

## 5.

## APPENDICES

5.4.15 Overview of Significant Changes – Applicable to the Reporting Year 2015

Topic	Reference	Description of Changes
		<b>CHART OF ACCOUNTS</b>
		The new chart of accounts is an interactive application. To see accounts applicable to your government choose an appropriate <u>government type</u> .
Revenue/Expenditure/Expense Account	3132100	The account title was changed to <i>Public Transportation Systems</i> .
Revenue/Expenditure/Expense Account	3322100	The account <i>Equitable Sharing of Federally Forfeited Property</i> was removed.
Revenue/Expenditure/Expense Account	3350301	The account <i>LEOFF Special Funding</i> was added.
Revenue/Expenditure/Expense Account	3360641	The account <i>Marijuana Enforcement</i> was added.
Revenue/Expenditure/Expense Account	3451100	The detailed codes listed in the 3451100, <i>Soil and Water Conservation Services</i> are optional and not required to be reported on the Schedule 01.
Revenue/Expenditure/Expense Account	3573900	The account <i>Miscellaneous District/Municipal Court Cost Recoupment</i> was removed.
Revenue/Expenditure/Expense Account	3688000	The account <i>Deferred Assessment</i> was removed.
Revenue/Expenditure/Expense Account	5010000	The account <i>Depreciation</i> was added.
Revenue/Expenditure/Expense Account	51860	The account 51860 [ <i>Risk Management</i> ] was changed to 519; account 51920 [ <i>Judgements and Settlement</i> ] became 51861, account 51970 [ <i>Jobbing and Contacting</i> ] became 51862; added account 51863 [ <i>General Grants and Financial Assistance to Other Governments</i> ].
Revenue/Expenditure/Expense Account	5510000	The account 55920 [ <i>Public Housing</i> ] was moved to 5510000 [ <i>Public Housing Services</i> ].
Object Codes	00	The object 00 was updated to include account 501[ <i>Depreciation</i> ] and exclude account 508 [ <i>Ending Balances</i> ].
		<b>ACCOUNTING</b>
Cash Receipting	3.6.1.50	Added new section discussing requirements when a local government receives payments through third party vendors.
Electronic Fund Transfer	3.6	The section was divided into two sections: one for receipts (3.6.6) and other for disbursements (3.8.11).
Voucher Certification and Approval	3.8.5	Added checks and electronic payments.
Grants – Accounting	3.7.1	This section was updated for the New Uniform Guidance. The following subsections contain new information: 3.7.1.10, .40, .50 and .60.
Pension Liabilities	3.4.13	This is a new section discussing the new reporting requirements regarding governments' pension liabilities. The guideline contains a link to an Excel spreadsheet with calculation instructions.
Transportation Benefit Districts (TBD)	3.11.1.120	This new section discusses accounting and reporting requirements for cities and counties assuming the TBDs as authorized by the 2015 legislation.

