



Fiscal Year-End Update June 2019

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Quote

How did it get so late so soon?

- Dr. Suess

What the.....

Is that.....

Can't be.....

It is.....

Year-end!



Today's Agenda

- Closing calendar for FY 19
- State Year-end Update
 - New GASB Standards
 - To do's & reminders
 - GL Reconciliations
 - Disclosure form changes
 - Certifications
- Training & Resources

FY 2019 CAFR

- We issued our FY 2018 CAFR on November 21, 2018.
- We appreciate the time and effort of our state's fiscal staff at all agencies and the SAO CAFR audit team for helping us meet our CAFR timeline.
- What's the goal for FY 2019?

Do you feel like this?



Key dates for FY19 closing

- **June 28** – Cash cutoff
- **July 15** – Disclosure forms open
- **July 19** – Interagency billings mailed
- **July 31** – Phase 1 cutoff – accruals
- **August 16** –Phase 1B – early state disclosure forms, interagency receivables/payables, *miscellaneous disclosures form*, and pollution remediation site status report due
- **August 30** – Phase 2 close – agency adjustments complete, remaining state and federal disclosure forms due
- **September 11** – State certification form due
- **February 28, 2020**– Federal certification form due



**STRESSED?
I'M NOT STRESSED**

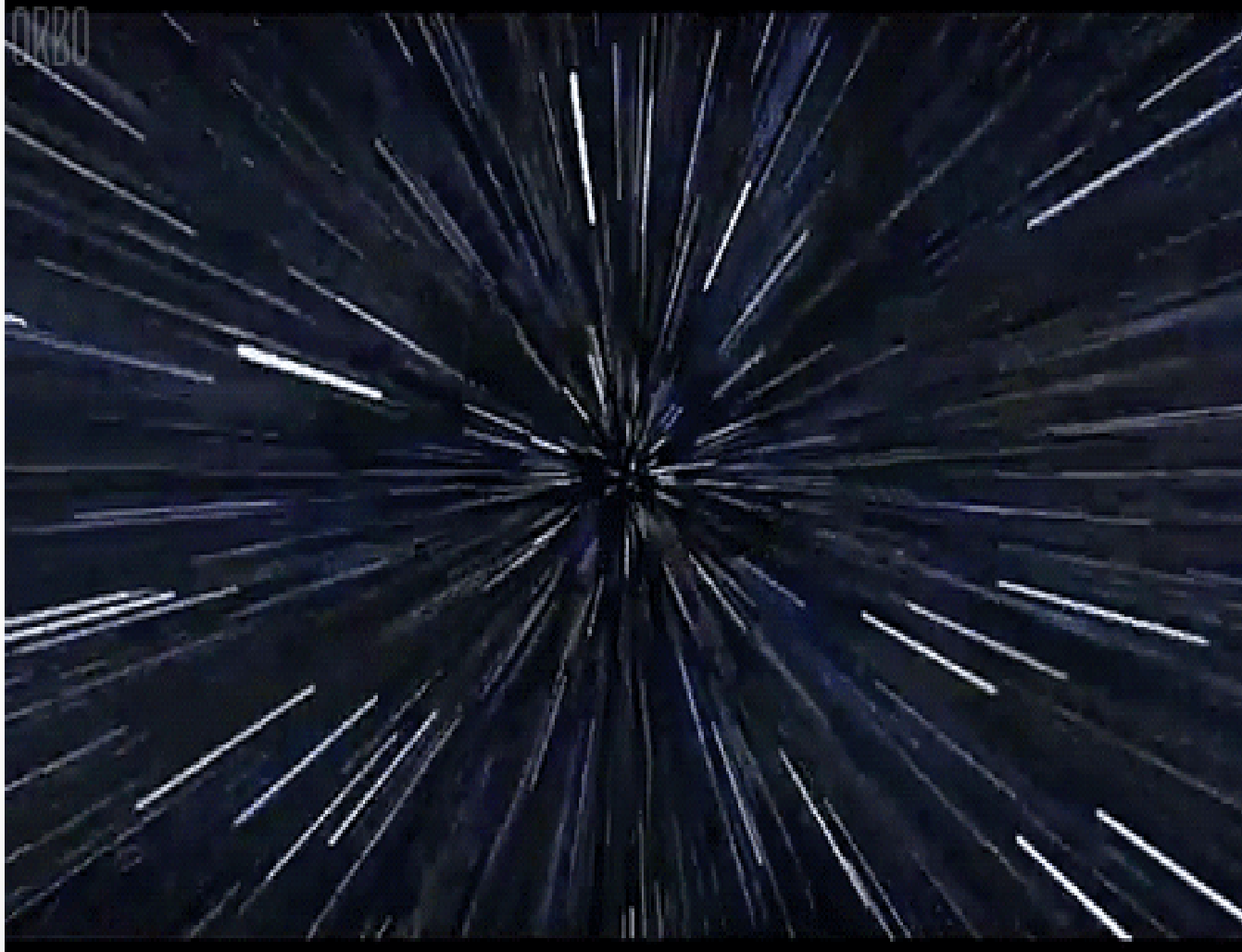
THIS IS MY "YEAR-END" FACE!

