Financial Reporting Workshop 2019

Presented By:
Statewide Financial Reporting Section (SFRS Team)
Bureau of Financial Reporting
Division of Accounting & Auditing
Florida Department of Financial Services
Agenda for Workshop

- Introduction to the SFRS Team 1
- CAFR Overview 2
- CAFR 2018 – Lessons Learned 3
- What’s in store for 2019? 4
- What’s in store for 2020? 5
- Agency Feedback 6
- How to contact SFRS? 7
Introduction to the SFRS Team

A. Who,
B. What,
C. Where,
D. When,
E. Why,
F. and How.
WHO?

Ryan Nolan, Assistant Bureau Chief

Vacant, Supervisor

Janine Knight, Gov’t Analyst II
Sherif Nessim, Gov’t Analyst II
Pam Barksdale, PAS

Chunping Lin, Supervisor

David James, Gov’t Analyst II
Lyna Ty, PAS
Vacant, PAS
The Statewide Financial Reporting Section (aka SFRS Team) is responsible for the compilation, publication, and distribution of the CAFR for the CFO each year.
WHERE?

- The SFRS Team does this magic from our computers of the Fletcher Building on Gaines street.
- Can you do MAGIC?
WHEN?

- The SFRS Team performs various tasks and provide guidance/training all year long, but our “busy time” is mostly during the July to January months of the year.
WHEN?

- Here is a functional timeline of our CAFR Preparation process

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning, Improvements, Updates</td>
<td></td>
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<td>Workshop</td>
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<tr>
<td>Agency Closing</td>
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<tr>
<td>CFO/Audit Adjustments</td>
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</tr>
<tr>
<td>Auditor General Audit</td>
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<tr>
<td>Review &amp; Compilation</td>
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<td>Publish CAFR</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>
WHY?

- So Why does the SFRS team need to prepare the CAFR?
- Florida Statute 216.102(3)
- Provides users with the necessary information to assess the financial health of the State of Florida.
The CAFR is produced through a series of internal and external processes that ultimately bring together the data necessary for the CAFR to be created.

This involves obtaining audit reports from external parties, performing analytical procedures to ensure accuracy, compiling of data obtained through agency completed forms, and more.

Most of these processes were developed over the years the CAFR has been produced (40+ years) and always in compliance with Generally Accepted Accounting Principle (GAAP).
CAFR Overview

A. General Overview
B. Planning, Improvements, Updates
C. Workshop
D. Agency Closing
E. Review & Compilation
F. CFO and Audit Adjustments
G. Publish CAFR
CAFR Overview

A. General Overview
   ❖ Required by Section 216.102 (3), F.S.
   ❖ Provides a thorough and detailed presentation of the state’s financial condition
   ❖ Prepared in accordance with generally accepted accounting principles (GAAP)
   ❖ Governmental Accounting Standards Board (GASB)
   ❖ Due by February 28 annually
   ❖ Audited by the Florida Auditor General
CAFR Overview

- Here is a functional timeline of our CAFR Preparation process

**Planning, Improvements, Updates**
- Jan
- Feb
- March
- April
- May
- June

**Review & Compilation**
- July
- Aug
- Sept
- Oct
- Nov
- Dec
- Jan
- Feb

**Publish CAFR**

**Workshop**

**Agency Closing**

**CFO/Audit Adjustments**

**Auditor General Audit**
Planning, Improvements, Updates

- Create Tasklist/Workplan for year
- Create Agency Closing Schedule
- Create Agency Calendar
- Implement improvements noted during prior CAFR cycle.
- Reviewing and updating Forms, as deemed necessary.
- Reviewing and updating Procedures, as deemed necessary.
- New GASB impact on current processes. Determine impact.
- Prepare Workshop presentation.
CAFR Workshop

Statewide Financial Reporting Section (SFRS) team hosts an annual workshop for all state agencies. The workshop provides information on process improvements, new GASB implementations, and acts as a refresher course on agency responsibilities for the upcoming CAFR.
Agency Closing

1) Agency Closing Schedule
2) Agency Calendar
3) Tools Available for Agency Closing
4) Forms
5) Agency/Component Unit Adjustments
6) “How to’s” for Better Success in Agency Closing
Agency Closing

