

FY2017 State Reporting Packets

May 1, 2017

Training Goal for Today

If you can't
convince
them, confuse
them. *~Harry S Truman*

PicsMeme.com

Additional Training Goals

- ▶ Provide highlights of each year end closing packet.
- ▶ Highlight areas within the closing packets that cause questions or potential audit findings.
- ▶ Show the relationship between the closing packets and information reported within the Statewide Comprehensive Annual Financial Report (CAFR).

FY17 Agency Year End Reporting Packet Update

General Information

Highlights:

- ▶ Signature pages remain within the individual packets BUT this is the ONLY form from the packet that is submitted in PDF format. The packet will still be submitted in the excel format.
- ▶ Each packet is required to have the reviewer's checklist completed and submitted as part of the agency submission.
- ▶ All year end reporting packets are submitted to CAFR@cg.sc.gov .
- ▶ The website for year end packets, year end packet samples and the policy and procedure manual is:

<http://www.cg.sc.gov/guidanceandformsforstateagencies/Pages/agenciesthatsubmitpackages.aspx>

FY17 Agency Year End Reporting Packet Update

2.0 Master Reporting Package

Due 7/07/2017

Purpose: To assist agencies with determining which reporting packages to complete and provide the Comptroller General's Office with a summary of reporting packages to be completed by each agency.

Highlights:

- ▶ Signature page worksheet should be completed first. Agency name and number will flow to other worksheets.
- ▶ Email completed file to CAFR@cg.sc.gov along with an scanned copy of the signed Signature Page.
- ▶ Answer questions in worksheet 2.0.1.
- ▶ Required package provides a summary of the packages that are required based on the answers from worksheet 2.0.1.
- ▶ Resources worksheet provides due dates, contact person, SCEIS report (if applicable), and date report will be sent.

FY17 Agency Year End Reporting Packet Update

3.01 Cash and Investments

Due 7/21/2017

Purpose: To report year ending cash and investment balances for accounts managed directly by the agencies.

Highlights:

- ▶ Report and reconciliation of outstanding balances for Petty Cash, Cash held in banks and Investments.
- ▶ A report detailing your agency's Petty Cash, Cash and Investments by fund in SCEIS will be sent to your GAAP contact via a secure email around July 14.
- ▶ Cash and investments are reported in the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 78.

FY17 Agency Year End Reporting Packet Update

3.10 Loan Receivables

Due 7/21/2017

Purpose: To report year end balances of outstanding loan receivables, cash flows and the terms for the repayment for the loans.

Highlights:

- ▶ Report gross receivables, allowance, increases, decreases and current net receivable for each loan and fund number combination.
- ▶ Receivables are reported in the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 98.

FY17 Agency Year End Reporting Packet Update

3.02 Tax Revenues

Due 8/11/2017

Purpose: To report year ending tax revenue receivable and payable balances in accordance with GAAP.

Highlights:

- ▶ Report gross receivables, allowance and current net receivable for each tax type and fund number combination.
- ▶ Choose tax type from drop down list.
- ▶ Status column on Form 3.02.1 will indicate when all relevant information has been entered for each tax type.
- ▶ Receivables are reported in the statements and notes. Short-term payables are only reported in the statements.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 98.

FY17 Agency Year End Reporting Packet Update

3.20 Fund Balance

Due 8/25/2017

Purpose: To classify fund balance.

Highlights:

- ▶ This packet is sent out as a pre-populated packet with the funds and classifications from the prior year. Each agency needs to confirm all funds with an ending fund balance are listed and the classification. If the classification changes then provide the new classification and complete 3.20.2 to explain why the change in classification. 3.20.2 is also needed for any new funds established during the fiscal year.
- ▶ The following are the classifications and definitions of fund balance:

Restricted – the net residual of revenue resources for which constraint is established by external parties or by constitution or state statute **AND** the revenue source was established as unique and specific within the Act that constrains its use.

Committed – the net residual of revenue resources for which constraint is established by constitution or state statute and action taken **PRIOR TO** June 30 to commit these revenues.

