

Reporting Requirements for Fiscal 2015

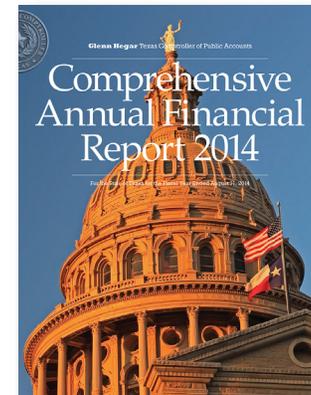
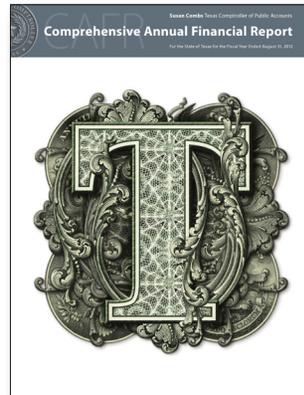
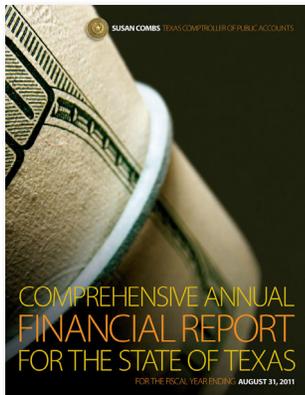
Annual Financial Reports

of State Agencies and Universities

Welcome to the 2015 Annual Financial Report Update

1:30 – 3:30 p.m.

July 9, 2015



Administrative

Obtain 2 Hours of CPE Credit

- Register for training through [GoToMeeting](#) prior to the webinar.
- Answer four of the six questions presented during the webinar.

Ask a Question

- Use the “Ask a Question” icon on your media player.
- All questions and answers will be posted to the Training page of the Reporting Requirements website in a couple of weeks.



Administrative

- If you lose your connection, click on the link in your **registration confirmation email** to resume the webinar.
- **GoToMeeting** Customer Support:
1-800-263-6317



Agenda

Topics	Presenters
Introduction	Shelly Arnold
Overview, Highlights and Changes	Shelly Arnold
GASB Update	Shelly Arnold
USAS Fiscal Year-End Processes	Duvan Arsola
GR Reconciliation	Ophelia Guerrero
Interfund Activities	Selena Meyers
Basis Conversion Adjustments	Maricela Cayetano
Common AFR Errors	Eva Dorman
Q&A and Closing Comments	Shelly Arnold





