



May 2023

2023 Fiscal Year-End Update

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OFM Statewide Accounting

OFM

OFFICE OF FINANCIAL MANAGEMENT



Agenda

- ACFR Completion Dates
- FY23 Closing Calendar
- To dos and Reminders
- GASB Updates
- Disclosure form Changes
- Federal Update
- Resources
- Leases, SBITAs, PPPs

ACFR Completion Dates

The Fiscal Year 2022
Annual Comprehensive
Financial Report
was published on
December 20, 2022

The goal for publishing the
Fiscal Year 2023
Annual Comprehensive
Financial Report is
November 29, 2023

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State of Washington
Office of Financial Management
December 2022



THANK YOU

We appreciate the time and effort of our state fiscal staff at all agencies and the State Auditors Office ACFR team for helping us meet our ACFR timeline

FY23 Closing Calendar



FY23 Closing Calendar

June 30 th	Cash Cut-off <ul style="list-style-type: none">• AFRS EFTs – June 29 by 12 p.m.• Warrants and IAP/IFT – June 29 by AFRS cutoff• JVs and cash receipts – June 30 by 3 p.m.
July 10 th	Disclosure Form Application Opens
July 24 th	Interagency billings mailed
July 31 st	Phase 1 Closes <ul style="list-style-type: none">• Record all revenue and expenditure accruals
August 18 th	Phase 1B Closes <ul style="list-style-type: none">• Interagency receivable/payables balancing due• Certain state disclosure forms due• Pollution remediation site status report due• Asset retirement obligation report due
September 1 st	Phase 2 closes <ul style="list-style-type: none">• Agency adjustments completed• All remaining state and federal disclosure forms are due• Disclosure form application closes
September 13 th	State disclosure certification form is due
February 29 th	Federal assistance certification is due

What happens after Phase 2 closes?

- **OFM Statewide Accounting**
 - Analyzes accounting data
 - Reviews disclosure forms
 - Prepares the ACFR
- **State Auditors Office (SAO)**
 - Audits the accounting data
 - Audits the ACFR
- **Agencies**
 - Answer OFM and SAO questions
 - Prepare AFRS corrections
 - Correct disclosure forms

OFM must approve all entries after Phase 2 closes. If you or your auditor find a material adjustment or error after phase 2 close contact your OFM Accounting Consultant.

To do's and Reminders



Review Appropriations

- Watch your spending – no overspent appropriations
- Are there any EA codes with no expenditures that should have them?
- Are there any EA codes that haven't been fully spent, but should be?
- Are all revenues and expenditures recorded in the correct fiscal year?
 - Goods and services must be received by June 30 to be recorded as a FY23 expenditure.

Reconciliations

- ALL General Ledgers should be reconciled before Phase 1B close to allow time to make corrections if needed by Phase 2.
- What does GL reconciliation mean:
 - Knowing what makes up the balance in each GL
 - Ensure that GL balances tie to subsidiary records
 - Having a plan for any action that is needed to correct the balance

Per the State Certification:

Data has been recorded in the financial system to support proper recording of all transactions in the financial records.

Reconciliation Office Hours

Are you caught up on your GL reconciliation?

If not, and you need help, reach out to your OFM accounting consultant and/or sign-up for [virtual office hours](#) to receive one-on-one assistance.

Please provide additional information about what you need assistance with so we can make sure we have the appropriate people at the meeting.

Balance Interagency Receivables and Payables

- Most of last year's balances should be liquidated
 - FEMA Exception Due from MIL (245000)
- Interagency billings must be mailed by July 24th
 - If you don't know the amount, send an estimate
 - Clearly mark estimates as such so agencies know invoices shouldn't be paid yet
- In balance by Phase 1B August 18, 2023
- Interagency Contact list is located on our [year end resource site](#)
 - We have added earlier close dates on this list for any agencies that have internal close dates that differ from the OFM deadlines. For example, Community & Technical Colleges.
- Refer to [SAAM 90.20.50](#) for more details

