General Review Steps/Instructions

_ Tie prior year balances on all applicable AFR schedules to published prior year AFR ending balances (first review only). [Exhibits III, IV, V and Schedules N-2, IV-1] _ During the review, mark an X for items that are incorrect, mark √ for items reviews with no errors. (1st review-Red ink, 2nd review-Blue ink, 3rd review-Green ink)

AFR Workpapers (Business Objects queries not applicable for TEEX and WTAMU)

_ Review Frozen Code/Budget Pool Business Objects queries (F.2) Activity in these codes requires an explanation/justification.
_ Review Clearing Accounts Business Objects query (F.1) Check for contra balances in any given code, and review static balances. (It’s normal to have 2210 Benefits Payable balances at year-end for August benefits paid in September.)
  _ Review activity in subcodes 1600-1625 for reasonableness
  _ Verify suspense accounts 000100 and 000105 are $0.
_ Review Manual Entries worksheet (B). Most System Members will just have Cash Flow Statement (Exhibit V) entries, and possibly manual entries for PY balance adjustments. (TEEX, WTAMU, and RF will have additional manual entries.)

* Note to 1st reviewer - If review fails on any review points marked with an *, return to Tracy.*

III – Statement of Net Position  (-1-)

_ *Total Assets and Deferred Outflows equals Total Liabilities, Deferred Inflows, and Net Position.
_ *Total Net Position matches Exhibit IV.
_ Investment rows tie to Investment Held Outside of System Offices work paper. (N)
  (Applicable to TAMU-C, WTAMU, RF, most Members will only have investments on the “Assets Held by System” rows.)
_ Other Post-Employment Benefits matches OPEB actuarial valuation - System Office only
_ Funds Held for Investment (current liabilities section) should be zero, except for System Office.
_ Assets Held in Trust (noncurrent liabilities section) should be zero, except for TTI.
_ Liabilities Payable from Restricted Assets should be zero, except for System Office.

III-FUND – Statement of Net Position by Fund Group (-16-)

_ *Total Assets and Deferred Outflows equal Total Liabilities, Deferred Inflows, and Net Position by fund group.
_ *Total Net Position matches IV-FUND (check figure) by fund group.
_ Due To/From Other Agencies matches FM Query Interagency/Interfund report (M).
_ Due To/From Other Members matches Due From/To Worksheet (S.1).
_ Assets Held by System Office-NonCurrent (Restricted and Unrestricted) ties by row to Reconciliation of Assets Held for Investment by System Offices worksheet (O).
_ Employees’ Compensable Leave matches ACAP worksheet (P), Current and Noncurrent. E&G may be included with Restricted. (For TAMRF and TAMU, verify to workpaper provided by member.)
_ Due From Other Funds ties in total to Due To Other Funds.
_ Review III-FUND for any unexpected negative balances, and verify explanation is provided on the Contra Financial Statement Amount Explanation Worksheet (H).
Verify Agency fund column Net Position is zero. (If not zero, transfers could be the problem.)

For Agency Funds, compare Assets and Liabilities – if there are non-current assets, verify there are non-current liabilities reported.

Compare Net Position, Restricted for Endowment and Permanent Funds, Expendable and NonExpendable to the Endowment Net Position Category Summary (O.2). Balances reported on III-Fund should be equal to or greater than the Category Summary. (III-Fund may be greater if there are other assets or cash which are not part of the SEF investment pool totals.)

For members with PUF balances held in Designated (System Office, SSC, TSU, AgExt, TEEX, TAMUCT, and HSC), review the Net Position to verify the Restricted for Capital Projects matches the fund balance in PUF GL account, see workpaper item (E).

Review Allowance for Doubtful Accounts footnote for reasonableness. Analyze large variations and compare to related Receivable balance. (If Allowance and Receivable are both high, this could indicate balances that are due to be written off.)

Total columns tie to Exhibit III.

THREE – Cash & Cash Equivalents (CE) (-13-)

- Total Current and Total Restricted Cash & CE tie to Exhibit III (check figure).
- Total Noncurrent Cash & CE tie to Exhibit III. (rarely have Noncurrent C&CE)
- Total Cash & CE matches Cash Flow Statement Exhibit V (check figure).

