under Counter Party Nonperformance
GOVERNMENTAL FUNDS:										
Fair Value Hedges:										
	Derivative Description									
	Add lines as needed									
Cash Flow Hedges:										
	Derivative Description									
	Add lines as needed									
PROPRIETARY FUNDS:										
Fair Value Hedges:										
	Derivative Description									
	Add lines as needed									
Cash Flow Hedges:										
	Derivative Description									
	Add lines as needed									
FIDUCIARY FUNDS:										
Fair Value Hedges:										
	Derivative Description									
	Add lines as needed									
Cash Flow Hedges:										
	Derivative Description									
	Add lines as needed									

SECTION B: Hedging Derivatives Only

CREDIT RISK & RELATED POLICIES:
Report the following: Collateral policy, other security policy, total current amount of collateral, and access to the collateral; Master netting polices including total related liability, right of offset, and legal enforceability of offset; Aggregate total of positive derivative positions after reduction for counterparty collateral and counterparties' right of offset (i.e, net exposure to credit risk); Significant concentrations of net exposure to credit risk including any group exposure caused by similarity in characteristics of the counter parties.

SECTION C: Hedging Derivatives Only

INTEREST RATE RISK :
Report the following: The extent to which a hedging derivative increases the exposure to interest rate risk including the terms that cause that increased exposure.

SECTION D: Hedging Derivatives Only

BASIS RISK:
Report the following: The extent to which the rates or prices of any of the hedging derivatives in SECTION A are based on different reference rates than their related hedgeable item.

SECTION E: Hedging Derivatives Only

TERMINATION RISK:
Report the following: The occurrence of any termination events during the fiscal year; any termination dates allowed in advance of the hedging derivative's maturity; any outstanding contractual provisions that provide for out-of-the-ordinary termination events.

SECTION F: Hedging Derivatives Only

ROLLOVER RISK:
Report the following: The extent to which the maturity of the hedging derivative instrument is a term shorter than the term of the hedged item including showing the term of each.

SECTION G: Hedging Derivatives Only

MARKET ACCESS RISK:
Report the following: The extent to which any of the hedging derivative instruments require subsequent access to the credit market including the impact of credit markets being too costly or inaccessible.

SECTION H: Hedging Derivatives Only

FOREIGN CURRENCY RISK:
Report the following: The extent to which any of the hedging derivative instruments cause exposure to foreign currency risk due to cash flows or fair value measured in a foreign currency; report the US dollar amount of the derivative instrument organized by type of derivative instrument and related currency denomination.

SECTION I: Hedging Derivatives Only

QUANTITATIVE METHODS USED TO EVALUATE HEDGE EFFECTIVENESS OTHER THAN THOSE IDENTIFIED IN GASB 53:
Report the following: The identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

Prepared by: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.27 Exhibit N6 – Investment Derivatives (Not Hedge Qualified), Ineffective Hedge Derivatives, Contingent Features, and Synthetic Guaranteed Investment Contracts

Background:

Derivatives are divided into two major categories, those that are hedge derivatives and qualify for hedge accounting and those that are investment derivatives (collectively called derivative instruments in GASB Statement No. 53). Hedge derivatives should be reported on Exhibit N5 and investment derivatives are reported on Exhibit N6. Hedge derivatives are further subdivided into two categories, those that qualify as effective hedges and those that are ineffective hedges. When a hedge derivative becomes ineffective it should be reported as an investment derivative on Exhibit N6 and the reclassification from hedge to investment derivative should be reported in the summary information on Exhibit N4.

GASB Statement No. 53 provides various methods for determining effectiveness of a potential hedge derivative including the consistent critical terms method, one of the quantitative methods (synthetic instrument, dollar offset, or regression analysis), or other qualifying method. Please refer to GASB Statement No. 53 to determine whether your potential hedge derivative qualifies for hedge accounting and reporting on Exhibit N5.

This Exhibit N6 must be submitted in electronic format due the extensive text disclosures that are included in the tabular spreadsheet format. A printed version may not show all the data entered. Each section of the exhibit should be clearly marked as “Not Applicable” if you are submitting Exhibit N6, but are not entering data in each section. In all sections of this Exhibit N6, disclosure information for similar derivative instrument types may be provided individually or aggregated; similarity is assessed based on derivative naming conventions, nature of the derivative, nature of the hedged item (if applicable), and the related reference rate.

Sections A through C:

In Sections A through C report the specifics of credit risk, interest rate risk, and foreign currency risks associated with derivative instruments that do NOT qualify as effective hedge derivatives or that have been purchased primarily for the purpose of obtaining income or profit. An explanation of the required disclosure is provided for each section in the Exhibit N6 spreadsheet; and no further instruction is deemed necessary.

Section D:

Section D addresses contingent features of derivatives. An explanation of the required disclosure is provided for this section in the Exhibit N6 spreadsheet; and no further instruction is deemed necessary.

Section E:

Section E addresses Synthetic Guaranteed Investments Contracts (SGICs). SGICs are normally related to an investment contract with an insurance company that provides a separate feature commonly referred to as a wrapper that guarantees a value to the underlying instruments in the investment contract. These investments are reported at the contract value rather than fair value. A familiar example is the guarantee associated with the Great West Stable Value Fund offered in the PERA 457 Deferred Compensation Plan. An explanation of the required disclosure is provided for this section in the Exhibit N6 spreadsheet; and no further instruction is deemed necessary.

EXHIBIT N6
INVESTMENT DERIVATIVES, INEFFECTIVE HEDGES, CONTINGENT FEATURES,
AND SYNTHETIC GUARANTEED INVESTMENT CONTRACTS
AT JUNE 30, 2013

SECTION A: Investment Derivatives & Ineffective Hedges Only
CREDIT RISK & RELATED POLICIES: (GASB 53 Paragraph 76)
Report the following:(1) The credit quality ratings of counterparties as described by nationally recognized statistical rating organizations—rating agencies—as of the end of the reporting period. If the counterparty is not rated, the disclosure should indicate that fact. (2) The maximum amount of loss due to credit risk, based on the fair value of the hedging derivative instrument as of the end of the reporting period, that the government would incur if the counterparties to the hedging derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangement. (3) Collateral policy, other security policy, total current amount of collateral, and access to the collateral. (4) Master netting polices including total related liability, right of offset, and legal enforceability of offset. (5) Aggregate total of positive derivative positions after reduction for counterparty collateral and counterparties' right of offset (i.e, net exposure to credit risk). (6) Significant concentrations of net exposure to credit risk including any group exposure caused by similarity in characteristics of the counterparties.

SECTION B: Investment Derivatives Instruments & Ineffective Hedges Only
INTEREST RATE RISK: (GASB 53 Paragraph 76)
Report the following: The extent to which a derivative investment increases the exposure to interest rate risk including the terms that cause that increased exposure.

SECTION C: Investment Derivatives & Ineffective Hedges Only
FOREIGN CURRENCY RISK: (GASB 53 Paragraph 76)
Report the following: The extent to which any of the derivative investments cause exposure to foreign currency risk due to cash flows or fair value measured in a foreign currency; report the US dollar amount of the derivative instrument organized by type of derivative instrument and related currency denomination.

SECTION D: All Derivatives (Contingent Features)
CONTINGENT FEATURES: (GASB 53 Paragraph 77) Report the following: The existence and nature of contingent features and the circumstances in which the features could be triggered; the aggregate fair value of derivative instruments that contain those features; the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities; the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

SECTION E: Synthetic Guaranteed Investment Contracts Only
SYNTHETIC GUARANTEED INVESTMENT CONTRACTS (SGIC): (GASB 53 Paragraph 79)
Report the following: 1) A description of the nature of the SGIC, and 2) the total fair value of the SGIC with separate identification of the portion attributable to the underlying securities and the portion attributable to the wrap contract guaranteeing the value of the investment.

Prepared by:	______________	Agency Name:	______________
Phone Number:	______________	Agency Code:	______________
Email Address:	______________	Date Prepared:	______________

5.28 Exhibit O1 – Summary of Related Party or Foundation Disclosures

GASB Statement No. 62 and SAS 45 promulgate the standards for disclosure of material related party transactions. In general, a related party is one that can exercise control or significant influence over the management or operating policies of another party, to the extent that one of the parties is or may be prevented from fully pursuing its own separate interests.

The minimum disclosures required for material related party transactions are:

- The nature of the material related party relationship. In addition, the name of the related party should be disclosed, if it is essential to the understanding of the relationship.
- A description of the material related party transactions, including amounts and other pertinent information. Related party transactions of zero or nominal amounts must also be disclosed. In other words, all information that is necessary to an understanding of the effects of the material related party transactions on the financial statements must be disclosed.
- The effects of any change in terms between the related party and the State from the terms applicable in prior periods.
- The terms of related party transactions, the manner of settlement of related party transactions, and the amount due to or from related parties must also be disclosed. Further, if the operating results or financial position of the State can be altered significantly by the effects of management control of the related party, even if there are no transactions with the related party, the nature of the control must be disclosed. In other words, if the existence of the control relationship has the potential of producing operating results or financial position that differs from those that would exist if there were no control relationship, disclosure must be made of the nature of such management control.

Examples of related organizations that might require related party transaction disclosure include but are not limited to:

Pinnacol Assurance
Colorado Educational and Cultural Facilities Authority
Colorado Health Facilities Authority
Colorado Agricultural Development Authority
Colorado Housing and Finance Authority
Colorado Sheep and Wool Authority
Colorado Beef Council Authority
Fire and Police Pension Association
The State Board of the Great Outdoors Colorado Trust Fund

In addition to the entities listed above, foundations existing for the benefit of higher education institutions that are not reported as component units of the State may or may not meet the criteria for disclosure as related parties. However, to address the State Auditor’s concern regarding consistency in foundation reporting, the Higher Education Financial Advisory Committee has made the following interpretation of Higher Education Accounting Standard No. 14. Institutions should disclose foundation activity on this exhibit if the institution records transactions on its books that are funded by or at the direction of the foundation. If a foundation expends funds on behalf of an institution and the transactions are not recorded on the institutions books, no disclosure is necessary. Foundations that are reported as discretely presented component units of the State should not be reported on this Exhibit O1.

EXHIBIT O1

SUMMARY OF RELATED PARTY OR FOUNDATION DISCLOSURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. The name of the related party or foundation and the nature of the material relationship.

2. A description or summarization of the transactions, including amounts and other pertinent information.

3. The effects of any change in terms between periods.

4. The terms, the manner of settlement, and the amounts due to or from any related parties or foundations.

Note: References are GASB 62 and SAS-45 (AU Section 334).
Submit one form for each entity with which your agency had a material relationship.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.29 Exhibit O2 – Service Concession Arrangements

GASB Statement No. 60 promulgates the standards for disclosure of service concession arrangements and is effective starting in FY12-13. In general, in a service concession arrangement the right to provide public services through the use of a capital asset for significant consideration is granted to an operator. The criteria under which an arrangement qualifies for accounting and reporting under this standard are addressed in more detail in Chapter 3, Section 6.9.

The minimum service concession arrangement disclosures include:

- A general description of the arrangement. This includes management's objectives in entering into the arrangement as either the transferor or the operator, significant terms in effect during the reporting period, the duration of agreement, and the status of the project (as applicable).
- The amount and nature of assets, liabilities, and deferred inflows of resources associated with the arrangement. Please indicate which assets are intangible in the description column of the exhibit. The deferred inflows balance should reconcile to the balance recorded on COFRS as of period 13 (plus any exhibits H posted) in balance sheet account 1945 (Type 02). Examples of the content of these accounts include the upfront payment (or the unamortized portion thereof), the present value of installment payments, and the present value and nature of obligations (i.e., transferor asset maintenance or insurance requirements).
- Nature and extent of rights retained by the transferor or granted to the governmental operator. For example, disclose any revenue sharing provisions.
- Any guarantees or commitments including identification, duration, and significant contract terms related to the guarantee. For example, a transferor may guarantee the debt of the operator for a certain time period.

EXHIBIT O2

SERVICE CONCESSION ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

1. General description of the arrangement.

2. Amount and description of associated assets, liabilities, and deferred inflows.

	Balance Sheet Account Number	Description
Assets		
Liabilities		
Deferred Inflows[A]		

3. Description of rights granted or retained.

4. Description of any guarantees or commitments.

[A] *The Deferred Inflows balance must equal the COFRS balance (plus any exhibits H posted) for account 1945.*

Prepared By: __________ Agency Name: __________

Phone Number: __________ Agency Code: __________

Email Address: __________ Date Prepared: __________

5.30 Exhibit P – Major Accounting Estimates in Excess of $5,000,000

The use of estimates has been encouraged to aid in completing the close of the State financial books of record as early as possible. This exhibit provides information to the State Controller regarding major accounting estimates used in closing.

For purposes of this exhibit, major estimates include those over $5,000,000. The $5,000,000 threshold applies both to balance sheet accounts and expenses/expenditures and revenues. Estimates related to recording depreciation of capital assets should not be included on the Exhibit P. The State Controller will review agencies' listings of major accounting estimates and request additional information if needed.

For those estimates where the current year accounting entry is an adjustment of the prior year estimate, you should also report the total amount of the estimate that is reflected in the balance sheet accounts. For example, the adjustment for the compensated absences liability may be small in any one fiscal year but your agency's cumulative balance sheet liability for compensated absences may be large and exceed the $5,000,000 threshold.

The exhibit requests information on the accounting entry resulting from the estimate and a brief narrative description of the purpose of the estimate.

EXHIBIT P

MAJOR ACCOUNTING ESTIMATES
IN EXCESS OF $5,000,000
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

1. Accounts impacted by the estimate:

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit

2. Brief description of the purpose of the estimate.

Prepared By: ________________ Agency Name: ________________

Phone Number: ________________ Agency Code: ________________

Email Address: ________________ Date Prepared: ________________

5.31 Exhibit Q – Governmental Fund Balance Disclosures

GASB Statement No. 54, implemented in FY10-11, outlines the requirements and disclosures related to governmental fund balance classifications (see Chapter 3, Section 6.8). The purpose of this exhibit is to identify new or changed conditions from the prior year related to fully restricted fund balances for which the OSC classifies programmatically, as well as identify other required disclosures.

Section A – Stabilization Arrangements:

Stabilization arrangements must be subject to controls that dictate the circumstances in which the funds can be spent, and can only be spent under the specified circumstances. The expectation is that the circumstances would not be expected to occur routinely. Please indicate any new stabilization arrangements exceeding $5,000,000, or any changes to previously reported stabilization arrangements, in this section.

Section B – Minimum Fund Balance Policies:

The focus of minimum fund balance policies is on nonstatutory policies established by the government above any minimum balance requirements imposed on the government from other sources and authority. Statutorily required reserve levels do not constitute minimum fund balance policies. Please indicate any new minimum fund balance policies exceeding $5,000,000, or any changes to previously reported minimum fund balance policies, in this section.

Section C – Restricted Fund Balance Classification Changes:

Restricted fund balances consist of funds whereby an external party can legally compel the State to use the specified resources for only a specific purpose. For Colorado, based on court rule, legal restrictions arise from constitutional provisions or external parties, and do not include funds solely created by the General Assembly. A fund may meet this criteria in its entirety, or may partially meet this criteria. The OSC programmatically classifies fund balance if the funds are restricted in their entirety. Manual fund balance entries will need to be prepared at the agency-level to reflect partially restricted fund balances, along with any associated restricted cash, receivables, and investments.

This section only pertains to gathering changed information for the programming of the funds that are fully restricted, or can reasonably be expected to, based on the State spending prioritization policy. Previously reported funds meeting this criteria in their entirety are included in the restricted fund balance section in Chapter 3, Section 4. As long as circumstances have not changed, no further action or reporting is necessary. If circumstances have changed, or a new fund is fully restricted, complete this section. It is the responsibility of the agency to support the restricted classification through the audit process. The OSC's sole responsibility is for the programming of the fund as restricted in the financial statements as an administrative convenience.

Section D – Prioritization Policy:

The State prioritization policy for spending in contained in Chapter 3, Section 6.8. In most cases, the policy specifies that the least restrictive sources of funds be spent first when there is an option to use multiple classifications of funds (committed versus restricted, for example). Please indicate any circumstances whereby agency spending practices are not supported by the State policy.

EXHIBIT Q

GOVERNMENTAL FUND BALANCE DISCLOSURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Stabilization Arrangements

Describe the nature of any stabilization arrangements of $5 million or more that were new or changed in FY12-13, including whether that balance is fixed or fluctuates, the conditions under which the funds can be accessed, and any legal and/or statutory references. (GASB 54, para. 26)

Section B - Minimum Fund Balance Policies

Describe the nature of any new or changed non-statutory minimum fund balance levels of $5 million or more in FY12-13, whether that level is fixed or fluctuates, and the conditions under which the funds can be accessed. (GASB 54, para. 27)

Section C - Restricted Fund Balance Classification Changes

Provide the following information for any new or changed funds with fully restricted fund balances, as listed in Chapter 3, Section 3.4. (GASB 54, para. 8-9)

Fund Number: Fund Name:

Name of external party constraining the use of the fund (not enabling legislation):

What is the source of the fund's revenue, including revenue source codes?

