



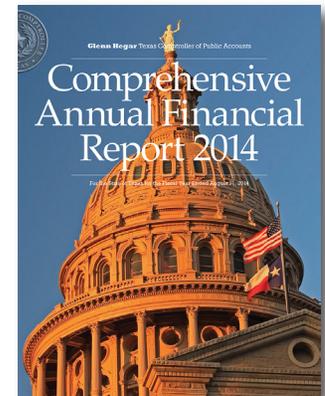
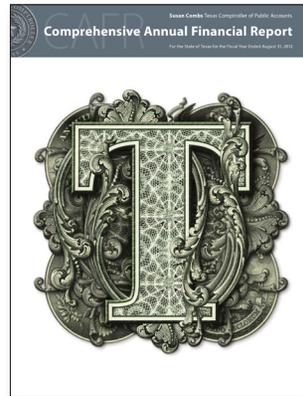
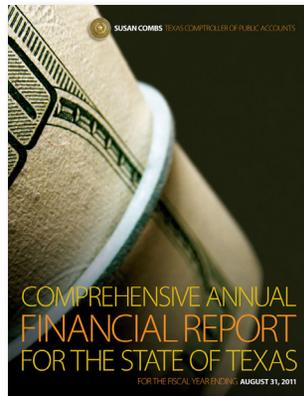
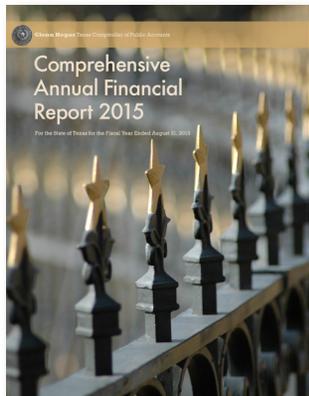
Reporting Requirements for Fiscal 2016
Annual Financial Reports
of State Agencies and Universities



Welcome to the
2016 Annual Financial Report Update

9:00 a.m. — 12:00 p.m.

July 7, 2016



Administrative

Obtain 3 Hours of CPE Credit

- Register in [Training Center](#) to get CPE credit for attending (live presentation or the online webinar)
- Attending the webinar:
 - Register to view the webinar through [GoToMeeting](#) at least 24 hours prior to the event
 - CPE credit is awarded for those who 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 online 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	Mike Apperley
Overview, Highlights and Changes	Shelly Arnold
USAS Fiscal Year-End Processes	Ben Strauser
GASB Updates	Wiley Thedford
SEFA Update	Renee Castro
Statement of Cash Flows (ACFR) Update	Maricela Cayetano
Deposits and Investments (DINSS) Update	David Haecker
GR Reconciliation	Lori Williams
GASB Surveys	Ela Jochacy
Lease Note (LNSS) Update	Shelly Arnold
Long-Term Liability (LTLN) Update	Wiley Thedford
Restatement (RNSS)	Greg Reyes
Helpful AFR Tips	Greg Reyes
Q&A and Closing Comments	Shelly Arnold





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Coming up next...

Overview, Deadline, Highlights and Changes

Fiscal 2016 AFR Update

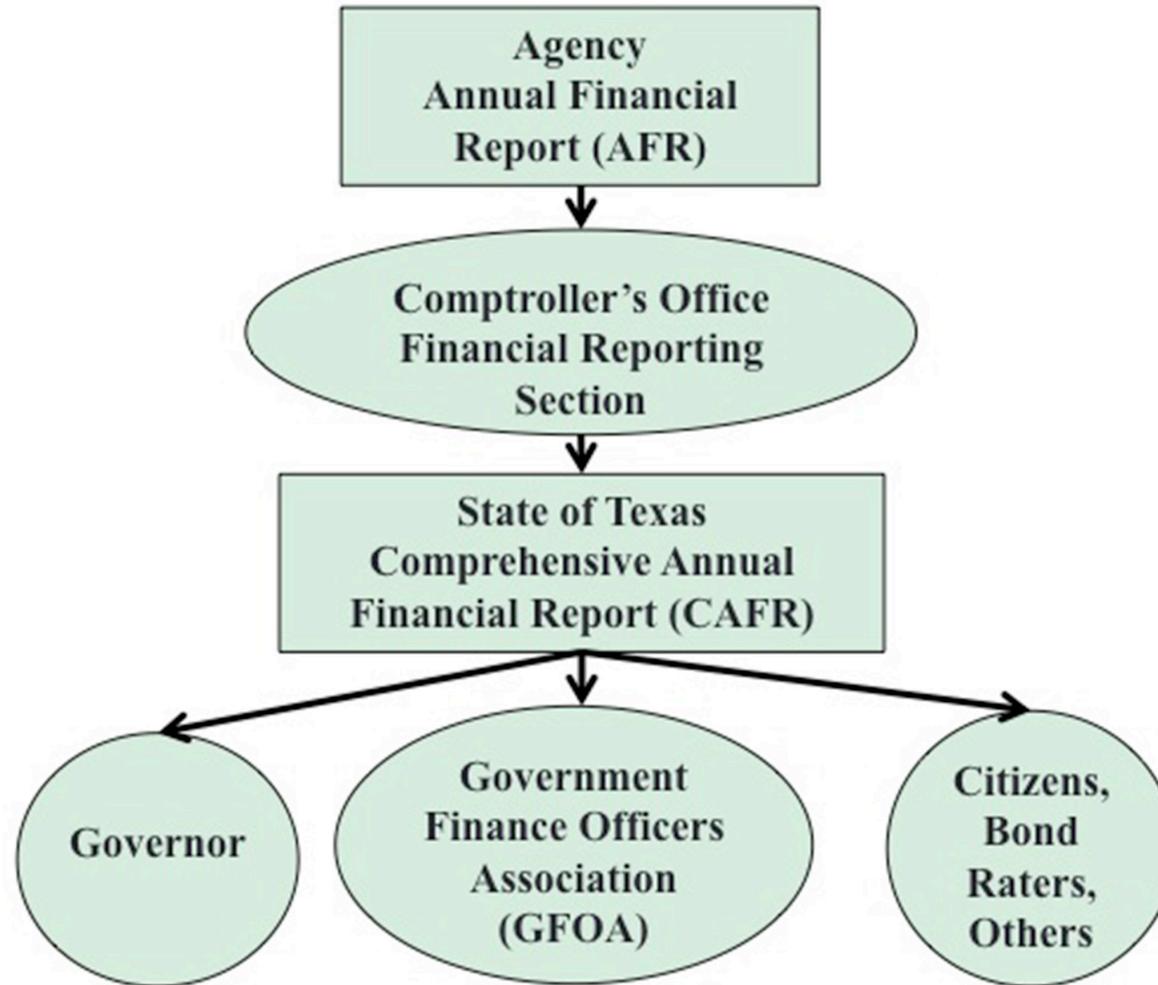
Shelly Arnold

shelly.arnold@cpa.texas.gov

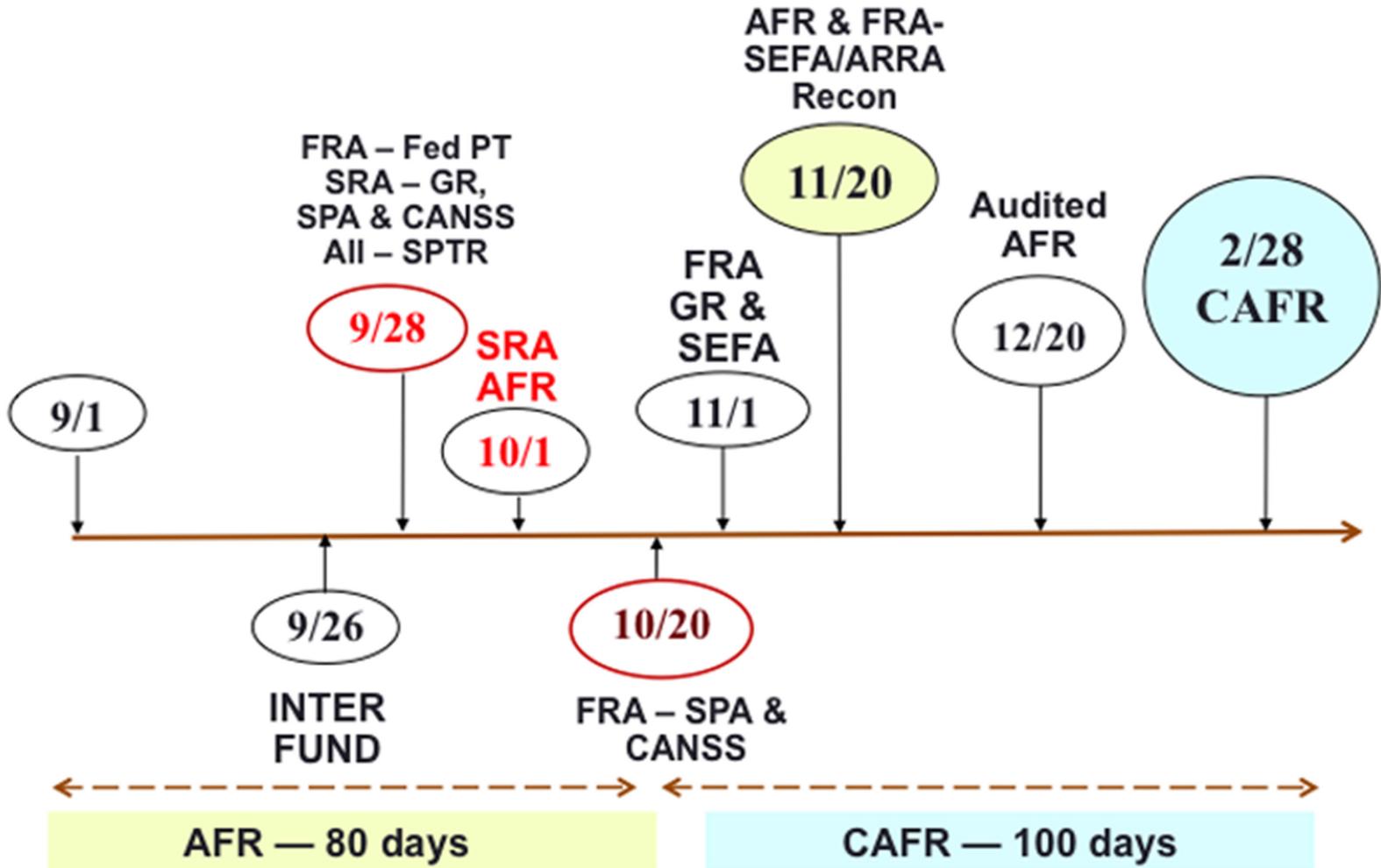
(512) 463-4709



Overview



Deadlines



Highlights

Audited AFR and Audit Adjustments

- Required by statute or voluntary audit.
- Due by Dec. 20, 2016.
- An agency that enter pension information into its internal system must note the reconciling difference on the USAS and Interagency Activity Certification Form.

