

Statewide Accounting & Reporting

2014 CAFR / BCR

2014 Outlook

- BCR issues during FY2013
- CAFR Forms
- Other Items Noted

BCR Issues During FY2013

BCR Issues

- Entries posted to fund balance accounts after tied in (especially during 998)
- Post Closing Adjustments (PCA) form does not match BCR form
- Rounding
- Insufficient documentation of reserves
- Late budget amendments

Tie in Beginning Fund Balance

- During the early part of the calendar year, your SAO trial balance preparer has sent each agency a beginning fund balance reconciliation.



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Tie in Beginning Fund Balance

- The beginning fund balance is tied to the BCR by program and 5-digit funding source.
 - That includes PCAs and Audit adjustments.
- A GL080 Query is run within TeamWorks/PeopleSoft to determine amounts posted to fund balance since beginning of the fiscal year.
- SAO reviews accounts 337xxx, 390001, 390104, and 492xxx.

Tie in Beginning Fund Balance

Accounts are reviewed and reconciled by program and funding source

- 337xxx – Other Reserves
 - Balance should be zero once carry-over for the next fiscal year has been moved to account 492xxx
- 390001 – Unreserved – Undesignated – Beginning Fund Balance
 - Balance should equal surplus as reported in the prior year BCR
- 390104 – Adjustments to Fund Balance – Surplus Returned to OST
 - Amount should equal (in opposite direction) the amount in beginning fund balance - surplus (A/C 390001)
- 492xxx – Carry-over/Transfers from Reserves
 - Balance should equal reserves reported in the prior year BCR

Tie in Beginning Fund Balance

- Beginning Fund Balance is vital to the BCR



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Entries Posted to Fund Balance Accounts After Being Tied In to the PY BCR

- Once Beginning Fund Balance is tied in, NO entries should be posted to any of those accounts at any point during the year, except for account 337xxx, which establishes Current Fiscal Year reserves. Offset to reserve establishment is 390110.
- Any entries posted to account 390001, 390104, or 492xxx will cause beginning fund balance to no longer tie to the prior year BCR.

PCA Form does not match BCR Form

- SAO has noticed that at times agencies have submitted the Post Closing Adjustment Form not being in sync with the Fund Balance Appropriated Form.
- An example would be if the PCA increases Revenues and an offsetting A/R account, but the Fund Balance Appropriated form shows a no effect on ending fund balance.

Rounding

- SAO has dealt with the issue of rounding for years.
- TeamWorks/PeopleSoft rounds to the third decimal.
- It is unfortunate problem stemming from the accounting system.

Insufficient Documentation of Reserves

- Within the Fund Balance Appropriated Form, Section 5 requests additional information about any reserves proposed by the agencies
 - Reserve Description
 - Enabling Legislation



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Insufficient Documentation of Reserves

- Not only is this information used for the BCR, we use this information for GAAP classification for the General Fund.
 - Nonspendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned

	General Fund
Fund Balances:	
Nonspendable	56,937
Restricted	3,177,010
Unrestricted	
Committed	4,954
Assigned	365,985
Unassigned	798,630
Total Fund Balances	4,403,516
Total Liabilities and Fund Balances	\$ 8,450,418

Non-Compliance with Budget

- Be certain to review final budget amounts in BudgetNet for Federal and Other funding sources to ensure budgetary compliance by funding source within program

CAFR Forms

CAFR Forms

- Lease Agreement Data
- Capital Assets
- Cash and Deposits
- Due To/Due From
- Classification of Revenues
- Fund Balance Non-Appropriated

Leases

- Some of the issues we are noticing with the Lease Agreement Form
 - Not all leases are reported on the form
 - DOAA performs audit testing and notices that there are additional leases not reported within CAFR
 - Incorrect payment frequency
 - Lease payments are made monthly but on the form “annually” was chosen



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Capital Assets

- Some common things noted during the review of the capital asset forms.
 - Descriptions of Adjustments
 - Transfers

Capital Assets

- Within the Capital Asset Form, there are columns that require additional information.
 - Adjustments to Beginning Balances
 - Adjustments to Current Additions/Deletions
 - GSFIC Transfer to Agency
 - Donations
 - Transfers In/Out



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Capital Assets

- We require additional disclosures on these adjustments to post those adjustments within our CAFR reporting system
- The primary section where there are inconsistencies is Transfers In/Out

Capital Assets

- Transfers between agencies should be recorded at the same amounts at both agencies
 - Including Accumulated Depreciation
- We have noted on various occasions where one agency reports for example \$10,000 in capital assets and \$3,000 in depreciation, while the second agency is reporting \$8,000 in capital assets and \$2,000 in depreciation.

