



90.40

State Disclosure Forms

90.40.10

June 1, 2016

Introduction to state disclosure forms and lead sheet

Information collected in the state Disclosure Forms application facilitates the preparation of the state of Washington's *Comprehensive Annual Financial Report* (CAFR) by the Office of Financial Management (OFM).

The state Disclosure Forms application is an electronic way of capturing detail data for various aspects of an agency's activities. Each of the disclosure forms covers specific detail or other information that is not readily available from the data collected in AFRS.

All forms are completed online. The signed Financial Disclosure Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by September 14, 2016.

Due Dates	Reporting Items
August 19, 2016	Phase 1B Close: • Certain state disclosure forms* • Pollution Remediation site status report, refer to Subsection 90.40.75 • Interagency Receivable/Payable balancing, refer to Subsection 90.20.50
September 2, 2016	Phase 2 Close - remaining state and all federal disclosure forms
September 14, 2016	Financial Disclosure Certification form
January 31, 2017	Federal Assistance Certification form

*Phase 1B is the due date for the following state disclosure forms:

- Bond Debt by Major Class – Summary of Activity Disclosure
- Bonds Payable General Disclosure
- Bond Sales Disclosure
- Cash and Investments General Disclosure
- Cash and Investments Restricted Disclosure
- Cash on Hand and in Bank Disclosure
- Certificates of Deposit (Non-negotiable) Disclosure
- Certificates of Participation Disclosure - Agencies
- Certificates of Participation Disclosure - OST

If your agency cannot complete some or all of the Phase 1B forms listed above by August 19, 2016, you need to request an extension by sending a memo to your assigned OFM Accounting Consultant. The memo should list the form(s) for which an extension is needed and the date by which your agency can complete the form(s).

In order to accurately complete the disclosure forms by the due date, agencies should review the information in the Agency Financial Reporting System (AFRS) that is associated with the information on the disclosure forms and make necessary adjustments in AFRS prior to the end of Phase 2.

Each agency is **required** to complete the following state disclosure forms:

- Miscellaneous
- Financial Disclosure Certification

The remainder of the disclosure forms may or may not apply to your agency.

Specify on the lead sheet if a form is completed or not applicable by selecting “Yes” or “N/A” in the “Completed” column. If there is AFRS data pre-filled on a disclosure form for your agency, the Lead sheet will identify the form as “Required” and you must complete it.

All reporting of financial information is to be in **whole dollars**. Do not enter pennies, decimal points, dollar signs, etc. Refer to the “Tips” screen in the Disclosure Form application for more helpful information.

All financial information reported is to be reconciled to AFRS. Reports in Enterprise Reporting (ER) are available to assist in the reconciliation process. Agencies are encouraged to use these reports throughout the year to monitor reconciliation status.

To complete the state disclosure forms, access the state Disclosure Forms application at: <http://www.ofm.wa.gov/systems/default.asp>. The “Access to systems” page is divided into “Access from within the State Intranet” and “Access from outside the State Intranet.” Click on the Disclosure Forms icon. Use an authorized User ID and password, and select the “State Forms” tab.

If you have a question regarding disclosure form reporting, contact your assigned OFM Accounting Consultant.

State Disclosure Form Lead Sheet

Agency Code: _____ Agency Title: _____

State Disclosure Forms	SAAM	Required	Completed
Due August 19, 2016 - Phase 1B Disclosure Forms			
Bond Debt by Major Class – Summary of Activity Disclosure	90.40.55		Yes / N/A
Bonds Payable General Disclosure	90.40.55		Yes / N/A
Bond Sales Disclosure	90.40.55		Yes / N/A
Cash and Investments General Disclosure	90.40.20		Yes / N/A
Cash and Investments Restricted Disclosure	90.40.20		Yes / N/A
Cash on Hand and in Bank Disclosure	90.40.20		Yes / N/A
Certificates of Deposit (Non-negotiable) Disclosure	90.40.20		Yes / N/A
Certificates of Participation Disclosure – Agencies	90.40.45		Yes / N/A
Certificates of Participation Disclosure – OST	90.40.45		Yes / N/A
Due September 2, 2016 - Phase 2 Disclosure Forms			
Capital Assets - Summary of Activity Disclosure	90.40.38		Yes / N/A
Inventory Disclosure	90.40.35		Yes / N/A
Lease Disclosure	90.40.45		Yes / N/A
Liabilities by Major Class – Summary of Activity Disclosure	90.40.45		Yes/ N/A
Long-Term Construction Commitments Disclosure	90.40.40		Yes / N/A
Miscellaneous Disclosure	90.40.75	Required	Yes
Pension Disclosure – Higher Education	90.40.70		Yes / N/A
Pension Disclosure – DRS	90.40.70		Yes / N/A
Taxes Receivables Disclosure	90.40.30		Yes / N/A
Transfer Disclosure	90.40.60		Yes / N/A
Unavailable and Unearned Revenues Disclosure	90.40.50		Yes / N/A
Due September 14, 2016 - Certification			
Financial Disclosure Certification	90.40.95	Required	Yes

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June 1, 2016

Cash and investments disclosure**General Instructions**

Local and treasury accounts. Agencies with **balances** at June 30 in the following general ledger (GL) codes are required to complete the cash and investments disclosure forms as applicable:

- 1110 Cash in Bank
- 1120 Undeposited Local Cash
- 1130 Petty Cash
- 1140 Restricted Cash and Investments, Current Operations
- 1150 Cash with Fiscal Agents
- 1205 Temporary and/or Pooled Cash Investments
- 1209 Short-Term Portion of Long-Term Investments
- 1210 Investments
- 1215 Investments under Reverse Repurchase Agreements
- 1216 Collateral held under Securities Lending Agreements
- 1220 Unamortized Premiums on Investments
- 1230 Unamortized Discounts on Investments
- 1240 Restricted Cash and Investments, Noncurrent
- 1280 Valuation Allowance - Investments

Amounts covered by the Federal Deposit Insurance Corporation (FDIC), the Public Deposit Protection Commission (PDPC), or the National Credit Union Administration (NCUA) are considered to be insured or collateralized. In general,

- FDIC insurance separately covers demand deposits and interest bearing deposits up to \$250,000 each, per taxpayer identification number (TIN), per bank.
- PDPC provides for a collateral pool for protection of balances in excess of the FDIC limits on deposit with Washington public depositories.
- NCUA insurance covers federal and state-chartered credit union accounts up to \$250,000 per TIN, per credit union. Per chapter 39.58 RCW, \$250,000 is the maximum deposit allowed in any one credit union, and excess deposits are not covered by the PDPC.

Uninsured/uncollateralized balances would include those deposited in out-of-state and alien banks.

There are three cash and investment disclosure forms:

90.40.20.a **Cash and Investments General Disclosure**

This form contains general questions concerning an agency's cash and investment activity. Information provided should be on an agency-wide basis.

90.40.20.b **Cash and Investments Restricted Disclosure**

This form contains questions about restricted cash. Balances in GL Codes 1140 and 1240 "Restricted Cash and Investments" and GL Code 1150 "Cash with Fiscal Agents" are prefilled from AFRS and agencies are asked to provide a description of the nature of the restriction. The form also asks agencies to report unspent bond proceeds and any other externally restricted cash and investments recorded in AFRS at June 30.

90.40.20.c **Cash on Hand and in Bank Disclosure**

This form requests information concerning an agency's cash in bank by GL code as well as information on petty cash funds and undeposited receipts held in cash. Agencies are to report the following:

1. The June 30 total cash on hand.
2. The June 30 cash balance in bank as stated by the bank (i.e., bank statement), categorized by:
 - Insured or Collateralized
 - Uninsured/Uncollateralized
3. The June 30 book balance as reported in Agency Financial Reporting System (AFRS).

Except for accounts with very little activity, book and bank balances will normally be different due to outstanding checks and/or deposits in transit.

Explain the reason for any differences between book and bank balances in the comment box. Also explain in the comment box the reason and/or nature of any amounts listed in the Uninsured/Uncollateralized column.

90.40.20.d

Certificates of Deposit (Non-negotiable) Disclosure

This form is required to be completed if an agency has non-negotiable certificates of deposit reported in GL Codes:

- 1140 Restricted Cash and Investments, Current Operations,
- 1150 Cash with Fiscal Agents,
- 1205 Temporary and/or Pooled Cash Investments,
- 1209 Short-Term Portion of Long-Term Investments,
- 1210 Investments, or
- 1240 Restricted Cash and Investments, Noncurrent.

Certificates of Deposits (CDs) held by agencies (other than the State Investment Board) are generally non-negotiable. One of the features of non-negotiable certificates of deposit is a penalty when it is redeemed prior to maturity. Such certificates of deposits should be reported on this disclosure form. (Historically, only SIB has held negotiable CDs. Negotiable certificates of deposits should not be reported on this disclosure form.)

Cash and Investments General Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.A Cash and Investments General Disclosure

1. During the fiscal year, has there been a change in the types of **deposits or investments** that your agency is authorized by legal or contractual provisions to carry?

No _____ Yes _____ If yes, provide a description of the changes.

2. Did your agency have any significant or recurring violations of legal or contractual provisions for **deposits** with financial institutions and **investments** during the fiscal year?

No _____ Yes _____ If yes, provide a description of the violations.

3. During the fiscal year, did your agency have any **deposit or investment** situations that resulted in significantly greater relative credit risk than that existing as of fiscal year-end?

No _____ Yes _____ If yes, provide a description of the situations.

4. Provide a list of financial institutions where any **deposits** under the control of your agency are held. Also, report the number of accounts at each institution. Be sure to include all petty cash accounts, local funds, and lock box accounts (i.e., any account where money is deposited outside the state treasury).

