



Chapter 90 - State Reporting

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90.10

General State Reporting Policies

90.10.10

June 1, 2011

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, 2011

Authority for these policies

All agencies are required by RCW 43.88.110(9) 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, 2011

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.

90.10.40

June 1, 2011

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 to assist agencies to comply with AFRS reporting requirements.

This includes:

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

90.10.40.b

Agencies are responsible for:

- 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.

90.10.40.c

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.d

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 the Department of Enterprise Services (DES).
- Coordinating with DES on matters regarding the transmission and processing necessary to make the data available for processing by AFRS.

90.10.50

June 1, 2011

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.

90.10.60

June 1, 2011

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.

90.10.70

June 1, 2011

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, 2011

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 Fiscal Year 2011 closing calendar is as follows:

- The last day of the fiscal year is **June 30, 2011**. 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 22, 2011**. Refer to Subsection 90.20.50.
- **Phase 1** is for agencies to record revenue and expenditure/expense accruals. Phase 1 closes **July 29, 2011**. 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 **September 13, 2011**. Refer to Subsection 90.20.70.

State disclosure forms are also due **September 13, 2011**. Refer to Section 90.40.

- **Phase 3** is for SAO to audit accounting data and recommend any necessary adjustments. State agencies are not allowed to make entries into the Agency Financial Reporting System (AFRS) during Phase 3, unless approved by the Office of Financial Management (OFM). Phase 3 closes **October 7, 2011**. Refer to Subsection 90.20.80.
- **Phase 4** is when OFM prepares the CAFR. Refer to Subsection 90.20.90.

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, 2011

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 for illustrative entries.

90.20.15

June 1, 2011

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. To facilitate this determination, prior period adjustments that equal or exceed the materiality 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 materiality 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).

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 the original copies are forwarded to the OFM Accounting Consultant assigned to the agency.

1. Journal Voucher - Forward a properly completed journal voucher with supporting documentation referencing the attached footnote disclosure [refer to (2) below] signed by the agency's fiscal officer indicating approval. Agencies assign the current document number and leave the reference document number blank.
2. Footnote Disclosure - Include a description of the nature of the adjustment, its impact on beginning balances, and the resulting effect on:
 - “Change in net assets” of prior periods for **proprietary and trust fund type accounts** (specifically, the under/overstatement of revenues and expenses); or
 - “Net change in fund balances” of prior periods for **governmental fund type accounts** (specifically, the under/overstatement of revenues and expenditures).

- 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 9220 “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 Statewide Accounting Manager.

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, refer to Subsection 85.40.10 for procedures relating to belated claims.

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. If an immaterial prior period adjustment to Subsidiary Account 997 involves accumulated depreciation, it should be recorded to GL Code 6591 "Depreciation Expense (General Capital 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 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, 2011

Revenue accrual and deferred revenue activity

90.20.20.a

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. 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.b

Deferred revenue

If cash was received or a receivable recorded for a revenue which **does not** meet the revenue recognition criteria for governmental or proprietary fund type accounts as appropriate, record the revenue in GL Code 5192 “Deferred Revenues - Short-Term” or GL Code 5292 “Deferred Revenues - Long-Term” depending upon when it is expected to be realized. Refer to Subsection 85.70.40. These amounts are recognized as revenue in the future period when they meet the applicable revenue recognition criteria. Refer to Subsection 90.30.40.c for an illustrative entry.

90.20.20.c

Revenue recognition in 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.

- Generally, revenues from licenses, permits, and fees 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.
- 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.d **Revenue recognition in 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.e **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.f **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.

90.20.25

June 1, 2011

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 a cash expenditure.

90.20.30

June 1, 2011

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 July 31 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)

90.20.35

June 1, 2011

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 July 31 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, 2011

Expenditure/expense accruals - end of biennium

90.20.40.a

Expenditure/expense accruals

Record all expenditure/expense accruals for the concluding fiscal year by July 31 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.

90.20.45
June 1, 2011

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.

90.20.47
June 1, 2011

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.

90.20.50 Interagency accruals

June 1, 2011

90.20.50.a Interagency receivables/payables are required to be in balance at fiscal year-end. 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 Section 85.36. 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 July 22. If a vendor agency cannot produce actual billings by July 22, the agency is to send out estimated billings by July 22 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 July 31 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 July 31 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 July 31 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 table of interagency payment methods and effective dates and 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 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 (DRS) 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	DRS special billings for retirement contributions

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GL Codes	GL Title	Description
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	Due to Department of Revenue (DOR) for sales & 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	Due to Office of the State Treasurer (OST) for a COP liability
5187	Industrial Insurance and Medical Aid Deductions Payable	Due to Labor & Industries (L&I) 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:

<u>Component Units</u>	<u>Agency Code</u>
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:

Agency Name	Agency Code	Use Subsidiary GL Code
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

June 1, 2011

Accounting estimates

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, 2011

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.

Refer to the table of interfund transfer methods and effective dates on OFM's Administrative and Accounting Resources web page at: <http://www.ofm.wa.gov/resources/yearend.asp>.

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

90.20.65

June 1, 2011

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.

90.20.70

June 1, 2011

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 gain/loss on bond refunding – proprietary fund type accounts.** In proprietary fund type accounts only, amortize gain/loss on a bond refunding recorded in GL Code 5268 “Deferred Gain/Loss on Bond Refunding.” Record the amortization in GL Code 6512 “Amortization Expense” using Subobject PF “Amortization of Gain/Loss on Bond Refunding.” Refer to Subsection 85.72.20.d.
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 Subsection 30.40.30.

