



## Chapter 90 - State Reporting

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### 90.10 General State Reporting Policies

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## 90.10

# General State Reporting Policies

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### 90.10.10

June 1, 2016

### Purpose and scope of these policies

Chapter 90 establishes the state reporting policies and procedures governing the accumulation of accounting data for reporting purposes and the preparation of the state of Washington's *Comprehensive Annual Financial Report* (CAFR).

### 90.10.20

June 1, 2016

### Authority for these policies

All agencies are required by RCW 43.88.110(8) to maintain accounting records and report thereon in a manner prescribed by the Budget and Accounting Act or associated regulations. Additionally, RCW 43.88.027 requires the Governor, through the Director of the Office of Financial Management (OFM), to prepare and publish within six months of the end of the fiscal year, as a matter of public record, an annual financial report that encompasses all funds and account groups of the state.

### 90.10.30

June 1, 2016

### Applicability

This chapter is applicable to and binding on all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term "agency" to mean and include "every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided."

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

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**90.10.40**

June 1, 2016

**Using the Agency Financial Reporting System - roles and responsibilities**

The Agency Financial Reporting System (AFRS) functions as the statewide financial accounting system. The financial data collected in AFRS is used to prepare a variety of reports including analyses for state level executive management and responses to inquiries for information from parties outside OFM. Because of the importance of financial reports in the management of state operations, it is essential that complete and accurate data be submitted to AFRS monthly.

To this end, the following roles and responsibilities have been established:

90.10.40.a

**OFM** is responsible for assisting agencies in complying with AFRS reporting requirements.

This includes:

- Training and consulting services regarding state policies, procedures, and regulations.
- Assistance in resolving certain processing problems related to accounting and financial reporting standards; and
- Notification of missing or erroneous data where possible.

90.10.40.b

**Consolidated Technology Services (CTS)** is responsible for assisting agencies in complying with AFRS processing requirements.

This includes:

- Training and consulting services regarding the processing of transactions and reporting of data in AFRS.
- Assistance in resolving certain processing problems related to system functionality (including batch interface processing); and
- Notification of substantial system modifications and processing issues where possible.

90.10.40.c

**Agencies** are responsible for:

- Ensuring that accurate and complete data is submitted to AFRS monthly.
- Ensuring that they are in a position to respond to problems encountered with the integrity and/or transmission of agency data, especially during critical times such as AFRS month-end cut-off and during the fiscal year-end closing process.
- Exercising appropriate control over data security.
- Verifying the completeness, accuracy, and integrity of data submitted.
- Notifying their assigned OFM Accounting Consultant if data or other problems arise.
- Reviewing balances in AFRS for accuracy and completeness and, as applicable, reconciling balances to subsidiary records.

90.10.40.d

**Administering agencies** are responsible for:

- Reviewing the reasonableness of the asset, liability and equity balances of the accounts that they administer.
- Alerting the assigned OFM Budget Analyst if any fund balance issues are noted.
- Bringing to the attention of the administering agency's OFM Accounting Consultant all other unusual activity and/or balances. Refer to Subsection 80.10.90.

90.10.40.e

**Agencies that use the batch interface process to submit data** are responsible for:

- Ensuring that data is transmitted in a secure and reliable manner consistent with AFRS requirements. The preferred method of transmission is through the statewide communication backbone managed by CTS.
- Coordinating with CTS on matters regarding the transmission and processing necessary to make the data available for processing by AFRS.

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**90.10.50**

June 1, 2016

**Some agencies have component unit reporting requirements**

Reporting requirements prescribe two methods for reporting component units of the state in the CAFR. Depending upon a component unit's relationship with the state, it is either blended or reported discretely.

- **Blended component units** are reported as part of the primary state government just like a normal state agency. Data for blended component units is included in AFRS.
- **Discretely reported component units** are reported in a column separate from the primary state government. Component units discretely reported need to submit audited financial statements to OFM.

The OFM Accounting Consultant assigned to agencies identified as (or having) component units will work with agency personnel to provide additional information and assistance as needed to satisfy reporting requirements. If questions exist regarding component units or potential component units, contact the assigned OFM Accounting Consultant.

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**90.10.60**

June 1, 2016

**Agency prepared reports must reconcile with AFRS and the CAFR**

Agencies preparing and/or publishing agency financial statements are to use data submitted to AFRS and the Disclosure Forms application for inclusion in the state's CAFR. Any variance between the final AFRS data and agency issued financial statements is to be reconciled and disclosed in the notes of the agency's financial statements. However, if the separately issued report uses different reporting standards, the agency is to clearly indicate in the notes to their financial statements which standards were used and how they differ from those used in the state's CAFR.

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**90.10.70**

June 1, 2016

**Agencies must comply with reporting due dates**

Agencies are to adhere to the published due dates. This adherence allows the data to be consolidated by OFM and reported in accordance with prescribed time frames.



## 90.20 Fiscal Year-End Cut-Off Procedures

### 90.20.05

June 1, 2019

### Introduction

This section provides policies and procedures for closing a fiscal year and for the preparation of the state of Washington's Comprehensive Annual Financial Report (CAFR). The cut-off policy provides guidance for all state agencies to review their financial data and make necessary adjustments. The agency review and subsequent adjustments give the State Auditor's Office (SAO) reliable financial data on which to form an opinion and enable timely financial reporting.

The closing calendar for fiscal year 2019 is as follows:

- The last regular working day of the fiscal year is **June 28, 2019**. Refer to the Office of the State Treasurer's (OST) closing schedule for cut-off dates for treasury activity.
- **Interagency invoices** must be mailed by **July 19, 2019**. Refer to Subsection 90.20.50.
- **Phase 1** is for agencies to record revenue and expenditure/expense accruals. Phase 1 closes **July 31, 2019**. Refer to Subsections 90.20.20 through 90.20.65.
- **Phase 2** is for agencies to record adjustments necessary to correct year-end totals. Phase 2 closes **August 30, 2019**. Refer to Subsection 90.20.70.

State disclosure forms must be completed by the due dates detailed in Subsection 90.40.10, unless alternate dates are approved by the agency's assigned Office of Financial Management (OFM) Accounting Consultant.

Following the close of Phase 2:

- OFM analyzes Agency Financial Reporting System (AFRS) data and disclosure form submissions and prepares the state's CAFR.
- SAO audits the accounting data and the state's CAFR.

State agencies are not allowed to make entries in AFRS after Phase 2 close, unless approved by OFM.

A schedule of phase cut-off dates is published annually by OFM as part of the directive implementing these policies. Refer to the AFRS/CAFR Closing Schedule and other year-end closing resources at:  
<http://www.ofm.wa.gov/resources/yearend.asp>.

**90.20.10**

June 1, 2016

**Cash cut-off date and policies**

90.20.10.a

Cash cut-off is the last working (business) day in June. Cash activity occurring **after** this date is recorded in the ensuing fiscal year.

90.20.10.b

**Treasury accounts**

Treasury account cash receipts received by an agency **on or before June 30** are recorded in Fiscal Month 12 or 24 as “in-process” cash prior to the June monthly cut-off. If these amounts are not deposited in the State Treasury on or before the OST fiscal year cut-off date (usually June 30), the entry by OST to treasury cash activity will be made in the ensuing period. Refer to Subsection 90.30.20 for illustrative entries.

Treasury account cash disbursements **paid on or before OST's cut-off date** are recorded as "in-process" cash prior to the June fiscal month cut-off. Refer to Subsection 90.30.50.a for illustrative entries.

90.20.10.c

**Local accounts**

Local account cash receipts deposited on or before June 30 are recorded with a debit to GL Code 1110 “Cash in Bank.” Local account cash receipts received on or before June 30, but not deposited until after June 30, are recorded as a debit to GL Code 1120 “Undeposited Local Cash.” Amounts recorded as GL Code 1120 are reclassified to GL Code 1110 “Cash in Bank” when deposited in the local bank account. Refer to Subsection 90.30.20 for illustrative entries.

Local account cash disbursements made on or before June 30 are recorded with a credit to GL Code 1110 “Cash in Bank.” Refer to Subsection 90.30.50.a for illustrative entries.



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**90.20.15**

June 1, 2016

**Prior period adjustments and corrections**

Prior period adjustments are corrections of errors discovered after a fiscal year has been closed. There are two types of prior period adjustments, material and immaterial.

OFM makes the final determination as to whether a prior period adjustment is material or immaterial based on materiality at the reporting unit level or fund statement code level.

At the agency level, prior period adjustments that equal or exceed the threshold level computed annually at the roll-up fund level as listed in Subsection 75.30.40 of this manual are to be brought to the attention of the agency's OFM Accounting Consultant. For purposes of Subsection 75.30.40, the threshold level is the lesser of (a) \$1 million or (b) the greater of the following two amounts: five percent of roll-up fund equity or one percent of roll-up fund gross activity (revenues plus expenditures/expenses). This threshold level is intended to identify adjustments for consideration of the cause and if there is a need to modify agency accounting processes so as to avoid similar adjustments in the future.

90.20.15.a

**Material prior period adjustments**

Material prior period adjustments are reported as adjustments to beginning fund equity. If a material prior period adjustment is required, the following source documents are prepared by the agency, and copies are forwarded to the OFM Accounting Consultant assigned to the agency.

- Journal Voucher - Forward a properly completed journal voucher or equivalent toolbox entry with supporting documentation referencing the attached footnote disclosure signed by the agency's fiscal officer indicating approval. Agencies assign the current document number and leave the reference document number blank.
- Footnote Disclosure - Include a description of the nature of the adjustment, and its impact on beginning balances.

90.20.15.b

Material prior period adjustments (except for agency fund type accounts and Subsidiary Accounts 997 and 999) are offset to GL Code 9720 "Prior Period Material Corrections (OFM Only)." Refer to Subsection 90.30.30.a for an illustrative entry.

90.20.15.c Material prior period adjustments to Subsidiary Accounts 997 and 999 are offset to GL Code 9910 “Current Period Clearing Account (Subsidiary Accounts Only).” Refer to Subsection 90.30.30.b for an illustrative entry.

90.20.15.d All material prior period adjustments (as reflected on the agency prepared journal voucher) are entered in AFRS by OFM after approval by the OFM Assistant Director, Accounting Division.

90.20.15.e **Immaterial prior period adjustments and corrections**

Except as noted below, immaterial prior period adjustments in governmental fund type accounts are offset by a credit to GL Code 3215 “Immaterial Adjustments to Prior Periods” with Revenue Source Code 0485 “Immaterial Prior Period Adjustments.”

In proprietary fund type accounts, if the immaterial prior period correction is related to a revenue, it should be adjusted through revenue and, if it is related to an expense, it should be adjusted through expense.