Interagency Subsidiary Codes

- Use the appropriate subsidiary codes for GL 1354 and 5154
 - Generally, the first 4 digits of the subsidiary GL codes will match the agency number. For example,
 - OFM agency number = 1050
 - Subsidiary number = 105000
 - Community & Technical Colleges exceptions
 - Community and Technical Colleges will use 6990 as the agency number and the last two digits will reference the specific community or technical college. For example:
 - Renton Technical College agency number = 6930
 - Subsidiary number = 699093
 - The State Board for Community and Technical Colleges subsidiary should be 699000 NOT 352000
- Refer to [SAAM 75.20.10](#) for the complete list of agency codes

Interagency payments that should NOT be recorded in GL 5154

GL Code	Payment
5152	<ul style="list-style-type: none">• DRS withholdings for retiree medical insurance premiums due to HCA & special DRS billings for retirement contributions• Flexible spending administrative charge due to HCA• DOT Good to Go! accounts• Washington State Combine Fund Drive payments due to SOS
5152/1352	Amounts due to or due from state Agriculture Commodity Commissions
5158	Sales and use tax due to DOR
5152/1352	Amounts due to or due from discrete component units (see SAAM for list)
5173/5273	Certificates of Participation Payable due to OST
5180	Paid Family and Medical Leave Deductions Premiums due to ESD
5187	Worker's compensation premiums due to L&I

[SAAM 90.20.50.b](#)

Subobject Codes for Interagency Payments

- Only use these subobjects when paying other agencies for services.
- DO NOT use these codes when paying outside entities
- For more information refer to [SAAM 85.90.40](#)

Subobject Code	Subobject Title	Pay to:
EK	Facilities & Services	DES
EL	Data Processing Services	CTS, DES, OFM
EM	Attorney General Services	ATG
EN	Personnel Services	DES, OFM
ET	Audit Services	SAO
EV	Admin Hearing Services	OAH
EA	Archive & Records Mgmt Services	Sec Of State

NEW - Year-end Interagency Training

- Brief overview of the process
- Importance of agencies being balanced at year-end
- Common issues
- Pain points
- Q&A session
- Training will be in June
- Invites will be sent to all individuals on the interagency receivable payable contact list

Capital Asset Reminders

- Record Depreciation/Amortization using the correct transaction code
- Reconcile capital asset GLs to the agency capital asset system
- We have many resources available on our [Capital Asset Resources site](#), such as:
 - Capital asset transaction code cheat sheet
 - Instructions to correct errors in reporting capital assets
 - CAMS reconciliation templates and instruction

Review Balances and Activity

- **Complete an Analytical Review**
 - In terms of a dollar change or a percentage change, does the current GL balance appear reasonable?
- **Review your Trial Balance**
 - Have prior year short term receivables and payables been liquidated?
 - Do I have all GL activity reported in the correct GL?
 - Do the balances agree with supporting documentation or internal systems?

Review Enterprise Reporting(ER) Reports

- Financial Reports → Accounting → Exceptions
- Run them daily and clear all variances
- The “Report purpose” at the bottom of each report contains more information about:
 - Report criteria (GLs, Revenue Sources, Subobjects, etc)
 - What needs to be to be done and by when
 - Applicable SAAM sections

Report purpose: To identify balances in Major Source 09 “Non-Revenue Activities”. Agencies need to reclassify balances at the major source, source level within each account prior to fiscal year end. Includes: GL 32xx for Major Source/Source 09xx with a debit and credit net balance not equal to zero. Refer to SAAM 90.20.70.b.

Other To-Do's and Reminders

For the complete list of To-Dos and Reminders please take the complete **Fiscal Year-end Update eLearning Class** located on our website.

This includes information about:

- In-process
- Interagency Payables
- Transfers
- Capital assets
- Accruals
- Corrections
- Unearned and Unavailable Revenue
- Administering Agencies
- And more!

<https://ofm.wa.gov/accounting/training-accounting-and-budget-staff>

GASB Updates





Congratulations!

