

5.2.17 Overview of Significant Changes – Applicable to the Reporting Year 2017

Topic	Reference	Description of Changes
		CHART OF ACCOUNTS
Revenue/Expenditure/Expense Accounts	3132400, <i>Local Infrastructure Financing Tool (LIFT)</i>	Added a new account for revenues from the local sales and use tax dedicated for LIFT projects.
Revenue/Expenditure/Expense Accounts	3340370, <i>State Grant from CRAB</i>	The title was changed to <i>Rural Arterial Program (RAP)</i> .
Revenue/Expenditure/Expense Accounts	3340372, <i>CRAB Road Arterial – Projects</i>	The title was changed to <i>County Arterial Preservation Project (CAPP)</i> .
Revenue/Expenditure/Expense Accounts	335/336	The titles for both categories was revised to <i>State Shared Revenues, Entitlements and Impact Payments</i> .
Revenue/Expenditure/Expense Accounts	3360425, <i>Foundational Public Health Services</i>	A new account was added for 2017 distributions from the DOH.
Revenue/Expenditure/Expense Accounts	3360642, <i>Marijuana Excise Tax Distribution</i>	A new account was added for the distribution of the marijuana excise tax from the State.
Revenue/Expenditure/Expense Accounts	3421000, <i>Law Enforcement Services</i>	The definition was expanded to include payments from the WASP for processing the sex and kidnapping offenders' registration.
Revenue/Expenditure/Expense Accounts	3670000, <i>Contributions and Donations from Nongovernmental Sources</i>	The definition was clarified regarding connection fees.
Revenue/Expenditure/Expense Accounts	379, <i>Capital Contributions</i>	The definition was clarified regarding connection fees.
Revenue/Expenditure/Expense Accounts	395, <i>Disposition of Capital Assets</i>	Added a clarification regarding use of the account in the proprietary fund.
Revenue/Expenditure/Expense Accounts	398, <i>Insurance Recoveries</i>	The account was split into two 3981, <i>Insurance Recoveries</i> for cash basis governments and 3985, <i>Insurance Recoveries</i> for GAAP. The split was necessary to accommodate reporting by cash basis proprietary funds since the BARS codes in 370 series are not available to them. The revised account 3895 replaces the original 398 code.
Revenue/Expenditure/Expense Accounts	50138, <i>Depreciation, Depletion, Amortization – Combined Water/Sewer/Solid Waste Utilities</i>	Changed title to <i>Depreciation, Depletion, Amortization – Combined Utilities</i> to correctly reflect the RCW.
Revenue/Expenditure/Expense Accounts	50195, <i>Depreciation, Depletion, Amortization – Infrastructure</i>	Added new account 50195, <i>Depreciation, Depletion, Amortization – Infrastructure</i> to include depreciation related to parking facilities.
Revenue/Expenditure/Expense Accounts	51530, <i>Legal Services</i>	The account was divided between internal and external legal services. Within each category were created more separate accounts for different specific legal expenditures. The change will allow governments to analyze