**Debits to Revenue Source Code 0485 “Immaterial Prior Period Adjustments” are generally not appropriate and require the approval of the agency’s OFM Accounting Consultant.**

Adjustments to clear overliquidated payables or to write down inventory balances should be recorded as expenditures against the applicable expenditure authority code. Refer to Subsection 90.30.35.b for an illustrative entry.

Write-offs of accounts receivable balances should be debited to the related allowance for doubtful accounts per Subsection 85.54.55. Absent an allowance account in a governmental fund type account, the adjustment should be debited to the revenue source code that was credited when the receivable was recorded. In a proprietary fund type account, if no allowance account exists, accounts receivable are written off to GL Code 6515 “Bad Debts Expense.”

If the write-off involves the receivable of federal or private/local revenues, agencies should contact their assigned OFM Accounting Consultant.

If the receivable originated through an offset to expenditures, then the adjustment to write down the receivable should be a reversal of the original entry. If the expenditure occurred in a prior expenditure authority period, and the account involved is appropriated, the expenditure may be a belated claim. Refer to Subsection 85.40.10.

If, in the second year of a biennium, a prior period adjustment relates to a biennial expenditure authority that has not lapsed, the prior period adjustment is to be recorded to/against the applicable expenditure authority.

Immaterial prior period adjustments resulting in the receipt of cash for the recovery of an expenditure charged against a prior expenditure authority are recorded with a credit to GL Code 3210 "Cash Revenues" using Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures." Refer to Subsection 90.30.35.c for an illustrative entry.

Revenue Source Code 0486 should only be debited in very limited circumstances and **only** with prior approval of the agency's assigned OFM Accounting Consultant.

Refer to Subsection 90.20.45 for guidance on immaterial prior period adjustments resulting from overestimating an accrual against a prior expenditure authority.

90.20.15.f

Record immaterial prior period adjustments to Subsidiary Accounts 997 and 999 as current period additions and/or deletions. Refer to Subsection 90.30.35.f - h for illustrative entries.

- An immaterial prior period adjustment to the asset cost (either increase or decrease) should be recorded using GL Code 6597 "Capital Asset Adjustment (General Capital Subsidiary Account only)" Subobject WF "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."
- An immaterial prior period adjustment to Subsidiary Account 997 that involves an increase to the allowance for depreciation should be recorded to GL Code 6591 "Depreciation Expense (General Capital Subsidiary Account only)" Subobject WA "Depreciation/Amortization."
- An immaterial prior period adjustment to Subsidiary Account 997 that involves a decrease to the allowance for depreciation should be recorded to GL Code 6597 "Capital Asset Adjustment (General Capital Subsidiary Account only)" Subobject WF "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."

90.20.15.g

Adjustments involving beginning cash balances in agency fund type accounts are to be prepared by the administering agency on a journal voucher or equivalent toolbox entry and submitted to their OFM Accounting Consultant for entry. All other prior period adjustments to agency fund type accounts are recorded as current period activity.

90.20.15.h OFM may make adjustments between material and immaterial adjustment classifications based upon review during preparation of the CAFR.

*Enterprise Reporting (ER) report to use: Accounting/Prior Period Adjustment Activity*

## 90.20.20

June 1, 2016

## Revenue recognition

90.20.20.a

### Governmental fund type accounts

Revenues in governmental fund type accounts are recognized in the period in which they become both **available** and **objectively measurable** as follows:

In general, the following revenues are deemed measurable and available at June 30 and are accrued in the concluding fiscal year:

- Taxes imposed on exchange transactions (gross receipts and fuel taxes,) pertaining to underlying exchange transactions that occur as of June 30, are accrued as revenue in the concluding fiscal year if expected to be collected within twelve months of fiscal year-end.
- Federal grant revenues are recognized according to the guidelines provided in Subsection 50.30.70. In general, federal grant revenues are recognized when the qualifying grant expenditures are made provided that the availability criteria are met.
- Revenues from licenses, permits, and fees related to prior services or activity (such as fees based on volume of activity) are accrued as revenue in the period in which the service or activity occurs. Revenues from licenses, permits, and fees related to a future time period (such as driver and motor vehicle licenses) are recognized as revenue in the fiscal year in which they are collected.
- Property taxes, which are due and expected to be collected within 60 days of the fiscal year-end, are accrued as revenues in the concluding fiscal year for Generally Accepted Accounting Principles (GAAP) reporting purposes. Property taxes which are due and expected to be collected after 60 days are accrued as unavailable revenue (GL codes 5192 or 5292).

- Private donation pledges are accrued when the eligibility requirements are met, provided that they are verifiable, unconditional, probable of collection, measurable and available.
- All other revenues are accounted for in accordance with GAAP for both budget and accounting reporting purposes.

90.20.20.b **Proprietary and trust fund type accounts**

Revenues for proprietary and trust fund type accounts are accounted for on a full accrual basis which means that they are recognized in the period when earned.

90.20.20.c **Revenue accrual**

When cash has not been received by June 30 for revenues meeting the appropriate recognition criteria, record the revenue as an accrual (revenue offset by receivable) in Fiscal Month 99 or 25. If the amount is not known but can be reasonably estimated, the estimated revenue should be accrued. Record the liquidation of these accruals (receivable offset by cash) in the ensuing fiscal year when the cash is received. Refer to Subsections 90.30.40.a and b for illustrative entries.

90.20.20.d **Revenue accrual estimate adjustments**

Record over and under accruals of estimated revenue from the prior fiscal year-end as adjustments to revenue in the current period:

- Record over accruals as a decrease to revenue in the current period.
- Record under accruals as an increase to revenue in the current period.

Refer to Subsection 90.30.35.d and e for illustrative entries.

90.20.20.e **Unavailable revenue – governmental fund type accounts**

If cash was received or a receivable recorded for revenue which **does not** meet the revenue recognition criteria for governmental fund type accounts, record the amount in GL Code 5192 “Unavailable Revenues - Short-Term” or GL Code 5292 “Unavailable Revenues - Long-Term” depending upon when the revenue is expected to be recognized. Generally in governmental funds, accrued revenue sources are deemed unavailable if not expected to be collectible within 12 months of fiscal year end. Accordingly, the use of GL Code 5192 is very limited. Refer to Subsection 85.70.40. Balances recorded to GL Code 5292 are recognized as revenue in a future period when they meet the availability recognition criteria. Refer to Subsection 90.30.40.c for an illustrative entry.

90.20.20.f      **Unearned revenue – all accounts**

If cash was received or a receivable was recorded for revenue for which the earning criteria has not been met in governmental or proprietary fund type accounts, record the amount in GL Code 5190 “Unearned Revenues – Short Term” or GL Code 5290 “Unearned Revenues – Long Term” depending upon when the revenue is expected to be realized. Refer to Subsection 85.70.45. These amounts are recognized as revenue in a future period when they meet the earning criteria. Refer to Subsection 90.30.40.d.

90.20.20.g      **Treasury deposit income**

The fiscal year-end accrual for treasury deposit income is recorded by OST as Agency 705 Treasurer’s Deposit Income in either Account 076 “Treasury Income Account” or Account 409 “Investment Income Account.”

1.    **Treasury accounts (for governmental, proprietary, and trust fund type accounts)**

Treasury deposit income for treasury accounts is reported by OST as Agency 705 activity for the concluding fiscal year. OST records the interest as payable in Account 076 by a credit to GL Code 5153 “Due to Other Funds” with the appropriate subsidiary account code. In addition, OST records the interest in the various receiving accounts in Agency 705 by debiting GL Code 1353 “Due from Other Funds” with Subsidiary Account Code 076000, and crediting GL Code 3205 “Accrued Revenues” with Revenue Source Code 0401 “Investment Income.”

2.    **Treasury trust accounts (for governmental, proprietary, and trust fund type accounts)**

Treasury deposit income for treasury trust accounts is reported by OST in Agency 705. OST records the interest as payable in Account 409 by crediting GL Code 5153 “Due to Other Funds” with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving accounts in Agency 705, by debiting GL Code 1353 “Due from Other Funds” with Subsidiary Account Code 409000 and crediting GL Code 3205 “Accrued Revenues” with Revenue Source Code 0401 “Investment Income.”

3. **Treasury and treasury trust accounts (for agency fund type accounts)**

Deposit income for agency fund type accounts is reported in either Agency 705 or the administering agency. When the activity is reported in Agency 705, OST records interest payable in Account 076 or 409 by crediting GL Code 5153 “Due to Other Funds” with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving agency fund type accounts in Agency 705 by debiting a receivable and crediting a liability in the agency account.

When the activity is reported in the administering agency, OST records interest payable in Account 076 or 409 by crediting GL Code 5153 “Due to Other Funds” with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving agency fund type accounts in Agency 705 by debiting a receivable and crediting a liability in the agency fund type account. OST notifies administering agencies of the various agency fund type accounts of the correct amount of deposit income after the June allocation is run, which is a day after the AFRS cut-off date.

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**90.20.25**

June 1, 2016

**Expenditure/expense recognition**

90.20.25.a

**Governmental fund type accounts**

Expenditures in governmental fund type accounts are recognized in the period in which the account liability is incurred; that is, the period in which the goods or services are received. Goods and services **must be received by June 30** to be included as an expenditure of the concluding fiscal year.

90.20.25.b

**Proprietary and trust fund type accounts**

In proprietary and trust fund type accounts, expenses are recognized when incurred, if measurable. All goods and services **received through June 30 must be recognized** in the concluding fiscal year.

90.20.25.c

**All accounts**

Record expenditures/expenses incurred in the concluding fiscal year but **paid after June 30**, as an accrual (expenditure/expense offset by payable) in Fiscal Month 99 or 25. Record liquidation of the accrual (payable offset by cash) in the ensuing fiscal year when paid. Refer to Subsection 90.30.50 for illustrative entries. If the ensuing year is the second fiscal year of a biennium and the expenditure is charged against a biennial expenditure authority code, then there is an additional entry to reverse the initial accrued expenditure and record cash expenditure.

**90.20.30**

June 1, 2016

**Expenditure/expense accruals for single year operating expenditure authority - mid-biennium**

90.20.30.a

**Expenditure/expense accruals**

Record all expenditure/expense accruals charged against single year operating expenditure authority by Phase 1 close of the ensuing year. If the amount of the accrual is known (i.e., the invoice has been received or the amount is otherwise known), record the entry to GL Code 6505 “Accrued Expenditures/Expenses.”