GASB Standards – FY23

Fiscal Year 2023

- ❑ GASB 91 – Conduit Debt Obligations
- ❑ GASB 94 – Public-Private and Public-Public Partnership(PPP), Service Concession Arrangements (SCA), and Availability Payment Arrangements(APA)
- ❑ GASB 96 – Subscription-Based Information Technology Arrangements(SBITA)
 - <https://ofm.wa.gov/accounting/administrative-accounting-resources/leases-sbitas-and-ppps>

Upcoming GASB Standards

Fiscal Year 2024

- GASB 100 - Accounting Changes and Error Corrections

Major Projects

- Revenue and Expense Recognition
- Financial Reporting Model
- Going Concern Uncertainties and Severe Financial Stress

Disclosure Forms



Disclosure Form Security

- Each agency has one Security Administrator
 - Can add new users
 - Edit user access
- To designate your agency Security Administrator
 - This form can be found by clicking on 'Help' on the main log on page.
http://swfs.ofm.wa.gov/disclosure_form_qa/DFsecurityform.pdf
 - Allows electronic signature

Disclosure Forms - General

- Only complete forms that apply to your agency
 - May not have any transactions
 - Some forms are specific to certain agencies
- There are 4 forms that are required to be completed by all agencies:
 - Cash and Investments Restricted Disclosure
 - Miscellaneous Disclosure
 - Internal Control/Internal Audit Questionnaire
 - State Financial Disclosure Certification
- SAAM Section 90.40 has detailed instructions for each form.

Disclosure Forms Due Dates

- Phase 1B – Certain disclosure are due 8/18/2023
 - 4 Cash & Investment forms,
 - 3 Bond forms,
 - 2 COP forms,
 - The Internal Control/Internal Audit Questionnaire, and
 - The Miscellaneous Disclosure.
- Phase 2 - All remaining forms are due 9/1/2023
- Completion of disclosure forms require all related AFRS entries are also complete by this date.

Disclosure Form Changes FY23

Form	Detail of Change
Debt General Form	Added question #4 related to conduit debt due to implementation of GASB 91, Conduit Debt Obligations. .
Miscellaneous Form	Updated question #5 related to impaired and/or idle capital assets due to implementation of GASB 87, Leases and GASB 96, SBITAs.
Miscellaneous Form	Removed the word 'nonexchange' from question #7 due to implementation of GASB 99, <i>Omnibus 2022</i> .
Miscellaneous Form	Added a new question #10 related to implementation of GASB 94, Public – Private or Public – Public Partnership Arrangements.
Leases Form	Made significant changes to the Lease form, will now also include SBITA.
Liabilities by Major Class form	Added two new GLs 5175/5275 Subscription Based Information Technology Liability.
Capital Asset form	Added two new GLs 2670/2680 – Subscription Information Technology Asset and Allowance for Amortization.
Certification Forms	Updated the dates
State Certification Form	Added one new statement related to taking corrective action on audit findings.

State Financial Disclosure Certification

- Read all 30 statements on the form
- Prepare any required attachments
- Signed by Agency Director and CFO
 - OFM will accept official electronic signatures
 - Agencies must follow their own internal policies
- Email signed copy with attachments
 - Due 9/13/2023
 - OFMAccounting@OFM.WA.GOV
- Re-sign and re-submit if material changes are made after original submission.