If this fund makes distriubtions to other funds, please list those funds by fund number, name, and statutory cite.

Section D - Prioritization Policy

Please describe any spending prioritization practices not in compliance with OSC's policy as described in Chapter 3, Section 6.8. (GASB 54, para. 23)

Prepared By: ______________ Agency Name: ______________

Phone Number: ______________ Agency Code: ______________

Email Address: ______________ Date Prepared: ______________

5.32 Exhibit R – Application/Letter of Certification for Petty Cash and Change Funds

CRS 24-30-202 (20.1) and Fiscal Rule 6.2 allow the State Controller to delegate approval of petty cash funds to a designee. This delegation allows the agency to establish, abolish, or change the dollar amount of petty cash and change funds.

The Exhibit R may apply differently based on an individual agency's circumstances, as follows.

1. For *delegated* agencies, use the Exhibit R to complete an annual certification confirming that delegation conditions are still in place.
2. If an agency or higher education institution is *not delegated*, use the Exhibit R to re-certify accounts approved by the State Controller.
3. Use the Exhibit R to *apply for delegation* of the State Controller's approval for petty cash and change funds. Application for delegation may be completed at any time during the fiscal year, not just during the open/close process.

The "List of Approved Petty Cash and Change Funds" in Item No. 6 on Exhibit R contains the minimum data elements required. Agencies may use a more inclusive format if desired and attach it to Exhibit R. The item "Petty Cash or Change Fund Identifier" is the agency assigned descriptor of the petty cash or change fund; it could be location, an assigned number, or a text description.

If your institution has opted out of the fiscal rules subject to CRS 24-30-202(13)(b), enter "N/A, CRS 24-30-202(13)(b)" on the Exhibit Listing Form and do not complete this exhibit. Due to the attest signatures required on this exhibit, it must be submitted in paper format with original signatures.

Please send your completed Exhibit R to:

Office of the State Controller
Attn: FAST
633 17th Street, Suite 1500
Denver, CO 80202

EXHIBIT R
APPLICATION/LETTER OF CERTIFICATION
FOR PETTY CASH AND CHANGE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

CRS 24-30-202 (20.1) and Fiscal Rule 6.2 allow the state controller to delegate approval of petty cash funds to a designee. This delegation allows departments or institutions to establish, abolish, or change the dollar amount of their petty cash and change funds.

Please sign below to signify your understanding, agreement, and certification of the following statements:

1. The delegation of petty cash and change funds is to the controller or chief financial officer of this department or institution. This authority can not be subdelegated to anyone else.

2. The department or institution has adequate internal controls in place to safeguard the petty cash and change funds.

3. No individual petty cash fund exceeds $2,500.

4. All cash at the agency is maintained in the correct classifications on COFRS as Petty Cash (1012), Change Funds (1011) or Cash on Hand (1010).

5. Change funds are kept to a minimum. No expenditures have been made from change funds. Expenditures from petty cash have been limited to those allowed in Fiscal Rule 6.2.

6. A report listing the agency, fund, petty cash and change funds authorized, and the authorized amount is to be submitted annually. A format for the report follows; attach an additional schedule if needed.

Agency	Fund	Petty Cash or Change Fund Identifier	Amount Authorized

Please mark one, as it applies to your agency/department.

__________ Letter of Certification for accounts authorized by **agency designee**
__________ Letter of Certification for accounts authorized by **State Controller**
__________ Application for Delegation

This letter of certification/application for delegation applies to the following:

Department/Institution: ____________________________
Agency Name(s) ____________________________
Agency Code(s) ____________________________
Approval Delegated To: ____________________________

Signature: ____________________________ Date: ____________
Controller or Chief Financial Officer

(For new delegation)
Approved by: ____________________________ Date: ____________
For the State Controller

5.33 Exhibit S – Changes in Short-Term Financing

Paragraph 12 of GASB Statement No. 38 requires disclosure of short-term debt financing even if no short-term debt was outstanding at June 30. Exhibit S applies only to short-term financing that is external to the State reporting entity; therefore, State Treasury loans and advances and inter and intrafund borrowings should not be reported on this exhibit.

In the upper section of the exhibit, enter your beginning short-term debt balance, any increase or decrease in the balance during the year, and the ending balance. All amounts should be entered with the accounting normal-balance signs, that is, credit balances and increases are entered as negative numbers and debits to the account and decreases are entered as positive numbers. The decrease is calculated by the formulas in the exhibit template. If you enter balances in the line item titled "Other Short-Term Financing", please provide a descriptive title for the activity.

In the lower section of the exhibit, describe the nature and purpose of the short-term borrowing reported in the upper section. New in FY12-13, please provide detailed information related to each issuance for note disclosure purposes.

After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit S with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

EXHIBIT S

SCHEDULE OF CHANGES IN SHORT-TERM FINANCING
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A: COFRS Information

	COFRS		6/30/12	Changes		6/30/13
	Fund	Account	(Balance)	(Increase)	Decrease	(Balance)
Tax Revenue Anticipation Notes:						
Lines of Credit:						
Short-Term External Loans:						
Other Short-Term Financing:						
Totals						

Describe the nature and purpose of the short-term financing listed above:

Section B: Additional Information about New Issuances:
For new issuances, please provide the following information. Please complete additional Exhibits S as needed.

Issuance Name:		Issuance Name:	
Amount of Issuance:		Amount of Issuance:	
Coupon Rate:		Coupon Rate:	
Interest Amount:		Interest Amount:	
Premium Amount:		Premium Amount:	
Subtotal:		Subtotal:	
Issuance Cost:		Issuance Cost:	
Net Interest Cost:		Net Interest Cost:	
Yield:		Yield:	

NOTE: The issuance and retirement of short-term financing should be disclosed on this exhibit, even if the beginning and/or ending balance of the financing is zero. Please fill out Section A for all short term borrowing, and provide information in Section B for new issuances only.

Prepared By:		Agency Name:	
Phone Number:		Agency Code:	
Email Address:		Date Prepared:	

5.34 Exhibit T – Segment Reporting

Paragraph 122 of GASB Statement No. 34, as revised by paragraph 17 of GASB Statement No. 37, requires certain disclosures of enterprise activities that qualify as segments. An enterprise activity qualifies as a segment if it is an identifiable activity that has revenue bonds with a revenue stream pledged in support of debt and is required by an external party to separately account for the assets, liabilities, revenues, and expenses of the activity.

Section A – Condensed Financial Information

In Section A of the exhibit, you should enter the condensed financial information specified by the line items listed. The exhibit template includes Check Totals at the bottom of Section A that must remain at zero after the data entry for the segment is complete. These Check Totals ensure that the financial statements reconcile and required financial statement relationships are maintained.

Section B – Operating Statement Balances Recast

Section B is used to recast the operating statement balances from Section A into the format required on the government-wide Statement of Activities for reporting in the State CAFR. Amounts reported in this section of the exhibit will be reported on a line separate from the related business-type activity in the CAFR Statement of Activities. This section is applicable only if the segment reported in Section A is considered a "different" identifiable activity from the business-type activities in which it is reported on the fund-level statements. If the goods or services of a segment are supplemental or secondary to the delivery of the primary goods or services of the enterprise, then the segment is not considered "different", and it would not be reported in Section B of this exhibit. GASB Statement No. 37, paragraph 10, footnote C states that, "For higher education institutions reported in enterprise funds, the variety of activities common to those institutions – for example, food service, bookstore, residence halls, and student unions – generally would not be required to be reported separately." An example of a "different" identifiable activity that would be reported in Section B is the generation and sale of electricity by a higher education enterprise that qualifies as a segment. In this instance, the goods sold are unrelated to the primary products of the enterprise, and Section B of the exhibit should be completed. The OSC will interpret the absence of balances reported in Section B as each agency's representation that its segments are not "different" from their normal enterprise activity.

Section C – Segment Information

In Section C of the exhibit describe the type of goods or services provided by each segment.

Two segments may be reported on the exhibit. Additional numbered instances of the exhibit may be needed if an agency or institution has more than two segments.

EXHIBIT T

SEGMENT REPORTING

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A

			Segment #1	Segment #2
Assets:	Current Assets			
	Due from Other Funds			
	Other NonCapital Assets			
	Capital Assets			
Liabilities:	Current Liabilities			
	Due to Other Funds			
	NonCurrent Liabilities			
Net Assets:	Invested in Capital Assest (net)			
	Restricted Endowments Expendable			
	Restricted Endowments Nonexpendable			
	Other Restricted Net Assets			
	Unrestricted			
Operating Revenue:	Tuition and Fees			
	Sales of Goods and Services			
	Other			
Operating Expense:	Depreciation			
	Other			
Nonoper. Rev(Exp):	Investment Income			
	Gifts and Donations			
	Other Nonoperating Revenues			
	Debt Service			
	Other Nonoperating Expenses			
Other:	Transfers In			
	Transfers-Out			
	Capital Contributions			
	Additions to Endowments			
	Special and Extraordinary Items			
	Prior Period Adjustments			
Beginning Net Assets				
Cash Provided By:	Operations			
	Noncapital Financing			
	Capital and Related Financing			
	Investing			
Beginning Cash				
Ending Cash				
Check Totals: (Must be zero after data entry)		SONA	0	0
		SORECNA	0	0
		SOCF	0	0

Section B

For each segment that is an identifiable activity different from your business type activity, provide the following:

Total Expenses
Fees, Fines, and Charges for Goods/Services
Operating Grants
Capital Grants
Unrestricted Investment Earnings
Other Revenues (not include in 4 previous lines)

Section C

Describe the type of goods or services provided by each segment.

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.35 Exhibits U1 and U2 – Other Disclosures

Accounting standards require certain disclosures that cannot be known by the OSC without agency input. Because those disclosures do not fit well with other exhibits, they are accumulated on exhibits U1 and U2.

5.35.1 Exhibit U1 – Other Disclosures

Sections A and B - Special and Extraordinary Items

Paragraph 89 and other paragraphs in GASB Statement No. 34 require specific reporting treatment of special and extraordinary items as defined in paragraphs 55 and 56 of that standard. Because the nature of unusual and extraordinary items can vary widely, we have not established accounts on COFRS to record the transactions. Unusual and infrequent transactions should be recorded on COFRS in the accounts that most accurately reflect the underlying events. For events over $5.0 million, Sections A and B on Exhibit U are used to disclose how the transaction was coded and to describe the nature of the transaction.

Special items are transactions that are either unusual in nature or infrequent in occurrence and are under the control of management. The terms unusual and infrequent should be assessed in the context of the activities normal operations (see GASB Statement No. 62 for more on the definitions of unusual and infrequent). In Section A of the exhibit show how the special item was coded on COFRS and provide a description of the underlying event. The description should be adequate for disclosure in the State annual financial report, and it should explain the transaction without the need for prior knowledge of the event. The OSC will reclassify the transaction in a postclosing entry to make it possible to report the transaction separately from other balances.

Extraordinary items are transactions that are both unusual in nature and infrequent in occurrence; whether or not the event was within the control of management. The terms unusual and infrequent should be assessed in the context of the activity's normal operations (see GASB Statement No. 62 for more on the definitions of unusual and infrequent). In Section B of the exhibit show how the extraordinary item was coded on COFRS, and provide a description of the underlying event. The description should be adequate for disclosure in the State annual financial report, and it should explain the transaction without the need for prior knowledge of the event. The OSC will reclassify the transaction in a postclosing entry to make it possible to report the transaction separately from other balances.

Section C – Capital Assets

- C1 - Asset Class Lives

The State Controller does not specify the asset class lives to be used in calculating depreciation; instead, agencies are required to use their own experience in establishing class lives. The OSC is required to disclose in the CAFR the policy for estimating asset useful lives. Show in Section C1 the shortest estimated life used and the longest estimated life used for each of the following classes of assets: land improvements, buildings, leasehold improvements, equipment, library books, infrastructure, and other. Do not consider assets that are clearly immaterial in completing this section of the exhibit. The OSC will disclose a range of class lives used based on the information provided in Section C1 of this exhibit.

- C2 – Capitalization Thresholds

The State Controller has allowed agencies to select lower minimum dollar thresholds for the capitalization of assets than those outlined in Chapter 9, Section 1.4.1. The OSC is required to disclose in the CAFR the capitalization policy for capital assets. If your agency has chosen to capitalize assets at thresholds lower than those set by the OSC, show in Section C2 the threshold used for each of the following classes of assets: land improvements, buildings, leasehold improvements, equipment, library books, infrastructure, and other. The OSC will disclose a range of capitalization thresholds based on the information provided in Section C2 of this exhibit.

Section D – Legal or Contractual Violations

Paragraph 9 of GASB Statement No. 38 requires disclosure of significant violations of finance-related legal or contractual provisions and the actions taken to address the violation. In Section D, describe any such violations that occurred within the fiscal year and the actions taken to cure the violation and/or prevent recurrence.

Section E – Capitalized Interest

GASB Statement No. 62 requires proprietary activities to capitalize interest cost during the time that activities necessary to get the asset ready for its intended use are in progress. Report in Section E the amount of interest capitalized during the fiscal year.

EXHIBIT U1

OTHER DISCLOSURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Special Items: (Unusual or infrequent, within management's control over $5 million)

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit

Description of the Special Item:

Section B - Extraordinary Items: (Unusual and infrequent, with or without management control over $5 million)

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit

Description of the Extraordinary Item:

Section C1 - Class Lifes Used for Depreciation:

Asset Class:	Shortest Life Used	Longest Life Used

Section C2 - Capitalization Threshold Used for Depreciation:

Asset Class:	Capitalization Threshold ($)

Section D - Violations of Finance-Related Legal or Contractual Provisions

Describe the Violation:

Describe the Actions Taken to Address the Violation:

Section E- Interest Capitalized During Construction in Proprietary Funds

Report the amount of construction interest capitalized in the current fiscal year.

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.35.2 Exhibit U2 – Other Disclosures

Section A – On Behalf Payments of Salary and Fringe Benefits

GASB Statement No. 24, paragraphs 7-13 require employer governments (the State) to report revenues and expenditures/expenses for salaries and fringe benefits paid by another entity (such as, a government, not-for-profit, or private company or individual) to a third party (such as, employees or a pension/benefit plan) for services provided to the State. Report in Section A the amount of salaries or fringe benefits the employee or pension/benefit plan received from the other entity and describe the relationship with the paying entity.

Section B – Discretely Presented Component Units

As discussed in Chapter 3, Section 4.5, GASB Statement No. 39 requires the State to report certain organizations as discretely presented component units. Use Section B to inform the OSC of any foundation or other organization associated with your agency that has assets or revenues in excess of $50 million and that meets the discrete presentation requirements of GASB Statement No. 39. Additionally, include any nonstatutorily created entities with assets or revenues in excess of $50 million that meet GASB Statement No. 14 criteria for discrete presentation, as amended by GASB Statement No. 61. The absence of information presented in this Section B will be considered to be each agency's representation that no additional organizations have met the State discrete presentation requirements under GASB Statements No. 14, No. 39, and No. 61. Entities identified in this section will be further evaluated in terms of significance to the primary government. The further evaluation will determine whether the entity will be included or excluded as a component unit of the State, and if included, as a major or nonmajor component unit. Although the evaluation for an entity is not expected to change from year to year, it is necessary for the OSC to review the financial statements for all entities meeting the criteria cited in this section at the $50 million threshold, even if not included in the prior year, to adequately assess changes in conditions.

Section C – Idle Impaired Assets

Paragraphs 17 and 20 of GASB Statement No. 42 require the State to disclose a description of asset impairments, the amount of the impairments, and the carrying value of assets that are impaired and are idle at year-end regardless of whether the impairment is considered temporary or permanent. Use Section C to report these three items, and to report the fund in which the asset is reported. Assets reported in this section must have met the impairment criteria of GASB Statement No. 42, that is, the impairment must be both unexpected and the decline in service utility must be significant in relationship to the current service utility of the asset. See Chapter 9, Section 1.11 for more information on impairments and insurance recoveries. Please note that an asset impairment may also qualify as a special or extraordinary event and may require submission of an Exhibit U1.

Section D – Termination Benefits

Paragraphs 18-21 of GASB Statement No. 47 – Accounting for Termination Benefits require note disclosures including a description of the termination benefit arrangement, the number of employees affected, the time period over which benefits will be provided, the cost of the termination benefits accrued, the change in the actuarially accrued liability of a pension plan or other postemployment benefits plan (other than the PERA Health Care Trust Fund) affected by the termination benefits, the assumptions underlying the benefits cost estimate (such as, cost inflation assumptions, and discount rate). In addition, if the benefit cost has not been reported in the financial statements because the amount is not estimable, agencies should disclose that fact. Please be aware that this reporting requirement only applies to accrued obligations, not payments that have already been made.

