

5.

APPENDICES

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

Topic	Reference	Description of Changes
		CHART OF ACCOUNTS
General Ledger Accounts	1.2	The following accounts were added to accommodate the accounting for pension: 193.50 [Pension Asset], 198.40 [Deferred Outflows: Pension], 264 [Pension Obligation (Net)], 271.80 [Deferred Inflows: Pension]. Reminder: the BARS numbering system in the general ledger is optional. The above codes are for informational purposes only.
		The new revenue/expenditure/expense 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	30810/50810 30880/50880	The accounts 30810/50810 [Beginning/Ending Reserved Fund Balance (GAAP)] were changed to 30819/50819 [Beginning/Ending Restricted Net Position]. The accounts 30880/50880 [Beginning/Ending Unreserved Fund Balance (GAAP)] were changed to 30889/50889 [Beginning/Ending Unrestricted Net Position].
Revenue/Expenditure/Expense Account	3086000	The account <i>Net Investment in Capital Assets</i> was added.
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>].
Revenue/Expenditure/Expense Account	8000000	New 800 series accounts - aggregated balance sheet information: 810 Cash, Cash Equivalents and Investments 820 Other Current Assets 830 Other Noncurrent Assets 840 Deferred Outflows 850 Current Liabilities 860 Noncurrent Liabilities 870 Deferred Inflows

		were added for GAAP reporting governments.
Object Codes	00	The object 00 was updated to include account 501 [<i>Depreciation</i>] and exclude account 508 [<i>Ending Balances</i>].
		ACCOUNTING
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.
Pensions – Implementing GASB Statement 68, <i>Accounting and Financial Reporting for Pensions</i>	3.4.2	This section discusses the new accounting and reporting requirements for single-employer and state sponsored pension plans mandated by GASBS 68. It also contains links to Excel spreadsheets containing instructions and examples of calculation of pension liabilities.
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.
Accounting and Reporting for Property Tax	3.5.2	This new section provides detailed guidelines for reporting property tax according to GASBS 65.
		REPORTING
GAAP Reporting Requirements	4.1.1	The <i>Financial Reporting Entity Flowchart</i> (and accompanying notes) was updated to include relationships other the component units that would have an effect on reporting entity. The GAAP criteria for reporting of component units and other types of relationships did not change; however the new chart will better reflect the existing reporting requirements.
Proprietary Funds Financial Statements	4.3.4	There are <u>no</u> substantive changes in proprietary funds reporting. This section was reformatted to accommodate the inclusion of the stand-alone reporting guidance for ports, transits, PUDs, housing authorities, risk pools, hospital, water, sewer and irrigation districts.
Required Supplementary Information (RSI)	4.7.261-.267	Sections 4.7.260-.330 were replaced with new (GASBS 68) reporting requirements for pensions. The new sections contain links to Excel spreadsheets with examples of required schedules.
Notes to Financial Statements		The notes contain requirements for all different types of local governments. Some notes are applicable to all or most local governments. However some are unique to a very specific type of government. It's the government responsibility to choose all applicable and necessary disclosures.
Note 1 – Summary of Significant Accounting Policies		The new paragraph regarding pension plan policy was added (E.10). Other than this addition, there are <u>no</u> substantive changes in this disclosure. This note was reformatted to accommodate the inclusion of the stand-alone reporting guidance for ports, transits, PUDs, housing authorities, risk pools, hospital, water, sewer and irrigation districts.
Note X – Long-Term Debt		The note was expanded to incorporate (if applicable) disclosures regarding loans with forgiveness clauses and grants with recoverable clauses.
Note X – Pension Plans		The note was updated to meet the GASBS 68 requirements. It contains links to the WORD version.

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 local 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 <u>Uniform Guidance</u>. 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"> ○ Old Requirement: Under Circular A-133, this information was optional; however, the BARS Manual guidance "highly recommended" the entities include this information in the notes to the SEFA. ○ Uniform Guidance change: §200.510(b)(4) Under the Uniform Guidance, these amounts (if any) are required to be shown on the face of the SEFA for each grant. <p style="text-align: right;">(b) Schedule of Expenditures of Federal Awards. ... At a minimum, the schedule must:</p> <p style="text-align: right;">(4) <i>Include the total amount provided to subrecipients from each Federal program.</i></p> <p>Change: 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 disclosure by governments.</u></p> <ul style="list-style-type: none"> ○ Old requirement: The BARS Manual suggested a disclosure of amounts charged as indirect costs to grants. (However, the de minimis rate did not exist.) ○ 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.) <p style="padding-left: 40px;"><i>(6) 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&A) costs.</i></p> <p>Change: 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>Basis of Accounting note disclosure:</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.