GAAP CLOSING PACKAGES
FISCAL YEAR 2018

May 14 & 15, 2018
State Controller’s Office
Division of Statewide Accounting
Bureau of Reporting and Review

Contacts 2018

- Chris Floyd 332-8814
  Loans & Notes Receivable — Accounts and Taxes Receivable — Grants Receivable

- Christy Anderson 332-8765
  Unearned Revenue — Accounts and Other Payables — Independent Audits — Subsequent Events

- Ethan Draves 332-8713
  Interfund Payables

- Justin Powell 332-8817

- Kirsten Pruett 332-8812
  Cash — Investments — Schedule of Expenditures of Federal Awards — Findings Follow-up

- Roni Harlan 332-8792
  Long-term and Short-term Liabilities

- Jennifer Bonilla 332-8790
  Control Checklist — Miscellaneous — Prepaids — Inventory — Attestation Letter

General CAFR Email: caf@eco.idaho.gov

CPE

- Attending
  - Sign in and out and indicate CPE is wanted.

- Adobe Connect
  - Answer 20 pop up questions.
    - Answers do NOT need to be correct.
Big Changes For FY18

• New Security Request application
• New Closing Package application
• You can view prior year's closing packages from the new closing package application
Log on to www.sco.idaho.gov
Originator Approver

If you have Originator and Approver permissions, you will see both.

Originator Closing Package View

- You can only submit (1) each:
  - Control Checklist
  - Miscellaneous
  - Attestation Letter
  - Subsequent Events

Approver Closing Package View
Same great features...

Originator options – DRAFT status

- Audit Trail

Originator options – Awaiting Agency Approval

- Approver options – Awaiting Agency Approval

NEW LOOK!

- Agencies will no longer be required to enter Originators and Approver Information.

Audit Trail

- Originators and Approvers can attach or delete attachments once a draft closing package is saved.
- Only the view option will be available after it is submitted to SCO.

Attachments
Comments

• Originators and Approvers can add or edit comments once a draft closing package is saved.
• Agencies can only view the comments after it is submitted to SCO.

General Instructions

Due Dates & Contacts + FAQ + Agencies + Funds

FY18 Due Dates
Agency Input

- We value your input
- We depend on your timely submission of closing packages
- We rely on information from you

All Closing Packages Submitted On-Time
**Review Question #01**

Every agency must submit:

a) Every closing package
b) Only closing packages that the agency meets the threshold
c) Closing packages that meet the threshold along with closing packages #1 Control Checklist, #2 Miscellaneous, #21 Attestation Letter, & #22 Subsequent Events

**Review Question #02**

Big changes were made to the closing package process for this year. All of the following statements are true, except for:

a) In order for your agency’s fiscal staff to gain access to the new closing package application, you must submit a security request form for all originators, approvers, IT Managers, and Agency Heads. *For dual agency responsibilities, you must submit a form for each person/each agency.
b) I do not have to submit a new/add-change security request form if I had access to my agency’s closing packages in the past.
c) You will access the new closing package application through the SCO website, and will select the GAAP Closing Packages link.
d) Approvers can not edit/change closing packages.
e) B & C
f) A & D
**Review Question #03**

The prior year’s reported amounts will auto populate.

True  
False

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01 – **Control Checklist**

- Please answer every question
- Matrix for fund-specific closing packages
- Contact the SCO to discuss changes
- Due: June 4

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01 – **Control Checklist**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Based upon the answers you submit for the Capital Asset Questionnaire (Closing Package #1), you may or may not be required to submit the #1 Capital Asset Closing Package by July 24.</th>
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<tbody>
<tr>
<td>Q2</td>
<td>Based upon the answers you submit for the Capital Asset Questionnaire (Closing Package #2), you may or may not be required to submit the #1 Capital Asset Closing Package by July 24.</td>
</tr>
</tbody>
</table>
| Q3 | Go June 30: will any funds have a new budget to other funds, or individual transactions of less than $5,000 or more?  
**YES:** Submit the completed #1 Interfund Payables Closing Package (provided by the SCO) by August 6.  
Please provide the name and e-mail address of the person responsible for completing this closing package in the following Comments box.  
**No:** Proceed with closing package. |