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.” Refer to Subsections 85.85.45 and 85.85.50.

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

4. **Deferred revenue review.** Review deferred revenues recorded in governmental fund type accounts (GL Codes 5192 and 5292). Revenues are to be deferred when one of the two following criteria is met: 1) revenues are not yet earned, and 2) asset is not available. Refer to Subsections 85.70.40 and 90.20.20.
5. **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

6. **Expenditures within appropriations review.** Review expenditures to ensure that appropriations haven’t been overspent.

ER report to use: Accounting/Budget/Appropriations Overspent

7. **Fund balance reserves review.** Review fund balance reserves and corresponding asset balances to ensure they are in balance at the agency/account level.

ER report to use: Accounting/Exceptions/Fund Balance Improper Reservations

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

Governmental fund type accounts only:

Petty cash:

- 1130 Petty Cash, and
- 9122 Nonspendable Petty Cash

ER report to use: Accounting/Exceptions/Petty Cash/Reserve for Governmental Accounts

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 5192 “Deferred Revenues.” Refer to Subsection 85.56.40 Accounting for Donations of Consumable Inventories.

90
State Reporting

Receivables - In governmental fund type accounts, GL Codes 9131 “Nonspendable Receivables – Long-Term” and the long-term 16XX “Receivables” are to agree, with two exceptions:

- GL Code 9130 “Nonspendable Student Loans Receivable” is to agree to the net of the student loan portions of GL Code 1614 “Loans Receivable,” and GL Code 1644 “Allowance for Uncollectible Loans Receivable,” and
- There is to be no reserve if the receivable is offset by long term deferred revenue GL Code 5292 or another long term liability GL Codes 52XX.

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

8. **General ledger balance review.** Administering agencies are to review cash and in-process accounts, GL Code series 11XX, 4XXX and 7XXX, for the accounts that they administer. Administering agencies are also to make a review of their accounts' asset, liability, and equity balances 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.

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

Accounting/Exceptions/Questionable Balance – Liabilities

Administering Agencies:

Above reports plus Administering Agency/Administering Agency Trial Balance

9. **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.
10. **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 accounts, 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

11. **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

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 (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 Lease Acquisitions.” Refer to Subsection 85.72.30.b.

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

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 required to be submitted with the Financial Disclosure Certificate.

17. **Merchandising activity review for proprietary accounts.** Review inventory, sales revenue and cost of goods sold GL codes for reasonableness. Refer to Subsection 85.56.30.

ER report to use: Accounting/Merchandising Activity - Proprietary

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 Subsections 90.20.15, 90.30.30 and 90.30.35.

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 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.

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 bond transactions in budgeted proprietary fund type accounts.** In budgeted proprietary fund type accounts only, eliminate the following revenue source codes adjusting them through GL Code 3225 “Revenue Adjustments/Eliminations (GAAP)” to the appropriate liability account. Refer to Subsection 85.85.30.e.

0611 - Bond Transfers In
0612 - Bond Transfers Out
0860 - Bonds Issued
0863 - Original Issue Premium (Discount)
0864 - Taxable Bonds Issued
0865 - Note Proceeds

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.

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 **September 13, 2011** (Phase 2 close). Refer to Section 90.40.

90.20.80

June 1, 2011

Phase 3 – State Auditor’s Office adjustment activity

90.20.80.a

State agencies are not allowed to make entries into AFRS during Phase 3, unless approved by OFM.

During Phase 3, SAO will have the opportunity to recommend any **material** adjustments to agencies' balances. Agencies are to review the recommended adjustments from SAO.

90.20.80.b

All audit adjustments are recorded on a journal voucher form, 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.

- 90.20.80.c To facilitate the audit adjustment phase, promptly notify the agency's OFM Accounting Consultant of any adjustments requested by SAO.
- 90.20.80.d Submit SAO audit adjustments to OFM by the Phase 3 cut-off. SAO audit adjustments are to be reviewed by the OFM Accounting Consultant. If appropriate, OFM will post the recommended adjustments to agencies' balances in AFRS.

90.20.90

June 1, 2011

Phase 4 – Office of Financial Management CAFR preparation

- 90.20.90.a OFM will prepare the state of Washington CAFR after the Phase 3 cut-off for the concluding fiscal year. During this process, it may be necessary to make certain corrections to the data for financial statement presentation purposes. If adjustments are needed, agencies will be consulted and will receive copies of journal vouchers for adjustments made to agency records by OFM.
- 90.20.90.b The audited AFRS data at the close of the fiscal year will be used by the state for all subsequent fiscal year reports. This includes budgetary control reporting and preparation of biennial budget requests.
- 90.20.90.c Agencies preparing and/or publishing agency financial statements are to use the final audited AFRS data. Refer to Subsection 90.10.60.



90.30 Fiscal Year-End Cut-Off Illustrative Entries

90.30.10

June 1, 2011

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.

	Dr.	Cr.
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, 2011

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.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
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.

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

90.30.30
June 1, 2011

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.b.

Office of Financial Management:	Dr.	Cr.
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.c.

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.

90
State Reporting

90.30.35

Office of Financial Management:	Dr.	Cr.
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, 2011

Immaterial prior period adjustments and corrections

90.30.35.a

To write off an unliquidated estimated 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.

	Dr.	Cr.
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 correct the over liquidation of a prior year estimated 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, a belated claim. Refer to Subsections 90.20.15.e and 85.40.10.

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

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State Reporting

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.

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

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.

	Dr.	Cr.
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.