THREE-A – Cash and Cash Equivalents (-18-)

- Total Cash in State Treasury (CIST) matches State Comptroller’s CIST report by fund number (L).
- Assets Held for Investment by System Office-Current (Restricted and Unrestricted) matches the Reconciliation of Assets Held by System Worksheet by row (O).
- Verify there are reconciling items listed on Recon of Assets Held by System (O). Outstanding items must be detailed to distinguish outstanding checks and ACH’s from outstanding deposits or other adjustments. Review for reasonableness.
- Review for negative cash by fund group. Look for explanation on contra-balance worksheet (H). This may require a Due to/From or Transfer entry between funds groups. This can happen if expenses have been paid from local cash and funds have not been received into the fund group where expenses were paid (such as cost reimbursable grants causing negative cash balance in Restricted).
- Cash Equivalent rows tie to Investment Held Outside of System Offices work paper. (N) (Applicable to TAMU-C, WTAMU, RF, most Members will only have investments on the “Assets Held by System” rows.)
- Total Current and Total Restricted Cash & CE match III-FUND by fund group (check figure).
- Total NonCurrent Restricted Cash & CE equal III-FUND by fund group (rarely have Noncurrent)
- Reimbursements Due From State Treasury should be revolving vouchers only (analyze GL account control 1150 on screen 80). Compare to prior year balance for reasonableness, request explanation for large changes.
- Verify “Cash Balance to Reclassify” row in Cash in Bank section is zero. Row will not print if zero. (Bank balance reclassified to Assets Held by System for year-end reporting.)
- Verify “Legislative Appropriations” row at bottom of schedule is zero. Row will not print if zero. (Balance reclassified to Legislative Appropriation account control 1115 for year-end reporting.)
- Totals tie to Schedule THREE.
III-1 – Unrestricted Net Position (-17-)

- Total UnRestricted Net Position matches by column to the Unrestricted Net Position per III-Fund (check figure).
- **Reserved for Annual Debt Service payment** matches Debt Service total per Treasury Services (Q). The amount may be lower by the HEF total, depending on whether the funds are available. Members with HEF will need to analyze and make that determination.
- **Receivables** row ties by fund group to Receivable total shown at bottom of III-1, with the following exceptions:
  1. AUF balances for TAMU, HSC, and PVAMU already reserved on AUF row.
  2. Due From System for PUF balances held in Designated funds on members’ books (applicable to SSC, TSU, AgExt, TEEX, TAMUCT, and HSC)
  3. E&G Federal Receivables for AgriLife Research & Extension reported as ‘Restricted for Education’
- **Inventories** row matches Consumable, plus Merchandise Inventory on III-Fund by fund group.
- **Unrealized Gain (Loss) on Investments**
  - Reserve amount is equal to or less than the Cash Concentration Pool (CCP) Unrealized Gain per Reconciliation of Assets Held by System (O). Amounts will be lower if a portion was allocated to Restricted funds, which are excluded from Schedule III-1.
  - Amount does not equal net change reported on the Net Incr (Decr) in Fair Value row on IV-Fund. The intent is to reserve the ending Net Position, not the net change.
- **TPEG Reserves** matches TPEG Designated year-end balance per TPEG worksheet (W). TPEG prepaid scholarships (GL 1500) should be excluded if already included in the III-1 Prepaid Expense line item – see TPEG worksheet.
- **Designated Tuition Set-Asides** has a balance for academics.
- **Funds Functioning as Endowment** total is equal to or greater than the Unrestricted Quasi total per Endowment Net Position Category Summary (O.2).
- If **Unallocated** is negative (by fund group) after Reserves have been entered, there are no funds left to Allocate, so the Allocated section should be zero.

Note 2 – Capital Assets (-14-)

- N-2 ending balances for Capital Assets (balances and accumulated depreciation) tie to Exhibit III.
- N-2 Capital Assets amounts tie to CANSS report (J), by column and by row.
- Adjustments column should net to zero. If not, the net amount should tie to the restatement of net assets line in the IV-Fund for Investment in Plant, to the restatement column on the IV-5-A, and to Notes W/S (restatement note) (I). Expect very few capital asset restatements.
- Completed CIP column should net to zero.
- “Inc-Interagency Transactions” and “Additions” columns should have positive amounts, except for accumulated depreciation and amortization rows, which should be negative.
- “Dec-Interagency Transaction” and “Deletions” columns should have negative amounts, except for accumulated depreciation and amortization rows, which should be positive.
2018 AFR Review Checklist