- How SFRS sets Agency Closing Schedule?
- Why this is done?
- Example from 2019

### Statewide Financial Statements
**FY 2018-19**
**FLAIR Fiscal Year Closing Schedule**

<table>
<thead>
<tr>
<th>OLO</th>
<th>Agency</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>360000</td>
<td>Lottery</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>370000</td>
<td>Environmental Protection</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>400000</td>
<td>Department of Economic Opportunity</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>480000</td>
<td>School for Deaf and Blind</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>570000</td>
<td>Citrus</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>729700</td>
<td>Division Of Administrative Hearings</td>
<td>Wednesday, August 7, 2019</td>
</tr>
<tr>
<td>210000</td>
<td>Justice Administration Commission</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>410000</td>
<td>Legal Affairs</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>500000</td>
<td>Veterans Affairs</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>620000</td>
<td>Military Affairs</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>640000</td>
<td>Department of Health</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>650000</td>
<td>Elder Affairs</td>
<td>Thursday, August 8, 2019</td>
</tr>
<tr>
<td>550000</td>
<td>Transportation</td>
<td>Friday, August 9, 2019</td>
</tr>
<tr>
<td>220000</td>
<td>State Courts</td>
<td>Monday, August 12, 2019</td>
</tr>
<tr>
<td>310000</td>
<td>Executive Office of the Governor</td>
<td>Monday, August 12, 2019</td>
</tr>
<tr>
<td>420000</td>
<td>Agriculture</td>
<td>Monday, August 12, 2019</td>
</tr>
</tbody>
</table>
The Agency Calendar is a tool available for the agencies which provides the submission deadlines due to the SFRS team. It is available in June.

Once available, the SFRS team sends an e-mail attaching the Agency Calendar to the agencies.
Tools Available for Agency Closing

a) Statewide Financial Statement Guidance
b) Compliance Checklist
c) WTB Database
d) Form 3 Completeness Database
Tools Available For Agency Closing

a) Statewide Financial Statements Guidance
   - Provides the necessary steps to comply with the checklist items. It also provides accounting guidance for specific subjects.
   - Can be located on our website at: https://www.myfloridacfo.com/Division/AA/Links/default.htm.
b) Statewide Financial Statements Compliance Checklist

- Designed to identify essential tasks that must be accomplished during and after the agency closing process.
- Due dates for some checklist items are provided on the checklist itself and others are based on agency closing dates identified in the Agency Calendar.
- Agencies Compliance Checklist responses are due in October signed by the chief fiscal officer. Checklist items with a “No” response, require completion and submission of “Attachment A” for each no response.
- The SFRS grades each checklist item for timeliness and accuracy. Grading sheets will be available after workshop for the most recent CAFR cycle.
Tools Available For Agency Closing

c) WTB Database

- Access database utilized to provide various reports to support state agencies with fulfilling CAFR requirements. Reports include:
  - Specific compliance checklist item reports (01, 04-10, 12-14, 16 and 21).
  - Analytical reports to identify potential errors.

- From the second working day of July until the last CFO and AG adjustments are posted, the SFRS team updates the WTB database, updates it on the website, and notifies it was updated to the agencies via e-mail.
- It is located on the DFS website at
  - [https://www.myfloridacfo.com/Division/AA/Links/default.htm](https://www.myfloridacfo.com/Division/AA/Links/default.htm).
- Instructions for using the WTB are attached with the database.
2.D.3.d Tools Available For Agency Closing

d) Form 3 Completeness Database

- Form 3 Completeness database is a tool available for the agencies to ensure your Form 3 Intra and Form 3-Inter data is in balance with your trial balance.

- Form 3 Completeness database can be located at https://www.myfloridacfo.com/Division/AA/Links/default.htm.

- Instructions for using Form 3 are attached within the database.
Forms

a) Purpose of Forms and their Use
b) Types of Forms
c) Due Dates
d) Form Exceptions
a) Purpose of Forms and their Use

- The SFRS forms are used to gather required and/or supplemental information from state agencies to prepare the State of Florida CAFR in accordance with GASB.
- The forms are located on the website at http://www.myfloridacfo.com/Division-AA/Forms/default.htm
- Assure the General Ledger (GL) related forms reconcile with their Trial Balance before submission.
- A revised form is required when GL balances are modified.
Forms

b) Types of Forms
   - **P-Forms**
     - P Forms are required for every agency
   - **CU and CUR Forms**
     - CUR Forms are required for all DPCU
   - **All Other Forms**
     - As applicable/No blank submissions
   - **Database Forms**
     - Form 30 – Cash Flows Database
c) Due Dates

- Most forms are due by August 29th, 2019.
- Exceptions include: Form P4, CU Forms, Adjustment Form and Form 3 – See Agency Calendar and Compliance Checklist for due dates.

