CLOSING PACKAGE TRAINING
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
332-8827

Kirsten Pruett
332-8813
Cash — Investments — Schedule of Expenditures of Federal Awards — Findings Follow-up

Roni Harlan
332-8790
Long-term and Short-term Liabilities

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

General CAFR Email: cafri@sco.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.
**Agenda**

- General Information
- Why prepare a Comprehensive Annual Report (CAFR)
- CAFR Process
- GAAP Indicators
- Changes
- In-depth look at Closing Packages (1 - 22)

**General Information**

- Generally Accepted Accounting Principles (GAAP)
- Comprehensive Annual Financial Report (CAFR)
- Your Input is Needed

**Why Prepare a CAFR?**

- Demonstrates accountability to citizens
- Provides information for decision makers
- Permits continued grants & federal funding
- Has a direct effect on the State's bond rating
• Use STARS data to the extent possible
• Collect remaining year-end accounting information using closing packages
• Post the closing package data into a GAAP basis accounting system: GRS
• Enter information from outside audits
• Prepare financial statements & related notes
• Internal review
• Auditor review

CAFR Process

All Closing Packages Submitted On-Time

<table>
<thead>
<tr>
<th>Agency</th>
<th>Agency Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>CAFR</td>
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<td>101</td>
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<td>Idaho Wine Commission</td>
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</tr>
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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
Closing Package Process
Log on to www.sco.idaho.gov

Application Selection Menu

Statewide Accounting System

Welcome KABA ERD
If you have Originator and Approver permissions, you will see both

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### 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**

**Originator options – Awaiting Agency Approval**

**Approver options – Awaiting Agency Approval**

**NEW LOOK!**

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**Audit Trail**

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

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**Attachments**

- 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.
Same great features...

- 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

[Table with due dates and contacts]
• Allow agencies to "flag" transactions required for the CAFR (on the STARS data entry screen)
• IBIS query can provide report of transactions
• DAFR 0227 also provides data

Forms used to provide year-end accrual information to prepare the CAFR

• Most cover a single area of accounting
• Generally report June 30 data only
• Complete only those packages that apply to your agency
• Keep working papers to support closing packages
• Submit applicable packages by the due date
REVIEW QUESTIONS

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

d) Approvers can not edit/change closing packages.
e) B & C
f) A & D

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

Objective: Indicates which closing packages you expect to submit.
- Questions correspond to the specific closing package numbers
- Submit closing packages with “Yes” responses by the due date
- Remember materiality levels
- Due: Monday, June 4
Did you answer “Yes” or “No” on the Control Checklist?
- If “Yes” on Control Checklist, send ONLY if you meet threshold
- If “Yes” on Control Checklist, but do not meet threshold, email us at: cafr@sco.idaho.gov
- If “No” on Control Checklist, but meet threshold, please submit a closing package
- If “No” on Control Checklist & you have nothing to report, DO NOT submit closing package
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 on Split-Interest Agreements

- Litigation
- Related Party Transactions
- Commitments
- Component Units
- Extraordinary or Special Costs
- Pollution Remediation
- Post-Employment Benefits
- Tax Abatements

Question 29:

Yes / No
02 – *Miscellaneous*  
*Due Monday, July 16*

Expenditures for services that will benefit future periods beyond June 30 Include (but not limited to):

- Rent
- Insurance
- Telephone
- Maintenance agreements

06 – *Prepaid Expenses*

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 ($530,000)
Remaining 1 Jul 2018 – 31 Oct 2019:
Prepaid to Report: $280,000

06 - Prepaid Expenses

- $50,000 threshold per sub-object, per fund
- Threshold based on remaining balance
- Remember to look at prior-year transactions
- Applies to all funds
- Due Tuesday, July 10
Objective: 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

09 – Inventory

- $200,000 threshold per fund
- Due Thursday, July 19
All agencies are required to submit
Agency Management provides assurance:
- General representations
- Internal control structure
  - Financial management controls
  - Accounting systems controls
- Statement of Compliance
Due September 17, 2018
21 – Attestation Letter

STATEMENT OF COMPLIANCE/ATTERTATION

1. The following were evaluated and completed by June 30, 2018, as mandated by the State Controller (enacted by State Code, Section 15111).
   • Financial management internal controls ☑ Yes ☐ No
   • Financial accounting systems internal controls ☑ Yes ☐ No

A summary of the evaluation process and the results shall be made available for review by auditors from 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.