90.20.30.b

**Estimates**

If the amount is not known, **but can be reasonably estimated**, record the estimate in GL Code 6560 “Estimated Accrued Expenditures/Expenses.” Make estimates in accordance with the state's policy for developing accounting estimates. Refer to Subsection 90.20.55.

**Note:** If the actual amount becomes known prior to Phase 2 close, the estimate recorded in GL Code 6560 “Estimated Accrued Expenditures/Expenses” should be reversed and the actual amount should be recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

All expenditure/expense accruals (GL Codes 6505 and 6560) made during the first fiscal year of a biennium and charged against single year operating expenditure authority will be closed to fund equity during the biennium automated closing process in AFRS.

Agencies should monitor the liquidation of estimated accruals at the account/expenditure authority level. While a subsidiary worksheet is the recommended method, agencies may use any reasonable means of documenting the liquidations. Reconcile the unliquidated balances on a timely basis. Retain this subsidiary worksheet or other form of documentation for audit purposes.

90.20.30.c

**Encumbrances**

The balance in GL Code 6410 “Encumbrances” related to **single year** expenditure authority is to be **zero** at the end of the fiscal year. Goods and services ordered, but not received prior to close of business June 30, are accounted for as expenditures of the ensuing year or in the fiscal period received. Refer to Section 85.30.

*ER report to use: Accounting/Exceptions/Encumbrances - First Fiscal Year Operating (GL 6410)*



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**90.20.35**

June 1, 2016

**Expenditure/expense accruals for biennial expenditure authority - mid-biennium**

90.20.35.a

**Expenditure/expense accruals**

Record all expenditure/expense accruals charged against biennial expenditure authority by Phase 1 close of the ensuing year. Both actual and estimated accruals are to be recorded in GL Code 6505 "Accrued Expenditures/Expenses." Actual accruals are based on an invoice or the amount is otherwise known.

90.20.35.b

**Estimates**

Estimates are made if an amount is not known, **but can be reasonably estimated**. Make estimates in accordance with the state's policy for developing accounting estimates (use GL Code 6505). Refer to Subsection 90.20.55.

Reverse accrued expenditures/expenses (GL Code 6505) recorded during the first fiscal year of the biennium at the beginning of the second fiscal year of the biennium. After the reversal, payments of the accruals are to be treated the same as other expenditures/expenses of the second fiscal year.

90.20.35.c

**Encumbrances**

Goods and services ordered, but not received prior to June 30 of the first fiscal year of the biennium, are recorded as encumbrances in the first fiscal year by debiting GL Code 6410 "Encumbrances" with an offsetting credit to GL Code 9510 "Reserved for Encumbrances." **For budgeted accounts, total allotment charges plus these encumbrances cannot exceed the approved spending authority (approved biennial budget).** Refer to Section 85.30.

*ER report to use: Accounting/Exceptions/Encumbrances by Account and Program*

Additionally, for encumbrances relating to capital appropriations, a sufficient available fund balance must exist or an appropriate budget explanation explaining the difference must be included with fiscal year-end disclosure forms as an attachment to the financial disclosure certification. Refer to Subsection 85.30.10 for further information about encumbrance accounting.

A second option for mid-biennium reporting of encumbrances related to biennial expenditure authority is to record them at a summary level by debiting GL Code 9514 “Reserved for Encumbrances for Continuing Operating Expenditure Authority” with an offsetting credit to GL Code 9510 “Reserved for Encumbrances.” This entry is reversed at the beginning of the ensuing fiscal year by debiting GL Code 9510 and crediting GL Code 9514. At the time the summary level entry is reversed, the encumbrances need to be recorded in GL Code 6410 against an actual expenditure authority code. Prior to using GL Code 9514, agencies should check with their assigned OFM Accounting Consultant.

**90.20.40**

June 1, 2016

**Expenditure/expense accruals - end of biennium**

## 90.20.40.a

**Expenditure/expense accruals**

Record all expenditure/expense accruals for the concluding fiscal year by Phase 1 close of the ensuing year. If the amount of the accrual is known (i.e., the invoice has been received or the amount is otherwise known), record the entry to GL Code 6505 “Accrued Expenditures/Expenses.”

## 90.20.40.b

**Estimates**

If the amount is not known, **but can be reasonably estimated**, record the estimate in GL Code 6560 “Estimated Accrued Expenditures/Expenses.” Make estimates in accordance with the state's policy for developing accounting estimates. Refer to Subsection 90.20.55.

Note: If the actual amount becomes known prior to Phase 2 close, the estimate recorded in GL Code 6560 “Estimated Accrued Expenditures/Expenses” should be reversed and the actual amount should be recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

All accrued expenditures/expenses (GL Codes 6505 and 6560) are closed to fund equity during the biennium automated closing process in AFRS.

Agencies should monitor the liquidation of estimated accruals at the account/expenditure authority level. While a subsidiary worksheet is the recommended method, agencies may use any reasonable means of documenting the liquidations. Reconcile the unliquidated balances on a timely basis. Retain this subsidiary worksheet or other form of documentation for audit purposes.

90.20.40.c      **Encumbrances - operating expenditure authority**

The balances of GL Codes 6410 “Encumbrances” and 9514 “Reserved for Encumbrances for Continuing Operating Expenditure Authority” are to be **zero** at the end of the biennium. Goods and services ordered, but not received prior to close of business June 30, are accounted for as expenditures of the ensuing year or in the fiscal period received. Refer to Section 85.30.

90.20.40.d      **Encumbrances - capital expenditure appropriations**

At biennium-end, encumbrances for capital appropriations that are **reappropriated** in the new biennium are closed to GL Code 9513 “Reserved for Encumbrances for Reappropriated Capital Appropriations” in the concluding biennium, **provided a sufficient available fund balance exists**. These amounts are offset by GL Code 9510 “Reserved for Encumbrances.” The entry to close GL Code 6410 “Encumbrances” is reversed at the beginning of the ensuing biennium with the encumbrance charged to the reappropriated appropriation. Refer to Subsection 90.30.60.c for an illustrative entry.

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**90.20.45**  
June 1, 2016

**Unliquidated estimated accrued expenditures/  
expenses – immaterial prior period adjustments**

Unliquidated estimated accrued expenditures/expenses from a prior expenditure authority period are adjusted using GL Code 3215 “Immaterial Adjustments to Prior Periods” with Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures.” The adjustment is made when it is expected that no further payments will be made, normally within 12 months of the end of an expenditure authority period, but no later than two years following the accrual. Refer to Subsection 90.30.35.a for an illustrative entry.

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**90.20.47**  
June 1, 2016

**Shortages in estimated accrued expenditures/  
expenses in appropriated accounts – belated claims**

Shortages in estimated accrued expenditures/expenses in **appropriated accounts** are to be treated as belated claims of the prior expenditure authority period. Belated claims are obligations for goods and services which were received on or before June 30 but were not accrued in the concluding expenditure authority period. Refer to Subsection 90.30.35.b for an illustrative entry. Refer to Subsection 85.40.10 for procedures relating to belated claims.

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**90.20.50**

June 1, 2019

**Interagency accruals**

90.20.50.a

Interagency receivables/payables are required to be in balance at fiscal year-end by Phase 1B close. Agency cooperation is essential to balance interagency receivables and payables at the statewide level. Agencies are to contact the other agencies involved to resolve any differences. If disagreements exist, the OFM Accounting Consultant assigned to each agency should be contacted to resolve the issues.

Interagency GL Codes include:

- 1354 Due from Other Agencies
- 1654 Due from Other Agencies - LT
- 5154 Due to Other Agencies
- 5254 Due to Other Agencies - LT

There are several exceptions to the GL codes listed above for recording interagency payables. Refer to Subsection 90.20.50.b for a list of these exceptions. Also, interagency receivable/payables with the State Board for Community and Technical Colleges (SBCTC) and the Community and Technical Colleges (CTCs) require a specific subsidiary GL code, refer to Subsection 90.20.50.c.

In establishing interagency receivables/payables, the accrual should be recorded as of the date goods and services are delivered. Refer to Subsection 90.20.25.

A reasonable estimated billing, in lieu of an actual amount, is an acceptable basis for recording the receivable/payable. However, payment should be made after receipt of the actual bill, not on an estimated billing.

The type of interagency payment used to liquidate an interagency accrual depends on the cash type of the accounts involved. Payments between treasury and treasury trust accounts are to be made using the most cost effective means available, for example an interagency payment (IAP). Refer to Subsection 85.36.20. Except as noted below, the accrual is deemed liquidated on the date the cash is credited to the receiving agency. If the payment is made by warrant or local fund check, the date recorded on the payment document is considered the date of liquidation.

Unless prior arrangements have been made between the billing agency and billed agency, interagency billings for services rendered as of June 30 are to be sent out by vendor agencies no later than the date listed in 90.20.05. If a vendor agency cannot produce actual billings by this date, the agency is to send out estimated billings and follow up with the actual bill as soon as possible. Estimated billings are to be clearly marked as estimates.

Actual billings received by customer agencies are to be accrued in GL Code 6505 “Accrued Expenditures/Expenses” by Phase 1 close in the concluding fiscal year, using Fiscal Month 99 or 25.

For a **biennial expenditure authority** at mid-biennium, expenditures related to estimated billings received by customer agencies are accrued in GL Code 6505 “Accrued Expenditures/Expenses” by Phase 1 close in the concluding fiscal year using Fiscal Month 99.

At the **end of an expenditure authority period**, expenditures related to estimated billings received by customer agencies are accrued in GL Code 6560 “Estimated Accrued Expenditures/Expenses” by Phase 1 close in the concluding fiscal year using Fiscal Month 99 or 25.

Disputed billings are treated as estimates whether based upon actual invoices or not. Disputed billings are to be paid when resolved.

Refer to the list of interagency contacts on OFM’s website at:  
<http://www.ofm.wa.gov/resources/yearend.asp>.

