An Introduction to GAAP Basis Financial Report

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Executive Director
Supervising Accountant
Associate Accountant
Associate Accountant
Harvesting Knowledge
2016 Fall Conference  |  October 25 -26

Office of Operations
John Traylor, Executive Deputy Comptroller

Division of Payroll, Accounting & Revenue Services
Chris Gorka, Deputy Comptroller
Dave Hasso, Assistant Comptroller
Suzette Baker, Executive Director, Bureau of Financial Reporting and Oil Spill Remediation
Overview

• General Background
• Fund Accounting
• Agency Financial Reporting Package (AFRP)
• Types of Transaction
  • Accounts Receivable
  • Accounts Payable
  • General Ledger Journal Entries
• Capital Assets
• Reporting Tools
• GASB Statements
• Summary/Questions/Comments
Bureau Responsibilities

- Comprehensive Annual Financial Report (CAFR)
- Financial Condition Report (FCR)
- Cash Basis Annual Report on State Funds
- Interim GAAP Financial Statements
- Cash Basis Monthly Report on State Funds
- Chapter 551 Functional Reporting
- Five Year Comparative Financial Statements
- Schedule of Expenditures of Federal Awards
- Citizens’ Guide
- LGAC and Oil Spill Fund Financial Statements
- Implementation of GASB Standards
- Reconcile SFS Ledgers and Submodules
What is Cash Reporting?

• State Finance Law – Article 2, Section 8(9)
  – Submit monthly report by the 15th of the following month
  – Submit annual report to Legislature by July 29th

• Annual and monthly statements to the Legislature
  – Based on recorded Cash Ledger transactions
    • Adjusted for reclass entries and any posting errors identified during the reporting process

• Posted to OSC website each month
  – http://www.osc.state.ny.us/finance/index.htm
What is GAAP Financial Reporting?

• Generally Accepted Accounting Principles (GAAP)

• Chapter 405 of the Laws of 1981
  – Report to Legislature MUST be completed by July 29th

• Chapter 551 of the Laws of 1989
  – Report reconciles receipts to revenue and disbursements to expenditures by department and major function

• Accounting Basis
  – Cash Basis Reporting (pre-1982)
  – Modified Accrual (Fund Accounting)
  – Full Accrual (GASB 34)
Financial Reports
Definitions

• GASB – Governmental Accounting Standards Board

• GFOA – Government Finance Officers Association

• Certificate of Achievement for Excellence in Financial Reporting

• AFRP – Agency Financial Reporting Package
Fund Accounting
What is a Fund?

A fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances which are segregated for the purpose of carrying on specific activities.
# Difference in Basis of Accounting

<table>
<thead>
<tr>
<th></th>
<th>Cash</th>
<th>Modified Accrual</th>
<th>Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Recognizes increases and decreases in financial resources only to the extent that cash is received or payment is made.</td>
<td>Recognizes increases and decreases in financial resources only to the extent they reflect near-term inflows or outflows of cash.</td>
<td>Recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td>Recognized when resources are received.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>Recognized when earned as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period (available).</td>
<td>Recognized as soon as earned.</td>
<td></td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td>Recognized when payments are made.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>Recognized when payment is due or satisfied with expendable available financial resources.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td>Recognized as soon as liability is incurred.</td>
</tr>
</tbody>
</table>
## Difference in Basis of Accounting

<table>
<thead>
<tr>
<th></th>
<th><strong>Cash</strong></th>
<th><strong>Modified Accrual</strong></th>
<th><strong>Accrual</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td>Recorded by the State only when cash is either received or disbursed.</td>
<td>Recorded by the State when cash will either be received or disbursed within one year of the statement issue date. Example: April 15th</td>
<td>The State records all revenues and refunds for taxes.</td>
</tr>
<tr>
<td><strong>General Obligation Bond Issued</strong></td>
<td>Recorded by the State as an Other Financing Source at the time the bonds are issued.</td>
<td>Recorded by the State as an Other Financing Source at the time the bonds are issued.</td>
<td>The State records all General Obligation Debt outstanding as Bonds Payable.</td>
</tr>
<tr>
<td><strong>General Obligation Bond Repayment</strong></td>
<td>Recorded by the State as Debt Service disbursement at the time the payment is made.</td>
<td>Recorded by the State as Debt Service expenditure at the time the payment is due.</td>
<td>Record principal payments as a reduction of Bonds Payable and interest payments as an expense.</td>
</tr>
</tbody>
</table>
Fund Categories

• Governmental
  – Generally does not match resources to uses
  – Use current financial resources measurement focus and modified accrual basis of accounting

• Proprietary
  – Match revenues to expenses
  – Use economic resources measurement focus and accrual basis of accounting

• Fiduciary
  – Government holds assets as a trustee or agent
  – Cannot be used to support programs
  – Use economic resources measurement focus and accrual basis of accounting
Why is Financial Reporting Important?

