

Certificate of Achievement for Excellence in Financial Reporting Detailed Listing of Comments and Suggestions for Improvement

City of Vancouver, Washington
Member ID: 225216002
Report #: COA-2020-04243

101 - Cover, table of contents, and formatting

Comment Number: 1028 ✓ Checklist Question: 1-001-08

A page number should appear on each page. [Certificate Program requirement]

Corrected on the 2021 statements

102 - Introductory section

Comment Number: 2239 ✓ Checklist Question: 2-001-04-7

It is recommended that the letter of transmittal describe the legal level of budgetary control (i.e., the level at which management cannot overspend the budget without the approval of the governing body). [Certificate Program requirement; GAAFR Chapter 33 - Introductory section-Formal transmittal]

Added budgetary level of controls to the transmittal letter and MD & A for 2021.

105 - Basic financial statements (preliminary considerations)

Comment Number: 1178 ✓ Checklist Question: 5-001-09

Specific comment that, if not corrected in the next report, will preclude the entity from receiving the Certificate of Achievement.

Pages 30 and 39.

The amount reported as "changes in net position – governmental activities" in the reconciliation associated with the governmental fund statement of revenues, expenditures, and changes in fund balances should be the same as the amount reported as "changes in net position - governmental activities" in the government-wide statement of activities. [GASB Cod. Sec. 1800.155, .165; Certificate Program requirement]

Formula error - has been corrected on the 2021 statements.

106 - Government-wide financial statements

Comment Number: 3384 ✓

Page 29 - Clarify for the OPEB liability due in one year. Also, the net pension liability should be labeled as "due in more than one year."

Change made for 2021

Net pension/OPEB liability or collective net pension/OPEB liability should be reported with noncurrent liabilities due in more than one year, unless the pension plan's fiduciary net position is less than the amount of benefit payments expected to be paid within one year (if any). [Q&A 7.22.6]

108 - Governmental fund financial statements

Comment Number: 1350 **Checklist Question: 8-003-09** ✓

Pages 37-38.

No new debt issued in 2021 - will use correct terminology in the future

Use the terminology "issuance of debt" rather than "proceeds from debt." [GASB Cod. Sec. 1800.124; 2200.167; GASB-S34: 88; Q&A 7.66.1; GAAFR Chapter 11 - Other financing sources]

Comment Number: 1351 **Checklist Question: 8-003-09-1** ✓

Pages 37-38.

No premiums or discounts to report in 2021 - will report under proper financing source in the future

Premiums and discounts should be reported as a separate other financing source or use. [GASB Cod. Sec. 1800.124; 2200.167, .737-1; GASB-S34: 88; Q&A 7.66.1; GAAFR Chapter 11 - Other financing sources]

Comment Number: 2439 **Checklist Question: 8-003-09** ✓

Pages 37-38 - Refer to the additions on page 72.

The amount of the other financing source reported on the statement of revenues, expenditures, and changes in fund balances in connection with the issuance of long-term debt should agree with the amount of the related addition to long-term debt disclosed in the notes to the financial statements. [GASB Cod. Sec. 1800.124; 2200.167; GASB-S34: 88; GAAFR Chapter 11 - Other financing sources]

No new debt issued in 2021 - will ensure statement of revenues, exp & changes in fund balance matches long-term debt note disclosures

109 - Proprietary fund financial statements

Comment Number: 2977 This has been corrected for the 2021 statement.

Page 47 - For the capital grants and contributions of \$119,108 and \$1,937,571.

It is unclear why the proprietary funds report a nonoperating revenue rather than a capital contribution related to the capital grants and contributions reported in the business-type activities on the government-wide statement of activities. [Q&A 7.72.8]

119 - Other considerations This will be corrected for the 2021 submission.

Comment Number: 2213 **Checklist Question: 19-001-01** ✓

The disclosures in the City's annual report should be consistent with the information provided in the City's application to the

Certificate Program. The report provides budget schedules for 17 special revenue funds and 7 capital projects funds, while the City's answer to question 5.d. on the application indicates that annual budgets are legally adopted for 15 special revenue funds and 5 capital projects funds. Please clarify.

The budgetary presentations included in the annual comprehensive financial report should be consistent with the government's budgeting as described in the Certificate of Achievement Application Form. [Certificate Program requirement]

120 - New Pronouncements

GASBs will be implemented in the year required.

Comment Number: 3602 ✓

The GASB has issued the following statements and implementation guides:

1. Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
2. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.
3. Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022.
4. Statement 92, "Omnibus 2020." The requirements of this Statement, The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
5. Statement 93, "Replacement of Interbank Offered Rates." The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
6. Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
7. Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
8. Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
9. Implementation Guide No. 2019-1, "Implementation Guidance Update—2019." The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2021.
10. Implementation Guide No. 2019-3, "Leases." The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Earlier application of these statements is encouraged. For the original pronouncements and the implementation guides, please visit the GASB's website, www.gasb.org.

Comment Number: 3603

As per the GFOA policy statement issued on March 9, 2021, the Government Finance Officers Association (GFOA) has asked all industry affiliates to immediately stop using the common four-letter acronym most often associated with the Comprehensive Annual Financial Report. Additional information and a toolkit for making this change is on GFOA's website at: <https://www.gfoa.org/eta>.

***** END OF COMMENTS FOR COA-2020-04243 *****