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10
Objectives:
– To gather information that does not warrant a separate closing package.
– To compile disclosures for the Notes to the financial statements

One new Question: Split-Interest Agreements

02 – Miscellaneous

Question 29:

Does your company have any outstanding split-interest agreements? (Please refer to definitions below)

If yes, please specify the agreement type:

1. Does the agreement specify theInvestment income or the remainder of the income stream of the trust?

2. Does the agreement specify the trust as the beneficiary or another party?

3. Does the agreement specify the trust as the beneficiary or another party?

Due Monday, July 16
**06 - Prepaid Expenses - Prorating Example 1**

Multi-year contract (2 years)
Total cost: $810,000
Contract start date: 1 July 2017
Contract end date: 30 June 2019
Prepaid to report in 2018: $405,000

Contract begins/ends at start/end of fiscal year.

**06 - Prepaid Expenses - Prorating Example 2**

Multi-year contract (27-months)
Contract start date: 1 August 2017
Contract end date: 31 October 2019
Total contract cost: $810,000
Expensed to date (1 Aug 17 – 30 Jun 18): $30K per month ($810K/27) x 11 months ($330,000)

**06 - Prepaid Expenses**

- $50,000 threshold per sub-object per fund
- Threshold based on remaining balance
- Remember to look at prior-year transactions
  - Rent
  - Insurance
  - Telephone
  - Maintenance agreements
- Due Tuesday, July 10
09 - Inventory

Inventory held as of June 30
• Applies to all funds
• Supplies/goods purchased & not used by June 30
  – Merchandise held for sale
  – Manufacturing supplies & inventory
  – Harvested crops & livestock
  – Materials & supplies for agency use
• $200,000 threshold per fund
• Due Thursday, July 19

21 – Attestation Letter

• All agencies are required to submit
  – Due Monday, September 17
• Required signatures:
  – IT manager (or appropriate management representative),
  – Primary fiscal staff member, and
  – Agency head
### 21 – Attestation Letter

**STATEMENT OF COMPLIANCE ATTESTATION**

- The following was evaluated and completed by June 30, 2020, as mandated by the State Controller (alphabetical order).
- Financial management internal controls

   - Yearly/Quarterly

   - Non-financial reporting systems internal controls

   - Monthly

   - Other

A copy of the completed internal controls form is available for submission to the Legislative Services Office.

Please describe in the Comments box below the method or checklist used for the evaluation and where a copy can be obtained.

<table>
<thead>
<tr>
<th>Method or Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial management internal controls</td>
</tr>
<tr>
<td>Non-financial reporting systems internal controls</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

**Comments**

### 21 – Attestation Letter

How to submit:
- Send original hardcopy to SCO Reporting and Review (keep a copy), OR
- Scan and attach to the closing package (keep the original), OR
- Three required staff members sign electronically
Have each staff person electronically sign the document in the following order:

- IT Manager (then they click ‘Save Draft’)
- Primary Fiscal Staff Member (then they click ‘Send Form to Approver’)
- Agency Head (then they click ‘Send Form to Approver’)

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**Electronic Signature Sequence**

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**REVIEW QUESTIONS**

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**Review Question #04**

Separate closing packages are required for each fund number.

- True
- False
**Review Question #05**

The Attestation Letter may be submitted by:

a) Sending a hardcopy to Reporting & Review  
b) Submitting a closing package with the letter attached  
c) Submitting a closing package with electronic signatures  
d) Any of the above

**Review Question #06**

The Closing Package #02 - Miscellaneous is used to determine which closing packages the agency will submit.

True

False

**Review Question #07**

Prepaid amounts should be prorated:

a) Never  
b) By year  
c) By month  
d) By day  
e) B, C, or D, whichever is most correct
Leases – Looking Ahead

03a - Capital Leases Payable

- $5,000 threshold per lease

*Due Monday, July 9*

03b - Operating Leases Payable

- $50,000 threshold per lease
- ONLY REPORT WHAT IS UNDER CONTRACT
- Do NOT Project out Further!!