• Recognize the true financial position and condition of the State, and reports the condition to the taxpayers

• GAAP financial statements present timely modified accrual and full accrual-based financial statements to the public, bond rating agencies, investment banks, etc

• Enable comparability with other states and over a period of time
Your daily work flows to the reports
“This is going to be a two-cupcake Friday.”
SFS

SFS

Mission and Vision

Governance and Guidance

Program Formation

Vendors

Vendor Portal

Vendor System Status

Normal operation

Vendor Support

For additional information or system support, contact the SFS Help Desk.

Agencies

SFSSecure

2015 Crosswalk

Agency Financials Portal

ABP Testing Portal

AnalyzeNY

Agency System Status

Normal operation

For additional information or system support, contact the SFS Help Desk.
Agency Financial Reporting Package

- Gathers information outside of the Statewide Financial System (SFS)
- Collects information from approximately 215 State agencies
- Used for annual and interim reporting
- Agency uses an online system
Agency Financial Reporting Package

Business Service Center (BSC) Communication to Agencies

• Services provided to client agencies do not extend to financial reporting. Agencies are still responsible for completing the AFRP.

• Agencies completing the AFRP should contact the BSC at least one week in advance of the date the information is needed for reporting to request, as applicable, in-process work that will impact reported information in the AFRP.

• Information includes:
  – Invoices received but not yet entered or approved by OSC
  – Billings collected but not yet processed

• Agencies still need to consider internal work to ensure reporting is complete
TRANSACTIONS
Accounts Receivable
Accounts Payable
GL Journal Entries
What is an Accounts Receivable?

- The amount you have the right to collect because you sold goods or services to a customer.
- Refers to the outstanding invoices or money that is owed from customers.
- It is the legal obligation for the customer to remit cash.
Accounts Receivable

How is it recorded?

Receive customer payments → Process Customer Payments → Miscellaneous receipt?

AC909 is created in SFS by agency.
This is the accounting date on the deposit.

Two entries are created in the Modified Accrual Ledger.
The Date Posted is the date OSC processes the AC909.
Accounts Receivable - Payment

All Payments

Deposit Unit: DOS01
Deposit ID: 3355

Payment Amount: 7,680.00
Selected Amount: 0.00
Payment Status: Directly Journalled
Account: 10001
Posting Action:
Created By: pburke1
Created On: 11/18/2015 12:23PM

Attachments (1)

Payment ID: IRSWIR 11/17/15

User: pburke1
Assigned: pburke1
Group ID

Posting Status:
Acctg Date: 11/18/2015
Entered Date: 11/18/2015

Unpost Reason:
Posting Date:
Modified By: t55084
Last Modified On: 11/19/2015 7:36AM

Payment Type: Payment

Customer Information

<table>
<thead>
<tr>
<th>Unit</th>
<th>Customer</th>
<th>Name</th>
</tr>
</thead>
</table>

Reference Information

<table>
<thead>
<tr>
<th>Unit</th>
<th>Qual Code</th>
<th>Reference</th>
</tr>
</thead>
</table>

Item Selected

<table>
<thead>
<tr>
<th>Unit</th>
<th>Customer ID</th>
<th>Item ID</th>
<th>Line</th>
<th>Payment Amount</th>
<th>Currency</th>
</tr>
</thead>
</table>
## Accounts Receivable - Deposit

<table>
<thead>
<tr>
<th>Unit</th>
<th>DOS01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Code</td>
<td>10001</td>
</tr>
<tr>
<td></td>
<td>Key Bank</td>
</tr>
<tr>
<td>Bank Account</td>
<td>1001 000329681090026</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deposit Type</th>
<th>MoniesRcvd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Type</td>
<td>CRRNT</td>
</tr>
<tr>
<td>Format Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Payment Type</td>
<td>Payment</td>
</tr>
</tbody>
</table>

### Totals and Counts

<table>
<thead>
<tr>
<th></th>
<th>Control Total Amount</th>
<th>Entered Total Amount</th>
<th>Difference Amount</th>
<th>Posted Total Amount</th>
<th>Journalled Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

### Control Data

- **Received**: 11/18/2015
- **Entered**: 11/18/2015
- **Posted**: 11/18/2015
- **Assigned**: pburke1
- **User**: pburke1

---

**Accounting Date**: 11/18/2015

**Deposit ID**: 3355

**Deposit Balance**: Balanced

**Cash Control**: N

**Control Currency**: USD

**Exchange Rate**: 1.00000000

**Deposit Status**: None Applied
Accounts Receivable – Journal Entry

Obligation date is entered for reference

<table>
<thead>
<tr>
<th>Unit</th>
<th>DOS01</th>
<th>Deposit ID</th>
<th>3355</th>
<th>Payment</th>
<th>IRSWIR 11/17/15</th>
<th>Seq</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Base</td>
<td>7,680.00</td>
<td>7,680.00</td>
<td>Currency</td>
<td>USD</td>
<td>USD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Obligation Date 11/17/2015