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

Overview, Deadline, Highlights and Changes

Fiscal 2015 AFR Update

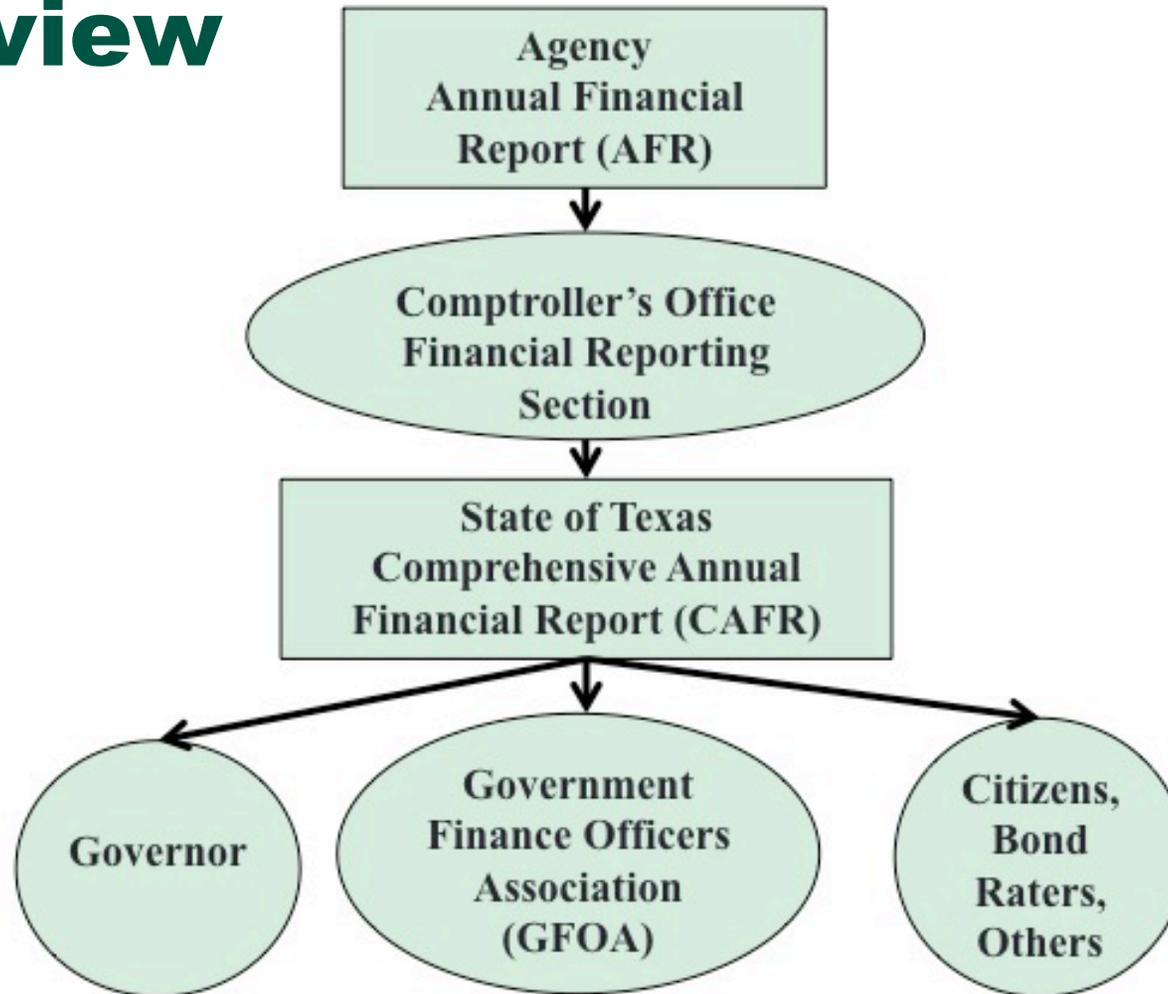
Shelly Arnold

shelly.arnold@cpa.texas.gov

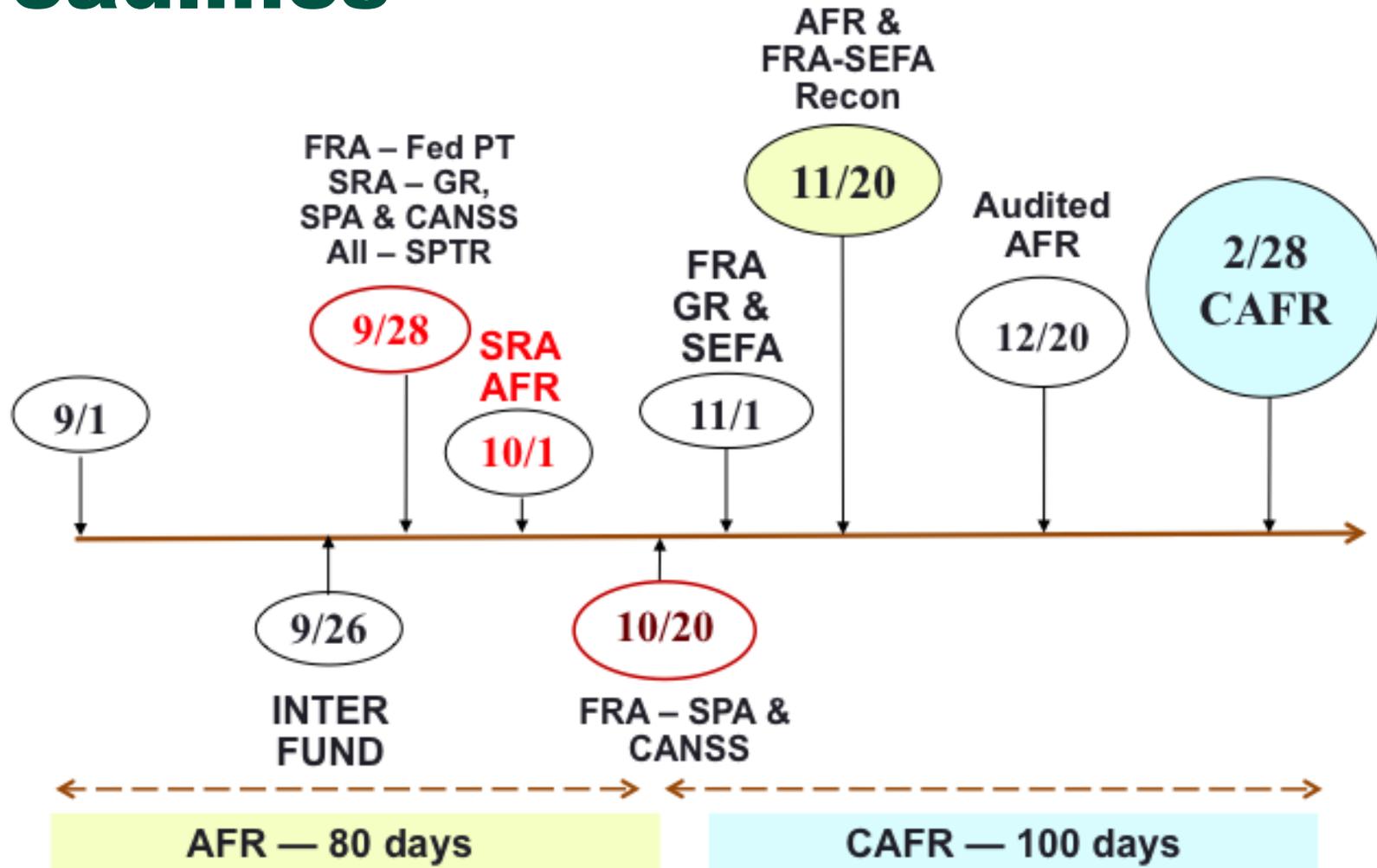
(512) 463-4709



Overview



Deadlines



Highlights

Audited AFR and Audit Adjustments

- Required by statute or voluntary audit
- Due by Dec. 20

Compliance

- Agencies that have any audit adjustments not in compliance with the Reporting Requirements must communicate with its financial reporting analyst **prior** to finalization of the report/adjustment.

Do Not Round

- Agencies must not round any of the numbers presented in its AFR. This includes numbers in notes as well as exhibits.
- Exceptions are agencies 012 and 202 — these agencies may report numbers rounded to the dollar.



Highlights continued...

Deadlines

Any simplified reporting agency that plans to submit the agency's AFR after the Oct. 1 deadline is required to provide written communication prior to the deadline that is:

- A detailed description of the reason(s) why the agency will not be meeting the Oct. 1 deadline
- Written by the **agency's director** and emailed to the agency's FRS analyst at frs@cpa.texas.gov

Work Sessions

Prior to making travel arrangements or scheduling a work session:

- Attempt to enter your USAS transactions
- Contact your [financial reporting analyst](#) if you need assistance
- Work session will only be scheduled if the issue cannot be resolved by phone or email



Highlights continued...

Dates

- SRAs & FRAs submitting early — Sept. 18
- FRAs not submitting early — Oct. 16
- Institutions of Higher Education — Nov. 6

Contact Us

Financial Reporting Analyst directory sorted by agency:

fmx.cpa.state.tx.us/fm/contacts/fm.php?list=finrpt

Interagency Transactions Contact List:

fmx.cpa.state.tx.us/fm/contacts/intagy_000-305.php

- It is critical to keep this list updated
- Updated contacts on the [List Contact Form](http://fmx.cpa.state.tx.us/fm/contacts/index.php) on FMX's contact page: fmx.cpa.state.tx.us/fm/contacts/index.php



Changes

Check the [Changes](#) navigation menu on the [Home](#) tab for a complete list of the changes made for Fiscal 2015 reporting.