*Due Monday, July 9*
A capital lease must meet which of these criteria?

a) Lease term
b) Bargain purchase option
c) Transfer of ownership
d) One of the above
e) All of the above
• Includes:
  • Transfer or sale between agencies
  • Construction In Progress (CIP) projects completed by (Division of Public Works) DPW
  • Buildings conveyed by Idaho State Building Authority
  • See FAS Manual for updated transfer instructions

• Information needed if one or both are NOT on FAS:
  • Name of the other agency
  • Original cost
  • Original in-service date

• Both agencies on FAS:
  • Original useful life
  • Total depreciation
  • Total book value
  • Must add back to FAS the same way as was previously recorded in FAS

### Important FAS Transactions Dates

- **May 1 to June 29** – Monitor the FAS Hold File closely
- **June 25** – Recommended last day to request FAS FY17 corrections or changes (i.e., inactivates)
- **June 29** – Transactions released from the Hold File may not process completely past this date
  - However, keep working the FAS Hold File until the close of business on June 29.
- **June 29** – All FY17 FAS Hold File transactions should be processed by this date
07 – Capital Assets Questionnaire

Attach or Include additional information needed:
- Transfers
- DPW Project Completion Statement
  • Now being sent out quarterly
  • Final Statement sent with all year activity
  *Due Monday, July 23*

Intangible Assets

- Continue to use the spreadsheet link in Closing Package #12a – Capital Asset Summary Form instructions.
- Attach to the closing package to submit.

12 – Capital Assets

- Closing Package #12a – Capital Asset Summary Form & #12b – Depreciation and Amortization
  • Beginning Balance = PY Ending Balance
  • Adj to BB: what should have happened in the PY, but didn't
- Closing Package #12d – Disposals
  • Combine assets in category and asset class
  • Do NOT have to do line for individual asset
  *
  *Due Thursday, July 26*
Due Thursday, July 26

REVIEW QUESTIONS

Review Question #09

Closing package on Capital Assets Questionnaire should be submitted:

a) After DAIF/0068 is reviewed and reconciled
b) As soon as possible
c) With other capital assets closing packages
d) Both a & c
If you use a prior year Transaction Code to add an asset after the FYE closes in July or August, you do not need to report the asset on a Closing Package #12a – Capital Asset Summary Form.

a) True  
b) False

Review Question #10

If the "J" batch has been created by the agency by the last day of the fiscal year (Friday, June 29, 2018) and released by the STO, the cash will be recorded in STARS. You do NOT need to report the cash on closing package 8a.

• If the "J" batch has been created by the agency by the last day of the fiscal year (Friday, June 29, 2018) but has not been released by the STO by the end of the day, the deposit will still be recorded in STARS as of June 30 (during year-end processing) once it has been released by the STO since it was created by June 30. You do NOT need to report the cash on closing package 8a.

• If the "J" batch has not been created by the agency on the last day of the fiscal year (Friday, June 29, 2018), but your agency has the cash on hand, has deposited it into a sweep account, or has sent it to the STO physical location, you will need to report the cash on closing package 8a if the amount is $50,000 or more per fund.

• $50,000 threshold per fund

• Due Thursday, July 19th

Review Question #11

How should you record assets transferred-in?

a) At book value on the transaction date.  
b) At FMV  
c) When you feel that the asset is "in use"  
d) The same as how the asset was transferred-out

08a-Cash

Due Thursday, July 19th
Note: Cash does not include investments. Include all investments on Closing Package #10 - Investments.

