



# CAFR

WHO, WHAT, WHEN, HOW, and WHY?

# CAFR

- 170 days to completion – Due December 31<sup>st</sup> of the following fiscal year
- MUST be posted to the Electronic Municipal Market Access (EMMA) system in January to comply with bond covenants

## FROM NASACT: MSRB Proposal

### **MSRB PROPOSAL ON SUBMISSION CALCULATOR: COMMENTS REQUESTED BY DEC 12**

The Municipal Securities Rulemaking Board has filed with the U.S. Securities and Exchange Commission [a proposed rule change](#) to the Electronic Municipal Market Access, or EMMA, system. The proposal will add a box to the securities page which will provide an automated calculation and display the number of days between the annual fiscal period end date of an issuer and the date that the annual financial disclosure is filed with EMMA. The box or “submission calculator” will be displayed prominently in an effort to raise awareness for the investor.

The timeliness of financial disclosure has been an ongoing concern for the SEC. In fact, the current chairman has made numerous comments regarding the timeliness of financial disclosure in the municipal market. Issuers, however, have expressed concern that mandating a specific timeframe may not be feasible given the many factors states and other issuers face in producing audited financial statements. SEC Chairman Jay Clayton requested that the MSRB work with market participants to explore approaches to improve transparency around the age and type of financial information provided on EMMA. This proposal is an effort to further promote transparency.

August						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

**Agency Surveys Due**

**Draft for Accounting Review**

September						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

**Final Draft to Auditor's**

September						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

**Draft of audited financial statements due**

**Audited Financial Statements Due**

October						
M	Tu	W	Th	F	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

**Absolute Deadline for all outstanding requests**

December						
Su	M	Tu	W	Th	F	Sa
	<del>1</del>	<del>2</del>	<del>3</del>	<del>4</del>	<del>5</del>	6
7	<del>8</del>	<del>9</del>	<del>10</del>	<del>11</del>	<del>12</del>	13
14	<del>15</del>	<del>16</del>	<del>17</del>	<del>18</del>	<del>19</del>	20
21	<del>22</del>	<del>23</del>	<del>24</del>	<del>25</del>	<del>26</del>	27
28	<del>29</del>	<del>30</del>	<del>31</del>			

Blue Strikethrough Marks the time required for the Auditor's to review the CAFR by Dec 31



# Upcoming GASB Pronouncements

- FY20
- GASB 84 – *Fiduciary Activities*
- GASB 90 – *Major Equity Interests*
  
- FY21
- GASB 87 – *Leases*
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*

# GASB 84 – Fiduciary Activities

- How it may affect you?
  - Looking for assets held on behalf of individuals outside the state (i.e. inmate accounts, child support account, mental health client accounts, etc.).
  - Are these reported to DOR on the non-appropriated statements? If no, contact us. If yes, we may need to contact you to see how much administrative involvement the department has
  - Administrative involvement – ex – the government establishes how the resources may be spent through approved policies
  - May need to contact you to get a true income statement for the non-appropriated information sent to DOR

# GASB 87 – Leases

- How it may affect you?
  - There will no longer be a difference between capital and operating leases
  - E-mail will be sent out soon asking for an inventory of your leases
  - Do not need to include leases through FMDC or Master Leases
  - Set procedures in place to capture these leases going forward
  - Beginning balance for leases needed by FYE
  - Don't be fooled – software is excluded now, but it will be coming!
  - Other resources - Ex. KPMG <https://frv.kpmg.us/all-topics/leases/upcoming-and-archived-leases-cpe-webcasts.html>

# GASB

- <https://www.gasb.org/home>
- Know the standards
- If you've done research on a particular issue, keep notes
- Keep notes on past implementations - OA won't know if you aren't reporting something (i.e. asset retirement obligations, capital asset impairments)



## Recent Audit Finds

- Timeliness
- Not reporting accurate data
- Not doing a physical inventory of fixed assets



# Timeliness

- Draft/Confidential – what it means
- Break it up
- Put it on your calendar
- Be proactive – if you are going to be late contact us
- Time allowing, you can submit some info in July (i.e. capital leases)



## Not reporting accurate data

- Caution – don't submit with changes expecting we will let you know if it is wrong
- Contact us if you are thinking of making a big change
- Send an explanation of any major variances from the prior fiscal year
- Procedures – make sure you have them



# Fixed Assets

- Complete physical inventories
- Fixed Asset Reporting in the CAFR
- Conversion to the new ERP – clean it up now. WE WANT TO HELP



## Other ERP Cleanup

- Funds
- Project Codes
- Activity Codes
- Reporting Categories
- Organizations
- Etc.