5. If your agency has **deposits** of \$500,000 or more at any one financial institution, provide the name of the institution, the amount, and the purpose. Note: Deposits include demand deposits, money market deposit accounts, time certificates of deposits, and savings deposits.

Name of Institution	Amount	Purpose

6. Has your agency entered into any agreements that commit the state, upon request, to make additional investment purchases?

No _____ Yes _____ If yes, provide a listing of the unfunded investment commitments by type of investment.

Cash and Investments General Disclosure – continued

7. Did your agency engage in **securities lending** activities during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

- a. Legal and contractual authorization for use of securities lending transactions and any significant violations of these provisions;
- b. General description of securities lending transactions during the fiscal year, including the following information: the types of securities lent, the types of collateral received, whether the government has the ability to pledge or sell collateral securities without a borrower default, the amount by which the value of the collateral provided is required to exceed the value of the underlying securities, any restrictions on the amount of the loans that can be made, and any indemnification provided to the agency by its securities lending agent;
- c. Carrying amount and fair value of underlying securities as of fiscal year-end;
- d. Whether the maturities of the investments made with cash collateral generally match the maturities of the securities on loan, as well as the extent of such matching at fiscal year-end;
- e. The amount of credit risk, if any, related to the securities lending transactions; and
- f. The amount of any losses on securities lending transactions during the period resulting from default of a borrower or lending agent and any amounts recovered from prior period losses.

8. Did your agency engage in **reverse repurchase agreements** during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

- a. Legal and contractual authorization for use of reverse repurchase agreements and any significant violations of these provisions;
- b. Reverse repurchase agreements as of fiscal year-end, including the credit risk related to the agreements;
- c. Whether the maturities of the investments made with the proceeds of reverse repurchase agreements generally are matched to the maturities of the agreements during the fiscal year, as well as the extent of such matching as of year-end; and
- d. Losses, if any, recognized during the fiscal year, due to default by counterparties to reverse repurchase agreements, and any amounts recovered from prior period losses.

Cash and Investments General Disclosure – concluded

9. Did your agency invest in **derivatives** during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

- a. Legal and contractual authorization for use of derivatives and any significant violations of these provisions;
- b. The nature of the derivatives used, held, or written during the fiscal year and the reasons for entering into them; and
- c. The amount of credit risk, market risk, and legal risk related to derivative transactions to the extent that these risks are above and beyond the risks that are otherwise apparent in agency disclosures of investment activities and balances.
- d. Did your agency invest in hedging derivative instruments and/or investment derivative instruments during the fiscal year? If so, the state is required to disclose certain information related to derivative instrument activity during the year and the balances at the end of the year. In order to ensure that the appropriate information is available for disclosure purposes, please provide agency contact information (name, phone number, and email address).

Cash and Investments – Restricted Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.B Cash and Investments Restricted Disclosure**1. GL Code 1140 Restricted Cash and Investments - Current Operations**

Per SAAM Subsection 75.40.20, GL Code 1140 is used to record restricted cash and investments held by escrow agents and trustees that will be used in current operations for the payment of current liabilities. Examples include amounts held pursuant to a third party agreement that will be expended for current operations and amounts held to liquidate a current liability such as the retained percentage of contracts payable.

Please provide details about the balance in AFRS in GL Code 1140 at June 30.

Account	Amount	Describe the restriction

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2. GL Code 1240 Restricted Cash and Investments - Noncurrent

Per SAAM Subsection 75.40.20, GL Code 1240 is used to record cash and investments held by escrow agents and trustees that are restricted and will not be used in current operations. Examples include amounts held pursuant to an advance refunding agreement; amounts restricted by debt covenant for the acquisition or construction of noncurrent assets; or amounts held in trust pursuant to a third party agreement that will not be used in current operations.

Please provide details about the balance in AFRS in GL Code 1240 at June 30.

Account	Amount	Describe the restriction

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3. GL Code 1150 Cash with Fiscal Agents

Per SAAM Subsection 75.40.20, GL Code 1150 is used to record cash deposited with fiscal agents for the payment of state obligations. Amounts held **may be** restricted.

Please provide details about the balance in AFRS in GL Code 1150 at June 30.

Account	Amount	Is this amount restricted?		If yes, describe the restriction.
		No	Yes	

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Cash and Investments Restricted Disclosure – concluded

4. **Unspent bond proceeds**

Does your agency have unspent bond proceeds in AFRS cash and investment balances at June 30 (other than amounts already disclosed in #1-3 above)?

No__ Yes__ If yes, please provide the following information:

Account Amount GL Code Comment (optional)

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5. **Other Externally Restricted Cash & Investments**

Does your agency have other cash and investment balances held **outside the state treasury** at June 30 that are not available for use in operations because of an **external restriction** (other than the amounts disclosed in #1-4 above)? Examples include: cash and investments held in a bank account outside the treasury for future debt service payments or retainage.

No__ Yes__ If yes, please provide the following information:

Account Amount GL Code Describe the external restriction

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Cash on Hand and in Bank Disclosure**Example:**Agency Code: 0123 Agency Title: Any Agency**90.40.20.C Cash on Hand and in Bank Disclosure**

			Cash in Bank+					
Account Code & Title	GL Code & Title	Cash on Hand	Insured or Collateralized	Uninsured Uncollateralized*	Total on Hand and in Bank	AFRS Amount	Variance*	Comments
001 General Fund	1130 – Petty Cash	0	3,221	0	3,221	3,000	221	Outstanding checks

+ The total of these two columns should equal the cash balance on the June 30 bank statement(s).

*Note: Explain any variance in the Comments field. For example, “the variance is due to outstanding checks,” or “the variance is due to deposits in transit.” Also explain in the Comments field the reason and/or nature of any amounts listed in the Uninsured/Uncollateralized column.

*Note: If you have AFRS data in this form you also need to complete the “Cash and Investments General Disclosure” form.

Certificates of Deposit (Non-negotiable) Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.D Certificates of Deposit (Non-negotiable) Disclosure

Account Code & Title	GL Code & Title	Insured or Collateralized	Uninsured Uncollateralized	Total

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Taxes Receivable disclosure**General Instructions**

All agencies with taxes as of fiscal year-end are required to complete the Taxes Receivable Disclosure form (90.40.30.A).

The balances in the following tax related GL Codes are to be reported by account and by type.

- 1311 - Taxes Receivable
- 1328 - Tax Liens Receivable
- 1611 - Long-Term Taxes Receivable

The types of taxes receivable include the following:

- Property
- Sales
- Business and occupation
- Estate
- Fuel
- Real estate excise tax
- Insurance premium
- Beer and wine
- Marijuana
- Other (a description is required)

The amounts for each related allowance GL Code need only be reported by account.

- 1341 - Allowance for Uncollectible Taxes Receivable
- 1348 - Allowance for Uncollectible Tax Liens Receivable
- 1641 - Allowance for Uncollectible Long-Term Taxes Receivable

Taxes Receivable Disclosure

Agency Code: _____ Agency Title: _____

90.40.30.A Taxes Receivable Disclosure

Taxes Receivable

Account Code & Title	GL Code & Title	Tax Type	Description of Other (required)	Amount

Note: An Account/GL Code may have more than one tax type.

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

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June 1, 2016

Inventory disclosure**General Instructions**

All agencies with balances at fiscal year-end in inventory GL codes are required to complete the Inventory Disclosure form (90.40.35.A) for all accounts regardless of the value. Identify the method used to value each type of inventory.

There are two types of inventories - consumable inventories (GL Codes 1410 and 1415) and merchandise inventories (GL Codes 1420, 1430, 1440, and 1450). Consumable inventories are assets that are consumed in the course of an agency's business. Merchandise inventories, on the other hand, are assets held for resale. Merchandise and consumable inventories are mutually exclusive and are accounted for separately.

Refer also to Subsections 35.10.40 and 35.10.45.

For inventories on hand, other than donated consumable inventories, agencies are to select the applicable valuation method. Donated consumable inventories are recorded at fair value at time of acquisition.

Inventory methods include:

- **First-in, first-out (FIFO)** - This method allocates costs on the assumption that goods are consumed/sold in the order in which they were acquired. In other words, the first goods purchased are assumed to be the first used or sold. Thus, inventory on-hand is assumed to represent the most recent acquisitions.
- **Last-in, first-out (LIFO)** - This method allocates costs on the assumption that the last units acquired are the first units consumed/sold. Thus, inventory on-hand is assumed to come from earlier acquisitions.
- **Weighted average (W.A.)** - In general, this method values ending inventory based on the average cost per unit for the period.
- **Other** – An agency may use an inventory valuation method other than those described above as defined in writing by the agency inventory officer. If an agency uses another method, list the valuation method used.

Inventory Disclosure

Agency Code: _____ Agency Title: _____

90.40.35.A Inventory Disclosure

Account Code & Title	GL Code & Title	Valuation Method	Description of Other Method	Amount

Note: An Account/GL Code may have more than one valuation method.

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.38

June 1, 2016

Capital assets – summary of activity disclosure**General Instructions**

All agencies with capital assets (GL Code series 2XXX) are required to complete the Capital Assets - Summary of Activity Disclosure form (90.40.38.A).

The debit and credit amounts shown on a trial balance report may not reflect true additions and/or deletions due to certain transactions and adjustments that inflate true activity. An example of inflated activity would be when an erroneous transaction is not backed out using a reverse code with the original transaction code. Agencies should **adjust AFRS to reflect their true activity** during the fiscal year, as reported in the disclosure form. For information and tools related to capital asset transactions, refer to our resources website at:

<http://www.ofm.wa.gov/resources/capitalassets.asp>.

Additions to capital assets should be those purchases or reclassifications that meet the state's capitalization policy.

Deletions should reflect the sale or disposal of an asset.