**N-2-FN (-15-), N-2 SYSTR (-27-), N-2 SYST2 (-28-), & Capital Asset Workpapers**

- On N-2-FN, each section total matches the related N-2 column.
- Verify each N-2-FN row equals the Investment in Plant column per corresponding row on IV-FUND. (Net the two “Gain/loss on Disposal” rows to match the IV-FUND total.)
- Depreciation/Amortization must match amount per IV-Fund.
- Review N-2-FN Interagency Transactions; includes both System and non-System activity.
  - Transfers to/from Members – verify N-2 SYSTR and N-2SYST2 match N-2 by category.
  - Transfers to/from Other State Agencies – verify to information provided by Member
    - Verify transfers to/from internal SPA agencies are entered in SPA (verify to SPA screen print or other documentation provided by Member)
    - Verify Transfers to/from external non-SPA agencies to Comptroller’s Excel template, External to External Fixed Asset Transfer Template (K)

**IV-1 – Functional Expenses by Natural Classification (-3-)**

- IV-1 matches IV by NACUBO Function (Operating Expense section-current year totals).
- Review IV-1 for unexpected negative amounts and review explanations of those negative amounts. Any unexpected negative amounts should be explained on the Contra Financial Statement Amount Explanation Worksheet (H).
- For TEES, TTI, and AgriLife Research, majority of activity should be in the Research column.

**IV-FUND – Statement of Revenues, Expenses and Change in Net Position (-19-)**

- Tuition revenue should be recorded in E&G and Designated columns only. Never in Auxiliary. Explanation required for Restricted tuition.
- Restatements–verify these are detailed in Notes worksheet (I, Note 14).
- NonOperating State Pass-Through and Federal Pass-Through should be zero, request explanation for any amounts reported here.
- Net Increase/Decrease in Fair Value row matches Section 1 of the AFR Check Figure Sheet included in the Reconciliation of Assets Held for Investment by System Offices workbook (O.1).
- Realized Gain(Loss) on Sale of Investments row matches Section 2 of the AFR Check Figure Sheet included in the Reconciliation of Assets Held for Investment by System Offices workbook (O.1).
- If there are NonCurrent CCP Investments Held by System, verify there are expenses reported on the Investing Activities Expense line item.
- Transfers From/To Other (non-system) State Agencies matches Operating Transfers per FM Query Interagency/Interfund report (M).
- Legislative Transfers In/Out matches Transfer Worksheet (S.2) and FM Query (M). Universities will also have a Transfer in for Hazlewood funding on FM Query, which is not included on Intra-System Transfer Worksheet (S.2).
- FM Query (M) – Transfers within the same agency that have the same fund are eliminated.
- Transfers From/To Other Members matches Transfer Worksheet (S.2). Review N-2-FN for capital asset transfers to Other State Agencies; exclude to reconcile IV-Fund to Transfer Worksheet.
- Transfers From Other Funds match Transfers To Other Funds.
- Intrafund Transfers In match Intrafund Transfers Out.
- Expended for Plant Facilities rows net to zero. (For System Offices, Bonds and Note & Loans rows should also net to zero.)
2018 AFR Review Checklist

- Activity on the “State Grant Revenue” row should include activity with state entities outside of Texas, analyze codes S 0253, 0261, 0281 and G 4110. (Review account names on Screen 80, or sponsor name on Screen 9) TxDot grants go in Other Grants & Contracts.
- In Operating Revenues, Interest Revenue should appear in the Loan Fund column only. (Expect to see a balance for academics and HSC.)
- Review Other NonOperating Revenues and NonOperating Expenses for reasonableness.
- Review any unexpected negative balances on the statement, requires explanation on the Contra Financial Statement Amount Explanation Worksheet (H).
- Totals should tie to Exhibit IV.

IV-3, IV-3-A Schedule of Expenses, and IV-2 Natural Classification to NACUBO Function Matrix (-22-, -21-, -20-)

- IV-3 and IV-3-A column totals tie to Natural Classification totals per IV-1.
- IV-3 totals tie to IV-3-A.
- IV-3-A ties in total by fund group to IV-FUND. (Operating Expense section)
- IV-3 State Pass-Through Expense matches Schedule 1B Total Pass-Through To Other Agencies.
- IV-3 Federal Pass-Through Expense matches Schedule 1A Pass through to Agencies or Universities column.
- IV-3 Depreciation/Amortization matches Exhibit V (check figure).
- Review IV-3 and IV-3-A for unexpected negative amounts. Any unexpected negative amounts should be explained on the Contra Financial Statement Amount Explanation Worksheet (H).
- On IV-3 and IV-3-A, in each fund group section, verify total for “Other” is zero. (indicates NACUBO function code is missing on an account, requires correction)

IV-4 – Service Departments (-23-)