Distribution Lines

<table>
<thead>
<tr>
<th>Distribution Sequence</th>
<th>GL Unit</th>
<th>Debit Amount</th>
<th>Credit Amount</th>
<th>Line Amount</th>
<th>Foreign Currency</th>
<th>Account</th>
<th>Oper Unit</th>
<th>Fund Code</th>
<th>Dept</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DOS01</td>
<td>-7,680.00</td>
<td>USD</td>
<td>31301</td>
<td>21977</td>
<td>3800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 NYS01</td>
<td>7,680.00</td>
<td>USD</td>
<td>10110</td>
<td>21977</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 DOS01</td>
<td>7,680.00</td>
<td>USD</td>
<td>60820</td>
<td>21977</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 NYS01</td>
<td>-7,680.00</td>
<td>USD</td>
<td>36320</td>
<td>21977</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th>Lines</th>
<th>Total Debits</th>
<th>Currency</th>
<th>Total Credits</th>
<th>Currency</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>15,360.00</td>
<td>USD</td>
<td>15,360.00</td>
<td>USD</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Accounts Receivable

What happens when the books close?
Gross Accounts Receivable

- Receivables exist when revenues are owed to the State, but cash is not received and recorded in SFS before March 31st
- Classified as current and long-term receivables
- Approximately 40 agencies and $1.4 billion
- Details reported in Note 4
2016 Agency Financial Reporting Package

Reporting for Agency: 3050386 Office of the State Comptroller

Miscellaneous Accounts Receivable

Miscellaneous Accounts Receivable Form

If your agency has nothing to report for this section, please return to the AFRP Main Page and click on the appropriate box in the table.

Miscellaneous accounts receivable are reported to OSC electronically by clicking on the link above. Receivables are claims against an individual, private or non-profit organization or commercial entity, generally arising from goods, services, revenue contracts, permits or licensing privileges or penalties imposed by State agencies.

Receivable items that need **not** be reported are as follows:

- amounts due from the Federal government
- patient receivables
- amounts due from other State funds
- taxes receivable

Please complete the electronic form listing all funds for which your agency collects receivables and submit by **July 22, 2016**. If you have any questions, please contact James DeLessio at (518) 474-3277 or email at finrep@osc.state.ny.us.
Gross Accounts Receivable

Balance Sheet
GOVERNMENTAL FUNDS
March 31, 2016
(Amounts in millions)

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>General</th>
<th>Federal Special Revenue</th>
<th>General Debt Service</th>
<th>Other Governmental Funds</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 9,138</td>
<td>$ 459</td>
<td>$ 1,476</td>
<td>$ 6,879</td>
<td>$ —</td>
<td>$ 17,952</td>
</tr>
<tr>
<td>Receivables, net of allowances for uncollectibles:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>10,378</td>
<td>—</td>
<td>2,947</td>
<td>564</td>
<td>—</td>
<td>13,889</td>
</tr>
<tr>
<td>Due from Federal government</td>
<td>—</td>
<td>7,008</td>
<td>4</td>
<td>591</td>
<td>—</td>
<td>7,603</td>
</tr>
<tr>
<td>Other</td>
<td>1,169</td>
<td>569</td>
<td>764</td>
<td>1,047</td>
<td>—</td>
<td>3,549</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>2,940</td>
<td>3</td>
<td>—</td>
<td>500</td>
<td>(3,400)</td>
<td>355</td>
</tr>
<tr>
<td>Other assets</td>
<td>113</td>
<td>196</td>
<td>—</td>
<td>16</td>
<td>—</td>
<td>325</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 23,744</td>
<td>$ 8,235</td>
<td>$ 5,191</td>
<td>$ 9,903</td>
<td>(3,400)</td>
<td>$ 43,673</td>
</tr>
</tbody>
</table>
Gross Accounts Receivable

Statement of Net Position

March 31, 2016
(Amounts in millions)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$17,062</td>
<td>$7,314</td>
<td>$25,266</td>
<td>$17,781</td>
</tr>
<tr>
<td>Receivables, net of allowances for uncollectibles:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>13,889</td>
<td></td>
<td>13,889</td>
<td></td>
</tr>
<tr>
<td>Due from Federal government</td>
<td>7,443</td>
<td></td>
<td>7,443</td>
<td></td>
</tr>
<tr>
<td>Loans, leases and notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,549</td>
<td>3,918</td>
<td>7,467</td>
<td>42,082</td>
</tr>
<tr>
<td>Internal balances</td>
<td>(788)</td>
<td>632</td>
<td>(156)</td>
<td></td>
</tr>
<tr>
<td>Net pension asset</td>
<td></td>
<td>80</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>325</td>
<td>251</td>
<td>576</td>
<td>4,774</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, infrastructure and construction in progress</td>
<td>80,863</td>
<td>4,611</td>
<td>85,474</td>
<td>18,145</td>
</tr>
<tr>
<td>Buildings, equipment, land improvements</td>
<td>5,066</td>
<td>11,331</td>
<td>16,397</td>
<td>67,467</td>
</tr>
<tr>
<td>and infrastructure, net of depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets, net of amortization</td>
<td>592</td>
<td>15</td>
<td>607</td>
<td>1,221</td>
</tr>
<tr>
<td>Total assets</td>
<td>128,891</td>
<td>28,152</td>
<td>157,043</td>
<td>186,049</td>
</tr>
</tbody>
</table>
Accounts Payable