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

90.30.40 Accrued and deferred revenues

June 1, 2011

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

	Dr.	Cr.
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.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts in-Process (7110) or		
Journal Vouchers In-Process (7140)		
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 receivable for revenues which meets the asset recognition criteria but does not meet the revenue recognition criteria and is not expected to be collected until after the concluding fiscal year. Refer to Subsection 90.20.20.b.

	Dr.	Cr.
Appropriate Receivable GL Code (13XX) or (16XX)	xxx	
Deferred Revenues (5192) or (5292)		xxx

90.30.50

June 1, 2011

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.

	Dr.	Cr.
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.

	Dr.	Cr.
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:

	Dr.	Cr.
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 Revenues,” and credit GL Code 6505 “Accrued Revenues.”

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 July 31. 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.

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

Ensuing fiscal year:	Dr.	Cr.
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 Revenues.”

90.30.60 Encumbrance transactions

June 1, 2011

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.

	Dr.	Cr.
Encumbrances (6410)	xxx	
Reserved for Encumbrances (9510)		xxx

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

	Dr.	Cr.
Reserved for Encumbrances (9510)	xxx	
Encumbrances (6410)		xxx

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

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

90.30.70

June 1, 2011

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.

Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	Dr.	Cr.
	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.

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

90
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.

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

90.30.80
June 1, 2011

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.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
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.

	Dr.	Cr.
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.

	Dr.	Cr.
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)		



90.40 State Disclosure Forms

90.40.10

June 1, 2011

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.

All forms are completed online. The **original** signed Financial Disclosure Certification form including attachments, as necessary, is to be mailed to the following address by September 27, 2011:

Office of Financial Management
Statewide Accounting
P.O. Box 43113
Olympia, Washington 98504-3113

Due Dates	Reporting Items
September 13, 2011	Phase 2 Close and State and Federal disclosure forms are due
September 27, 2011	State Financial Disclosure Certification form is due
December 6, 2011	Federal Assistance Certification form is due

General Instructions

Each of the disclosure forms covers a specific activity or area of information that is not readily available from the data collected in AFRS.

Each agency is **required** to complete three state disclosure forms:

- Liabilities by Major Class
- Miscellaneous
- Financial Disclosure Certification

90
State Reporting

The remainder of the disclosure forms may or may not apply to your agency. If there is AFRS data pre-filled in a disclosure form your agency is required to complete the form. Specify on the lead sheet if a form is completed or not applicable for your agency, choose “Yes” or “N/A” for each form in the “Completed” column.

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

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

To complete the state disclosure forms, access the state Disclosure Forms application at: <http://www.ofm.wa.gov/systems/default.asp>. Choose access from within or outside the state intranet and then click on the Disclosure Forms icon. Use an authorized User ID and password, and select the “State Forms” tab.

In addition to entering financial information into the Disclosure Forms application, each agency is to submit to OFM an original signed copy of the Financial Disclosure Certification form as well as any required attachments by **September 27, 2011**.

State Disclosure Form Lead Sheet

Agency Code: _____ Agency Title: _____

90.40.10 State Disclosure Form Lead Sheet

State Disclosure Forms	SAAM	Required	Completed
Bond Debt by Major Class – Summary of Activity Disclosure	90.40.55		Yes / N/A
Bond Debt Refunding Activity Disclosure	90.40.55		Yes / N/A
Bonds Payable General Disclosure	90.40.55		Yes / N/A
Capital Assets - Summary of Activity Disclosure	90.40.38		Yes / N/A
Cash and Investments General Disclosure	90.40.20		Yes / N/A
Cash on Hand and in Bank Disclosure	90.40.20		Yes / N/A
Certificates of Deposit (Non-negotiable) Disclosure	90.40.20		Yes / N/A
Certificates of Participation Disclosure – OST	90.40.45		Yes / N/A
Deferred Revenues Disclosure	90.40.50		Yes / N/A
Financial Disclosure Certification	90.40.95	Required	Yes
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	Required	Yes
Long-Term Construction Commitments Disclosure	90.40.40		Yes / N/A
Miscellaneous Disclosure	90.40.75	Required	Yes
Pension and OPEB Disclosure – Higher Education	90.40.70		Yes / N/A
Pension Disclosure – Courts	90.40.70		Yes / N/A
Pension Disclosure – DRS	90.40.70		Yes / N/A
Taxes Receivable Disclosure	90.40.30		Yes / N/A
Transfer Disclosure	90.40.60		Yes / N/A

90.40.20

June 1, 2011

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 Cash and Investments with Escrow Agents and Trustees
- 1150 Cash with Fiscal Agents
- 1205 Temporary and/or Pool 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
- 1280 Valuation Allowance - Investments

Treasury and treasury trust accounts. The Office of the State Treasurer (OST) will provide the information required to report the cash and investment activity for treasury and treasury trust accounts for cash balances and activity recorded in GL Code 4310 “Current Treasury Cash Activity (OST Only),” GL Code 4320 “Beginning Treasury Cash Balance (OFM Only),” and GL Code 4325 “Beginning Treasury Cash Balance - Agency Funds.”

Amounts covered by Federal Deposit Insurance Corporation (FDIC) are considered to be insured. In general, FDIC insurance separately covers demand deposits and interest bearing deposits up to \$100,000 each (\$250,000 for demand deposits until December 31, 2013) , per taxpayer identification number (TIN), per bank. The Public Deposit Protection Commission (PDPC) provides for a collateral pool for protection of balances deposited with Washington public depositories.