Section E – Bad Debt Expense Related to Prior Year Revenue

GASB Q&A 7.40.3 and 7.72.2 requires that the change in the allowance for doubtful accounts be reflected as an adjustment to revenue for both governmental and proprietary funds, rather than as bad debt expense. As described further in Chapter 3, Section 3.5, due to the inability to record non-budget revenue, the OSC will reclassify the bad debt expense related to prior year revenues as a nonbudget reduction in revenue. In this section report the Agency, Fund, Revenue Source Code, and Amount of bad debt expense related to prior year revenue. Do not include bad debt expense related to loans receivable or other receivables unrelated to revenue. Note that Higher Education Institutions report budgetary activity via the H398 entry (see Chapter 3, Section 5.15), therefore revenue reductions related to bad debt expense for both the current and prior year may be reported on this exhibit, may recorded directly on COFRS as a Type 31 transaction, or may be reported on an Exhibit H.

EXHIBIT U2

OTHER DISCLOSURES

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - On Behalf Payments of Salary and Fringe Benefits

Report the amount of salaries and fringe benefits over $5 million to be reported in compliance with GASB 24.

Describe the relationship with the entity that pays salary or fringe benefits for your staff.

Section B - Discretely Presented Component Units

Report any organization that your agency is associated with the meets GASB 39 requirements, or a nonstatutorily created entity that meets GASB 14 and 61 requirements, with revenues or assets exceeding the State's $50 million threshold. Audited financial statements must be submitted to the OSC for entities reported in this section.

Section C - Idle Impaired Assets - GASB 42

For amounts over $5 million report the fund, the impairment amount, the carrying value (if the asset is idle), and a description of the impairment.

Section D - Termination Benefits Disclosure - GASB 47

For amounts over $5 million, report the applicable termination benefits disclosure requirements of GASB 47.

Section E - Bad Debt Expense Related to Prior Year Revenue

Agency	Fund	Revenue Source Code	Amount

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.36 Exhibit V1 – Higher Education Cash Flow Statement – Supplemental Information

The OSC is required to present a cash flow statement for all proprietary fund types, and it must use the direct-method format for the presentation. For agencies outside higher education, the OSC uses the indirect method along with transaction-based adjustments to prepare the direct-method format cash flow statement. Because higher education feeds summarized transactions to COFRS, the OSC does not have access to the transaction detail needed to convert the indirect method to the direct-method format. Higher education should complete Exhibit V1 to provide the information needed for the conversion and to disclose noncash transactions.

Section A – Indirect Method Adjustments for Direct Method Format

The items listed in Section A of the exhibit are cash inflows and outflows that affect real accounts (Statement of Net Position accounts – SONP) and that generally do not affect nominal accounts (operating statement accounts). Refer to Chapter 3, Section 4.4 for a schedule showing how COFRS accounts aggregate to cash flow statement line items. Using these aggregations, the indirect method in some instances results in net cash flows that must be converted to gross cash flows. The amounts presented in Section A provide that conversion.

Cash From Operations:

The two lines related to loans are used to show the cash inflows and outflows that result from SONA transactions in the loan revolving activity. The sum of the cash inflows and outflows for the loan revolving activity must equal the year-to-year change in the real accounts used to track the loan activity. The OSC includes loan cancellations in the indirect-method calculation of the year-to-year change in loans receivable, so loan cancellations should not be included in the amounts shown on the exhibit.

Cash Flows From Noncapital Financing:

The two lines related to Deposits Held in Custody are used to show the cash received and disbursed when the institution holds funds for others that it will not report as revenues or expenses. This is commonly referred to as agency or balance sheet accounting in the proprietary funds. Examples of this situation include funds held and disbursed for campus organizations, and funds related to the Federal Direct Lending Program. The sum of the cash inflows and outflows for agency activity must equal the year-to-year change in the real accounts used to track this activity.

The two lines related to noncapital debt are used to show the cash inflows and cash outflows that result from notes and anticipation warrants (balance sheet accounts 2323, 2610, 2810, 2811, 2812, and 2830) that are used for operations rather than capital financing. Note that cash flows related to liability accounts 2805, 2806, 2807, 2813, and 2817 are not to be included in the amounts shown for noncapital debt. We expect that the use of these accounts in the proprietary funds will be limited to the year-end entry to reclassify unspent capital bonds and Certificates of Participation proceeds (for net asset classification purposes). Since bonds and COPs are issued for capital related purposes, accounts 2805, 2806, 2807, 2813 and 2817 are included in the capital related financing section.

Cash Flows From Capital and Related Financing:

The line titled State Capital Contributions applies only to those higher education institutions that disburse funds for capital projects from the 3*xx* funds and then are reimbursed by Fund 461. In order to present the higher education enterprise fund similarly to other enterprise funds, the OSC will report expenditures in the capital construction fund for the general-funded portion of projects and convert the transfer-in (revenue source code EBGD) recorded by higher education in the plant fund (or Fund 320) to a capital contribution (RSRC 8800 and 8801). Revenue source code 8800 will be included with the change in capital assets, thus, eliminating the cash outflow that would have been shown for the acquisition of capital assets. For institutions that pay capital expenditures from Fund 461, the balance in EBGD/8800 will be disclosed as a noncash transaction.

The two lines related to capital assets should show the cash disbursed for capital asset acquisitions and the cash received from sales of capital assets. Together these amounts should equal the net change in the real and nominal accounts related to capital assets. The OSC will calculate the net amount for these two lines combined by adjusting the year-to-year change in net capital asset balances for depreciation, leases entered, gain/loss on sale, capital contribution, and any other account for which capital assets are the offset. Agencies can calculate the gross amount for each of these lines by reviewing transactions that affect capital assets and that have cash offsets, or the calculation can be done by a separate tracking mechanism.

The line titled Capital Lease and Mortgage Principal Payments should show the cash disbursements for lease and mortgage principal payments but not the cash disbursed for interest payments, which the OSC can identify from the operating statement accounts. This amount may not match the amount shown as lease liability reduction on Exhibit C if you have mortgage payments. This amount will be shown as a capital related cash outflow, and it will be used to adjust the cash provided/used in Acquisitions of Capital Assets where the change in lease and mortgage liability is included.

The line titled Proceeds from Bonds, Notes, and COPs should show the cash received at issuance of the debt instrument including any premium or discount. The line titled Bond, Note, and COP Principal Payments should show disbursements for capital related debt service, but it should exclude interest payments, which are presented in a separate line and can be identified from the operating statement accounts. It should also include amounts recorded in 171X related to deferred debt issuance costs that did not reduced bond proceeds. The sum of the cash inflows and outflows for debt activity must equal the year-to-year change in the real accounts used to track the debt.

Cash Flows From Investing:

The line titled Purchases of Investments should show cash disbursed to buy investments. The line titled Proceeds from Sale and Maturity of Investments should show cash received from the sale of investments and the cash received when investments mature. The sum of the cash inflows and outflows for investment activity must equal the year-to-year change in the real accounts used to track investments.

Section B – Noncash Transactions

Higher education institutions should complete this section of Exhibit V1 and should not complete Exhibit V2. Certain noncash transactions must be reported on the Statement of Cash Flows. Those transactions are limited to investing, capital, and financing activities that affect recognized assets or liabilities but do not result in cash receipts or cash payments. Note that this definition excludes transactions affecting operating assets or liabilities. Examples of noncash transactions that should be shown in this section include: (the following list is not intended to be comprehensive)

- Loss on disposal of capital assets,
- State capital contributions (if cash was not transferred to the higher education funds),
- New mortgages or capital leases initiated during the year,
- Amortization of refunding gain/loss,
- Amortization of debt premium or discount,
- Amortization of investment premium or discount, or
- Exchange of an investment to satisfy a loan or note payable.

The OSC is able to identify certain noncash transactions through balances posted on COFRS or through other exhibits, as listed in Section B of the exhibit. It is not necessary for higher education institutions to include these items on the Exhibit V1. Headings for common noncash transactions have been added as a tool to assist in the identification process, but is not intended to be all-inclusive. The applicable noncash transactions should be shown in Section B as the accounting journal entry used to record the transaction. Include the accounting string elements shown in Section B.

You may omit noncash transactions under $10,000 from this exhibit.

EXHIBIT V1

HIGHER EDUCATION CASH FLOW STATEMENT - SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Indirect Method Adjustments for Direct Method Format Ener amounts in shaded rows.	**Amount**
Cash Flows from Operations:	
Loans Disbursed	( )
Loan Collections	
Cash Flows from Noncapital Financing:	
Receipts of Deposits Held in Custody	
Disbursements of Deposits Held in Custody	( )
Noncapital Debt Proceeds (Notes, Anticipation Warrants)	
Noncapital Debt Payments (Notes, Anticipation Warrants)	( )
Cash Flows from Capital and Related Financing:	
State Capital Contributions (only if cash was transferred to 3XX funds)	
Acquisition of Capital Assets	( )
Disposal of Capital Assets	
Capital Lease and Mortgage Principal Payments	( )
Proceeds from Bonds and COPs	
Bond and COPs Principal Payments	( )
Cash Flows from Investing:	
Purchases of Investments	( )
Proceeds from Sale and Maturity of Investments	

Section B - Noncash Transactions (continued on next page - tab V1-b)

Show the balanced accounting entry that recorded the noncash transaction, affecting real accounts presented in the three categories that are not cash from operations. The following noncash items are not necessary to report as the information is directly available from COFRS or other exhibits:

a) Unrealized gains/losses on investments
b) Assumption of capital lease obligation
c) Donated capital assets in revenue source codes 6607-6617
d) Contributed capital from capital construction (funds 361 & 461)
e) Fair value change in derivative instrument

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

EXHIBIT V1 (continued)

HIGHER EDUCATION CASH FLOW STATEMENT - SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section B - Noncash Transactions (continued from previous page - tab V1-a)
Insert additional lines as necessary.

	Agency	Fund	Type	BS Account	Object/ Rev Source	Debit	Credit
Capital donations in revenue source codes other than 6607 - 6617:							
Accounts payable accruals for capital assets, other than in the State Capital Construction and COP Fund (Funds 461 and 361):							
Loss on disposal of capital assets:							
Disposal of capital assets:							
Amortization of debt valuation accounts:							
Financed debt issuance costs:							
Interest receivable or payble accruals:							
Other:							

Prepared By: ____________________ Agency Name: ______________________________

Phone Number: ____________________ Agency Code: ______________________________

Email Address: ____________________ Date Prepared: ______________________________

5.37 Exhibit V2 – Proprietary Fund Noncash Transactions – Non-Higher Education Institutions Only

Use this exhibit to provide information on noncash transactions of funds using proprietary fund-type accounting. GASB Statement No. 9 requires the disclosure of certain types of noncash transactions on the Statement of Cash Flows in the State CAFR. Cash flow statements are only required for fund types using proprietary fund accounting. While these noncash transactions affect the balances on COFRS, they cannot be separately identified from the COFRS records. Higher education institutions are not required to complete this Exhibit V2. Noncash transactions of higher education institutions are reported on Exhibit V1.

In FY98-99, the OSC began using direct-method techniques in preparing the Statement of Cash Flows. Under this approach, Reporting & Analysis reviews proprietary fund-type cash transactions through an automated process. This process does not provide a way to identify noncash transactions. Therefore, noncash transactions that meet the criteria in the following paragraph should be included on the Exhibit V2.

The Implementation Guide for GASB Statement No. 9 requires the disclosure of noncash transactions if all of the following three conditions are met:

- The transaction is noncash. If a transaction is part cash and part noncash, the cash portion should be shown in the statement and the noncash portion evaluated for items 2 and 3 below.
- The transaction affects recognized assets or liabilities. Changes in noncash assets or liabilities that are not attributable to a cash receipt or payment should be considered a noncash transaction. For example entering a capital lease for a building is a noncash transaction because a lease liability and the building were recorded. However, the inception of an operating lease would not be reported because there is no balance sheet effect.
- The transaction is due to an investing, capital and related financing, or noncapital financing activity. (This implicitly excludes transactions that are related to operations. For the purposes of cash flow statement preparation, operating activities are defined as any activity that does not qualify as an investing, capital and related financing, or noncapital financing activity.) For example, a capital lease transaction meets the definition of a capital and related financing activity and should be reported as a noncash transaction. However, an account receivable exchanged for the forgiveness of an account payable is an operating activity and should not be reported as a noncash transaction.

Other examples of noncash transactions that the OSC has identified include assets (other than cash) or liabilities received or surrendered through capital contributions, losses on disposal of capital assets, and exchange of an investment to satisfy a loan or note payable. You may exclude transactions under ten thousand dollars ($10,000).

Please review the information in Chapter 3, Section 4.4 to ensure that your accounting transactions support the OSC's preparation of the direct method cash flow statement.

EXHIBIT V2

PROPRIETARY FUND NONCASH TRANSACTIONS (Excluding Higher Education)
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

1. Accounts impacted by the noncash transaction(s):

Agency	Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit

2. Description of the noncash transaction(s).

NOTE: Include only noncash transactions that affect investing, capital and related financing, and noncapital financing activities.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.38 Exhibit W1 – Changes in Capital Assets – Governmental and Internal Service Funds

Use the Exhibit W1 to report changes in capital assets owned or used by governmental funds and internal service funds. Internal service funds are included on this exhibit because internal service fund assets are reported with governmental activities on the government-wide Statement of Net Position. Do not report capital assets owned by enterprise or fiduciary funds on this exhibit. Changes in enterprise fund capital assets are reported on Exhibit W2, and changes in fiduciary fund capital assets are not on either exhibit W1 or W2 because fiduciary funds are not reported on the government-wide Statement of Net Position.

The Exhibit W1 is divided into the three sections required by the note disclosure; Capital Assets not Being Depreciated, Capital Assets Being Depreciated, and Accumulated Depreciation. Each section is subdivided into the asset classes established for reporting by the OSC. The COFRS balance sheet account numbers related to each asset class are listed below the asset class. The beginning and ending balance for each asset class is provided to you on the Exhibit Reconciling Balances Report. You should enter these balances in the first and last columns respectively and adjust the ending balance for any applicable exhibits H. In the column titled Additions enter the summation of all entries that increase the capital assets or accumulated depreciation including:

- Capitalized property purchases,
- Donations of capital assets,
- Lease inceptions,
- Depreciation expense, and
- Prior period adjustments, if the amount is not material at the statewide level.

In the column titled CIP Transfers, enter the amount of completed construction that you are reclassifying from Construction in Progress to a particular capitalized asset. Use the normal accounting convention to report the transfer, that is, credit CIP (a negative or bracketed amount) and debit the capitalized asset (a positive or unbracketed amount). No amounts should be entered in this column in the Accumulated Depreciation Section.

In the column titled Adjustments/Deductions, please enter the summation of all entries that decrease capital assets or accumulated depreciation including:

- Capital assets sold,
- Capital asset inventory losses,
- Other capital asset dispositions,
- Removal of accumulated depreciation at capital asset disposition, and
- Prior period adjustments, if the amount is not material at the statewide level.

Beginning, ending, and additions balances should be entered with their normal accounting signs (that is, as positive numbers for capital assets and negative numbers for accumulated depreciation); deductions should also be entered using their normal accounting signs (that is, negative numbers for capital assets reductions and positive numbers for accumulated depreciation reductions). Each asset class (row) must cross-foot using this sign convention.

After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit W1 with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements. Entries reclassifying balances between capital asset accounts or moving capital assets between agencies should be shown as both debits and credits in the Adjustments/Deduction column so that they are not reflected in total additions and deductions.

Adjustments considered material at the statewide level (for which a prior period adjustment has been posted) should change the beginning balance on the Exhibit W1.

The amounts recorded as depreciation on COFRS in object code 4130 (including posted Exhibit H adjustments) should agree to the totals reported in the Additions column for Accumulated Depreciation in Exhibit W1.

EXHIBIT W1

SCHEDULE OF CHANGES IN CAPITAL ASSETS
GOVERNMENTAL AND INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Note: Data entry should be done in unshaded cells.

	6/30/12 Balance	Additions	CIP Transfers	(Adjustments/ Deductions)	6/30/13 Balance
Capital Assets Not Being Depreciated:					
Land (1800)					
Land Improvements (1815)					
Collections (1857)					
Construction in Progress (1860, 1887)					
Other Capital Assets (1872)					
Infrastructure (1880, 1890, 1898)					
Capital Assets Being Depreciated:					
Leasehold and Land Improvements (1810, 1830)					
Buildings (1820)					
Software (1842)					
Vehicles and Equipment (1840, 1841, 1843)					
Library Materials & Collections (1850, 1855)					
Other Capital Assets (1870)					
Infrastructure (1880, 1885, 1888, 1890, 1895, 1898)					
Accumulated Depreciation:	6/30/12 (Balance)	(Additions)		Deductions	6/30/13 (Balance)
Leasehold and Land Improvements (1811, 1831)					
Buildings (1821)					
Software (1847)					
Vehicles and Equipment (1848, 1849)					
Library Materials & Collections (1851, 1856)					
Other Capital Assets (1871)					
Infrastructure (1886, 1889, 1891, 1896, 1899)					
Totals					

The beginning and ending balances must equal the balances from the Exhibit Reconciling Balances report.