What is an Accounts Payable?

- The amount owed because of a purchase of goods or services from a supplier or vendor.
- You received the goods or service and have not paid the vendor or supplier.
- Entity’s obligation to pay off debt.
Accounts Payable Process Flow

How is it created?

Supplies ordered and received

Agency

Receive Invoice ➔ Enter Voucher ➔ Matching (if applicable) ➔ Agency Workflow Approval ➔ Budget Checking

Voucher will pay the bill

Budget available for the expense

OSC

OSC Audit Filter ➔ OSC Workflow Approval ➔ Post Voucher to GL ➔ Paycycle ➔ Post Payment to GL

Modified Accrual Ledger creates Payable and Expense

Payment is generated

Modified Accrual Ledger records Cash and liquidates Payable

Cash Ledger records transaction
### Accounts Payable

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>OSC01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voucher ID</td>
<td>NEK0995</td>
</tr>
<tr>
<td>Voucher Style</td>
<td>Regular</td>
</tr>
<tr>
<td>Supplier Name</td>
<td>JEFFREY M MEYER MD PLLC</td>
</tr>
<tr>
<td></td>
<td>30 MERRICK AVE</td>
</tr>
<tr>
<td></td>
<td>EAST MEADOW, NY 11554</td>
</tr>
<tr>
<td>Entry Status</td>
<td>Postable</td>
</tr>
<tr>
<td>Match Status</td>
<td>No Match</td>
</tr>
<tr>
<td>Approval Status</td>
<td>Approved</td>
</tr>
<tr>
<td>Post Status</td>
<td>Posted</td>
</tr>
</tbody>
</table>

#### Invoice Information

- **Invoice Date**: 10/08/2015
- **Invoice No**: FARRELL, ROBERT V 0056170
- **Invoice Total**: 2,162.00 USD
- **Pay Terms**: Due Now
- **Voucher Source**: Online
- **Origin**: ONL
- **Created On**: 10/30/2015 7:39AM
- **Created By**: kdemizio
- **Last Update**: 11/03/2015 3:48PM
- **Modified By**: twilcox1
- **ERS Type**: Not Applicable
- **Close Status**: Open

**Notes**

- Determines Obligation Date
- Accounting Date defaults to current date, i.e. date it was originated.
Accounts Payable

- **MIR date for prompt payment interest**
- **Liability Date**
- **Accounting Date** controls the accounting period and fiscal year in which the transaction is recorded.
Accounts Payable

Voucher Accounting Entries

*Business Unit: OSC01
*Accounting Line View Option: Standard
Supplier ID: 1100035201
Supplier Name: JEFFREY M MEYER MD PLLC

Voucher ID: NEK0095
Invoice Number: FARRELL,ROBERT V 0056170
Invoice Date: 10/08/2015
*Sort By: Posting Process

Accounting Information

Posting Process: AP Accrual
Gl. Dist Status: Distributed
Posting Date: 11/03/2015

<table>
<thead>
<tr>
<th>Tax Authority</th>
<th>Account</th>
<th>Operating Unit</th>
<th>Fund Code</th>
<th>Department</th>
<th>Program Code</th>
<th>Class Field</th>
<th>Budget Reference</th>
<th>Product</th>
<th>PC Business Unit</th>
<th>Project</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20110</td>
<td>65000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>55141</td>
<td>65000</td>
<td>3050347</td>
<td></td>
<td>12765</td>
<td></td>
<td>2015-16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expensed Account
Accounts Payable

Accounting Date controls the accounting period and fiscal year in which the transaction is recorded.

Date posted to GL

Payment Data
Accounts Payable

This date drives the late interest calculation
Accounts Payable

What happens when the books close?
Gross Miscellaneous Accrued Liabilities

- Outstanding liabilities are moneys owed by the State at year end, and not entered into SFS by April 30\textsuperscript{th} with a liability date of March 31\textsuperscript{st} or earlier
- Classified as current and long-term liabilities
- Approximately 20 agencies and $45 million
- Details reported in Note 8
Miscellaneous Accrued Liabilities

2016 Agency Financial Reporting Package

Reporting for Agency: 3050386 Office of the State Comptroller

Miscellaneous Accrued Liabilities

Miscellaneous Accrued Liabilities Form

If your agency has nothing to report for this section, please return to the AFRP Main Page and click on the appropriate box in the table.