Adjustments may include:

- Immaterial prior year corrections, such as an adjustment to the cost of an asset (increase or decrease) using GL Code 6597 Subobject WF in Account 997
- Transfers between agencies and/or accounts
- Impairments

Refer to Sections 30.20 and 85.60 and Subsection 90.20.15.f.

Increases to **allowance for depreciation** should be the result of and equal to increases in depreciation expense. Reductions in allowance for depreciation should be related to the sale or disposal of an asset.

Adjustments may include:

- Immaterial prior year corrections, such as a decrease to the allowance for depreciation using GL Code 6597 Subobject WF in Account 997
- Transfers between agencies and/or accounts
- Impairments

Agencies reporting activity in Account 997 "General Capital Assets Subsidiary Account" should review their capital asset activity coded to **Subobjects JC – JZ, SJ and TJ** in their governmental fund type account(s) and compare them to the activity in Account 997.

Additionally, capital asset GL balances reported in AFRS are required to be **reconciled to the agency's subsidiary capital asset system** (for example, Capital Asset Management System (CAMS)). Refer also to Subsection 85.60.60.

Capital Assets - Summary of Activity Disclosure

Example:

Agency Code: 0123 Agency Title: Any Agency

90.40.38.A Capital Assets - Summary of Activity Disclosure

Capital Assets

Increases in assets will be debit amounts and should be entered as positive numbers.
Decreases in assets will be credit amounts and should be entered as negative numbers.
Adjustments can be either debit or credit amounts. Examples of Adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections.
Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR Additions	CR Deletions	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment
<i>Example 1: Purchase of an asset in a proprietary fund type account.</i>									
608 - Accident Account	2410 Furnishings and Equipment	500,000	5,000	0	0	505,000	505,000	0	
<i>Example 2: Disposal of an asset in a proprietary fund type account.</i>									
608 - Accident Account	2350 Leasehold Improv	200,000	0	(200,000)	0	0	0	0	
<i>Example 3: Transfer of assets from a proprietary fund type account to Account 997 "General Capital Assets Subsidiary Account."</i>									
608 - Accident Account	2210 Buildings	28,000,000	0	0	(28,000,000)	0	0	0	Transfer of assets from Account 608 to Account 997
997 – General Capital Assets	2210 Buildings	0	0	0	28,000,000	28,000,000	28,000,000	0	Transfer of assets to Account 997 from Account 608

Capital Assets - Summary of Activity Disclosure – continued**Depreciation and Allowance for Depreciation**

Increases to depreciation expense are debits. If you have a credit to depreciation expense, please review and correct it in AFRS if appropriate, otherwise explain it below.

Increases to allowance for depreciation are credits. A debit to allowance for depreciation would be appropriate if there was a sale or disposal of an asset. If an asset is sold or disposed of, the asset GL code is credited and the allowance for depreciation GL code is debited.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR	CR	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)**	Comment
<i>Example 4: Record depreciation expense and increase the allowance for depreciation in a proprietary fund type account.</i>									
608 Accident Account	6511 Depreciation Expense*	0	50,000	0	0	50,000	50,000	0	
608 Accident Account	2420 Allow for Depreciation	(200,000)	0	(50,000)	0	(250,000)	(250,000)	0	
<i>Example 5: Record depreciation expense and increase the allowance for depreciation in Account 997 "General Capital Assets Subsidiary Account."</i>									
997 – General Capital Assets Subsidiary Account	6591 Depreciation Expense*	0	70,000	0	0	70,000	70,000	0	
997 – General Capital Assets Subsidiary Account	2420 Allow for Depreciation	(500,000)	0	(70,000)	0	(570,000)	(570,000)	0	
<i>Example 6: Disposal of an asset and related allowance for depreciation in a proprietary fund type account.</i>									
608 Accident Account	2360 Allow for Depreciation	(150,000)	150,000	0	0	0	0	0	

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<i>Example 7: Transfer of allowance for depreciation from a proprietary fund type account to Account 997 "General Capital Assets Subsidiary Account."</i>									
608 - Accident Account	2220 Allow for Depreciation	(6,000,000)	0	0	6,000,000	0	0	0	Transfer of allow for depn from Account 608 to Account 997
997 – General Capital Assets Subsidiary Account	2220 Allow for Depreciation	0	0	0	(6,000,000)	(6,000,000)	(6,000,000)	0	Transfer of allow for depn to Account 997 from Account 608
<i>Example 8: Immaterial prior year correction to allowance for depreciation. Prior year was over depreciated in Account 997 "General Capital Assets Subsidiary Account)."</i>									
997 – General Capital Assets Subsidiary Account	2420 Allow for Depreciation	(110,000)	0	0	10,000	(100,000)	(100,000)	0	Prior period correction to Allow for Depn

*Data from AFRS

** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Allowance for Depreciation

Debits to depreciation expense should equal credits to allowance for depreciation.

Total Depreciation Expense debits from above: 120,000

Total Allowance for Depreciation credits from above: (120,000)

Difference (should be zero): 0

If there is a difference, provide an explanation below:

Capital Assets - Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.38.A Capital Assets - Summary of Activity Disclosure**Capital Assets**

Increases in assets will be debit amounts and should be entered as positive numbers.

Decreases in assets will be credit amounts and should be entered as negative numbers.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR Additions	CR Deletions	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment

Depreciation and Allowance for Depreciation

Increases to depreciation expense are debits. If you have a credit to depreciation expense, please review and correct it in AFRS if appropriate, otherwise explain it below.

Increases to allowance for depreciation are credits. A debit to allowance for depreciation would be appropriate if there was a sale or disposal of an asset. If an asset is sold or disposed of, the asset GL code is credited and the allowance for depreciation GL code is debited.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR	CR	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)**	Comment

* Data from AFRS

** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Allowance for Depreciation

Debits to depreciation expense should equal credits to allowance for depreciation.

Total Depreciation Expense debits from above

Total Allowance for Depreciation credits from above

Difference (should be zero)

If there is a difference, provide an explanation below:

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June 1, 2016

Long-term construction commitments disclosure

General Instructions

All agencies with long-term construction commitments are required to complete the Long-Term Construction Commitments Disclosure form (90.40.40.A). The state is required to disclose significant long-term commitments that are not reported in the financial statements. Construction commitments are the most common commitment of this type.

The form is designed to collect both the construction-in-progress project information for the fiscal year-end as recorded in AFRS (GL Code 2510) as well as remaining commitment information. A commitment is viewed as the estimated dollars necessary to complete a project.

Agencies are to list each significant project on a separate line by the account where it is recorded or will be recorded in AFRS. A project is considered significant if the amount of GL Code 2510 "Construction-in-Progress" at fiscal year-end exceeds \$2 million or if the remaining commitment exceeds \$10 million. All projects that do not meet the criteria for a significant project are to be aggregated and entered at the bottom of the form as "Other Miscellaneous."

The Department of Transportation should disclose commitments made for on-going infrastructure projects regardless of GL code used.

Note: Those amounts to be shown in the "Remaining Commitment" column are those remaining commitments not recorded in AFRS; i.e., not recorded as a disbursement or accrual in fiscal year-end agency financial activity. Occasionally, an agency may have a construction project that involves a significant commitment for the future, but no construction-in-progress has been recorded in AFRS. Such commitments should be disclosed by recording the information on a separate line with zero (\$0) in the current "Fiscal Year-End Construction-in-Progress" column.

Long-Term Construction Commitments Disclosure

Agency Code: _____ Agency Title: _____

90.40.40.A Long-Term Construction Commitments Disclosure

Account Code & Title	Project Title	Fiscal Year-End Construction-In- Progress Amount	Remaining Commitment Amount
	Other Miscellaneous		

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.45
June 1, 2016

Leases, liabilities by major class – summary of activity, and Certificates of Participation (COPs) disclosure

General Instructions

All agencies with operating and/or capital leases, and liability activity and/or balances are required to complete the Lease Disclosure form (90.40.45.A) and the Liabilities by Major Class – Summary of Activity Disclosure form (90.40.45.B). Agencies with Certificates of Participation (COPs) are to complete the Certificate of Participation Disclosure – Agencies form (90.40.45.C). OST (Bond Retirement and Interest Agency) is to complete the Certificates of Participation (COPs) Disclosure – OST form (90.40.45.D).

90.40.45.a

Lease Disclosure

This form collects information about operating and capital leases.

An **operating lease** is rental of an asset with a term of more than one year, where the payments are chargeable as rental or lease expenditures. Most operating leases contain clauses indicating that continuation of the lease is subject to funding by the Legislature. Historically, these leases have been renewed in the normal course of business. Therefore, they are treated as noncancelable for financial reporting purposes.

Operating leases can have a fixed payment schedule or include scheduled rent increases or contingent increases. Scheduled rent increases are fixed in contract while contingent increases are based on changes in specific economic factors, for example, future sales or inflation.

A **capital lease** is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the state. If at its inception, a lease meets one or more of the four criteria in Subsection 30.20.30, the lease is classified as a capital lease. Otherwise, it is classified as an operating lease. Refer to Subsection 30.20.40 for further information pertaining to accounting for capital leases.

Agencies are to report the following:

1. Operating leases (state agency is lessee)

For all operating leases charged to Subobjects ED and EH during the fiscal year ended June 30 where the rental term was one year or longer, disclose by fund type the total lease expense/expenditures paid to **external** entities (not state agencies) in the “Payments to External Entities” rows. Disclose payments to the Department of Enterprise Services for state-owned property, payments to other state agencies, and internal payments within the agency for operating leases in the “Payments to Other State Agencies and Internal Payments within the Agency” rows.