Refunding Debt	3.4.14	This is a new section which discussed refunding debt. The guidelines include coding and reporting the transactions on the Schedule 09.
Accounting for LOCAL Program Financing Activities	3.4.11	This section was revised to provide better guidelines for accounting and reporting of LOCAL program. It does <u>not</u> contain new requirements, only clarifies existing instructions.
Utility Tax	3.6.13	This is a new section discussing accounting and reporting tax on utilities.
<b>REPORTING</b>		
Supplementary and Other Information		Schedules 09 (Liabilities) and 16 (SEFA), if applicable, are required from all local governments; however since they are an integral part of the audit reports they were moved from the <i>SAO Annual Report Schedules</i> category to <i>Supplemental and Other Information</i> category to properly align with the audit reports.
Revenues/Expenditures/Expense (Schedule 01)	4.8.1.25	Local governments completing the Schedule 01 for fiscal years ended on or after December 31, 2015 must ensure the data submitted is accurate. The Online filing system will calculate ending fund balances/net position using government-submitted information. If the SAO calculated ending balances/net position result in a variance from the local government's submitted ending balances of greater than \$1,000, the government will not be able to submit its annual report until corrected.
Liabilities (Schedule 09)		Schedule 09 debt and liability IDs were changed from categorizing by fund type to categorizing based on obligation type (i.e., general obligations, revenue and other non-G.O. obligations and assessment obligations). The change allows for better alignment of categories with the debt limit calculation and avoids the need to allocate certain liabilities between different IDs in different categories. Since Schedule 09 uses general, revenue and assessment obligations as titles, the re-alignment will also improve the accuracy of this presentation. In addition, several ID numbers were added to facilitate calculation of debt limit and an ID number was also added for pension liabilities (264.30). Please review and update ID numbers.
Expenditures of Federal Awards (Schedule 16)	4.8	<p>This is a transition year between the requirements of OMB Circular A-133 and the new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Guidance). This section has been updated for the new Uniform Guidance as it will be applicable for the majority of the BARS users, specifically those entities with a calendar year end. The effective date for the Audit Requirements, which include the SEFA requirements, of the new Uniform Guidance found in Subpart F of 2 CFR 200 is for fiscal years beginning after December 26, 2014. For those entities which the Audit Requirements of the new Uniform Guidance is not effective yet (fiscal years beginning prior to December 26, 2014), we left the references to the OMB Circular A-133 in parenthesis. Click here for the new <a href="#">Uniform Guidance</a>. Also sections 4.8.5.125 and 126 were added and Question 2 was revised.</p> <p>Information for Schedule 16 was updated in the BARS Manual in the fall of 2015; however, several items were inadvertently missed in those updates. The changes, which were put into effect on April 20, 2016.</p> <p>Here are the changes to the SEFA, with corresponding information from the Uniform Guidance:</p> <p><u>Amounts passed through to subrecipients: Same information, but a location change.</u></p> <ul style="list-style-type: none"> <li>○ Old Requirement: Under Circular A-133, this information was optional; however, the BARS Manual guidance "highly recommended" the entities include this information in the <b>notes</b> to the SEFA.</li> <li>○ Uniform Guidance change: §200.510(b)(4) Under the Uniform Guidance, these amounts (if any) are required to be shown on the <b>face</b> of the SEFA for each grant.</li> </ul>

		<p>(b) Schedule of Expenditures of Federal Awards. ... At a minimum, the schedule must:</p> <p>(4) <i>Include the total amount provided to subrecipients from each Federal program.</i></p> <p><b>Change:</b> Therefore, a column is being added to the SEFA and input for these amounts, and the disclosure will not be needed. No additional information is being requested, since the pass-through information was previously reported in the notes.</p> <p><u>Use of de minimis indirect cost rate: Additional affirmative <b>disclosure</b> by governments.</u></p> <ul style="list-style-type: none"> <li>○ Old requirement: The BARS Manual suggested a disclosure of amounts charged as indirect costs to grants. (However, the de minimis rate did not exist.)</li> <li>○ Uniform Guidance change: §200.510(b)(6) Since a new 10 percent de minimis indirect cost rate is being allowed in certain circumstances, the Uniform Guidance requires a note disclosure about whether the entity did or did not use it. (The <i>yes</i> or <i>no</i> answer will also be included in the Data Collection Form.)</li> </ul> <p>(6) <i>Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the non-Federal entity elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&amp;A) costs.</i></p> <p><b>Change:</b> The BARS Manual information for the SEFA notes has been updated, along with an instruction stating that it's not an optional disclosure.</p> <p><u><b>Basis of Accounting note disclosure:</b></u> (Minor change) Language was added to the sample note to recognize the fact that pre- and post-Uniform Guidance grants may have different bases for recognizing costs (i.e., cost principles). This disclosure will be needed during the transition period when a mixture of pre- and post-Uniform Guidance awards may be shown on the SEFA.</p>
Risk Management (Schedule 21)		Minor updates to add options and clarify questions encountered in practice.
Note X – Debt Service Requirements		The reporting requirements changed from reporting by debt type to reporting principal, interest and total amount. Also, if applicable, local governments are required to provide disclosure regarding their refunding and debt guaranties activities.
Note X – Pension Plans		The cash basis local governments are required to report their pension related liabilities in this new note and on their Schedule 09. The BARS manual in accounting part discusses the new pension accounting and reporting. It also contains a link to Excel spreadsheet with examples of calculation of these liabilities.
Questionnaire for Small Local Governments Accountability Audits (Schedule 22)	4.8.14	The Schedule 22 applicability expanded to include <b>all</b> cash-basis fire districts. Further, all conservation districts filing the Schedule 22 are required to submit the requested Schedule 22 attachments. Schedule 22 introductory training is provided via YouTube video, located <a href="#">here</a> .