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.39 Exhibit W2 – Changes in Capital Assets – Enterprise Funds

Use the Exhibit W2 to report changes in capital assets owned by enterprise funds. Do not report capital assets owned by governmental funds, internal service funds, or fiduciary funds on this exhibit. Changes in capital assets of those funds are reported on Exhibit W1 except fiduciary funds, which are not on either exhibit W1 or W2 because fiduciary funds are not reported on the government-wide Statement of Net Position.

The Exhibit W2 is divided into the three sections required by the note disclosure; Capital Assets not Being Depreciated, Capital Assets Being Depreciated, and Accumulated Depreciation. Each section is subdivided into the asset classes established for reporting by the OSC. The COFRS balance sheet account numbers related to each asset class are listed below the asset class. The beginning and ending balance for each asset class is provided to you on the Exhibit Reconciling Balances Report. You should enter these balances in the first and last columns respectively and adjust the ending balance for any applicable exhibits H. In the column titled Additions enter the summation of all entries that increase the capital assets or accumulated depreciation including:

- Capitalized property purchases,
- Donations of capital assets,
- Lease inceptions,
- Depreciation expense, and
- Prior period adjustments, if the amount is not material at the statewide level.

In the column titled CIP Transfers, enter the amount of completed construction that you are reclassifying from Construction in Progress to a particular capitalized asset. Use the normal accounting convention to report the transfer, that is, credit CIP (a negative or bracketed amount) and debit the capitalized asset (a positive or unbracketed amount). No amounts should be entered in this column in the Accumulated Depreciation Section.

In the column titled Adjustments/Deductions enter the summation of all entries that decrease capital assets or accumulated depreciation including:

- Capital assets sold,
- Capital asset inventory losses,
- Other capital asset dispositions,
- Removal of accumulated depreciation at capital asset disposition, and
- Prior period adjustments, if the amount is not material at the statewide level.

Beginning, ending, and additions balances should be entered with their normal accounting signs (that is, as positive numbers for capital assets and negative numbers for accumulated depreciation); deductions should also be entered using their normal accounting signs (that is, negative numbers for capital assets reductions and positive numbers for accumulated depreciation reductions). Each asset class (row) must crossfoot using this sign convention. After the cutoff date for Exhibits H, please DO NOT include an updated Exhibit W2 with the proposed Exhibit H that affects this exhibit. Reporting & Analysis will request a revision if the Exhibit H is deemed material and is posted to the financial statements.

Entries reclassifying balances between capital asset accounts or moving capital assets between agencies should be shown as both debits and credits in the Adjustments/Deductions column so that they are not reflected in total additions and deductions.

Adjustments considered material at the statewide level (for which a prior period adjustment has been posted) should change the beginning balance on the Exhibit W2.

The amounts recorded as depreciation on COFRS in object code 4130 (including posted Exhibit H adjustments) should agree to the totals reported in the Additions column for Accumulated Depreciation in Exhibit W2.

EXHIBIT W2
SCHEDULE OF CHANGES IN CAPITAL ASSETS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Note: Data entry should be done in unshaded cells.

	6/30/12 Balance	Additions	CIP Transfers	(Adjustments/ Deductions)	6/30/13 Balance
Capital Assets Not Being Depreciated:					
Land (1800)					
Land Improvements (1815)					
Collections (1857)					
Construction in Progress (1860, 1887)					
Other Capital Assets (1872)					
Infrastructure (1880, 1890, 1898)					
Capital Assets Being Depreciated:					
Leasehold and Land Improvements (1810, 1830)					
Buildings (1820)					
Software (1842)					
Vehicles and Equipment (1840, 1841, 1843)					
Library Materials & Collections (1850, 1855)					
Other Capital Assets (1870)					
Infrastructure (1880, 1885, 1888, 1890, 1895, 1898)					
Accumulated Depreciation:	6/30/12 (Balance)	(Additions)		Deductions	6/30/13 (Balance)
Leasehold and Land Improvements (1811, 1831)					
Buildings (1821)					
Software (1847)					
Vehicles and Equipment (1848, 1849)					
Library Materials & Collections (1851, 1856)					
Other Capital Assets (1871)					
Infrastructure (1886, 1889, 1891, 1896, 1899)					
Totals					

The beginning and ending balances must equal the balances from the Exhibit Reconciling Balances report.

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.40 Exhibit Y1 – OPEB – Disclosures for Financial Statement and RSI Notes

Exhibit Y1 and Y2 are used to report under the requirements of GASB Statement No. 43 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. (See exhibits Y3/Y4 for employer reporting under GASB Statement No. 45.) Statement No. 43 sets accounting and reporting standards for OPEB plans that provide postemployment healthcare benefits, whether provided separately or through a pension plan, and for all other forms of postemployment benefits when provided separately from a pension plan. Benefits other than healthcare that are provided through a pension plan are accounted for and reported under the pension plan requirements of GASB Statement No. 25 and No. 27. Exhibit Y1 applies to any state agency that provides postemployment benefits as defined in GASB Statement No. 43. The State implemented GASB Statement No. 43 in FY06-07; however, it was determined in that process that none of the state plans met the trust fund requirements of GASB Statement No. 43. Exhibits Y1/Y2 are being left in place in the event that a new or existing plan is determined to meet the GASB Statement No. 43 requirements.

Statement No. 43 applies to both defined contribution and defined benefit plans. It applies whether the plan's financial statements are presented as a stand-alone financial report (issued by an administrator subject to governmental accounting standards, such as, a public employees retirement system) or as a fiduciary fund in the plan sponsor's or employer's financial statements.

Paragraph 5 of Statement No. 43 says that the statement does not apply to plan assets that an employer earmarks in or transfers to a governmental fund or proprietary fund. This requirement is intended to ensure that OPEB plans meet the trust requirements for reporting. The plain meaning of this provision is that OPEB plans reported in the Higher education institutions' enterprise funds would not be subject to the statement's requirement. However, because higher education institutions are reported in the State's CAFR as a special-purpose government engaged solely in business-type activities, there is no mechanism to report fiduciary activities (trust funds) of higher education. In order to comply with the intent of Paragraph 8 of Statement No. 43, higher education institutions that have a qualifying OPEB trust fund will continue to feed the OPEB plan activities (assets, liabilities, additions, and deductions) as usual to the enterprise fund (305/320) on COFRS and then provide fiduciary format financial statements for each separate plan on Exhibit Y2. Statement 43 has provisions that require separate reporting of each plan in the notes to the financial statements if the individual plans are not separately reported in the fiduciary statements or in a stand-alone report. Colorado will employ this provision to ensure full disclosure of OPEB plans that meet the trust requirements but are reported in the higher education institutions' enterprise fund.

After having obtained a thorough understanding of GASB Statement No. 43 and its implementation guide, agencies that have OPEB plans should answer all 28 of the questions on the Exhibit Y1. Add lines to the exhibit as needed to fully address each question. The required information should be available in plan documents or from your actuary or plan administrator. If you have questions regarding the information requested on Exhibit Y1 please contact your FAST field controller or Tammy Nelson at 303-866-2659 or tammy.nelson@state.co.us.

EXHIBIT Y1

OPEB REPORTING - DISCLOSURES FOR FINANCIAL STATEMENT AND RSI NOTES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

1 Does the plan qualify as a trust? (Contributions are irrevocable, plan assets are protected from creditors, and plan assets are dedicated to benefits) ____ Yes ____ No (If "No", then this Exhibit Y1 should not be completed.)

2 Have separate stand alone GAAP compliant financial reports for the plan been issued and made publicly available? ____Yes ____No If yes, provide information on how to obtain those reports.

3 Type of Plan: ___ Single Employer; ____Agent Multiple Employer; ____ Cost Sharing Multiple Employer

4 Classes of employees covered (for example: Faculty, Admin Staff, State Patrol Officers):

5 Number of plan members in each of the following categories: ______Active; ______ Terminated But Eligible; ______Retired/Beneficiaries Receiving Benefits

6 Is the plan closed to new members? ____Yes ____No

7 Describe the plan's benefit provisions:

8 Describe the source of the authority to set or change benefits:

9 Describe the provisions or policies regarding scheduled or ad hoc benefit increases:

10 Basis of accounting: ___Full Accrual ____Other (list if applicable)

11 Describe when contributions, benefits, and refunds are recognized?

12 Describe the method of determining the fair value of plan assets (if other than by quoted market prices):

13 Describe the source of authority for setting contributions required of employers, employees, and others:

14 Describe the method used to set contribution rates?

15 Describe how administrative costs are financed?

16 Are there legal or contractual maximum contribution rates? _____ Yes _____ No (If yes, describe)

17 What are the current contribution rates for: _______ Employers; ________ Employees; ________ Others

18 Are there any long-term contracts for contributions? _____ Yes _____ No (If yes, describe)

19 Are there legally required reserves or designations ? _____ Yes _____ No (If yes, provide amount and describe)

20 Are techniques used to reduce volatility (e.g, asset valuation smoothing)? _____ Yes _____ No (If yes, describe)

21 Are there reasons that OSC cannot make the standard disclosures required by GASB 43 paragraph 30(d)(2)? _____ Yes _____ No (If yes, describe)

22 Which Actuarial Cost Method is used? ____ Unit Credit; ____ Entry Age; ____ Entry Age Normal; ____Attained Age; _____ Aggregate; _____Frozen Entry Age; ____ Frozen Attained Age

23 Describe the method used to determine the Actuarial Value of Assets:

24 Provide rate amounts for the following actuarial assumptions: ____ Inflation; ____ Discount Rate/Investment Return; ____ Salary Increases (if relevant to the AAL); ____ Healthcare Cost Trend

25 Which amortization method is used? ____ Level Dollar; _____ Level Percent of Projected Payroll

26 What is the amortization period of the Unfunded Actuarial Accrued Liability? _____ Years

27 Is the amortization period of the Unfunded Actuarial Accrued Liability open or closed? ____ Open _____Closed

28 Describe the factors affecting trends in the two schedules (funding progress and employer contributions) shown on Exhibit Y2, such as, changes in plan population, changes in actuarial methods, or changes in actuarial assumptions:

Prepared By:	____________	Agency Name:	____________
Phone Number:	____________	Agency Code:	____________
Email Address:	____________	Date Prepared:	____________

5.41 Exhibit Y2 – OPEB – Plan Financial Statement and Required Supplementary Information

Exhibit Y1 and Y2 are used to report under the requirements of GASB Statement No. 43 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. (See exhibits Y3/Y4 for employer reporting under GASB Statement No. 45.) See the instructions for Exhibit Y1 regarding applicability and the state implementation of Statement No. 43. Exhibit Y2 applies to any state agency that provides postemployment benefits under a qualifying trust fund as defined in GASB Statement No. 43.

Section A – Current Year Financial Statements of the Plan

Paragraphs 13 and 15 of Statement No. 43 require presentation of financial statements for each separate plan in the notes to the financial statements if the individual plan is not identifiable in the combined or combining fiduciary statements and the plan has not issued GAAP compliant stand-alone financial statements and RSI (if applicable). For OPEB plans in higher education institutions, which are reported by the State in an enterprise fund under GASB Statement No. 35's provision for special purpose governments engaged solely in business-type activities, it will not be possible to separately report an OPEB plan in a fiduciary combined or combining statement. Therefore, all higher education OPEB plans with qualifying trust funds will need to complete Section A of Exhibit Y2, unless the plan has separately issued stand-alone GAAP compliant financial statements that are publicly available. Enter all amounts in Section A of Exhibit Y2 as positive balances (including Investment Expense shown in the Additions portion of the Statement of Changes in Plan Net Assets) unless they are abnormal balances at the financial statement level. Note that the preprogrammed Check Totals must sum to 0 for the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets.

Section B – Required Supplementary Information – Schedule of Funding Progress

The funding progress information provided in Section B will be presented in the State's CAFR in the RSI section following the financial statement notes. The information for this schedule should be available from your actuary or plan administrator if you have not developed it at your agency. The attributes to be reported in Section B are defined and explained in GASB Statement No. 43, paragraphs 30d(1) and 35, and must be reported in compliance with the actuarial parameters of GASB Statement No. 43. In the normal course, three years (or three valuations) of information are required in this section; however, the transition provisions of GASB Statement No. 43, paragraph 45 allow reporting of fewer years of data until three valuations have been done in conformity with the parameters specified in GASB Statement No. 43.

Section C – Required Supplementary Information – Schedule of Employer Contributions

Paragraph 36 of GASB Statement No. 43 requires the Schedule of Employer Contributions, which includes the Annual Required Contribution (ARC - calculated in conformance with the actuarial parameters of GASB Statement No. 43) and a percentage of the ARC that was recognized in the plan's financial statements as contributions by employers. In the normal course, three years of information are required in this section; however, the transition provisions of GASB Statement No. 43, paragraph 45 allow reporting of fewer years of data until three valuations have been done in conformity with the parameters specified in GASB Statement No. 43. GASB Statement No. 43 allows reduced note disclosures when an OPEB plan issues a GAAP compliant stand-alone financial report that is publicly available. The reduced disclosures requirement is summarized in a table in Illustration 2 of Appendix D of GASB Statement No. 43.

If you have questions regarding the information requested on Exhibit Y2 please contact your FAST field controller or Tammy Nelson at 303-866-2659 or tammy.nelson@state.co.us.

EXHIBIT Y2

OPEB REPORTING - PLAN FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Current Year Financial Statements of the Plan			**Amount**
STATEMENT OF PLAN NET ASSETS			
Assets:	Cash and Pooled Cash		
	Receivables:		
	Employer		
	Employer Long-Term		
	Employee		
	Interest and Dividends		
	Investments:		
	U.S. Government Securities		
	Corporate Bonds		
	Corporate Stocks		
	Other Investments		
	Other Assets Used in Plan Operations		
Liabilities:	Accrued Payables		
	Benefits Payable		
	Refunds Payable		
Plan Net Assets:	Net Assets Held in Trust for OPEB		
STATEMENT OF CHANGES IN PLAN NET ASSETS			
Additions:	Contributions From:		
	Employers		
	Members		
	Others		
	Net Investment Income:		
	Increase in Fair Value of Investments		
	Interest and Dividend Income		
	Investment Expense		
Deductions:	Benefits & Refunds Paid to Members & Beneficiaries		
	Administrative Expense		
Net Assets Held in Trust for OPEB:			
	Beginning of Year		
	End of Year		
	Check Totals: (Must be zero after data entry)	SOPNA	0
		SOCPNA	0

Section B - Required Supplementary Information - Schedule of Funding Progress - Three Years Required

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (b)	Unfunded Act Accrd Liab (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a %age of Covered Payroll ([b - a] / c)

Section C - Required Supplementary Information - Schedule of Employer Contributions - Three Years Required

Fiscal Year Ended June 30	Annual Required Contribution	Percent Contributed
2012-13		
2011-12		
2010-11		

Prepared By: ______________________ Agency Name: ______________________

Phone Number: ______________________ Agency Code: ______________________

Email Address: ______________________ Date Prepared: ______________________

5.42 Exhibit Y3 – OPEB – Employer Reporting

Exhibits Y3 and Y4 are used to report an agency's OPEB activity under GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Statement No. 45 applies to defined benefit and defined contribution plans that offer postemployment benefits outside of a pension plan. It applies whether or not plan assets and liabilities are reported in trust or agency funds in the employer's or the state financial statements. The statement applies to the state participation in the PERA Health Care Trust Fund; however, agencies are not required to complete the Exhibit Y3 or Y4 for that participation because it will be disclosed on a statewide basis by the OSC. In addition, the recommended PERA disclosures for agency stand-alone financial statements are updated each year to include the required disclosures for the PERA Health Care Trust Fund.

Questions #1 through #11 on the Exhibit Y3 apply regardless of the type of OPEB plan that your agency provides. Question #12 applies only if the plan is a cost-sharing multiple-employer plan, and questions #13 through #24 apply only if the plan is a single employer or agent multiple-employer plan. Agencies with defined contribution plans need only answer questions #1 through #11 and #14. Agencies that have fully insured OPEB plans where the premiums are paid only while employees are in active service should review GASB Statement No. 45, paragraph 28 and provide the required information to R&A, separately from the Exhibit Y3 and Y4.

Disclosures provided on exhibits Y1 through Y4 will be coordinated to prevent duplication by the OSC in those instances where GASB Statements No. 43 and No. 45 are both applicable.