*ER reports to use: Accounting/Interagency & Interfund/Interagency payables and Accounting/Interagency & Interfund/Interagency receivables*

90.20.50.b

The following interagency payables **should not** be recorded using GL Codes 5154 or 5254. Instead the following GL Codes should be used:

GL Codes	GL Title	Description
5152	Due to Other Governments	Department of Retirement Systems withholdings for retiree medical insurance premiums due to Health Care Authority (HCA). HCA records it as GL Code 1352 “Due from Other Governments.”
5152	Due to Other Governments	Health Care Authority for the flexible spending administrative charge

**90**  
**State Reporting**

<b>GL Codes</b>	<b>GL Title</b>	<b>Description</b>
5152	Due to Other Governments	Department of Retirement Systems special billings for retirement contributions
5152	Due to Other Governments	Department of Transportation for Good to Go! Accounts
5152/1352	Due to Other Governments/Due from Other Governments	Amounts due to or due from state Agriculture Commodity Commissions
5158	Due to Dept. of Revenue – Taxes	Department of Revenue for sales and use taxes
5159/1359	Due to Primary Government/Due from Component Units	Amounts due to or due from discrete component units (refer to the list below)
5173/5273	Certificates of Participation Payable	Office of the State Treasurer for a COP liability
5180	Paid Family and Medical Leave Deductions Payable	Amounts due to the Employment Security Department for the employer and employee premiums and surcharges.
5187	Industrial Insurance and Medical Aid Deductions Payable	Department of Labor & Industries for worker's compensation

Amounts due to or from the following discrete component units are recorded as GL Code 5159 "Due to Primary Government" or GL Code 1359 "Due from Component Units," as follows:

<b><u>Component Units</u></b>	<b><u>Agency Code</u></b>
Washington Economic Development Finance Authority	1060
Washington State Housing Finance Commission	1480
Tobacco Settlement Authority	3040
Washington Higher Education Facilities Authority	3460
Washington Health Care Facilities Authority	5990
Washington Public Stadium Authority	7270

90.20.50.c When recording interagency receivables/payables with the State Board for Community and Technical Colleges (SBCTC) and the Community and Technical Colleges (CTCs), use the following subsidiary GL codes:

<b>Agency Name</b>	<b>Agency Code</b>	<b>Use Subsidiary GL Code</b>
Community and Technical Colleges	6050 to 6960	6990xx*
State Board for Community and Technical Colleges	3520	699000

\* Where xx is the second and third numbers of the 4 digit agency code for the specific community or technical college. Refer to Subsection 75.20.10.

**90.20.55**      **Accounting estimates**

June 1, 2016

90.20.55.a An accounting estimate is an approximation of an expenditure/expense, revenue, or other financial statement element. Accounting estimates are included in the state's accounting records because of the following:

1. The measurement of some amounts or the valuation of some financial statement element may be uncertain, pending the outcome of future events.
2. Relevant data concerning events that have already occurred cannot be accumulated on a timely, cost-effective basis.

90.20.55.b Agencies are responsible for making the accounting estimates to be included in their accounting records. Estimates are based on subjective as well as objective factors. These decisions are normally based on knowledge and experience of past and current events, assumptions about conditions expected to exist, and courses of action expected to be taken.

90.20.55.c Agencies are responsible for establishing a process for preparing accounting estimates. The process normally consists of the following:

1. Identifying situations for which accounting estimates are required.
2. Identifying the relevant factors that may affect the accounting estimate.
3. Accumulating relevant, sufficient, and reliable data on which to base the estimate.
4. Developing assumptions that represent management's judgment of the most likely circumstances and events with respect to the relevant factors.

5. Determining the estimated amount based on the assumptions and other relevant factors.

Once an agency has determined the accounting estimate amount, they must record the accounting estimate in accordance with state accounting policies.

*ER report to use: Accounting/Estimated Accrued Expenditures/Expenses (GL 6560) Review*

**Note:** If the actual amount becomes known prior to Phase 2 close, the expenditure estimate recorded in GL Code 6560 “Estimated Accrued Expenditures/Expenses” should be reversed and the actual amount should be recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

**90.20.60**

June 1, 2016

**Interfund accruals**

Interfund receivables and payables, GL Codes 1353 and 5153, 1653 and 5253, 1355 and 5155, and 1350 and 5150, are required to be in balance at the agency level at fiscal year-end. For the University of Washington only, GL Codes 1667, 5167, and 5267 are also required to be in balance at the agency level at fiscal year-end.

Interfund accruals should be established when goods and/or services are delivered. When payment of an interfund payable is made by interfund transfer (IFT) or journal voucher (JV), the accrual is considered liquidated on the date that the cash is credited to the receiving fund. If payment is made by warrant or local check, the date recorded on the payment document is considered the date of liquidation.

*ER reports to use: Accounting/Interagency & Interfund/Interfund Receivables/Payables and Accounting/Interagency & Interfund/Pooled Cash and Investments Due to/Due from Other Funds (GLs 1355 and 5155)*

**90.20.62**

June 1, 2016

**Fund balance**

Agencies are responsible for reviewing the fund balance general ledger (GL) codes in AFRS of the governmental fund type accounts to which they post activity and reclassifying as appropriate. Each account is designated a closing GL code within the classifications of: nonspendable, restricted, committed, assigned or unassigned. Refer to Subsection 75.40.20 for a description of these GL codes. A portion of the residual activity balance may be more appropriately reported in a fund balance GL code in a



classification other than that of the designated closing code. Refer to Subsection 75.30.50 for the closing GL code for each account. If questions exist regarding fund balance classification, contact your assigned OFM Accounting Consultant.

Refer to Subsection 90.30.90 for an illustrative entry.

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**90.20.65**

June 1, 2016

**Agency fund type accounts**

Agency fund type accounts are custodial in nature and do not report operations or fund balance. At fiscal year-end, these accounts only report assets and liabilities existing as of June 30.

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**90.20.70**

June 1, 2016

**Adjustment and reconciliation activity**

90.20.70.a

Phase 2 is the final opportunity for state agencies to enter adjustments for the concluding fiscal year before the data is provided to the SAO for final audit and released as the unaudited fiscal year activity.

Agencies are to review their data to ensure that assets and liabilities are properly and completely stated, and that revenues and expenditures/expenses are accurately reflected and recorded in the proper period using the correct coding. GL codes with subsidiary accounts must be reconciled to the subsidiary records.

90.20.70.b

Journal vouchers are used for adjusting entries posted during Phase 2 for Fiscal Month 99 or 25. Journal vouchers must include the biennium and fiscal month to which they pertain.

Examples of types of activities to perform and adjustments to make are as follows:

1. **Amortization of a deferred inflow or outflow (gain/loss) on debt refunding – proprietary fund type accounts.** In proprietary fund type accounts only, amortize the deferred inflows and outflows on a bond refunding recorded in GL Code 5268 “Deferred Inflow on Bond Refunding” or GL Code 1972 “Deferred Outflow on Bond Refunding.” For COP (Certificate of Participation) refundings, GL Code 5266 “Deferred Inflow on COP Refundings” or GL Code 1971 “Deferred Outflow on COP Refundings” are used if material. Record the amortization in GL Code 6512 “Amortization Expense” using Subsubject WB “Amortization.” Refer to Subsection 85.72.20.d for bonds, and 85.72.40.f and 85.85.52.b for COPs.

2. **Capital asset/accumulated depreciation reconciliation.** Reconcile the balances in GL Code series 2XXX “Capital Assets” in AFRS with the balances for capital assets in the Capital Asset Management System (CAMS) or other authorized capital asset subsidiary system. An adjusting entry is required when the balance in AFRS does not agree with the reconciled balance. Refer to Subsections 30.20.95, and 90.20.15.f.

**Separately record additions, deletions, and adjustments to capital assets and accumulated depreciation occurring during the year. Adjusting entries to capital assets and accumulated depreciation are not to be netted.** Subsection 85.60.60 contains the procedures for adjusting capital assets.

3. **Certificates of Participation (COP) payable review.** Review and adjust GL Codes 5173 and 5273 “Certificates of Participation Payable” to ensure that year-end balances are correct and agree with balances maintained by OST. **Transactions to record increases to the COP liability accounts are to be recorded separately from decreases, not netted.** Record in GL Code 5173 the COP principal amount payable in the next fiscal year.

For governmental fund type accounts, ensure that the amount of all new Certificates of Participation (COPs) recorded in Subsidiary Account 999 agrees to amounts reported in the governmental fund type accounts in GL Code 3221 “Other Financing Sources” and Revenue Source Code 0807 “Certificates of Participation” and GL 3210 “Cash Revenues” and Revenue Source Code 0854 “Refunding COPs Issued.” Refer to Subsections 85.85.45 and 85.85.50.

For proprietary fund type accounts, increases in GL Codes 5173 and 5273 should equal the par amount of the new COP.

*ER report to use: Accounting/Exceptions/COPs and Capital Leases – Governmental Accounts*

4. **Depreciation adjustment.** Record depreciation using the procedures contained in Subsection 85.60.40.

*ER report to use: Accounting/Depreciation Expense and Increase in Allowance for Depreciation Review*

5. **Expenditures within appropriations review.** Review expenditures to ensure that appropriations have not been overspent.

*ER report to use: Accounting/Budget/Appropriations Overspent*

6. **Fund balance review.** Review the balances in fund balance GL codes in governmental fund type accounts to ensure appropriate classification and compliance with order of spending policies. Refer to Subsections 80.30.65 and 90.20.62.

Additionally, the balances in the following sets of GL codes are to net to zero:

**Governmental fund type accounts only:**

**Inventory:**

- 1410 Consumable Inventories, and
- 9120 Nonspendable Consumable Inventories

*ER report to use: Accounting/Exceptions/Consumable Inventory for Governmental Accounts*

**All accounts – encumbrances – biennial expenditure authority – mid-biennium:**

- 6410 Encumbrances, or
- 9514 Reserved for Encumbrances for Continuing Operating Expenditure Authority, and
- 9510 Reserved for Encumbrances

(Refer to Subsection 90.20.35.c)

*ER report to use: Accounting/Exceptions/Encumbrances by Account and Program*

**All accounts – encumbrances – capital appropriations at end of biennium:**

- 9513 Reserved for Encumbrances for Reappropriated Capital Appropriations, and
- 9510 Reserved for Encumbrances

(Refer to Subsection 90.20.40.d)

**Exception situations:**

**Inventories** - In governmental fund type accounts, donated commodities, such as immunization supplies, are recorded in GL Code 1415 “Donated Inventories” and are offset by GL Code 5190 “Unearned Revenues.” Refer to Subsection 85.56.40 Accounting for Donations of Consumable Inventories.

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**Receivables** - In governmental fund type accounts, GL Codes 9131 “Nonspendable Receivables – Long-Term” and the long-term 16XX “Receivables” are to agree, with one exception: there is to be no reserve if the long term receivable is offset by GL Code 5292 “Unavailable Revenues – Long-Term” or other 52XX long term liability GL codes.

