



State Controller's Division

STATEWIDE ACCOUNTING & REPORTING SERVICES

Semi-Annual Update

Six Months Ending June 30, 2010

Who are we?

The Statewide Accounting and Reporting Services (SARS) team compiles and publishes the State's audited Comprehensive Annual Financial Report (CAFR). To ensure the information reported in the CAFR is presented in accordance with "generally accepted accounting principles," SARS establishes statewide accounting policies that are published in the Oregon Accounting Manual and provides consulting and training services for agencies' fiscal staff.

The SARS unit also manages the Datamart. The Datamart contains accounting and financial data extracted from the state's central financial systems and is used by agencies for ad hoc reporting.

In addition to the CAFR, SARS coordinates the state's federally mandated reporting requirements, which include preparation of the Statewide Cost Allocation Plan, the Schedule of Expenditures of Federal Awards, the Federal Reporting Package, the Cash Management Improvement Act (CMIA) Treasury-State Agreement, and the CMIA Annual Report. Last, but not least, the SARS unit manages security access to the state's central financial systems and administers the statewide travel card program and the statewide travel policy.

2009-10 SARS Statistics

- Number of years SARS has received the GFOA *Certificate of Achievement for Excellence in Financial Reporting*: **17 years**
- Number of training hours provided from January through June 2010 to agencies' fiscal staff: **268 hours**
- Percentage of agencies that earned the Gold Star Certificate for accurate and timely reporting for FY 2009: **94%**
- Number of agencies and component units reported in the FY 2009 CAFR: **89 agencies**
- Number of Datamart users: **701 users**
- Number of active travel card accounts: **1212 accounts**

CAFR Compilation

Preparing the Oregon Comprehensive Annual Financial Report (CAFR) is the single overriding performance objective of SARS and the primary focus of our activities. The CAFR is an important document. It is required by federal and state law and is critical to the marketability of the state's bond issues.

Each year, SARS splits its time between two major activities: planning for the year end closing process and the actual preparation of the CAFR. Most of the past six months was spent in planning mode. During this time period, we updated our CAFR procedures and other preparation tools and upgraded the software used to compile the CAFR financial statements. We also researched financial reporting issues raised by the auditors, GFOA, and financial statement users. Last, but certainly not least, we use the planning season to analyze the requirements of new accounting standards. This year the focus was on GASB Statement No. 54. This statement significantly changes the way fund balance will be reported in the FY 2011 CAFR and the definition of a special revenue fund. To ensure consistent implementation statewide, SARS hosted nine small-group training sessions for agencies and developed two sets of step-by-step instructions: one set to help agencies determine the proper fund balance category and the other for testing special revenue funds. SARS is also co-chair of the National Association of State Auditors, Controllers, and Treasurers (NASACT) GASB 54 Implementation Group.

Datamart

The SCD Datamart is a database of accounting data extracted from the Statewide Financial Management Application (SFMA) and payroll data from the Oregon State Payroll Application (OSPA) that agencies can access for ad hoc reporting needs or use to create their own custom reports. SARS has also developed a number of “standard reports” that are available to all agencies through the central Datamart Repository. Customer response to the separate e-mail inbox created for user questions (datamart.support@state.or.us) has been very positive. We thank those customers who currently use the e-mail inbox and encourage others to use it to ensure they receive assistance as soon as possible.

The major Datamart accomplishment of the past six months was the acquisition of a single statewide license for *Oracle's Enterprise Performance Management System 11*. This software will replace the various legacy versions of the Brio/Hyperion query tool currently in service across state agencies. In support of this purchase, SARS surveyed Datamart customers to find out what they wanted, invited agencies to participate in four “discovery” sessions with Oracle, documented alternatives/conclusions in a business case, and worked closely with the State Purchasing Office and DOJ to complete the transaction. This purchase has many benefits for the state as a whole:

- It allows for the statewide upgrade of all legacy versions of Brio/Hyperion to the current supported Oracle product.
- Unlimited user access is provided through an “enterprise” license; no additional license fees or software purchases are needed for new users.
- Agencies will no longer receive and pay separate annual Brio/Hyperion maintenance invoices for each of their individual desktop licenses. Instead, DAS will pay all support/maintenance on behalf of the State of Oregon through one central annual invoice.
- The state's financial community can continue to use the estimated 50,000 .bqy files that currently exist – users do not have to rebuild their queries.

- The current Brio/Hyperion infrastructure is maintained, thereby reducing the costs to implement System 11.
- From an end user perspective, System 11 functions the same as the earlier Brio/Hyperion versions, so no additional training is necessary.
- Increased compatibility – AJAX, Linux, XML, .NET, SOAP, J2EE, WSDL, 64 bit support, etc.
- System 11 provides the potential for future expansion as a statewide web-based application with additional audit capabilities.

The Datamart team is currently testing the System 11 software and developing a statewide roll-out plan.

Federal Compliance

SARS is responsible for several federally mandated reports and documents. To continue to be eligible to receive federal funding, it is important that Oregon comply with federal reporting requirements. During the past six months, SARS:

- Negotiated the final FY 2011 Statewide Cost Allocation Plan with the US Department of Health and Human Services, as required by OMB Circular A-87.
- Completed the FY 2011 Cash Management Improvement Act Treasury-State Agreement as required by 31 CFR 205 Final Rule. This document is submitted to the US Treasury Department.
- Submitted the FY 2009 Federal Reporting Package to the Federal Audit Clearinghouse. The Federal Reporting Package includes the current year CAFR, Statewide Single Audit, Corrective Action Plan and Data Collection Form.

Agency Support

SARS provides specialized training to ensure that agencies understand their accounting and reporting responsibilities and that accounting policies are consistently applied statewide.

During the past six months, SARS presented training on GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Over the course of one week in February, the initial training was presented to all agencies in small group sessions. A second round of training using the same format was presented in May. Limiting the audience size of each session provided ample opportunity for questions.

The main purpose of the GASB 54 training was to help agencies better understand the new fund balance categories and the related coding that will be used to distinguish the various categories in R*STARS. The training also established that the foundation of a special revenue fund is one or more specific restricted or committed revenues.

Statewide Accounting and Reporting Services

Department of Administrative Services

State Controller's Division

155 Cottage Street NE, U-50

Salem, OR 97301-3969

(503) 373-7277 ext. 253