Note: A copy of all final forms submitted by the agencies is sent to the Auditor General (AG) office.
d) Form Exceptions

- The following forms are provided by the SFRS team. The deadline for these forms is provided in the e-mail attaching the form(s).
- Agency Fund Change Statement.
- Change in Capital Assets
- Change in Long Term Liability

- Form 30 “Cash Flows” form is the only form in a database format.
- Form 30 can be found on the website at https://www.myfloridacfo.com/Division/AA/Links/default.htm.
Agency/Component Unit Adjustments

- After agencies are closed, the only method of adjusting GL balances in FLAIR is through adjustment forms.
- An adjustment form (DFS-A1-1835) is completed either by agencies or the SFRS team.
  - The adjustment form can be located on the website at 
    - [https://www.myfloridacfo.com/Division/AA/Forms/default.htm](https://www.myfloridacfo.com/Division/AA/Forms/default.htm)
  - Form Features:
    - Fund number linked to SWGF and SWF fields
    - Form(s) update notices
    - Adjustment balance check
Agency/Component Unit Adjustments

- **Types of Adjustments:**
  - Agency Adjustments are type “B”
  - Audit Adjustments are type “A”.
  - CFO Adjustments are type “C” adjustments and the following:
    - G for General Revenue Adjustments
    - I for Investments Adjustments
    - L for Component Units Adjustments
    - N for Inter/Intrafund Adjustments
### Adjustment Form

**Fund Number**: 990000502000051

**CFO Document**: B-9906

**CFO Date**: [Date]

<table>
<thead>
<tr>
<th>SL Code</th>
<th>Category</th>
<th>General Ledger Account Title</th>
<th>Debit</th>
<th>Credit</th>
<th>Form Update(s) Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>26109</td>
<td>Infrastructure - Nondepreciable</td>
<td>675,579.50</td>
<td>6,112.00</td>
<td>21-120</td>
<td>Form 21, Form 24 &amp; PS 34</td>
</tr>
<tr>
<td>27009</td>
<td>Construction Work in Progress</td>
<td>77,555.37</td>
<td></td>
<td></td>
<td>21-120</td>
</tr>
<tr>
<td>77109</td>
<td>Oper. Exp. - Contractual Services</td>
<td>27,552.37</td>
<td>27,552.37</td>
<td></td>
<td>24-3-inter</td>
</tr>
<tr>
<td>35109</td>
<td>Oper. Exp. - Personal Services</td>
<td>27,552.37</td>
<td>27,552.37</td>
<td></td>
<td>24-3-inter</td>
</tr>
<tr>
<td></td>
<td>Due To Other Departments</td>
<td>27,552.37</td>
<td></td>
<td></td>
<td>22-3-inter</td>
</tr>
</tbody>
</table>

**Preparer**: ____________________________

**Date**: ____________________________

**Page**: __________

**Explanation**: (1) Required when G/L - 611XX or 83000 is used. (2) Since this is an adjustment to a proprietary fund, please consider if an update to your Cash Flow Form (Form 30) is needed. (3) The G/L code(s) used on this adjustment form will require an update to be made to the Changes in Capital Assets workbook.

**CFO Jimmie Patronis**

[33]
“How to’s” for Better Success in Agency Closing

- Utilize the WTB Database daily
- Develop a checklist of year-end tasks and entries.
- Compare current year and prior years entries.
- Record depreciation in FLAIR prior to agency closing
- Close in balance (Checklist Item #1)
- Confirm INTER fund balances with other agencies early.
“How to’s” for Better Success in Agency Closing

- Review agency post-closing adjustments prior to submission to SFRS
  - Adjustments in balance (debits = credits)
  - Adjustment does not create atypical balances
  - Adjustment based on current trial balance amounts
  - Use adjustment form on DFS website
- When a post-closing adjustment is processed and it effects a form, submit the revised form.
- Contact SFRS if you have any questions or concerns.
During this stage the SFRS team performs the following:

- Verifies the agencies checklist items compliance.
- All forms were timely received and contain the appropriate signature and/or data.
- Compiles and reconciles the forms data.
- Coordinates with agencies to clear up discrepancies within the GL balances and the forms.
- Verifies agencies timely send revised forms when updating the GL balances.
- Verifies agencies send data requested in the planning emails by the due dates.
- Assures atypical balances are cleared up or appropriately explained.
- Performs different processes in order to produce CAFR (such GR, Intra/Inter, etc).
- Analytical procedures to assure data is correctly reported.
- Reconcile audit reports with the CAFR financial statements.
- Produce and submit the draft CAFR by December 31st to the AG office for review.
CFO and Audit Adjustments

- CFO adjustments are adjustments processed by the SFRS team. It includes annual year-end adjustments prepared by SFRS and adjustments to correct GL balances.
- CFO adjustments are type “C”.

- Auditor adjustments are submitted by the AG office after SFRS team deadline of processing the type “C” adjustments.
- Auditor adjustments are type “A”.
The State of Florida generally publishes CAFR around early to mid-February.

The Governmental Finance Officers Association (GFOA) grants the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program). In order to achieve the certificate; GFOA asks state and local governments to submit their report within six months of the end of the fiscal year.

In the near future and with your collaboration, the State of Florida would like to achieve the certificate.
CAFR 2018 Lessons Learned

A. Success from a Statistical Viewpoint
   1) Adjustments
   2) Inter/Intrafund
   3) Compliance Checklist Grading
   4) How to increase your agencies statistical ratings

B. Success from Changes during 2018

C. Lessons Learned from Changes in 2018
Statistical Viewpoints
Adjustments Processed
Five-Year Comparison

3.A.1
INTER fund is journal transfer transactions between agencies.
(Due to/from, Transfers in/out and Advances to/from)

INTRA fund is journal transfer transactions within agencies.
(Due to/from, Transfers in/out and Advances to/from)

These must balance to -0- (Debits=Credits)
INTERfund

You can be in balance with your trial balance, but still be out of balance on the Fund1 Fund2 Agreement Report. **Both must be in balance.**

<table>
<thead>
<tr>
<th></th>
<th>Total number of rows</th>
<th>Total rows of data not balanced</th>
<th>% of Balanced Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Submission</td>
<td>4069</td>
<td>1604</td>
<td>61%</td>
</tr>
<tr>
<td>2nd Submission</td>
<td>4224</td>
<td>700</td>
<td>83%</td>
</tr>
<tr>
<td>3rd Submission</td>
<td>4273</td>
<td>286</td>
<td>93%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Submission</td>
<td>4221</td>
<td>854</td>
<td>80%</td>
</tr>
<tr>
<td>2nd Submission</td>
<td>4361</td>
<td>342</td>
<td>92%</td>
</tr>
<tr>
<td>3rd Submission</td>
<td>4263</td>
<td>450</td>
<td>89%</td>
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</table>
### INTRAFund

You can be in balance with your trial balance, but still be out of balance on the Fund1 Fund2 Agreement Report. **Both must be in balance.**

<table>
<thead>
<tr>
<th>Year</th>
<th>First Submission</th>
<th>Second Submission</th>
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<tbody>
<tr>
<td><strong>2017</strong></td>
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<tr>
<td>Total number of rows</td>
<td>1460</td>
<td>1518</td>
</tr>
<tr>
<td>Total rows of data not balanced</td>
<td>98</td>
<td>38</td>
</tr>
<tr>
<td>% of Balanced Data</td>
<td>93%</td>
<td>97%</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of rows</td>
<td>1466</td>
<td>1442</td>
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<tr>
<td>Total rows of data not balanced</td>
<td>184</td>
<td>16</td>
</tr>
<tr>
<td>% of Balanced Data</td>
<td>87%</td>
<td>99%</td>
</tr>
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</table>
# Compliance Checklist Grading