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 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 balance on hand and as stated by the bank categorized by:
 - FDIC Insured
 - PDPC Collateralized
 - Uninsured/Uncollateralized
2. The June 30 book balance as reported in Agency Financial Reporting System (AFRS).

Book and bank balances will normally be different, except for accounts with very little activity, due to outstanding checks and/or deposits in transit. Explain the reason for differences other than outstanding checks and/or deposits in transit in the comment box.

90.40.20.c **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 Cash and Investments with Escrow Agents and Trustees,
- 1150 Cash with Fiscal Agents,
- 1205 Temporary/Pooled Cash Investments,
- 1209 Short-Term Portion of Long-Term Investments, or
- 1210 Investments.

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. FDIC insurance covers the first \$100,000 per bank (\$250,000 until December 31, 2013) per TIN. (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 investing 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 funds under the control of your agency are deposited. 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 \$500,000 or more on deposit at any one financial institution, provide the name of the institution and the amount. Note: Deposits include demand deposits, money market deposit accounts, time certificates of deposits, and savings deposits.

\$ _____

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

10. Does your agency have any unspent bond proceeds in your cash balances at June 30?

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

Account	Amount	GL Code	Comments

Cash on Hand and in Bank Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.B Cash on Hand and in Bank Disclosure

Account Code & Title	GL Code & Title	Cash on Hand	FDIC Insured	PDPC Collateralized	Uninsured Uncollateralized	Total on Hand and in Bank	AFRS Amount	Variance*	Comments

* A variance may be due to outstanding checks and/or deposits in transit. If the variance is due to something other than outstanding checks and/or deposits in transit explain why in the comments field.

Certificates of Deposit (Non-negotiable) Disclosure

Agency Code: _____ Agency Title: _____

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

Account Code & Title	GL Code & Title	FDIC Insured	PDPC Collateralized	Uninsured Uncollateralized	Total

90.40.30

June 1, 2011

Taxes receivable disclosure

General Instructions

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

The balances in the following GL codes are to be reported by account and by type.

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

The type of taxes receivable include the following:

- Property
- Sales
- Business and Occupation
- Estate
- Fuel
- Other

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

Account Code & Title	GL Code & Title	Tax Type	Amount

Note: An Account/GL Code may have one or more tax types.

Reconciliation

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

90.40.35

June 1, 2011

Inventory disclosure

General Instructions

All agencies with balances in inventory GL codes are required to complete the Inventory Disclosure form (90.40.35.A) for all accounts at fiscal year-end, 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 142X, 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 market value.

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 one or more valuation methods.

Reconciliation

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

90.40.38

June 1, 2011

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, transfers, or reclassifications that meet the state's capitalization policy. **Deletions** should reflect the sale or disposal of an asset. Refer to Sections 30.20 and 85.60.

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

Agencies reporting activity in the General Capital Assets Subsidiary Account 997 should review their capital asset acquisitions coded to **subjects JC – JZ** 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

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.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR Additions	CR Deletions	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment
Example: 419 - Data Processing Revolving Account	2410 – Furnishings and Equipment	500,000	5,000		505,000	505,000	0	
419 - Data Processing Revolving Account	2350 - Leasehold Improvements	200,000		(50,000)	150,000	150,000	0	

Capital Assets - Summary of Activity Disclosure - concluded

Depreciation and Accumulated 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 accumulated depreciation are credits.

A debit to accumulated 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 is credited and the accumulated depreciation GL is debited.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR	CR	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)**	Comment
Example: 419 - Data Processing Revolving Account	6511 Depreciation Expense*	0	20,000	0	20,000	20,000	0	
419 - Data Processing Revolving Account	2420 Allow for Depreciation	(400,000)	0	(20,000)	(420,000)	(420,000)	0	
997 – General Capital Assets Subsidiary Account	6591 Depreciation Expense*	0	70,000	0	70,000	70,000	0	
997 – General Capital Assets Subsidiary Account	2420 Allow for Depreciation	(500,000)	0	(70,000)	(570,000)	(570,000)	0	

*Data from AFRS

** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Accumulated Depreciation

Debits to depreciation expense should equal credits to accumulated depreciation.

If the difference below is not zero explain why.

Total Depreciation Expense debits from above:	90,000
Total Accumulated Depreciation credits from above:	(90,000)
Difference (should be zero):	0

Explanation:

90.40.40

June 1, 2011

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, 2011

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). OST (Bond Retirement and Interest Agency) is to complete the Certificates of Participation (COPs) Disclosure form (90.40.45.C).

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 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 the total lease expense/expenditures paid to external entities (not state agencies) in the “External Entities” column. Disclose payments to the Department of Enterprise Services for state-owned property, or payments to other state agencies for operating leases in the “Other State Agencies” column.

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

Agencies disclose, by account, total future minimum lease payments for all operating leases paid to **external** entities (not state agencies) having initial or remaining noncancelable lease terms in excess of one year, and for all capital leases, as of June 30 for each of the five succeeding fiscal years and in five year increments thereafter.

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. Any difference must be explained.

3. Capital leases (state agency is lessee)

Agencies disclose the gross amount of assets recorded under capital leases less accumulated depreciation as of June 30. Balances are reported by account and by major class of asset.

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 account, the total future minimum lease payments that you expect to receive as of June 30 for each of the five succeeding fiscal years and in five year increments thereafter.