FY23 Federal Update

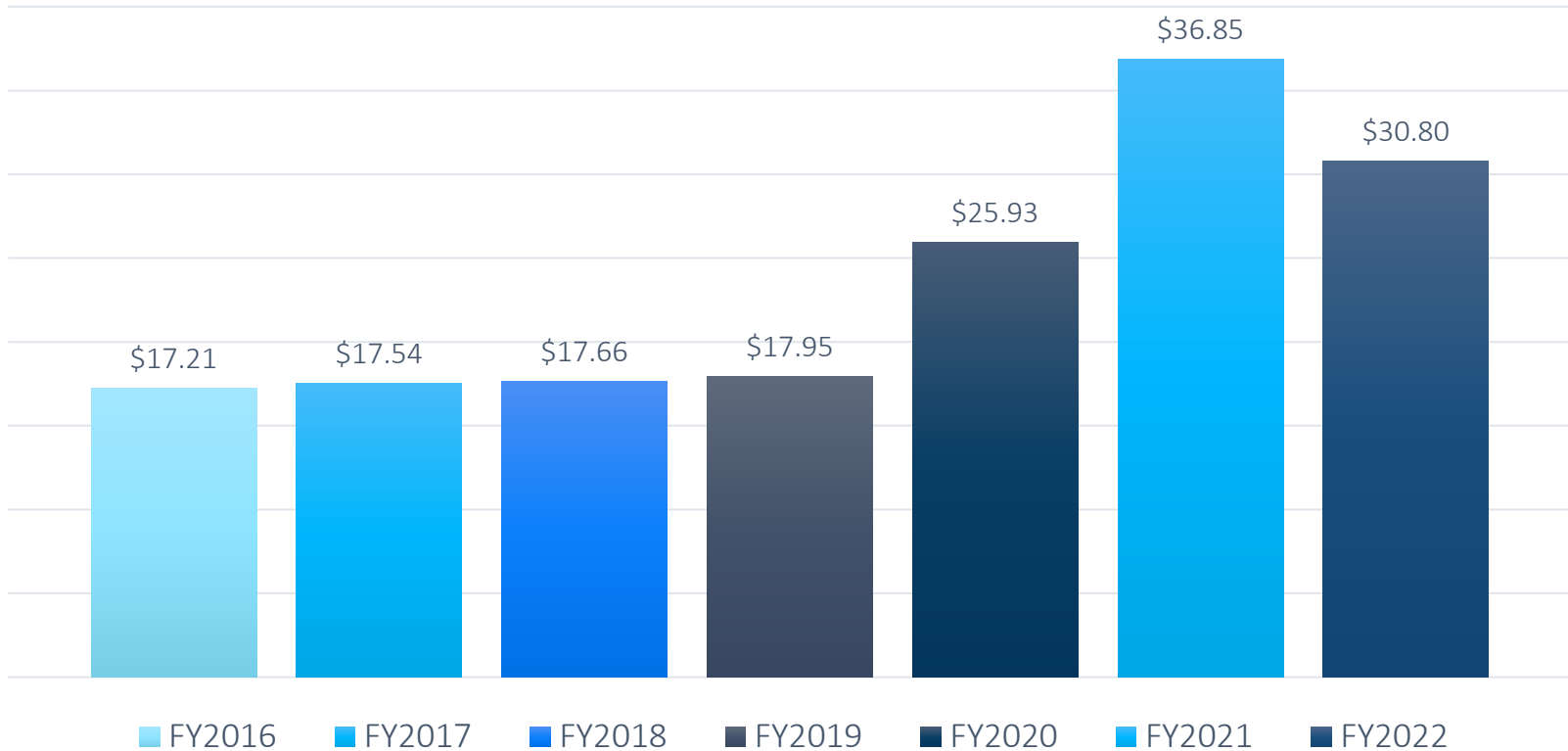


Federal Update – 2022 SWSA

- Delayed this year
- We expect the 2022 Statewide Single Audit to be published by June 30, 2023.
- <https://ofm.wa.gov/accounting/financial-audit-reports/single-audit-report>
- If you receive questions or concerns from your federal granting agency about the delay in the Single Audit please let OFM and SAO.

Total Federal Expenditures

Amounts in Billions



\$6.05 Billion Decrease in federal expenditures in FY22

<https://ofm.wa.gov/accounting/financial-audit-reports/single-audit-report>

FY22 Major Changes

Federal Program	Fiscal year 2020	Fiscal Year 2021	Fiscal Year 2022	2021-2022 \$ Change
Unemployment Insurance 17.225	7,626,638,190	12,138,636,512	2,839,326,703	(9,299,309,809)
Medicaid 93.778	9,527,343,327	11,252,790,603	12,428,034,429	1,175,243,826
Coronavirus Relief Fund 21.019	339,778,674	1,737,573,707	344.911.702	(1,392,662,005)
Coronavirus State and Local Fiscal Recovery Funds 21.027	0	88,727,636	1,449,091,637	1,360,364,001
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs 97.050	0	725,681,136	2,907,196	(722,773,940)
Education Stabilization Fund 84.425	96,597,374	663,340,485	1,397,241,704	733,901,219
FEMA Public Assistance 97.036	236,779,114	512,035,764	678,032,603	275,256,650