After having obtained a thorough understanding of GASB Statement No. 45 and the related implementation guide, agencies that have OPEB plans should answer the applicable questions on the Exhibit Y3. You should add lines to the exhibit as needed to fully address each question. The required information should be available in plan documents or from your actuary or plan administrator. If you have questions regarding the information requested on Exhibit Y3 please contact your FAST field controller or Tammy Nelson at 303-866-2659 or tammy.nelson@state.co.us.

EXHIBIT Y3

OPEB REPORTING - DISCLOSURES FOR FINANCIAL STATEMENT NOTES, RSI, AND RSI NOTES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

PLAN DESCRIPTION:

1 Does the plan qualify as a trust? (Contributions are irrevocable, plan assets are protected from creditors, and plan assets are dedicated to benefits) ____ Yes ____ No (If yes see Exhibit Y1; if no answer the following questions.)

2 Name of the plan and outside administrator (if applicable): ____

3 Type of Plan: ___ Defined Benefit ____Defined Contribution

4 Type of Plan: ___ Single Employer; ____Agent Multiple Employer; ____ Cost-Sharing Multiple-Employer (CSME)

5 Describe the plan's benefit provisions:

6 Describe the source of the authority to set or change benefits:

7 Have separate stand-alone GAAP compliant financial reports for the plan been issued and made publicly available? ____Yes ____No If yes, provide information on how to obtain those reports.

FUNDING POLICY:

8 Describe the source of authority for setting contributions required of employers, employees, and/or others:

9 Required contribution rate of plan members as dollar amount or percentage of covered payroll. ____________________

10 Required contribution rate of the plan employer as dollar amount or percentage of covered payroll. _________________

11 Describe how employer contribution rates are determined (for example: by statute, by contract, or on a pay-as you go basis). ____

12 List any legal or contractual limits on contribution rates or rate increases. ______________________________

13 If the plan is a CSME plan list the contribution required and the percentage of that amount contributed for three years.

	Current Year	Prior Year	2nd Year Prior
Dollar Contribution Reqd.			
Percentage Contributed			

IF THE PLAN IS A SOLE OR AGENT PLAN PROVIDE THE FOLLOWING:

14 Annual OPEB cost: ____________ Dollar Amount Contributed: ____________

15 If a net OPEB obligation (NOPEBO) exists provide the following (ARC= Annual Required Contribution):
ARC: ________ Interest on NOPEBO: ____________ ARC Adjmt: ____________
Increase/Decrease in NOPEBO: ____________ Ending NOPEBO Balance: ____________

16 Provide the following information for three years (See transition provision in Paragraph 25c.)

	Current Year	Prior Year	2nd Year Prior
Annual OPEB Cost			
Percentage Contributed			
Ending Net OPEB Obligation			

17 Funded Status:
Valuation Date: ________ Actuarial Value of Assets (AVA): ____________
Actuarial Accrued Liability (AAL): ________ Unfunded Actuarial Liab.(UAL): ____________
AVA as percentage of AAL: ________ Annual Covered Payroll: ____________
UAL as percentage of Covered Payroll: ________

18 Are there reasons that OSC cannot make the standard disclosures required by GASB 45 paragraph 25d? _____ Yes _____ No (If yes, describe)

19 Do you use actuarial techniques (e.g. investment smoothing) to reduce short-term volatility in plan assets and liabilities? Yes No (If yes, describe)

20 Which Actuarial Cost Method is used by the plan? ____ Unit Credit; ____ Entry Age; ____ Entry Age Normal; ____Attained Age; _____ Aggregate; _____Frozen Entry Age; ____ Frozen Attained Age

21 Describe the method used to determine the Actuarial Value of Assets:

22 Provide rate amounts for the following actuarial assumptions: ____ Inflation; ____ Discount Rate/Investment Return; ____ Postretirement Benefit Increase Rate ____ Salary Increases (if relevant to the AAL); _______ Healthcare Cost

23 Which amortization method is used? ____ Level Dollar; _____ Level Percent of Projected Payroll

24 What is the amortization period of the Unfunded Actuarial Accrued Liability? _____ Years

25 Is the amortization period of the Unfunded Actuarial Liability open or closed? ____ Open _____Closed

Prepared By: ____________________ Agency Name: ____________________

Phone Number: ____________________ Agency Code: ____________________

Email Address: ____________________ Date Prepared: ____________________

5.43 Exhibit Y4 – OPEB – Employer Required Supplementary Information Reporting

Exhibit Y4 is used to report supplementary information required by the Governmental Accounting Standards Board for an agency's OPEB activity under GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Statement No. 45 applies to defined benefit and defined contribution plans that offer postemployment health care benefits through any plan or other benefits outside of a pension plan. It applies whether or not plan assets and liabilities are reported in trust or agency funds in the employer's or the state financial statements. The statement applies to the state participation in the PERA Health Care Trust Fund; however, agencies are not required to complete the Exhibit Y4 for that participation because it will be disclosed on a statewide basis by the OSC. In addition, the recommended PERA disclosures for agency stand-alone financial statements are updated each year to include the required disclosures for the PERA Health Care Trust Fund.

Sections A and B – Sole and Agent Employers – Factors Significantly Affecting Trends in Funding Progress *and* Required Supplementary Information – Schedule of Funding Progress – Three Years/Valuations Required

Sections A and B of the Exhibit Y4 are applicable to sole and agent OPEB plans. The purpose of these sections is to relay information regarding the trends in funding status of the OPEB plan and to explain any known factors that have or will affect those trends. Note that the information requested in Section B represents multiple years/valuations of the same single year/valuation information requested in Question #17 of Exhibit Y3. You will provide the information in years format if you perform annual valuations of your OPEB plan; however, GASB Statements No. 43 and No. 45 allow valuations at two or three year intervals depending on the number of participants in the plan (see GASB Statement No. 45, paragraph 12). If you perform actuarial valuations on a two or three year cycle, you will provide this information for each of the applicable valuations.

Section C – Required Supplementary Information – Schedule of Funding Progress and Schedule of Employer Contributions – Three Years or Three Valuations Required

This section is applicable only when the plan in question is a cost-sharing multiple-employer plan and the plan does not issue and make publicly available a GASB Statement No. 43 compliant stand-alone financial report. You are required to provide information that will allow the financial statement reader to put the cost-sharing plan information in perspective, such as, the percentage that your participation in the plan represents of the total cost-sharing multiple-employer plan. Note that the schedule of funding progress and the schedule of employer contributions are for the cost-sharing multiple-employer plan as a whole and not for your individual participation in the plan.

After having obtained a thorough understanding of GASB Statement No. 45 and the related implementation guide, agencies that have OPEB plans should provide the information requested on Exhibit Y4. You should add lines to the exhibit as needed to fully address each question. The required information should be available in plan documents or from your actuary or plan administrator. If you have questions regarding the information requested on Exhibit Y4 please contact your FAST field controller or Tammy Nelson at 303-866-2659 or tammy.nelson@state.co.us.

EXHIBIT Y4

OPEB REPORTING - REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Section A - Factors Significantly Affecting Trends in Funding Progress - Sole and Agent Employers

Describe any changes in benefit provisions:

Describe any change in the size or composition of the population covered by the plan:

Describe any change in the actuarial methods or assumptions used:

Section B - Required Supplementary Information - Sole and Agent Employers - Schedule of Funding Progress - Three Years/Valuations Required

Fiscal Year	Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (b)	Unfunded Act Accrd Liab (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a %age of Covered Payroll ([b - a] / c)

NOTE: Section C applies only when a cost-sharing multiple-employer plan in which you participate does not issue and make publicly available a GASB 43 compliant stand-alone plan financial report.

Section C - Required Supplementary Information - Schedule of Funding Progress and Schedule of Employer Contributions - Three Years or Three Valuations Required

Provide any information that you believe would assist the reader in understanding the scale of the information presented relative to the employer (for example, the percentage that the employer's payroll represents of the total Covered Payroll for the plan).

Fiscal Year	Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (b)	Unfunded Act Accrd Liab (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a %age of Covered Payroll ([b - a] / c)

Fiscal Year Ended June 30	Annual Required Contribution	Percent Contributed
2012-13		
2011-12		
2010-11		

Prepared By: ______________________ Agency Name: ______________

Phone Number: ______________________ Agency Code: ______________

Email Address: ______________________ Date Prepared: ______________

5.44 Exhibit Z – Major Pollution Remediation Obligations in Excess of $5,000,000

This exhibit reports major pollution remediation obligations (PRO) in excess of $5 million incurred by the agency as defined by GASB Statement No. 49. See Chapter 3, Section 6.4 for an overview of this standard.

Statement No. 49 defines a pollution remediation obligation as an obligation to address the effects of existing pollution. Remediation activities may include pre-cleanup, cleanup, oversight, or operation and maintenance of a remediation effort. Obligations do not include pollution prevention or pollution activities related to current operations.

After obtaining a thorough understanding of GASB Statement No. 49, agencies should complete an Exhibit Z for each material pollution remediation obligation.

If the pollution remediation activities reported on this Exhibit Z are an unusual activity for your agency, the activities may need to be reported as a special or extraordinary item and an Exhibit U1 would need to be completed. See the Exhibit U1 instructions for additional information on special and extraordinary items.

Section A – Reasonably estimable pollution remediation obligations (PRO).

For recognized PROs, describe the nature and source of the PRO (e.g., describe pre-cleanup activities, cleanup activities or external oversight activities). Indicate whether the liability is related to federal, state, or local laws or regulations, if applicable.

Provide the amount of the estimated liability. Describe the methods or assumptions used for arriving at this estimate (i.e., what assumptions were used in the Expected Cash Flow Technique). List any factors that may potentially affect the liability amount in the future (e.g., is the estimate subject to fluctuations in prices, changes in technology, or applicable laws or regulatory changes).

List any expected recoveries from other responsible parties or insurance recoveries. If the expected recoveries are not yet realized or realizable, the PRO should be reduced by these amounts. If the expected recoveries are realized or realizable, they should be recognized as recovery assets (i.e., cash or receivables). See Chapter 3, Section 6.4 for more information on accounting for recoveries.

Section B – Nonreasonably estimable pollution remediation obligations.

For estimates that are not reasonably estimable, provide a general description of the nature of the pollution remediation activities. *Please note: this information should be sufficient for financial statement disclosure purposes*.

EXHIBIT Z
MAJOR POLLUTION REMEDIATION OBLIGATIONS
IN EXCESS OF $5,000,000
AT JUNE 30, 2013

For each pollution remediation obligation (PRO), please complete the following:

Is the PRO reasonably estimable? ◉ Yes ○ No

If yes, complete sections A and C.
If no, complete sections B and C

Section A - Reasonably Estimable Pollution Remediation Obligations

1. Describe the nature and source of the PRO (should be sufficient for financial statement disclosure purposes):

2. Estimated Liability

Amount of the Estimated Liability:

How was the Estimated Liability derived?
Example: What assumptions were used in the Expected Cash Fund Technique calculation?

Please list any potential causes for change in the estimated liability.
Example: Price increases or reductions, technology, applicable laws or regulations.

3. Estimated Recoveries

Are there estimated recoveries? Amount:
If Yes, is the amount realizable?

Section B - Non-Reasonably Estimable Pollution Remediation Obligations

Note: Information is required for disclosure in the state's financial statements even if a liability is not reasonably estimable.

If No, please provide a general description of the PRO for financial statement disclosure purposes.

Prepared By: ______________ Agency Name: ______________

Phone Number: ______________ Agency Code: ______________

Email Address: ______________ Date Prepared: ______________

5.45 Intra/Interfund Receivable/Payable Confirmation Form

This confirmation form fulfills multiple purposes. In addition to being the source of information for balancing the intra and interfund payables/receivables, it is the basis for the GASB Statement No. 38 disclosure of the source of all interfund receivables and the fund to which the amounts are payable. The form is also the source of information for a postclosing entry eliminating amounts receivable from or payable to fiduciary funds, which are considered external for the government-wide Statement of Net Position. In order to prepare this disclosure from the existing confirmation process, it is necessary that the confirmation forms contain only one-to-one or many-to-one fund relationships. The OSC cannot identify the source of receivables and the funds to which amounts are payable if the confirmation forms contain many-to-many fund relationships.

Based on our experience in the prior fiscal year closings, the following six areas need to be emphasized in the intra/interfund receivable/payable confirmation process.

1. Send all confirmation forms directly to R&A (DPA_RAmailbox@state.co.us). <u>Do not send the confirmation forms to your FAST field controller</u>. E-mailed forms are preferred (please see the General Instructions on the following page); however, you may fax the confirmations to R&A at 303-866-4138. Questions related to the confirmation forms can be directed to Vance Finley at 303-866-3894.
2. Buying agencies may have cleared an intra/interfund payable that the selling agency still has recorded as an intra/interfund receivable. For example, a buying agency uses a check or warrant to make payment and the selling agency has not yet received the payment or has recorded the receipt in the following fiscal year. When this or a similar situation occurs, the Buyer agency should fill in the In-Transit field and provide the actual COFRS balance sheet coding string where the payable is recorded at 6/30/12 (e.g., Warrants, Vouchers, or Other Payable), pending the check clearing the bank. For agencies using Payment Vouchers on COFRS, you may use the Forward Reference search screen on the Financial Data Warehouse to confirm if an AD document has cleared the bank prior to June 30 (via a WR document). The information provided on the form will be used to reclassify the receivable or payable for statewide financial statement purposes only. No follow-up entry in the next fiscal year will be required.
3. The process R&A uses to balance these intra/interfund receivables and payables relies on having a copy signed by both the buyer and the seller. In most cases, the Seller agency initiates the form, signs it, sends it to the Buyer agency, who signs the form and sends it back to the Seller agency. **The CU System has indicated that they are unable to provide the confirmation forms for which they are the Seller agency. Therefore, those agencies with Buyer transactions involving the CU System are required to initiate the confirmation forms and send them to CU.** The Seller agency will then forward one completed copy to R&A. Also, the OSC no longer requires agencies to move the amounts into the Inter/Intrafund balance sheet accounts. If the Buyer or Seller agencies have recorded the receivable or payable in balance sheet accounts other than an intra/interfund receivable/payable, please provide the actual COFRS account coding string where the balances are recorded, and the OSC will reclassify them for statewide financial statement purposes only.
4. The confirmation form should not be used as a billing instrument, except as described below for the Department of Personnel & Administration direct billing. The selling agencies should ensure that bills for services are sent out with sufficient time for the receiving agency to record the payable and complete the confirmation form.
5. The OSC is setting the general intra/interfund receivable/payable cutoff date at July 19, with a later due date of July 25 for the agency/institution receivables related to the distribution of gaming moneys from the Department of Revenue. However, agencies should complete their

confirmations as far in advance of the cutoff date as possible. The completed and signed forms are due to the OSC by August 2. The OSC will provide agencies with the outstanding balances in the inter/intra fund accounts periodically through the Receivable/Payable process. State agencies have reported that selling agencies often send confirmation forms after the cutoff date. This requires buying agencies to record additional expenditures and recompute their augmenting revenue late in the closing process, which adversely affects their ability to timely close their books. To address this situation the OSC is adopting the following procedure. No confirmations may be initiated after the cutoff date and selling agencies are required to record the post-cutoff receivable as an external receivable. If the amount of the external receivable recorded exceeds the $200,000 Exhibit H threshold, the selling agency must submit an Exhibit H to the OSC. Exhibits H received under this requirement will only be posted if they are determined to be material at the financial statement level. Matching intra/interfund payable accrual exhibits H will be requested from buying agencies only if it is determined the intra/interfund receivable entry is material and must be posted. Buying agencies are authorized to refuse posting of intra/interfund payables after the cutoff date based on this procedure.

6. If the receivable or payable is related to moneys in an ARRA fund (ARG, ARH, ARP, or ARQ), activity <u>on COFRS</u> should be coded as if the activity were in a non-ARRA fund. For example, if a receivable is in ARG, but would normally be in Fund 100, and the payable is from Fund 100, then intrafund receivable and payable accounts should be recorded on COFRS. The confirmation form should indicate the *intrafund* accounts and the non-ARRA funds as shown in the examples below.

	Receivable (Seller)	Payable (Buyer)
Example 1		
Fund on COFRS	ARG	100
Non-ARRA Fund	100	100
Account Used on COFRS	Intrafund	Intrafund
Confirmation Form Information	100/Intrafund	100/Intrafund
Example 2		
Fund on COFRS	ARG	ARG
Non-ARRA Fund	100	19G
Account Used on COFRS	Interfund	Interfund
Confirmation Form Information	100/Interfund	19G/Interfund
Example 3		
Fund on COFRS	ARG	ARP
Non-ARRA Fund	100	14B
Account Used on COFRS	Interfund	Interfund
Confirmation Form Information	100/Interfund	14B/Interfund

GENERAL INSTRUCTIONS

The intra/interfund receivable/payable confirmation form that follows is required for all agencies and institutions recording intra/interfund receivable/payables at the close of FY12-13. The form represents an agreement between agencies or funds documenting that both parties are aware of the amount and the account coding recorded by the other party to the transaction. Please remember that these receivable/payables may be within a single agency and either within the same fund category or between funds in that single agency.