90.40.45.b

Liabilities by Major Class – Summary of Activity Disclosure

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

Liability - Major Class	GL Codes
Certificates of Participation (COP)	5173, 5273, 5266, 5920, 1911
Claims and judgments payable	5113, 5118, 5119, 5149, 5213, 5285, 5286
Compensated absences	5125, 5127, 5128, 5225, 5227, 5228
Installment purchase contracts	5171, 5271
Leases	5172, 5272
Lottery prizes annuities payable	5114, 5226
Other Post Employment Benefit (OPEB) liability	5282
Other obligations	5193, 5199, 5247, 5293, 5297, 5299
Pollution remediation liability	5287
Tuition benefits payable	5184, 5284
Unfunded pension obligations	5281

- 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.
- For this form, **reclassifications** between long-term and short-term GL codes are to be disregarded, and should not be included in the increases in liabilities or decreases in liabilities columns.
- For **Certificates of Participation** (GL Codes 5173/5273) recorded in the General Long-Term Obligations Subsidiary Account (Account 999), **new issues** (increases) are to agree to amounts reported in governmental fund type accounts in Revenue Source Code 0807 “Certificates of Participation.”

- For **capital leases** (GL Codes 5172/5272) recorded in the General Long-Term Obligations Subsidiary Account (Account 999), **new issues** (increases) are to agree to amounts reported in governmental fund-type accounts in Revenue Source Code 0809 “Capital Lease Acquisitions.”
- For **GL Code 1911** “Unamortized Discounts” on COPs the balance is normally a debit amount, 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.c

Certificates of Participation (COPs) Disclosure

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.

While OST completes this form, agencies are **required** to reconcile COP fiscal year activity and year-end balances to OST’s records. The OST COP fiscal year activity and year-end balances information will be provided to agencies during Phase 1 and all balances must be reconciled by the close of Phase 2.

Lease Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.A Lease Disclosure

Account: _____

1. **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 “External Entities” column. Disclose payments to the Department of Enterprise Services for state-owned property, and payments to other state agencies for operating leases in the “Other State Agencies” column.

	External Entities	Other State Agencies	Total
Minimum Lease Expenses			
Contingent Lease Expenses			
Total Operating Lease Expenses			

Reconciliation Subobject codes ED + EH		
AFRS Amount	Entered Amount	Difference (should be zero)

If there is a difference, please provide an explanation below:

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 or remaining 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.

Fiscal Year	Operating Leases	Capital Leases
2012		
2013		
2014		
2015		
2016		
2017 – 2021		
2022 – 2026		
2027 – 2031		
2032 – 2036		
2037 – 2041		
Total Future Minimum Payments		

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

Reconciliation of Capital Leases to AFRS:

GL Code 5172 ST Lease-Purchase Agreements Payable	\$
GL Code 5272 LT Lease-Purchase Agreements Payable	
Total GL Codes 5172/5272 Amount	\$

Variance between Net Present Value of Future Minimum Lease Payments for Capital Leases and AFRS GL Codes 5172/5272:	\$
---	----

If there is a difference, please provide an explanation below.

Lease Disclosure – concluded

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

Capital Asset	Amount
Land (non-depreciable)	\$ _____
Buildings	_____
Equipment	_____
Less: Accumulated Depreciation	(_____)
Total	\$ _____

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 as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter.

Fiscal Year	Noncancelable Operating Leases	Capital Leases
2012		
2013		
2014		
2015		
2016		
2017 – 2021		
2022 – 2026		
2027 – 2031		
2032 – 2036		
2037 – 2041		
Total Future Minimum Payments		

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 **all liability activity**, by account, for the fiscal year ended June 30.

Normally, decreases in liabilities will be debit amounts and should be entered as positive numbers.

Normally, increases in liabilities will be credit amounts and should be entered as negative numbers.

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

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

Agency Code: 0100 Office of the State Treasurer
Agency Title: (Bond Retirement and Interest)

90.40.45.C 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
2012				
2013				
2014				
2015				
2016				
2017 – 2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
Totals:				

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

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

No _____ Yes _____

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

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

3. Did you do 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, 2011

Deferred revenues disclosure**General Instructions**

All agencies with deferred balances as of fiscal year-end must complete the Deferred Revenues Disclosure form (90.40.50.A).

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

- 5192 and 5292 Deferred Revenues and
- 5195 Deferred Expenditure Recoveries

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

- Charges for services
- Donable goods
- Grant or donation (federal/private/local)
- Loan program
- Miscellaneous/Other
- Other taxes
- Property taxes
- Timber sales

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

For amounts over \$200,000, complete the recognition criteria section.

In governmental fund type accounts, deferred revenue is recorded when one of two criteria is met:

1. Revenue recognition criteria has not been met, and/or
2. Related asset is not available.

In proprietary fund type accounts, deferred revenue is recognized only for revenues not yet earned. Refer to Subsection 85.70.40.

Report recognition criteria in the following categories:

1. Revenue recognition criteria not met:

- Prepaid revenue (tuition, rent, tolls, etc),
- Advance payments or prepayments, or
- Other revenue not yet earned.

2. Asset not available (governmental fund type accounts only):

- Long-term loan receivables that will not be collected in the next 12 months,
- Other long-term receivables that will not be collected in the next 12 months, or
- Other asset not available.

Deferred Revenues Disclosure

Agency Code: _____ Agency Title: _____

90.40.50.A Deferred Revenues Disclosure

Choose the appropriate “Type of Deferred 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 Deferred Revenue	Comments or Description of Miscellaneous/ Other (required)	Amount	Recognition Criteria (Required for amounts over \$200,000)

Reconciliation

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

90.40.55

June 1, 2011

Bond debt disclosure

General Instructions

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

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

90.40.55.a

Bonds Payable General Disclosure

This form contains **general questions** concerning arbitrage rebate requirements, variable interest rate debt, and debt issued subsequent to June 30.