Federal Update – FY2023

- FY2023 SWSA is due March 31, 2024
- Get Federal Disclosure form done early (Phase 1B is possible)
- Respond timely to auditor requests
- Continue to communicate with OFM and SAO regarding any potential delays

Resources



Resources

- [OFM's Year-End Accounting Resource Site](#)
 - Closing Calendar
 - Online Training
 - Common Year-End Transaction Codes
 - OST Year-End Cash Cut-Off Memo
 - Interagency Receivables/Payables contact list
 - Year-end Reference Guide
- Contact your agency's accounting consultant
 - <https://ofm.wa.gov/accounting/about-statewide-accounting/find-your-ofm-accounting-consultant>

2023 Fiscal Year-End Trainings

Online training

Click on a link below to launch the virtual training. For the best experience, please **do not use Internet Explorer**.

Accounting training

- [General Ledger Basics](#) (90 minutes)
- [In-Process](#) (1 hour)

Policies and procedures training

- [Travel Policies](#) (1 hour)
- [Accounting for Capital Assets](#) (1 hour)
- [Capital Assets Policy Review](#) (1 hour)
- [Right-to-Use Asset \(Leases, SBITAs, PPPs\) Policies and Procedures](#) (60 minutes)
- [Recording Lease Accounting Transactions](#) (15 minutes)

Fiscal year-end training and resources

- [Federal Disclosure Forms - FY 2022](#) (45 minutes)
- [Fiscal Year-End Update - FY 2022](#) (45 minutes)
- [Fiscal Year-End Workshop – FY 2022](#) (4 hours)
- [Disclosure Forms \(PDF\)](#)
- [Lease Disclosure Form](#) (10 minutes)

<https://ofm.wa.gov/accounting/training-accounting-and-budget-staff>

New Accounting Training

- Accounting 101: Foundations of Accounting
- Accounting 102: Implementing Foundational Accounting
- Accounting 103: Introduction to Accounting Standards and Available Resources
- Accounting 104: Foundations of Governmental Accounting
- Accounting 201: Implementing Foundational Governmental Accounting

FY 2023

Lease, SBITAs, and PPPs

Year-End Update

OFM

OFFICE OF FINANCIAL MANAGEMENT



To do's and Reminders for Leases and SBITAs



SBITAs Checklist

- ✓ Record all capitalizable SBITAs in FPMT
 - If the contract started prior to 7/1/2022, notify Anna Quichocho (OFM) after it has been entered
- ✓ Update FPMT for any contract amendments
- ✓ Record SBITA-related accounting entries
 - [Worksheet with entries](#) on Resource site
 - Capitalize implementation costs
- ✓ Reconcile between AFRS and FPMT
- ✓ Complete Disclosure forms
- ✓ Establish process for identifying new SBITA contracts
 - [SBITA Decision Tree](#) on Resource site

SBITAs – Capitalize Implementation Costs

- Capitalize implementation costs for SBITAs that will go-live in a future fiscal year
- Accumulate costs in GL 2510 – Construction in Progress