To ensure that Miscellaneous Accrued Liabilities are properly reported, all material (significant) liabilities incurred as of June 30, 2016 must be reported. Liabilities exist when goods and/or services are received prior to June 30, 2016 and have not been previously reported to OSC or are not expected to be posted (vouchers entered or bulkloaded) into the Statewide Financial System by July 22, 2016.

An example of material (significant) liabilities may be goods which were received by your agency prior to June 30, 2016. The liability has been incurred but because there might have been some dispute that was not resolved by July 22, 2016, it was not entered into the Statewide Financial System by that date. Materiality is defined as aggregated liabilities greater than or equal to $50,000.

Please complete the electronic form listing all funds with unreported liabilities which meet the previously stated thresholds by clicking on the link above and submit by July 22, 2016. If you have any questions, please contact James DeLessio at (518) 474-3277 or email at finrep@osc.state.ny.us.
### Balance Sheet

**Governmental Funds**

March 31, 2016  
(Amounts in millions)

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>General</th>
<th>Federal Special Revenue</th>
<th>General Debt Service</th>
<th>Other Governmental Funds</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax refunds payable</td>
<td>$10,448</td>
<td>$8,194</td>
<td>$1,945</td>
<td>$309</td>
<td>283</td>
<td>$5,546</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>283</td>
<td>122</td>
<td>16</td>
<td>145</td>
<td>283</td>
<td>283</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>5,546</td>
<td>2,689</td>
<td>2,532</td>
<td>9</td>
<td>316</td>
<td>5,546</td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>6,304</td>
<td>2,765</td>
<td>3,238</td>
<td>150</td>
<td>151</td>
<td>6,304</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>3,172</td>
<td>3,311</td>
<td>946</td>
<td>735</td>
<td>1,580</td>
<td>4,951</td>
</tr>
<tr>
<td>Pension contributions payable</td>
<td>321</td>
<td>321</td>
<td>946</td>
<td>735</td>
<td>1,580</td>
<td>4,951</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>950</td>
<td>198</td>
<td>746</td>
<td>6</td>
<td>950</td>
<td>950</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>27,024</td>
<td>17,600</td>
<td>7,478</td>
<td>2,839</td>
<td>2,507</td>
<td>27,024</td>
</tr>
</tbody>
</table>

**Note:** The highlighted entries are the ones that are directly related to Gross Miscellaneous Accrued Liabilities.
### March 31, 2016
(Amounts in millions)

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax refunds payable</td>
<td>10,448</td>
<td>—</td>
<td>10,448</td>
<td>515</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>283</td>
<td>764</td>
<td>1,047</td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>8,288</td>
<td>1,540</td>
<td>9,828</td>
<td>19,397</td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>6,304</td>
<td>—</td>
<td>6,304</td>
<td>—</td>
</tr>
<tr>
<td>Due to Federal government</td>
<td>—</td>
<td>12</td>
<td>12</td>
<td>—</td>
</tr>
<tr>
<td>Interest payable</td>
<td>305</td>
<td>155</td>
<td>460</td>
<td>—</td>
</tr>
<tr>
<td>Pension contributions payable</td>
<td>321</td>
<td>—</td>
<td>321</td>
<td>17</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>950</td>
<td>594</td>
<td>1,544</td>
<td>1,751</td>
</tr>
<tr>
<td>Derivative instruments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>121</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>4,773</td>
<td>1,058</td>
<td>5,831</td>
<td>7,767</td>
</tr>
<tr>
<td>Due in more than one year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax refunds payable</td>
<td>1,272</td>
<td>—</td>
<td>1,272</td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>5,413</td>
<td>1,314</td>
<td>6,727</td>
<td>414</td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>253</td>
<td>—</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>Due to Federal government</td>
<td>1,000</td>
<td>—</td>
<td>1,000</td>
<td>—</td>
</tr>
</tbody>
</table>
Local Assistance Liabilities

• Local assistance liabilities exist when the required services have been provided or contractual requirements have been met by an agency or the State
• Reported when the liability is not entered into SFS by April 30th
• Details reported in Note 8
Local Assistance Accrued Liabilities

2016 Agency Financial Reporting Package

Reporting for Agency: 3050386 Office of the State Comptroller

Local Assistance Accrued Liabilities

Local Assistance Accrued Liabilities Form

If your agency has nothing to report for this section, please return to the AFRP Main Page and click on the appropriate box in the table.

OSC is requesting agency assistance in reporting liabilities for certain local assistance programs administered by your agency. To ensure that local assistance liabilities are properly accounted for in the June 30, 2016 financial statements, all material liabilities incurred as of June 30, 2016 that were not posted (vouchers entered or bulkloaded) to the Statewide Financial System by July 22, 2016 must be reported.