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 the General Long-Term Obligations Subsidiary Account (Account 999), as well as for other agencies where OST pays the actual debt service (currently L&I and WSCTC).

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

Table 1 - Bond Debt GL Codes Reconciliation to AFRS

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

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

90
State Reporting

- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.
- Normally, bond debt liabilities will have **credit** balances.
- Normally, **retirements** are payments of bond debt principal and will be **debit** amounts and should be entered as positive numbers.
- Normally, **new issues** in bond debt liabilities will be **credit** amounts and should be entered as negative numbers.
- For this table, **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 the General Long-Term Obligations Subsidiary Account (Account 999): **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), and 0865 (Note Proceeds), and **retirements** (decreases in bond debt) are to equal amounts reported in governmental fund-type accounts in Subobject PA (Principal).

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 2012 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 2012 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
Accreted interest-GO zero coupon bonds	5212
Unamortized discounts on bonds sold	1910
Deferred gain/loss on bond refunding	5268
Unamortized premiums on bonds sold	5910

Complete the table to disclose activity related to bond premiums and discounts, issue costs, accreted interest payable, and gain/loss on refundings (GL codes 1910, 5212, 5268, 5910) as of June 30.

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 Debt Refunding Activity Disclosure

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

90
State Reporting

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).

Bonds Payable General Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.A Bonds Payable General Disclosure

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

No _____ Yes _____

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

\$ _____

2. Does your agency have any variable interest rate debt 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.

\$ _____

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

No _____ Yes _____

If yes, provide the following information:

A general description of the transaction, including date issued, amount of bonds issued, type of bonds issued, and purpose.

For example: In August 20XX, the University of X issued \$138.4 million in revenue bonds to fund a recreation center.

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)

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
2012				
2013				
2014				
2015				
2016				
2017 – 2021				
2022 - 2026				
2027 - 2031				
2032 - 2036				
2037 - 2041				
2042 - 2046				
Total				

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

Table 3 - Reconciliations

A. The total ending balance in Table 1 must agree to the total principal amount reported in Table 2.	
	Amounts
Subtotal of ending balances of applicable GL Codes in Table 1: GL's 5161/5261 + 5162/5262/5167/5267/1667+ 5163/5263 + 5164/5264 +5169/5269	\$ _____
Principal amount totals reported in Table 2 Debt Service Schedule	_____
Difference (Must be zero)	\$ _____
If there is a difference, provide an explanation.	

B. The short-term GL account amounts in AFRS must agree to the principal amount reported in Table 2.	
	Amounts
GL's 5161 + 5162 + 5163 + 5164 + 5167 + 5169 (from AFRS)	\$ _____
Principal amount for the next fiscal year reported in Table 2 Debt Service Schedule	_____
Difference (Must be zero)	\$ _____
If there is a difference, provide an explanation.	

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 – Other Bond Related GL's Reconciliation to AFRS

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
Comments or Notes (including description of “Other”):							

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	\$ _____
Future revenue pledged amount from above	_____
Difference (should be zero)	_____
If there is a difference, provide an explanation below:	

Bond Debt Refunding Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.C Bond Debt Refunding Activity Disclosure

This disclosure form is required to be completed by OST and agencies other than OST that perform their own debt refundings as follows:

A. Agencies other than OST:

1. The state is required to disclose bond debt refunding activities in the CAFR. OST will provide information on all bond debt refundings that they initiate.

Did your agency refund outstanding bonds during this fiscal year?

No _____ Yes _____

If yes, please disclose the following information for each refunding:

- a. A **general description of the transaction**, including date new debt was issued, amount of new debt issued, type of bonds issued, average interest rate of new debt issued, amount of debt refunded, type of debt refunded, and average interest rate of debt refunded.
- b. The **difference between the cash flows** required to service the old debt and the cash flows required to service the new debt and complete the refunding.
- c. Amount of the **economic gain or loss** resulting from the transaction.

For example:

On x date, the University of xx issued \$x in Housing & Dining Refunding bonds (series 20xx) with an average interest rate of x%, to refund \$x of Housing and Dining Revenue Bonds with an average interest rate of x%. The refunding resulted in \$x gross debt service savings over the next x years, and an economic gain of \$x.

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

Bond Debt Refunding Activity Disclosure - concluded

B. OST (Bond Retirement and Interest Agency, Agency 0100):

1. The state is required to disclose bond debt refunding activities in the CAFR. For OST General Obligation Bond Debt Refundings provide the following information:

Did your agency refund outstanding bonds during this fiscal year?

No _____ Yes _____

If yes, please disclose the following information for each refunding:

- a. A **general description of the transaction**, including date new debt was issued, amount of new debt issued, type of bonds issued, average interest rate of new debt issued, amount of debt refunded, type of debt refunded, and average interest rate of debt refunded.
 - b. The **difference between the cash flows** required to service the old debt and the cash flows required to service the new debt and complete the refunding.
 - c. Amount of the **economic gain or loss** resulting from the transaction.
2. In all periods following an advance refunding for which debt defeased in substance remains outstanding, the amount of that debt outstanding at June 30 should be disclosed. For general obligation bond debt refundings performed by OST, disclose this amount at June 30.
\$ _____

90.40.60

June 1, 2011

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).

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.

