

### **Overview**

- OSC Data Management Unit
- Accounting Responsibilities
- Uniform System of Accounts
- Measurement Focus and Basis of Accounting
- Annual Report



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## OSC Data Management Unit

Data Management Unit (DMU) Responsibilities:

- Data collection, review, and analysis
- Fiscal Stress Monitoring System
- Technical assistance for local officials
- Fulfillment of data requests from internal and external users
- Approval requests

Local Government Entity	Statewide Total
Counties	57
Cities	62
Towns	933
Villages	533
School Districts	691
Fire Districts	895
Housing Authorities	144
Public Authorities	127
Other Local Authorities	74
OTBs	5
Libraries	408
BOCES	37
Community Colleges	36
IDAs	109
Soil and Water Conservation Districts	58
	As of January 2020
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# Data Collection – Annual Financial Reports

#### Annual Financial Reports

- GML requires local governments to report to OSC.

- Annual Update Document (AUD)
  - Counties, Cities, Towns, Villages, Fire Districts, Joint Activities, Special Purpose Units
- ST-3 Reports
  - School Districts
- Public Reporting Information System (PARIS)
  - Industrial Development Agencies (IDAs)

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## Data Collection – Report Review

- Goal of reviewing reports is to improve the quality of data that is published.
- Examiners look for general accounting errors, data inconsistencies, and other accounting errors that could affect the fiscal stress score.

## Fiscal Stress Monitoring System

- Evaluates the financial health for each county, city, town, village and school district in the state.
- Various financial indicators such as available fund balance and short-term debt issuance are used to determine a fiscal stress score.
- Acts as an early warning and provides valuable information to local leaders and citizens so that they are well-equipped to take a deliberate, long-term and strategic approach to managing their local government.



## **Technical Assistance**

Examiners assist local officials with questions on the preparation and filing of annual reports.

- Accounting questions
- Account code classification
- Correction of financial edits
- Provide local officials accounting resources including OSC accounting bulletins and the Accounting and Reporting Manual (ARM)

https://www.osc.state.ny.us/local-government/publications https://www.osc.state.ny.us/files/local-government/publications/pdf/arm.pdf

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## **Data Requests**

External data requests – Freedom of Information Law (FOIL)

- Filing and processing information
- Extension requests
- Communication history
- · Independent audits

## **Approval Requests**

- DMU works with OSC's Legal Department to process statutory debt-related approval requests.
- Current and advanced refunding approvals.
- Processing of certain debt exclusions for local governments.

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## SWCD Accounting Responsibilities

#### Secretary-Treasurer

- CFO performs all financial duties
- Receives cash
- Makes bank deposits
- Maintains accounting records
- Prepares annual financial report (AFR)

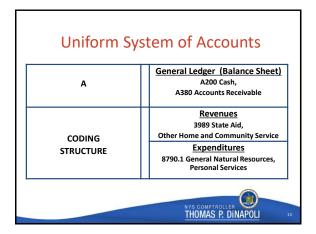
#### **Board of Directors**

 Oversight Responsibility – Board needs to establish a system of internal controls (checks and balances) over financial operations.

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## Accounting System Must Provide...

- · What has happened
- · What is happening
- Orderly analysis of financial condition
- Audit trail so you can trace back to origin





### **Revenue Accounts**

#### Major Sources

- 1289 Other General Departmental Income
- 2401 Interest And Earnings
- 2414 Rental of Equipment
- 2655 Sales, Other
- 2665 Sales of Equipment
- 2680 Insurance Recoveries
- 2705 Gifts and Donations
- 2770 Unclassified (Itemize)
- 2706 Grants from Local Governments
- 3989 State Aid Other Home and Community Service
- 4989 Federal Aid, Other Home and Community Services
- 2701 Refund of Prior Year's Expenditures

## **Expenditure Accounts**

#### Major Sources

- 8790.0 General Natural Resources
  - .1 Personal Services
  - .2 Equipment and Capital Outlay
  - .4 Contractual
  - .8 Employee Benefits

Detailed coding through SWCC account codes.

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# GASB 54: Fund Balance Classifications and Reporting

- Fund balance classifications based on level of constraints on resources:
  - Nonspendable resources for inventory, prepaid assets, etc.
  - Restricted resources restricted through legal or other means
     899 Other Restricted Fund Balance
  - Committed limited applicability
  - Assigned resources designated for a purpose
    - 914 Assigned, Appropriated Fund Balance (Budget)
      915 Assigned, Unappropriated Fund Balance (Encumbrances)
  - Unassigned remaining resources not designated
    - 917 Unassigned Fund Balance
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## Measurement Focus and Basis of Accounting

- · What gets recorded in the accounting records
- When to record transactions
  - Cash basis
  - Accrual (or full accrual) basis
  - Modified accrual basis
- NYS Local Governments use:
  - Modified accrual basis for governmental funds
  - Full accrual basis for proprietary and fiduciary funds

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## **Modified Accrual Basis**

Governmental Funds – General Fund (A)

- Modified accrual basis measures flow of current financial resources.
  - Revenues are recognized when earned, measurable and available.
  - Expenditures are recognized when incurred and affect current financial resources.

# Modified Accrual Basis – Accruable Revenues

- What do we mean by "available"?
  - Collectible within the current fiscal year or shortly after the fiscal year end
  - Availability period is adopted by the reporting District.
- For other local governments, GASB provides specific guidance for real property tax availability of current period plus 60 days.