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 financial reporting 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...

Work Session Dates

- SRAs & FRAs submitting early — Sept. 16, 2016
- FRAs not submitting early — Oct. 14, 2016
- Institutions of Higher Education — Nov. 4, 2016

Contact Us

Financial Reporting Analyst directory sorted by agency:

<https://fmx.cpa.texas.gov/fm/contacts/fm.php?list=finrpt>

Interagency Transactions Contact List:

https://fmx.cpa.texas.gov/fm/contacts/intagy_000-305.php

- It is critical to keep this list updated
- Updated contacts on the [List Contact Form](https://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 2016 reporting.

New Requirements

- In the [General Accounting](#) tab, select [Specialized Accounting](#) in the left navigation menu and select the following from the left navigation menu:
 - **Fair Value Measurement and Application**
 - related to GASB 72
 - **External Investment Pools**
 - related to GASB 79



Changes

Updates to Existing Requirements

- In the **Pass-Through Activity** tab, select the following from the left navigation menu:
 - **Notes to SEFA** and select **Note 8** to view updated requirement information
 - **Instructions for the SEFA Web Application** and select **Step 10** to reconcile R&D flags
- In the **Bonds** tab, select the following from the left navigation menu:
 - **Instructions for the BRS Web Application** and open (+) the **Adding a New Bond Issue for the Current Year** section. Read about the new comments field in section 4.
 - **Required Schedule and Samples** and select **Schedule 2B** to view new columns



Changes Updates to Existing Requirements continued...

- In the [Notes and Samples](#) tab, select the following from the left navigation menu:
 - **Note 1** to view updates for clarification on accounting policies
 - **Notes 2** to view updates (including changes for GASB 62 & GASB 72)
 - **Notes 3** to view updates (including changes for GASB 72)
 - **Notes 6** to view updates for the disclosures
 - **Notes 7** to view updates (including changes for GASB 72)
- In the [Universities](#) tab, select the following from the left navigation menu:
 - **Organization of AFRs for University Systems, Component Universities & Independent Universities** to view updates (including changes for GASB 72)



Changes Updates to Existing Requirements continued...

- In the **Reference/Resources/Tools** box, we have made updates to the following areas:
 - **Agency Year-End USAS Adjustments and AFR Checklist** in Step 8, Notes 3 and 7 (including changes for GASB 72)
 - **Note Submission Requirements** — each note must be submitted in a separate word document sent as an attachment in an email to frs@cpa.texas.gov
 - **Deadlines**
 - Updated screenshots and clarified steps for the following Web applications:
 - DINSS
 - LTLN
 - LNSS
 - RNSS





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Coming up next...

USAS Fiscal Year-End Processes

Fiscal 2016 AFR Update

Ben Strauser

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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

2016 USAS Profile Rollover

USAS automatically creates new profiles for fiscal year (FY) 2017 and appropriation year (AY) 2017 based on existing FY16 and AY16 profiles, unless one of the following conditions exists:

- FY/AY17 profile already exists with the same profile control key.
- FY/AY16 profile is inactive.
- FY/AY16 profile has an effective end date of (or prior to) Aug. 31, 2016.

The 2016 USAS Profile Rollover occurred on **June 18**.



USAS Fiscal Year-End Processes

System Generated Preparation continued...

USAS Auto Lapse Program

The auto lapse program captures all AY14 and other expiring appropriations with balances and creates a lapse document in USAS.

- Auto lapse program will run on **Aug. 15**



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 [USAS Balances for Imprest, Petty Cash and Travel Advance Accounts \(FPP A.045\)](#).



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 13.11(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 13.11(b) plus benefits amounts listed in Section 13.11(g) are appropriated subject to the following conditions and deadlines for full reporting agencies:

1. Agencies must send a letter dated **before Aug. 1** to the LBB to report the anticipated amounts and proposed use. The letter must include information regarding the need and impact on performance targets, capital budget authority and full-time-equivalent positions.
2. Agencies should submit a copy of the letter to your agency's appropriation control office (ACO).
3. Appropriation 24311 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 Oct. 1), the agency can only appropriate the fund in the current AY and UB the balance to the next AY.



USAS Fiscal Year-End Processes

Agency Deadlines continued...

Fiscal Year-End Close

Fiscal 2016 USAS annual cash-basis close will occur at **7:00 p.m.** on **Wednesday, Aug. 31, 2016.**



USAS Fiscal Year-End Processes

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

Date	Deadline
Aug. 18	Deadline for any documents or transactions relating to expiring appropriations. Agencies must coordinate entries with agency ACO after this date.
Aug. 19	Deadline for budget and journal transactions requiring central entry.
Aug. 19–29	The period to enter documents to be paid from AY16 funds. Also the period when journal vouchers can be entered to transfer cash to AY16 ensuring cash is available at the beginning of the new year.
Aug. 29	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. for corrections impacting FY16, and timely online entry of invoices due Sept. 2. Pending transactions on the agency IT file (USAS 53 screen) should be kept to a minimum.
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 AY17 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 **Sept. 1**

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

All forms are due **July 29** 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 AY17, 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. 31**.



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. 29**

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*](#) (one procedure within 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 FY16 before fiscal year-end close.
- Deadline for FY16 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](https://fmx.cpa.texas.gov/fmx/index.php), Fiscal Management's website:
<https://fmx.cpa.texas.gov/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:

<https://fmx.cpa.texas.gov/fm/contacts/fm.php?list=aco>





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USAS Fiscal Year-End Close Questions?



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

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(512) 463-9019

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





Reporting Requirements for Fiscal 2016
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Coming up next...

GASB Updates

Fiscal 2016 AFR Update

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GASB Update

Effective for Fiscal Year 2016

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

- Defines 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

GASB Statement No. 72, Fair Value Measurement and Application

The objective of GASB 72 is to clarify the definition of fair value for financial reporting purposes and establish general principles of fair value regarding:

- Measurement
- Recognition
- Disclosure



GASB Update

Fair Value – Old Definition

The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Value – New Definition

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Under the new definition, fair value is:

- Market-based — not an entity-specific
- An exit price



GASB Update

Valuation Approaches

Apply valuation technique(s) that best represent(s) fair value in the circumstances:

- Market approach — Uses prices and other relevant information generated by market transactions involving identical or similar assets and/or liabilities
- Cost approach — Uses amount currently required to replace the service capacity of an asset
- Income approach — Converts expected future amounts to a single current amount (such as present value techniques, option-pricing models, etc.)



GASB Update

Application of Fair Value to Investments

- Requires investments to be measured at fair value with a few exceptions
- Investment: a security or other asset that a government holds primarily for the purpose of income or profit **–and–** the investment has the present service capacity based solely on its ability to generate cash or to be sold to generate cash
- The investment designation is made at acquisition and remains for the life of the asset — even if usage changes over time
- Implications of the changed “investment” definition:
 - Agencies need to reassess whether something should be an investment
 - Agencies with same type of asset may classify them differently because the use is different



GASB Update

Fair Value Hierarchy

Inputs to valuation techniques are assumptions that market participants use in pricing an asset or liability.

LEVEL 1 — Unadjusted quoted prices accessed at the measurement date for identical assets and liabilities in active markets

Example: Company A common stock traded and quoted on the New York Stock Exchange

LEVEL 2 — Those that are observable for an asset or liability (**directly or indirectly**) borrowing that they are not the quoted prices in level 1

Example: Company B common stock traded and quoted only on an inactive market in an emerging country

LEVEL 3 — Unobservable inputs for an asset or liability

Example: Shares of a privately held company whose value is based on projected cash flows



GASB Update

Net Asset Value (NAV)

Use NAV for an investment in a nongovernmental entity that does not have a readily determinable fair value.

- NAV per share — the amount of net assets attributable to each share of capital stock (**other than preferred stock**) outstanding at fiscal year-end
- Investments measured at NAV for fair value are not subject to level classification
- New Disclosures Required Under GASB 72
- For each type of asset measured at fair value on a recurring and nonrecurring basis, agencies must include the:
 - Fair value measurement at the end of the fiscal year
 - Level of the fair value hierarchy (**Level 1, 2 or 3**)
 - Description of the valuation techniques
 - Significant change in valuation techniques (**itemize changes/reasons**)
- For nonrecurring basis, agencies must disclose the reason for the measurement



GASB Update

Acquisition Value

New definition: Acquisition value (*an entry price*) — The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Use the acquisition value for:

- Donated capital assets
- Donated works of art, historical treasures and similar assets
- Capital assets received through a service concession arrangement



GASB Update

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

The objective of GASB 76 is to identify (in the context of the current governmental financial reporting environment) the hierarchy of generally accepted accounting principles (GAAP).