*ER report to use: Accounting/Exceptions/Long-Term Receivables/Payable for Governmental Accounts*

**7. General ledger balance review.**

**Agencies** are to review and reconcile asset, liability and equity general ledger accounts.

*AFRS reports to use: daily in process report, daily error report*

*ER reports to use:*

*Agencies:*

*Accounting/Agency Trial Balance*

*Accounting/Exceptions/General Ledger Accounts with Unchanged Balances*

*Accounting/Exceptions/Questionable Balance – Assets and Deferred Outflows of Resources*

*Accounting/Exceptions/Questionable Balance – Liabilities and Deferred Inflows of Resources*

**Administering agencies** are to review asset, deferred outflows of resources, liability, deferred inflows of resources, and equity balances for the accounts they administer for reasonableness. If adjustments are required, administering agencies are to contact the other agencies involved. Agencies contacted are to make the requested adjustments in AFRS, or if necessary, have the agency's assigned OFM Accounting Consultant assist with making the adjustment in AFRS. Refer to Subsection 80.10.90.

*Administering Agencies:*

*Above reports plus Administering Agency/Administering Agency Trial Balance.*

- 8. In-process review.** Review the AFRS daily unbalanced in-process and error reports. Agency documents listed on those reports for the concluding fiscal year should be researched and cleared as soon as possible.

*ER report to use: Accounting/Exceptions/Clearing Accounts Review (GL 9910 and 9920)*

9. **Interagency reimbursements (Object S) elimination.**

**Budgeted proprietary fund type accounts** - Normally, payments received by proprietary fund type accounts for goods and services are recorded as revenue with appropriate revenue source codes (refer to Subsection 90.30.70.b for an illustrative entry). However, in the case of budgeted proprietary fund type accounts, interagency reimbursements are recorded for budgetary purposes as credits to expense using Object S. These cases require additional entries to record revenue and to eliminate expenditure reductions for GAAP reporting. Record revenue by crediting GL Code 3225 “Revenue Adjustments/Eliminations (GAAP)” with appropriate revenue source codes and record the expenditure recovery elimination by debiting GL Code 6525 “Expense Adjustments/Eliminations (GAAP),” with appropriate subobjects within Object S. The GAAP adjustment accounts, GL Codes 3225 and 6525, are not recognized for budgetary reporting. For GAAP reporting purposes, interagency reimbursements are reflected as revenues since the two expense GL Codes, 6510 and 6525, offset each other. Refer to Subsection 85.90.60.b for further information and to Subsection 90.30.70.a for illustrative entries.

*ER report to use: Accounting/Exceptions/Expense Elimination for Proprietary Accounts*

**Other accounts** - Record Object S “Interagency Reimbursements” received by accounts other than budgeted proprietary fund type accounts as normal reimbursements of expenditures by crediting GL Code 6510 “Cash Expenditures/Expenses” using Object S with appropriate subobjects. Refer to Subsection 90.30.70.c for an illustrative entry.

*ER report to use: Accounting/Exceptions/Object S Debit Exceptions*

10. **Interagency and intra-agency reimbursements reallocation (Unidentified Subobjects SZ & TZ).** Allocate balances in Interagency and Intra-agency Reimbursements - Unidentified (Subobjects SZ and TZ) to the appropriate subobject level under Objects S and T.

*ER report to use: CAFR/Exceptions/Objects SZ and TZ Not Redistributed*

11. **Interagency and interfund receivables and payables in fiduciary funds.** Fiduciary funds may not report assets or liabilities that belong to the state itself. Accordingly, interagency and interfund receivables and payables in fiduciary fund type accounts (e.g. Account 035) must be eliminated for financial reporting purposes and the related asset or liability reported in the appropriate account. Interagency and interfund receivable and payable balances in fiduciary fund type accounts should be zero at June 30.
12. **Inventory adjustments.** If the inventory balances (GL Code series 14XX) in AFRS do not agree with the physical count at June 30, an adjusting entry is necessary to reflect the proper balances. Section 85.56 lists the procedures to make inventory adjustments.

*ER reports to use: Accounting/Agency Trial Balance or Accounting/General Ledger Account Analysis Flexible*

13. **Investment review.** Review investments (GL Code series 12XX) for compliance with the investment valuation policies presented in Section 85.52. Generally, non-participating interest earning investments (e.g., non-negotiable certificates of deposit with redemption terms that do not consider market rates) are to be recorded at cost; all other short-term investments are to be recorded at amortized cost; and non-current investments are to be recorded at fair value.
14. **Leave payable adjustments.** Review and adjust leave payables as necessary to ensure correct year-end balances in compliance with Governmental Accounting Standards Board (GASB) Statements 16 and 34. Transactions to record increases and decreases are to be recorded separately, not netted. Refer to Subsections 85.72.50 through 85.72.65.
  - GL Codes 5125 and 5225 Accrued Vacation Leave Payable
  - GL Codes 5127 and 5227 Accrued Sick Leave Payable
  - GL Codes 5128 and 5228 Accrued Compensatory Time Payable

Vacation leave payable is to include both the dollar value of the vacation leave due employees *and* the employer's share of the associated payroll related payments; e.g., Social Security and Medicare taxes.

A liability for sick leave is to be accrued for the estimated amount that will be paid to employees as sick leave buy-out upon retirement. No liability is accrued for the estimated dollar value of allowed time off.

The sick leave accrual is to include the dollar value of the estimated amount that will be paid in cash and the employer's share of the associated payroll related payments; e.g., Social Security and Medicare taxes (pension is not paid on sick leave buy-out).

Using the assumption that employees are currently taking the leave that they most recently earned (last in, first out), and given that accrued vacation and sick leave generally increase year to year, the long-term designation (GL Codes 5225 and 5227) is generally appropriate. Under this assumption, vacation and sick leave liabilities would be classified short term only when special circumstances exist, such as a significant number of retirements or terminations (resulting in unusually high vacation and sick leave buy-out) are expected in the next year.

Compensatory time payable is to include both the dollar value of the compensatory time due employees and the employer's share of the associated payroll related payments; e.g., pension and Social Security and Medicare taxes.

Additionally, review shared leave activity to ensure that it is recorded in both the accounting and payroll systems in such a way as to allow for statewide reporting of shared leave activity. Refer to Subsection 85.34.20 for procedures for making accounting entries.

*ER reports to use: Accounting/Agency Trial Balance or Accounting/General Ledger Account Analysis Flexible*

15. **Long-term obligations review.** Record “Long-Term Obligations” for governmental fund type accounts (GL Code series 52XX) in Account 999 “General Long-Term Obligations Subsidiary Account.” In proprietary and trust fund type accounts, long-term obligations are recorded directly in the accounts. For all long-term obligations, ensure that the amount due in the next year is recorded in the short-term GL Code series 51XX. Refer to Section 85.72.

**Transactions to record increases to individual liability accounts are to be recorded separately from decreases, not netted.**

For governmental fund type accounts, ensure that the amount of all new capital leases recorded in the Subsidiary Account 999 agrees to amounts reported in the governmental fund type accounts in GL Code 3221 “Other Financing Sources” with Revenue Source Code 0809 “Capital Leases.” Refer to Subsection 85.72.30.b.

*ER report to use: Accounting/Exceptions/COPs and Capital Leases – Governmental Accounts*

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Long-term obligations other than bonds, leases, and COPs related to the acquisition of capital assets (purchased or constructed) should be reported in GL 5298 “Other Obligations – Capital Related”.

16. **Pollution remediation obligations.** Record pollution remediation obligations (GL Code 5287) for governmental fund type accounts in Account 999 “General Long-Term Obligations Subsidiary Account.” In proprietary and trust fund type accounts, pollution remediation obligations are always fund liabilities. They are separated into short-term liabilities (e.g., accounts payable, claims and judgments payable, or accrued salaries) using appropriate general ledger codes and long-term liabilities using GL Code 5287 “Pollution Remediation Obligation.” Refer to Subsection 85.74.50.

**Transactions to record increases are to be recorded separately from decreases, not netted.**

The balance recorded in GL Code 5287 in Account 999 “General Long-Term Obligations Subsidiary Account” must match the total amount shown as “reportable” on the Site Status Report. In proprietary and trust fund type accounts, the total amount shown as “reportable” on the Site Status Report must equal the pollution remediation obligation amounts recorded in GL Code 5287 plus the appropriate short-term GL code(s).

If applicable, the Site Status Report is due on Phase 1B close, and a copy is required to be submitted with the Financial Disclosure Certificate. Refer to Subsections 90.40.75 question 6 and 90.40.95.

17. **Merchandising activity review for proprietary accounts.** Review inventory, sales revenue and cost of goods sold GL codes for reasonableness. Expenses coded to Object F “Cost of Goods Sold,” must be accompanied by an equal or greater amount coded to Revenue Source Code 0450 “Sales of Goods and Supplies – Proprietary Funds.” Refer to Subsection 85.56.30.

*ER report to use: Accounting/Merchandising Activity - Proprietary Accounts*

18. **Object T adjustments.** Total Object T “Intra-Agency Reimbursements” are to be reviewed to ensure that they are in balance (net to zero) at the subobject level for all accounts within the following GL Codes:
- 6505 Accrued Expenditures/Expenses
  - 6510 Cash Expenditures/Expenses



- 6560 Estimated Accrued Expenditures/Expenses

**Budgeted proprietary fund type accounts** - In the case of budgeted proprietary fund type accounts, intra-agency reimbursements are recorded as a credit to expense using Object T.

Therefore, an adjustment is required to record revenue by crediting GL Code 3225 “Revenue Adjustments/Eliminations (GAAP)” with an appropriate revenue source code and debiting GL Code 6525 “Expense Adjustments/Eliminations (GAAP)” Object T. Only in the case of GL Code 6525 transfers is there no corresponding Object T offset. Refer to Subsection 85.90.60.a for further information and to Subsections 85.95.50 and 90.30.80.a for illustrative entries.

*ER report to use: Accounting/Exceptions/Object T for Proprietary Accounts*

**Other accounts** - Record Object T “Intra-Agency Reimbursements” received by accounts other than budgeted proprietary fund type accounts as a reduction of expenditures. Refer to Subsection 90.30.80.c for an illustrative entry.

*ER report to use: Accounting/Exceptions/Object T Elimination*

19. **Prior period adjustments review.** Review Prior Period Adjustments to ensure that they are in compliance with Subsection 90.20.15. Debits to Revenue Source Code 0485 “Immaterial Prior Period Adjustments” are generally not appropriate and require the approval of the agency’s assigned OFM Accounting Consultant.

*ER report to use: Accounting/Prior Period Adjustment Activity*

20. **Private/local revenue/expenditure balancing.** Private/local revenues and expenditures should balance at the account level for budgeted accounts, Expenditure Authority types 7 “Private/Local” and 9 “Private/Local – Unanticipated” and Revenue Source Code series 05XX. Refer to Subsection 75.80.10.