STAGES	ACTIVITIES	ACCOUNTING
Preliminary Project Stage	<ul style="list-style-type: none"> • Conceptual formulation • Evaluation of alternatives • Determination of needed technology • Selection of vendor 	Expense as incurred
<i>Stage is complete when the above expenses are complete, and/or management implicitly or explicitly authorizes and commits to funding the contract (at least for the current fiscal year)</i>		
Initial Implementation Stage	<ul style="list-style-type: none"> • Configuration • Coding • Testing • Installation • Data conversion only if the asset cannot be used without the data conversion • All other ancillary charges necessary to place asset into service 	Capitalize in GL 2670 - Subscription-Based Information Technology (IT) Arrangement ¹
<i>Stage is complete when asset is placed into service</i>		
Operations and Additional Implementation Stage	<ul style="list-style-type: none"> • Maintenance • Troubleshooting • Data conversion (Not necessary to place the subscription asset into service) 	Expense as incurred
	Modifications ² that result in either: <ul style="list-style-type: none"> • Increased functionality of the asset that provides the ability to perform additional tasks, or • Increased efficiency of the asset or level of service provided by the asset 	Capitalize as an addition to existing asset

Leases Checklist

✓ Enter updates in FPMT by June 22, 2023
(required by OFM Facilities)

- New lease contracts
- Contract Amendments
- Contract renewals

Refer to [Job Aids](#):

- [Amendment, Renewal, and New Contract Overview](#)

✓ Record year-end entries if manually recording

- Worksheets available on resource site

✓ Reconcile between FPMT and AFRS

✓ Complete Disclosure Forms

Reconciliations

- Reconcile asset and liability balances between FPMT and AFRS
 - FPMT reports to use:
 - Summary Lease Accounting (lessees)
 - Summary Receivable Lease Accounting (lessors)
- For agencies having FPMT send transactions for leases, use the UI or Agreement ID field
 - We can provide a template that uses Webl data that includes these fields

Disclosure Form Changes



State Disclosure Forms Updated

Disclosure Form	Summary of Change	Reasoning for Change
Debt General Disclosure*	Added question regarding conduit debt obligations	GASB 91 Implementation
Miscellaneous Disclosure	Added question on Public-Private/Public Partnerships (PPPs)	GASB 94 Implementation
Lease and SBITA Disclosure	Title change, added questions on SBITAs and variable payments, and edited recon	GASB 96 Implementation (and refining GASB 87)
Capital Asset Disclosure	Added SBITA GLs 2670 and 2680	GASB 96 Implementation
Liabilities by Major Class	Added SBITA GLs 5175 and 5275	GASB 96 Implementation











**Only completed by agencies that issue debt such as OST, UW, WSU*

Summary of Lease and SBITA Disclosure Form Changes

- Title Change
 - Lease Form is now the *Lease and SBITA Disclosure Form*
- New questions
 - Future payments for SBITAs
 - SBITA commitments
 - Variable payments
 - Leases where agency is lessor
 - Leases where agency is lessee
 - SBITAs
- Added reconciliation for future right-to-use lease agreement payments to verify balance in GL 5174 ties to principal due in next fiscal year