- Review business objects Service Center Elimination query (F.3), (TAMUS Shared, AFR Review Queries folder), and review analysis provided in Notes Worksheet (I), Service Department tab.
- Review Operating Losses per IV-4. Losses flow to IV-3/IV-3-A as Institutional Support expenses. If the service department has a function other than Institutional Support per business objects report, adjustment may be needed to report expenses in correct function. Review Notes Worksheet (I).
- Review Operating Income per IV-4. Income flows to IV-3/ IV-3-A as negative Institutional Support expenses. If income exceeds $25,000, OR creates a negative expense on IV-3/ IV-3-A, review Notes Worksheet (I) to verify required journal entry was made to reclassify the income as revenue.
- Analyze non-operating activity. Service departments should contain mostly operating revenues/expenses.
- Review ending balances. Service departments should operate with the goal of breaking even, unusual to have deficit or large balances. Review Notes Worksheet (I) Service Center tab for details explaining negative or excessive balances.

IV-5-A Schedule of Transfers to Other Funds (-24-)

- Beginning Balance, Total Restatements, and Restated Balance column totals tie to IV-FUND (check figures).
2018 AFR Review Checklist

_ Trade-ins calculation nets to zero.

**State Pass-Through Reporting (SPTR) – Schedule 1-B (T.1)**
(Members download from the State Comptroller’s SPTR web application into Excel)
_ Total State Pass-Through Revenue per **Exhibit IV** matches SPTR Total Pass-Through From.
_ Total State Pass-Through Expense per **Schedule IV-1** matches SPTR Total Pass-Through To.
_ Reconcile **SPTR** State Grant Pass-Through From Other Agencies to FMQuery and Intra-System Pass-Through workpapers. (Intra-system activity is excluded from USAS.)

<table>
<thead>
<tr>
<th>Amount</th>
<th>State Pass-Through From</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Per FMQuery Interagency/Interfund report (M) (cobj 3842)</td>
<td></td>
</tr>
<tr>
<td>+ Per Intrasystem Pass-Through worksheet (R)</td>
<td></td>
</tr>
<tr>
<td>= Total State Grant Pass-Through From Other Agencies per <strong>SPTR</strong></td>
<td></td>
</tr>
</tbody>
</table>

_ Reconcile **SPTR** State Grant Pass-Through To Other Agencies to FMQuery and Intra-System Pass-Through workpapers. (intra-system activity is excluded from USAS)

<table>
<thead>
<tr>
<th>Amount</th>
<th>State Pass-Through To</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Per FMQuery Interagency/Interfund report (M) (cobj 7615)</td>
<td></td>
</tr>
<tr>
<td>+ Per Intrasystem Pass-Through worksheet (R)</td>
<td></td>
</tr>
<tr>
<td>= Total State Grant Pass-Through To Other Agencies per <strong>SPTR</strong></td>
<td></td>
</tr>
</tbody>
</table>

_ Review Comptroller Object codes – **State Pass-Through Revenue/Expense should be reported as Operating, cobj 3842/7615**, instead of NonOperating, 3725/7614.
_ Verify all activity on FMQuery Interagency/Interfund report (M) has an AGL and there are no “NP”, or No Post, transactions (exception for Interfund Receivable/Payable).
_ Verify Intrasystem State pass-through’s from/to per Intrasystem Pass-Through worksheet (R) match **SPTR** by Member.

**Schedule of Expenditures of Federal Awards (SEFA) – Schedule 1-A (T.2)**
(Members download from State Comptroller’s SEFA web application into Excel (exception for RF)
_ Verify “Total Pass-Through From and Direct Program” column equals “Total Pass Through to and Expenditures” column.
_ Verify **SEFA** Pell (see Student Financial Assistance Cluster) is reported on the **IV-FUND** as Federal Revenue Non-Operating.
_ Review Pass-Through From/To Agencies or Universities columns on **SEFA** and verify all activity is with State of Texas Agencies.
_ Ensure amounts from direct federal programs are included in the Direct Program column and **NOT** the NSE Pass-Through column on **SEFA**.
Reconcile SEFA Pass-Through Amounts to Workpapers

SEFA Total Federal Pass-Through From Agencies or Universities matches FMQuery and Intra-System Pass-Through workpapers. (intra-system activity is excluded from USAS)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Federal Pass-Through From</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Per FMQuery Interagency/Interfund report (M) (cobj 3978)</td>
<td></td>
</tr>
<tr>
<td>+ Per Intrasystem Pass-Through worksheet (R)</td>
<td></td>
</tr>
<tr>
<td>+ Federal Surplus Property, if applicable (CFDA 39.003 on SEFA) <em>(TEEEX and TAMU only for FY17)</em></td>
<td></td>
</tr>
<tr>
<td>= Total Federal Pass-Through From Agencies/Universities <strong>per SEFA</strong></td>
<td></td>
</tr>
</tbody>
</table>

