

STATE OF OKLAHOMA  
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES  
GAAP CONVERSION MANUAL

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O. LONG-TERM OBLIGATIONS DISCLOSURE INFORMATION

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June 2021

I. PURPOSE AND OBJECTIVES

The ACFR presents the amount, changes, and debt service requirements of all long-term obligations.

II. AGENCY ACTION REQUIRED

- A. Carefully read the key terms in Part III.
- B. The Long-Term Obligations Summary Note Disclosure Information form (summary) should reflect balances as of close of business on June 30. All dates related to bond issues should be actual dates (i.e. mm/dd/yyyy).
- C. Round all dollar amounts to the nearest whole dollar.
- D. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed summary form and all associated working papers for three years after the completion of the SA&I audit.
- E. The person who completes and signs the summary form should keep a copy. OMES will contact this person if there are any questions.
- F. If needed, call your agency's financial reporting analyst for guidance.
- G. Return the completed summary form to your OMES financial reporting analyst by e-mail **no later than the due date shown on the form. If you can return it earlier, please do so.**

III. KEY TERMS

- A. Bond is a written promise to pay a specified sum of money at a specified date or dates in the future, together with periodic interest at a specified rate.
- B. Bonds Authorized But Unissued are bonds that have been authorized legally but not issued and that can be issued and sold without further authorization.
- C. Debt Service is the money used to pay interest on outstanding debt, serial maturities of principal for serial bonds and contributions to accumulate monies for future retirement of term bonds.
- D. Fiscal Agent Fees are fees charged by the bank responsible for paying debt principal and interest when due.
- E. General Obligation Bonds are backed by the full faith and credit of government.
- F. Issue Dates are the actual dates when the bonds are sold by the government.
- G. Maturity Date is the date specified in the bond issue for the payment of the principal amount of the bonds.

- H. Revenue Bonds are bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

#### IV. SPECIFIC INSTRUCTIONS

A. Completing the Long-Term Obligations Summary Note Disclosure Information Form

Summary, Page 1:

1. Enter the agency ACFR code, name, and funds/accounts to be included on the summary.
2. Provide the name, title, phone number and date for each person who completes and approves this summary form. The finance officer or executive director should approve the form before sending it to OMES. Keep a copy of the form. When submitting the form via email it should come from the address of the approving officer. This will act as an implicit electronic signature verifying the form has been reviewed for validity, accuracy, and completeness.
3. Provide comments or explanations as needed for any unusual items or circumstances.
4. For each bond issue specify the type and provide a brief description. For example, State of Oklahoma General Obligation Refunding Bond of 2016.
5. For each bond issue provide a range for the actual issue dates.
6. For each bond issue provide a range for the interest rates.
7. For each bond issue provide the latest actual maturity date (i.e. mm/dd/yyyy).
8. For each bond issue provide the amount of bonds that are authorized but unissued.
9. **For each bond issue that has a variable interest rate, explain what would cause the effective rate of interest to change (i.e. an increase in the prime rate, a change in treasury bill rate over a certain threshold, etc).**

Note Disclosure Information, Page 2:

10. For each bond issue specify the type and provide a brief description.
11. For each bond issue provide the principal balance of the bonds at the beginning of the fiscal year.
12. For each bond issue provide the additions to the principal balance. This would be bonds issued during the fiscal year.
13. For each bond issue provide the reductions to the principal balance. This would be the amount of the principal payments made during the fiscal year.
14. For each bond issue, provide the principal balance which should be equal to: 11 + 12 - 13.
15. For each bond issue, provide the principal amount matured but not presented for payment.
16. For each bond issue, provide the adjusted principal balance of the bonds as of fiscal year end, which should be equal to: 14 - 15.
17. For each bond issue, provide the interest amount **paid** during the fiscal year.

18. For each bond issue, provide any outstanding interest that has not been paid. (i.e., amount of interest due but has not yet been called as of June 30.)
19. For bonds with a payment date other than June 30, provide the accrued interest as of June 30. Example: A bond with a September 30 payment date will need to report interest accrued since the previous payment date. If the last payment was made on March 31, the interest accrued between April 1 and June 30 (3 months) would be reported.
20. **For each bond issue, provide the principal amount only due within the next fiscal year.**
21. Compute a total for columns 11 - 20 on all the bonds reported. The total of column 16 should equal the total principal of column 24 on the debt service schedule.

Debt Service on Long Term Obligations, Page 3:

22. For each bond issue specify the type and provide a brief description. List debt service information for each bond issue listed as a long-term obligation on the previous page.
23. For each bond issue provide the associated debt service payments, including both principal and interest, to be made for each of the next five fiscal years and in five-year increments thereafter. This does not include fiscal agent fees. Fiscal agent fees are treated as current expenditures in the year paid.
24. For each bond issue provide the total debt service obligation.
25. Compute the total for columns 23 and 24 for the debt service requirements for each year.
26. Compute and list the interest portion of the above debt service payments.
27. For each year and in total, subtract the interest from the debt service to produce a total by year principal payment obligation. The total principal of column 24 should equal the total of column 16.

B. Working Papers

The agency should keep any documents that support data on the summary form, such as:

- \* Official Statements of bond issues
- \* Legal papers
- \* Contracts with fiscal agents