2018 Compliance Checklist Evaluations will be available at the end of the workshop

<table>
<thead>
<tr>
<th>Checklist #</th>
<th>Checklist Item</th>
<th>2018</th>
<th>2017</th>
<th>Year to Year Change</th>
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<tbody>
<tr>
<td>1</td>
<td>Funds in Balance</td>
<td>100%</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>2</td>
<td>Intrafund Activity within Agency</td>
<td>68%</td>
<td>72%</td>
<td>-5%</td>
</tr>
<tr>
<td>3</td>
<td>Interfund Activity with Other Agencies</td>
<td>56%</td>
<td>63%</td>
<td>-7%</td>
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<tr>
<td>4</td>
<td>Cash Balances</td>
<td>97%</td>
<td>97%</td>
<td>0%</td>
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<tr>
<td>5</td>
<td>Treasury Investment Balances</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>6</td>
<td>Beg Fund Balance/Net Assets</td>
<td>97%</td>
<td>100%</td>
<td>-3%</td>
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<tr>
<td>7</td>
<td>General Revenue</td>
<td>100%</td>
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<td>0%</td>
</tr>
<tr>
<td>8</td>
<td>Capital Assets Depreciation</td>
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<td>100%</td>
<td>0%</td>
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<td>9</td>
<td>Fund Balance Classification</td>
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<td>100%</td>
<td>0%</td>
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<tr>
<td>10</td>
<td>Net Investments in Capital Assets</td>
<td>94%</td>
<td>94%</td>
<td>1%</td>
</tr>
<tr>
<td>11</td>
<td>Compensated Absences</td>
<td>58%</td>
<td>74%</td>
<td>-16%</td>
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<tr>
<td>12</td>
<td>Capital Asset Accounts</td>
<td>91%</td>
<td>91%</td>
<td>0%</td>
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<td>13</td>
<td>Long-term Debt Accounts</td>
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<td>0%</td>
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<td>14</td>
<td>Analytical Procedures</td>
<td>79%</td>
<td>94%</td>
<td>-15%</td>
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<tr>
<td>15</td>
<td>Other Guidance</td>
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<td>100%</td>
<td>0%</td>
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<tr>
<td>16</td>
<td>Fund Questionnaires for New Funds</td>
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<td>0%</td>
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<tr>
<td>17</td>
<td>SWFS Forms</td>
<td>94%</td>
<td>91%</td>
<td>3%</td>
</tr>
<tr>
<td>18</td>
<td>Component Unit Financial Statements</td>
<td>83%</td>
<td>95%</td>
<td>-11%</td>
</tr>
<tr>
<td>19</td>
<td>SEFA</td>
<td>92%</td>
<td>100%</td>
<td>-8%</td>
</tr>
<tr>
<td>20</td>
<td>Fraud Certification</td>
<td>97%</td>
<td>97%</td>
<td>0%</td>
</tr>
<tr>
<td>21</td>
<td>Final Budgeted Revenues</td>
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<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>22</td>
<td>GASB Implementation Schedule Notification</td>
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<tr>
<td>23</td>
<td>Elimination of Revolving Funds</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>24</td>
<td>Interfund Loans</td>
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<td>100%</td>
<td>0%</td>
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<tr>
<td>25</td>
<td>Compliance with Chapter 280, FL Statutes</td>
<td>100%</td>
<td>90%</td>
<td>10%</td>
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</table>
How to increase your agencies statistical ratings

Suggestion on Ways to Improve Your Statistics

- Develop your own checklist of year-end entries required. This helps ensure the recording of all year-end entries (receivables, payables, etc.)
  - Compare CY vs PY entries to ensure keyed correctly and amounts appear reasonable
  - Reconcile your JT transactions quarterly for both INTER and/or INTRAfund to eliminate reconciling all data for the year, if you don’t already do so. (Checklists 2 & 3)

- Use Analytical Reports provided in WTB
  - “Within” Checklist 14 (e.g. Atypical GL Report, Invalid GL Report, GL Balance Analytics – CY vs PY, No Change in GL Balance Report, Equity Constraints vs Total Ending Equity)
  - “After” the numbered checklist items (e.g. Deficit Ending Equity Report, Ending Equity in Agency Funds Report, Equity Comparison Report – CY vs PY, SWGF to Agency GAAFR Fund Comparison) to assist you in making adjustments, as required, prior to closing.

- Ensure forms that are GL related agree with your trial balance when submitted
Success from Changes during 2018

1) RDS Project
2) Wdesk Software Implementation
The RDS Project was implemented to achieve a more efficient and timely process for agencies to obtain Closing Reports (August) and Year End Reports (March).