		and compare costs much more effectively. This also aligns accounting records with procedures auditors are required by professional standards to perform on legal liabilities, so it will help make the audit process more efficient. This account will be required for 2018 reporting.
Revenue/Expenditure/Expense Accounts	51770, <i>Unemployment Compensation</i>	Changed references to section of the BARS manual to correctly refer the current title (<i>Payroll Accounting</i> vs. <i>Unemployment and Deferred Compensation</i>).
Revenue/Expenditure/Expense Accounts	51830, <i>Maintenance/Security/Insurance/Janitorial Services</i>	Clarified the definition regarding property insurance.
Revenue/Expenditure/Expense Accounts	51863, <i>General Grants and Financial Assistance to Other Governments</i>	Revised title to <i>General Grants, Financial Assistance and Other Distributions to Local Governments</i> .
Revenue/Expenditure/Expense Accounts	538, <i>Combined Water/Sewer/Solid Waste Utilities</i>	Revised title and definition to correctly reflect RCW 54.16.300 (i.e., <i>Combined Utilities</i>).
Revenue/Expenditure/Expense Accounts	562, <i>Public Health</i>	The WA State DOH added additional detail accounts 562.11-562.15 for local governments subject to the DOH's jurisdiction.
Revenue/Expenditure/Expense Accounts	593, <i>Advance Refunding Escrow</i>	Added to the definition a reminder that this account should be reported also for proprietary funds.
Revenue/Expenditure/Expense Accounts	595, <i>Roads/Streets and Other Infrastructure</i>	Added to the definition a reminder that this account should be reported also for proprietary funds.
Revenue/Expenditure/Expense Accounts	599, <i>Payments to Refunded Debt Escrow</i>	Added to the definition a reminder that this account should be reported also for proprietary funds.
Account Structure	1.1.2	The section was revised to discontinue the old terminology regarding the seven-digit account codes (i.e., Prime, BASUB, etc.). The digits are now referred by their location within the code (i.e., first, second, etc.). This change was applied in all places in the BARS manual and the revised sections are not itemized in this listing.
Revenue/Expenditure Accounts Overview	1.3.10	The section was revised to discontinue the old terminology regarding the seven-digit account codes (i.e., Prime, BASUB, etc.). The digits are now referred by their location within the code (i.e., first, second, etc.).
		ACCOUNTING
Fund Types and Accounting Principles	3.1.1.60-3.1.1.80	These paragraphs were related to capital assets and were removed since the topics are covered extensively in <i>Capital Asset Accounting</i> (3.3.10).
Utility Tax Levies	3.2.6	The section is no longer needed since we do not prescribe the G.L. accounts. The section was replaced with accounting and reporting for the B&O tax related to utilities (<i>Utility Tax</i> , 3.6.13).
Capital Assets Accounting	3.3.10.80	Added a flowchart to determine if the expenditures should be capitalized.
Leases	3.4.1.10	Clarified in the bullet 2 that the future lease principal payments should be recorded as debt redemption rather than other financing uses.
Refunding Debt	3.4.4.120	Updated the bullet 2 regarding remaining prepaid insurance (GASBS 86, <i>Certain Debt Extinguishment Issues</i>).
Accounting and Reporting of Property Tax	3.5.2.30	The section was revised to better describe the reporting of property tax (no substantive change).
Diversion of County Road Property Tax	3.6.5.20	The BARS previous procedures were revised to better assist compliance with the provisions of the law.
Working Advances from DSHS	3.6.10	The section was revised to provide accounting requirements reflecting the current status of the advances from the DSHS.
Payroll Accounting	3.8.1	The title was change to <i>Unemployment and Deferred Compensation</i> to better reflect the content of this section. There are no changes in the prescription.
Loans		A new paragraph (3.9.1.30) was added. The paragraph discusses an issue of a government incorrectly using its own debt instruments as investments.
Voucher Certification and Approval	3.8.5	Updated the section to include electronic payments.

		REPORTING
GAAP Reporting Requirements	4.1.1	<u>Flowchart and Notes to the Flowchart</u> : The flowchart was updated to incorporate GASBS 80, <i>Blending Requirements for Certain Component Units</i> regarding situation when the government is the sole corporate member. Also, paragraph 12 was updated to incorporate the GASBS 85, <i>Omnibus 2017</i> regarding blending component units with business-type activities.
BARS Reporting Requirements	4.1.2	The matrix of reporting requirements was updated to eliminate reporting Schedules 07 and 11.
Summary of Reporting Requirements	4.1.4	The <i>Matrix of Statutory Reporting Requirements</i> was updated to eliminate reporting Schedules 07 and 11.
Note X – Asset Retirement Obligations		A new note was added to meet the disclosure requirements of the GASBS 83, <i>Certain Asset Retirement Obligations</i> . Please note that the requirement is applicable for reporting years starting after June 15, 2018.
Note X – Deposits and Investments		The note was revised to make the disclosure easier by adding tables and additional samples of text. There are no substantive changes.
Note X – Long-Term Debt		Added additional instructions for preparers regarding disclosures when the debt is refunded with the government's own resources. This addition incorporates the GASBS 86, <i>Certain Debt Extinguishment Issues</i> applicable for the year beginning after June 15, 2017.
Note X – Tax Abatement		Added a matrix to summarize the disclosure requirements for governments' own abatements and abatements of others. Also added discussion regarding disclosure when, regardless of a tax abatement agreement, the overall tax revenue is not reduced.
Schedule 01	4.8.1.50	Column 4 – clarified the instruction regarding reporting of revenues and expenses for proprietary funds.
Schedule 09		Added 4.8.3.71 and 4.8.3.81 regarding reporting loans with forgiveness clause.
		ONLINE FILING
Annual Street/Road Finance Report		The pilot project with DOT has been extended another year to explore the possibility of an alternative reporting process to the existing Street/Road Finance Report required to be filed to DOT for cities and counties.
Fund Balance – Beginning Check		A minimum variance requirement within \$1,000 added summarizing Schedule 01 funds reported.