Reporting Requirements topics reorganized

- Specialized accounting topics are relocated and re-aligned under the new *Specialized Accounting* tab
- Federal and State Pass-Throughs information is relocated and re-aligned under the new *Pass-Through Activity* tab



Changes

Web Applications

- Schedule of Federal Awards and Expenditures (SEFA)
 - New screens for CFDA 11.307 and 97.036 Note Disclosures
 - New interactive PDF for vendor vs subrecipient determination
- New text boxes in selected notes to upload descriptive text in:
 - Note 2 (CANNS)
 - Note 3 (DINNS)
 - Note 5 (LTLN)
 - Note 6 (BRS)
 - Note 8 (LNSS)
- New edits to Agency Cash Flow Reporting (ACFR)
 - Prevent negative proceeds
 - Prevent positive payments



Changes

Web Applications continued...

- Certification for no data in all applications
- **New for FY 15:** Restatement Note Submission System (RNSS) Web application
 - Note 14 Restatement
 - Pulls in USAS data by GAAP Fund Type
 - Adds descriptive text (including upload capability)
 - Certify ending balances





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

GASB Update

Fiscal 2015 AFR Update

Shelly Arnold

shelly.arnold@cpa.texas.gov

(512) 463-4709



GASB Update

Effective for Fiscal Year 2015

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* — an amendment of GASB 27
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* — an amendment of GASB 68



GASB Update

Effective for Fiscal Year 2016

GASB Statement No. 72, *Fair Value Measurement and Application*:

- Defines of fair value
- Provides methods to measure fair value
- Discusses applicability of fair value guidance to investments and other items currently reported at fair value
- Provides potential disclosures about fair value

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*:

- Modifications to the GAAP hierarchy.
- Reexamines hierarchy levels to assess if the standards-setting process and the governmental financial reporting environment have sufficiently evolved since the establishment of the original hierarchy by the American Institute of Certified Public Accountants (AICPA) in 1992 to warrant reconsideration or reconfiguration of certain aspects of the structure.
- Applied retroactively.



GASB Update

Effective for Fiscal Year 2017

GASB also approved Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68:

- Accounting and financial reporting for pensions that are not administered through trusts meeting certain criteria, and thus are not covered by board statements issued in 2012.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

- OPEB plans – Plan Administrator statement



GASB Update

Effective for Fiscal Year 2018

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

- OPEB plans — Employer statement



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

Overview/Highlights/Changes or GASB Update Questions?



If you have any questions,
feel free to contact me:

Shelly Arnold

shelly.arnold@cpa.texas.gov

(512) 463-4709

Or contact your [Financial Reporting Analyst](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

USAS Fiscal Year-End Processes

Fiscal 2015 AFR Update

Duvan Arsola

duvan.arsola@cpa.texas.gov

(512) 936-4432



USAS Fiscal Year-End Processes

Discussion Topics

- USAS System Generated Preparation
- Agency Deadlines
- Other Agency Requirements
- Where to Go for Help
- Questions



USAS Fiscal Year-End Processes

System Generated Preparation

2015 USAS Profile Rollover

USAS automatically creates new profiles for fiscal year (FY) 2016 and appropriation year (AY) 2016 based on existing FY15 and AY15 profiles, unless one of the following conditions exists:

- FY/AY16 profile already exists with the same profile control key.
- FY/AY15 profile is inactive.
- FY/AY15 profile has an effective end date of (or prior to) Aug. 31, 2015.

The 2015 USAS Profile Rollover occurred on June 20.



USAS Fiscal Year-End Processes

System Generated Preparation continued...

USAS Auto Lapse Program

The auto lapse program captures all AY13 and other expiring appropriations with balances and creates a lapse document in USAS.

- Auto lapse program will run on Nov. 2



USAS Fiscal Year-End Processes

Agency Deadlines

USAS Balances for Imprest, Petty Cash & Travel Advance Accounts

To ensure the fiscal year-end USAS balances for imprest, petty cash and travel advance accounts are correct, agencies must certify the balances on the Petty Cash Certification Web application.

- Reconciliations and certifications due by July 9
- Enter all corrections in USAS by July 30

For more information, see [Travel Advance Account and Petty Cash Account \(APS 010\)](#).



USAS Fiscal Year-End Processes

Agency Deadlines continued...

Earned Federal Funds and Indirect Cost Reimbursements to the General Revenue Fund (APS 023)

Agencies receiving General Revenue (GR) in lieu of earned federal funds (EFF) are responsible for collecting amounts identified in Article IX, Section 6.22(b) of the GAA and depositing those funds to the GR fund in Appropriation 70000. Amounts deposited into Appropriation 70000 above the level in Section 6.22(b) plus benefits amounts listed in Section 6.22(g) are appropriated and also require:

1. A letter (***dated before July 30***) must be sent to the LBB reporting the anticipated amounts and proposed use. The letter should also include information regarding the need and impact on performance targets, capital budget authority and full-time-equivalent positions.
2. Submit a copy of the letter to your agency's ACO.
3. Appropriation 23622 will be increased in the current AY and must be expended, UB'd or encumbered by Aug. 31.

Note: If an agency sends a letter dated after July 30 (but before Sept 30), then the agency can only UB the balance to the next AY.



USAS Fiscal Year-End Processes

Agency Deadlines continued...

Fiscal Year-End Close

Fiscal 2015 USAS annual cash-basis close will occur at **7:00 p.m. on Monday, Aug. 31, 2015.**



USAS Fiscal Year-End Processes

Agency Deadlines continued...**Fiscal Year-End Close Dates of Interest**

Date	Deadline
Aug. 20	Deadline for any documents or transactions relating to expiring appropriations. Must coordinate entries with agency ACO after this date.
Aug. 21	Deadline for budget and journal transactions requiring central entry.
Aug. 21–28	Period to enter documents to be paid from AY15 funds. Period when journal vouchers can be entered to transfer cash to AY16 ensuring cash is available at the beginning of the new year.
Aug. 28	Deadline for online entry of invoices due Aug. 29 – Sept. 1. Agencies can verify the date a voucher will pay using the USAS D61 screen.
Aug. 31	Deadline for Treasury deposits is 2 p.m., cash corrections impacting FY15, and timely online entry of invoices due Sept. 2. Pending Transactions on the Agency IT File (USAS 53 screen) should be as minimum as possible.
Sept. 1	USAS not available.
Sept. 2	USAS available for normal processing.