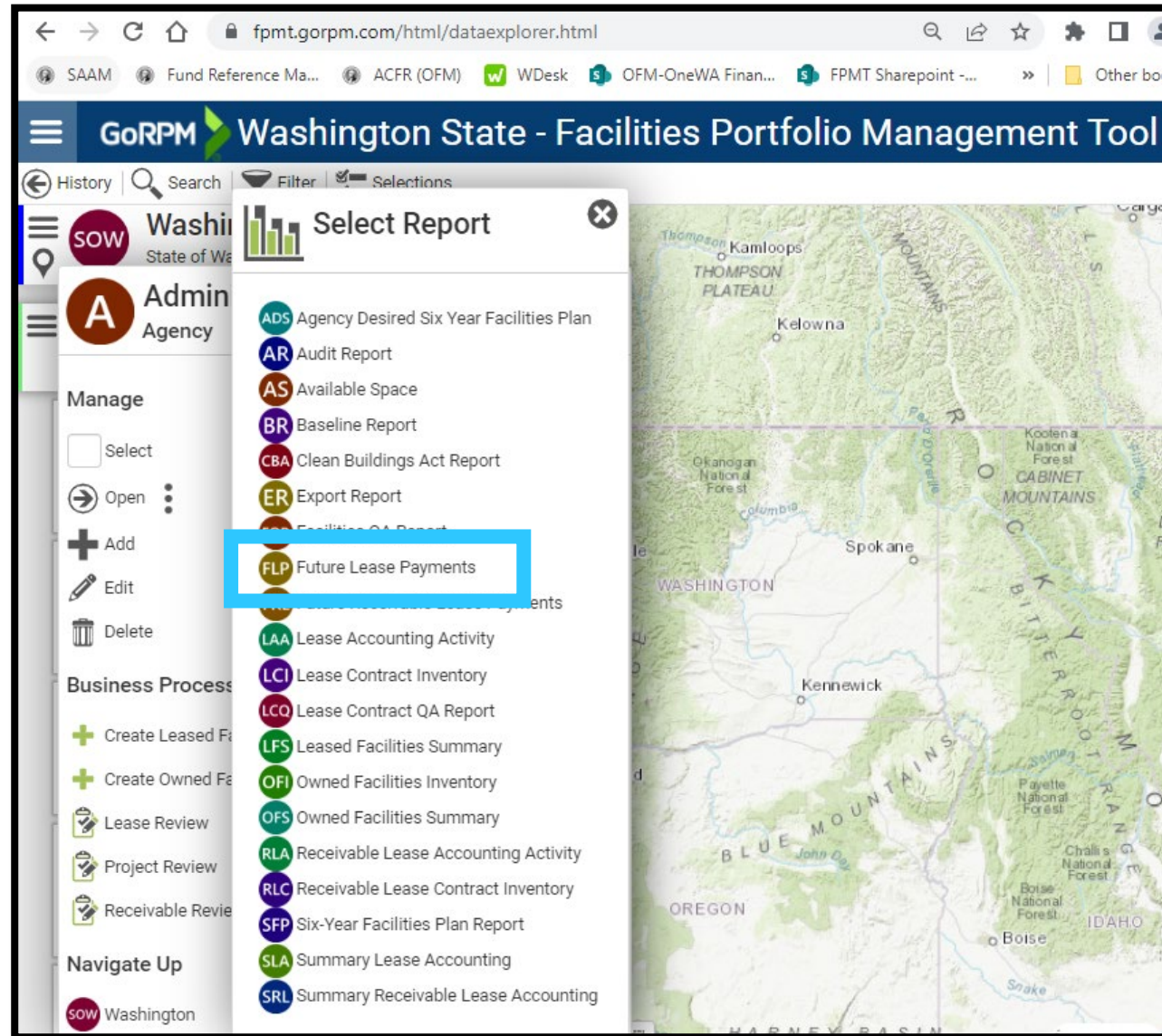
Lease and SBITA Disclosure – Future SBITA Payments

- **New Question:** SBITA Future Payments – Principal and Interest to Maturity, separated by fund type

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts		Edit
	Principal	Interest	Principal	Interest	
2024	387,322	1,757	0	0	
2025	88,640	692	0	0	
2026	29,722	55	0	0	
2027	0	0	0	0	
2028	0	0	0	0	
2029-2033	0	0	0	0	
2034-2038	0	0	0	0	
2039-2043	0	0	0	0	
2044-2048	0	0	0	0	
2049-Thereafter	0	0	0	0	
Total	505,684	2,504	0	0	


Lease and SBITA Disclosure – Future SBITA Payments

- Use *Future Lease Payments* Report from FPMT to complete question
- Run report from Agency Tile



Lease and SBITA Disclosure – Future SBITA Payments

- Enter the next fiscal year (2024 for FY23 disclosure)
- Separated by asset type
- Allocate total payments to appropriate fund types



FLP Future Lease Payments

First Fiscal Year

2024

REQUEST REPORT | Cancel

Principal and Interest Requirements to Maturity











055 - Administrative Office of the Courts

		Principal	Interest	Total Payment Amount
By Fiscal Year:				
2024	\$	1,909,925.58	\$ 45,544.08	\$ 1,955,469.66
2025	\$	1,898,676.96	\$ 28,483.20	\$ 1,927,160.16
2026	\$	1,238,605.98	\$ 13,085.58	\$ 1,251,691.56
2027	\$	664,897.01	\$ 5,690.95	\$ 670,587.96
2028	\$	278,791.03	\$ 620.62	\$ 279,411.65
055 - Administrative Office of the Courts	Total	\$ 5,990,896.56	\$ 93,424.43	\$ 6,084,320.99