2. Total future minimum operating and capital lease payments (state agency is lessee)

Agencies disclose, by fund type, total future minimum lease payments for all capital leases and all operating leases paid to **external** entities (not state agencies) having initial noncancelable lease terms in excess of one year, for each of the five succeeding fiscal years and in five year increments thereafter. **Reporting is as of June 30 and should be limited to existing leases. Do not project leases into future periods if there is not a current, existing lease with those terms.**

Executory and interest costs are not included in the net present value of minimum lease payments. Executory costs for capital leases pertain to insurance, maintenance, and taxes, whether paid by the lessor or lessee. Interest costs refer to “imputed” interest costs, which reduce the net minimum future lease payments to present value. The interest rate to be used in determining the present value of the minimum lease payments is the interest rate the State of Washington would pay on its major bond issues at the inception of the lease. Refer to Subsection 85.85.40.a.(1).

The net present value of future minimum lease payments for Capital Leases is compared to the AFRS balances in GL Codes 5172 and 5272, including balances in Account 999 “General Long-Term Obligations Subsidiary Account.” Any difference must be explained.

3. Capital leases (state agency is lessee)

Agencies disclose the gross amount of assets recorded under capital leases less allowance for depreciation as of June 30. Balances are reported by fund type and by major class of asset. Include capital assets reported in Account 997 “General Capital Assets Subsidiary Account.”

Generally, the net value of assets recorded under capital leases should approximate the net present value of future minimum lease payments recorded in (2) above.

4. Future operating and capital lease receipts (state agency is lessor)

If leasing to **external** entities is a significant part of your agency’s business activity in terms of revenues or assets, disclose by fund type, the total future minimum lease payments that you expect to receive as of June 30 for each of the five succeeding fiscal years and in five year increments thereafter.

90.40.45.b

Liabilities by Major Class – Summary of Activity Disclosure

This form summarizes **liability activity** by major class. For purposes of this disclosure, **major class** is defined as follows:

Liability - Major Class	GL Codes
Claims and judgments payable	5113, 5118, 5119, 5149, 5213, 5285, 5286
Leases	5172, 5272
Other obligations	5247, 5297, 5298, 5299
Pollution remediation liability	5287
Tuition benefits payable	5184, 5284

- All agencies with liability balances (beginning or ending) and/or activity during the fiscal year in any of the GL codes noted above are required to complete this disclosure form by account.
- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.
- Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.
- For this form, **reclassifications** between long-term and short-term GL codes are to be disregarded, and should not be included in the increases (CR) or decreases (DR) columns.
- For **capital leases** (GL Codes 5172 and 5272) recorded in Account 999 “General Long-Term Obligations Subsidiary Account” **new issues** (increases) are to agree to amounts reported in governmental fund-type accounts in Revenue Source Code 0809 “Capital Lease Acquisitions.”

90.40.45.c

Certificates of Participation (COPs) Disclosure – Agencies

- All agencies with COP balances (beginning or ending) and/or activity during the fiscal year in GL Codes 5173, 5273, 5920, and/or 1911 are required to complete this disclosure form by account.
- Agencies are **required** to reconcile COP fiscal year activity and year-end GL balances to OST's records. An OST COP fiscal year activity and year-end balances report is provided to agencies in July. All COP balances must be reconciled by the close of Phase 1B.
- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.
- For this form, **reclassifications** between long-term and short-term GL codes are to be disregarded, and should not be included in the increases (CR) or decreases (DR) columns.
- For COP (GL Codes 5173 and 5273) recorded in Account 999 "General Long-Term Obligations Subsidiary Account," **new issues** (increases) are to agree to amounts reported in governmental fund type accounts in Revenue Source Codes 0807 "Certificates of Participation" and 0854 "Refunding COPs Issued."
- In proprietary fund type accounts, **new issues** (increases) should equal the par amount of the new COP.
- For GL Code 1911 "Unamortized Discounts on Certification of Participation", the balance is normally a debit, increases are normally debits, and decreases are normally credits. Enter increases in the Increase column, as positive amounts. Enter decreases in the Decrease column, as negative amounts.

90.40.45.d

Certificates of Participation (COPs) Disclosure - OST

This form is completed by OST. OST reports debt service requirements to maturity for Certificates of Participation (COPs) as well as related arbitrage rebate requirements, if any. Principal amounts entered for the fiscal years disclosed must agree in total to the related GL codes in AFRS.

Lease Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.A Lease Disclosure

- Operating Leases (state agency is lessee):** For all operating leases where the rental term is one year or longer that were charged to Subobjects ED and EH for the fiscal year ended June 30, disclose the total lease expense/expenditures paid to **external** entities (not state agencies) in the “Payments to External Entities” rows. Disclose payments to the Department of Enterprise Services for state-owned property, payments to other state agencies, and internal payments within the agency for operating leases in the “Payments to Other State Agencies and Internal Payments within the Agency” rows.

Example:

In the example below, the agency has operating lease payments in governmental fund type accounts that include payments for both short term and long-term leases to both internal and external parties.

		Governmental and Internal Service fund type accounts	Enterprise fund type accounts
Account			
	039 Aeronautics Account	150,000	0
	099 Puget Sound Capital Construction	2,402,000	0
	218 Multimodal Transportation	5,975	0
AFRS Amount Subobjects ED and EH		<u>2,557,975</u>	<u>0</u>
Payments to External Entities:			
	Minimum lease expense	500,000	0
	Contingent lease expense	0	0
Payments to Other State Agencies and Internal Payments within the Agency			
	Minimum lease expense	2,057,000	0
	Contingent lease expense	0	0
Total Operating Lease Expense		<u>2,557,000</u>	<u>0</u>
Difference (AFRS Amount – Entered Amount)		975	0
If there is a difference, provide an explanation below:			
\$975 is for short-term leases less than one year			

Lease Disclosure – continued

2. **Future Minimum Operating and Capital Lease payments (state agency is lessee):** For operating leases paid to external entities (not state agencies) having initial noncancelable lease terms in excess of one year, and for all capital leases, report the total future minimum lease payments as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter. **Reporting should be limited to existing leases.**

Example:

In the example below, the agency has an operating lease with an external entity in a governmental fund type account that expires in two years, and the agency has no capital leases.

	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
Fiscal Year	Operating Leases	Capital Leases	Operating Leases	Capital Leases
2017	500,000			
2018	500,000			
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Total Future Minimum Payments	1,000,000			

Less: Executory and Interest Costs	()	()
Net Present Value of Future Minimum Lease Payments	\$	\$

Reconciliation of Capital Leases to AFRS:

*Includes Account 999 General Long-Term Obligations
Subsidiary Account

**Governmental
and Internal
Service fund
type accounts***

**Enterprise
fund type
accounts**

	<u>AFRS Amount</u>	<u>AFRS Amount</u>
GL Code 5172 ST Lease-Purchase Agreements Payable	\$	\$
GL Code 5272 LT Lease-Purchase Agreements Payable		
Total GL Codes 5172/5272 Amount	\$	\$
Variance between Net Present Value of Future Minimum Lease Payments for Capital Leases and AFRS GL Codes 5172/5272:	\$	\$

If there is a difference, provide an explanation below.

3. **Capital Leases (state agency is lessee):** Report assets recorded under capital leases as of June 30 by major class of asset.

Note: Generally, the net value of assets recorded under capital leases should approximate the Net Present Value of Future Minimum Lease Payments recorded in (2) above.

	<u>Governmental and Internal Service fund type accounts*</u>	<u>Enterprise fund type accounts</u>
<u>Capital Asset</u>	<u>Amount</u>	<u>Amount</u>
Land (non-depreciable)	\$	\$
Buildings		
Equipment		
Less: Allowance for Depreciation	()	()
Net Value of Assets	\$	\$

4. **Future Operating and Capital Lease Receipts (state agency is lessor):** Is leasing to **external** entities a significant part of your agency's business activity in terms of revenues or assets? If yes, report the total future minimum lease payments that you expect to receive under existing leases as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter.

	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
Fiscal Year	Noncancelable Operating Leases	Capital Leases	Noncancelable Operating Leases	Capital Leases
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Total Future Minimum Receipts				

Liabilities by Major Class – Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.B Liabilities by Major Class – Summary of Activity Disclosure

Please complete the following schedule to disclose **liability activity**, by account, for the fiscal year ended June 30.

Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases (CR) or Decreases (DR) columns.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	Major Class	GL Code	Beginning Balance from AFRS	DR Decreases	CR Increases	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment

Certificates of Participation Disclosure - Agencies

Agency Code: _____ Agency Title: _____

90.40.45.C Certificates of Participation Disclosure - Agencies

Please complete the following schedule to disclose **all COP activity**, by account, for the fiscal year ended June 30.

The total Beginning Balance, principal paid (Decreases), new COP issues (Increases), and Ending Balance for GL Codes 5173/5273 must agree to the Office of the State Treasurer's year-end COP report.

For new COPs in Account 999, refer to the reconciliation box below.

For COPs in proprietary fund type accounts the Increases amount should equal the par amount of the new COP.

Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases or Decreases columns.

Account Code & Title	Major Class	GL Code	Beginning Balance from AFRS	Decreases	Increases	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)
Total of GLs 5173/5273								

Reconciliation of COP (Certificate of Participation) Revenue Source Codes 0807 and 0854 to the Increases Amount Reported Above**For Account 999 (General Long-Term Obligations Subsidiary Account) only:**

The credit amount in Account 999 in GL Codes 5173/5273 reported above should equal the sum of the amounts in AFRS in Revenue Source Codes 0807 and 0854 in governmental fund type operating account(s). Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases or Decreases columns.