GASB Update

GASB 76 Overview

GASB 76 reduces the GAAP hierarchy to two levels:

- Level A includes all GASB Statements
- Level B includes:
 - GASB Technical Bulletins
 - GASB Implementation Guides
 - AICPA Literature

GASB Implementation Guides are:

- Authoritative
- Incorporated into the GASB Codification
- Applied retroactively



GASB Update

***GASB Statement No. 79, Certain
External Investment Pools and Pool
Participants***

- Part was effective in fiscal 16 — part becomes effective in fiscal 17
- Effective in fiscal 17 — certain provisions on portfolio quality, custodial credit risk and shadow pricing in paragraphs 18, 19, 23-26 and 40



GASB Update GASB 79 continued...

GASB 79 applies to external investment pools and pool participants as:

- External investment pools — arrangements that commingle monies of more than one “legally separate entity” and invest the pooled monies in an investment portfolio on the participants’ behalf.

Note: A government-sponsored pool that includes only a primary government and its component units is not legally separate — therefore it is not an external investment pool.

- Agencies must measure all of its investments in a qualifying external investment pool at amortized cost



GASB Update GASB 79 continued...

Results from changes to regulatory provisions (SEC Rule 2a7) incorporated in previous GASB literature:

- Referenced as criteria for sponsors of “2a7-like pools” (such as [government external investment pools](#)) to qualify for amortized cost reporting
- Changes to SEC Rule 2a7 makes it much more difficult for sponsors to qualify for amortized cost reporting
- GASB set criteria for external investment pools:
If external investment pool elects amortized cost — the pool participants must also report their position at a share price based on amortized cost



GASB Update GASB 79 continued...

State of Texas External Investment Pools:

- TexPool and TexPool Prime
- Administered by the Texas Treasury Safekeeping Trust Company (TTSTC)
- Pool participants are state and local governments
- TTSTC reports total net position as “Held in Trust for Pool Participants” in fiduciary funds ([FT 18: External Investment Pools](#))

Add additional note disclosures for qualifying external investment pools (such as [TexPool and TexPool Prime](#)) and pool participants (such as cities, counties, school districts, higher education institutions, special districts) that provide details regarding any limitations or restrictions on participant withdrawals.



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

Overview of GASB Pension Statements

- GASB Statement No. 67, *Financial Reporting for Pension Plans — an amendment of GASB Statement No. 25* (implemented in fiscal 14)
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27* (implemented fiscal 14)
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68* (Implemented fiscal 15)
- GASB Statement No. 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* (implementation scheduled for fiscals 16/17)
- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (implementation scheduled for fiscal 17)
- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* (implementation scheduled for fiscals 17/18)



GASB Update

GASB Statement No. 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

- Establish accounting and financial reporting requirements for:
 - Direct benefit pensions
 - Not within scope of GASB 68
 - Assets accumulated for purpose of providing defined benefit pensions
 - Direct contribution pensions not within scope of GASB 68
- Amend and clarify certain provisions of GASB 67 and 68
- Extend approach to accounting and financial reporting established in GASB 68 to all pensions with necessary modifications



GASB Update

GASB 73 Effective Dates

- Effective fiscal 16 for
 - Assets accumulated for purpose of providing pensions
 - Amendments to GASB 67 and 68
- Effective fiscal 17 for pension not within the scope of GASB 68

GASB 68 Scope

Establishes standards for pensions provided through pension plans administered through trust or equivalent arrangements.

Criteria for trust or equivalent arrangements:

- Contributions and earnings on contributions to the plan are irrevocable
- Pension plan assets are dedicated to providing pensions to members per benefit terms
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, plan administrator and members



GASB Update

GASB 73 Amends GASB 67 and 68

- Disclosure of investment – related factors affecting trends in the amounts reported in the Required Supplementary Information note (RSI)
- Accounting and financial reporting for separately financed specific liabilities
- Timing of employer’s revenue recognition for the support of non-employer contributing entities not in special funding situation



GASB Update

How GASB 73 Applies to Texas

- GASB 73 is applicable to Judicial Retirement System Plan 1 (**JRS1 plan**) with FY17 implementation date
- GASB 73 applies GASB 68 concepts and methodologies with necessary modifications for JRS1 plan
- Disclosure of investment-related factors in the RSI note are made in the fiscal year(s) in which the situation applies
- Texas has no assets accumulated for providing pensions not within the scope of GASB 68
- Separately financed specific liabilities are not applicable to:
 - ERS plan
 - TRS plan
 - TESRS plan



GASB Update

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

The objective of GASB 74 is to improve the usefulness of information about postemployment benefits other than pensions ([other postemployment benefits or OPEB](#)) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.



GASB Update

GASB 74 Overview

- Effective fiscal 17
- Replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post-Employment Benefits (OPEB), which meet the following criteria:
 - Contributions are irrevocable
 - Plan assets dedicated to plan members
 - Legally protected from creditors



GASB Update

Financial Statement Impact of GASB 74

Recognize OPEB liabilities as follows:

- OPEB not in a trust — recognize the TOTAL OPEB liability in the financial statements
- OPEB through trust — recognize NET OPEB liability (total OPEB liability less plan's fiduciary net position)

Adds significant note disclosures depending on the type of plan, including:

- Plan description
- Assumptions & other inputs
- Discount rate

Required supplementary Information necessitate a number of 10 year schedules:

- Actuarial valuation
- Changes in liability and employer contributions



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
- Replaces GASB 43 and GASB 45
- Entire net OPEB liability must be reported on the face of the financial statements — rather than in the footnotes
- Agencies can no longer amortize the unfunded liability for 30 years
- Establishes one cost method for attributing the present value of benefit payments to specific years
- Recognition of changes in benefit plan assumptions within the current fiscal year
- Recognition of deferred outflows and inflows
- Increase in disclosure and required supplementary information



GASB Update **Effective for Fiscal Year 2018 continued...**

GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73

- Presentation of payroll-related measures in required supplementary information
- Selection of assumptions and the treatment of deviations from guidance in Actuarial Standards of Practice for financial reporting purposes
- Classification of payments made by employers to satisfy plan member contribution requirements.





GASB Update Questions?



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

Wiley Thedford

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(512) 463-1983

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





Coming up next...

Schedule of Expenditures of Federal Awards (SEFA) Update

Fiscal 2016 AFR Update

Renee Castro

jessica.castro@cpa.texas.gov

(512) 463-4365



SEFA Update **Topics**

- General Information
- Data Elements
- Reconciliation Reports
- Important Dates to Know



SEFA Update

General Information

- Agencies that expend federal awards are required to submit the Schedule of Expenditures of Federal Awards (SEFA) and notes to SEFA in the SEFA Web application.
- SEFA captures all agency expended federal funds
- SEFA expenditures use the same basis of accounting for the fund financial statements — modified accrual

Note: Cash basis is NOT permitted for SEFA reporting

- Federal receivables are reported in SEFA
- Universities are exempt from SEFA Note 7 – Deferred Revenues



SEFA Update

General Information continued...

- All federal assistance received is categorized as either **Direct** or **Pass-Through From**
- All federal assistance expended is categorized as either **Expenditures** or **Pass-Through To**
- Pass-through entity must:
 - Inform the sub-recipient that the funds the sub-recipient is receiving are federal funds
 - Provide the correct CFDA number and program name



SEFA Update

General Information continued...

- Do **not report** vendor payments between state agencies in SEFA Note 2 — Reconciliation
- All federal funds received are reported in SEFA (even if agency/university does not pass-through federal funds to another entity)
- Use USAS RTI process to include accruals in federal award pass-throughs



SEFA Update

Data Elements

Data Elements consist of the three key pieces:

- Catalog of Federal Domestic Assistance (CFDA)
- Non-State Entity (NSE) Name
- ID Number



SEFA Update Data Elements continued...

- Verify CFDA's on their website: www.cfda.gov
- When the CFDA cannot be identified:
 - Use CFDA XX.000 (ID Number Required)
 - “XX” is the federal grantor agency prefix

The [List of Federal Agency 2-Digit Prefix Numbers](#) is available on the AFR website. To navigate to these prefix numbers:

1. Click the **Pass-Through Activity** tab.
2. Select **Data Elements** in the left navigation.
3. Click on **Table I**.



SEFA Update

Data Elements continued...

Non-State Entity (NSE) Names

- NSE names do not include Texas state agencies/universities or federal agencies as an NSE
- **NEW!** Agencies will use a pre-approved NSE list for reporting
- Email SEFA analyst for additions: jessica.castro@cpa.texas.gov
 - Include NSE supporting documentation

ID Numbers

- Use a proper ID number provided by grant documentation
 - Not a CFDA number
 - Not an Employee Identification Number (EIN)
 - Not a DUNS reporting number
 - Preferable not to use dates, grant names or purchase order numbers
- **Should be award or contract assigned by the grantor federal agency**



SEFA Update Data Elements continued...

Expenditure Types

- Be sure to select the type of expenditure that is being reported:
 - Non-Monetary – empty/checked box
 - R&D – Yes/No
 - ARRA – Yes/No



SEFA Update

SEFA Agency Pass-Through Reconciliation Report

- Displays both sides of each pass-through relationship
- Data shown at CFDA level
- Monitor report for imbalances up to Initial Certification deadline on Sept. 18
- Must display \$0 difference to complete the Interagency Federal Pass-Through Certification on Sept. 28



SEFA Update

SEFA Agency Pass-Through Reconciliation Report continued...

- Displays both agencies and USAS D23 Fund involved in the pass-through
- Monitor report for imbalances up to Initial Certification deadline on Sept. 18
- Variances must be resolved in order to complete the Pass-Through Certification on Sept. 28
- USAS Agency Pass-Through Reconciliation Report



SEFA Update

SEFA USAS Pass-Through Reconciliation Report

Same structure as the SEFA Agency Pass-Through Reconciliation Report except:

- Additional columns for Grantor and Grantee that displays the D23 Fund
- Row Totals that compare the Totals per USAS with the Totals per SEFA

Note: Include any difference in Note 2 Reconciling Items.