Individual receivable/payable accounts that are equal to or less than $1,000 do not need to be confirmed. All intra/interfund transactions that exceed $1,000 (in COFRS accounts 137X, 139X, 1720, 1730, 236X, 239X, 2940, and 2950, or other balance sheet accounts) must be supported by these agreements. If the actual amounts are not known, an estimated amount should be agreed on by the agencies involved. The confirmation forms must be signed by the controllers (or their designee) of the departments or institutions of higher education involved in the transaction. The deadline for finalizing intra/interfund receivable/payables is July 19 (see the discussion of the cutoff date above). You should reconcile the amounts in your balance sheet accounts on COFRS to the detail on the Intra/Interfund Receivable/Payable Confirmation Forms. However, this reconciliation should not be submitted to the OSC. Submit a signed copy of all Intra/Interfund Receivable/Payable Confirmation Forms to R&A by August 2. If you are using e-mail to complete these forms, when the confirmation is complete and agreed to by both sides of the transaction, the seller should forward a copy of the entire e-mail (including replies back and forth between the Buyer and Seller), along with the confirmation form to R&A (DPA_RAmailbox@state.co.us). This will serve as the submission of the form to the OSC by both parties and no paper copy need be transmitted.

Agencies can determine if a transaction should be coded as an intra or interfund receivable or payable by referring to the table included in Chapter 3, Section 3.17.

In general, the following steps should be taken:

1. In most cases, the Seller agency controller should contact the Buyer agency controller to discuss the existence of the receivable/payable. The exception to this is with transactions involving the CU System. Those agencies with Buyer transactions involving the CU System are required to contact CU to discuss the existence of the receivable/payable. Both sides should come to agreement regarding whether it is a valid receivable/payable and agree as to the amount (either estimated or actual). You may summarize multiple transactions on a single form, but not many-to-many fund relationships. If the amount is determined to be equal to or less than $1,000, no confirmation need be completed.
2. The Seller agency (or the Buyer agency, in the case of CU Seller transactions) should complete their portion of the confirmation form and fax or e-mail the form to the Buyer agency (or the Seller agency in the case of the CU Seller transactions). If the amounts are not recorded in the COFRS Intra/Interfund balance sheet accounts, please fill in the actual COFRS coding string where they are recorded. The OSC is concerned with having accurate COFRS coding string data so we can correctly reclassify the amounts for financial statement purposes.
3. If the Buyer agency agrees to the amount and coding, they should complete their portion of the form, retain a copy to support their receivable or payable, and fax or e-mail a completed copy back to the Seller agency. As with #2 above, please provide the actual COFRS coding string where the payable is recorded at June 30, 2013. In the case of an amount In-Transit, please fill in the In-Transit field and provide the actual COFRS balance sheet coding string where the payable is recorded at June 30, 2013, pending the check clearing the bank (e.g., Warrants, Vouchers, or Other Payable). The information will be used to reclassify the

amounts for statewide financial statement purposes only.

4. The seller should follow the submission instructions above.
5. If the agencies cannot agree on the item or the amount, the dispute should be referred to their FAST field controller(s) promptly so that it can be resolved prior to the confirmation cutoff date. If balancing is not achieved by the deadline, explain the conditions on the form and submit it to Reporting & Analysis.
6. Once an agreement is reached and documented, both agencies should prepare journal vouchers to accrue their receivable/payable at the agreed on amount (whether it is actual or an estimate).
7. If the Department of Personnel & Administration (DPA) or the Office of Information Technology (OIT) is not able to process ITs for any services (such as long distance telephone, fleet vehicle mileage, or copier billings) before July 12 (Period 12 close) the following special procedures will be used for direct billing.
8. DPA and the OIT will prepare an estimate of the cost of services based on May 2012 information.
9. Estimates will be provided to the agencies by July 5 on the Intra/Interfund Receivable/Payable Confirmation Form following this section.
10. Agencies will need to review the estimate and if they agree, complete their portion of the interfund agreement and accrue the payable.
11. If the agencies do not agree with the estimate, they should call the applicable contact for the particular service as follows:

    <u>Department of Personnel and Administration</u>

    - Capitol Complex rental and parking billings –
      Keri Lee (phone 303-866-6962 or e-mail keri.lee@state.co.us)
    - Design, Copiers, or Mail –
      Sharon Bang (phone 303-866-4007 or e-mail sharon.bang@state.co.us)
    - Print Shop and Quick Copy –
      Karen Akins (phone 303-866-3885 or e-mail karen.akins@state.co.us)
    - Motor Pool –
      Sean Murphy (phone 303-866-3030 or e-mail sean.murphy@state.co.us)
    - Fleet Management –
      Rene Ahl (phone 303-866-5490 or e-mail rene.ahl@state.co.us) *or*
      Renee Covard (303-866-5483 or renee.covard@state.co.us)

    <u>Governor's Office of Information Technology</u>

    - Telecommunications, Multi-Use Network, Data Line, or Phone Line billings –
      Mary Broder (phone 303-764-7940 or e-mail mary.broder@state.co.us)
    - GGCC billings –
      Robb Fuller (phone 303-764-7795 or e-mail robb.fuller@state.co.us)

Actual charges will be posted via an IT transaction in Period 1 of FY13-14. At this time, agencies should compare the actual to the estimate and reverse their accrued payable. This reversal should occur prior to the close of Period 1 in FY13-14.

To make final coding corrections please communicate with the applicable contact for the particular service by July 5.

INTRA/INTERFUND RECEIVABLE /PAYABLE CONFIRMATION FORM
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

SELLER AGENCY

Agency Code and Name: ______________________ **Signed:** ______________________
Contact Person/E-mail Address: ______________________ **Date:** ____________
Phone: ____________ **Fax:** ____________

Description of Service OR Comment Field (Optional)	Purchase Order #	Invoice#	SELLER Fund	BS Acct	Receivable Amt.	COFRS Doc

TOTAL: ____________

BUYER AGENCY

Agency Code and Name: ______________________ **Signed:** ______________________
Contact Person/E-mail Address: ______________________ **Date:** ____________
Phone: ____________ **Fax:** ____________

Comment Field (Optional)	Amount in Transit (Y/N)	BUYER Fund	BS Acct	Payable Amt.	COFRS Doc

TOTAL: ____________

Notes: This form should be initiated by the Seller Agency, sent to the Buyer Agency, sent back to the Seller Agency, who forwards it to the Office of the State Controller. Only one copy should be submitted to the OSC.

Please provide the COFRS string where the receivable and payable are actually recorded, even if they are not in the Inter/Intrafund balance sheet accounts. OSC will reclass these amounts for Financial Statement purposes.

If an amount is IN TRANSIT, the Buyer Agency must put the actual COFRS balance sheet string where the payable is recorded as of June 30, pending the check clearing the bank (Warrants, Vouchers, or Other Payable, for example).

If the receivable or payable is related to moneys in an ARRA fund, please record on this confirmation form the fund where the receivable/payable would have been, as if the activity were in a non-ARRA fund. The receivable/payable on COFRS should be coded as if the activity were in a non-ARRA fund.

CHAPTER 3: SECTION 6
GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)

The OSC believes this manual needs to continually address the existence and application of standards promulgated by the Governmental Accounting Standards Board (GASB). Accordingly, the material in this section has several intended purposes:

- To inform agencies of new standards under GASB, including a brief description and both suggested and required accounting and reporting issues as they relate to the standard. (This includes providing guidance on any required COFRS coding structure.)
- To provide agencies with a preview of accounting standards that are soon to come and their potential impact on agencies' accounting and reporting requirements. (This includes addressing standards that may take more than one fiscal year to implement.)
- To serve as a reminder of ongoing GASB requirements, many of which have a significant impact on year-end accounting and reporting.

Each agency is responsible for gaining a thorough understanding of and implementing GASB requirements applicable to their operations. GASB publications are copyrighted materials and the OSC does not purchase a statewide license. GASB statements and other publications may be purchased on the GASB website at: http://gasb.org/pub/index.html.

6.1 What's New

The following standards will be implemented in the FY12-13 CAFR:

- GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangements (see Chapter 3, Section 6.9).
- GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA (see Chapter 3, Section 6.10).

The following standards are published and available from GASB and will be implemented in FY13-14:

- GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities (see Chapter 3, Section 6.12).
- GASB Statement No. 66 – Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62 (see Chapter 3, Section 6.13).

GASB has issued Statement No. 68 – Accounting and Financial Reporting for Pensions that addresses employer reporting and Statement No. 69 - Government Combinations and Disposals of Government Operations. These standards are effective in FY 14-15. Implementation guidance will be provided in the subsequent Fiscal Procedures Manual.

6.2 Termination Benefits – GASB Statement No. 47

The State implemented GASB Statement No. 47 in FY05-06 for termination benefits. Accounting and reporting for healthcare and nonhealthcare related termination benefits is addressed in the standard, and it refers to GASB Statements No. 27 and No. 45 to provide direction on accounting and reporting for the effect of termination benefits that are provided through pension plans and Other Postemployment Benefits plans. The additional costs of pension benefits and PERA Care subsidy related to early retirements under the modified rule of eighty are an example of termination benefits that could be reported under GASB Statement No. 47; however, because those benefits are administered under the pension plan PERA will report those effects in their Comprehensive Annual Financial Report. State agencies that offer termination benefits on an individual basis (including COBRA coverage – see discussion below) or through pension or OPEB plans outside of PERA must comply with the GASB Statement No. 47 requirements.

Termination benefits are different from normal employee benefits in that they are not related to services provided, but rather, they are inducements for employees to terminate service. As a result, the State must in general recognize termination benefit costs when they are offered or accepted rather than over a period of employee service.

The first requirement for a benefit arrangement to qualify as a termination benefit (rather than an payment in exchange for services) is that it be an incentive to induce early termination of employment or severance pay related to voluntary or forced termination. While COBRA payments occur in many instances they are not necessarily related to termination benefits as defined in GASB Statement No. 47. Unless COBRA payments are incurred as the result of an incentive for early termination of employment, the requirements of GASB Statement No. 47 will not apply to those payments.

In governmental funds, termination benefits are only reported as an expenditure if the related liability is due and payable at June 30; however, on the government-wide statements and in full accrual funds (proprietary and fiduciary funds), termination benefits must be reported as an expense by any state agency that offers these benefits. Governmental fund accountants are required to make an entry in Fund 471 if the estimated amounts are not due and payable at June 30. In general, the present value of projected benefits costs must be recorded using a discount rate that matches the supporting investment and future cost inflation assumptions relevant to the projected benefits. The standard requires adjustment of these estimates each reporting period. Please refer to the standard for specifics.

GASB Statement No. 47 requires note disclosure information that cannot be known by the OSC, and therefore, must be provided by individual state agencies. A section has been added to the Exhibit U2 for agencies to report the disclosures required by GASB Statement No. 47.

6.3 Sales and Pledges of Receivables and Future Revenues – GASB Statement No. 48

GASB Statement No. 48 was effective beginning in FY07-08; it specifies the accounting for selling and pledging receivables and future revenues. It also has specific requirements for the treatment of such transactions when they occur within the reporting entity, which includes transactions between agencies as well as transactions with the State's component units (including discretely presented foundations).

Internal Transactions

The statement requires that the transfer of assets within the government be recorded by the buying agency at the same carrying value as they had been recorded by the selling agency. Any difference between the carrying value and the amount paid must be recorded as a transfer on the state financial statements; however, the difference between the carrying value and the amount paid should be reported as a revenue (gain/loss) and expense/expenditure on an agency's stand-alone financial statements. An example of such a transaction is the sale of student receivables by higher education institutions to CollegeInvest.

Since the selling agency/government has not recognized an asset related to future revenues, the sale of rights to those revenues is required to be deferred (debit cash, credit deferred revenue) on both the fund-level and government-wide statements until the events that would have resulted in revenue recognition occur. The buying agency should record a deferred charge (debit prepaid expense, credit cash) and amortize the prepaid expense over the life of the agreement. An example of such a transaction is the potential sale of future Tobacco Settlement revenues to a component unit created to securitize those future revenues.

External Transactions

GASB Statement No. 48 requires that all transfers of receivables or future revenues to external parties be recorded as a collateralized borrowing rather than as a sale unless specific conditions are met. The requirement for a collateralized borrowing essentially prevents the agency/government from recognizing revenue related to such transactions. The specific condition required to be met can be found in the standard; they are primarily related to the agency/government's continuing involvement with the receivables or revenues.

6.4 Pollution Remediation – GASB Statement No. 49

GASB Statement No. 49 was effective beginning in FY08-09; it addresses accounting and financial reporting standards for pollution remediation obligations (PROs), including contamination, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

Once any one of five specified obligating events occurs, a government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Obligating events include the following:

- The government is compelled to take pollution remediation action because of an imminent endangerment.
- The government violates a pollution prevention–related permit or license.
- The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs.
- The government is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The government commences or legally obligates itself to commence pollution remediation.

Calculating the PRO

When an obligating event occurs, an agency must recognize and disclose the PRO. The agency must estimate the amount based on the current value of outlays expected to be incurred to settle the liability and is required to use the expected cash flow technique. The expected cash flow technique is a weighted average of the probability range of outcomes or data points. For example, a PRO is estimated as having a 10% chance of costing $10 million (worst case), a 10% chance of costing $2 million (best case) and an 80% chance of costing $5 million (most likely). The ECF would give a result of (.10 * 10,000,000) + (.10 * 2,000,000) + (.80 * 5,000,000) or $5,200,000 as a liability.

Any recoveries, whether from insurance companies or other PRPs, should be considered when calculating the PRO. If the recovery is not yet realized or realizable, the amount of the expected recovery should be netted against the PRO. If the recovery is realized or realizable, it should be recognized separately from the PRO, not as a reduction to the overall liability, but as a recovery asset (i.e., cash or receivable).

Agencies are required to remeasure the liability each time the clean-up effort approaches one of the recognition benchmarks in the standard or as more information becomes available. In limited circumstances (e.g., a building used to coordinate Pollution Remediation activities has a future alternative use after the activity ceases), PROs may be capitalized (please see GASB Statement No. 49, paragraph 22 for additional information).

<u>Accounting for the PRO</u>

The liability should be booked as follows:

Governmental Funds – Amounts for goods and services only expected to be liquidated with expendable available financial resources should be booked as liabilities upon receipt of the goods and services. The accumulation of resources for the eventual payment of the PRO does not result in an additional governmental fund liability. Both the current and long term portion of the related PRO liability should be recorded in Fund 471.

Example – An agency signs a contract on 6/01/13 with the EPA agreeing to pay $1.0 million per year for three years for a pollution remediation obligation. The agency was invoiced $25,000 for work completed prior to 6/30/13. The agency has a governmental fund 1*xx*. The accounting would be as follows:

In Fund 1*xx* (goods and services):

- Debit (Type 22) to object *xxxx* for $25,000
- Credit (Type 02) to balance sheet 2120 as accounts payable for $25,000

In Fund 471 (PRO: original recording of current and noncurrent amount):

- Debit (Type 24) to object *xxxx* for $3.0 million
- Credit (Type 02) to balance sheet 2985 for $2.0 million
- Credit (Type 02) to balance sheet 2785 for $1.0 million

In Fund 471 (PRO: adjustment for liability reduction for completed work)

- Debit (Type 02) to balance sheet 2785 or 2985, as appropriate, for $25,000
- Credit (Type 24) to object *xxxx* for $25,000

Proprietary Funds – As a program or operating expense or as a special or extraordinary item (if it meets the criteria for those items.) The expenditure is booked as an account type 22 or 24 with an offset to the account type 02 liability. The use of the account type 24 is dependent upon whether or not the liability has been budgeted for in the Long Bill. If an account type 24 is used and budget is subsequently recorded, the expenditure needs to be reclassified by debiting an account type 22 and crediting an account type 24 for the budgeted amount. This will ensure proper recognition under the budget and have no effect on fund balance in the current year.

Proprietary funds would book the account type 22/02 combination in the fund for the entire amount, segregated between current and long-term as necessary.

Please note that the object code used depends upon the nature of the expenditure – personal services, supplies, equipment, etc. The OSC has created two liability accounts, 2785 – Pollution Remediation Obligations – Current and 2985 – Pollution Remediation Obligations – LT.