Lease and SBITA Disclosure – Future SBITA Payments

SBITA Future Payments Reconciliations











1. Principal entered for next fiscal year must = balance in GL 5175 – *Subscription Information Technology Liability (short-term)* as of 6/30 by Fund Type

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts		Edit
	Principal	Interest	Principal	Interest	
2024	387,322	1,757	0	0	
2025	88,640	692	0	0	
2026	29,722	55	0	0	
2027	0	0	0	0	
2028	0	0	0	0	
2029-2033	0	0	0	0	
2034-2038	0	0	0	0	
2039-2043	0	0	0	0	
2044-2048	0	0	0	0	
2049-Thereafter	0	0	0	0	
Total	505,684	2,504	0	0	

Lease and SBITA Disclosure – Future SBITA Payments

SBITA Future Payments Reconciliations

2. Total Future Principal Payments must = total balance in GLs 5175 and 5275 – *Subscription Information Technology Liability* as of 6/30 by Fund Type

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts		Edit
	Principal	Interest	Principal	Interest	
2024	387,322	1,757	0	0	
2025	88,640	692	0	0	
2026	29,722	55	0	0	
2027	0	0	0	0	
2028	0	0	0	0	
2029-2033	0	0	0	0	
2034-2038	0	0	0	0	
2039-2043	0	0	0	0	
2044-2048	0	0	0	0	
2049-Thereafter	0	0	0	0	
Total	505,684	2,504	0	0	

Lease and SBITA Disclosure – SBITA Commitments

- **New Question:** Has your agency committed to any SBITAs that exceed the capitalization threshold with a start date after June 30?
 - If Yes, provide a description of the arrangement, the total payments, and the start date/ go-live date
- May overlap with amounts entered on Long-Term Construction Commitments Disclosure if the SBITA has capitalized implementation costs, recorded in GL 2510 – Construction in Progress

Lease and SBITA Disclosure – Variable Payments

- 3 New Questions collecting amounts of variable payments for leases and SBITAs
- Variable payments are based on
 - For a lease, future performance of the lessee or the usage of the asset
 - For a SBITA, future performance of the agency, usage of the IT asset, or number of user seats
- Required to disclose in ACFR

Lease and SBITA Disclosure Form – Variable Payments

- Is your agency the lessor or lessee in any right-to-use lease agreements or SBITA that include variable payments?
 - Yes or No
- If yes, provide the total amount of expenditures/ expenses/revenues recorded during the fiscal year that meet one or both of the following criteria:
 - Any variable payments for any capitalized leases or SBITAs
 - Expenditures/expenses/revenue in excess of \$100,000 for any individual lease or SBITA contract not capitalized

Other Disclosure Forms Updated due to GASB 96

1. Capital Asset Form – SBITA GLs added

	Debits	Credits
GL 2670 - Subscription Information Technology Asset	<i>Increases</i> for any new SBITAs or amendments	<i>Decreases</i> for any SBITAs that ended, were terminated early, or amendments
GL 2680 – Allowance for Amortization – Subscription IT Asset	<i>Decreases</i> for any SBITAs that ended or were terminated early	<i>Increases</i> for amortization expense

Other Disclosure Forms Updated due to GASB 96

2. Liabilities by Major Class Form – Added GLs 5175 and 5275 for Subscription IT Liabilities

	Debits	Credits
GLs 5175/5275 – Subscription Information Technology Liability	<i>Decreases</i> for reduction in the liability for portion of payments for principal, early terminations, or amendments	<i>Increases</i> for new SBITA contracts or amendments

Remove or exclude short-term to long-term reclassification entries from the debits and credits since these just gross up the activity



FOR MORE INFORMATION:

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OFFICE OF FINANCIAL MANAGEMENT