USAS Fiscal Year-End Processes

Other Agency Requirements

Encumbrance Report and Lapsing of Appropriation (APS 018)

Enter binding encumbrances and payables for the current AY within 30 days following each of the first three quarters of the fiscal year. Third quarter entry and certification was due **June 30**.

Annual entry and certification for all AYs is due **Oct. 30**.



USAS Fiscal Year-End Processes

Other Agency Requirements continued...

Benefits Proportional by Fund (APS 011)

Section 6.08 of the GAA requires payment of benefit costs to be proportional to the source of funding unless prohibited by another legal provision.

Guidelines for determining if an agency is required to complete the [Benefits Proportional by Fund Report Form](#) are as follows.

Any State Agency that is:	...must annually:
Single funded and did not receive federal funds	Confirm its status by letter to both the Comptroller's office and the SAO by Nov. 19.
Funded from a single fund that includes federal receipts	Submit the Benefits Proportional by Fund Report Form (State Agencies) by Nov. 19.
Funded from multiple appropriated funds or federal receipts	Submit the Benefits Proportional by Fund Report Form (State Agencies) by Nov. 19.



USAS Fiscal Year-End Processes

Other Agency Requirements continued...

Establishing Appropriations by Method of Finance, Rider and Capital Budget Schedules (FPP A.020)

In preparation for entering the AY16 budget to USAS, complete the following schedules as needed:

- Method of Finance Allocation Schedule — Identifies the allocation of funding sources among strategies. All agencies and institutions of higher education must complete this schedule.
- Rider Appropriation Schedule — Identifies funding for riders that appropriate sum certain amounts (found in the GAA) and appropriations contained in statutes other than the GAA. Only agencies and institutions with sum certain riders from the GAA or appropriations from other legislation must complete this schedule.
- Capital Budget Allocation Schedule — Identifies the allocation of strategies and funding sources of the Capital Budget rider. Only agencies with Capital Budget riders must complete this schedule.



USAS Fiscal Year-End Processes

Other Agency Requirements continued...

Establishing Appropriations by Method of Finance, Rider and Capital Budget Schedules (FPP A.020) continued...

Enter the budget in USAS using:

- Current batch header date
- Document effective date of 09/01

Submit the completed allocation schedules and budget revision forms to your agency's ACO for approval.

All forms are due **July 31** and data entry should be completed on or before that date.



USAS Fiscal Year-End Processes

Other Agency Requirements continued...

Salary Benefit Appropriations (APS 019)

To establish benefit budgets for AY16, email the *Benefit Voucher Data* Excel spreadsheets to your ACO by **Sept. 15**.

Return excess benefit budgets for prior years using the same method no later than **Oct. 30**.



USAS Fiscal Year-End Processes

Additional Items to Remember

Review Agency IT File (USAS 53 screen)

- Correct any batches with errors
- Balance & release all batches before **Aug. 28**

Clear Default Funds (9000 & 9001)

- Review the USAS 69 screen for fund balances
- Clear default fund balances by following the [*Profile Review and Cleanup Procedures*](#) (FPP A.031)

Cash-Related Entries

- You cannot back-date entries related to cash. Each agency must enter all deposits, corrections or other cash-related entries to be reflected in FY15 before fiscal year-end close.
- Deadline for FY15 cash entries is **Aug. 31** at 7:00 p.m. We ***strongly*** recommend NOT waiting until the last day.



USAS Fiscal Year-End Processes

Where to go for Help

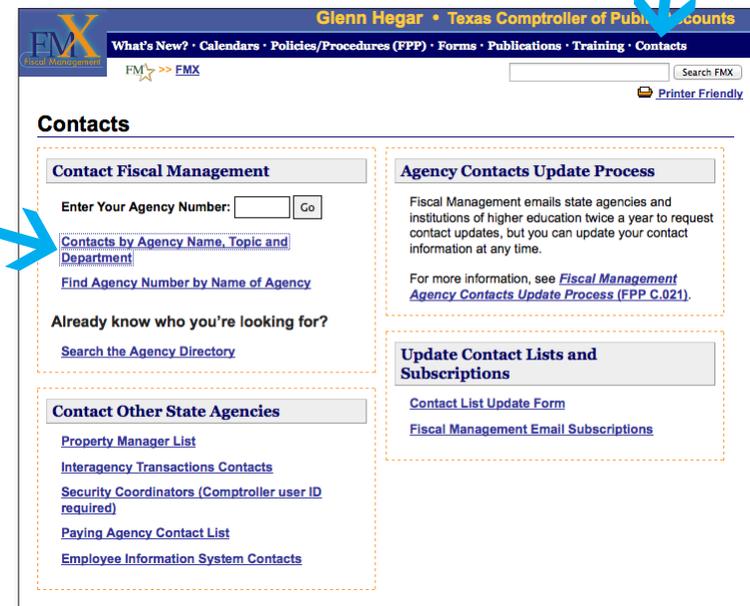


All the information is available on [FMX](http://fmx.cpa.state.tx.us/fmx/index.php), Fiscal Management's website:
fmx.cpa.state.tx.us/fmx/index.php

—OR—

If you have questions, contact your ACO.

If you don't know your agency's assigned [ACO](#), click on FMX's [contacts](#) link or go to:
fmx.cpa.state.tx.us/fm/contacts/fm.php?list=aco



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

USAS Fiscal Year-End Close Questions?



If you have any questions,
feel free to contact me:

Duvan Arsola

duvan.arsola@cpa.texas.gov

(512) 936-4432

Or contact your [Appropriation Control Officer](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

GR Reconciliation

Fiscal 2015 AFR Update

Ophelia Guerrero

ophelia.guerrero@cpa.texas.gov

(512) 463-6585



GR Reconciliation

General Revenue Overview & Introduction

General Revenue Reconciliation Web Application

- Security
- Due dates
- Reports
- USAS transactions
- Agency input fields
- Payroll-related costs — 62 screen

Common GR Questions

- Committed vs collected revenue (APS 001)
- FRS line adjustments
- Unappropriated net change in cash
- Net change in petty cash
- Transfer eliminations



GR Reconciliation **Overview**

- GR Reconciliation applies to appropriated fund 0001.
- Agency 902 is the controlling agency for fund 0001.
- Each non-controlling agency reports the appropriation authority given to it for the fiscal year in its AFR.
- Agency 902 reports the GL 0045 cash in state treasury (CIST) balance for appropriated fund 0001 in the CAFR.