*ER report to use: Accounting/Exceptions/Private/Local Revenue/Expenditures*

21. **Receivable adjustments and reconciliation.** Report receivables as the net amount expected to be collected. An adjusting entry to the related GL Code series 134X “Allowance for Uncollectible Receivables” accounts may be required to properly reflect the net estimated realizable value of the receivables. Subsection 85.54.55 describes the

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**State Reporting**

procedures to be followed in making the adjustments and Subsection 85.65.32 shows an illustrative entry.

Receivables should be reconciled to subsidiary systems and/or records if applicable. Refer to Subsection 85.54.65.

22. **Revenue Source Code series 09XX reclassification.** Reclassify Revenue Source Code series 09XX to the appropriate asset, liability, revenue, or expenditure/expense account. Refer to Subsections 75.80.20 and 85.20.30.

*ER report to use: Accounting/Exceptions/Major Source 09 (Non-Revenues) to be Redistributed*

23. **Revenue source code elimination for debt transactions in budgeted proprietary fund type accounts.** In budgeted proprietary fund type accounts only, eliminate Revenue Source Codes 0611 and 0612 as well as 0850 through 0865 adjusting them through GL Code 3225 “Revenue Adjustments/Eliminations (GAAP)” to the appropriate liability account. Refer to Subsection 85.85.30.e.

24. **Suspense Account (Account 01P) review.** At fiscal year-end all GL codes in Account 01P must be reviewed and cleared out if appropriate. Refer to Subsection 85.20.60.

*ER report to use: Accounting/Agency Trial Balance*

25. **Transfer balancing.** Transfers (Revenue Source Codes 0484 and 06XX, and Object M) are to be in balance (i.e., net to zero) at the agency level. Refer to Subsection 85.90.50.

*ER report to use: Accounting/Transfers*

26. **Travel advances outstanding reclassification.** Travel advances recorded in GL Code 1383 “Travel Advances” should agree to the agency’s underlying documentation by employee. Refer to Subsections 85.54.44 and 10.80.60.

27. **Unavailable and unearned revenue review.** Review unavailable revenues recorded in governmental fund type accounts (GL Codes 5192 and 5292) and unearned revenues recorded in both governmental and proprietary fund type accounts (GL Codes 5190 and 5290). Refer to Subsections 85.70.40, 85.70.45, and 90.20.20.

*ER reports to use: Accounting/Agency Trial Balance or Accounting/General Ledger Account Analysis Flexible*

90.20.70.c

**Federal revenue/expenditure balancing**

Federal assistance financial information required to be reported on the Schedule of Expenditure of Federal Awards (SEFA) should be reconciled

and adjusted, as needed, and posted to AFRS during Phase 2. For further information, refer to Chapter 95.

90.20.70.d

**Disclosure form information should be accurately recorded in AFRS**

State disclosure forms must be completed by the due dates detailed in Subsection 90.40.10.

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**90.20.80**  
June 1, 2016

**Office of Financial Management analysis and CAFR preparation**

90.20.80.a

Following the close of Phase 2, OFM analyzes the balances in AFRS and the information collected through the disclosure form application for reasonableness. State agencies are not allowed to make entries into AFRS after Phase 2 close unless approved by OFM.

90.20.80.b

OFM prepares the CAFR in accordance with generally accepted accounting principles and works with the State Auditor's Office (SAO) throughout the CAFR audit.

90.20.80.c

Once the SAO issues their opinion on the state's CAFR, AFRS data is considered final and will be used by the state for all subsequent fiscal year reports. This includes budgetary control reporting and preparation of biennial budget requests.

90.20.80.d

Agencies preparing and/or publishing agency financial statements are to use the final audited AFRS data. Refer to Subsection 90.10.60.

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**90.20.90**  
June 1, 2016

**State Auditor's Office audit**

90.20.90.a

During the fiscal year end cut-off process, SAO may recommend **material** adjustments to agencies' balances. Agencies are to review these recommended adjustments and notify their assigned OFM Accounting Consultant of the adjustments promptly.

90.20.90.b

All audit adjustments are recorded on a journal voucher form or equivalent toolbox entry, assigned a current document number by the audited agency, indicating the applicable biennium and fiscal month, and signed by the audited agency's fiscal officer indicating agreement or disagreement. Agencies are to cooperate with and assist the auditor, to ensure the audit adjustment journal voucher is complete and accurately prepared.

90.20.90.c

Agencies are to submit SAO audit adjustments to OFM promptly. SAO audit adjustments are to be reviewed by the agency's assigned OFM Accounting Consultant. If appropriate, OFM will post the recommended adjustments in AFRS.



## 90.30 Fiscal Year-End Cut-Off Illustrative Entries

### 90.30.10

June 1, 2016

### These entries are for illustrative purposes

The following entries illustrate the recording of year-end financial transactions. These entries are for illustrative purposes **only** and should **not** be considered all-inclusive.

Entries posted to GL Code series 71XX “In-Process” in treasury and treasury trust accounts also require an entry from the Office of the State Treasurer (OST) to clear the In-Process GL codes, as illustrated below.

	<b>Dr.</b>	<b>Cr.</b>
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

This OST entry would be reversed for In-Process debit amounts.

### 90.30.20

June 1, 2016

### Cash revenues

90.30.20.a

To record cash revenues earned and received during the fiscal year (between July 1 and June 30) and **deposited** in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30. Refer to Subsections 85.20.10 and 90.20.10.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

90.30.20.b

To record cash revenues earned and **received by June 30** and recorded by the AFRS June cut-off, but not deposited/receipted in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30.

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**State Reporting**

**90.30.30**

<b>Operating agency - concluding fiscal year:</b>	<b>Dr.</b>	<b>Cr.</b>
Undeposited Local Cash (1120) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx
 <b>OST - ensuing fiscal year - for treasury accounts:</b>	 <b>Dr.</b>	 <b>Cr.</b>
Current Treasury Cash Activity (OST Only) (4310)	xxx	
Receipts In-Process (7110) or Journal Vouchers In-Process (7140)		xxx
 <b>Operating agency - ensuing fiscal year - for local accounts:</b>	 <b>Dr.</b>	 <b>Cr.</b>
Cash in Bank (1110)	xxx	
Undeposited Local Cash (1120)		xxx

**90.30.30**

June 1, 2016

**Material prior period adjustments**

**Material prior period adjustment entries have the effect of adjusting beginning fund balance/equity. These entries must be submitted to the OFM Accounting Consultant assigned to the agency for approval and entry. Full footnote disclosure must accompany these adjustments.**

90.30.30.a To record **material** prior period adjustments to beginning real account balances (equity). Refer to Subsection 90.20.15.a.

<b>Office of Financial Management:</b>	<b>Dr.</b>	<b>Cr.</b>
GL Code to be Adjusted (XXXX)	xxx	
Prior Period Material Corrections (OFM Only) (9720)		xxx

90.30.30.b To record **material** prior period adjustments to the Subsidiary Accounts 997 and 999, debit and credit adjustments are offset to GL Code 9910 "Current Period Clearing Account (Subsidiary Accounts Only)." Refer to Subsection 90.20.15.b.

For purposes of this example, assume that an agency discovers that \$5.0 million of equipment, with associated allowance for depreciation of \$4.4 million, remains in the Capital Assets Subsidiary Account 997 long after the equipment has become obsolete and effectively retired.

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**State Reporting**

	<b>Dr.</b>	<b>Cr.</b>
<b>Office of Financial Management:</b>		
Allowance for Depreciation (2420)	4.4M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)	.6M	
Furnishings and Equipment (2410)		5.0M
Investment in Capital Assets (9850)	.6M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)		.6M

**Note:** The ending balance in GL Code 9910 must be zero.

**90.30.35**

June 1, 2016

**Immaterial prior period adjustments and corrections**

90.30.35.a

To write off an unliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in the amount of \$20,000 and received actual bills in the subsequent fiscal year totaling \$19,500. The residual balance of \$500 in GL Code 5111 “Accounts Payable” should be adjusted through GL Code 3215 “Immaterial Adjustments to Prior Periods,” Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures.” Refer to Subsection 90.20.45.

	<b>Dr.</b>	<b>Cr.</b>
Accounts Payable (5111)	500	
Immaterial Adjustments to Prior Periods (3215)		500
Revenue Source Code (0486) “Recoveries of Prior Expenditure Authority Expenditures”		

90.30.35.b

To clear an overliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in a prior year in the amount of \$10,000 and received actual bills in the subsequent year totaling \$12,000. The balance (\$2,000) in excess of the estimated accrual is a current year expenditure and, if the account involved is appropriated, the expenditure may be a belated claim. Refer to Subsections 90.20.15.e and 85.40.10.

	<b>Dr.</b>	<b>Cr.</b>
Accounts Payable (5111)	10,000	
Cash Expenditures/Expenses (6510) (with appropriate subobject)	2,000	
Warrants/ACH Payments In-Process (7120)		12,000

**90**  
**State Reporting**

**90.30.35**

90.30.35.c To record the recovery of an expenditure charged against a prior period expenditure authority. For purposes of this example, assume that an agency paid their electric bill in the amount of \$5,000. In the subsequent fiscal year the agency received a refund for an energy credit in the amount of \$500. The \$500 is recorded in the current fiscal year using GL Code 3210 “Cash Revenues” with Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures.” Refer to Subsection 90.20.15.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or	500	
Receipts In-Process (7110)		
Cash Revenues (3210) Revenue Source Code		500
(0486) “Recoveries of Prior Expenditure Authority Expenditures”		

90.30.35.d To adjust a receivable that was overestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of \$25,000 and in the subsequent year received payment in full of \$20,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	<b>Dr.</b>	<b>Cr.</b>
Accrued Revenues (3205) (with appropriate source code)	5,000	
Accounts Receivable (1312)		5,000

90.30.35.e To adjust a receivable that was underestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of \$20,000 and in the subsequent year received payment in full of \$30,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	<b>Dr.</b>	<b>Cr.</b>
Accounts Receivable (1312)	10,000	
Accrued Revenues (3205) (with appropriate source code)		10,000

90.30.35.f To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that equipment cost is understated in AFRS by \$10,000. Refer to Subsection 90.20.15.f. If the agency discovers that the equipment cost is overstated, the entry would be reversed.

	<b>Dr.</b>	<b>Cr.</b>
Furniture and Equipment (2410)	10,000	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subobject WF “Capital Asset Adjustment”		10,000

90.30.35.g To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is understated in AFRS by \$7,500. Refer to Subsection 90.20.15.f.

	<b>Dr.</b>	<b>Cr.</b>
Depreciation/Amortization Expense (General Capital Assets Subsidiary Account Only) (6591) Subobject WA “Depreciation/Amortization”	7,500	
Allowance for Depreciation – Furnishings and Equipment (2420)		7,500

90.30.35.h To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is overstated in AFRS by \$8,500. Refer to Subsection 90.20.15.f.