SEFA Update

SEFA Web Application Available on Aug. 1

- Begin entering SEFA records to get a head-start on reconciling pass-throughs
- Early identification of CFDAs requiring addition to the SEFA web application and the USAS D40 profile
 - Email SEFA analyst for additions: jessica.castro@cpa.texas.gov
 - Include grant award documentation



SEFA Update

Dates to Know — SEFA Deadlines

Sept. 18

Initial Certification

Sept. 19–27

Interagency Federal
Pass-Through Reconciliation

Sept. 28

Interagency Federal
Pass-Through Certification

Nov. 1

Final Certification





SEFA Update Questions?



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

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





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Coming up next...

Statement of Cash Flows — Pitfalls to Avoid

Fiscal 2016 AFR Update

Maricela Cayetano

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Statement of Cash Flows — Pitfalls to Avoid

Agenda

- Line Item Pitfalls
- Other Potential Pitfalls
- Agency Cash Flow Reporting (ACFR) Web application
- SOCF Reconciliation template



Statement of Cash Flows — Pitfalls to Avoid

Line Item Pitfalls

- Cash Flows from Operating Activities
 - Proceeds from Loan Programs
 - Payments for Loans Provided
 - Program loans — undertaken to fulfill a governmental responsibility (such as low-income housing mortgages and student loans)
 - Loans made and collected (including the interest) are part of a governmental program
 - Report Loan activities as operating activities — rather than investing activities
 - Payments to Employees
 - Salaries
 - Wages
 - Payroll related costs



Statement of Cash Flows — Pitfalls to Avoid Line Item Pitfalls Continued...

- Cash Flows from Operating Activities continued...

- Payroll costs paid by a central agency on behalf of another agency include:
 - Retirement
 - Insurance
 - Unemployment

The expense on the hard copy AFR associated with these benefits is not included in the Payments to Employees line item.

- Cash Flows from Noncapital Financing Activities

- Proceeds from State Appropriations
(Do not include the associated appropriation revenue)



Statement of Cash Flows — Pitfalls to Avoid Line Item Pitfalls Continued...

- Cash and Cash Equivalents, as Restated
 - Cash and Cash Equivalents, September 1, 201X
 - DR300 – Review Cash Flow Stmt (BS,SNA-8580)
 - Restatements
 - Cash and Cash Equivalents, August 31, 20XX
 - DR301 – Review Cash Flow Stmt (BS,SNA-8580)

- Reconciliation of Operating Income to Net Cash
 - Operating Income (Loss)
 - Must tie to operating statement
 - DR302 — Review Operating Income (Loss) (StmtOfChangesAssetsLiab-8600)



Statement of Cash Flows — Pitfalls to Avoid Line Item Pitfalls Continued...

- Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities
 - Depreciation and Amortization
 - DR304 — Review Depreciation Expense (StmntOfChangesAssetsLiab-8600)
 - Bad Debt Expense
 - DR303 — Review Bad Debt Expense (StmtofChangesAssetsLiab-8600)
 - Pension Expense
 - 7036 — Pension Expense Proprietary



Statement of Cash Flows — Pitfalls to Avoid Line Item Pitfalls Continued...

- Noncash Transactions
 - Net Change in Fair Value of Investments
 - DR305 – Review Change FV Investment (StmntOfChangesAssetsLiab-8600)



Statement of Cash Flows — Pitfalls to Avoid

Other Potential Pitfalls

Positive Payments and Negative Proceeds

- Do not enter positive payments or negative proceeds into ACFR or hard copy AFR
- Net with another line item within the same category or with a more appropriate line item in a different category



Statement of Cash Flows — Pitfalls to Avoid Other Potential Pitfalls continued...

Incorrect line items

Review each individual line item within the following categories to ensure proper posting:

- Net Cash Provided (Used) by Operating Activities
- Net Cash Provided (Used) by Noncapital Financing Activities
- Net Cash Provided (Used) by Capital and Related Financing Activities
- Net Cash Provided (Used) by Investing Activities
- Net Cash Provided (Used) by Operating Activities (reconciliation section)



Statement of Cash Flows — Pitfalls to Avoid

Agency Cash Flow Reporting (ACFR) Web application

- Submit the statement of cash flows through the Agency Cash Flow Reporting (ACFR) Web application
- All agencies are required to submit a certification within the ACFR Web application
(even if there is \$0 activity)
- Agencies with enterprise funds (FT 05) and internal service funds (FT 06) must certify and submit a hard copy of the statement of cash flows (from their Annual Financial Report) as a word file attachment in an email to frs@cpa.texas.gov



Statement of Cash Flows — Pitfalls to Avoid

SOCF Reconciliation Template

- The submitted hard copy must tie to the certified data in the ACFR Web application
- If the hard copy does not tie, submit a SOCF Reconciliation template for each GAAP Fund
 - The ***SOCF Reconciliation template*** is available in the [Templates & Sample Exhibits](#) in the right-hand toolbox of the Reporting Requirements website.





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Statement of Cash Flows Questions?



If you have any questions,
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Or contact your [Financial Reporting Analyst](#).





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Coming up next...

Deposit and Investment Note Submission System (DINSS) Update

Fiscal 2016 AFR Update

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DINSS Update

Modifications to DINSS

- Prior year amounts entered are displayed in the following input screens:
 - Cash in Bank and Bank Balances
 - Investment Fair Value
 - Investment Fair Value: Securities Lending Collateral Pool
- Added 4 new input columns (to identify Fair Value Hierarchy Levels) to the following input screens:
 - Investment Fair Value
 - Investment Fair Value: Securities Lending Collateral Pool
- Added a question (that requires an answer) to Investment Fair Value screen.

Investment derivatives in a liability position are no longer netted against investment derivatives in an asset position. General ledger account 1470 was established to account for these amounts in the liability section of the balance sheet.



DINSS Update Modifications to DINSS continued...

New modifications to **Cash in Bank** and **Bank Balances** were incorporated into the DINSS Web application.

Fiscal Year		2015
Fund Type	01	
<input type="button" value="Save"/> <input type="button" value="Return to list"/> <input type="button" value="Calc Totals"/>		
Cash in Bank Carry Amount	2014= 10,000.00	<input type="text" value="10,000.00"/>
Less: Nonnegotiable CDs included in Carry Amount	2014= 0.00	<input type="text" value="0.00"/>
Less: Uninvested Cash Collateral Included in Carry Amount	2014= 0.00	<input type="text" value="0.00"/>
Less: Nonnegotiable CDs Collateral Included in Carry Amount	2014= 0.00	<input type="text" value="0.00"/>
Bank Balance	2014= 0.00	<input type="text" value="10,000.00"/>
Total Cash in Bank per AFR	<input type="text" value="10,000.00"/>	
GL Acct Class 002 CA Cash in Bank	<input type="text" value="10,000.00"/>	
GL Acct Class 011 CA Restricted Cash in Bank	<input type="text" value="0.00"/>	
GL Acct Class 120 NC Restricted Cash in Bank	<input type="text" value="0.00"/>	
Difference Between CIB and USAS GL balances	<input type="text" value="0.00"/>	

The amount input from the previous fiscal year is now displayed directly above the current fiscal year's input field (for each category).



DINSS Update Modifications to DINSS continued...

New modifications to the **Investment Fair Value** input screen were incorporated into the DINSS Web application. Three new features are:

1. Agencies are required to answer the new question “Were hedging derivatives reclassified to investment derivatives?”
2. The amount input from the previous fiscal year is displayed directly above the current year total field for each category.
3. Added four columns of input to the right of the total column. These columns represent the 3 levels of fair value hierarchy and net asset value (if applicable) — the sum of these columns displays in the total column (to the left of these columns).

Fiscal Year		2015			
Fund Type		05			
Save		Return to list		Calc Totals	
Were Hedging Derivatives Reclassified to Investment Derivatives?		<input checked="" type="radio"/> Yes <input type="radio"/> No			
	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value
U.S. Treasury Securities	2014= 76,540,910.00 76,540,910.00	76,540,910.00	0.00	0.00	0.00
U.S. Treasury Strips	2014= 67,964,119.20 67,964,119.20	67,964,119.20	0.00	0.00	0.00
U.S. Treasury TIPS	2014= 0.00 0.00	0.00	0.00	0.00	0.00
U.S. Government Agency Obligations	2014= 249,512,093.45 249,512,093.45	249,512,093.45	0.00	0.00	0.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co.)	2014= 0.00 0.00	0.00	0.00	0.00	0.00



DINSS Update

Investment Categories

Proper use of investment categories:

- **Other Commingled Funds (TexPool)** — used for both TexPool and TexPool Prime investments
- **Texas Treasury Safekeeping Trust Co.** — investments must be entered into the fields identified as Texas Treasury Safekeeping Trust Co.

We have created new guidance (in the AFR website) to help identify the proper DINSS investment category for your investment type (as shown on the next page).



DINSS Update Investment Categories continued...

DINSS Investment Categories:

- U.S. Treasury Securities
- U.S. Treasury Strips
- U.S. Treasury TIPS
- U.S. Government Agency Obligations
- U.S. Government Agency Obligations
(Texas Treasury Safekeeping Trust Co.)
- Corporate Obligations
- Corporate Asset & Mortgage Backed Securities
- Equity
- International Obligations (Govt. and Corp)
- International Equity
- International Other Commingled Funds
- Repurchase Agreement
- Repurchase Agreement
(Texas Treasury Safekeeping Trust Co.)
- Domestic Mutual Funds
- International Mutual Funds
- Fixed Income Money Market & Bond Mutual Fund
- Other Commingled Funds
- Other Commingled Funds
(TexPool and TexPool Prime)
- Commercial Paper
- Securities Lending Collateral Investment Pool
- Real Estate
- Domestic Derivatives
- International Derivatives
- Externally Managed Investments — Domestic
- Externally Managed Investments — International
- Miscellaneous



DINSS Update Investment Categories continued...