SEFA Total Federal Pass-Through To Agencies or Universities matches FMQuery and Intra-System Pass-Through workpapers. (intra-system activity is excluded from USAS)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Federal Pass-Through To</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Per FMQuery Interagency/Interfund report (M) (cobj 7978)</td>
<td></td>
</tr>
<tr>
<td>+ Per Intrasystem Pass-Through worksheet (R)</td>
<td></td>
</tr>
<tr>
<td>= Total Federal Pass-Through To Agencies/Universities <strong>per SEFA</strong></td>
<td></td>
</tr>
</tbody>
</table>

Review Comptroller Object codes – Federal Pass-Through Revenue/Expense should be reported as Operating, **obj 3978/7978**, instead of NonOperating, 3971/7971.

Verify all activity on FMQuery Interagency/Interfund report (M) has an AGL and there are no “NP”, or No Post, transactions (exception for Interfund Receivable/Payable).

Verify Intrasystem Federal pass-through’s from/to per Intrasystem Pass-Through worksheet (R) match the Schedule 1A by Member.

Schedule 1-A Notes (T.3)
Members will provide screen prints from SEFA web application

Note 1 – Non-Monetary Assistance (Federal Surplus Property)- CFDA 39.003
FY17 – Applicable to TEEX and TAMU only
- Verify amount is reported in the “Pass-Through From Agencies or Universities” column on SEFA. (search for CFDA 39.003). This will be a reconciling item in Note 2. (It is included in the SEFA Pass-Through From column, but is **not** reported federal revenue on the operating statement.)

Note 2 - Reconciliation
- Verify revenues reported in “Note 2 Amount” column, Proprietary Funds, match the corresponding line items on **Exhibit IV**.
  - Federal Revenue Operating
  - Federal Revenue Non-Operating (Pell)
  - Federal Pass-Through Revenue Non-Operating should be zero.
2018 AFR Review Checklist

- On SEFA Schedule, verify the total “Pass Through from Agencies or Universities” column, less Federal Surplus Property reported in Note 1, matches the Federal Pass-Through Revenue total.
- New loans processed reconciling item matches Total Student Loans Processed amount per Note 3.
- Reconciling item for Research Foundation (RF) activity matches the amount per Intra-system Pass-Thru Activity Verification worksheet (R). (Funds received from or passed to RF are listed as negative amounts SEFA Note 2 reconciliation. RF activity is reported as Federal Revenue, but excluded from SEFA.)
- Total Pass-Through From and Expenditures per SEFA schedule match total per SEFA Note 2.

**Note 3 – Student Loans (Academics & HSC only)**
- Perkins amount reported in the SEFA (CFDA 84.038) matches Note 3, Total Loans Processed and Administrative Costs Recovered.
- Ending Balance of PY loans does not match prior year SEFA Note 3. They are looking for the remaining balance of all prior year loans. This amount can be estimated by calculating the ending balance of current year loans, less payments applied during the current year. Requirement not applicable to Federal Direct Loans.

**Notes 4-7 are not applicable to TAMUS**

**Note 8 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) CFDA 97.036**

**Note 9 – Economic Adjustment Assistance CFDA 11.307**

**Note 10 - 10% de Minimis Indirect Cost Rate – Required to respond to question whether your agency elected to use the 10 percent de minimis indirect cost rate.**

**N-6 – Pledged/Non-Pledged Revenues (-25-)**
- Net receipts column of N-6 matches IV-FUND by row, verify Operating Revenues sub-total.