	<b>Dr.</b>	<b>Cr.</b>
Allowance for Depreciation – Furnishings and Equipment (2420)	8,500	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subobject WF “Capital Asset Adjustment”		8,500



**90.30.40**  
June 1, 2016

**Accrued, unavailable and unearned revenues**

90.30.40.a

To record revenues earned but not received by June 30. Refer to Subsection 90.20.20.

	<b>Dr.</b>	<b>Cr.</b>
Appropriate Receivable GL Code (13XX)	xxx	
Accrued Revenues (3205) (with appropriate revenue source code)		xxx

90.30.40.b

To record receipt of accrued revenues in the **ensuing fiscal year** and deposit in the State Treasury (for treasury accounts) or a local bank account (for local accounts). Refer to Subsection 90.20.20.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts in-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Appropriate Receivable GL Code (13XX)		xxx

**Note:** For revenue accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued revenue - debit GL Code 3205 “Accrued Revenues,” and credit GL Code 3210 “Cash Revenues” in the second fiscal year.

90.30.40.c

To record a long-term receivable in a governmental fund type account for revenue which meets the asset recognition criteria but is not expected to be collected within one year. Refer to Subsection 90.20.20.e.

	<b>Dr.</b>	<b>Cr.</b>
Appropriate Long-term Receivable GL Code (16XX)	xxx	
Unavailable Revenues (5292)		xxx

90.30.40.d

To record the receipt of cash or to record a receivable for which the earnings process is not yet complete. Refer to Subsection 90.20.20.f

	<b>Dr.</b>	<b>Cr.</b>
Appropriate Cash or In-Process GL Code (1110) or (71XX) or Appropriate Receivable GL Code (13XX) or (16XX)	xxx	
Unearned Revenues (5190) or (5290)	xxx	xxx

**90.30.50**

June 1, 2016

**Vendor payment transactions**

Refer to Subsection 85.36.20 for information on payment methods available to state agencies.

- 90.30.50.a To record cash expenditures/expenses for goods and services received and **paid for** during the fiscal year (prior to June 30). Refer to Subsection 90.20.10.

	<b>Dr.</b>	<b>Cr.</b>
Cash Expenditures/Expenses (6510) (with appropriate subobject)	xxx	
Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120) or Journal Vouchers In-Process (7140)		xxx

- 90.30.50.b To record the accrual of actual expenditures/expenses for goods and services received but **not paid for by June 30**. Refer to Subsections 90.20.25 through 90.20.40.

	<b>Dr.</b>	<b>Cr.</b>
Accrued Expenditures/Expenses (6505) (with appropriate subobject)	xxx	
Appropriate Payable GL Code (51XX)		xxx

- 90.30.50.c To record payment of accrued expenditures/expenses in the **ensuing fiscal year**.

This entry is system generated in AFRS agencies when using payment-producing transaction codes:

	<b>Dr.</b>	<b>Cr.</b>
Appropriate Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120) or Journal Vouchers In-Process (7140)		xxx

**Note:** For expenditures charged to a biennial expenditure authority accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued expenditure - debit GL Code 6510 "Cash Expenditures/Expenses," and credit GL Code 6505 "Accrued Expenditures/Expenses."

90.30.50.d To record the accrual of **estimated** expenditures/expenses for goods and services received but not paid for by June 30. Usually the invoice has not been received by Phase 1 close. Estimated expenditures/expenses may also be items for which you anticipate an invoice amount based upon expenditure trend information, such as regular quarterly invoices. Refer to Subsections 90.20.30 through 90.20.40 and 90.20.55.

<b>Concluding fiscal year at expenditure authority end:</b>	<b>Dr.</b>		<b>Cr.</b>
Estimated Accrued Expenditures/Expenses (6560) (with appropriate subobject)	xxx		
Appropriate Payable GL Code (51XX)			xxx

<b>Ensuing fiscal year:</b>	<b>Dr.</b>		<b>Cr.</b>
Appropriate Payable GL Code (51XX)	xxx		
Cash in Bank (1110) or			xxx
Warrants/ACH Payments In-Process (7120)			

**Note:** At the end of the first year, estimated accruals against biennial expenditure authorities are recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

**90.30.60 Encumbrance transactions**

June 1, 2016

90.30.60.a To record encumbrances for budgeted accounts during the fiscal year. Refer to Section 85.30 and Subsections 90.20.25 through 90.20.40.

	<b>Dr.</b>		<b>Cr.</b>
Encumbrances (6410)	xxx		
Reserved for Encumbrances (9510)			xxx

90.30.60.b To record liquidations of encumbrances for budgeted accounts when paid or accrued.

	<b>Dr.</b>		<b>Cr.</b>
Reserved for Encumbrances (9510)	xxx		
Encumbrances (6410)			xxx

90.30.60.c To record the **end-of-biennium** capital appropriation encumbrances for projects that has been **reappropriated** in the ensuing biennium. Refer to Subsection 90.20.40.d.

<b>Concluding fiscal year at biennium end:</b>	<b>Dr.</b>	<b>Cr.</b>
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)	xxx	
Encumbrances (6410)		xxx
<b>Ensuing fiscal year:</b>	<b>Dr.</b>	<b>Cr.</b>
Encumbrances (6410)	xxx	
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)		xxx

**90.30.70**  
June 1, 2016

**Interagency reimbursements (Object S)**

90.30.70.a To record an interagency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.b, 85.95.60 and 90.20.70.b.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)		xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SA (Salaries)	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SB (Benefits)	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)		xxx

90.30.70.b To record an interagency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

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**State Reporting**

**90.30.80**

90.30.70.c To record an interagency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)		xxx

**90.30.80**

June 1, 2016

**Intra-agency reimbursements (Object T)**

90.30.80.a To record an intra-agency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.a, 85.95.50 and 90.20.70.b.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Expenditures/Expenses (6510) Subobject TA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject TB (Benefits)		xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TA (Salaries)	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TB (Benefits)	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)		xxx

90.30.80.b To record an intra-agency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210)		xxx
(with appropriate revenue source code)		

90.30.80.c To record an intra-agency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	<b>Dr.</b>	<b>Cr.</b>
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject TA		xxx
(Salaries)		
Cash Expenditures/Expenses (6510) Subobject TB		xxx
(Benefits)		

**90.30.90**

June 1, 2016

**Fund Balance Reclassification**

To record a reclassification of fund balance. For purposes of this example, assume that bond proceeds are deposited in Account 064, that some proceeds remain unspent at year end and that the bond resolution restricts the use of the unspent proceeds. Per Subsection 75.30.50, Account 064 has a designated closing GL Code of 9310 “Committed for Higher Education.” In light of the bond resolution and the descriptions of the fund balance GL codes in Subsection 75.40.20, the agency determines that the unspent bond proceeds portion of the amount in GL Code 9310 should be reclassified to GL code 9230 “Restricted for Higher Education.” This entry increases the restricted fund balance GL code and decreases the committed fund balance GL code.

	<b>Dr.</b>	<b>Cr.</b>
Committed for Higher Education (9310)	xxx	
Restricted for Higher Education (9230)		xxx



## 90.40 State Disclosure Forms

### 90.40.10

June 1, 2019

#### 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](mailto:OFMAccounting@ofm.wa.gov).

Due Dates	Reporting Items
August 16, 2019	Phase 1B Close: <ul style="list-style-type: none"> <li>• Certain state disclosure forms*</li> <li>• Pollution Remediation site status report, refer to Subsection 90.40.75</li> <li>• Asset Retirement Obligation report, refer to Subsection 85.74.45</li> <li>• Interagency Receivable/Payable balancing, refer to Subsection 90.20.50</li> </ul>
August 30, 2019	Phase 2 Close - remaining state and all federal disclosure forms
September 11, 2019	Financial Disclosure Certification form
February 28, 2020	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
- Debt 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

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**State Reporting**

- Certificates of Participation Disclosure – OST
- Internal Control Questionnaire Disclosure
- Miscellaneous Disclosure

If your agency cannot complete some or all of the Phase 1B forms listed above by the due date, 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:

- Cash and Investments Restricted Disclosure
- Internal Control Questionnaire
- Miscellaneous Disclosure
- 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.



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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: \_\_\_\_\_

<b>State Disclosure Forms</b>	<b>SAAM</b>	<b>Required</b>	<b>Completed</b>
<b>Due August 16, 2019 - Phase 1B Disclosure Forms</b>			
Bond Debt by Major Class – Summary of Activity Disclosure	90.40.55		Yes / N/A
Debt 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	<b>Required</b>	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
Internal Control Questionnaire	90.40.80	<b>Required</b>	Yes
Miscellaneous Disclosure	90.40.75	<b>Required</b>	Yes
<b>Due August 30, 2019 - Phase 2 Disclosure Forms</b>			
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
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
<b>Due September 11, 2019 - Certification</b>			
Financial Disclosure Certification	90.40.95	<b>Required</b>	Yes

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**90.40.20**

June 1, 2017

**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**

**All agencies** are required to complete the Cash and Investments Restricted Disclosure form.

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

**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

**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	

**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	GL Code	Amount	Comment (optional)

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	GL Code	Amount	Describe the external restriction

### 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
<i>001 General Fund</i>	<i>1130 – Petty Cash</i>	<i>0</i>	<i>3,221</i>	<i>0</i>	<i>3,221</i>	<i>3,000</i>	<i>221</i>	<i>Outstanding checks</i>

+ 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**

<b>Account Code &amp; Title</b>	<b>GL Code &amp; Title</b>	<b>Insured or Collateralized</b>	<b>Uninsured Uncollateralized</b>	<b>Total</b>

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**90.40.30**

June 1, 2019

**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:

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

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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**90.40.35**  
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)



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**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	

**Capital Assets - Summary of Activity Disclosure – concluded**

<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:

---

**90.40.40**

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, 2017**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:

<b>Liability - Major Class</b>	<b>GL Codes</b>
Claims and judgments payable	5113, 5118, 5119, 5149, 5213, 5285, 5286
Leases	5172, 5272
Other obligations	5116, 5117, 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.*

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

**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.*

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
	Operating Leases	Capital Leases	Operating Leases	Capital Leases
2020	500,000			
2021	500,000			
2022				
2023				
2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
2040 – 2044				
2045 – 2049				
Total Future Minimum Payments	1,000,000			

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

**Lease Disclosure** – continued

<b>Reconciliation of Capital Leases to AFRS:</b>	<b>Governmental and Internal Service fund <u>type</u> <u>accounts</u>*</b>	<b>Enterprise fund type <u>accounts</u></b>
*Includes Account 999 General Long-Term Obligations Subsidiary Account		
	<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	<u>\$</u>	<u>\$</u>
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.