Comments

Method or Checklist

2. The internal control structure evaluation revealed
material weaknesses

☐ Yes ☐ No

If the evaluation revealed any material weaknesses please discuss the material weaknesses, the plan of action and proposed schedule to correct such weakness in the Comments box below.

Comments

Material Weaknesses

21 – Attestation Letter

How to submit:

• Send original hardcopy to SCO Reporting & Review (keep a copy), OR
• Scan & attach to the closing package (keep the original), OR
• Three required staff members sign electronically
Electronic Signature

**REVIEW QUESTIONS**

**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
A lease is

- an agreement
- conveying the right to use
- property, plant, or equipment
  - (land and/or depreciable assets)
  - usually for a stated period of time.

Agreement should be written!

Leases – What does not qualify?

- Does not include:
  - Agreements to contracts for services that do not transfer the right to use property, plant, or equipment from one contracting party to the other.
  - However, agreements that do transfer the right to use property, plant, or equipment meet the definition of a lease even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets.
Leases – What does not qualify?

- Does not include:
  - Agreements concerning the rights to explore for or to exploit natural resources such as oil, gas, and minerals.
    - These type of agreements are possibly intangible assets – land use rights.
  - Licensing agreements for items such as patents and copyrights.
    - These type of agreements are possibly intangible assets or investments.

Classify the lease

I have a lease... Now what?

- Leasing standpoint
  - Direct financing
  - Operating

- Lease standpoint
  - Capital
  - Operating

Capital Leases Criteria

- Lease that transfers substantially all of the benefits & risks of property ownership
- Meets one or more of the following criteria:
Must meet one of the four capital lease criteria & both of the following criteria:
  o Collectability of the minimum lease payments is reasonably predictable
  o Important uncertainties does not exist concerning the amount of non-reimbursable costs yet to be incurred by the lessee under the lease

Direct Financing Leases Additional Requirements
Operating Leases Criteria

- Lessee – Does not meet one of the four capital lease criteria
- Lessor – Does not meet one of the four capital lease criteria or one of the two additional criteria for a direct financing lease

Leases Payable

- 03a Capital Leases Payable
  - $5,000 threshold per lease...total payments over lease term
  - 03b Operating Leases Payable
    - $5,000 threshold per lease...total payments over lease term

Leases Receivable

- 04a Operating Leases Receivable
- 04b Capital (Direct Financing) Leases Receivable

Leases – Four Closing Packages

- The State must record assets & liabilities in the CAFR
- The State must disclose future payments less interest amount
COMPLETING THE CAPITAL LEASE PAYABLE CLOSING PACKAGE

If your agency has multiple assets under single capital lease contracts, calculate the lease payment as the present value of the remaining lease payments on the lease cost of the leased property at 100% of the fair value of the leased property.

Please attach a copy of the lease agreement and amortization schedule with the lease payments to the lease cost of the leased property.

All payments made towards the lease cost and any amounts paid over the lease term are included in the lease cost.

For assets leased with retrospective rental charges, include the present value of the rental charges in the lease cost.

All amounts paid towards the lease cost and any amounts paid over the lease term are included in the lease cost.

A great understanding of the leasing agreement is very important for accurate lease cost calculations.
03b – Operating Leases Payable

• The State must disclose lease obligations for land and/or depreciable property
• ONLY REPORT WHAT IS UNDER CONTRACT
• DO NOT project out further!!!
• $50,000 threshold per lease

04a – Operating Leases Receivable

The State must disclose:
• future payments to be received
• costs & accumulated depreciation on leased assets
The State must record:
- the gross investment in the lease
- the difference between the gross investment in the lease & the cost of the leased property as unearned income

The State must disclose:
- the components of the net investment in the lease
- future minimum lease payments to be received

*All Due Monday, July 9*

**REVIEW QUESTIONS**

**Review Question #08**

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
BREAK!!

Capital Assets

- 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
Intra-Entity Sales & Transfers of Capital Assets

- 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

DAFR0182 & DAFR0168 Reports

- FAS reports by fund & asset class.
- Reports include all capitalized assets having a value of $5,000 or more that are managed and maintained by the State.
- These assets are posted to the STARS General Ledger accounts.
**Capital Assets Memorandum**

- Memorandum e-mailed in July once DAFR0168 is available to view online (approx. July 18).
- FAS agencies must review their DAFR0168 PRIOR to complete the Capital Asset Questionnaire.