	Operating Account Code	AFRS Amount
Revenue Source Codes 0807 and 0854		
Account 999 Increases amount reported above		
Difference (should be zero)		
If there is a difference, provide an explanation below:		

Certificates of Participation (COPs) Disclosure – Office of the State Treasurer

Office of the State Treasurer

Agency Code: 0100 Agency Title: (Bond Retirement and Interest)

90.40.45.D Certificates of Participation Disclosure – Office of the State Treasurer

1. Please disclose the total debt service requirements to maturity for Certificates of Participation as of June 30 as follows:

Fiscal Year	Equipment Principal	Equipment Interest	Real Estate Principal	Real Estate Interest
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Totals:				

Reconciliation			
GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)
5173			
5273			

2. Are the provisions of the federal arbitrage rebate requirements applicable to any of the COPs reported in this section?

No _____ Yes _____

If yes, calculate and enter the amount of estimated rebatable arbitrage profits as of fiscal year-end. \$ _____

**Certificates of Participation (COPs) Disclosure –
Office of the State Treasurer – concluded**

3. Did you issue a COP refunding this fiscal year? If yes, provide the following information:

No _____ Yes _____

- a. A **general description of the transaction**, including date new COP was issued, amount of new COP issued, average interest rate of new COP issued, amount of COP refunded, and average interest rate of COP refunded.
 - b. The **difference between the cash flows** required to service the old COP and the cash flows required to service the new COP and complete the refunding.
 - c. Amount of the **economic gain or loss** resulting from the transaction.
4. Disclose the amount of unspent COP proceeds held in the LGIP for state agencies at June 30.

State Agency	Project	Amount
	Total	

90.40.50
June 1, 2016

Unavailable and unearned revenues disclosure

General Instructions

All agencies with unavailable/unearned balances as of fiscal year-end must complete the Unavailable and Unearned Revenues Disclosure form (90.40.50.A).

Balances in the following GL Codes are to be reported by account and type:

- 5190 and 5290 Unearned Revenues
- 5192 and 5292 Unavailable Revenues

Choose from the following list the type that is most applicable:

- Charges for services
- Donable goods
- Grant or donation
- Miscellaneous/Other*
- Other taxes
- Property taxes
- Timber sales
- Tolls
- Transportation related charges

* Limit your use of the Miscellaneous/Other type. If Miscellaneous/Other is used, a description is required in the Comments or Description column.

Also complete these fields on the form:

- Recognition Criteria
- Source of Funds (federal, state, private/local)

Unearned Revenues (GL Codes 5190 and 5290):

May be reported in both governmental and proprietary type accounts. Revenues that are unearned are recorded to GL Codes 5190 and 5290. Unearned means that the earnings process is not yet complete.

Examples of revenues not yet earned include:

- Federal assistance received in advance,
- Insurance premiums received in advance,
- Prepaid tolls,
- Prepaid tuition and fees (summer school), and
- Prepayments made pursuant to agreements.

Refer also to Subsections 85.70.45.

Unavailable Revenues (GL Codes 5192 and 5292):

May be reported only in governmental fund type accounts. Revenues that are unavailable are recorded to GL Codes 5192 and 5292.

GL Code 5292 should be used to offset a receivable for which the asset recognition criteria has been met, but the governmental fund revenue recognition criteria has not been met. Generally, in governmental funds, accrued revenue sources are deemed unavailable if collectible beyond one year. Examples include long term receivables and contracts associated with the harvest of timber that extend beyond 12 months.

GL Code 5192 should be used only in limited instances where revenue associated with a receivable does not meet the revenue recognition criteria and will be collected within one year. An example where GL Code 5192 is properly used is to offset property taxes receivable that are expected to be collected after 60 days following year end but within one year.

Refer also to Subsection 85.70.40.

Unavailable and Unearned Revenues Disclosure

Agency Code: _____ Agency Title: _____

90.40.50.A Unavailable and Unearned Revenues Disclosure

Choose the appropriate Type of Unavailable/Unearned Revenue that best applies. Limit use of the Miscellaneous/Other type. Credits should be entered as positive amounts.

Account Code & Title	GL Code & Title	Type of Unavailable/Unearned Revenue	Comments or Description of Miscellaneous/Other (required)	Amount	Recognition Criteria	Source of Funds

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.55

June 1, 2016

Bond debt disclosure**General Instructions**

The state is required to disclose certain information about bond debt activity, debt service requirements, and refunding activity. Agencies that issue bonds and/or pay bond debt service are required to complete these disclosure forms.

The state issues four types of bonds: General Obligation Bonds, Revenue Bonds, Zero Coupon General Obligation Bonds, and Refunding Bonds. Refer to Subsection 85.72.20.

90.40.55.a

Bonds Payable General Disclosure

This form contains **general questions** concerning arbitrage rebate requirements, IRS communications, variable rate demand obligations, and capitalized interest.

90.40.55.b

Bond Debt by Major Class – Summary of Activity Disclosure

This form summarizes the **current year activity of bond debt** by debt class.

OST will summarize and report their bond activity that is recorded in Account 999 “General Long-Term Obligations Subsidiary Account,” as well as for other agencies where OST pays the actual debt service (currently L&I).

All other agencies are required to complete this disclosure form for bond debt activity where the debt service is paid by their agency, **not** by OST.

Table 1 - Bond Debt GL Codes Reconciliation to AFRS

For purposes of this disclosure form, debt class is defined as follows:

Debt Class	GL Codes
General obligation bonds	5161, 5261
GO zero coupon bonds-principal	5164, 5264
Revenue bonds	5162, 5262, 5167, 5267, 1667
Other bonds payable	5169, 5269

- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.

- Normally, bond debt liabilities will have **credit** balances.
- Normally, **retirements** are payments of bond debt principal and will be **debit** amounts and should be entered as positive numbers.
- Normally, **new issues** in bond debt liabilities will be **credit** amounts and should be entered as negative numbers.
- For this form, **reclassifications between long-term and short-term GL codes are to be disregarded**, and should not be included in the “New Issues” (increases in bond debt liability) or “Retirements” (decreases of bond debt liability) columns.
- For bonds recorded in Account 999 “General Long-Term Obligations Subsidiary Account:” **new issues** (increases in bond debt) are to equal amounts reported in governmental fund type accounts in Revenue Source Codes 0860 “Bonds Issued,” 0864 “Taxable Bonds Issued,” 0865 “Note Proceeds” and 0859 “Proceeds of Refunding Bonds,” and **retirements** (decreases in bond debt) are to equal amounts reported in governmental fund type accounts in Subobject PA “Principal.”
- Additionally, if applicable, disclose the portion of the revenue bonds that are **general revenue bonds** and list what types of revenues (for example student tuition, sales and service revenue, interest) are considered general revenues for the purpose of paying debt service.

Table 2 - Debt Service Requirements

Agencies should disclose their upcoming debt service by fiscal year based on the information in their bond amortization schedules. The amount reported as principal in fiscal year 2017 should agree to the amount in the short term GL Codes 5161, 5162, 5163, 5164, 5167, or 5169.

Table 3 – Reconciliations

These reconciliations identify potential discrepancies between Tables 1 and 2, and the bond debt GL codes in AFRS.

1. Compares the total ending principal in Table 1 to the principal total in Table 2.
2. Compares the short term GL codes to the fiscal year 2017 principal reported in Table 2.

Table 4 - Bonds Outstanding – Type and Interest Rate

For bonds outstanding at June 30, disclose the **types** of bonds and the **range of bond interest rates** for the bond issues.

Table 5 - Bonds Authorized but Unissued

For bonds authorized but unissued at June 30, please disclose the **purpose** of the bond issues, the **types** of bonds, and the **total amount of bonds authorized but unissued at June 30**.

Table 6 - Other Bond Related GL Codes Reconciliation to AFRS

GL Title	GL Codes
Zero coupon bonds – Accreted Interest Payable	5165/5212
Unamortized discounts on bonds sold	1910
Unamortized premiums on bonds sold	5910

Complete the table to disclose activity related to unamortized bond premiums and discounts, and accreted interest payable (GL Codes 1910, 5165, 5212 and 5910) as of June 30. Current year amortization activity should be recorded in GL Codes 6512 or 6593 “Amortization Expense” Subobject WB “Amortization.”

Table 7 – Pledged Revenue for Revenue Bonds

For revenue bonds outstanding at year end for which specific revenues have been pledged, disclose information about the pledged revenues including: account, source of revenue pledged, current year revenues pledged, current year debt service, future revenues pledged, a description of the debt, the purpose of the debt, and the ending year of the commitment. List the year(s) the bond(s) were issued in the “Purpose of the Debt” column.

Table 8 – Reconciliation of Future Revenue Pledged

Reconcile the revenue pledged amounts reported in Table 7 to the revenue bond principal and interest amount totals in Table 2.

90.40.55.c

Bond Sales Disclosure

This form collects required disclosure information about **current year bond sales** including refunding issues, defeased debt outstanding at year end, and bond issues subsequent to year end.

Current year bond sales

For bond sales, disclose the following information by Proprietary or Governmental fund type:

- Account the bonds were recorded in AFRS
- Name of bond series
- Delivery date of bond series
- Type of Bond
- Is it a Refunding Bond?
- Is it a Taxable Bond?
- Purpose of the Bonds
- Par amount for the Bond series per the official statement
- Bond series premium/discount

This form will check the amounts disclosed against the amounts reported in the Bond Debt by Major class disclosure form and against AFRS data.

This form also collects required disclosure information on bond debt refunding activities.

The state is required to disclose bond debt refunding activity for bond debt refunded in the current year and for bond debt refunded in prior years that remains outstanding.

- **For all agencies other than OST**, this disclosure form is required to be completed **only** if your agency had a bond debt refunding that was **not** part of a refunding done by OST, **or** if your agency had bond debt refunded in prior years that remains outstanding and that was **not** part of a refunding done by the OST.
- **OST Bond Retirement and Interest Agency (Agency 0100)** is required to complete this disclosure form for General Obligation Bond debt refundings.

