

5.2.16 Overview of Significant Changes – Applicable to the Reporting Year 2016

Topic	Reference	Description of Changes
		CHART OF ACCOUNTS
Revenue/Expenditure/Expense Accounts	31720, <i>Leasehold Excise Tax</i>	The definition was updated to clarify that this tax can be imposed only by counties and cities and other governments receiving their share of this tax should code the proceeds to 337, <i>Local Grants, Entitlements and Other Payments</i> .
Revenue/Expenditure/Expense Accounts	31740, <i>Timber Excise Tax</i>	The definition was updated to clarify that this tax can be imposed only by counties and other governments receiving their share of this tax should code the proceeds to 337, <i>Local Grants, Entitlements and Other Payments</i> .
Revenue/Expenditure/Expense Accounts	32180, <i>Concessions</i>	A new account was added. This account should be used for revenues from awarding rights to use government's property. Previously these proceeds were comingled with proceeds from an actual sales and coded to account 36280, <i>Concession Proceeds</i> and 36290, <i>Other Rents, Leases and Concession Proceeds</i> . Proceeds from governments own sales should be accounted for in 34170, <i>Sales of Merchandise</i> .
Revenue/Expenditure/Expense Accounts	32191, <i>Franchise Fees and Royalties</i>	This account was updated to include royalty payments. Previously the royalties were accounted for in 36290, <i>Other Rents, Leases and Concession Proceeds</i> (e.g., property rights, etc.), 34790, <i>Other Fees</i> (e.g., publication royalties, etc.).
Revenue/Expenditure/Expense Accounts	36210, 36230, 36240, 36250, 36260	These accounts were combined into 36200, <i>Rents and Leases</i> . This account is designed only for rentals and leases which are not a part of the governments' principal operation [those rents and leases should be accounted in the appropriate 340s service and sales accounts]. The new section <i>Determining Operating/Nonoperating Revenues/Expenses in Proprietary Funds</i> provides guidance for classification of revenues/expenses as operating/nonoperating for the proprietary funds.
Revenue/Expenditure/Expense Accounts	36280, <i>Concession Proceeds</i>	Account removed. For revenues from awarding rights to use government's property use 32180, <i>Concessions</i> . Proceeds from governments own sales should be accounted for in 34170, <i>Sales of Merchandise</i> .
Revenue/Expenditure/Expense Accounts	362900, <i>Other Rents, Leases and Concession Charges</i>	Account removed. The revenues should be accounted in 36200, <i>Rents and Leases</i> , 32191, <i>Franchise Fees and Royalties</i> 34170, <i>Sales of Merchandise</i> or other appropriate account.
Revenue/Expenditure/Expense Accounts	36850, <i>Special Assessment-Operating</i>	The title was changed to <i>Special Assessment – Service</i> and the definition was updated. If the service assessments are related to the governments' principal operations, they should be coded in 340s as proceeds from sales of goods and services.
Revenue/Expenditure/Expense Accounts	36910, <i>Sale of Scrap and Junk</i>	The title was changed to <i>Sale of Surplus</i> and a definition was added.
Revenue/Expenditure/Expense Accounts	36950, <i>Special Items</i>	The account changed to account 385, <i>Special/Extraordinary Items</i> to better reflect the substance of the transaction [i.e., special items should not be classified as revenue] The account can be also used for <i>extraordinary</i> items, and the title was adjusted to reflect this.
Revenue/Expenditure/Expense Accounts	380, <i>Nonrevenues</i>	<ul style="list-style-type: none"> The title of this section of the chart was changed to <i>Other Increases in Fund Resources</i>. A new account 385, <i>Special/Extraordinary Items</i> was added [previously accounted for in 36950, <i>Special Items</i> – see above row for description]. The account 388, <i>Prior Period Adjustments</i> was changed to 38810 and account 38850, <i>Cumulative Effect of Change in Accounting Principle(s)</i> was added.