“Closing Reports” and “Year End Reports” are now retrieved through the Report Distribution System (RDS):
- Streamlined process and is paperless
- Less confusion between printer destinations and printing of reports for pick-up
- Agencies have control over obtaining reports

Feedback has trended towards being positive:
- Please provide feedback on Evaluation Form made available to you after the workshop.
Wdesk is a cloud-based solution that has enhanced the CAFR process:

- CAFR Publishing Tool
- Agency Information for Notes are synced and linked to the CAFR documents within Wdesk
- No substantial changes to Agency processes making the software non-challenging from the agency perspective.
- Reduces risk during data compilation
- Improved efficiency and preserves data integrity
Lessons Learned from Changes in 2018

Wdesk

- SFRS has changed multiple forms to enforce capability to sync to Wdesk
- Agencies will need to be sure to use new forms that are available on the website
- Any forms that are submitted in prior year(s) format will be returned to agency and agency will be required to use new form.
Time For A Break
What’s in store for 2019?

A. GASB Updates
   1) GASB 83
   2) GASB 88
   3) Survey For Leases (GASB 87)

B. SFRS Form Changes/Additions
   1) Color Change
   2) New Forms
What’s in store for 2019?

A. GASB Updates
   1) GASB 83
      ❖ Titled - Certain Asset Retirement Obligations (AROs)

      ❖ Effective Date – For reporting periods beginning after June 15, 2018.

      ❖ Focus – to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations.

      ❖ Definition: An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The retirement aspect is when the tangible capital asset is permanently removed from service, which can encompass its sale, abandonment, recycling, or disposal in some other manner.
What’s in store for 2019?

A. GASB Updates

1) GASB 83 (continued)

- **Criteria** – ARO must be the result from Normal Operations and must include legally enforceable liabilities associated with retirement, disposal, or environmental remediation associated with the retirement.

- **Reporting Requirements** – Recognize a liability when incurred and reasonably estimable. Incurrence of a liability requires occurrence of both an external and internal obligating event.
What’s in store for 2019?

A. GASB Updates

1) GASB 83 (continued)

- **Impact on Financial Reporting** -
  - **Creation of New General Ledger Codes** –
    - GLC 23900 – Deferred Outflows of Resources – ARO’s
    - GLC 38400 – Asset Retirement Obligations – Current
    - GLC 48400 – Asset Retirement Obligations – Long-Term
  
- **Questionnaire**
  - Emailed as attachment after Workshop.
What’s in store for 2019?

A. GASB Updates

2) GASB 88

- **Titled** – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

- **Effective Date** - For reporting periods beginning after June 15, 2018.

- **Focus** – to improve consistency in the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements, and to provide financial statements users with additional essential information about debt.

- **Definition**: Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.
What’s in store for 2019?

A. GASB Updates

2) GASB 88 (continued)

- **Criteria** – Debt for this statement is referring to debt that does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable.

- **Reporting Requirements** – a government should disclose in the notes to financial statements summarized information about:
  - Amount of unused lines of credit
  - Assets pledged as collateral for debt
  - Terms specified in debt agreements related to significant events with finance-related consequences or acceleration clauses
What’s in store for 2019?

A. GASB Updates

2) GASB 88 (continued)

- Impact on Financial Reporting
- Creation of New Forms –
  1) Form 53 – Debt Disclosures
  2) Form CU9 – Debt Disclosures (For Component Units)
What’s in store for 2019?

A. GASB Updates

3) **Survey** on Leases (GASB 87)

- In an effort to gather the necessary information for GASB 87 (Leases), sometime near the end of 2019, SFRS will be requesting all agencies to complete a Leases survey.
- This survey is necessary to inventory the leases from an Enterprise perspective to determine the appropriate capitalization threshold to set for capturing a fair presentation in the financial statements.
What’s in store for 2019?

B. SFRS Form Changes/Additions

1) Color Change

- This was done because some agencies are using old forms
- Must use new forms this year.
- Submissions utilizing old forms will not be accepted.
- Assists with SFRS use of Wdesk software
What’s in store for 2019?

B. SFRS Form Changes/Additions
   2) New Forms
      • Form 53 – Debt Disclosures
      • Form CU9 – Debt Disclosures (For Component Units)
What’s in store for 2020?