Assigned – the net residual of revenue resources for which constraint on use is budgetary in nature or established by regulatory or agency policy and action taken **AFTER** June 30 to assign these revenues.

Non-spendable – the portion of fund balance which cannot be easily liquidated or available for expenditure.

Unassigned – the net residual of revenue resources for which no constraint of use exists.

FY17 Agency Year End Reporting Packet Update

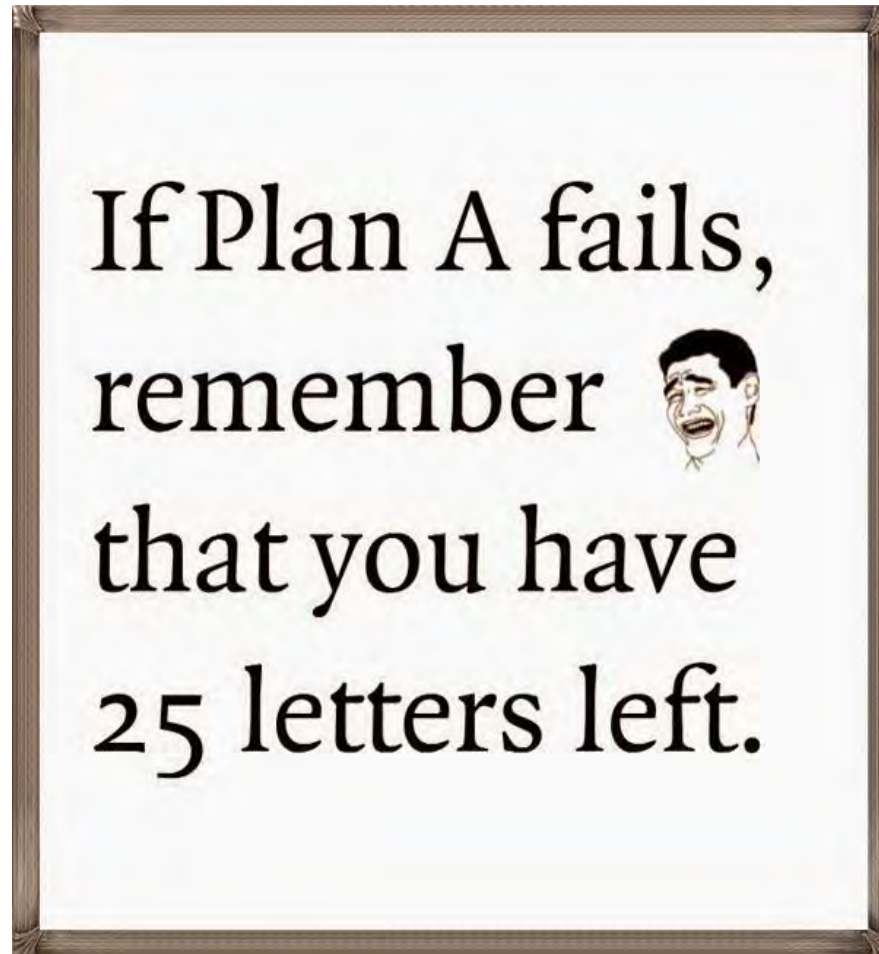
3.20 Fund Balance (continued)

Due 8/25/2017

Highlights:

- ▶ Fund balance is reported within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 42 and 126.

Looking on the bright side



FY17 Agency Year End Reporting Packet Update

3.14 Disallowances and Penalties

Due 7/21/2017

Purpose: GAAP requires the reporting of liabilities arising from disallowances and penalties.

Highlights:

- ▶ The State has a liability if it agreed before year-end to make payments or accept reduced revenues after year-end.
- ▶ Disallowances and penalties are recorded within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 124.

FY17 Agency Year End Reporting Packet Update

3.06 Inventory

Due 8/11/2017

Purpose: The reporting package provides a means to adjust what is recorded in SCEIS as inventory to actual inventory.