Recoveries should be accounted for as follows (Governmental Funds should use either fund 1xx or 471 to mirror the booking of the expense/liability as discussed above):

Realized/Realizable in the year the expenses and liability are booked:

- Debit (Type 01) to cash or receivable
- Credit (Type 22) to expense

Realized/Realizable in years after the expenses and liability have been booked:

- Debit (Type 01) to cash or receivable
- Credit (Type 02) to balance sheet 2785 or 2985

Realized/Realizable - post-remediation, after the liability has been liquidated:

- Debit (Type 01) to cash or receivable
- Credit (Type 31) to revenue source code 5880

Not Realized/Realizable (if the liability has already been recorded):

- Debit (Type 02) to balance sheet 2785 or 2985
- Credit (Type 22) to expense

Realized or realizable recoveries recorded after the liability is no longer on the books, regardless of source (i.e. PRP, insurance, etc.), should be booked as revenue source code 5880 – Pollution Remediation Recoveries with an offset to either cash or a receivable as appropriate.

Financial Statement Disclosures

Agencies with PROs over $5.0 million should fully complete Exhibit Z and submit to the OSC along with its other exhibits. Please note that certain disclosure information is required for the state financial statements even if a liability is not reasonably estimable. Therefore, the Exhibit Z must be completed. See Chapter 3, Section 5.44 for instructions on how to complete Exhibit Z.

6.5 Accounting and Financial Reporting for Intangible Assets – GASB Statement No. 51

GASB Statement No. 51 was effective beginning in FY09-10 and addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks.

Intangible assets shall be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases, goodwill from a combination transaction or intangible assets acquired/created primarily for directly obtaining income or profit which should be treated as investments). Relevant authoritative guidance for capital assets should be applied to these intangible assets. GASB Statement No. 51 provides additional guidance that specifically addresses the unique nature of intangible assets, including:

- Requiring that an intangible asset be recognized in the Statement of Net Position only if it is considered identifiable.
- Establishing a specified-conditions approach to recognizing intangible assets that are internally generated (e.g., patents and copyrights).
- Providing guidance on recognizing internally generated computer software.
- Establishing specific guidance for the amortization of intangible assets.

An asset is considered identifiable if it is capable of being separated and sold, transferred, licensed, etc., or the asset arises from contractual or other legal rights, regardless of whether the rights are separable.

The OSC has set the capitalization threshold for intangible assets at $50,000. Intangible assets are not reported as a separate asset category, but rather as part of the asset balance within an existing asset category. For example, easements costing $50,000 or more are capitalized into 1800-Land.

Internally generated intangible assets (IGIA) are created or produced by the government or an entity contracted by the government. They may be acquired from a third party and still qualify as internally generated if more than minimal incremental effort is required to achieve the expected service capacity. GASB Statement No. 51 provides a specified-conditions approach to recognizing outlays associated with IGIA as follows:

- Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the asset upon project completion;
- Demonstration of the technical/technological feasibility for completing the project so that the asset will provide its expected service capacity;
- Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

Outlays incurred prior to meeting the criteria should be expensed as incurred. However, guidance may result in capitalization of certain R&D costs previously expensed under FASB Statement No. 2 (University patents). Starting in FY12-13, GASB Statement No. 62 eliminated FASB Statement No. 2 as applicable guidance as it was contradictory to GASB standards.

Specific guidance is provided under the IGIA specified-conditions approach for internally generated computer software (IGCS). IGCS may be either developed in-house by government personnel or a contractor on their behalf, or commercially available software needing more than minimal incremental effort before it is operational. Development stage guidance is similar to AICPA SOP 98-1 which the State of Colorado has been following since July 2005. The three stages of developing IGCS and their reporting requirements are categorized below:

- Preliminary project stage includes the conceptual formulation and evaluation of alternatives, determination of existence of needed technology, and final selection of alternatives. (Expense as incurred)
- Application development stage includes the design of the chosen path, coding, installation of hardware, and testing and parallel processing. (Capitalize once criteria are met; cease capitalizing when software is operational)
- Post-implementation/operation stage includes application user training and software maintenance. (Expense as incurred)

IGIA specified-conditions criteria are considered met for IGCS when the activities in the preliminary project stage are completed and management authorizes and commits to funding the project. For commercially available software that is IGCS, these criteria are generally considered met upon the government's commitment to purchase or license software. Reporting should be based upon the nature of the activity and not the timing of its occurrence. There is not specific guidance on the types of outlays that can be capitalized (e.g. direct costs vs. indirect costs).

Data conversion activities may include purging/cleansing of existing data, conversion of data from the legacy system to the new system, and reconciliation of data from the legacy system to data in the new system. Data conversion is generally considered post-implementation/operation stage and thus expensed unless it is necessary to make the software operational. In that instance, it would be considered application development stage and should be capitalized. (Consider a human resources system that would need tax rates, pay rates etc. to become functional vs. a vendor information database.

In order to capitalize an internally generated modification of software already in operation, the result should be an increase in the functionality of the software (additional tasks performed that weren't previously), or an increase in the efficiency of the software (provides increased level of service), or an extension of the estimated useful life of the software. If one of these three is not met, associated outlays should be expensed as incurred as maintenance. However, an extension of useful life without increased functionality or efficiency is rarely expected to occur.

Existing guidance for depreciation of capital assets generally applies to amortizing intangible assets. There is no mandated maximum amortization period. The useful life of an intangible asset that arises from contractual or other legal rights should not exceed the period to which the service capacity of the asset is limited by contractual or legal provisions. Renewal periods that relate to such rights may be considered in the useful life if there is evidence the government will seek and be able to achieve renewal and that any anticipated outlays to be incurred as part of achieving the renewal are nominal in relation to the level of service capacity expected to be obtained through the renewal.

Intangible assets with indefinite useful lives should not be amortized. An asset with no legal, contractual, regulatory, technological, or other factors that limit the useful life is considered to have an indefinite useful life. A permanent right-of-way easement would be considered an example of an asset with an indefinite useful life. Should changes in factors and conditions result in the useful life of an asset no longer being indefinite, the asset should be tested for impairment. The carrying value of the intangible asset, if any, following the recognition of any impairment loss should be amortized in subsequent reporting periods over the remaining useful life of the asset.

The provisions of GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries generally should be applied to determine impairment of intangible assets. A common indicator of impairment for IGIA is stoppage of development, such as stoppage of computer software development due to changed priorities of management. IGIA impaired from development stoppage should be reported at the lower of carrying value or fair value.

6.6 Land and Other Real Estate Held as Investments by Endowments – GASB Statement No. 52

GASB Statement No. 52 was effective beginning in FY08-09; it addresses accounting and reporting standards for land and other real estate investments held by endowments. These investments should be reported at fair value rather than historical cost by permanent endowments, term endowments, and permanent funds. Exceptions include quasi-endowments and lands granted by the Federal Government in connection with a state being admitted to the United States. Changes in fair value during the period should be reported as investment income. See Chapter 3, Section 5.22 for further information about reporting fair value of land on the Exhibit N1.

6.7 Accounting and Reporting for Derivative Instruments – GASB Statements No. 53 & No. 64

GASB Statement No. 53 was effective beginning in FY09-10 and it addresses accounting and financial reporting standards for derivative instruments. GASB Statement No. 64 is effective beginning in FY12-13 and further amends GASB Statement No. 53 regarding the replacement of swap counterparties. Derivatives are often complex financial instruments that have attributes that mitigate certain types of risk but may create other types of risk. Part of the complexity results from the requirement to communicate the accounting requirements in the language used by the investment community, which is highly specialized. The GASB has provided a plain language summary at:

http://www.gasb.org/plain-language_documents/Statement_53_plain-language_summary.pdf and a glossary in the statement itself. There is also an implementation guide to the standard that clarifies many of the provisions.

Derivatives are financial instruments or contracts that include all three of the following characteristics:

- Settlement factors that are determined based on rates that are referenced in the agreement and a notional amount to which the referenced rates are applied. Notional amounts can be in dollars or any other fixed unit of measure, such as, gallons, cubic feet, or shares.
- Leverage that allows the State to access the benefits or risk of the agreement with no initial exchange of cash or other value.
- Net settlement that allows the agreement's future cash outflows to be offset with future cash inflows, such that only the net amount is exchanged between the parties to the agreement.

There are many types of financial instruments that meet these requirements including interest rate locks, futures contracts, and interest rate swaps (these agreements effectively convert variable rate debt service payments to fixed rate payments or vice versa).

The statement lists items that would otherwise meet the derivative definition above, but are specifically excluded. One notable exception is normal purchase and normal sales contracts where the State plans to and normally takes possession of the commodity that is the subject of the agreement. As a result, locking in future purchases of commodities, such as, natural gas, diesel fuel, or roadway sand is not subject to GASB Statement No. 53 accounting and reporting requirements if the State takes possession. However, if the State enters an agreement separate from the commodity future purchase to mitigate price volatility risk, that agreement would be subject to GASB Statement No. 53 requirements.

The State Treasurer's permitted investments are explicitly listed in statute and do not include derivative instruments. The State Treasurer's General Investment Policy states, "To minimize market event risk, no derivative securities will be purchased." Therefore, derivative accounting and reporting should not apply to funds invested by the State Treasurer through the Treasurer's pooled cash or through specific cash funds managed by the State Treasurer. However, CRS 24-75-601.1, which establishes legal investments for public funds not managed by the State Treasurer, allows in subsection (1.3) certain exceptions to the general requirement that, "…public funds shall not be invested in any security on which the coupon rate is not fixed, or a schedule of specific fixed coupon rates is not established, from the time the security is settled until its maturity date…" Those exceptions include short-term indices tied to U.S. Treasury securities, the London Interbank Offering Rate, cost of funds, prime rate, and municipal index (such as, Securities Industry and Financial Markets Association – SIFMA). The statute requires such investments be purchased in compliance with the Fiduciary Standards for Investments in CRS 15-1-304, but it excludes investments purchased by the State Board of Regents (University of Colorado). In the end, allowability of investments is a legal issue requiring the advice of a state agency or institution's legal counsel; however, the exceptions above appear to allow the limited use of derivatives.

There are two basic reasons that a government would enter a derivative transaction – as an investment intended solely to generate income or as a hedge against risks to which the government would otherwise be subjected. The accounting and reporting required is significantly different depending on whether the derivative qualifies as an investment or as a hedge.

Investment Accounting and Reporting

If a derivative instrument is determined to be an investment rather than a hedge, the instrument must be reported at fair value on the balance sheet (government-wide, proprietary, or fiduciary statements only – no governmental fund reporting) and the current period changes in fair value must be reported on the operating statement. Note disclosures are generally limited to those required by GASB Statement No. 40.

Hedge Accounting and Reporting

If a derivative instrument qualifies for hedge accounting, the instrument itself is separately reported on the balance sheet (government-wide, proprietary, or fiduciary statements only – no governmental fund reporting) in the same category (asset or liability) that the instrument is intended to hedge. However, the offset to that presentation is also reported on the balance sheet, but in a separate classification as either a deferred inflow (credit) or deferred outflow (debit). The fair value of the hedge derivative is measured and reported at each balance sheet date with the offsetting change reflected in the deferred inflow (credit) or deferred outflow (debit) as appropriate. Similar hedge derivatives and related deferred inflows and deferred outflows may be aggregated; however, deferred inflows and deferred outflows related to dissimilar hedge derivatives may not be netted against each other. Hedge derivatives initially have zero fair value (assuming no cash was exchanged at inception) and if held to maturity will return to zero value at the end of the agreement – as a result, there is never an operating statement impact of an effective hedge held to maturity. When a hedge derivative terminates early due to the lack of effectiveness, nonperformance of the counterparty, or any other reason, the ending balance of the related deferred inflow (credit) or deferred outflow (debit) is removed from the balance sheet and recognized on the operating statement as a reduction or increase to investment income. Note that GASB Statement No. 64 provided clarification that the replacement of the swap counterparty involving identical terms as associated with the original swap are not considered terminations.

Classification of a Derivative Instrument as an Investment or as a Hedge

Most of GASB Statement No. 53 is about determining the correct classification and the requirements range from straightforward to complex. However, the objective is straightforward. All of the methods are intended to determine whether the derivative instrument has been successful or effective in mitigating the risk of market changes on the cash flow or fair value of the related hedged item (asset or liability). A derivative is considered effective if it has exactly (or nearly) the same relevant terms because the cash flows or fair value changes are automatically equal and opposite; this is known as the consistent critical terms method. This is a nonqualitative determination. When the hedge does not have consistent critical terms, other methods may be used for the classification. GASB has specifically identified three other methods in the pronouncement. The other methods establish quantitative measures for determining when the changes in cash flow or fair value of the hedge adequately offsets the market changes in cash flow or fair value of the hedged item. These methods use percentage ranges and statistical measures to assess the extent to which the hedge is effective in mitigating market risk in the hedged item.

Required Note Disclosure

Most of the required disclosures are presented in the investment note to the financial statements. However, when the hedged item, such as variable rate debt, has specific disclosure requirements (such as debt service to maturity schedules) that are affected by the hedge's cash flows, the effect of the hedge on those disclosures is presented along with those disclosures. Hedge disclosures can be extensive depending on the complexity of the instrument involved. Please refer to the instructions for the related exhibits D3, N4, N5, and N6 in Chapter 3, Section 5.

6.8 Fund Balance Reporting and Governmental Fund Type Definitions – GASB Statement No. 54

Background

GASB Statement No. 54, effective for FY10-11, creates new fund balance classifications for the purpose of showing financial statement users not only the reason for the limitations on resources, but also the degree of constraints on the use of resources. Constraints on fund balances can range from legally enforceable constraints by forces external to the government to nonbinding designations of fund balances. The standard clarifies governmental fund type definitions to support a higher degree of consistency amongst governments. The standard also requires disclosure of fund balance classifications including policies for the prioritization of resource spending, encumbrances, stabilization arrangements and required minimum fund balances.

Special Revenue Fund Type Determination

It had been the State practice to categorize special revenue funds based on the purpose for which the moneys are expended; however, the standard has provided guidance that requires an assessment based on the revenue source. Beginning in FY10-11, special revenue funds are defined as revenues used to account for and report the proceeds of specific revenue sources that are restricted or committed for expenditure for specific purposes. Legislatively created cash funds are generally considered to be committed and/or restricted for a specific purpose. Although the General Assembly typically identifies a revenue stream, specific revenue sources do not include transfers in or other financing sources such as interest income or bond proceeds. The specific revenue source is required to be a substantial portion of the inflows from the restricted or committed sources. The State Controller has defined a substantial portion as 70 percent. This is an OSC-level determination that is made at the financial statement fund-level, not the individual COFRS fund-level. Funds not meeting this requirement must be accounted for in the State General Fund, or if appropriate, another financial statement fund classification.

Fund Balance Classification

Fund balances are comprised of two categories, Nonspendable and Spendable.

Nonspendable Fund Balance

Fund balance falls into this classification if it is not in spendable form. This includes assets that are not expected to be converted into cash and includes inventories, prepaid expenses, and long-term receivables if the use of resources from the collection of long-term receivables is not otherwise restricted, committed, or assigned. Nonspendable also includes items that are legally or contractually required to be maintained intact, primarily nonexpendable permanent funds.

Spendable Fund Balance

All fund balance not classified as nonspendable falls into one (or more) of four subcategories of spendable fund balance, as follows:

Restricted Fund Balance

Restricted fund balance consists of amounts that are restricted to specific purposes, with the exception of permanent funds required to be retained in perpetuity – these are considered nonspendable. The key concept in determining what qualifies as restricted fund balance is whether an external party can legally compel the government to use the specified resources for only a specific purpose. The restriction must be externally imposed or imposed through constitutional provisions or enabling legislation. External restrictions typically result from external parties such as creditors or grantors. Constitutional restrictions include items such as tax revenue in the State Education Fund that resulted from voter approval of Amendment 23 in the 2000 election. The standard includes enabling legislation as legally enforceable; however in Colorado, courts have ruled that it is the General Assembly's prerogative to change sources and uses of funds. That ruling essentially defaults most fund balances to the less restrictive committed classification. As a result, only external constraints and constitutional provisions are grounds for a restricted classification. Often nonlegislatively created funds are established for custodial purposes and would meet the restricted requirements.

Committed Fund Balance

Committed fund balance must result from the State's highest level of decision making, the General Assembly. Balances in this category must result from action at the highest level, and may also be modified by action at that same level. As an example, the General Assembly creates a court fee to be used to fund education programs, but later diverts the fee to be used for witness protection. Remaining fund balances in this scenario would be considered committed. This is the least restrictive category for legislatively created funds, and is typically the largest fund balance category.

Assigned Fund Balance

Assigned balances are constrained by the intent to use resources for a specific purpose, but are not restricted or committed. This action is at a level lower than that of the General Assembly. Little activity is expected in this category as legislatively created funds are considered at least committed, and often nonlegislatively created funds are established due to external requirements that put those funds into the restricted category. However, some activity such as rollforwards may fall in this category.