A. GASB 84
B. GASB 90
C. Form Changes/Renumbering
D. Website Changes
What’s in store for 2020?

A. GASB 84
   - **Titled** - *Fiduciary Activities*
   - **Effective Date** - For reporting periods beginning after December 15, 2018.
   - **Focus** – to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
   - **Criteria** – establishes specific criteria (for primary government and component units) for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

   Focuses on four questions:
   1) What type of relationship exists? (a fiduciary activity based on applicable criteria?)
   2) Who controls the assets of the fiduciary activities?
   3) Where the money is derived from?
   4) Who are the beneficiaries?

   **Note:** Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.
What’s in store for 2020?

A. GASB 84 (continued)

- Reporting Requirements –
  - Four types of Fiduciary funds
    1) Pension (and other employee benefit) trust funds
    2) Investment trust funds
    3) Private-purpose trust funds
    4) Custodial funds
  - Governments should report fiduciary activities in the fiduciary fund financial statements of the basic financial statements based on the type.
  - A component unit determined to be a fiduciary activity and reported in the fiduciary fund financial statements of the primary government should include the combined information of its own component units that are fiduciary component units.
What’s in store for 2020?

A. GASB 84 (continued)
   - Implementation Steps for Financial Reporting to determine Impact
     - Fund List Review
     - Component Units Fund List Review
   
   **Note:** Fund List Reviews will Start around January 2020 or earlier if possible
What’s in store for 2020?

B. GASB 90

- **Titled** - *Majority Equity Interests*
- **Effective Date** - For reporting periods beginning after December 15, 2018.
- **Focus** –
  1) Improve the consistency and comparability of reporting of a government’s majority equity interest in a legally separate organization
  2) To improve the relevance of financial statement information for certain component units
- **Criteria** – In conjunction with the organization’s type (legally separate or component unit) and investment determination under GASB 72, if a majority equity ownership interest exists, GASB 90 sets the measurement requirement used (i.e., equity method or as a component unit).
What’s in store for 2020?

B. GASB 90 (continued)

❖ Reporting Requirement –
   ❖ If the government is holding a majority interest of a legally separate organization as an investment, the government should **NOT** be recording the legally separate organization as a component unit of the government using the equity method.
   ❖ If the government is holding a majority interest of a legally separate organization **NOT** as an investment, the government should be recording the legally separate organization as a component unit of the government.  *(Financially Accountable Scenario)*

❖ Impact on Financial Reporting –
   ❖ Agencies impacted by GASB 90 will be contacted directly by SFRS with further instructions.
What’s in store for 2020?

C. Form Changes/Renumbering
    SFRS is exploring the option of renumbering our Forms
    Adding better referencing to our forms

D. Website Changes
    May shift links around
    May require additional communication to agencies
Agency Feedback

- Evaluation Form
- Change from Last Year
- New Questions and Their Purpose
# How to Contact SFRS?

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan Nolan</td>
<td><a href="mailto:Ryan.Nolan@myfloridacfo.com">Ryan.Nolan@myfloridacfo.com</a></td>
<td>(850) 413-3071</td>
</tr>
<tr>
<td>Chunping Lin</td>
<td><a href="mailto:Chunping.Lin@myfloridacfo.com">Chunping.Lin@myfloridacfo.com</a></td>
<td>(850) 413-5385</td>
</tr>
<tr>
<td>Pam Barksdale</td>
<td><a href="mailto:Pamela.Barksdale@myfloridacfo.com">Pamela.Barksdale@myfloridacfo.com</a></td>
<td>(850) 413-5803</td>
</tr>
<tr>
<td>David James</td>
<td><a href="mailto:David.James@myfloridacfo.com">David.James@myfloridacfo.com</a></td>
<td>(850) 413-5871</td>
</tr>
<tr>
<td>Janine Knight</td>
<td><a href="mailto:Janine.Knight@myfloridacfo.com">Janine.Knight@myfloridacfo.com</a></td>
<td>(850) 413-5458</td>
</tr>
<tr>
<td>Sherif Nessim</td>
<td><a href="mailto:Sherif.Nessim@myfloridacfo.com">Sherif.Nessim@myfloridacfo.com</a></td>
<td>(850) 413-5559</td>
</tr>
<tr>
<td>Lyna Ty</td>
<td><a href="mailto:Lyna.Ty@myfloridacfo.com">Lyna.Ty@myfloridacfo.com</a></td>
<td>(850) 413-5592</td>
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</table>
QUESTIONS?