GR Reconciliation **Security**

- Please ensure security access exists as early in the process as possible.
- Request security access from your agency's security coordinator.
- Verify your security access was established by viewing the USAS Titles Profile (D53) screen.



GR Reconciliation

On the D53 screen

1. Enter **R** in the ACTION field.
2. Enter **GRSC** in the TABLE ID field.
3. Enter your User ID and agency number in the KEY field.
4. If you enter your User ID without the agency number, USAS automatically appends it to the end of your User ID.
5. Press **Enter**.
6. Your name appears in the TITLE field if your security was properly established.
7. Once the security access is granted, USAS requires one overnight cycle to run before you can access the Web application.

```

TEXAS SD53      UNIFORM STATEWIDE ACCOUNTING SYSTEM      08:49 AM
LINK TO:                TITLES PROFILE                PROD

ACTION: R      (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)

TABLE ID: GRSC

KEY: JSMI413111

TITLE: SMITH, JOE

                                STATUS CODE: A
EFF START DATE: 07202000   EFF END DATE:           LAST PROC DATE: 07202000
Z06 RECORD SUCCESSFULLY RECALLED
PLEASE ENTER FUNCTION
F1-HELP   F3-END   F4-INTERRUPT   F6-PROCESS
  
```

Note: In the sample screen above, the KEY field shows an enabled User ID of 'JSMI413' with access to Agency '111'.



GR Reconciliation **Due Dates**

- **Sept. 28, 20CY** — for simplified reporting agencies
- **Nov. 1, 20CY** — for full reporting agencies



GR Reconciliation **Reports**

- GR 201A — Direct Strategy Appropriations by Fund Type
- GR 201N — Unappropriated Appropriations
- GR 202 and 202A — BRP Expenditures
- GR 203 — Appropriation Transfers
- GR 204 — Net Change in Cash in State Treasury
- GR 205 – Appropriations Revisions
- GR 206 – Appropriations Expended



GR Reconciliation

USAS Transactions

- APS 001 — Sources of Revenue
- APS 011 — Benefits proportional by Fund
- APS 018 — Encumbrance Report
- APS 019 — Salary Benefit Appropriation Allocations



GR Reconciliation

Agency Input Fields

- **Salary increase** — line number 200700.
- **Retirement contribution** — line number 400100 is no longer applicable except for optional entries by universities for informational purposes only.
- **Group Insurance Contribution** — line number 400200 is no longer applicable except for optional entries by universities for informational purposes only.
- **Unemployment Contribution** — line number 400300 is no longer applicable except for optional entries by universities for informational purposes only.
- **BRP adjustments** — line number 700600.
- **Salary increase adjustment** — line number 700800.



GR Reconciliation

Payroll-Related Costs

- **OASI (Column C)** — Lines 100100, 200100, 200800 and 600200.
- **Retirement (Column D)** — Lines 100100, 200200, 200800 and 600200.
- **ORP** — Article III (agencies only) (Column E) – Lines 100100, 200300, 200800 and 600200.
- **Insurance (Column F)** — Lines 100100, 200400, 200800 and 600200.
- **GIP (HE only) (Column G)** — Lines 100100, 200500, 200800 and 600200.
- **BRP (agencies only) (Column H)** — Lines 100100, 200600, 200800 and 500100.
- **Salary/Longevity (Column I)** — Lines 100100, 200700, 200800 and 500200.



GR Reconciliation 62 Screen

LINK TO:	APPROPRIATION RECORD INQUIRY	PROD
AGY: XXX APPN YEAR: 15 APPN #: 99327	GROUP INSURANCE	
APPR FUND: 0001 FUND:	COMP SRCE/GRP:	LBB/COMP OBJ:
PRG CD: LVL:	ORG CD: LVL:	
INQ TYPE: CB INQ YEAR: 15 INQ MONTH: 13	NET CASH ACT:	51,496.58
REM CASH BASIS BUDG:	30,503.42 APPN CASH AVAIL:	30,503.42
REM ACCR BASIS BUDG:	30,503.42 APPN ACCR CSH AVAIL:	30,503.42
REM ENC BASIS BUDG:	30,503.42 APPN ENC CASH AVAIL:	30,503.42
BT TITLE AMOUNT	BT TITLE AMOUNT	
04 APPN TRNFRS IN 82,000.00		
15 CASH EXPEND 45,360.58		
16 CASH RSRVD - PR 6,136.00		



GR Reconciliation

Committed vs Collected Revenue (APS 001)

Use the [General Revenue, Legislative Revenue — Legislative Appropriation Verification \(Excel\)](#) template as shown below:

Line #	GL Accounts/ Comptroller Objects	GR spreadsheet Column M	Amount from GR worksheet Column M	GL Acct/ COBJ	Balance from USAS Financial Statement	Difference/ Adjustment
1	Original Appropriations	Total lines 100300-100-500	2,600,871,177.75	6013/9400	2,600,871,177.75	-
2	OASI	Line 200100	43,673,407.02	6013/9420	44,847,895.26	1,174,488.24
3		Line 200800	(23,320,744.04)	6013/9421	(24,495,232.28)	(1,174,488.24)
4	Group Insurance Contribution	Line 200400	95,400,529.54	6013/9425	98,549,759.17	3,149,229.63
5		Line 200800	(46,158,542.62)	6013/9426	(49,307,772.25)	(3,149,229.63)
6	Retirement Appropriation	Line 200200	38,426,472.57	6013/9435	37,939,964.00	(486,508.57)
7		Line 200800	(22,107,280.53)	6013/9436	(21,620,771.96)	486,508.57
8	BRP Appropriations	Line 200600	2,023,103.60	6013/9440	2,058,341.54	35,237.94
9		Line 200800	(1,088,810.32)	6013/9441	(1,124,048.26)	(35,237.94)
10	Salary Increase	Line 200700	2,620,708.00	6013/9445	6,390,447.00	3,769,739.00
11		Line 200800	(744,774.49)	6013/9447	(3,690,990.80)	(2,946,216.31)
12	Other Adjustments		-	6013	-	-
Total lines 1-12						823,522.69
13	9000 (Balance Sheet) Legislative Appropriations	Computed Leg Appn for Balance Sheet	452,996,239.98	9000	453,819,762.67	823,522.69

Difference between Total lines 1-12 and 9000 balance. This should be zero.