In addition to a general description of the bond refunding, two additional items are required to be disclosed:

- **The difference between the cash flows required to service the old bond debt and the cash flows required to service the new bond debt and complete the refunding.** When measuring the difference between the two cash flows, additional cash used to complete the refunding paid from resources other than proceeds of the new bond debt (for example, for issuance costs or payments to the escrow agent) should be added to the new bond debt cash flows. Accrued interest received at the bond issuance date should be excluded from the new bond debt cash flows. If the new bond debt is issued in an amount greater than that required for the

refunding, only that portion of bond debt service applicable to the refunding should be considered.

- **The economic gain or loss resulting from the transaction.**
Economic gain or loss is the difference between the present value of the old bond debt service requirements and the present value of the new bond debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid, as noted above.

The **effective interest rate** is the rate that, when used to discount the debt service requirements on the new debt, produces a present value equal to the proceeds of the debt (including accrued interest) net of any premiums or discounts and any underwriting spread and issuance costs that are not recoverable through escrow account earnings. Issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses).

Defeased bonds outstanding at year end

The state is required to disclose debt defeased in substance that remains outstanding in an advance refunding. If your agency has performed your own bond debt refunding (not through OST) disclose this amount at June 30.

Bonds issued subsequent to year end

The state is also required to disclose debt issued subsequent to June 30. Disclose requested information about debt issued in the period between July 1 and December 31 of the current fiscal year.

Bonds Payable General Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.A Bonds Payable General Disclosure

1. a. Are the provisions of federal arbitrage rebate requirements applicable to the bonds your agency reported in this section?

No _____ Yes _____

If yes, please provide the following information:

Calculate and enter the amount of estimated rebatable arbitrage profits as of fiscal year-end.
\$ _____

- b. Did your agency receive communication from the IRS during the fiscal year that adversely affects the tax exempt status of your outstanding debt or asserts noncompliance with arbitrage rules?

No _____ Yes _____

If yes, please provide details.

2. Does your agency have any variable rate demand obligations outstanding as of fiscal year-end?

No _____ Yes _____

If yes, provide the following information:

- a. Disclose the terms by which interest rates change for variable-rate debt.

- b. Disclose the amounts outstanding as of fiscal year-end.

\$ _____

Bonds Payable General Disclosure – concluded

3. Did your agency capitalize bond interest expense in an enterprise fund type account this fiscal year? Interest incurred during the construction phase of a capital asset project (accounted for in an enterprise fund type account) is included as part of the capitalized value of the asset constructed.

No _____ Yes _____

If yes, provide the following information:

Account No.	Bond interest expense incurred	Investment earnings received on unspent bond proceeds	Net interest expense capitalized as part of a capital asset	Comments
<i>Example XXX</i>	<i>30,000</i>	<i>(2,119)</i>	<i>27,881</i>	

Bond Debt by Major Class – Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.B Bond Debt by Major Class – Summary of Activity Disclosure

Table 1 - Bond Debt GL's Reconciliation to AFRS

Account	Debt Class / GL Code	Beginning Balance from AFRS	DR Retirements	CR New Issues	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)

If your agency issues General Revenue bonds: Of the June 30 principal amount reported above, what amount is for General Revenue bonds? \$_____

List what types of revenues are considered “general revenues” for the purpose of paying General Revenue debt service (for example student tuition, sales and service revenue, interest):

Table 2 - Bond Debt Service Schedule

Fiscal Year	General Obligation and Other Bonds Payable Principal	General Obligation and Other Bonds Payable Interest	Revenue Bonds Principal	Revenue Bonds Interest
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 - 2031				
2032 - 2036				
2037 - 2041				
2042 - 2046				
2047 - 2051				
2052 - 2056				
Total				

Bond Debt by Major Class – Summary of Activity Disclosure – continued

Table 3 - Reconciliations

A. The total ending balance in Table 1 must agree to the total principal amount reported in Table 2.

	Amounts
Subtotal of ending balances of applicable GL Codes in Table 1: GL Codes 5161/5261 and 5162/5262 and 5167/5267/1667 and 5163/5263 and 5164/5264 and 5169/5269	\$ _____
Principal amount totals reported in Table 2 Debt Service Schedule	_____
Difference (should be zero)	\$ _____

If there is a difference, provide an explanation below.

B. The short-term GL code amounts in AFRS must agree to the principal amount reported in Table 2.

	Amounts
GL Codes 5161, 5162, 5163, 5164, 5167, and 5169 (from AFRS)	\$ _____
Principal amount for the next fiscal year reported in Table 2 Debt Service Schedule	_____
Difference (should be zero)	\$ _____

If there is a difference, provide an explanation below.

Bond Debt by Major Class – Summary of Activity Disclosure – continued

Table 4 – Bonds Outstanding – Type and Interest Rate

Account	Type of Bond	Low Interest Rate	High Interest Rate

Table 5 – Bonds Authorized but Unissued

Account	Purpose	Type of Bond	Authorized but Unissued at June 30

Table 6 – Reconciliation of Other Bond Related GL Codes to AFRS

Current year amortization activity should be recorded in GL Codes 6512 or 6593 “Amortization Expense” Subobject WB “Amortization.”							
Account	Debt Class/GL Code	Beginning Balance from AFRS	DR	CR	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)

Bond Debt by Major Class – Summary of Activity Disclosure – concluded

Table 7 – Pledged Revenue for Revenue Bonds

Account	Source of Revenue Pledged	Current Year Revenues Pledged (net)	Current Year Debt Service (prin + int)	Future Revenues Pledged (prin + int)	Description of Debt (include year(s) issued)	Purpose of Debt	Ending Year of Commitment
<u>Comments or Notes (including description of “Other”):</u> 							

Table 8 – Reconciliation of Future Revenue Pledged to Table 2 Bond Debt Service schedule

Revenue bond principal and interest amount totals reported in Table 2	\$ _____
General revenue bonds reported in Table 1	_____
Subtotal	_____
Future revenue pledged amount from above	_____
Difference (should be zero)	_____
If there is a difference, provide an explanation below:	

Bond Sales Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.C Bond Sales Disclosure

Instructions: Complete this form after you complete the Bond Debt by Major Class disclosure form.

1. Bond Sales

Did your agency **issue bonds** this fiscal year (July 1 to June 30)?

No ____ Yes ____

If yes, provide the following information by account and bond issue series. If no, continue to questions 2 and 3.

A. Proprietary Type Accounts

Account the Bonds were recorded in AFRS	Bond issue series name	Bond delivery date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement	Amount reported as a New Issue (CR) in the Bond Debt by Major Class disclosure form	Difference (should be zero)	Increase (credit) in AFRS in Bond GLs 516x, 526x, 1667	Difference	Comment
522	2015A	10/1/2015	Pledged Revenue	No	No	Student Housing	1,000,000					
522	2016B	2/1/2016	Pledged Revenue	No	No	Student athletic facility	5,000,000					
						Subtotal 522	6,000,000	(6,000,000)	0	(6,002,000)	(2,000)	Due to ST/LT reclass
						Agency Total	6,000,000	(6,000,000)	0	(6,002,000)	(2,000)	

B. Governmental Type Accounts

Account the Bonds were recorded in AFRS	Bond issue series name	Bond delivery date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement	Bond Proceeds amount(s) reported in AFRS in revenue source codes 0859, 0860, 0864, 0865	Difference (should be zero)	Amount reported in Account 999 as a New Issue (CR) in the Bond Debt by Major Class disclosure form	Difference
252	2015C	9/1/2015	General Revenue	No	No	Housing & dining bonds	8,000,000				
252	R2016D	4/1/2016	Pledged Revenue	Yes	No	To refund housing & dining bonds	7,500,000				
						Subtotal 252	15,500,000	(15,500,000)	0		
						Agency Total	15,500,000	(15,500,000)	0	(15,500,000)	0

	Bond series Premium/ (Discount)	Premium/Discount reported in AFRS in Revenue Source codes 0858, 0856, 0862, 0863	Difference (should be zero)	Comment
2015C	900,000			Agency comment
R2016D	512,500			Agency comment
Subtotal 252	1,412,500	(1,412,500)	0	
Agency Total	1,412,500	(1,412,500)	0	

C. Refunding Bonds – additional information needed**New Bond issue**

New Bond issue series name	Bond delivery date	Type of Bond	Purpose of the Bonds	New Bond series par amount per the official statement	Average interest rate of the New Bonds
R2016D	4/1/2016	Pledged Revenue	To refund housing & dining bonds	7,500,000	4.10

Old Bond issue

Par amount of the Old Bond being refunded (paid off)	Type of Bond	Purpose of the Old Bonds	Average interest rate of the Old Bonds
8,500,000	Pledged Revenue	Housing & dining	6.25

Refunding Results

Gross debt service savings/ (loss)	Savings will be over how many years	Economic gain/ (loss)	Comment
1,500,000	12	1,200,000	Agency comment

2. Defeased bonds outstanding at year end

In all periods following an advance refunding for which debt defeased in substance remains outstanding, the amount of that debt outstanding at June 30 should be disclosed. If your agency has performed your own bond debt refundings (not through OST), disclose this amount at June 30.

\$ _____

3. Bonds issued subsequent to year end

Did your agency issue bonds, or do you anticipate issuing bonds, in the period between July 1 and December 31 of the current fiscal year?

No _____ Yes _____

If yes, provide the following information.

Bond issue series name, if issued	Bond delivery date or estimated date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement or estimated amount if unissued	Comment
2016C	11/1/2016	General Revenue	No	No	Bookstore renovation	5,000,000	Agency comment

90.40.60
June 1, 2016

Transfer disclosure

General Instructions

GAAP requires the state to disclose in the notes to the financial statements certain details about transfers including:

- Amounts transferred between accounts, and
- A general description of the principal purposes of the transfers.