Capital Assets

- Please refer to the Transfer of Capital Assets Policy at our website
- <http://sao.georgia.gov/accounting-policy-manual>

Cash

- The primary item noted within the Cash and Deposits Form is the collateralization

Inter Organization Form

- The form is designed to collect information on outstanding balances between organizations in the State Reporting Entity

Inter Organization Form

- Amounts reported on this form should match the amounts reported at the corresponding agency, i.e. Agency A is showing a Due From Agency B equaling \$50,000. There should be a Due To Agency A recorded at Agency B for \$50,000
 - To ensure completeness, reach out to the other agency and verify the amounts they are reporting

Inter Organization Form

- Additionally, the amount reported as Due To/Due From does not tie to the amounts reported per general ledger
 - SAO understands there are timing differences at times between when invoices were made and received.



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Classification of Revenues

- Generally, most agencies' revenues should be classified as program revenues.

Revenue Source	Revenue Type
Those who purchase, use, or directly benefit from the program's goods or services	Always program revenues
Parties outside the reporting government's citizens as a whole (includes other governments and nongovernmental entities or individuals)	Program revenues if restricted to a specific program; general revenues if unrestricted
All the reporting government's taxpayers	Always general revenues , even if restricted to a specific program
The governmental entity itself (for example, through investing)	General revenues , when the Treasury invests on behalf of the State; program revenues , when investment income is restricted to the program for which the funds are invested



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Fund Balance Non-Appropriated Form

- This form is designed primarily to accommodate non-statutory basis reporting. The SAO TeamWorks accounting system allows for direct posting of transactions to fund balance/net position accounts (account range 3xxxxx).
- The transactions posted to these accounts should be adjustments of items related to prior fiscal years.

Fund Balance Non-Appropriated Form

- The form provides for the reclassification of transactions posted to fund balance/net position account to current year CAFR revenue and/or expenditures/expense accounts.
- Additionally, it provides for identification of ending fund balance/net position as required by GAAP.

Fund Balance Non-Appropriated Form

- The form should be used for any activity in:
 - Capital Project Funds
 - That are not included in the Budget Fund for BCR reporting
 - Trust Funds
 - Component Unit Activity

Fund Balance Non-Appropriated Form

- The form should NOT be used for any activity in fund balance / net position accounts that relate to the following fund types:
 - Budget Fund
 - State Revenue Collections Fund
 - Agency Funds

Fund Balance Non-Appropriated Form

- Each TeamWorks agency should be submitting the form.
 - If the form does not apply to your agency, the form must be returned indicating Not Applicable within Section B of the “Calculation of FB Txn” tab
 - Or use the Not Applicable Form
- If the form applies to your agency
 - Ensure “Identification of FB Txn” tab is completed
 - This section indicates how SAO should reclass the adjustments into current year revenues and/or expenditures/expenses



Other Items Noted

Other Items Noted

- Clearing Account
 - Must be zero **by fund type** by end of year
- Revenue Collections
 - Should be on Cash Basis
 - Cash, Revenues, Transfers, possibly Fund Balance
 - NOT Accounts Receivables
 - NOT Accounts Payables
 - NOT Deferred Revenues
 - Transfers out should tie to amounts confirmed with OST prior to year-end close

Other Items Noted

- Agency Funds
 - Need to show true additions and deletions
 - SAO has noted instances where the additions/deletions are the net change between beginning balances and ending balances
- Governance List
 - Account Payable 200011 should be zero in General Ledger until year end when PO module closes to GL
 - In Period 1 Manual JVs should be reversed and adjustments should be made through PO module

Other Items Noted

- Governance List (continued)
 - Funds and Funding Source are not consistent with policy
 - Examples:
 - Funding Sources that start with 06 should be used for 6xxxx funds only (Agency Funds).
 - Funds that start with 6xxxxx should only be used with funding sources that start with 06.
 - Funding Sources that start with 07 should be used for 10200 funds only (Revenue Collections Fund).
 - The 10200 Fund should only have Funding Sources that start with 07
 - See Funding Source Policy at our website:
 - <http://sao.georgia.gov/accounting-policy-manual>



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Other Items Noted

- Inappropriate balances on Capital Projects Fund (CPF) trial balances & Reconciliation to GSFIC Transfers
 - Due To/Due From accounts should only include activity pertaining to capital projects, not general fund
 - Transfers to/from GSFIC do not match
 - SAO understands there are instances for timing differences for transfers
 - Transfers should only be with GSFIC

Questions ?