**Important FAS Transactions Dates**

- May 1 to June 29 – Monitor the FAS Hold File closely
- June 25 – Recommended last day to request FAS FY18 corrections or changes (i.e., inactivates)
- June 25 – Transactions released from the Hold File may not process completely past this date
  - However, keep working the FAS Hold File until close of business on June 29
- June 25 – All FY18 FAS Hold File transactions should be processed by this date

**Capital Assets - Reconciliation Process for FYE**

- Reconcile FY18 DAFR0168 beginning balances with FY17 ending balances as reported
- Review the increase & decrease columns on the DAFR0168 for accuracy
07 – Capital Assets Questionnaire

- Must complete if agency capital assets are ≥ $5,000 individually
- Two separate questionnaires
  - 7a – FAS
  - 7b – Non-FAS
- Questionnaire will direct to the appropriate capital asset closing package (12a, 12b, 12c, 12d, & 13)
- FAS agencies – Submit after DAFR 0588 is available
  *Due Monday, July 23*

07a – Capital Asset Questionnaire

For FAS Agencies

- Yes – Attach a copy of the Project Completion Statement spreadsheet provided by the Department of Administration, DPW. Make all of the following additions to the spreadsheet next to each project:
  1. Identify whether or not your agency recorded the transfer in or out of a capital asset for the completed project.
  2. Identify whether or not the transfer in or out of a capital asset, identify the FAS property number and if TC exists.
  3. If your agency treated the project differently than DAFR indicate your reasons for doing so. Examples of different treatments are:
     a. DAFR identified this project as CP because you determined the project would be a capital asset upon completion, but your agency decided not to capitalize the project.
     b. DAFR identified the project for your agency to be treated as a capital asset.
- Attach DPW Project Completion Statement & additional info per project

07a – Capital Asset Questionnaire

For FAS Agencies

- Yes / No

- Identify whether or not your agency recorded the transfer in or out of a capital asset for the completed project.
- Identify whether or not the transfer in or out of a capital asset, identify the FAS property number and if TC exists.
- If your agency treated the project differently than DAFR, indicate your reasons for doing so. Examples of different treatments are:
  a. DAFR identified this project as CP because you determined the project would be a capital asset upon completion, but your agency decided not to capitalize the project.
  b. DAFR identified the project for your agency to be treated as a capital asset.
07b – Capital Asset Questionnaire
For Non-FAS Agencies

1. Did your agency receive a Project Completion Statement from the Department of Administration, Division of Public Works (DPW) during the fiscal year?

   Yes [ ] No [ ]

Yes – Attach a copy of the Project Completion Statement spreadsheet provided by the Department of Administration, DPW. Make all of the following addresses in the spreadsheet one-to-one, if applicable.

   1. Identify whether or not your agency capitalized the project.
   2. If your agency treated the project differently than DPW, explain your reasons for doing so.
   
   Examples of different treatment are:
   a. DPW designated the project CSF because they determined the project would be a capital asset upon completion, but your agency decided not to capitalize the project.
   b. DPW treated the project as a capital asset, but your agency decided to capitalize the project.

   Attach DPW Project Completion Statement & additional info per project

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Project Completion Report - Sample

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12 – Capital Assets

- The State must report its net capital assets on the financial statements
- The State must disclose capital assets by major asset class
• 12a Capital Assets
  • Reporting threshold
    o $5,000 per tangible capital asset
    o $200,000 per intangible capital asset
• 12b – Depreciation & Amortization
  • Should accompany CP 12a
• 12c – Noncapitalized Collections of Art, Historical Treasures, & etc.
• 12d – Disposals

*All Due Thursday, July 26*
12d Capital Assets - Disposals

- Not required to report as per individual asset
- Combine assets per:
  - Gain, Loss, or NO Gain/Loss categories, &
  - Same asset class

13 – Capital Assets in Progress

- Includes:
  - Construction in Progress (CIP)
    - Report CIP if ≥ $50,000 for your agency as a whole & the final cost of each completed asset will be ≥ $5,000
  - Intangible Assets in Development;
    - Report if the final cost of the completed asset will be ≥ $200,000
- CIP equals the total costs of assets which are self-constructed/developed & will qualify as a capital asset upon completion
- Also includes all ancillary costs

*Due Thursday, July 26*
**Review Questions**

**Review Question #09**

Closing package 07a – Capital Assets Questionnaire should be submitted:

a) After DAFRos68 is reviewed and reconciled  
b) As soon as possible  
c) With other capital assets closing packages  
d) Both a & c

**Review Question #10**

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 #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

08 – Cash

Due Thursday, July 19th

Closing package 8 - Cash
Closing package 08 – Cash

• There are no longer hyperlinks in the instructions. To fill out the cash forms, you will click on the link in the left menu link.