00.00



GR Reconciliation

FRS Line Adjustments

- Made when there is a restatement needed of the beginning balance
- Made in Calc 1

Unappropriated Net Change in Cash balances — If agency does not have authority, then the amount must be adjusted in the adjustment column.

Net Change in Cash for Petty Cash — adjustment in the adjustment column must be made



GR Reconciliation

Transfer Eliminations

- The only legislative transfers that are reported in the agency's AFR (after elimination entries) are those **between agencies** within appropriated fund 0001.
- Elimination entries are made at the D23 agency fund level
- Although the **AGL** is not a required field for this T-code in USAS, an **AGL must** be entered here. If the **AGL** is not entered, a "no post" is generated in legislative transfers.

The reason this T-code does not require the **AGL** in USAS is because it is a generated T-code for other T-codes that do not use the **AGL** field.



GR Reconciliation

Eliminating Transfers Within Agency

Use the [General Revenue, Eliminate Operating Statement Legislative Transfers Within Agency \(Excel\)](#) template as shown below:

GAAP Src/Obj	Compt Objects*	Title	Amount
0578 Legislative Financing Sources	9410	Appropriation Transfer-In Committed	
0591 Legislative Financing Uses	9515	Appropriation Transfer-Out Committed	
	9541	BRP Transfer Out to Strategies	
	9546	Salary Increase Transfer Out to Strategy	
	9591	Longevity Increase Transfer Out to Strategy	
	9561	Judicial Salary Increase Transfer Out to Strategy	

*If collected transfers were made with COBJs 9411, 9516, 9543, 9548 or 9593 within your agency, reduce the Amount to the difference between the committed and collected transfers so that only transfers between agencies in appropriated fund 0001 remain in GAAP Source/Object 0578 and 0591.

Doc Sfx	Fin. Agy.	TRAN CODE	PCA	AY	COMP OBJ	Amount	R	GL ACCT	AGL**	APPN	FUND***
001		459	99999	15	9410	-		blank	AGY/D23 FUND/0	blank	
002		457	99999	15	9515	-		blank	AGY/D23 FUND/0	blank	
003		457	99999	15	9541	-		blank	AGY/D23 FUND/0	blank	
004		457	99999	15	9546	-		blank	AGY/D23 FUND/0	blank	
005		457	99999	15	9591	-		blank	AGY/D23 FUND/0	blank	
006		457	99999	15	9561	-		blank	AGY/D23 FUND/0	blank	



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

GR Reconciliation Questions?



If you have any questions,
feel free to contact me:

Ophelia Guerrero

ophelia.guerrero@cpa.texas.gov

(512) 463-6585

Or contact your [Financial Reporting Analyst](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

Interfund Activities

Fiscal 2015 AFR Update

Selena Meyers

selena.meyers@cpa.texas.gov

(512) 463-9694



Interfund Activities

Overview Topics

- Shared funds
- Due from/due to
- Agency general ledger accounts

Data entry in USAS for interfund activity is due Sept. 26.



Interfund Activities

Shared Funds

State funds appropriated for use by more than one state agency.

- Controlling agency
 - Reconciles
 - Coordinates
 - Reports
- Non-controlling agency



Interfund Activities

Shared Cash

Shared cash adjustments ensure that the controlling agency accurately reports the total appropriated fund cash in state treasury (CIST). The controlling agency reports the entire balance of the appropriated fund and the non-controlling agency reports a zero balance.

- Determine the total appropriated CIST
- Determine shared cash entries



Interfund Activities

Due From/Due To

Accruals of reimbursements, transfers, federal/state grant pass-throughs and shared funds that are owed to or from other state agencies and accruals within an agency between D23 funds.

- [RTI tables](#)
- [FMQuery – SIRS](#)



Interfund Activities

Agency General Ledger Accounts

An eight-digit field that contains the agency and the fund to or from which funds flow.

Example:

- Agency 308 sends funds from its USAS D23 fund 0829 to Agency 860
- Agency 860 receives the funds in its USAS D23 fund 4560
- AGL for agency 308's transaction = 86045600
- AGL for agency 860's transaction = 30808290

	1	2	3	4	5	6	7	8
	Agency Number			D23 Fund Number				Zero
Agency 308's Sending Transaction	8	6	0	4	5	6	0	0
Agency 860's Receiving Transaction	3	0	8	0	8	2	9	0



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

Interfund Activities Questions?



If you have any questions,
feel free to contact me:

Selena Meyers

selena.meyers@cpa.texas.gov

(512) 463-9694

Or contact your [Financial Reporting Analyst](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

Basis Conversion Adjustments

Fiscal 2015 AFR Update

Maricela Cayetano

maricela.cayetano@cpa.texas.gov

(512) 475-0557



Basis Conversion Adjustments **Topics**

- Modified to Full Accrual Adjustments
- Basis Conversion Fund Type 11 — Capital Asset Adjustments
- Basis Conversion Fund Type 12 — Long-Term Liabilities Adjustments
- Basis Conversion Fund Type 21 — Other Adjustments
- DR206 — Review Govt-Wide Basis Conversion



Basis Conversion Adjustments

Modified to Full Accrual Adjustments

- Governmental funds are presented on the following bases of accounting:
 - Modified accrual
 - AND—
 - Full accrual
- Basis conversion entries are used to convert governmental FTs on the fund financial statements from modified accrual to full accrual for the government-wide financial statements in the following FTs:
 - FT 11 – Capital Asset Adjustment
 - FT 12 – Long-Term Liabilities Adjustment
 - FT 21 – Other Adjustments Fund
- These FTs are presented on Agency Template Exhibit I and Agency Template Exhibit II of the AFR.
- The AFR contains a separate column for each fund type listed above.
- An example of each exhibit is located in the *Reporting Requirements for Annual Financial Reports of State Agencies and Universities* website in the Tools right navigation menu under [Templates & Sample Exhibits](#).
- Agencies are required to enter basis conversion entries in USAS.