Liabilities exist when the required services have been provided or contractual requirements have been met on behalf of your agency or the State by June 30, 2016. For example, you may be aware that certain services or State aid requirements were performed by June 30, 2016 but they will not be entered into the Statewide Financial System by July 22, 2016 because the required claims and supporting documentation will not be received in time. Materiality is generally defined as an individual liability greater than or equal to $50,000, or a group of lesser liabilities which when added together total more than $50,000.

The total amount includes current liabilities and long-term liabilities. Current liabilities are those liabilities expected to be paid on or before June 30, 2017. Long-term liabilities are those liabilities expected to be paid after June 30, 2017. Encumbrances should not be reported. Encumbrances are not liabilities but represent a budgetary tool for reserving a portion of your appropriation. To ensure that there is no double counting of these liabilities, this determination should be made after July 22, 2016.

Please complete the electronic form by clicking on the link above and submit by July 29, 2016. If you have any questions concerning this request, please contact James DeLessio at (618) 474-3277 or email at finrep@osc.state.ny.us.
## Local Assistance Liabilities

### Statement of Net Position

**March 31, 2016**
(Amounts in millions)

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax refunds payable</td>
<td>10,448</td>
<td>764</td>
<td>10,448</td>
<td>515</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>283</td>
<td>1,047</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>8,288</td>
<td>1,540</td>
<td>9,828</td>
<td>19,397</td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>6,304</td>
<td>12</td>
<td>6,316</td>
<td></td>
</tr>
<tr>
<td>Due to Federal government</td>
<td></td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Interest payable</td>
<td>305</td>
<td>460</td>
<td>765</td>
<td></td>
</tr>
<tr>
<td>Pension contributions payable</td>
<td>321</td>
<td>321</td>
<td>17</td>
<td>1,751</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>950</td>
<td>1,544</td>
<td>1,544</td>
<td>121</td>
</tr>
<tr>
<td>Derivative instruments</td>
<td></td>
<td>121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due in more than one year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax refunds payable</td>
<td>1,273</td>
<td>1,273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>5,413</td>
<td>6,727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>253</td>
<td>253</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Federal government</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NYS COMPTROLLER
THOMAS P. DiNAPOLI

48
# Local Assistance Liabilities

## Balance Sheet

**GOVERNMENTAL FUNDS**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>General</th>
<th>Federal Special Revenue</th>
<th>General Debt Service</th>
<th>Other Governmental Funds</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax refunds payable</td>
<td>$8,194</td>
<td>$</td>
<td>$1,945</td>
<td>$309</td>
<td>$</td>
<td>$10,448</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>122</td>
<td>16</td>
<td></td>
<td>145</td>
<td></td>
<td>283</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>2,689</td>
<td>2,532</td>
<td>9</td>
<td>316</td>
<td></td>
<td>5,546</td>
</tr>
<tr>
<td>Payable to local governments</td>
<td>2,765</td>
<td>3,238</td>
<td>150</td>
<td>151</td>
<td></td>
<td>6,304</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>3,311</td>
<td>946</td>
<td>735</td>
<td>1,580</td>
<td>(3,400)</td>
<td>3,172</td>
</tr>
<tr>
<td>Pension contributions payable</td>
<td>321</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>321</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>198</td>
<td>746</td>
<td></td>
<td>6</td>
<td></td>
<td>950</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>17,600</td>
<td>7,478</td>
<td>2,839</td>
<td>2,507</td>
<td>(3,400)</td>
<td>27,024</td>
</tr>
</tbody>
</table>
Other Agency Financial Reporting Package areas?

- Compensated Absences
- Patient/Client Revenue Receivables
- External Reports
- Contingencies Questionnaire
- EDP & Tele. Equipment Lease Commitments
- Landfill Survey
- Pollution Remediation Obligations
Compensated Absences

- Reports the liability owed by the State for employees’ accumulated annual leave
- Over 4,000 employees and approximately $876 million
- Reported in accrued liabilities on the Statement of Net Position
- Details reported in Note 1j
Contingencies

• Represents a condition, situation or circumstance involving a possible loss
• Examples are: audit disallowance, adverse litigation, claims or assessments
• Information is compared to open cases with the Attorney General’s Office
• Details reported in Notes 10 or 11
General Ledger Entries (GL Journals)

What is a General Ledger Entry?