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

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

90
State Reporting

90.40.60

Example:

Agency Code: 0123 Agency Title: Any Agency

90.40.60.A Transfer Disclosure

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

Transfers Disclosure

Agency Code: _____ Agency Title: _____

90.40.60.A Transfer Disclosure

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

Reconciliation:

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

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

90.40.70

June 1, 2011

Pension and OPEB disclosure

General Instructions

All agencies with pension administration responsibilities as listed below are required to complete the pension disclosure form. Additionally, four-year higher education institutions are required to complete the Other Post Employment Benefits (OPEB) portion of the disclosure form.

There are a number of accounting standards that address the reporting of pension and OPEB including GASB Statements 25, 27, 43, 45 and 50. The pension and OPEB disclosure forms are used to accumulate the information required 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 impact on the state's financial statement of the state's participation in the Public Employees' Benefit Board's (PEBB) other post employment benefits plan measured in accordance with generally accepted accounting principles (GAAP). While the state's participation in the PEBB plan is not formalized in a contract or plan document, the state is required to make certain disclosures based on the current understanding of plan terms by the state and its employees and retirees. By reporting the state's OPEB plan in accordance with GAAP, the state's financial statements are presented consistently with other governments offering their employees other post employment benefits, and
- Compliance with finance-related statutory, regulatory and contractual requirements.

Pension disclosure information is required from the following agencies:

- Department of Retirement Systems
- Administrative Office of the Courts
- All four-year higher education institutions and the State Board for Community and Technical Colleges (SBCTC)

Additionally, certain OPEB information is required from all four-year higher education institutions.

90.40.70.a

Pension Disclosure – Department of Retirement Systems

This form is to be submitted by the Department of Retirement Systems (Agency 124) and is to include information pertaining to:

- 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).

The total covered payroll, employer contributions, member contributions, and Washington State contributions are required to be presented by employer type for each retirement plan. The payroll and contribution amounts should be reported by Washington State employers and all other employers.

- Total employer contributions should agree to the amounts reported in AFRS Revenue Source Code 0802 for each retirement plan and/or system.
- Total member contributions should agree to the amounts reported in AFRS Revenue Source Code 0803 for each retirement plan and/or system.
- Total State contributions should agree to the amounts reported in AFRS Revenue Source Code 0804 for each retirement plan and/or system.

90.40.70.b

Pension Disclosure – Administrative Office of the Courts

Covered payroll is required to be completed by the Administrative Office of the Courts (Agency 055) and is to include information pertaining to:

- Judicial Retirement Account (JRA) (DC)

The total covered payroll is required to be presented by employer type. The payroll should be reported by Washington State employers and all other employers.

90.40.70.c

Pension and OPEB Disclosure – Higher Education Institutions and SBCTC

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

1. **Higher Education Retirement 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:** Information for the Higher Education Supplemental Retirement Plan should be obtained from your actuarial valuations and payroll records. The Net Pension Obligation (NPO) is recorded in AFRS in Account 999 GL 5281 “Unfunded Pension Obligations.” Refer to the example provided of a completed form.
3. **OPEB Liability:** Four-year higher education institutions are to provide the following GASB Statement 45 OPEB data:
 - Actuarial Accrued Liability (AAL)
 - Annual Required Contribution (ARC)
 - Annual OPEB Cost
 - Net OPEB Obligation (NOO)

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 Employers				
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 Employers				
SERS 3 (DC) – WA State				
SERS 3 (DC) – Other Employers				
LEOFF 1 (DB) – WA State				
LEOFF 1 (DB) – Other Employers				
LEOFF 2 (DB) – WA State				
LEOFF 2 (DB) – Other Employers				
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 Employers				
JRA (DC) – WA State				
JRA (DC) – Other Employers				
Totals:				

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

Reconciliation of Contributions to AFRS Data:

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

**Pension Disclosure –
Administrative Office of the Courts**

Agency Code: 055 Agency Title: Administrative Office of the Courts

90.40.70.B Pension Disclosure – Administrative Office of the Courts

Agency Code	Retirement Plan – by Employer Type	Covered Payroll
055-AOC	JRA (DC) – WA State	
055-AOC	JRA (DC) – Other Employers	
048-COA	JRA (DC) – WA State	
045-SUP	JRA (DC) – WA State	
		Total:

**Pension and OPEB Disclosure –
Higher Education Institutions**

Example:

Agency Code: 123 Agency Title: Any Higher Education Institution

90.40.70.C Pension and OPEB Disclosure – Higher Education Institutions

This section is to be completed by all 4-year higher education institutions and the State Board for Community and Technical Colleges:

Higher Education Retirement Plan	
Covered Payroll	\$173,858,328
Employer Contributions	\$14,435,716
Member Contributions	\$14,315,716
Higher Education Supplemental Retirement Plan	
Most current valuation date (mm/dd/yyyy)	6/30/2011
Prior valuation date (mm/dd/yyyy)	6/30/2009
Input the following information from your most current actuarial valuation:	
UAL (Unfunded Actuarial Accrued Liability)	
Amount from current valuation	\$9,647,000
Amount from prior valuation	\$801,000
Amortization period (in years)	19.5
ARC (Annual Required Contribution)	\$1,126,000
Amortization of the UAL	\$568,000
Normal cost	\$531,000
Valuation method	Entry Age Normal cost cost method
Actuarial Assumptions	
Investment rate of return - %	6-8%
Projected salary increases - %	2-4%
Input the following information from your records:	
Payroll covered under this plan for the:	
Fiscal year of the most current valuation 6/30/2011	\$271,907,000
Fiscal year of the prior valuation 6/30/2009	\$206,447,000
Payments to Beneficiaries (last three fiscal years):	
2011	\$742,251
2010	\$774,124
2009	\$819,598
NPO (Net Pension Obligation) Calculation & Comparison to AFRS:	
AFRS Balance in Account 999, GL 5281, June 30 prior year	(\$735,625)
Annual Required Contribution (from above)	(\$1,126,000)
Payments to Beneficiaries – current fiscal year (from above)	\$742,251
Balance as of June 30 (calculated)	(1,119,374)
AFRS Balance in Account 999, GL 5281, June 30 current year	(1,119,374)
Difference (Must be zero)	\$ 0
Description of the supplemental plan: The Plan has a supplemental payment component which guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date.	
Comments:	