Basis Conversion Adjustments

BC FT 11 — Capital Asset Adjustments

- Governmental funds reports capital assets:
 - At historical cost and are depreciated/amortized
 - Cash transactions (such as initial purchases or sale of capital assets)
- Basis conversion FT 11 reports non-cash capital asset transactions, such as:
 - Restatements
 - Transfers
 - Depreciation
 - Amortization
 - Disposals
- Agencies must ensure the following net to zero between governmental FTs and basis conversion FT 11:
 - Capital outlay
 - **—AND—**
 - Proceeds from the sale of capital assets
- This is done because capital outlay and proceeds from the sale of capital assets do not appear on the government-wide financial statements.



Basis Conversion Adjustments

BC FT 11 — Capital Asset Adjustments continued...

- [Capital asset basis conversion working papers](#)
 - Capital Assets Governmental Activities, Completed Construction in Progress
 - Capital Assets Governmental Activities, Disposal of Assets
 - Capital Assets Governmental Activities, Record Additions
 - Capital Assets Governmental Activities, Record Depreciation
 - Capital Assets Governmental Activities, Record Amortization
 - Capital Assets Governmental Activities, Record Donated Assets
 - Capital Assets Governmental Activities, Record Sale of Assets
 - Capital Assets Governmental Activities, Record Transfer In of Assets
 - Capital Assets Governmental Activities, Record Transfer Out of Assets
 - Capital Assets Governmental Activities, Record Adjustments



Basis Conversion Adjustments

BC FT 12 — Long-Term Liabilities Adjustments

- In governmental funds, record general long-term liabilities not due and payable in the current period.
- Long-term liability basis conversion working papers:
 - Bonds Payable Governmental Activities, Record
 - Capital Lease Obligations Governmental Activities, Record
 - Claims and Judgments Governmental Activities, Record
 - Employees' Compensable Leave Governmental Activities, Record
 - Notes and Loans Payable Governmental Activities, Record
 - Pollution Remediation Obligations Governmental Activities, Record



Basis Conversion Adjustments

BC FT 21 — Other Adjustments

- Reconciles total governmental fund balances to net position of governmental activities in the statement of net position (modified to full accrual basis)
- Includes other adjustments (such as unearned revenue and prepaid items)



Basis Conversion Adjustments

DR206 — Review Government-wide Basis Conversion

- [FMQuery-SIRS](#), AFR Desk Review menu.
- Requires an agency number and a fiscal year to generate the report.
- Based off the operating statements for governmental FTs and the basis conversion FT 11 and 12.
- The report looks for COBJ activity in the following government-wide GAAP source/objects:
 - 3840 — GR-Debt Svc-Principal-Capital Leases
 - 3845 — GR-Debt Svc-Principal-Other Gltd
 - 3850 — GR-Other Payments for Refunding
 - 3855 — GR-Bond & Note Issued
 - 3860 — GR-Bond Issued for Adv. Refunding
 - 3865 — GR-Payment to Escrow for Advanced Refunding
 - 3870 — GR-Capital Outlay
 - 3875 — GR-Increase in Capital Lease Obligations
 - 3880 — GR-Sale of Capital Assets
 - Verify USAS activity nets to zero for governmental FTs on the government-wide financial statements.



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

Basis Conversion Adjustments Questions?



If you have any questions,
feel free to contact me:

Maricela Cayetano

maricela.cayetano@cpa.texas.gov

(512) 475-0557

Or contact your [Financial Reporting Analyst](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

Common AFR Errors

Fiscal 2015 AFR Update

Eva Dorman

eva.dorman@cpa.texas.gov

(512) 463-3939



Common AFR Errors

- System Clearing
- Restatements
- Error Correction (TCs 407/408 vs 467/468)



Common AFR Errors

System Clearing

- Must be zero at D23 level prior to submission of AFR package.
- General Ledger Accounts:
 - System clearing general ledger account (GL 9999)
 - Basis conversion system clearing (GL 9992)
- Reconciliation tools to clear system clearing:
 - DAFR8920 — Detail Trial Balance
 - DAFR8580 — Balance Sheet
 - DAFR8590/DAFR8600 — Operating statement or
 - USAS General Ledger Summary Inquiry (56) screen



Common AFR Errors

System Clearing

Steps for reconciliation and adjustment:

1. Create spreadsheet
 - Fund balance categories
 - USAS beginning balances
 - AFR beginning balances
 - Adjustment amount — variance

	D23 Fund 0001 Beginning Fund Balance per USAS Source: DAFR 8920, DAFR 8580 or 56 screen for Current Year	Fund 0001 Beginning Fund Balance per AFR Source: Agency AFR for Current Year	Adjustment Amount = Agency AFR minus USAS Amount
GL 2301 – Fd Bal – NonSpnd for Inventory	\$ < 4,000.00>	\$ < 4,000.00>	\$ 0.00
GL 2303 – Fd Bal – NonSpnd for LT Loans, Cont and Rec	< 11,000.00>	< 11,000.00>	0.00
GL GL 2310 – Fd Bal – Restricted	< 1,000.00>	< 1,000.00>	0.00
GL 2320 – Fd Bal – Assigned	< 2,500.00>	< 2,500.00>	0.00
GL GL 2325 – Fd Bal – Unassigned	< 5,500.00>	0.00	5,500.00



Common AFR Errors

System Clearing

2. Create asset/ liability spreadsheet

- USAS balances: asset/liability or combination of both
- Fund balances per current year AFR
- Adjustment Amount