Transfers to be reported on the disclosure form:

- Revenue Source Codes 0613 – 0699 and 0484 (excluding 0623, 0649, 0677, 0683, and 0690)
- GL Code 65XX Object M

The majority of the transfers reported by an agency on this form will be intra-agency transfers (transfers between accounts within the same agency).

If applicable, an agency may also need to report an inter-agency transfer in (a transfer received from another agency). The agency making the inter-agency transfer out should not report the transaction on this form.

For inter-agency transfers in only, choose the agency number of the paying agency from the “Inter-agency Transfer In” column drop down box on the form. In the comment box indicate the reason for the inter-agency transfer in. No entry is allowed in the “Paying Account” column. Refer to the example on the next page.

For transfers over \$20 million, please provide a general description of the purpose of the transfer.

Following is an example of a completed Transfer Disclosure form (90.40.60.A).

Transfers Disclosure

Example:

Agency Code: 0123 Agency Title: Any Agency

90.40.60.A Transfer Disclosure

Paying Account Code & Title	Receiving Account Code & Title	Amount	Description of Transfer (for amounts over \$20 million)	Comments	Inter-agency Transfer In
001 General Fund	14B Budget Stabilization Account	\$150,000,000	RCW 43.79.490		
001 General Fund	03B Asbestos Account	6,000,000			
Blank	08G Flexible Spending Admin. Account	28,000		Equity transfer, closure of Account 03T	1240
	Total:	\$156,028,000			

Transfers Disclosure

Agency Code: _____ Agency Title: _____

90.40.60.A Transfer Disclosure

Paying Account Code & Title	Receiving Account Code & Title	Amount	Description of Transfer (for amounts over \$20 million)	Comments	Inter-agency Transfer In
	Total:				

Reconciliation:

Receiving Account Code	Entered Amount	AFRS Amount	Difference (Must be zero)
Total:			

Note: The AFRS amount is the Receiving Account credit total on the ER Transfer Report, including Revenue Source Codes 0613-0699 and 0484, and excluding Revenue Source Codes 0623, 0649, 0677, 0683, and 0690.

90.40.70

June 1, 2016

Pension disclosure**General Instructions**

The pension disclosure forms are used to accumulate the information required to calculate the state's Net Pension Assets and Liabilities, pension related deferred outflows and deferred inflows of resources and pension expense as well as to prepare note disclosures and required supplementary information for the state's CAFR. The information provided in the CAFR is intended to aid the reader of the financial statements in assessing:

- The stewardship of pension plan resources and the ongoing ability of the plan to pay pension benefits when due,
- The effect of pension plan operations and benefit commitments on the need for contributions by plan members, employers and other contributors,
- The state's net pension assets/liabilities related to its participation as an employer in sole employer pension plans as well as its proportionate share of pension obligations related to cost sharing plans,
- Compliance with finance-related statutory, regulatory and contractual requirements.

Pension disclosure information is required from the following agencies:

- Department of Retirement Systems
- All four-year higher education institutions, State Board for Community and Technical Colleges (SBCTC), and Student Achievement Council (SAC)

90.40.70.a**Pension Information – Department of Retirement Systems**

The Department of Retirement Systems (Agency 124) is required to complete a disclosure form including these data elements:

- Covered Payroll
- Employer Contributions
- Member Contributions
- State Contributions

Include the following retirement plans:

- Public Employees' Retirement System (PERS) Plans 1 Defined Benefit (DB), 2/3 (DB), and 3 Defined Contribution (DC);
- Teachers' Retirement System (TRS) Plans 1 (DB), 2/3 (DB), and 3 (DC);
- School Employees Retirement System (SERS) Plans 2/3 (DB), and 3 (DC);
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2 (DB);
- Washington State Patrol Retirement System (WSP) Plans 1 and 2 (DB);
- Judicial Retirement System (JRS) (DB);
- Judges' Retirement Fund (Judges) (DB);
- Public Safety Employees' Retirement Account (PSERS) Plan 2 (DB); and
- Judicial Retirement Account (JRA) (DC).

90.40.70.b

Pension – Higher Education Institutions, SBCTC, and SAC

This form is required to be completed by all four-year higher education institutions, SBCTC, and SAC. The information required pertains to Higher Education Retirement Plan participants and the Higher Education Supplemental Retirement Plan.

1. **Higher Education Retirement Plan (Defined Contribution Plan):** The total covered payroll is to reflect amounts for Higher Education Retirement Plan participants only. This amount should not include those on “waiting” status. “Waiting” status employees are those who are eligible, but have not yet elected to join the Higher Education Retirement Plan. The member and employer contributions are to reflect amounts contributed by each into the Higher Education Retirement Plan.
2. **Higher Education Supplemental Retirement Plan (Defined Benefit Plan):** Information for the Higher Education Supplemental Retirement Plan should be obtained from your actuarial valuations and payroll records. Disclose payments to beneficiaries in the current fiscal year.

Pension Disclosure – Department of Retirement Systems

 Agency
 Code: 124

 Agency
 Title: Department of Retirement Systems
90.40.70.A Pension Disclosure – Department of Retirement Systems

Retirement Plan by Employer Type	Covered Payroll	Employer Contributions	Member Contributions	State Contributions
PERS 1 (DB) – WA State				
PERS 1 (DB) – Other Employers				
PERS 2/3 (DB) – WA State				
PERS 2/3 (DB) – Other				
PERS 3 (DC) – WA State				
PERS 3 (DC) – Other Employers				
TRS 1 (DB) – WA State				
TRS 1 (DB) – Other Employers				
TRS 2/3 (DB) – WA State				
TRS 2/3 (DB) – Other Employers				
TRS 3 (DC) – WA State				
TRS 3 (DC) – Other Employers				
SERS 2/3 (DB) – WA State				
SERS 2/3 (DC) – Other				
SERS 3 (DC) – WA State				
SERS 3 (DC) – Other Employers				
LEOFF 1 (DB) – WA State				
LEOFF 1 (DB) – Other				
LEOFF 2 (DB) – WA State				
LEOFF 2 (DB) – Other				
WSP 1 (DB) – WA State				
WSP 2 (DB) – WA State				
JRS (DB) – WA State				
Judges (DB) – WA State				
PSERS 2 (DB) – WA State				
PSERS 2 (DB) – Other				
JRA (DC) – WA State				
JRA (DC) – Other Employers				
Totals:				

**Pension Disclosure –
Department of Retirement Systems – concluded**

Reconciliation of Contributions to AFRS Data:

Retirement Plan	Total Contributions	AFRS Total Contributions	Difference (Must be zero)
Totals:			

**Pension Disclosure –
Higher Education Institutions**

Agency Code: _____ Agency Title: _____

90.40.70.C Pension Disclosure – Higher Education Institutions

This section is to be completed by all four-year higher education institutions, the State Board for Community and Technical Colleges, and the Student Achievement Council:

<u>Higher Education Retirement Plan (Defined Contribution Plan)</u>	
Covered Payroll	
Employer Contributions	
Member Contributions	
<u>Higher Education Supplemental Retirement Plan (Defined Benefit Plan)</u>	
Payments to Beneficiaries (current fiscal year)	
Notes/Comments	

90.40.75

June 1, 2016

Miscellaneous disclosure

General Instructions

All agencies are required to complete the Miscellaneous Disclosure form (90.40.75.A).

Information is required related to:

1. Grants and contributions restricted for capital purposes.
2. Art collections, library reserve collections and/or museum or historical collections that are not capitalized.
3. Donor restricted endowments.
4. Component units, joint ventures, segments, or related organizations.
5. Capital assets that are permanently impaired and idle.
6. Pollution remediation. The site status report is due at Phase 1B close on August 19, 2016.
7. Nonexchange financial guarantees.

Miscellaneous Disclosure

Agency Code: _____ Agency Title: _____

90.40.75.A Miscellaneous Disclosure

1. Did your agency report any revenue from grants or contributions that were **restricted for capital purposes** (to purchase, construct, or renovate capital assets associated with a specific program)?

No _____ Yes _____ If yes, provide the following information

Account	Name of Grant/Contribution	Revenue Source Code	Amount
		Total	\$

2. Does your agency have any **Art Collections, Library Reserve Collections, and/or Museum or Historical Collections** that are not capitalized?

No _____ Yes _____

If yes, refer to SAAM Subsection 30.20.22.a, which lists 3 conditions that must all be met in order for these assets not to be capitalized. Provide a description of your collection and explain how you meet all 3 of the conditions.

3. Does your agency have any **donor-restricted endowments**? (Note: Donor restricted endowments are recorded in General Ledger Codes 9110 "Nonspendable Permanent Fund Principal," 9230 "Restricted for Higher Education," 9240 "Restricted for Human Services," or other restricted fund balance GL code as appropriate.)

No _____ Yes _____ If yes, provide the following information

- The amount of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure, and how those amounts are reported in fund balance,
 - The policy for authorizing and spending investment income, such as a spending-rate or total-return rate, and
 - The account(s) the endowments are reported in.
-

Miscellaneous Disclosure – continued

4. a. Does your agency have any **discretely reported component units** or other **related organizations**? Note: blended component units are reported in (c) below.

No _____ Yes _____

- b. If yes, for the most recent year available, are expenditures greater than \$15 million?

No _____ Yes _____

If yes, include the most recent financial information available in the table below.

Name of Entity	Type of Entity	Total revenue of the entity	Total expenditures of the entity	Total assets of the entity

- c. Does your agency have any **blended component units**?

No _____ Yes _____ If yes, list them in the table below.

Name of Entity

- d. Does your agency participate in any **joint ventures**?