What happens after Phase 2 close.....

- OFM Statewide Accounting analyzes AFRS data and disclosure forms
 - These activities often result in questions to the agencies so someone needs to be available to answer them.
 - No agency entries unless requested and/or approved by OFM.
- SAO audits the accounting data and the state's CAFR.
 - If you (or your auditor) find a material adjustment or error after Phase 2 close, contact us immediately!

Governmental Accounting Standards Board (GASB) Statements

GASB Statements and Projects



GASB Statements and Projects



GASB

Implementing GAAP

- New in FY19
 - GASB Stmt. 83 – Certain Asset Retirement Obligations.
 - GASB Stmt. 88- Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.

Implementing GAAP

- GASB 84 – Fiduciary Activities
 - Implementation FY 2020
- GASB 90 – Majority Equity Interests
 - Implementation FY 2020
- GASB 87 – Leases
 - Implementation FY 2021
- GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period
 - Implementation FY 2021

Implementing GAAP

- Subscription-Based Information Technology Arrangements
 - Planned Implementation FY 2022
- Major Projects - www.GASB.org
 - Revenue and expense recognition
 - Financial reporting model
 - Disclosure Framework

SAAM Update June 1

- No significant changes to Chapter 75.

Administering Agency Responsibilities



- Administering agencies provide general oversight of financial accounting records at the Account level
- Monitoring cash
- Investigate unusual activity and/or GL balances
- Alert OFM Budget and SWA about fund balance or cash issues

To Do's & Reminders



To Do's & Reminders

- Watch your spending - no overspent appropriations
- Record revenues and expenditures in correct fiscal year
- Interagency billings
 - Mailed out by July 19th
 - Estimates or actual
 - Communicate, communicate, communicate

To Do's & Reminders

- Due to/Due from's
 - Most last year balances should be liquidated by now
 - Priority should be given to interagency receivables and payables – **DEADLINE Phase 1B 8/16/19**
- Liquidate over-accrued payables
 - Before Phase 2 close – adjust accrual
 - After Phase 2 close – immaterial prior period adjustment
 - If under-accrued payable – belated claim

To Do's & Reminders

- Pollution remediation site status report **DEADLINE Phase 1B – 8/16/19**
- Adhere to the OST cash cutoff memo
- Receipt goods and services by 6/30
- Complete physical inventories

To Do's & Reminders

- Clear In-Process (71xx) and Error reports
- Clear GL 9920
- Clear revenue sources 09xx
- Clear Account 01P Suspense

To Do's & Reminders

- Run ER exception reports and clear all variances, such as:
 - Transfers
 - Assets with credit balances
 - Liabilities with debit balances
 - GLs with unchanged balances
 - Interfund/Interagency balances
- Record compensated absences

To Do's & Reminders

- Capital assets
 - Record depreciation/accumulated depreciation
 - Use the correct trans code
 - Reconcile capital asset GLs to capital asset system
 - Review GL 2510 Construction in progress, and if complete, reclassify to appropriate capital asset GL
 - Use capitalization thresholds in SAAM 30.20.20
 - Enter in CAMS or agency capital asset system

Unearned and unavailable revenues

- Unearned revenue GL Codes 5190/5290
 - Liability
 - Cash has been received, but the revenue has not yet been earned
 - Governmental & Proprietary fund type accounts
- Unavailable revenue GL Codes 5192/5292
 - Deferred inflow of resources
 - Applies to a future period so revenue will not be recognized until that time.
 - Governmental fund type accounts only

Review your subobject codes

- Certain subobject codes are only to be used for interagency payments
- Do not use these codes for payments to outside vendors

	Subobject Title	Pay to:
EK	Facilities & Services	DES
EL	Data Processing Services	CTS, DES, OFM
EM	Attorney General Services	ATG
EN	Personnel Services	DES, OFM
ET	Audit Services	SAO
EV	Admin Hearing Services	OAH
EW	Archives & Records Mgt Services	Sec of State

Transfers

- Be sure to use the correct Trans Code so that transfer amounts show up correctly as debits or credits in AFRS
- Transfers from one Account to another Account within the same agency must be in balance

To Do's & Reminders


- Analytical review
 - In terms of the \$ amount change or the % change, is the current year-end balance reasonable?
 - Review your Trial Balance
 - Have prior year short-term receivables & payables been liquidated?
 - Do I have all GL activity reported and in the correct GL?
 - Do the balances agree with supporting documentation or internal system?

To Do's & Reminders

- All agency entries should be completed by August 30th!
- Disclosure forms complete by August 30th!



General Ledger Reconciliations

I 

Reconciliations

GL Reconciliations

GL reconciliation means:

- Knowing what makes up the balance in each GL,
- Having a plan for any action that is needed to correct the balance.
 - This includes prior year or prior biennium GL balances that need to be corrected.