Use the cross reference of **DINSS Investment Types** to the guidance for **Investment and Deposit Types** to identify the proper investment types in DINSS for each of the most common types of investments.

Each investment type in DINSS has the item number(s) of the possible investment descriptions for that category. Each investment in the Guidance for Investment and Deposit types has the DINSS number(s) for the possible category option for that investment type.

DINSS #	Investment Type	Examples of what the type includes (not all inclusive)	Item #
A	U.S. Treasury Securities	U.S. Treasury Bills, Notes or Bonds Only available as short-term investments. Risk level: Low	46
B	U.S. Treasury Strips	U.S. Treasury Strips Do not offer periodic interest payments. All payments are received upon maturity. Risk level: Low	46
C	U.S. Treasury TIPS	U.S. Treasury TIPS Protect against inflation and are long-term investments (mature in 5, 10 or 30 years). Risk level: Low	46
D	U.S. Government Agency Obligations	Asset and mortgage backed securities issued by government sponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae. Risk level: Moderate	6, 25, 45
E	Corporate Obligations	Domestic corporate obligations Risk level: Low to High depending on the corporation's credit rating	2, 15, 21, 27, 29, 31
F	Corporate Asset and Mortgage Backed Securities	Collateralized mortgage obligation, mortgage backed securities or commercial mortgage backed securities Risk level: Low to High depending on the payments affected by mortgage rates	2, 8, 26
G	Equity	Domestic equity Risk level: Low to High depending on the corporation, generally low	14, 17, 33

Guidance for Investment and Deposit Types (not all inclusive)			
Item #	Investment	Explanation	DINSS #
1	Annuity	A type of contract sold by insurance companies guaranteeing fixed or variable future payments.	U
2	Asset Backed Securities (ABS)	Securities backed by pools of assets such as credit card receivables, home equity loans, and auto loans, but typically excluding mortgages.	E, F
3	Balanced Mutual Funds	Mutual Funds that expect to invest in a mix of equity and debt investments. (Categorize in the "Publicly Traded Equity & Similar" category if the fund's target allocation is expected to be > 50% equities. Otherwise, categorize in the "Publicly Traded Debt & Similar" category.) (See also Mutual Funds.)	L
4	Bank Deposits	Amounts reported in this category should include balances held in a financial institution such as a bank, savings bank, or credit union as "demand deposits" (which the customer can withdraw at any time without penalty) or "time deposits" (which might be subject to restrictions on immediate withdrawal). However, do not include certificates of deposit. Although non-negotiable certificates of deposit are generally considered time deposits, these balances should be separately disclosed on the annual investment report. (See also Certificates of Deposit.)	n/a
5	Bankers' Acceptances	A time draft drawn on a bank by a bank's customer, ordering the bank to pay an amount at a future date, generally within a short time period. When accepted by the bank, it can be traded in secondary markets, usually as a money market instrument.	U
6	Cash Held at State Treasury	All deposit balances held by the State Comptroller in the State Treasury. Institutions should not include funds invested in TexPool or TexPool Prime. Amounts managed by the Texas State Treasury Safekeeping Trust Company should be reported in the appropriate investment category, and any collateral cash held by the Trust Company should be reported as cash.	D, J





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DINSS Questions?



If you have any questions,
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Coming up next...

GR Reconciliation

Fiscal 2016 AFR Update

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GR Reconciliation

Overview & Introduction

General Revenue Reconciliation Web application topics in this presentation:

- Security
- Due dates
- Reports
- USAS transactions
- Agency input fields
- Reconcile and verify
- Budget type indicator
- Calculation I
- Calculation II
- Difference between Calculation I and Calculation II
- Transaction types
- Payroll-related costs
- FRS line adjustments
- Working Papers



GR Reconciliation Overview & Introduction continued...

- Applies only to appropriated fund 0001
- Determines the operating statement impact of your agency's budget given by the General Appropriations Act (GAA), riders, additional payroll expenditures and other special legislation
- Determines the balance sheet amount for the remaining appropriation authority available to be spent in future years



GR Reconciliation Overview & Introduction continued...

- Agency 902 is the controlling agency for Fund 0001
 - Agency 902 reports the GL 0045 Cash In State Treasury (CIST) balance for appropriated fund 0001 in its AFR
- Non-controlling agencies:
 - Report the fiscal year's appropriation authority given to them in the agency's AFR
 - Adjust GL 0048 (legislative cash) so that GL accounts 0045 (CIST) and 0048 net to zero
 - Use T-code 463R to record a positive net change in cash (or T-code 463 to record a negative net change in cash)



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
 - Enter **GRSC** in the **TABLE ID** field
 - Enter your User ID and agency number (in that order) in the **KEY** field.



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 and Lapsing of Appropriations
- APS 019 — Salary Benefit Appropriation Allocations



GR Reconciliation

Agency Input Fields (Required)

- **Salary increase** — line number 200700
 - No specific expenditure COBJ to pull in from USAS like there is for BRP
 - Agencies must use own records to input expenditure total in this field
- **BRP adjustments** — line number 700600
 - Compare the cumulative expenditures for all AYs in COBJ 7050 to amount transferred out of appropriation 23102 into the direct strategy appropriations
 - If budget that was moved into the strategy appropriations is in excess of expenditures, this causes a negative BRP adjustment in calculation II.
 - If not enough budget was moved into strategy appropriations to cover BRP expenditures, this causes a positive BRP adjustment in calculation II.
- **Salary increase adjustment** — line number 700800
 - Additional amount needed to cover salary increase expenditures in a direct strategy or the amount to be returned from a direct strategy for the salary increase appropriation in excess of salary increase expenditures.



GR Reconciliation

Agency Input Fields (N/A)

- **Input at the statewide level by FRS**
- **Optional entries by universities for informational purposes only**
 - **Retirement contribution** — line number 400100
 - **Group Insurance Contribution** — line number 400200
 - **Unemployment Contribution** — line number 400300



GR Reconciliation Reconcile and Verify

Instructions to [Reconcile and Verify Data](#) for the GR Reconciliation Web application are available on the AFR Website. These instructions can be a very helpful resource. To navigate to these instructions:

1. Click on the **GR Recon** tab.
2. Select **Instructions for the GR Reconciliation Web application** in the left navigation menu.
3. Click on **Step 7 – Reconcile and Verify Data**.

Home General Accounting USAS Agency Funds CIST/Shared Funds **GR Recon** Capital Assets Interfund Activity Pass-Through Activity Bonds

General Revenue Reconciliation

- General Introduction
- General Information about Design and Layout
- Instructions for the GR Reconciliation Web Application
 - Step 1 – Establish GR Security
 - Step 2 – Gather Information
 - Step 3 – Enter USAS Transactions
 - Step 4 – Log In
 - Step 5 – Review and Edit
 - Step 6 – Enter Agency Input Fields
 - Step 7 – Reconcile and Verify Data
 - Step 8 – Certify
 - Step 9 – Download Spreadsheet
- Payroll-Related Costs
- Leased Appropriations

Instructions for the GR Reconciliation Web Application Step 7 – Reconcile and Verify Data

Within the GR Reconciliation Web application, agencies may choose to navigate to any other column from the column menu.

[Open All](#) [Close All](#)

Or click on the headings below to open a topic individually.

Direct Strategy – Column B [-]

The amounts reflected in the direct strategy column on line numbers are for Strategy Appropriations Activity Appropriated Fund 0001, after any agency adjustments.

Budget Type Indicator

Column B is limited to appropriations with a BUDG TYPE of **A** on the report is not accurate. If your agency has an appropriation with a BUDG TYPE of **A** and you see this error. For more information on budget type indicators, see B...

Generally, an appropriation has a BUDG TYPE of **A** for "appropriation balance." All appropriations with a BUDG TYPE of **A** appear on the report.

An appropriation has a BUDG TYPE of **N** for "non-budgeted" or "non-appropriated" expenditures (for example, payroll-related cost appropriations) or "unappropriated" spend (for example, budget reduction accounts, unappropriated, ...)

Line Numbers



GR Reconciliation Reconcile and Verify continued...

These instructions include information such as:

- In-depth explanations of the types of transactions by column & line number
- Specifies how to use GR Reconciliation Ad Hoc reports

Budget Type Indicator

The Budget Type Indicator determines the location on the GR Reconciliation.

- Budget Type of **A** = Appropriated
 - Appropriated Number Profile (20) screen, the Budg Type = A
 - Included in column B, Direct Strategy column
 - Appears on Report 201A



GR Reconciliation Budget Type Indicator continued...

- Budget Type of **N** = Non-Budgeted
 - Appropriated Number Profile (20) screen, the Budg Type = N
 - Included in columns C – J:
 - OASI
 - ERS/TRS
 - ORP
 - Insurance
 - GIP
 - BRP
 - Salary Increase
 - Other
 - Appears on Report 201N
 - Additional benefit appropriation columns C – H specify their appropriation numbers within the column heading
 - Salary/Longevity Increase appropriations not specified in column I heading and added to GR Rec program interface each fiscal year
 - Appropriations not otherwise specified in any other column are included in column J, Other



GR Reconciliation Budget Type Indicator continued...

- Budget Type of **U** = Unappropriated
 - Appropriated Number Profile (20) screen, the Budg Type = U
 - “Unappropriated” is appropriations where remaining budget is not available to keep and spend
 - Included in column J, Other column
 - Appear on Report 201N

If any of these indicators are incorrect on the Appropriated Number Profile (20) screen, contact your [appropriation control officer](#) (ACO) to make corrections.