No _____ Yes _____

If yes, include the most recent financial information available in the table below.

Name of Entity	Your share of the joint venture's net equity (should agree to the balance in GL Code 1950)	Your share of the joint venture's net income or loss

Miscellaneous Disclosure – continued

- e. Does your agency have any
- segments**
- ?

No _____ Yes _____

If yes, provide the following information.

Segment Information:

Number of Segments	
Total Assets	
Total Revenue	
Agency Contact Information:	
First Name	
Last Name	
Address	
City	
State	WA
Zip	

- f. Are the above
- segments**
- audited separately?

No _____ Yes _____

5. Does your agency have any
- capital assets that are permanently impaired and idle**
- at fiscal year-end? A capital asset is considered to be impaired if the asset experiences a significant and unexpected decline in its service utility. An impaired capital asset is to be revalued to reflect its decline in service utility.

No _____ Yes _____

If yes, refer to Subsections 30.20.90 and 85.60.45 for further discussion and provide a description and the carrying amount of each impaired and idle capital asset.

Miscellaneous Disclosure – concluded

6. **Pollution Remediation.** The Governmental Accounting Standards Board (GASB) issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. Refer to SAAM Subsection 85.74.50 for information about obligating events, benchmarks and liability measurement related to existing and potential pollution remediation obligations for which the state is responsible.

Has your agency been assigned responsibility or is your agency potentially responsible for addressing current or potential detrimental effects of existing pollution through activities such as assessments or cleanups?

No _____ Yes _____

If yes, please provide agency contact information (name, phone number, and email address) in the box below AND contact your agency's assigned OFM Accounting Consultant for a copy of a site status report to be used to report the following information for each site:

- a. Site identification, including site ID number, release number (if applicable), site name and type.
- b. Status of remedial action as of June 30th and current action plan, including estimated timeframe for cash outflow.
- c. Amount of estimated liability, including:
 - Breakdown between short-term (due within 12 months) and long-term.
 - Estimated recoveries
 - Indication of whether or not each site is reportable.

The site status report is due at Phase 1B close, and a copy of the site status report must be filed with the Financial Certification form.

Agency contact information: name, phone number, and email address.

7. **Nonexchange Financial Guarantees.** Has your agency extended or received a **nonexchange financial guarantee**?

No _____ Yes _____

If yes, provide the following information:

- a. A description of the nonexchange financial guarantee, including: the legal authority for extending the guarantee, the types of obligations guaranteed, the relationship of the government to the issuer(s), the length of time of the guarantees, and arrangement for recovering payments from the issuer(s).
- b. The total amount of all guarantees extended that are outstanding at June 30.

90.40.95

June 1, 2016

Financial disclosure certification**General Instructions**

All agencies are required to complete the Financial Disclosure Certification (90.40.95.A).

As required by audit standards, OFM provides, on behalf of the state, a letter of representation to the State Auditor's Office certifying certain financial, compliance, and internal control information. To enable OFM to make the representations required in that letter, each Agency Head and Chief Financial Officer must certify, to the best of their knowledge, that the statements listed in the Financial Disclosure Certification form are true for their agency.

Any exceptions to the certifications are to be **attached** with a narrative detailing the variance(s) and any proposed or completed corrective actions.

Attachments may include:

- Narrative disclosing deficiencies in internal control
- Pollution remediation site status report
- Narrative related to a Service Organization Control (SOC) report
- Certification related to the use of a specialist
- Narrative disclosing changes to methods of measurement, assumptions, or interpretations related to federal expenditures
- Narrative related to certification exceptions detailing variances and proposed or completed corrective action

The signed Financial Disclosure Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by **September 14, 2016**.

Financial Disclosure Certification

Agency Code: _____ Agency Title: _____

90.40.95 Financial Disclosure Certification

I certify, that to the best of my knowledge, the following statements are true:

- (1) The transactions and adjustments recorded in the Agency Financial Reporting System (AFRS) for Fiscal Year 2016 accurately and completely reflect our agency's activity and ending account balances for each of the accounts listed below, in conformity with Generally Accepted Accounting Principles (GAAP) as outlined in the *State Administrative and Accounting Manual* (SAAM) and demonstrate legal compliance, where applicable. Balances reflected in each of the accounts listed below have been reconciled including, where applicable, to subsidiary records.
- (2) The effects of outstanding litigations, contingencies, or unasserted claims in our agency that would either be disclosable or could materially affect balances have been accurately disclosed and accounted for. If such conditions exist, their disclosure is **attached** to this certification. Note: The Attorney General's Office will provide the necessary disclosure for all litigation where they represent the state and so such items need not be disclosed by individual agencies.
- (3) We are responsible for and have complied with laws, regulations, and provisions of contracts and grant agreements applicable to this agency by establishing adequate procedures and controls.
- (4) We have received no communication from the Internal Revenue Service (IRS) adversely affecting the tax exempt status of our outstanding debt or noncompliance with arbitrage rules.
- (5) We have identified and disclosed to the auditor violations and possible violations of laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts and disclosures, including loss contingencies, and legal and contractual provisions for reporting specific activities in separate accounts.
- (6) We have disclosed to the auditor, upon request, relevant communications from regulatory agencies, government representatives or others concerning possible material noncompliance with, or deficiencies in internal control or other matters related to financial reporting practices.
- (7) We are responsible for and have established and maintained an effective system of internal controls as prescribed by SAAM Chapter 20. Our agency's system of internal controls incorporates adequate procedures and controls to safeguard our assets, check the accuracy and reliability of our accounting data, promote operational efficiency, and encourage adherence to policies for accounting and financial controls. If there are significant deficiencies in internal control, a summary of the deficiencies and corrective action is **attached** to this certification.
- (8) We are responsible for designing and implementing programs and controls to prevent and detect fraud. We have disclosed to the auditors all known instances and allegations of fraud or suspected fraud involving management and employees who have significant roles in internal control. We have also disclosed known instances and allegations of fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
- (9) Components of net position (net investment in capital assets; restricted; and unrestricted) and fund balance categories (nonspendable, restricted, committed, assigned and unassigned) are appropriately classified, and, if applicable, approved.

Financial Disclosure Certification – continued

- (10) Provisions for uncollectible receivables have been properly identified and recorded.
- (11) Interfund and interagency activity and balances have been appropriately classified and reported.
- (12) Investments, derivative transactions, and land and other real estate held by endowments are properly valued. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with Governmental Accounting Standards Board (GASB) standards.
- (13) Inventories have been properly identified and recorded. Provisions have been made to reduce excess or obsolete inventory, when material, to estimated net realizable value.
- (14) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- (15) If the modified approach is used to account for eligible infrastructure assets, our agency meets the GASB-established standards as outlined in SAAM Subsection 30.20.80.
- (16) If applicable, pollution remediation obligations have been properly identified, measured at current value using the expected cash flow technique, and reported. The Site Status Report was previously filed; a copy is **attached** to this certification.
- (17) If our agency utilizes a service organization and (1) the dollar value of the transactions processed by the service organization is material to the state's CAFR or (2) a Service Organization Control (SOC) report is required by federal regulation, our agency has obtained a SOC report(s) from such organization and **attached** a narrative detailing the period covered, the nature of the service provided and a summary of the report(s) obtained (including the nature of the SOC engagement (e.g. SOC 1, SOC 2, or SOC 3) and type of the report (e.g. type 1 or type 2) as well as follow-up action taken to address weaknesses noted in the SOC report, if any. If a service providing organization is utilized that meets the criteria noted above and our agency has not obtained a SOC report(s) or the report(s) for the current period is not available, a narrative is **attached** to this certification providing the information as to the service provided and the reason a SOC report(s) has not been obtained or is not available. For information regarding materiality, please contact your agency's assigned OFM Accounting Consultant.
- (18) If our agency utilizes the services of a specialist, such as an actuary, to determine amounts which are recorded in AFRS or reported through the disclosure form application, we have **attached** to this certification the following representation:

We agree with the findings of *[name of specialist]* in evaluating the *[describe financial statement element or disclosure information]* and have adequately considered the qualifications of the specialist in determining the amounts recorded in AFRS or reported through this disclosure form application. We provided the specialist with accurate and complete information in response to requests and did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

Financial Disclosure Certification - concluded

- (19) If applicable, significant assumptions used in making accounting estimates are reasonable.
- (20) If applicable, we have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
- (21) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or net position, or plans have been disclosed.
- (22) If applicable, we have identified and reported in the federal year-end disclosure process all expenditures, direct or indirect, financial or nonfinancial, made during the report period for all awards provided by federal agencies either directly or indirectly. This expenditure information includes awards in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
- (23) If applicable, the methods of measurement of federal expenditures are consistent with the prior period, or if such changes exist, their disclosure is **attached** to this certification. There are no significant assumptions or interpretations underlying the measurement of federal expenditures, or if such assumptions or interpretations exist, their disclosure is **attached** to this certification.
- (24) We have provided all information requested by the State Auditor's Office (SAO) and have notified the SAO whenever records or data containing information subject to any confidentiality requirements were made available.
- (25) We have completed all disclosure forms applicable to our agency's accounts and activities.
- (26) No exceptions to the above certifications have occurred subsequent to June 30, 2016, and through the date of this certification, or if such conditions exist, their disclosure is **attached** to this certification.
- (27) This Financial Disclosure Certification applies to all information provided to OFM by our agency during the fiscal year end closing process including e-mails, spreadsheets, etc.

Note: Any exceptions to the above certifications are **attached** with a narrative detailing the variance(s) and our proposed or completed corrective actions.

Account Code	Account Code	Account Code	Account Code	Account Code	Account Code
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Printed Name and Title of Agency Head	Signature	Date
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Printed Name and Title of Chief Financial Officer	Signature	Date
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