		<ul style="list-style-type: none"> Accounts 386 (1), <i>Agency Deposits</i> and 389, <i>Other Nonrevenues</i> were pooled and rearranged into: <ul style="list-style-type: none"> 38910, <i>Refundable Deposits</i>, 38920, <i>Retainage Deposits</i>, 38930, <i>Agency Type Collections</i>, 38940, <i>Agency Type Deposits</i>, 38960, <i>Agency Type Interest Earnings</i>, and 38990, <i>Other Custodial Activities</i>. <p>These accounts are still optional for GAAP governments.</p> <p><i>[Updated the definition of these codes to clarify that they should be used for custodial activities only – to record receipts and disbursements from fiduciary funds as well as any custodial activity reported in other fund types. Subaccount detail allows for reporting by major types of custodial activities in order to provide further clarity, align with internal tracking of custodial balances and support analysis.]</i></p> <p><i>(1) The change applicable to the courts' deposits and remittances was updated on March 14, 2017. The following BARS Alert was sent to all cities and counties at that time.</i></p> <p><i>The BARS codes for agency deposits/remittances were revised this year and BARS account 386/586 was replaced by several 389/589 accounts. However, the recent submissions of the Schedule 01 indicate that this change creates some confusion. To avoid further misunderstanding at this time the Online reporting system will accept <u>court related</u> deposits and remittances coded as 386/586. All other non-court items should be coded to appropriate 389/589 accounts. We have updated the summary of significant changes in the BARS manual.</i></p>
Revenue/Expenditure/Expense Accounts	51170, <i>Lobbying Activities</i>	<p>New account. The lobbying services were excluded from account 51120, <i>Advisory Services</i> and are now reported separately.</p> <p><i>[Lobbying expenditures are subject to specific compliance and reporting requirements, so governments need to separately track them. Also, the separation will allow cross-checking figure against PDC filings.]</i></p>
Revenue/Expenditure/Expense Accounts	531, <i>Storm Drainage Utilities</i>	<p>The account description was revised to ensure that this account is used only when a local government has a separate utility for storm drainage. The storm drainage projects that are an integral part of streets and roads should be accounted with transportation codes which are generally accounted for in governmental funds.</p>
Revenue/Expenditure/Expense Accounts	580, <i>Nonexpenditures</i>	<ul style="list-style-type: none"> The title of this section of the chart was retitled to <i>Other Decreases in Fund Resources</i>. A new account 585, <i>Special/Extraordinary Items</i> was added [previously accounted for in 36950, <i>Special Items</i> – see account 385 for description]. The account 588, <i>Prior Period Adjustments</i> was changed to 58810 and account 58850, <i>Cumulative Effect of Change in Accounting Principle(s)</i> was added. Accounts 586 (1) and 589, <i>Other Nonexpenditures</i> were pooled and rearranged into: <ul style="list-style-type: none"> 58910, <i>Refunds of Deposits</i>, 58920, <i>Refund of Retainage</i>, 58930, <i>Agency Type Remittances</i>, 58940, <i>Agency Type Disbursements</i>, and 58990, <i>Other Custodial Activities</i>. <p>These accounts are still optional for GAAP governments.</p> <p><i>(1) The change applicable to the courts' deposits and remittances was updated on March 14, 2017. The following BARS Alert was sent to all cities and counties at that time.</i></p> <p><i>The BARS codes for agency deposits/remittances were revised this year and BARS account 386/586 was replaced by several 389/589 accounts. However, the recent submissions of the Schedule 01 indicate that this change creates some confusion. To avoid further misunderstanding at this</i></p>

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Determining Operating/Nonoperating Revenues/Expenses in Proprietary Funds	1.5	A new section was added with a guidance regarding classification of revenues/expenses as operating or nonoperating. This section is applicable only to proprietary GAAP funds. It contains a discussion and a spreadsheet showing the BARS classification. The new section should help governments to resolve the discrepancy between operating/nonoperating categories in their financial statements and in the FIT presentation.
		ACCOUNTING
Capital Assets	3.4	Capital asset guidance that was previously split into nine different sections (3.3.1 – 3.3.7 and 4.2.5 – 4.2.6) were consolidated into three. While content has not fundamentally changed, most topics were updated and re-written to improve guidance and match the current environment and user needs. In particular, internal control guidance was expanded to help local governments with management of capital assets.
Deposits and Investments	3.2.1	Updated content to focus on an overview of requirements for deposits and investments and refer to the Office of State Treasurer's <i>Guide to Public Funds Investing for Local Governments</i> publication for details.
Pensions – Application of GASB Statement 68, <i>Accounting and Financial Reporting for Pensions</i>	3.4.2	The pension section has been updated for the <u>second year</u> of pension reporting.
		REPORTING
Liabilities (Schedule 09)	4.8.3.110	Added requirement for <u>cities and counties</u> to provide a BARS code for redemption and specific ID Numbers of debt related to streets/roads to accommodate the DOT Annual Street/Road Finance Report.
Note X – Self-insurance		The note was removed. The information required in this note is already provided in other risk management related disclosures.
Note X – Deposits and Investments		The note was updated to incorporate reporting requirements contained in GASB Statement 72, <i>Fair Value Measurement and Application</i> .
Note X – Pension Plans – Pensions Provided Through Certain Multiemployer Defined Benefit Pension Plans (nongovernmental Plans)		Added a new note required when a government participates in a nongovernmental pension plan (GASBS 78).
Note X – Pension Plans		The note instructions for local government plans that do not comply with GASBS 67/68 have been updated for the first phase of the implementation of GASBS 73. The pension notes and RSI templates for both state sponsored and local sponsored plans have been updated with 2016 information. The GAAP-basis pension illustration spreadsheet has been significantly updated for year two reporting including note disclosure examples, amortization tables, and reconciliation examples.
Note X – Tax Abatement		This disclosure is required for fiscal years starting after December 15, 2015 (GASBS 77).
		ONLINE FILING
Annual Street/Road Finance Report		Steps added as a pilot project exploring an alternative to the DOT Annual Street/Road Finance Report.
591/594 in GAAP Enterprise Funds		Added validation checking each individual enterprise fund for reporting accounts 591, <i>Debt Repayment</i> and 594, <i>Capital Expenses</i> as indicated in these accounts description. Both accounts should be reported even if the dollar amounts are \$0.
Balance sheet footing requirement		Section 4.8.1.25 adds balance sheet/statement of net position minimum variance requirements within \$1,000. Validation tests each reporting fund.