Highlights:

- ▶ The SCEIS Yearend Rptg – Inventory report will be e-mailed to the GAAP contact(s) for your agency in early August. The report is based on what is recorded in SCEIS for your agency and will be reported in the CAFR as inventory if no adjustments are made on the reporting package.
- ▶ Inventory is reported within the statements only.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38.

FY17 Agency Year End Reporting Packet Update

3.05 Unearned Revenue

Due 8/25/2017

Purpose: The reporting package provides a means to report any unearned revenue associated with the charges for services provided by the agency.

Highlights:

- ▶ Report amounts received from outside entities and entities within the State's reporting entity prior to the earnings process.
- ▶ Unearned Revenue: A liability representing an amount collected in advance of the earnings process.
- ▶ Unearned revenue is reported within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 99.

FY17 Agency Year End Reporting Packet Update

3.07 Prepaid Expenses

Due 8/25/2017

Purpose: The form reports the summarized prepaid expenses by Fund and General Ledger account.

Highlights:

- ▶ Agencies should not report a prepaid expense if 12 months of expenditures have already been recorded in the current year for recurring items that have been in existence. If the prepaid expense relates to an item that has not existed in prior years or covers more than 12 months then the agency should report the prepaid expense.
- ▶ Agencies may exclude everything individually under \$10,000 up to \$100,000 in aggregate from this reporting package (i.e., small items do not need to be reported as long as the total amount of items excluded does not exceed \$100,000 for your agency). Report any items individually over \$10,000 and if necessary, smaller items so that the total amount of items excluded does not exceed \$100,000 for your agency.

FY16 Agency Year End Reporting Packet Update

3.07 Prepaid Expenses (Continued)

Due 8/25/2017

Highlights (Continued):

- ▶ Report amounts paid to outside entities and entities within the State's reporting entity prior to the receipt of the goods or services.
- ▶ SCEIS will provide a Yearend Rptg – Prepaid Expenditures report in mid-August based on the header text; actual prepaid expenses should be reported on this package regardless of what appears on the report.
- ▶ Key Terms:
 - Current Prepaid Expense: The portion that is expected to be used by June 30, 2018.
 - Non-Current Prepaid Expense: The portion with an expected usage period extending beyond one year (after June 30 2018).
- ▶ Prepaid expenses are reported within the statements only.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38.

Smile!



FY17 Agency Year End Reporting Packet Update

3.13 Litigation

Due 7/21/2017

Purpose: To report potential financial gains or losses to the state resulting from litigation.

Highlights:

- ▶ The reporting threshold remains at a meet or exceed a \$1,000,000 gain or loss to the state.
- ▶ For subsequent events reporting, the CG's office will accept a letter from the agency attorney or paralegal most familiar with the cases as an update instead of a full litigation packet being resubmitted.
- ▶ Litigation can be reported within the statements if there is a settlement that results in monies being received in future fiscal years or monies being paid in future fiscal years. Otherwise, it is just a note disclosure.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 135.

FY17 Agency Year End Reporting Packet Update

3.16 Miscellaneous Loss Liabilities and Commitments

Due 8/11/2017

Purpose: GAAP requires that a liability be reported for all known losses and to disclose within the notes significant commitments.

Highlights:

- ▶ Significant commitments are typically those relating to grants that are issued by the state to other entities or other financial assistance the state has committed to providing to non-state entities.
- ▶ Significant commitments are reported as a note disclosure.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 136 and 137.

FY17 Agency Year End Reporting Packet Update

3.09 Operating Leases

Due 8/25/2017

Purpose: To report lease activity and future lease obligations of the state.

Highlights:

- ▶ Reminder to start this reporting packet with the balance on the report that is provided to your agency.
- ▶ Contingent rentals are defined as rentals being billed related to usage. For example: ABC Company billing for copier usage based upon number of copies or XYZ Rentals billing for use of a backhoe based upon hours utilized.
- ▶ The amount reported as Contingent Rentals in Section I must be detailed in Section II by vendor.
- ▶ Required minimum lease payments relate to leases that extend more than one year and require future years payments.
- ▶ Please make sure that the dates entered on tab 3.09.1a have the correlated future lease payments listed under the appropriate years. **New this year is a column titled “is lease prepaid”. Please select yes or no. This will help in explaining why the fiscal year term and fiscal year future payments don’t match.**
- ▶ Operating leases are reported as a note disclosure.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 117 and 118.