**V – Statement of Cash Flows (-4-)**
- Tie all amounts to Cash Flow workpaper (U)
- Operating Income (Loss) matches Exhibit IV Total Operating Income (Loss).
- Bad Debt Expense matches Bad Debt total on pages 5-6 of IV-FUND.
- Net Cash Provided by Operating Activities in the reconciliation matches the Net Cash Provided (Used) by Operating Activities in the Cash Flows from Operating Activities.
- Beginning Cash & Cash Equivalents matches last year’s ending Cash & Cash Equivalents on V.
- Explanation required for any current year “Restatements to Beginning Cash and Cash Equivalents” amounts. Review explanations.
- Explanation required for any amount shown on “Classification Differences” row in Reconciliation of Operating Income/Loss to Net Cash Provided by Operating Activities.
- Verify Sales and Purchases of Investments Held by System matches Section 3 of the Reconciliation of Assets Held for Investment by System Offices Check Figures Worksheet (O.1).
- Verify the Net Change in Fair Value of Investments reported in the Non-Cash Transactions section to the AFR Check Figure sheet included in the Reconciliation of Assets Held for Investment by System (O.1). (Although the Agency Fund portion is not reported on the operating statement, it is included in the total Net Change in Fair Value per Cash Flow.)
- Verify Other Noncapital Transfers From/To System, Transfers of Capital Debt Proceeds and Transfer to System for Capital Related Debt, and Transfers From/To System for Construction Proceeds tie to check figures section of Transfer worksheet (S.3).
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- Proceeds lines should not be negative.
- Payments lines should not be positive.
- Verify Transfers Between Fund Groups line is $0.
- Review cash flow workpaper and analyze activity by fund group.
  - On the Summary by Fund tab, verify Payments to Employees for Salaries and Benefits in the Cash Flows from Operating Activities section is spread among fund groups.
  - Analyze revenues/expenses with no accruals, or accruals where there is no operating activity.
  - Receivable/Payable adjustments should impact both PY and CY columns.
  - Review agency fund activity, the default is to place fund balance 3940 on Payments of Other Uses row. Each member should analyze activity and enter adjustments to Payments and Proceeds to reflect total increases/decreases instead of the net change.

**Tuition Discounting** (-26-) (V) (Academics & HSC only)
- Reconcile Tuition Discounting Element B (financial aid revenue) to Scholarship section of TANDF-TD.
  - Total Scholarships (TANDF-TD)
  - Plus Scholarship Discount (TANDF-TD)
  - Less Tuition & Fee Exemptions (TANDF-TD) Element F
  - Element (B) – Tuition Discounting worksheet

- Verify federal financial aid to SEFA (see Student Financial Assistance Cluster)
  *Exception - Totals per SEFA may be higher by the administrative cost allowance (optional administrative fees collected to offset the cost of managing student aid programs) look for explanation in space provided at bottom of Tuition Discounting workpaper.*
  - CFDA 84.007  SEOG (Suppl. Educ. Opportunity Grants)
  - CFDA 84.038  Perkins Loans (See SEFA Note 3 for Admin Fees, subcode 5197)
  - CFDA 84.268  Federal Direct Student Loans (includes PLUS loans)
  - CFDA 84.063  Pell Grants (valid difference for admin fees, subcodes 0336/9636)

- Enter data in the Tuition Discount Benchmarking document at BA\AFR\Tuition Discounting\17.
- Print the chart and analyze data for member being reviewed. Request explanation for any significant changes in percentages from PY to CY (V.1).
- On TANDF-TD, amounts per three exemption line items match by fund group
  - Total Exemptions
  - Total Exemptions (Offset) – negative amounts
  - Tuition & Fees Remissions & Exemptions (from Scholarship Section)
  (Exemptions and Exemptions (Offset) rows must net to zero since the related sub codes are not reported on IV-FUND.)
- Match the tuition discount journal entries per tuition discounting template to discount amounts per TANDF-TD (except for Discounts & Allowance—Sales, which should tie to Exhibit IV Discounts and Allowance row for Auxiliary).
- On tuition discounting workpaper, the Auxiliary Funds-Sales & Service Housing & Board line item should be LESS than the Auxiliary Enterprises reported on IV-FUND.
- Verify Tuition and Fee Revenue per template equals IV-FUND by fund group.
2018 AFR Review Checklist

_ Reconcile TANDF-TD to IV-FUND by fund group.
  _ Gross Tuition and Fee Revenues
  _ Tuition and Fee Discounts and Allowances
_ Bad Debt related to fees should be reported in the “fees” section of TANDF-TD.

TPEG Financial Information worksheet (W) (Academics & HSC only)
_ Verify transfers from/to Restricted funds are explained.
_ Ensure Designated, Restricted, and Loans tie in sections 1 & 2.
_ Ensure TPEG Designated year-end balance is not greater than 150% of total set asides.
_ Ensure Transfer to Emergency Loans is not greater than 10% of total transfers.