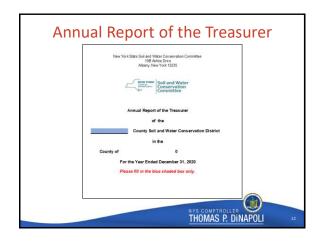
# Modified Accrual Basis – Accruable Revenues (Cont'd)

- Examples of Accruable Revenues
  - State and Federal Aid
  - Grants
- However:
  - If revenue is earned and measurable, but not available – record as a deferred inflow of resources.
  - If revenue is measurable and available, but not earned – record as a deferred inflow of resources.

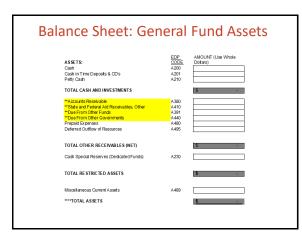


# Modified Accrual Basis – Accruable Expenditures

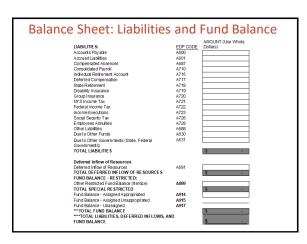
- Recognize when liability incurred
- Modifications and alternatives
  - Inventory
  - Prepaid Items



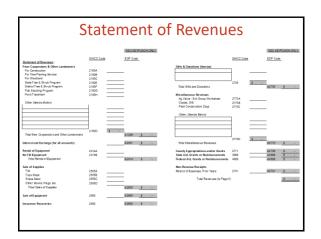




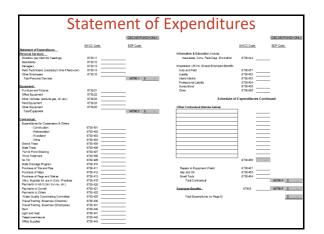




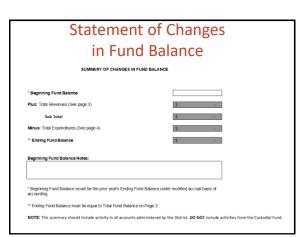




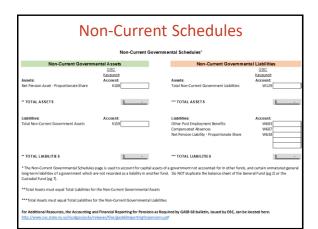








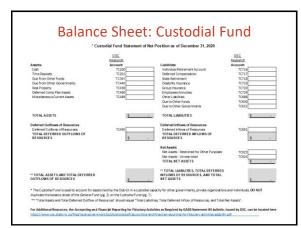




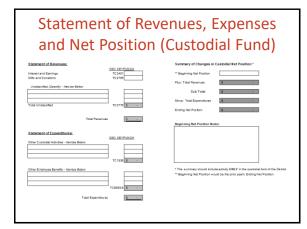
# GASB 68: Accounting and Financial Reporting for Pensions

- GASB Statement 68 requires that participating local governments and districts report a net pension liability, pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the employers in the plan.
- The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.
- The figures are to be recorded in the Schedules of Non-Current Governmental Assets and Liabilities.

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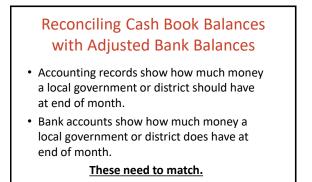












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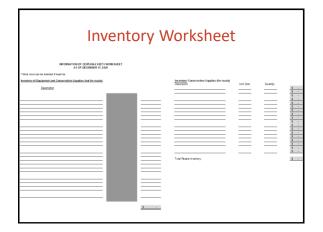
# Reconciling Cash Book Balances with Adjusted Bank Balances (Cont'd)

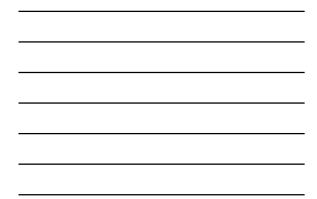
- Prepare cash summary of all receipts collected (fees, payments, sales, etc.)
- Use bank statement to:
  - Verify deposits, deposit dates and amounts
  - Verify that checks have cleared and amounts are correct
  - Verify other charges or credits (e.g., check fees)
  - Identify deposits not posted to the account (in-transit)
  - Identify checks that have not cleared (outstanding)

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## Matching Cash Book Balances with Bank Reconciliations

CASH BOOK BALANCE AT JANUARY 31, 20X	x	
A200 Cash	\$508.50	
CASH BOOK BALANCE	\$508.50	
	vv	
BANK RECONCILIATION AT JANUARY 31, 20	_	
Bank Balance at End of Month	\$290.50	
Add - Cash on Hand Deposited 2/1/XX	<u>\$243.00</u>	
Subtotal	<u>\$533.50</u>	
Deduct - Outstanding Checks:		
Check #7	(\$15.00)	
Check #12	(\$10.00)	
Total Outstanding Checks	(\$25.00)	
ADJUSTED BANK BALANCE	<u>\$508.50</u>	
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	0 County
	Soil and Water Conservation District
	Component Unit
	Annual Financial Report
	Certificate of the Soil and Water Conservation
	District Treasurer
	Please fill in the blue shaded boxes only.
	herby certify that I am the Treasurer of the
	O County Soil and Water Conservation District and that the information
provided i	n the Annual Financial Report for the
	I and Water Conservation District for the fiscal year ended December 31, 2020 I correct to the best of my knowledge and belief.
District Te	easurer
Date	
Address	