GR Reconciliation

Calculation I

Calculation I starts with the audited prior year legislative appropriation balance (GL 9000) as the beginning balance. Calculation I shows all current fiscal year operating statement activity (appropriation and CIST) including:

- Original Legislative appropriation revenue
- Additional appropriation revenue
- Committed Appropriations Lapsed
- Legislative transfers in/out
- Net Change in Cash

Calculation I represents what should be reported as the current year ending legislative appropriation balance on the balance sheet/ statement of net position.



GR Reconciliation **Calculation II**

Calculation II relates to the balance sheet and calculates the ending legislative appropriation balance on the Appropriation Inquiry (62) screen:

- Entry of an amount on line 900000 infers something is incorrect on agency's 62 screen
- Line 900000 is "FRS only"
- You must research and make sure 62 screen is incorrect before request "FRS only" adjustment
- Process the necessary USAS entries so the GR Reconciliation Web application is updated with the corrections
- Updated GR reconciliation may not require a "FRS only" adjustment once the entries are made in USAS



GR Reconciliation **Difference**

When the **Difference** line (between Calculation I and Calculation II) equals zero (Ø), the calculated ending legislative appropriation balance is equal to the amount on the Appropriation Inquiry (62) screen.



GR Reconciliation

Transaction Types

- Cash Activity populates:
 - General ledger
 - GR Reconciliation Web application
- Budgetary Activity (T-codes 001–043)
 - Moves or establishes budget
 - Posts to budget and balance types
 - Populates the GR Reconciliation Web application
- Generated Transactions (T-codes in 400 range)
 - Transactions generated as a result of actual budgetary transactions
 - Changes the amounts on the general ledger
 - Does not change the GR Reconciliation Web application data



GR Reconciliation Transaction Types continued...

- AFR Adjustments (T-codes in 400-600 range)
 - Does not post to budget or balance types
 - Changes the amounts on the general ledger
 - Does not change the GR Reconciliation Web application data

Example: AFR adjustment for the net change in cash (T-code 463) hits the general ledger accounts 0048 and 9000 but has not effect on the GR Reconciliation Web application data.



GR Reconciliation

Payroll-Related Costs

Report payroll-related costs in:

- GR Reconciliation Web application — resulting from payroll-related expenditures
- Operating statement — resulting from generated transactions (COBJs 9420-9440) of actual budgetary transactions

If payroll-related revenue in the GR Reconciliation Web application and payroll-related expenditures on the GR 206 do not tie to the operating statement's payroll-related costs, **return excess budget with the appropriate budgetary T-codes by the GR Reconciliation submission deadline.**

- Generated transactions reduce legislative revenue to match expenditures.
- Payroll-related costs require manual adjustments if excess budget is not returned prior to the GR Reconciliation deadline.



GR Reconciliation

FRS Line Adjustments

- **FRS Line Adjustments** — only made when there is a restatement needed of the beginning balance (usually) made in Calculation I
- **Unappropriated Net Change in Cash balances** — If agency does not have authority, then the amount must be adjusted in the adjustment column in Calculation I
- **Net Change in Cash for Petty Cash** — must make adjustment in the adjustment column in Calculation I and Calculation II



GR Reconciliation Working Papers

The [AFR Working Papers](#) are available on the AFR Website. To navigate to the working papers click on the **Working Papers** link in the right-hand tool box.

These working papers can be a very helpful resource.

Use the **Legislative Appropriation Verification** file to calculate the differences to adjust between GR Reconciliation Web application and the general ledger.

The screenshot displays the AFR website interface. At the top, there is a navigation menu with links: Home, General Accounting, USAS, Agency Funds, CIST/Shared Funds, GR Recon, Capital Assets, Interfund Activity, Pass-Through Activity, Bonds, Notes & Samples, and Universities. The main heading is "Annual Financial Report Working Papers 2015". Below this, there is a "TIPS FOR VIEWING" section with four numbered instructions. The "General Year-End Working Papers" section lists various Excel files, with "General Revenue, Legislative Revenue - Legislative Appropriation Verification (Excel)" circled in red. On the right-hand side, there is a "References" section, a "Resources" section with a "Working Papers" link circled in red, and a "Tools" section with "Templates & Sample Exhibits" and "Working Papers" links.



GR Reconciliation Working Papers continued...

Eliminate OS Legislative Transfers within the Agency:

- These entries only eliminate the generated accounting general ledger entry — not the actual budget transfer.
- Report only legislative transfers in the agency's AFR (after elimination entries), which 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 in USAS for this T-code, an AGL must be entered here — if not, a “no post” is created 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 Worksheets continued...

Net Change in Cash:

- Use T-code 463 to record the net change in cash in column M, lines 600200 and 600500
- The net of appropriated fund 0001 GL accounts 0045 (CIST) and 0048 (legislative cash) must equal zero — unless a shared cash entry is necessary

A shared cash entry in appropriated fund 0001 would only occur between D23 funds within the same agency in appropriated fund 0001.





GR Reconciliation Questions?



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

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(512) 463-4911

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





Reporting Requirements for Fiscal 2016
Annual Financial Reports
of State Agencies and Universities



Coming up next...

GASB Questionnaires

Fiscal 2016 AFR Update

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(512) 475-5382



GASB Questionnaires

Applicable 2016 GASB Questionnaires

- GASB 14/39 — Component Unit
- GASB 49 — Pollution Remediation
- GASB 60 — Service Concession Arrangements
- GASB 62 — Codification of Accounting and Financial Reporting Guidance
- GASB 69 — Government Combination and Disposals
- GASB 70 — Nonexchange Financial Guarantees
- GASB 77 — Tax Abatement



GASB Questionnaires

Changes

- **Every state agency** is required to complete and submit the GASB questionnaires

Submitting Questionnaires

- Submit copies of all supporting documentation by email to frs@cpa.texas.gov
- Make sure that you click the **submit** button
- A PDF version of each questionnaire is available for preview
- All **GASB Questionnaires** are available on FMX on the [Financial Reporting](#) page
- Answers cannot be changed once a user clicks the **submit** button at the end of each survey



GASB Questionnaires

GASB 14/39 — Component Unit

General Information

- Prepare supporting documentation in advance when:
 - New Component unit (CU)
 - Agency abolished or dissolved the CU or transferred existing CU to another agency
 - Address to obtain financial statement changed
 - Number of appointed board of directors has changed
- All agencies are required to complete the GASB 14/39 questionnaire by Sept. 16, 2016



GASB Questionnaires

GASB 14/39—Component Unit continued...

Entering Data

Three options available:

1. Agency does not have any potential or existing component unit
2. Changes to existing component unit:
 - Component unit was dissolved, abolished
 - Address to obtain financial statements changed
 - Number of appointed board of directors changed
 - Other
3. A newly identified component unit:
 - Blended component unit
 - Discrete component unit
 - Related Organizations
 - Joint Venture, Jointly Governed Organizations, Related Party
 - No Disclosure



GASB Questionnaires

GASB 77 — Tax Abatement

New this year is the GASB 77 — Tax Abatement questionnaire.

GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for the state of Texas in Fiscal 2017. GASB 77 establishes disclosure requirements for tax abatement agreements entered into by:

- Agencies
- Component Units
- Universities
- Other Governments

All agencies are required to complete the GASB 77 questionnaire by Sept. 1, 2016.



GASB Questionnaires

GASB 77 — Tax Abatement continued...

Prior to taking the survey, be prepared with the following information:

- All tax abatement programs under GASB 77
(including agency, discrete or blended component units and universities)
- All individuals or entities receiving the tax abatement(s)
- All period(s) of all tax abatement agreement(s)
- All amounts of revenue or tax revenue the agency
(including agency, discrete or blended component units and universities)
has foregone as a result of the tax abatement program/agreement



GASB Questionnaires

GASB 49—Pollution Remediation Obligations

- Each agency is responsible for ensuring proper accounting and reporting of its pollution remediation liabilities.
- When an agency knows or suspects pollution may exist at a site, the agency must take steps to determine whether an obligating event occurred that requires accounting for a pollution remediation obligation.
- Each agency must analyze its pollution remediation obligations annually and recognize pollution remediation liabilities in its financial statements.
- Each agency is required to identify all obligating events as a standard part of its procedures when acquiring, remodeling or cleaning up property.
- Each agency must maintain an annual inventory of ongoing pollution remediation projects and its related pollution remediation obligations.
- Each agency is required to complete and submit the GASB 49 questionnaire on or before Sept. 1, 2016.
- Each agency will disclose pollution remediation obligations in Note 5.



GASB Questionnaires

GASB 60 —Service Concession Arrangements

- Provides guidance on accounting and financial reporting for the transferor (government) and the operator (governmental or non-governmental entity) in a service concession arrangement (SCA)
- Assets commonly used in SCA's that generates fees or services include:
 - Roads and bridges
 - Water and sewer
 - Golf courses
 - Parking garages or meters
- Potential SCA's for universities include:
 - Bookstore
 - Food Service
 - Foundations
 - Parking
 - Student Housing



GASB Questionnaires

GASB 60 —Service Concession Arrangements continued...