GR Recon (X)
Amounts in the Direct Strategy column are extracted from USAS, including beginning balance.
_ Verify Legislative Appropriation Revenue to Schedule IV-Fund, Footnote A.
  _ Original Appropriation Revenue - Line Numbers 100100-100500
  _ OASI - Line Number 200100
  _ ORP - Line Number 200300
  _ GIP – Line Number 200500
  _ Salary Increase – Line Number 200700
  _ TRS Retirement Contribution – Line Number 400100
  _ UCI – Line Number 400300, expect to see an amount for UCI expenses paid to TWC (could be zero if none was funded from GR)
_ Verify Legislative Transfers to operating statement
  _ HEF Distribution per GR Recon line 50000 equals Higher Education Fund total per Fund Footnote A.
  _ Salary/Longevity increase transfer w/in agency (line number 500200) nets to zero
  _ Committed Budget Transfers In/Out (line numbers 500300 and 500400) match Legislative Debt Service Transfers per Transfer Worksheet (S.2). Universities will also have a Transfer in for Hazlewood funding from Veterans Commission, Agency 403.
  _ Budget transfers for required reductions should appear in Adjustments column as opposed to the Amount as Adjusted Column.
_ Verify lapse amount includes the GR lapse for salary savings per Hiring Freeze Lapses document (X.2) plus the TRB lapse amount per Return of Unused TRB Debt Service Funds schedule (X.1).
_ For FY17, verify there is GR lapse for salary savings.
_ GR Recon column J, Other, nets to zero
_ Legislative Appropriation ending balance per GR Recon equals Legislative Appropriation per Balance Sheet (III-Fund).
_ Difference between Calculation I and Calculation II is zero.

APS011 Benefits Proportional Review (Y)

Section 1 – Revenue (Y, Y.1, Y.4)
(Funding received for specific programs that are not available for salaries are 100% excluded.)
_ General Revenue Appropriations match the GAA (Y.4).
_ GR-Dedicated revenue ties to workpapers which reconcile to the Operating Statement (IV-Fund).
_ Fund numbers are provided in Column 1, funds held locally are listed as Fund 7999.
2018 AFR Review Checklist

_ For universities, verify Fund 02xx Tuition Revenue reconciles to the financial reports.

<table>
<thead>
<tr>
<th>Fund 02xx Revenue per IV Fund E&amp;G Column</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
</tr>
<tr>
<td>Other (Sales, Operating, NonOperating)*</td>
<td></td>
</tr>
<tr>
<td>Interest (earned in State Treasury)</td>
<td></td>
</tr>
<tr>
<td>Total per APS011</td>
<td></td>
</tr>
</tbody>
</table>

*Other revenue may not match exactly to IV-Fund, members must determine which of these revenues are subject to APS011.

_ Revenue exclusions tie to the GAA or supporting workpapers.
  _ TRB exclusion matches GAA (do not net amounts returned for unspent TRB)
  _ Other Debt Appropriations (TVMDL).
  _ For institutions, verify Fund 02xx exclusions
    ▪ Tuition & Fee Exemptions match TANDF-TD schedule, Total Exemptions, E&G column.
    ▪ TPEG matches workpaper (current year TPEG transfers)
  _ Legal Cites and Documentation section is completed and amounts match the exclusions listed in column 2.
  _ Additional Revenue Items for Agencies
    _ Federal Revenue and Indirect Cost Revenue, Fund 7999, is 100% excluded.
    _ Interagency Receipts tie, or can be reconciled to the AFR. (pass-through’s)
  _ Compare percent to prior year APS011 calculation for reasonableness.

**Section II – Benefit Expenses** (*Y, Y.1, Y.2, Y.3*)

For each benefit type, verify the Calculated Proportional Benefits in Column 5, *by fund*, to FAMIS (business objects query by bank) and to USAS APS011 Check Report (*Y.2*) from ACO.

On the APS011 check report, expenses should be reflected in FY18 column, expenses in the FY19 column should net to zero for benefit appropriations. (APS011 calculation looks at FY18 expenses. If expenses are in fiscal year 2019, they are not reflected on the GR recon which reports fiscal year 2018 activity.)

**Benefit Expense Crosswalk (provided as a reference)**

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>FAMIS Subcodes Eligible Expenses</th>
<th>FAMIS Subcodes Ineligible Expenses</th>
<th>USAS Cobj</th>
<th>USAS Appn</th>
</tr>
</thead>
<tbody>
<tr>
<td>OASI</td>
<td>1920</td>
<td></td>
<td>7043</td>
<td>91142</td>
</tr>
<tr>
<td>GIP</td>
<td>1910, 1909 (Retiree)</td>
<td>1907, 1908</td>
<td>7041</td>
<td>95002</td>
</tr>
<tr>
<td>TRS</td>
<td>1960</td>
<td></td>
<td>7090</td>
<td>99323</td>
</tr>
<tr>
<td>ORP</td>
<td>1955, 1958</td>
<td>1956, 1957</td>
<td>7086</td>
<td>97646</td>
</tr>
</tbody>
</table>