• Complete Closing Package #08a if you have cash on hand at June 30, that is $50,000 or more per fund.

  Cash on hand includes:
  - Cash received prior to fiscal year-end not recorded in STARS (see next slide)
  - Balances in petty cash & change funds on hand at June 30
  - Cash on hand not originating from the rotary fund
  - Cash your agency holds as a trustee or agent for others
  - Cash received & deposited at the bank by June 30, but posted by the bank after June 30.

08a– Cash

• When should cash be reported on 08a?
  - 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 SDO, the cash will be recorded in STARS. You do NOT need to report the cash on closing package 08a.
  - 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 SDO by the end of the day, the deposit will still be recorded in STARS as of June 30 (post year-end processing), once it has been released by the SDO since it was created by June 30. You do NOT need to report the cash on closing package 08a.
  - If the "J" batch has not been created by the agency on the last day of the fiscal year (Friday June 29, 2018), your agency has the cash on hand, has deposited it into a sweep account, or has sent it to the SDO physical location, you will need to report the cash on closing package 08a if the amount is $50,000 or more per fund.
Example: The reason for the variance is because we sold xyz asset & received cash on June 30 that was not deposited until July 1, 20xx.

• Complete Closing Package #8b if cash in outside bank accounts meets the $50,000 threshold per fund. Deposits in outside bank accounts include:
  – 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
08b – Deposits in Outside Bank Accounts

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<th>Deposit 1</th>
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<td>$100,000</td>
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Due Thursday, July 12th

10 – Investments

- $100,000 threshold per fund
- Due Thursday, July 12th
Do Not Include These Investments

- State Treasurer’s Idle Pool Fund
- State Treasurer’s Diversified Bond Fund (DBF)
- State Treasurer’s Local Government Investment Pool (LGIP)
- Certificates of Deposit

Most Common Investments

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

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**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 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

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 #17
**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

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**11 – Loans & Notes Receivable**

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

Do not report:
- Accounts Receivable (CP#17)
- Grants Receivable (CP#18)
11 – Loans & Notes Receivable

- One closing package per fund
- $50,000 threshold per fund
- Due Thursday, July 12

- Contact: Chris Floyd

17 – Accounts Receivable

Report:
- Accounts Receivable
- Allowances for Uncollectible A/R
- Taxes Receivable
- Allowances for Uncollectible T/R

Do not report:
- Grant revenue (CP #18)
- Bond/note proceeds
- Refund proceeds
- Interest & other investment income
- Record unavailable revenue (deferred inflow of resources):
  - All eligibility requirements met except time
  - Cash not available within 60 days after June 30
  - Difference between reported receivable & revenue is unavailable revenue

**17 – Accounts Receivable**

- Imposed Nonexchange Revenue Transactions?
- Sale of Receivables?
- Pledged collateral?
Accounts receivable include:
- Charges for goods or services
- Advances to non-state entities

One closing package per fund
$50,000 threshold per fund
Due Monday, August 13

Contact: Chris Floyd
18 – Grants Receivable

**Report:**
- If 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)

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**GRANT INFORMATION**

Federal or Other Grant Type?

- Federal
- Other (city, county or state)

Total Amount Reported in Prior Year: [Enter]

**Current Year Total:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Difference to Prior Year</th>
<th>Difference in %</th>
<th>Difference in Amount</th>
</tr>
</thead>
</table>

Enter all grant receivable information into the following table. If a grant is a gift-type grant, check the appropriate box. If the total amount differs from prior year by 10% and the change equals or exceeds $100,000, provide a narrative explanation.

**Reimbursement-type Grant:** Amount of grant expenditures incurred by June 30, and NOT reimbursed by the prior fiscal year. Balance of grant awards for which the agency is eligible but has not received by the prior fiscal year.

**Gift-type Grant:** Few or no requirements or qualifications to be eligible for the grant.
18 – Grants Receivable

- One closing package per fund
- $50,000 threshold per fund
- Due Wednesday, September 12

Contact: Chris Floyd

REVIEW QUESTIONS

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:

• Revenue received but not earned as of June 30.