Unassigned Fund Balance

Unassigned fund balance is the residual category after all other classifications have been made. This category, by definition of a special revenue fund, is not available for special revenue funds. The only exception for special revenue funds is for deficit fund balances, at certain levels. Legislatively created funds classified as general funds for financial reporting also default to the committed category. A positive unassigned fund balance is only available in the General Purpose Revenue Fund, funds 100 and 1EX.

Fund Balance Classification Matrix

The following chart defines responsibility for governmental fund balance classifications. With the implementation of GASB Statement No. 54, discretionary fund balance accounts may continue to be used, if not in conflict with GASB 54 requirements, but if used must be maintained annually. See Chapter 3, Section 3.25 for more information.

Fund Balance Category	Governmental Fund	Centrally Defined		Agency Defined
Nonspendable				
Inventories:	All Governmental Funds	14xx	Inventory Accounts	No agency action necessary.
Prepaid Expenses:	All Governmental Funds	1500-1507 1530-1537	Prepaid Accounts Advance Accounts	No agency action necessary.
Long-Term Loans Receivable:	100 – General Fund & 1EX – General Fund Exempt	1762-1764	Long-Term Loans Receivable	No agency action necessary.
	All Governmental Funds except Fund 100/1EX	No OSC action necessary.		Not applicable as nonspendable. Evaluate placement in restricted, committed, or assigned category.
Nonexpendable Permanent Fund:	Nonexpendable State Land Funds (851-859, 866) & Nonexpendable Other Funds (723, 850, 861, & 862)	Entire balance		No agency action necessary.
Spendable Fund Balance				
Restricted: (BACC 03-3501)	100 – General Fund & 1EX – General Fund Exempt	Not applicable.		Manual entry for external restrictions in funds 100/1EX, as well as associated restricted cash, receivable and investment balances. In addition in Funds 100/1EX, manual entries must be updated on a quarterly basis.
	All Governmental Funds except Fund 100/1EX	The OSC will program discrete funds as defined as Restricted in Chapter 3, Section 4, as amended by Exhibit Q.		Evaluate activity meeting criteria and indicate fully restricted balanced on Exhibit Q. For partially restricted fund balances process manual fund balance entries.
Assigned: (BACC 03-3601)	100 – General Fund & 1EX – General Fund Exempt	Rollforwards and other subsequent 9523 annotations.		No agency action allowed.
	All Governmental Funds except Fund 100/1EX	Rollforwards and other subsequent 9523 annotations.		Except 9523, manual entry for any balances identified (unlikely).
Unassigned:	100 – General Fund & 1EX – General Fund Exempt	Residual category.		No agency action allowed.
	All Governmental Funds except Fund 100/1EX	Limited to deficit fund balances at FCAT level after restricted and committed amounts.		Not applicable.

Disclosure Requirements

Fund Balance Classification Policy

The standard requires disclosure of the highest level of decision making authority, the authority for assigning fund balances, and whether restricted or unrestricted sources are spent when an expenditure could be spent from either source; and whether committed, assigned or unassigned amounts are spent when an expenditure could be spent from any of these unrestricted sources. The standard requires that in the absence of a policy for prioritizing spending of unrestricted balances, the standard dictates the prioritization as first coming from committed, then assigned, then unassigned.

The State policy states that when an expenditure is incurred that could be funded from either restricted or unrestricted sources unrestricted dollars are spent first, and within unrestricted sources funding is allocated first from unassigned, then assigned, and then committed resources. However, in certain circumstances restricted and/or committed resources are spent without regard to other available funding sources including transfers to pay indirect costs, to fund programs operating in the General Purpose Revenue Fund (Fund 100), to support health-related programs funded by tobacco tax, to support programs partially funded by Highway Users' Tax funds, and other situations that are not individually significant.

Encumbrances

Prior to GASB Statement No. 54 encumbrances were displayed as a line item reservation of fund balance. Under the standard significant encumbrances are required to be disclosed in the footnotes, but recorded as part of the applicable restricted, committed, or assigned category.

Stabilization Arrangements and Minimum Fund Balance Requirements

Stabilization arrangements, such as the State four percent reserve requirement, must be disclosed even if the arrangement does not meet the restricted or committed criteria. The authority for establishing the arrangement, adding funds, conditions of use, and balance – if not apparent on the face of the financial statements – must be disclosed. Also, minimum fund balance polices, sometimes established in lieu of a stabilization arrangement, must also be disclosed. An Exhibit Q must be submitted for new and changed to stabilization arrangements and minimum fund balances in excess of $5 million (see Chapter 3, Section 5.31).

6.9 Accounting and Financial Reporting for Service Concession Arrangements – GASB Statement No. 60

GASB Statement No. 60, effective for FY12-13, addresses service concession arrangements - also known as public private partnerships - and is applicable for proprietary fund financial statements, as well as the government-wide financial statements. The standard addresses both the transferor government, and a government as the operator. Please note that although the terminology is similar, that public private initiatives pursuant to House Bill 10-1010, may or may not meet the requirements of a service concession arrangement. The most significant provisions of the standard follow.

In a service concession arrangement the government (referred to as the transferor) conveys to an operator the right and obligation to provide public services through the use of a capital asset or facility for significant consideration. The operator collects fees from a third party; however, the transferor retains the ability to modify or approve services provided, and the price or rate for the services provided. In a service concession arrangement the transferor is entitled to residual interest in service utility of facility at the conclusion of the partnership.

Service concession arrangements involve a capital asset, typically a facility, which can either exist or be newly constructed. For existing facilities, the transferor will continue to record the capital assets. For newly constructed facilities, the capital asset will be recorded at fair market value as of the date placed in service. The capital asset is subject to depreciation, unless the operator is contractually required to return the capital asset in its original condition.

In addition to the capital assets, liabilities associated with the contractual arrangement should be recorded at their present value and any difference recorded as a deferred inflow. Balance Sheet Account 1945-DI – SERVICE CONCESSION AGMT (Type 02) has been established for this activity. This includes obligations directly related to the facility such as capital improvements and insurance, as well as obligations to meet minimum service levels such as police officer staffing levels in the vicinity of the facility. Revenue and expense should be systematically and rationally recognized over the term of the arrangement, reducing the deferred inflow.

If the arrangement includes revenue sharing, the transferor government recognizes its share of the revenue, while the operator reflects all revenue and expense. However, if payments are fixed or are not based on revenue, the payments should be treated like an installment payment at contract inception.

The standard also requires additional footnote disclosure. The disclosures include a general description of arrangement, the amount and nature of assets, liabilities, and deferred inflows, any rights granted and retained, and any guarantees or commitments. An Exhibit O2 must be submitted for each service concession arrangement for footnote disclosure purposes (see Chapter 3, Section 5.29).

6.10 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA – GASB Statement No. 62

Beginning in FY12-13, the applicable pre-November 30, 1989 FASBs are codified as GASB standards. With this codification there is no longer the option to follow FASB pronouncements issued after November 30, 1989. The guidance is largely unchanged as the applicable portions of the FASB standards were directly incorporated into this statement, with any modifications to occur in subsequent standards.

The accounting and reporting for several exhibit related topics are included in the codification, and include:

- Leases (Exhibit F1 and F2, see Chapter 3, Sections 5.11 and 5.12)
- Contingencies (Exhibit L, see Chapter 3, Section 5.20)
- Related Parties (Exhibit O1, see Chapter 3, Section 5.28)
- Special and Extraordinary Items (Exhibit U1, Sections A and B, see Chapter 3, Section 5.35.1)
- Capitalization of Interest Costs (Exhibit U1, Section E, see Chapter 3, Section 5.35.1)

The statement also includes accounting guidance for recognizing revenue in exchange transactions and the related impact when the right of return exists, recognizing gains/losses on the extinguishment of debt, imputing interest costs, recognizing gains/losses on foreign currency transactions, and valuing inventory. Topics of a more specialized nature include troubled debt restructuring, long-term construction-type contracts, nonmonetary transactions, sales of real estate, research and development arrangements, broadcasting activity, insurance entity activity, lending activity, mortgage banking activity, regulated operations, and investments in common stock. Financial statement presentation items covered in the standard comprise net asset classifications including the right to offset, comparative financial statements, disclosure of accounting policies, accounting changes, error corrections, and prior period adjustments.

6.11 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – GASB Statement No. 63

GASB Statement No. 63, early implemented in FY11-12, addresses deferred inflows, deferred outflows, and net position. Deferred inflows and outflows are not assets or liabilities, but are new elements in the computation of net position that result from the consumption or acquisition of net assets in one period that are applicable to future period. In FY12-13, these elements are applicable in derivative accounting (GASB Statement No. 53) and service concession arrangements (GASB Statement No. 60). In FY13-14, GASB Statement No. 65 extends the use of deferred inflows and outflows, as described section 6.12 of this chapter.

6.12 Items Previously Reported as Assets and Liabilities - GASB Statement No. 65

GASB Statement No. 65, effective for FY13-14, re-examines items previously recognized as assets and liabilities. The evaluation results in one of three treatments; some items retain their classification as an asset or liability, some items become deferred inflows or outflows, and some items become period costs or revenues. The standard also limits the use of the term 'deferred' to reference deferred inflows and outflows. The current and future treatment for items impacted by this standard are summarized in the chart following section 6.13.

Items changing classification will require agency action. Balances related to items to be recognized as period costs or revenues need to be cleared as an adjustment directly against fund balance and will support fund balance impact reported as an accounting change in the FY13-14 financial statements. Balances to be treated as deferred inflows or outflows need to be reclassified into the applicable deferred inflow or outflow account. The entries should reflect the applicable account balances as of June 30, 2013, and need to be reclassified by period 6 close in FY13-14. Additionally, deferred revenue accounts (BACC 250x series) have been renamed to unearned revenue accounts with the limitation on using the term deferred in relation to liabilities.

6.13 Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62 - GASB Statement No. 66

GASB Statement No. 66 is effective in FY13-14 and makes technical corrections to GASB Statements No. 10 and No. 62. The amendment to Statement No. 10 allows for the use of a special revenue fund when appropriate for the reporting of risk activities; however, that activity is appropriately accounted for as General Fund activity. Amendments to Statement No. 62 clarify the methods available when accounting for an operating lease with payments that vary from a straight-line basis, accounting for purchases of groups of loans clarifying that the investment should be recorded based on the purchase price, and accounting for servicing fees related to mortgage loans that are sold when the stated rate varies significantly from the normal servicing fee rate.

GASB Statement No. 65 - Summary of Changes in Items Previously Recognized as Assets and Liabilities

Topic		Accounting Treatment in FY12-13	Accounting Treatment Beginning in FY13-14	Applicability
LT Receivables	Unavailable Financial Resources in Governmental Funds	Deferred Revenue Liability (Type 02 - BACC 250x)[1], recognized as revenue when available	Deferred Inflow - Unavailable Govtl Revenue (Type 02 - BACC 1949), recognized as revenue when available	Governmental Funds; record a deferred inflow in the fund, and reverse and recognize as revenue in Fund 471 (See Chapter 9, Section 2.5.1)
Debt	Debt Refunding - Current or advance refunding resulting in defeasance, difference between reacquisition price and net carrying amount	Generally, Debt Liability (Type 02 - BACC 2803, 2807, 2814)[1], amortized as a component of interest expense over the shorter of the life of the old or new debt	Generally, Deferred Outflow or Inflow (Type 01 - BACC 1922 or Type 02 - BACC 1942), amortized as a component of interest expense over the shorter of the life of the old or new debt	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Debt	Debt Issuance Costs	Asset (Type 01 - BACC 1711)[1], recognized as expense systematically over the life of the debt	Expense in period incurred, except prepaid insurance that should be recognized as an asset (Type 01 - 15xx series) and expensed systematically over the life of the debt	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Grants & Other Nonexchange Transactions	Government-Mandated Nonexchange Transactions (federal grants) and Voluntary Nonexchange Transactions (typically private grants), when eligibility requirements excluding time requirements <u>have not</u> been met	Deferred Revenue Liability (Type 02 - BACC 250x)[1], recognized as revenue when eligibility requirements met	Unearned Revenue Liability (Type 02 - BACC 250x), recognized as revenue when time requirement met	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Grants & Other Nonexchange Transactions	Government-Mandated Nonexchange Transactions (federal grants) and voluntary nonexchange transactions (typically private grants), when all eligibility requirements <u>have</u> been met except time requirements	Deferred Revenue Liability (Type 02 - BACC 250x), recognized as revenue when eligibility requirements met	Deferred Inflow (Type 02 - BACC 1946), recognized as revenue when eligibility requirements, excluding time requirements, have been met	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Grants & Other Nonexchange Transactions	Nonexchange Transactions - Imposed Nonexchange Revenue Transactions (typically property taxes) whereby resources are received or reported as a receivable prior to the period that enabling legislation allows for the expenditure	Deferred Revenue Liability (Type 02 - BACC 250x)[1], recognized as revenue in time period allowed by enabling legislation	Deferred Inflow (Type 02 - BACC 1946), recognized as revenue in time period allowed by enabling legislation	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Leases	Leases: Lessor's Initial Direct Costs	Deferred Revenue Liability (Type 02 - BACC 250x)[2], recognized as revenue over the life of the lease	Expense in the period incurred	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Leases	Leases: Sale-Leaseback Transactions, gain or loss on the sale of property accompanied by a partial or full leaseback	Generally, deferred and amortized over the life of the lease (no specific accounts established for this activity)	Deferred Outflow or Inflow (Type 01 - BACC 1923 or Type 02 - BACC 1943)[2], recognized systematically over the lease term	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements

Topic		Accounting Treatment in FY12-13	Accounting Treatment beginning in FY13-14	Applicability
Lending Activities	Lending Activities, loan origination fees and costs	Deferred Revenue Liability (Type 02-BACC 250x)[1] for fees, recognized as revenue over the life of the loan; Deferred Charges (Type 01 - BACC 150x)[1] for costs, recognized as a component of revenue over the life of the loan	Loan origination fees, except amounts related to points, should be recognized as revenue in period received. Points should be treated as a deferred inflow (Type 02 - BACC 1941), recognized as revenue in a systematic manner over the life of the loan. Direct loan origination costs expensed in period incurred.	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Lending Activities	Lending Activities, commitment fees	Generally, Deferred Revenue Liability (Type 02 - 250X)[2], recognized as revenue over the duration of the loan when commitment exercised, or immediately upon expiration of the commitment	Generally, Unearned Revenue Liability (Type 02 - 250X), recognized as revenue when commitment exercised, or upon expiration of the commitment	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Lending Activities	Lending Activities, purchase of loan or group of loans: Difference between the purchase price, net of fees paid or received, and the loan principal	Loans Receivable (Type 01 - 136x, 176x)[1], recognized as an adjustment to yield over the life of the loan	Expense or recognize revenue in period of purchase	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Sales of Future Revenue Streams	Sales of Future Revenues	Generally, Deferred Revenue (Type 02 - BACC 250X)[1], recognized as revenue over the duration of the agreement - see GASB 48 for exceptions	Generally, Deferred Inflow (Type 02 - BACC 1943)[2], recognized as revenue for the over the duration of the agreement - see GASB 48 for exceptions	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Sales of Future Revenue Streams	Intra-Entity Transfers of Future Revenues	Generally, Deferred Revenue (Type 02 - 250x)[1] for the seller, recognized as revenue over the duration of the agreement and Deferred Charges (Type 01 - 150x)[1] for the buyer, recognized as expense over the duration of the agreement - see GASB 48 for exceptions	Generally, Deferred Inflow (Type 02 - BACC 1943)[2] for the seller, recognized as revenue over the duration of the agreement and Deferred Outflow (Type 01 - 1923)[2] for the buyer, recognized as expense over the duration of the agreement - see GASB 48 for exceptions	Government-wide statements, Governmental, Proprietary, and Fiduciary Fund-level statements
Specialized Activities	Mortgage Banking Activities	Similar to Lending Activities	Similar to Lending Activities	Similar to Lending Activities
Specialized Activities	Regulated Operations	Charges collected to fund future costs - Deferred Revenue, revenue recognized in future period when expended; Gain - deferred and amortized over future periods	Charges collected to fund future costs - Deferred Inflow (Type 02 - BACC 1943)[2] revenue recognized in future period when expended; Gain - Deferred Inflow (Type 02 - BACC 1943)[2] amortized over future periods	Government-wide statements, Proprietary and Fiduciary Fund-level statements
Specialized Activities	Acquisition Costs Related to Insurance Activities (short duration insurance contracts)	Capitalized as an asset and charged to expense in proportion to premium revenue recognized (no specific accounts established for this activity)[1]	Expense in the period incurred	Government-wide statements, Proprietary and Fiduciary Fund-level statements

[1]The applicable portion of the account balances as of 6/30/2013 used for this activity must be cleared against BACC 03-3400 via JA transaction or reclassed the applicable deferred inflow/outflow account by the end of period 6 in FY13-14.

[2]This is a generic "other" deferred inflow or outflow account as the type of activity is expected to occur infrequently.