- The [GASB 60 — Applicable Accounting and Financial Reporting Decision Flowchart](#) helps to determine whether a public-private or public-public partnership arrangement is within the scope of GASB 60 and, if not, what existing accounting and financial reporting guidance is applicable
- Each agency is required to submit the GASB 60 questionnaire on or before Sept. 1, 2016
- Service concessions arrangements are disclosed in Note 27



GASB Questionnaires

GASB 62 — Codification of Accounting and Financial Reporting Guidance

- Each agency is required to submit the GASB 62 questionnaire on or before Sept. 1, 2016
- GASB 62 questionnaire identifies:
 - Troubled Debt Restructuring – Note 29
 - Foreign Currency Transactions
 - Investment in Common Stock
 - Research or Development Arrangement
 - Insurance Entities
 - Mortgage Banking Activity
 - Broadcasters



GASB Questionnaires

GASB 69 — Government Combinations & Disposals of Government Operations

- GASB 69 provides guidance on accounting and financial reporting on government combinations and disposals of government operations
- Each agency is required to submit the GASB 69 Questionnaire regarding government combinations and disposals of government operations
- Each agency must disclose government combinations (in a supplementary note) in the period the combination occurs
- GASB 69 Questionnaire identifies the following types of government combinations and disposals of government operations:
 - Government mergers
 - Government acquisitions
 - Transfers of operations
 - Disposals of government operations
- GASB 69 Questionnaire is due on or before Sept. 1, 2016
- Disclosed in Note 28 — If your agency has governmental combinations related to deferred outflows of resources or deferred inflows of resources



GASB Questionnaires

GASB 70 — Nonexchange Financial Guarantees

- GASB 70 provides guidance on accounting and financial reporting on nonexchange financial guarantees
- Each agency is required to submit the GASB 70 questionnaire regarding nonexchange financial guarantees
- GASB 70 questionnaire identifies when a government has extended certain financial guarantees for obligations of another:
 - Agency
 - Government
 - Not-for-profit organizations
 - Private entity or individual
- GASB 70 Questionnaire is due on or before Sept. 1, 2016
- Guarantor does not receive equal or approximately equal value from the legally separate entity or individual in return for extending the financial guarantee
- Disclosed in Note 30 — All nonexchange financial guarantees



GASB Questionnaires

Due Dates

All simplified and full reporting agencies are required to complete and submit every GASB Questionnaire each fiscal year. All GASB questionnaires can be accessed as they become available from [Financial Reporting's page on FMX](#).

- Due Sept. 16, 2016 — **GASB 14/39 Component Unit Questionnaire**
- Due Sept. 1, 2016 — All **OTHER** GASB Questionnaires:
 - GASB 49 — Pollution Remediation Obligations Questionnaire
 - GASB 60 — Service Concession Arrangement Questionnaire
 - GASB 62 — Codification of Accounting and Financial Reporting Questionnaire
 - GASB 69 — Government Combinations and Disposals of Government Operations Questionnaire
 - GASB 70 — Nonexchange Financial Guarantees Questionnaire
 - GASB 77 — Tax Abatement Questionnaire





GASB Questionnaires Questions?



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

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(512) 475-5382

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





Coming up next...

Lease Note Submission System (LNSS) Update

Fiscal 2016 AFR Update

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LNSS Update

General Information

Purpose

- LNSS will replace the hard copy of Note 8 in future years
- LNSS provides additional information for the CAFR that is not available from USAS

Security

- USAS mainframe (RACF) access is required
- View if access was established on the USAS D53 screen
- Set up access early to avoid late certification



LNSS Update

Home Page

Required Data

- Select the **Fiscal Year**
- Select your **Agency**

Disclosure Items

- Governmental Activities
- Business-Type Activities
- Discrete Component Units

State of Texas — Annual Financial Reporting
Lease Note Submission System
(LNSS)

Home <<
Reports
GOVERNMENTAL ACTIVITIES
Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income
BUSINESS TYPE ACTIVITIES
Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income
DISCRETE COMPONENT UNITS
Capital Lease Debt Service
Capital Assets Under Lease

Home
[log out](#)
Selected Fiscal Year: 2015
2015

Selected Agency: 012

Agency: 012 - Texas State Affordable Housing Corporation
012 - Texas State Affordable Housing Corporation
013 - Correctional Managed Health Care Committee
014 - Texas A&M Research Foundation (Blended Component Unit)
016 - Texas Council on Alzheimer's Disease and Related Disorders
020 - OneStar National Service Commission
099 - Security Shell Agency - Central Use Only
101 - Senate
102 - House of Representatives
103 - Texas Legislative Council
104 - Legislative Budget Board
105 - Legislative Reference Library
107 - Commission on Uniform State Laws
111 - Legislative Property Tax Committee
115 - Texas Constitution Convention
116 - Sunset Advisory Commission
117 - Legislative Information System Committee
201 - Supreme Court
202 - State Bar of Texas
203 - Board of Law Examiners
211 - Court of Criminal Appeals



LNSS Update Home Page continued...

Data Input for Each Disclosure Item

- Capital Lease Debt Service
- Capital Assets Under Lease
- Operating Lease Payments
- Operating Lease Income

Home <<
Reports
GOVERNMENTAL ACTIVITIES
Capital Lease Debt Service
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Operating Lease Income
Fiduciary Funds
Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income



LNSS Update

Capital Lease Debt Service Disclosure

Enter the following information in LNSS:

- **Fund Type** — choose from drop down menu
- **GAAP Fund** — choose from drop down menu
- **Principal column** — enter principal payment amount
- **Interest column** — enter interest payment amount
- **Totals** — automatically calculates

Note: The above information can also be viewed from within the LTLN Web application.



LNSS Update

General Ledger Accounts

- Balances of **current** and **noncurrent liability** accounts tie to the ending balance of the capital lease obligations in Note 5.
- Current liability balance ties to the **Due in One Year** field in Note 5.

Governmental

- 1625 — CL Capital Lease Obligations
- 1715 – NC Capital Lease Obligations

Business Type/Discrete Component Units

- 1125 – CL Capital Lease Obligations
- 1215 – NC Capital Lease Obligations



LNSS Update

Capital Assets Under Lease Disclosures

Enter the following information in LNSS:

- **Assets by AFR Category** (column) — choose the applicable category from drop down menu.
- **Assets Under Capital Lease** (column) — enter the historical cost of the asset.
- **Accumulated Depreciation** (column) — enter the current balance of the asset's accumulated depreciation.



LNSS Update

Operating Lease Payment Disclosures

Enter the following information in LNSS:

- **Total Current Year Payments**
- **Total Contingent Rental Payments**
- **Future Minimum Lease Payments**



LNSS Update

Operating Lease Income Disclosures

Enter the following information in LNSS:

- **Total Current Year Income**
- **Total Contingent Rental Income**
- **Future Minimum Lease Income**



LNSS Update

Operating Lease Income Disclosures continued...

Enter additional necessary information for Operating Lease Income in LNSS:

- **General Leasing Arrangements**
- **Other**
- **Value of Lease Assets** — enter historical cost and accumulated depreciation.



LNSS Update **Reports**

The following reports are available for each activity type:

- **Capital Leases Report**

- Displays all asset categories for specific activity type
- Reports values at historical cost, accumulated depreciation and net book value

- **Capital Lease Debt Service Report**

- Displays all principal and interest payments for all activity types for current and future years

- **Operating Leases Payment Report**

- Displays current year and minimum future lease payments for all activity types



LNSS Update Reports continued...

- **Operating Leases Income Report**
 - Displays current year and minimum future lease income for all activity types
- **Other Text/General Leasing Arrangements Report**
 - Displays text entered for each disclosure. Also included at the end of all other reports.
- **Operating Leases Payments/Income Variance Reports**
 - PY column displays historical data
 - CY column displays minimum lease calculations (may not equal PY calculation)
 - Two sets of value – Variance and Variance %



LNSS Update Certification

State of Texas — Annual Financial Reporting
Lease Note Submission System (LNSS)

Home <<
Reports

GOVERNMENTAL ACTIVITIES

Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income

BUSINESS TYPE ACTIVITIES

Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income

DISCRETE COMPONENT UNITS

Capital Lease Debt Service
Capital Assets Under Lease
Operating Lease Payments
Operating Lease Income

Fiduciary Funds

Home
[log out](#)

Selected Fiscal Year: 2015
2015 [v] Reset Fiscal Year

Selected Agency: 012

Agency: 304 - Comptroller of Public Accounts [v] Go

- 227 - Court of Appeals - Seventh Court of Appeals District
- 228 - Court of Appeals - Eighth Court of Appeals District
- 229 - Court of Appeals - Ninth Court of Appeals District
- 230 - Court of Appeals - Tenth Court of Appeals District
- 231 - Court of Appeals - Eleventh Court of Appeals District
- 232 - Court of Appeals - Twelfth Court of Appeals District
- 233 - Court of Appeals - Thirteenth Court of Appeals District
- 234 - Court of Appeals - Fourteenth Court of Appeals District
- 241 - District Courts - Comptroller's Judiciary Section
- 242 - State Commission on Judicial Conduct
- 243 - State Law Library
- 300 - Governor - Fiscal
- 301 - Governor - Executive
- 302 - Attorney General
- 303 - Texas Facilities Commission
- 304 - Comptroller of Public Accounts**
- 305 - General Land Office
- 306 - Texas State Library and Archives Commission
- 307 - Secretary of State
- 308 - State Auditor

View Certification Status Certify Uncertify

1. Go to the **LNSS Home Page**.
2. Select the **Fiscal Year** from the drop-down menu.
3. Select your **Agency** from the drop-down menu.
4. Click **Certify**.



LNSS Update **Changes?**

- If you find that changes are necessary **AFTER** you have “certified” in LNSS, contact your financial reporting analyst.
- Make sure you contact your financial reporting analyst **BEFORE the LNSS certification deadline.**
- Your analyst will uncertify your agency’s submission so that you can:
 - Make the necessary adjustments
 - Recertify (**BEFORE the LNSS certification deadline**)





Reporting Requirements for Fiscal 2016
Annual Financial Reports
of State Agencies and Universities



LNSS Questions?



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

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





Coming up next...