• Move money between funds.
• Correct transactions recorded with the wrong coding.
• Move revenue and/or expenditures to the correct fund.
• Record transfers created in the current years budget or per State Finance Law.
This date defaults to the current date. It is the Accounting Date for GL Journal entries.
GL Journal Entry

Unit: OSC01
Journal ID: 0002181732
Date: 11/04/2015

Long Description: MES0816 - WRONG DEPT ID S/B 3050299

*Ledger Group: MOD_ACCRL
Adapting Entry: Non-Adjusting Entry

Fiscal Year: 2016
Period: 8
ADB Date: 11/04/2015

Currency Defaults: USD / CRRNT / 1

Entered By: dstrom
Entered On: 11/04/2015 2:42:40 PM
Last Updated On: 11/05/2015 12:50:55 PM

Commitment Control

Attachments (0)
Reversal: Do Not Generate Reversal
Auto Generate Lines
Save Journal Incomplete Status
Autobalance on 0 Amount Line
GL Journal Entry

- **Creation Date**
  - Date transaction is entered into SFS
- **Journal Date**
  - Date assigned to journal
- **Obligation Date**
  - Date entered by user to capture liability
- **Budget Date**
  - Date entered by user to capture budget activity
- **Posted Date**
  - System generated date when journal is posted to the Modified Accrual Ledger
GL Journal Entry

**Unit**: OSC01

**Journal ID**: 0002181732

**Date**: 11/04/2015

**Obligation Date**: 09/30/2015

<table>
<thead>
<tr>
<th>Select</th>
<th>Line</th>
<th>Unit</th>
<th>SpeedType</th>
<th>Account</th>
<th>Oper Unit</th>
<th>Fund</th>
<th>Dept</th>
<th>Program</th>
<th>Bud Ref</th>
<th>Product</th>
<th>Affiliate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>OSC01</td>
<td></td>
<td>51091</td>
<td>10050</td>
<td>3050218</td>
<td>12754</td>
<td></td>
<td>2015-16</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>OSC01</td>
<td></td>
<td>51091</td>
<td>10050</td>
<td>3050299</td>
<td>12754</td>
<td></td>
<td>2015-16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**

- **Unit**: OSC01
- **Total Lines**: 2
- **Total Debits**: 690.00
- **Total Credits**: 690.00
- **Journal Status**: P
- **Budget Status**: V
Capital Assets
Capital Assets

• New York State reported $87 billion in Capital Assets in the 2016 CAFR.
  • $78 billion reported by DOT
  • $8 billion reported by the other State agencies through OGS
  • $592 million in Intangible assets through OGS
• Intangible asset survey is mailed from OGS each February.
  • The information is then forwarded to OSC.
## Capital Assets

### Statement of Net Position

**March 31, 2016**  
(Amounts in millions)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$17,952</td>
<td>$7,314</td>
<td>$25,266</td>
<td>$47,791</td>
</tr>
<tr>
<td>Receivables, net of allowances for uncollectibles:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>13,889</td>
<td>—</td>
<td>13,889</td>
<td>—</td>
</tr>
<tr>
<td>Due from Federal government</td>
<td>7,443</td>
<td>—</td>
<td>7,443</td>
<td>—</td>
</tr>
<tr>
<td>Loans, leases and notes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>3,549</td>
<td>3,918</td>
<td>7,467</td>
<td>42,082</td>
</tr>
<tr>
<td>Internal balances</td>
<td>(788)</td>
<td>632</td>
<td>(156)</td>
<td>4,569</td>
</tr>
<tr>
<td>Net pension asset</td>
<td>—</td>
<td>80</td>
<td>80</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>325</td>
<td>251</td>
<td>576</td>
<td>4,774</td>
</tr>
<tr>
<td><strong>Capital assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, infrastructure and construction in progress</td>
<td>80,863</td>
<td>4,611</td>
<td>85,474</td>
<td>18,145</td>
</tr>
<tr>
<td>Buildings, equipment, land improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and infrastructure, net of depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets, net of amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>128,891</td>
<td>28,152</td>
<td>157,043</td>
<td>186,049</td>
</tr>
</tbody>
</table>
Asset Management

- The Asset Management (AM) module in SFS is used to monitor and report on the State’s capital assets.
- The types of assets and dollar thresholds for capitalization are:
  - Equipment with cost greater than $40,000
  - Building or land improvements with cost greater than $100,000
  - Infrastructure with cost greater than $1 million
  - Any land or buildings owned by an agency (regardless of cost)
- System is maintained by the Office of General Services (OGS).
- Information is recorded for acquisition, improvements, depreciation, and disposition of capital assets.
- Retired a shadow system named PAM.
Asset Management

- Agencies have the responsibility to maintain accurate capital asset information on the system. This is periodically reviewed through site visits by members of OGS Capital Assets Unit.
- If you do not yet have access to the new SFS Asset Management system, contact your ASA (Agency Security Administrator) and ask them to give you these roles in SFS:
  - NYF_AGY_AM_ENTRY
  - NYF_AGY_AM_INQUIRY
  - NYF_AGY_AM_REPORTS
If you do not know who your ASA is, contact the SFS Help Desk at sfs.sm.HelpDesk@sfs.ny.gov or call them at (518) 457-7737.
- If you have any questions or need help, Capital Assets Unit can be contacted at: OGS.sm.Fixed.Assets@ogs.ny.gov or (518) 402-5688.
February 19, 2016

Dear: Agency Liaison,

The Office of the State Comptroller and the Office of General Services are in the process of preparing the State’s financial statements for the 2015-2016 fiscal year. Certain information relating to the State’s capital assets must be obtained directly from State agencies. There are three specific areas of capital asset accounting and reporting that are covered by the attached questionnaires. These areas include intangible assets, impaired assets and an agency certification regarding the proper recording and maintenance of records for all qualifying capital assets in their possession. Only include the capital asset if a historical cost can be determined.