**Pension and OPEB Disclosure –
Higher Education Institutions – concluded**

Example:

<u>OPEB Liability (4 year Higher Education Institutions only)</u>	
List the following GASB 45 OPEB data for your agency:	
Actuarial Accrued Liability (AAL)	\$609,200
Annual Required Contribution (ARC)	\$62,000
Annual OPEB Cost	\$62,000
Net OPEB Obligation (NOO) at June 30	\$55,000
If these amounts don't agree with the most recent OSA actuarial valuation report explain why.	

**Pension and OPEB Disclosure –
Higher Education Institutions – concluded**

<u>OPEB Liability (4 year Higher Education Institutions only)</u>	
List the following GASB 45 OPEB data for your agency:	
Actuarial Accrued Liability (AAL)	\$
Annual Required Contribution (ARC)	\$
Annual OPEB Cost	\$
Net OPEB Obligation (NOO) at June 30	\$
If these amounts don't agree with the most recent OSA actuarial valuation report explain why.	

90.40.75

June 1, 2011

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, segments, joint ventures, or related organizations,
5. Capital assets that are permanently impaired and idle, and
6. Pollution remediation.

Miscellaneous Disclosure

Agency Code: _____ Agency Title: _____

90.40.75.A Miscellaneous Disclosure

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

No _____ Yes _____ If yes, provide the following information

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

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

No _____ Yes _____

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

3. Does your agency have any **donor-restricted endowments**? (Note: Donor restricted endowments are recorded in General Ledger Codes 9110 "Nonspendable Permanent Fund Principal," 9230 "Restricted for Higher Education," 9240 "Restricted for Human Services," or other 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 net assets,
- 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**, and/or has your agency participated in a **joint venture**? Note: blended component units are reported in (c) below.

No _____ Yes _____

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

No _____ Yes _____

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

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

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

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

Name of Entity	Reason for blending

- 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 _____

Miscellaneous Disclosure - concluded

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

No _____ Yes _____

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

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

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

No _____ Yes _____

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

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

The Site Status Report must be filed with the Financial Disclosure Certification form.

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

90.40.95

June 1, 2011

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.

The **original** signed Financial Disclosure Certification form including attachments, as necessary, is to be mailed to the following address by **September 27, 2011**:

Office of Financial Management
Statewide Accounting
P.O. Box 43113
Olympia, Washington 98504-3113

Note: Historically, the Financial Disclosure Certification form was due at the same time as all other disclosure forms. This year the Financial Disclosure Certification form is due two weeks after the due date of the other disclosure forms.

Financial Disclosure Certification

Agency Code: _____ Agency Title: _____

90.40.95 Financial Disclosure Certification

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

- (1) The transactions and adjustments recorded in the Agency Financial Reporting System (AFRS) for Fiscal Year 2011 accurately and completely reflect our agency's activity and ending account balances for each of the accounts listed below, in conformity with Generally Accepted Accounting Principles (GAAP) as outlined in the *State Administrative and Accounting Manual* (SAAM) and demonstrate legal compliance, where applicable.
- (2) There are no outstanding litigations, contingencies, or unasserted claims, in our agency that could materially affect these balances; or if such conditions exist, their disclosure **is attached** to this certification, such as a letter from the Attorney General's Office.
- (3) We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to this agency.
- (4) We have identified and disclosed to the auditor violations and possible violations of laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate accounts.
- (5) We have disclosed to the auditor all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- (6) We are responsible for establishing and maintaining effective internal control over financial reporting. Our agency's system of internal controls complies with the prescribed requirements as contained in Chapter 20 of SAAM.
- (7) We are responsible for designing and implementing programs and controls to prevent and detect fraud. We have disclosed to the auditors all known instances and allegations of fraud or suspected fraud involving management and employees who have significant roles in internal control. We have also disclosed known instances and allegations of fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
- (8) Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance categories (nonspendable, restricted, committed, assigned and unassigned) are appropriately classified, and, if applicable, approved.
- (9) Provisions for uncollectible receivables have been properly identified and recorded.
- (10) Interfund and interagency activity and balances have been appropriately classified and reported.

Financial Disclosure Certification - concluded

- (11) 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 GASB requirements.
- (12) Inventories have been properly identified and recorded. Provisions have been made to reduce excess or obsolete inventory, when material, to their estimated net realizable value.
- (13) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated. The state has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged. The balances shown for capital assets in the Agency Financial Reporting System (AFRS) reflect fairly our agency's capital assets on June 30, 2011, and these balances have been reconciled to our authorized capital asset subsidiary system.
- (14) If the modified approach is used to account for eligible infrastructure assets, our agency meets the GASB-established requirements as outlined in SAAM Subsection 30.20.80.
- (15) 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 **is attached** to this certification.
- (16) We have completed all disclosure forms applicable to our agency's accounts and activities.
- (17) No exceptions to the above certifications have occurred subsequent to June 30, 2011, and through the date of this certification; or if such conditions exist, their disclosure is attached to this certification.
- (18) 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 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

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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