Long-Term Liability Note (LTLN) Update

Fiscal 2016 AFR Update

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(512) 463-1983



LTLN Update

Highlights and Reminders

- Segregate into current portion (due in one year) and non-current portion (due beyond one year).
- Report transactions in long-term liabilities activity Note 5 table. Report both Current and Non-Current Balances.
- AFR note disclosure required for non-debt long-term liabilities.
- Submit GASB 49 Pollution Remediation Obligation Inventory template.
- Deadlines
 - ▶ 10/01 – Simplified Reporting Agencies Certification
 - ▶ 11/20 – Full Reporting Agencies Certification



LTLN Update

Categories

- Debt Related
 - Capital Lease Obligations
 - Notes and Loan Payables
 - General Obligation Bond Payable
 - Revenue Bond Payable

- Non-Debt Related
 - Claims and Judgments
 - Employees' Compensable Leave
 - Pollution Remediation Obligations
 - Liabilities Payable from Restricted Assets



LTLN Update

Bonds

- **Debt Related Items**

- Premiums, discounts netted against par value
- Gains/Losses on refundings reported as Deferred Inflows/Outflows
- Issuance costs are expensed in year of debt issuance

- **Amortization of Bond Related Items**

- Amortize items 5% or more of par value
- Straight-line, bonds outstanding or interest methods

- **Bond Sale Transactions — Governmental Funds**

- Use COBJ 3882 for Premiums/Discounts
- Use COBJ 7801 for Accrued Interest (reimbursement of expenditure)
Include bond sale transactions paid by third party (for example, underwriter's fee, rating agency fees, bond insurance, etc.)



LTLN Update

Commercial Paper

Qualifying commercial paper may be reported as Long-Term Liability ONLY if:

- Agency intends to refinance on a long-term basis
 - AND—
- Agency demonstrates the ability to consummate refinancing by:
 - Issuing long-term debt after fiscal year-end, but prior to publication of the [*State of Texas Comprehensive Annual Financial Report*](#) (CAFR)
 - OR—
 - Entering into a financing agreement that clearly permits the agency to refinance debt on a long-term basis on terms that are readily determinable



LTLN Update

Non Debt

Compensable Leave

- Use USPS 574 Report to record CY activity
- Beginning balances <> to PY ending balance — do not restate to the report's beginning balance
- Use the PY ending balance — adjust CY activity for difference (difference is due to methodology recalculation)

Claims & Judgments

Must tie to GLs (C/NC respectively):

- Governmental activities — GL 1530 & GL 1710
- Business-type activities — GL 1030 & GL 1210
- *Settlement and Judgment Processing Guidelines* (FPP E.041) provides:
 - Details of settlements and judgment guidelines
 - USAS coding
 - Other details



LTLN Update Non Debt continued...

Pollution Remediation Obligations

Annual inventory of ongoing pollution remediation projects and their related pollution remediation obligations must be submitted with the AFR package in accordance with the agency's AFR deadline.

- Must tie to GLs (C/NC respectively):
 - Governmental activities – GL 1532 & GL 1712
 - Business-type activities – GL 1032 & GL 1212



LTLN Update

LTLN Web Application

- Long Term Liabilities Note (LTLN) Web application captures non-text Note 5 disclosure information
- GL Balances are populated overnight by USAS
- Agencies can upload a text file for each disclosure
- LTLN is linked with:
 - Bond Reporting System (BRS) Web application
 - Lease Note Submission System (LNSS) Web application
- Establish security:
 - USAS mainframe (RACF) access required
 - Set up access early to avoid late certification
 - Verify access on the USAS D53 screen



LTLN Update

USAS Resources

- Use the **Bonds** tab on the AFR Reporting Requirements website.
- Use the following Templates to simplify the entry of long-term liability transactions (USAS).
 - **Bonds Payable Business Type Activities**
 - **Bonds Payable Governmental Activities**

To find these templates, click on [Working Papers](#) in the right-hand toolbox on the AFR website and scroll down to the **Long-Term Liability Basis Conversion and BTA Working Papers** section.



LTLN Update

Changes?

- If you find that changes are necessary **AFTER** you have “certified” in LTLN, contact your financial reporting analyst.
- Make sure you contact your financial reporting analyst **BEFORE** the LTLN certification deadline.
- Your analyst will uncertify your agency’s submission so that you can:
 - Make the necessary adjustments
 - Recertify (**BEFORE** the LTLN certification deadline)





Reporting Requirements for Fiscal 2016
Annual Financial Reports
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LTLN Questions?



If you have any questions,
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Or contact your [Financial Reporting Analyst](#).





Coming up next...

Restatement Notes Submission System (RNSS) Update

Fiscal 2016 AFR Update

Greg Reyes

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(512) 463-0545



RNSS Update

RNSS Highlights & Reminders

Agencies are required to submit the following through the RNSS Web application:

- Changes in accounting principle to comply with a new accounting principle
- Changes in financial reporting entity
- Change in the fund type
- Correction of an error in the financial statements of a prior period
- Mistakes in the application of accounting principles
- Oversight or misuse of facts that existed at the time the financial statements were prepared
- Change from an accounting principle that is not generally accepted to one that is generally accepted



RNSS Update

RNSS Web Application

Purpose

- Provides additional information not available from USAS
- Produces statewide reports and ensures uniformity of restatement disclosures used for CAFR purposes

Security

- Requires USAS Mainframe (RACF) access
- Set up access early to avoid late certification
- Verify proper access on the USAS D53 screen – RNSS

Deadlines

- Oct. 1 — Certification of all **Simplified Reporting Agencies**
- Nov. 20 — Certification of all **Full Reporting Agencies**



RNSS Update

Required Data

Home Screen

- Select the **Fiscal Year**
- Select your **Agency**

Disclosure Items

- Governmental Fund and Governmental Activities
- Business-Type Activities
- Fiduciary Funds
- Discrete Component Units



A screenshot of a software interface menu. The menu is dark blue with white text. It has a 'Home' button at the top, followed by 'Reports <<'. Below that is a section header 'RESTATEMENT ENTRIES' in bold. Underneath are five menu items: 'Governmental Funds and Governmental Activities', 'Business-Type Activities', 'Fiduciary Funds', and 'Component Units'.

Home
Reports <<
RESTATEMENT ENTRIES
Governmental Funds and Governmental Activities
Business-Type Activities
Fiduciary Funds
Component Units



RNSS Update Required Data continued...

- No Direct Data allowed except for descriptive text
- If a change needs to be made to the financial amount, it must be recorded in USAS first
- Each fund type has a required descriptive text box
- Upload a Word document
- Direct entry
- Screen format:
 - Fund Financial Statement format
 - Displays the major funds by fund type
 - Format used in the Comprehensive Annual Financial Report



RNSS Update

Certify

1. Go to the **RNSS Home** page.
2. Select the **Fiscal Year**.
3. Select your **Agency**.
4. Click **Certify**.

Changes

What if you have changes?

- If changes are necessary after you have certified, please contact your financial reporting analyst **before** the deadline — so they can uncertify your agency's submission.
- This will allow you to make changes in the RNSS Web application and **recertify before the deadline**.

State of Texas — Annual Financial Reporting
Restatements Note Submission System
(RNSS)

1. Home <<

2. Home

log out

Selected Fiscal Year: 2015

2015 Reset Fiscal Year

Selected Agency: 012

Agency

304 - Comptroller of Public Accounts
242 - State Commission on Judicial Conduct
243 - State Law Library
300 - Governor - Fiscal
301 - Governor - Executive
302 - Attorney General
303 - Texas Facilities Commission
304 - Comptroller of Public Accounts
305 - General Land Office
306 - Texas State Library and Archives Commission
307 - Secretary of State
308 - State Auditor
309 - Building Commission
311 - Comptroller - Treasury Fiscal
312 - State Securities Board
313 - Department of Information Resources
314 - Board of Managers of the Texas State Railroad
315 - Comptroller - Prepaid Higher Education Tuition Board
316 - Board of County and District Road Indebtedness
319 - Governor's Coordinating Office for the Visually Handicapped
320 - Texas Workforce Commission

View Certification Status Certify Uncertify





Reporting Requirements for Fiscal 2016
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RNSS Questions?



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Coming up next...

Helpful AFR Tips

Fiscal 2016 AFR Update

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Helpful AFR Tips

- Do not make changes to the appropriated fund field on the **D23 Fund Profile** after transactions have posted.
- Do not delete **D23 funds**.
- Verify that your interagency activity does not contain any **No Posts**. However, Interfund Receivable/Payable may have a **No Post**.
- Work with pass-through agencies and get confirmations early.
- System clearing needs to be **\$0 at the D23 fund level** by COB on Nov. 20, 2016.
- **Restatements** — Used only to correct a balance sheet GL account. Do not use to correct operating statement activity for the CY or PY. Use Restatements to:
 - Change the beginning balance to the PY CAFR ending balance.
 - Correct the beginning balance for activity not previously accounted for.
- Error correction T-codes:
 - Use TC 407/408 prior to Aug. 31, 2016.
 - Use TC 468/467 after Aug. 31, 2016



Helpful AFR Tips continued

- Use the following reports to assist you with the AFR process:
 - AFR Desk Review (DR reports) – available in SIRS
 - CR Reports (Transmitted daily from Sept to Nov)
 - GR Reports (Transmitted daily from Sept to Nov)
- Submit each AFR Note on a separate Word document (and attach to email sent to frs@cpa.texas.gov)
- Establish the correct access to all of the AFR Web applications well before the certification deadline.
 - Certification is required on all AFR Web applications. (possible exception: SEFA)
 - Ensure that the Web application amounts reconcile to your USAS amounts and your AFR before you certify.





Reporting Requirements for Fiscal 2016
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Helpful AFR Tips Questions?



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Coming up next...

Q&A and Closing Remarks

Fiscal 2016 AFR Update

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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 instructions. Please complete the online evaluation form for today's webinar.





Reporting Requirements for Fiscal 2016
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