_ OASI (USAS 7043, FAMIS 1920)
  _ OASI Expenses match FAMIS by Bank/Fund
  _ OASI Expenses match APS011 Check Report by USAS fund

_ GIP (USAS 7041, FAMIS 1910, plus 1909 for retirees)
  GIP Exception – Fund 0001 GIP, may be eligible for additional GIP from System Office, but their APS011 calculation will be limited to the GIP amount appropriated in GAA. The APS011 benefit worksheet, Column 4, the APS011 check report and FAMIS expenses will usually equal GAA amount, even though Column 5 may calculate a higher amount.
2018 AFR Review Checklist

- GIP Expenses match FAMIS by Bank/Fund
- GIP Expenses match APS011 Check Report (less ACA1908/1907 expenses) by Fund.
- Verify Retiree GIP information is filled in and expenses are posted to 1909 object code.

- TRS (USAS 7909, FAMIS 1960)
  TRS New Member contribution – first 90 days, subcode 1961, is not included in the calculation and may not be charged to TRS appropriation 99323. Expense is allowed for GR main Appn, Fund 02xx, or other funds, but can’t be included in benefits proportional calculation.
  - GR Fund 0001 TRS contribution amount reported in Column 4 matches the workpaper provided by System Office.
  - TRS expenses (funds other than 0001) match FAMIS by Bank/Fund; subcode 1961 is not included.
  - TRS expenses (funds other than 0001) match APS011 Check Report, less 1961 expenses, by Fund.

- ORP (USAS 7086, FAMIS 1955, 1958)
  ORP benefit appropriation 97676 should only include ORP base expenses, FAMIS subcode 1955 and, for some members 1958 ORP (limited use). ORP Supplement (1956) and ORP Differential (1957) cannot be charged to ORP benefit appropriation 97646 or used in the Benefits Proportional calculation for any other fund.
  - ORP Expenses match FAMIS by Bank/Fund; subcodes 1956 and 1957 are not included.

Flux Review Analysis (G)
- Amounts used in Flux analysis tie to AFR reports. (verify sub-totals)
- Analyze Exhibit III Statement of Net Position Flux Review (G.1).
- Analyze Exhibit IV Statement of Revenues, Expenses, and Changes in Net Position (G.2).
- Analyze III-1 Unrestricted Net Position Flux Review (G.3).
- Analyze IV-1 NACUBO Function to Natural Classification (G.4).

Notes Worksheet (I)
Verify Notes Worksheet data matches financial statements.
- **Note 5** Long Term Liability Note, liability amounts match Exhibit III by row.
- Verify **Note 5** Capital Lease Obligations (Current plus Non-Current) matches the total future year Capital Lease payments, Principal amount, per **Note 8**.
- **Note 12** Interfund Receivable/Payable matches balance sheet rows (Current and Non-Current)
- **Note 14**, Restatements, verify amounts to IV-Fund and Schedule IV-5-A. Ensure any prior period adjustments/restatements from any schedule or exhibit are documented with adequate explanations.
- **Note 17** - Verify amounts match Claims & Loss expenses per IV-Fund (Operating & Non-Operating).
- **Note 24**, If Other Receivable or Other Payable is greater than 5% of total, verify details are provided. (Fluctuation Analysis workpaper may be used to determine percentage.)
- On the **Gifts** tab, verify Gifts, Capital Contributions, and Additions to Endowments match operating statement (Ex IV) and the adjusted Total Gifts match the 4th quarter GDGE report (I.2).
2018 AFR Review Checklist

Checklist and Title Page
_ Member Review Checklist (Z) is signed by Fiscal Officer or CFO (CFO is optional) and all steps are completed.
_ Title Page includes names and titles of the Member Officers and correct fiscal year.

Schedules 2A through 2F – Supplementary Bond Information ( -7-, -8-, -9-, -10-, -11-, -12-)
(System Office only)
_ Bonds are listed separately in individual series.
_ Bonds Outstanding amount on Schedule 2B, matches the Bonds Payable for revenue bonds per III-FUND. If discount or premium exists, Bonds Outstanding amount should tie to the net of the Bonds Payable and the discount or premium in parenthesis.
_ Debt service requirements on Schedule 2C show principal and interest requirements to maturity for each of the five subsequent years and in five-year increments thereafter.
_ Separate “Schedule of Analysis of Funds Available for Debt Services” on the Schedule 2D for revenue bonds are included.
_ The year of refunding for defeased bonds on the Schedule 2E is designated by calendar year.
_ Schedule 2F is included in early extinguishment or refunding occurred in the current fiscal year (may not always have activity).