Example: The reason for the variance is because we sold asset xyz on June 30 that was not deposited until July 1, 20xx.
**08b – Deposits in Outside Bank Accounts**

- Deposits with financial institutions that are not accounted for by the STO
- Certificates of deposit
- Deposits your agency holds in a trustee capacity or as an agent for others
- $50,000 threshold per fund

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**10 – Investments**

- $100,000 threshold per fund
- Due Thursday, July 12th
Most Common Investments

- Marketable securities
- Money market accounts
- Bonds
- Mutual Funds
- Repurchase agreements

Please do not include investments made through the STO (IDLE, DBF, LGIP)

R E V I E W  Q U E S T I O N S
Review Question #12
Certificates of Deposit (CDs) should be reported on Closing Package #10 - Investments.
True False

Review Question #13
When is cash NOT considered to be restricted?
- a) When it is restricted per Idaho Code
- b) When it is being set aside by management for future use
- c) When it is restricted by a legal settlement
- d) When it is restricted by a Federal grantor

Review Question #14
What is the minimum reporting threshold for the cash closing packages?
- A) $50,000
- B) $1
- C) $100,000
- D) $50,000 per fund
Review Question #15
Which of the following investments should NOT be reported on closing package 10?

a) Mutual Funds
b) Diversified Bond Fund (DBF) Investments
c) Marketable Securities
d) Repurchase Agreements

Review Question #16
What is the minimum reporting threshold for the investments closing packages?

A) $50,000
B) $1
C) $100,000 per fund
D) $50,000 per fund

19 – Schedule of Expenditures of Federal Awards (SEFA)

- Report expenditures of federal funds received & expended by an agency or passed through to a sub-recipient
- The SCO will be having a separate training to cover the SEFA closing package and certification form on Wednesday, June 13.
- If you expend any federal funds and typically submit this closing package, plan to attend this training. There are several changes this year.
### CAFR Findings

- The SCO will be preparing the following in conjunction with the agency CAFR agency audits:
  - Summary Schedule of Prior Audit Findings
  - Corrective Action Plan of current year findings

- These include findings from the Legislative Services Office Audit Division (LSO) related to CAFR findings only. These do not include
  - Single Audit findings
  - Management review findings
  - Findings from other oversight agencies (i.e., federal auditors)

### Findings – Prior Finding Follow-up

- The SCO prepares the follow-up on CAFR findings issued in a prior year that remain open with LSO.
- We will be contacting agencies that had findings in the prior fiscal year between November-January to follow-up on these findings.
- You will receive a follow-up form to fill out and return.
- We will then contact you to gather additional information/documentation.
- We will likely be asking repeat questions/gathering the same documentation the auditors request.
- We will also be contacting you regarding Single Audit findings. These will have a slightly different form and will be covered in the SEFA training in June.
Findings – Corrective Action Plan

• LSO will typically send out current year CAFR findings to agencies for response in December-January.

• When you send your response (corrective action) to LSO for the findings, we ask that you include the SCO on your email to LSO so we can compile the Corrective Action Plan for the Internal Control Report related to the CAFR.
  - CAFR@SCO.IDAHO.GOV

• Please make sure your corrective action includes the following elements:
  – Corrective action
  – Anticipated corrective action date
  – Contact info for the responsible person

REVIEW QUESTIONS

Review Question #17

You should plan to attend SEFA - Closing Package #19 training on Wednesday June 13th if:

a) Your agency typically submits closing package #19
b) Your agency receives funds from a federal grantor and expended any federal funds in FY18
c) Your agency received federal funds from a pass-through entity and expended federal funds in FY18
d) All of the above
Review Question #18

If you received a finding related to the CAFR in a prior fiscal year or receive a finding in the current fiscal year, the SCO will be contacting you in late fall to gather more information on what has/is being done to correct these findings?

True
False

11 - Loans and Notes Receivable

Report:
- Loans and notes receivable
- Interest receivable
- Allowance for uncollectible receivables

Do not report:
- Accounts Receivable (CP#17)
- Grants Receivable (CP#18)

$50,000 threshold by fund
Due Thursday, July 12
17 – Accounts Receivable

Amounts non-state entities owe your agency at June 30:
- Charges for goods or services
- Advances to non-state entities
- $50,000 threshold per fund
- Due Monday, August 13
Report:

- If agency is primary recipient of award
- Reimbursement-type
  - Incurred grant expenses on or before June 30
  - No reimbursement until after June 30
- Gift-type
  - Few or no eligibility requirements (rare)
18 - Grants Receivable

Turn all grant receivable information into the following table. If a grant is a gift-type grant, check the "Gift Type Grant" box in the appropriate row.