GL Reconciliations

- General ledger (GL) reconciliations should be up-to-date
 - All GLs should be reconciled
 - Agree with subsidiary records
 - An error in one GL may mean an error in another GL

Example: A receipt was credited to GL 1312 A/R, when it should have been credited to GL 1319 Other Receivables. Now both GL balances are wrong.
 - Agency director and CFO certification

GL Reconciliations

Not a reconciliation!!

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"We found the accounting error. Somebody printed all the zeroes upside down."

Disclosure Forms

State Disclosure Form Security

- Each agency has a security administrator (form required). They can add new users with *View or Edit access*.
- Log in beginning 7/15 to verify that your username & password are working.

State Disclosure Forms

SAAM Section 90.40

- Not every form will apply to your agency
- Some of the forms are questionnaires
- Some of the forms prefill with AFRS beg/ending GL balances and require you to fill in the actual increase and decrease activity for the FY.

Phase 1B - Certain disclosure forms due 8/16/19 (90.40.10)

- Early disclosure for:
 - 4 Cash & Investment forms
 - 3 Bond forms
 - 2 COP forms
 - Internal Control/Internal Audit Questionnaire
 - Miscellaneous Disclosure form
- Request an extension in writing from SWA if the early date can't be met

State Disclosure Forms

- 4 forms are now **required** to be completed by all agencies
 - State Financial Disclosure Certification
 - Miscellaneous Disclosure
 - Cash and Investments Restricted Disclosure
 - Internal Control/Internal Audit Questionnaire
- Certain forms are specific only to certain agencies: OST, DRS and Higher Ed

Disclosure Forms

New for FY19

- Taxes receivable (90.40.30)
 - Revised the dropdown list of types of taxes receivable to include:
 - Hazardous substance
 - Public utility

Disclosure Forms New for FY19

- Debt General Disclosure
(90.40.55.a)
 - Renamed from Bonds Payable
General Disclosure
- Added question regarding direct borrowings or placements to implement GASB Statement 88

Disclosure Forms New for FY19

- Miscellaneous Disclosure (90.40.75.A)
 - Added new question to capture information for the requirements of GASB Statement 83 – Certain Asset Retirement Obligations.
- Added some descriptive language to the discretely reported and blended component units questions.

Disclosure Forms New for FY19

- Internal Control/Internal Audit Questionnaire Disclosure (90.40.80.A)
- Three questions are:
 - Internal Control Officer
 - Risk assessment
 - Internal audit program

State Financial Disclosure Certification SAAM 90.40.95

Revised some of the wording
throughout the Certification form
but no substantial changes

28 statements

State Financial Disclosure Certification form 90.40.95

- Read all 28 items listed
- Signed by Agency Director & CFO
- Include attachments, if applicable
- Email scanned signed copy with required attachments - **due 9/11/19**
 - Re-sign & re-submit if material changes are made after the original submission

Financial Disclosure Certification

SAAM 90.40.95

Attachments may include:

- Narrative disclosing deficiencies in internal control
- Pollution remediation site status report (due Phase 1B)
- Narrative related to a Service Organization Control (SOC) report
- Certification related to the use of a specialist
- Narrative disclosing changes to methods of measurement, assumptions, or interpretations related to federal expenditures
- Narrative related to certification exceptions detailing variances and proposed or completed corrective action

Common disclosure form problems

- User can't get into the application
- Changes are made in AFRS, but the related disclosure form isn't updated
- Variances aren't explained
- Certification forms aren't submitted timely

Training & Resources

Year-end training classes

Update classes

- State Fiscal Year-end Closing

Workshops

- Fiscal Year-end Workshop
 - Combined the Revenue, Reconciliations, & Phase 2 Adjustments and Expenditures & Payables workshops into one.

Other Recommended Training Classes

- General Ledger Review
- General Ledger Reconciliation: Basics
- GL 5111 Accounts Payable Reconciliation
- In-Process Report Training
- Administering Agency
- Intro to GAAP
- Internal Control: Basics
- Payroll Revolving Account Reconciliation
- Health Insurance Reconciliation
- Accounting for Capital Assets

Resources

SAAM

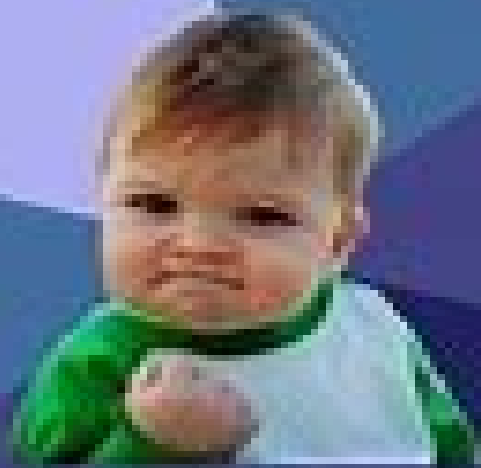
- <http://www.ofm.wa.gov/policy/default.asp>

Year-End Resources

- <http://www.ofm.wa.gov/resources/yearend.asp>

Enterprise Reporting

FISCAL YEAR END...



LETS DO THIS!!

Questions?