Your cooperation in answering the attached questions and completing the surveys is critical to the preparation of the State’s financial statements. To meet these reporting requirements, asset information requests are included as attachments. The areas included in this survey are as follows:

1. 2015-2016 Intangible Asset Reporting - Attachment A
2. 2015-2016 Impaired Capital Asset Reporting - Attachment B
3. 2015-2016 Agency Certification – Attachment C

Please complete the sections that apply to capital assets at your agency and return the required attachments to the following address no later than April 15, 2016:
Intangible Assets and GASB 51 – Attachment A

In order to complete the State’s financial statements for the 2015-2016 fiscal year, it is necessary to collect information relating to the State’s Capital Assets. One aspect of capital asset reporting relates to Intangible Assets. Intangible Assets are assets such as patents, copyrights, individual software programs, etc. The Governmental Accounting Standards Board (GASB) identifies three basic characteristics that describe intangible assets:

- Lack physical substance – in other words, you cannot touch them.
- Non-financial in nature – they have value, but are not in a monetary form like cash or investments.
- They are used for multiple years.

In order to accommodate the requirements of our reporting standards, the Office of General Services is surveying all major capital asset agencies to determine the number and value of intangible assets at each agency. This information will be forwarded to the Office of the State Comptroller for use in preparing the State’s financial statements. Please complete the following survey regarding your agency’s involvement with intangible assets and return to the following address by April 15, 2016:

NYS Office of General Services
Bureau of Capital Assets
32nd Floor-Tower Building
Empire State Plaza
Albany, NY 12242
GFO
Guide to Financial Operations
Guide to Financial Operations

http://www.osc.state.ny.us/agencies/guide/MyWebHelp/
Guide to Financial Operations

VII.3 Refund of Appropriation / AP Adjustment Vouchers

New York State often receives checks from vendors, recipients, and employees that represent a return of a full or partial payment previously made to them. These returns of payments are called "Refunds of Appropriation" and result in a credit to the appropriation from which the payment was originally made. Common reasons for these refunds include:

- Payments made in error for which a check will not be reissued (i.e. overpayments or duplicate payments)
- Personal service expense refunds. This includes personal service reimbursements from non-State entities.
- Other than personal service reimbursements from non-State entities such as insurance recoveries, shared utility services, phone usage, and maintenance or supplies.
- Audit disallowances and recoveries.
- Reductions and/or close out of agency "cash advance" funds.
- Certain rebates authorized in specific appropriations, employee reimbursements (See Chapter XIII, Section 10 - Refunds Owed to the State by an Employee of this Guide), and reimbursements authorized in State appropriation or permanent statute.

An Accounts Payable Adjustment Voucher is used by agencies to submit a refund of appropriation. An Adjustment Voucher is not required when an agency is returning an SFS issued check to be cancelled by the Department of Taxation and Finance-Treasury (DTF – Treasury). For these situations, see Chapter XII, Section 9.C - Reissuing or Canceling a Vendor Check of this Guide.

In order for a refund to be properly credited to the original charged appropriation, the appropriation must be active within SFS. Expenditure refunds against lapsed appropriations should still be submitted on an Adjustment Voucher but with an Account code of 32207 Refund – Lapsed Approps submitted (See Section 2 - Miscellaneous Receipts/Accounts Receivable Receipts of this Chapter). Refunds that relate to closed federal grant awards are to be refunded to the Federal Government following the Federal requirements for refunds.
Information and Reporting

- PeopleSoft Query
- nVision
- Inquiry Screens
- SFS Reports
- OBIEE Reports
- AnalyzeNY
PeopleSoft Query

- Query Viewer or Query Manager
- Public and Private queries
- List of public queries is available on SFS website
- Use when more specific information is desired
GASB Statements
Current GASB Statements

In 2016
• GASB 68 – Accounting and Financial Reporting for Pensions
• GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date
• GASB 82 – Pension Issues – An Amendment of GASB Statement Nos. 67, 68 & 73

In 2017
• GASB 72 – Fair Value Measurement and Application
• GASB 77 – Tax Abatement Disclosures
• GASB 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans
• GASB 79 – Certain External Investment Pools and Pool Participates
Questions/Comments?

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