In the table below, please note the following:
- Development Cost Cap: Normal of grant expenses accorded by Year X, and NAV expressed by Year Xth.
- Gift Type Grant: Valuation of grant inside the initial funding agency is subject to tax and reported to Year Xth.

<table>
<thead>
<tr>
<th>Type of Grant Receivable</th>
<th>Total</th>
<th>Gift Type Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

REVIEW QUESTIONS

- $50,000 threshold per fund
- Due Wednesday, September 12
Review Question #19

Which of the following are required to be provided on Closing Package #11 – Loans and Notes Receivable?

a) Amount of receivables (principal portion only) due within one year.
b) Amount of payables due within sixty days.
c) Amount of receivables deemed uncollectible (principal portion only) due beyond one year.
d) (a) and (c).

15 – Unearned Revenue

Report:
- Unearned Revenue: received but not earned as of June 30

Do not report:
- Unavailable Revenue: earned but not received within 60 days after June 30.

$50,000 threshold by fund
Due Wednesday, August 8
16 – Accounts Payables & Other Payables

- Record amounts owed at June 30
- Total amount reported in prior year is NOT auto filled
- Payables for goods and services + distributions
- $50,000 threshold per fund
- Due Wednesday, September 12
16 – Accounts Payable & Other Payables

Please use subobjects, not summary objects

<table>
<thead>
<tr>
<th>EXP OBJECT CODE</th>
<th>GOVT'L CLASS</th>
<th>PROP CLASS</th>
<th>OPERATING EXPENSES (OBJECT)</th>
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</tbody>
</table>

22 – Subsequent Events
22 – Subsequent Events

Subsequent Event Examples:
- Effect on a financial statement user's opinion
- Agency issued debt
- Agency named in a lawsuit or settled any lawsuits
- Grantor notified the agency of potentially disallowed costs
- Agency suffered a capital asset impairment due to a natural disaster

cafr@sco.idaho.gov

Due Thursday, October 18
Please do NOT submit early

REVIEW QUESTIONS
Review Question #20

What is unearned revenue?

a) When you have received cash but the earnings process is not complete within 60 days after the end of the fiscal year.
b) Gifts that are not taxable.
c) Revenue has been earned but the cash is not available within 60 days after the end of the fiscal year.
d) None of the above.

Review Question #21

When filling out the closing packages, using a summary object is just fine.

True
False

Review Question #22

Unavailable Revenue affects which type(s) of funds?

a) Proprietary
b) Governmental
c) Business-Type
d) All of the above
Review Question #23
It is okay if the Closing Package #22 – Subsequent Events is submitted to the SCO during July or August.

True
False

14 – Interfund Payables
• $5,000 threshold per transaction
• Separate closing packages are not needed for each fund number
• Interfund payables include not only interagency payables but also interfund payables within your agency
• Interfund payables report will be e-mailed to all agencies in July
• Complete the report and attach to closing package to submit
• Due Monday, August 6

05 - Long-Term Liabilities & Short-Term Debt
• Contracts Payable include software licensing agreements (but NOT software maintenance contracts)
  – Software maintenance contracts ($500,000 or more) should be reported on Closing Package #02 - Miscellaneous, question #7, for long-term commitments
• $50,000 threshold per fund for LT Liabilities
• $200,000 threshold per fund for LT Liabilities
• Due Tuesday, July 11
Review Question #24
All of the following are long-term debt except:

a) Bonds Payable  
b) Anticipation Notes  
c) Conduit Debt  
d) Claims & Judgements  
e) All of the above

Closing Package Training

• Questions?  
• Evaluation form  
• CPE

General CAFR Email: cafr@sco.idaho.gov