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

**Lease Disclosure** – concluded

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.

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
	Noncancelable Operating Leases	Capital Leases	Noncancelable Operating Leases	Capital Leases
2020				
2021				
2022				
2023				
2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
2040 – 2044				
2045 – 2049				
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)
<b>Total of GLs 5173/5273</b>								

#### 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
2020				
2021				
2022				
2023				
2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
2040 – 2044				
2045 – 2049				
Totals:				

<b>Reconciliation</b>			
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, 2019

**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

**Debt General Disclosure**

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

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:

<b>Debt Class</b>	<b>GL Codes</b>
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.

**90**  
**State Reporting**

- 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 2019 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 2019 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**

The state is required to disclose debt defeased in substance that remains outstanding, regardless of how the cash and monetary assets were acquired, in an advance refunding.

If your agency has performed your own bond debt refunding (not through OST) disclose the amount at June 30 of debt defeased in substance and the amount for which essentially risk-free monetary assets were substituted for not essentially risk-free monetary assets. The amounts disclosed should include any remaining prepaid insurance related to the extinguished debt.

### **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.

### Debt General Disclosure

Agency Code: \_\_\_\_\_ Agency Title: \_\_\_\_\_

#### 90.40.55.A Debt 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.

\$ \_\_\_\_\_

**Debt 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>	

4. Does your agency have direct borrowings or placements? (GASB 88)

Specifically, does your agency have:

- Unused lines of credit,
- Debt where assets were pledged as collateral
- Debt Agreements including terms related to significant:
  - Events with default with finance-related consequences
  - Termination events with finance-related consequences, and
  - Subjective acceleration clauses.

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please provide details.

---

**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?  
\$ \_\_\_\_\_
- What is the amount of General Revenue bond interest on these 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
2020				
2021				
2022				
2023				
2024				
2025 – 2029				
2030 – 2034				
2035 - 2039				
2040 - 2044				
2045 - 2049				
2050 - 2054				
2055 - 2059				
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.	
	<b>Amounts</b>
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.	
	<b>Amounts</b>
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> <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/>							

**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 bond principal reported in Table 1	_____
General revenue bond interest	_____
Subtotal	_____
Future revenue pledged amount from above	_____
Difference (should be zero)	_____
If there is a difference, provide an explanation below: <hr style="border: 0; border-top: 1px solid black; margin-top: 5px;"/>	

**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 your agency did not issue bonds this FY but question 1A or 1B prefills with AFRS data, input an explanation in the “Comment” field.

**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	2017A	10/1/2017	Pledged Revenue	No	No	Student Housing	1,000,000					
522	2018B	2/1/2018	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	2017C	9/1/2017	General Revenue	No	No	Housing & dining bonds	8,000,000				
252	R2018D	4/1/2018	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
2017C	900,000			Agency comment
R2018D	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**

Account the Bonds were recorded in AFRS	New Bond issue series name	Bond delivery date	Type of Bond	Purpose of the Bonds	New Bond series par amount per the official statement	Interest rate of the New Bonds
252	R2018D	4/1/2018	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	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**

- a. If applicable, in all periods following an advance refunding for which debt defeased in-substance, remains outstanding, regardless of how the cash and monetary assets were acquired, 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.

\$

- b. If applicable, in the period in which debt is defeased in-substance, regardless of how the cash and monetary assets were acquired, disclose the amount for which essentially risk-free monetary assets were substituted for not essentially risk-free monetary assets.

\$

- c. During the current fiscal year, did your agency place cash and other monetary assets acquired with only existing resources with an escrow agent in a trust for an in-substance defeasance?

No  Yes

If yes, provide the following information:

1. The difference between the reacquisition price and the net carrying amount of the debt, together with any deferred outflows of resources or deferring inflows of resources from prior refundings.
  2. A general description of the transaction including: the amount of the debt, the amount of cash and other monetary asset acquired with existing resources placed with an escrow agent, the reasons for the defeasance, the cash flows required to service the defeased debt.
- 

**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
<i>2018C</i>	<i>11/1/2018</i>	<i>General Revenue</i>	<i>No</i>	<i>No</i>	<i>Bookstore renovation</i>	<i>5,000,000</i>	<i>Agency comment</i>

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**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**

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

### 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:**

<b>Retirement Plan</b>	<b>Total Contributions</b>	<b>AFRS Total Contributions</b>	<b>Difference (Must be zero)</b>
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:

<b>Higher Education Retirement Plan (Defined Contribution Plan)</b>	
Covered Payroll	<input type="text"/>
Employer Contributions	<input type="text"/>
Member Contributions	<input type="text"/>
<b>Higher Education Supplemental Retirement Plan (Defined Benefit Plan)</b>	
Payments to Beneficiaries (current fiscal year)	<input type="text"/>
Notes/Comments	

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**90.40.75**  
June 1, 2019

**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/or idle.
6. Pollution remediation. The site status report is due at Phase 1B close.
7. Nonexchange financial guarantees.
8. Irrevocable split-interest agreements.
9. Asset retirement obligations

**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.

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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

- a. 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,
  - b. The policy for authorizing and spending investment income, such as a spending-rate or total-return rate, and
  - c. 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 (b) below.

Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state. State officials either serve on or appoint the members of the governing bodies and the state has the ability to influence the operations.

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

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

A blended component unit's governing body is substantively the same as the governing body of the primary government. It provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

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

Name of Entity

- c. 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

d. 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	

e. Are the above **segments** audited separately?

No \_\_\_\_\_ Yes \_\_\_\_\_

5. Does your agency have any **capital assets that were permanently impaired and/or idle** during the current fiscal year? 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.

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**Miscellaneous Disclosure** – continued

**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 30 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:	
First name	
Last name	
Phone number	
Email address	

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

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, provide the following information:

**Miscellaneous Disclosure** – continued

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).

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b. The total amount of all guarantees extended that are outstanding at June 30.

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**8. Irrevocable Split-Interest Agreements**

Irrevocable split-interest agreements are a specific type of giving arrangement used by donors to provide resources to two or more beneficiaries, including governments. They can be created through trusts or other legally enforceable agreements. Examples of irrevocable split-interest agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate (GASB 81).

Has your agency entered into any irrevocable split-interest agreements?

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please provide the following information:

Agency Contact Information:	
First name	
Last name	
Phone number	
Email address	

**9. Asset Retirement Obligations**

The Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*. An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. A legally enforceable liability has occurred when the liability is both incurred and reasonably estimable. Refer to **SAAM 85.74.45** for information about obligating events, benchmarks and liability measurement related to existing and potential pollution remediation obligations for which the state is responsible.

Existing laws and regulations, as well as contracts or court judgments, require governments to take specific actions to retire certain tangible capital assets, such as the decommissioning of nuclear reactors, removal and disposal of wind turbines in wind farms, certain asbestos removal, and removal and disposal of x-ray machines, when there is both an external obligating event and an internally obligating event.

**Miscellaneous Disclosure** – concluded

- a. Does your agency currently have any legally enforceable liabilities associated with the retirement of tangible capital asset(s)?

No \_\_\_\_\_ Yes \_\_\_\_\_

- b. Does your agency currently have a minority share (less than 50 percent) of ownership interest in an undivided interest arrangement that has a legally enforceable liability associated with the retirement of tangible capital asset(s)?

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes to 9a and/or 9b, please provide the following information:

Agency Contact Information:	
First name	
Last name	
Phone number	
Email address	

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**90.40.80**  
June 1, 2019**Internal control/internal audit questionnaire disclosure****General Instructions**

**All agencies** are required to complete the Internal Control/Internal Audit Questionnaire Disclosure form (90.40.80.A).

Information is required related to:

1. Internal control officer.
2. Risk assessment.
3. Internal audit program.

### Internal Control/Internal Audit Questionnaire Disclosure

Agency Code: \_\_\_\_\_

Agency Title: \_\_\_\_\_

#### 90.40.80.A Internal Control/Internal Audit Questionnaire Disclosure

1. **Internal Control Officer.** Who is your agency's internal control officer?

Please provide the following information:	
First name	
Last name	
Phone number	
Email address	

2. Please provide the date your agency's most recent risk assessment was completed and the period it covered:

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3. Does your agency have an internal audit program as defined in SAAM Chapter 22?

No                      Yes

If yes, please provide the following:

Internal Audit program contact information:	
First name	
Last name	
Phone number	
Email address	

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**90.40.95**

June 1, 2018

**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](mailto:OFMAccounting@ofm.wa.gov) by **September 11, 2019**.

## 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) We have provided you with unrestricted access to people you wish to speak with and made available requested and relevant information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.
  - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
- (2) We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
- (3) We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- (4) We have complied with all material aspects of laws, regulations, contracts, and grant agreements.
- (5) We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud. 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.
- (6) We have established adequate procedures and controls to safeguard public resources and ensure compliance with applicable laws and regulations.
- (7) We are responsible for designing and implementing programs and controls to prevent and detect fraud. We have no knowledge of any loss of public funds, illegal activity, loss of assets, or any, allegations of fraud or suspected fraud involving management or employees.

**Financial Disclosure Certification** – continued

- (8) Data has been recorded in the system to support proper recording of all material events and transactions in the financial statements.
- (9) We acknowledge our responsibility for providing support for fair presentation of the financial statements and for the financial statements to be fairly presented in conformity with generally accepted accounting principles in the United States of America.
- (10) We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
- (11) The data recorded for the financial statements properly classifies all funds and activities.
- (12) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and depreciated as applicable.
- (13) We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.
- (14) Revenues are appropriately classified by fund and account.
- (15) Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.
- (16) Net position components (net investment in capital assets, restricted and unrestricted) and fund balance components (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, as applicable, approved.
- (17) Significant assumptions we used in making accounting estimates are reasonable.
- (18) The following have been properly classified, reported and disclosed in the financial statements, as applicable:
  - a. Interfund, internal, and intra-activity and balances.
  - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - c. Joint ventures and other related organizations.
  - d. Guarantees under which the government is contingently liable.
  - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.
- (19) 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.



**Financial Disclosure Certification** – continued

- (20) 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.
- (21) 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.
- (22) 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.
- (23) 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.
- (24) 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.
- (25) 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, such as HIPPA, were made available to SAO.

**Financial Disclosure Certification** – concluded

- (26) We have completed all disclosure forms applicable to our agency’s accounts and activities.
- (27) No exceptions to the above certifications have occurred subsequent to June 30, 2019, and through the date of this certification, or if such conditions exist, their disclosure is **attached** to this certification.
- (28) 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
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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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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