FY17 Agency Year End Reporting Packet Update

3.03 Grants and Contribution Revenues

Due 9/8/2017

Purpose: To report Grant/Contribution Receivables or Deferred Revenues balances at 6/30/xx.

Highlights:

- ▶ For each grantor's award number there should only be one line– resulting in either a receivable or deferred revenue. **Note: that if a grant has multiple years make sure that if a deferred revenue and a receivable are reported for each separate grant year that they are accurate and can be supported as such.**
- ▶ If the grant has a beginning & ending fund balance with NO current year activity, the balance **must be explained** on the bottom of the reporting form.
- ▶ Other Accrual Adjustments must be explained on the bottom of the packet.
- ▶ Tab 3.03.2 calculates the receivable or deferred revenue once the fund is entered. The worksheet is designed to place the receivable amount in the non-current column, please place amount in the current column that relates to the amount to be collected within the next 12 months. The non-current balance will adjust accordingly. **New this year is a column totaling the accounts payable activity from 3.03.1, this will automatically populate when the fund is entered.**
- ▶ Grant receivables and deferred revenues are reported within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38, 98 and 99.

FY17 Agency Year End Reporting Packet Update

3.08 Capital Assets

Due 9/15/2017

Purpose: To capture and report capital asset activity that is not reported within SCEIS or to record adjustments to SCEIS balances for specific situations.

Highlights:

- ▶ A physical inventory of capital assets should be performed annually.
- ▶ Remember to review projects to determine if they should be capitalized at year end because they are substantially complete.
- ▶ Substantially complete is defined as the project is sufficiently complete to allow for use or occupancy for its intended use without undue interference. “Punch list items” or small components may still need to be completed but the use of the asset is permitted.
- ▶ Review for impairment of assets.
- ▶ An impairment is defined as an asset experiencing a significant or unexpected decline in the service life and the events or circumstances causing the decline are outside the normal life cycle.
- ▶ Capital assets are reported within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 100.

Matter of Perspective

I'm going to
stand outside.
So if anyone asks,
I am outstanding.

www.funnylifequotescollection.com

FY17 Agency Year End Reporting Packet Update

2.10 Subsequent Events

Due 10/23/2017

Purpose: To report any additional activity that occurred after the various year end packet were submitted and related to the current reporting year.

Highlights:

- ▶ Any activity that has occurred since the various year end reporting packets had been submitted and expected through report issuance (typically late November).

Problem Solving Advice from an Accountant



FY17 Agency Year End Reporting Packet Update

3.17 Other Payroll Liabilities

Great News!!!!!!!!!!!!

This packet has been removed.

Highlights:

- ▶ Information previously obtained through this packet is now able to be handled through analysis at the CG's office and additional subsequent events questions.
- ▶ The SCEIS reports will still be emailed out to your GAAP contacts and you still need to maintain your accrued compensated absences reporting for internal auditing purposes.

FY17 Agency Year End Reporting Packet Update

3.12 Claims

Due 8/11/2017

Purpose: GAAP requires that a liability be reported for estimated future costs.

Highlights:

- ▶ In the past several years the claims reporting package has only applied to the Second Injury Fund. Please call David Starkey at 803-734-2542 if you have any questions about this reporting package.

FY17 Agency Year End Reporting Packet Update

3.04 Other Receivables

Due 8/11/2017

Purpose: The accrual reporting (whether modified or full) required by GAAP includes the reporting of accounts receivable, net of related allowance for uncollectible amounts.