Do not report:

• Revenue earned but not received within 60 days after June 30.
15 – Unearned Revenue

- Two closing packages
  - 15a – Unearned revenue
  - 15b – Grant advances
• One closing package per fund
• $50,000 threshold per fund
• Due Wednesday, August 8

Contact: Christy Anderson
Objective: To record amounts owed

- For goods or services provided by vendors other than state entities on or before June 30, but not paid until after June 30
- To non-state entities at June 30 for distributions & other payables not yet paid, that may not be for a good or service (e.g. ITD – distributes fuel tax to counties or highway districts)

Complete:
- If the total Accounts Payable, by fund, exceeds $50,000 at June 30
- A separate form for each fund

Include contract retentions
- Include commitments for goods or services not received by June 30

Alternatives to completing form:
- Submit your information on a spreadsheet
- Run an IBIS query, export to a spreadsheet & attach to the closing package
- Attach GAAP Indicator Report (the most commonly used GAAP indicators for accounts payable are "T" & "X")
### 16 – Accounts Payable & Other Payables

Please use **subobjects**, not summary objects

<table>
<thead>
<tr>
<th>EXP OBJECT CODE</th>
<th>EXP OBJECT</th>
<th>GOVT'L CLASS</th>
<th>PROP CLASS</th>
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<tbody>
<tr>
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<tr>
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<td>COMMUNICATION COSTS (SUMMARY OBJ)</td>
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<td>5010</td>
<td>MEDIA</td>
<td>5000</td>
<td>5001</td>
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<td>5020</td>
<td>POSTAL &amp; MAIL</td>
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<td>VOICE OVER INTERNET (VOIP)-STATE OWNED/OPERATED</td>
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<td>VOIP HOSTED</td>
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<td>DATA LINE CHARGES</td>
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<td>PHONE/FAX LOCAL LINE &amp; EQUIPMENT CHARGES</td>
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<td>RADIO EQUIPMENT - MOBILE RADIO</td>
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<td>CELLULAR/WIRELESS VOICE SERVICE</td>
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<td>TELEPHONE 800 SERVICE</td>
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<tr>
<td>5035</td>
<td>AUDIO/VIDEO CONFERENCE CALLS</td>
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<tr>
<td>5036</td>
<td>RADIO EQUIPMENT - MICROWAVE</td>
<td>5000</td>
<td>5001</td>
</tr>
</tbody>
</table>
16 – Accounts Payable & Other Payables

Due Wednesday, September 12
Contact: Christy Anderson

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

cfr@sco.idaho.gov

22 – Subsequent Events
- 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

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**14 – Interfund Payables**

Report transactions of $5,000 or more (including overpayments of $5,000 or more) for the following obligations at June 30:

- Amounts owed by one fund to another for goods or services provided on or before June 30 but not paid until after June 30.
- Grants payable by one fund to another – when a recipient has met eligibility requirements by June 30 but is not reimbursed or paid until after June 30.
- Distributions, required by Idaho Code, payable by one fund to another.

Separate closing packages are not needed for each fund number.

List additional fund numbers in Comments box.
14 – Interfund Payables

- Reports can be run in IBIS (State of Idaho Public Folders/Statewide Reports/Accounting/Interfund Reporting)
- Resolve questioned amounts with the billing agency before June 30
- SCO will e-mail the closing package (an Excel spreadsheet) to agencies the last part of July
- Transactions listed on the e-mailed report come from STARS - they will be interfund payables for goods & services only

14 – Interfund Payables

- Interfund payables include not only interagency payables but also interfund payables within your agency
- Due Monday, August 6
Objective:
• Gather information on long-term liabilities and short-term debt transactions involving vendors other than state entities

Long-term liabilities include the following:
• Bonds payable
• Notes payable for a period in excess of one year
• Claims & Judgments
• Bonds authorized but not yet issued
• Conduit debt
• Policy claim liabilities

Short-term Debt includes:
• Anticipation notes
• Lines of credit
• Similar loans
05 – Long-Term Liabilities and 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 the Closing Package #2 - Miscellaneous, Question #7, for long-term commitments
• $50,000 threshold per fund for ST Liabilities
• $200,000 threshold per fund for LT Liabilities
• Due Tuesday, July 10

REVIEW QUESTIONS

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: caf@seo.idaho.gov