	D23 Fund 0001 Beginning Fund Balance per USAS Source: DAFR 8920, DAFR 8580 or 56 screen for Current Year	Fund 0001 Beginning Fund Balance per AFR Source: Agency AFR for Current Year	Adjustment Amount = Agency AFR minus USAS Amount
GL 0045 – Cash in State Treasury	<250,000.00>		
GL 0048 – Legislative Cash	261,100.00		
Subtotal – Cash in State Treasury	11,100.00	0.00	<11,100.00 >
GL 9000 – Legislative Appropriations	80,000.00	82,100.00	2,100.00
GL 0285 – Consumable Inventories	2,000.00	2,500.00	500.00
GL 0385 – Other Current Assets	<750.00>	0.00	750.00
GL 9999 – System Clearing	< 2,250.00>	0.00	2,250.00



Common AFR Errors

Restatements — Note 14

- Change in accounting principle to comply with new accounting principle.
- Voluntary change from one generally accepted accounting principle (GAAP) or method of applying principle to another GAAP or method.
- Change in financial reporting entity.
- Change in fund type — change in category.
- Corrections of an error for legislative appropriations based on general revenue reconciliation.
- Correction of an error in the financial statements of a prior period.
- Mistakes in application of accounting principles.
- Change from an accounting principle that is not generally accepted to one that is generally accepted.
- Oversight or misuse of facts that existed at the time the financial statements were prepared.



Common AFR Errors

Restatements

- Do not include restatements in both the current year's activity statement —**and**— as an adjustment to fund balance(s).
- Do not use restatements for rounding issues.
- Restatement in USAS is not required for GAAP fund or GAAP fund type change if:
 - Changed during the current fiscal year; and
 - Change in fund type within the same category
- Make only prior year corrections.



Common AFR Errors

Restatements

- Required documents (only if adjustment to fund balance/net position)
 - Note 14
 - Fund balance and net position for current year
 - Changes in net position for prior year (new for FY15)
- If a restatement is needed for legislative appropriations (GL 9000), use T-code 454/454R with COBJ 3897.



Common AFR Errors

Restatements

- Fund Balances, September 1, 20PY
- Restatements (Note 14)
- Fund Balances, September 1, 20PY, as Restated

	General Funds (Fund XXXX)	Special Revenue Funds (Fund XXXX)	Permanent Funds (Fund XXXX)	Enterprise Funds (Fund XXXX)	Pension and Other Employee Benefit Trust Funds (Fund XXXX)	External Investment Trust Funds (Fund XXXX)	Total
Fund Bal/Net Position Sept. 1, 20PY	\$ 291,830.52	\$ 86,592.46	\$ 981,558.92	\$ 3,215,604.31	\$ 368,418.92	\$ 166,139.92	\$ 5,110,145.05
Current Year's Restatements (Note 14)	184,644.56	33,806.35	592.80	81.46	(119.86)	(100,724.05)	118,281.26
Fund Bal/Net Position Sept. 1, 20PY as Restated	\$ 476,475.08	\$ 120,398.81	\$ 982,151.72	\$ 3,215,685.77	\$ 368,299.06	\$ 65,415.87	\$ 5,228,426.31



Common AFR Errors

Correcting Blank or Incorrect AGL on Pass-Through Expenditures/Expenses

- Before August 31, 20CY:
 - Transaction Code 407
 - Transaction Code 408
- After August 31, 20CY:
 - Transaction Code 467
 - Transaction Code 468



Common AFR Errors

Error Corrections

- Expenditure reclassification:
 - Same fund and appropriation
 - Different fund and appropriation
- Changes to the appropriated fund held in the D23 fund profile screen after transactions have posted:
 - Change of program cost account (PCA)



Reporting Requirements for Fiscal 2015

Annual Financial Reports of State Agencies and Universities

Common AFR Errors Questions?



If you have any questions,
feel free to contact me:

Eva Dorman

eva.dorman@cpa.texas.gov

(512) 463-3939

Or contact your [Financial Reporting Analyst](#).





Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Coming up next...

Q&A and Closing Remarks

Fiscal 2015 AFR Update

Shelly Arnold

shelly.arnold@cpa.texas.gov

(512) 463-4709





Financial Reporting Staff

Contact	Email address	Telephone
Shelly Arnold, CPA — Manager	shelly.arnold@cpa.texas.gov	(512) 463-4709
Stacy Parker (SPA), TL	stacy.parker@cpa.texas.gov	(512) 463-5895
Lori Williams, CPA, TL	lori.williams@cpa.texas.gov	(512) 463-4911
Tom Zapata, CPA, TL	tom.zapata@cpa.texas.gov	(512) 463-6704
Maricela Cayetano	maricela.cayetano@cpa.texas.gov	(512) 475-0557
Eva Dorman	eva.dorman@cpa.texas.gov	(512) 463-3939
Ophelia Guerrero	ophelia.guerrero@cpa.texas.gov	(512) 463-6585
Albert Kruzel (SPA)	albert.kruzel@cpa.texas.gov	(512) 936-6350
Kamal Malik, CPA	kamal.malik@cpa.texas.gov	(512) 463-9845
Selena Meyers	selena.meyers@cpa.texas.gov	(512) 463-4703
Kamel Rehab	kamel.rehab@cpa.texas.gov	(512) 463-4488
Greg Reyes	greg.reyes@cpa.texas.gov	(512) 463-0545
James “Wiley” Thedford	james.thedford@cpa.texas.gov	(512) 463-1983
Julia Weng, CPA	julia.weng@cpa.texas.gov	(512) 463-3426



Closing Items

- A recording of this webinar (as well as questions and answers from the webinar) will be available in the next few weeks on the Reporting Requirements website. Click the [AFR Training](#) link in the right-hand menu (located under **Training/Work Sessions**).
- After completion and verification of today's session, you will receive CPE certification within 2-3 weeks. **CPE credit is awarded to each verified attendee through [Training Center](#)** — so, please make sure that you have an **active Training Center** account so that we can award the proper CPE credit to you.
- Class evaluations are available in Training Center approximately two business days after a class — you will receive an email from Training Center with the instructions. Please complete the online evaluation form for today's webinar.



Reporting Requirements for Fiscal 2015

Annual Financial Reports

of State Agencies and Universities

Thank you for attending the **2015 Annual Financial Report Update**

by
Fiscal Management's
Financial Reporting Section
Texas Comptroller of Public Accounts