Highlights:

- ▶ The report is based on what is recorded in account 1300010000 for your agency and will be reported in the CAFR as current net receivables if no adjustments are made on the reporting package.
- ▶ Report interfund receivables individually under \$100,000 if they are not already in SCEIS. Do not report amounts in account 1300020000 (ACCTS RECEIV – IDT) on any package. These amounts will be reclassified by the CG’s office as part of the interfund procedures.

FY17 Agency Year End Reporting Packet Update

3.04 Other Receivables (Continued)

Due 8/11/2017

Highlights (Continued):

- ▶ Do not report interfund receivables individually over \$100,000 on this package, they will be reported on the interfund package (3.18).
- ▶ College and university receivables individually over \$100,000 should be listed under the “subtract” section since they should not be reported on this package (except those in account 1300020000).
- ▶ Key Terms:
 - Interfund Receivable: Amounts due from other entities within the State's Reporting entity or other funds within your agency. See Appendix D of the Reporting Policies and Procedures Manual for a list of entities within the State's reporting entity.
 - Current Receivable: The portion that is expected to be collected by June 30, 2018.
 - Net Receivable: An amount owed to the State less the allowance for uncollectible accounts.
 - Allowance For Uncollectible Accounts: An estimated amount for which collection is not expected, questionable, or the probability of collection is uncertain. The estimate should be developed through a systematic evaluation that is well documented.
- ▶ Other receivables are reported within the statements and notes.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38 and 98.

FY17 Agency Year End Reporting Packet Update

3.12 Accounts Payable

Due 9/8/2017

Purpose: The package is needed to collect the information on payables (amounts related to goods or services received prior to June 30 that were not paid with that year's funds). A/P processing continues past June 30 so a payable does not exist if amounts due as of June 30 were paid with that year's funds i.e. paid during extended period 12 or period 13.

Highlights:

- ▶ Report payables due to outside entities
- ▶ Report interfund payables individually under \$100,000
- ▶ Report interfund payables individually over \$100,000 on the interfund package (3.18)
- ▶ Two Prior Year Payables reports for this reporting package:
 - Payments made in July and August (periods 1 and 2)
 - Payments made in until the report is created in September (period 3-to-date)

FY17 Agency Year End Reporting Packet Update

3.12 Accounts Payable (Continued)

Due 9/8/2017

Highlights (Continued):

- ▶ The Prior Year Payables reports provided for this reporting package are separate from the Inter-Agency Prior Year Payables report that is provided for package 3.18 (Interfund Payables).
- ▶ College and university payables are considered interfund payables but are processed in SCEIS in the same manner as outside entities and will appear on the reports provided for this package.
- ▶ Actual payables should be reported on this closing package regardless of what appears on the Prior Year Payables reports.
- ▶ The classification threshold allows agencies to classify any payable individually under \$10,000 as a vendor payable.
- ▶ All payables need to be reported but only those payables individually over \$10,000 must be separated into the other categories
- ▶ Accounts payable are reported within the statements only.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 38.

FY17 Agency Year End Reporting Packet Update

3.18 Interfund Payables and Receivables

Due 8/25/2017

Purpose: GAAP requires the recognition of amounts owed from one agency to another and from one fund to another.

Highlights:

- ▶ Only report interfund payables and receivables over \$100,000 INDIVIDUALLY.
 - For example: 2 receivables of \$75,000 and \$25,000 totaling \$100,000 would not be considered for this reporting package.
- ▶ Please include the fund and account that your agency will use to pay or to receipt the monies and the fund and account the other agency will use to pay or to receipt their monies.
- ▶ Please consider individual interfund payables and interfund receivables under \$100,000 as payables or receivables from outside (non-State) parties.
- ▶ [E:\CAFR – FY 2016 – Final.pdf](#) pages 131 and 134.

Final Thought



FY17 Agency Year End Reporting Packet Update

CG's CAFR Team Contact Information

- ▶ John Morrison– jmorrison@cg.sc.gov – 803-734-5043
- ▶ Laura Showe– lshowe@cg.sc.gov –803-734-4178
- ▶ David Starkey– dstarkey@cg.sc.gov – 803-734-2542
- ▶ Year end packet submissions – CAFR@cg.sc.gov