Welcome to SAO’s
2nd Annual BARS Update Webinar
– GAAP Basis

Handout packet for October and November 2020
2nd Annual BARS Update Webinar – Code Word Tracker

Use this form to help track the code words for CPE during the webinar!

To earn CPE the code words must be submitted on the survey which is available after the presentation.

The code words must be submitted in the same order they appear during the presentation.

<table>
<thead>
<tr>
<th>Code Word #</th>
<th>The code word is...</th>
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</thead>
<tbody>
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<td>1</td>
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Don’t forget to complete the survey and earn your CPE!

Thank you for attending!
Asset Retirement Obligations are legally enforceable liabilities associated with the retirement of a tangible capital asset. Examples of assets that could qualify as asset retirement obligations include an asset that may require decommissioning at a substantial cost to a government or an asset that operates in special industries that may require special disposal (X-ray machines, nuclear reactors, sewer ponds, etc.).

Resources

**GASB 83** – located at: [www.gasb.org](http://www.gasb.org) > Standards & Guidance > Pronouncements > Scroll to locate Statements of Governmental Accounting Standard [76-91] > Scroll to locate Statement No. 83 > Select the full text option


**Identifying Asset Retirement Obligations** – Available on SAO Website: [https://sao.wa.gov/improving-government/resources-database/](https://sao.wa.gov/improving-government/resources-database/) and searching “asset retirement” in the search box.

GAAP Basis

**Online Filing** – Once an estimate can be made, the liability will be reported on the Schedule 09.

**Financial Statements** – Report a liability with an offsetting deferred outflow of resources, unless an abandonment; then report as an expense. Over the useful life of the asset, reduce the deferred outflow and report a corresponding expense in a systematic and rational manner.

**Notes** – See Note X- Certain Asset Retirement Obligations.
Fiduciary Activities

Fiduciary activities can occur when governments take care of money that belongs to individuals or other outside governments.

What is changing?
Clarification of what is classified as a fiduciary activity.
Elimination of Agency Funds and creation of Custodial Funds

Updates to fund categories

<table>
<thead>
<tr>
<th>Fund Category</th>
<th>GAAP</th>
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</thead>
<tbody>
<tr>
<td>Pension and OPEB Trust Funds</td>
<td>No signification change in use</td>
</tr>
<tr>
<td>Private Purpose Trust Funds</td>
<td>No signification change in use</td>
</tr>
<tr>
<td>Investment Trust Funds</td>
<td>Counties may have changes in use</td>
</tr>
<tr>
<td>Custodial Funds</td>
<td>Potential signification change in use</td>
</tr>
<tr>
<td></td>
<td>use from “Agency Funds”</td>
</tr>
<tr>
<td>External Investment Pool Fund</td>
<td>Counties only</td>
</tr>
</tbody>
</table>

Resources


**GASB 84** – Located at: [www.gasb.org](http://www.gasb.org) > Standards & Guidance > Pronouncements > scroll to Statements of Governmental Accounting Standards [76-91] > Scroll to GASB Statement No. 84 > Select full text version

GAAP Basis

**Online Filing** – Changes to Schedule 01, fund codes, and fiduciary BARS codes

**Statement of Fiduciary Net Position** – Fund title changes. *Reminder - Custodial Funds will most likely have Net Position balances.*

**Statement of Changes to Fiduciary Net Position** – Now includes Custodial Funds. Requires meaningful level of descriptions

*Evaluation of all activities for fiduciary applicability required*
Fiduciary Activities Criteria

1. Does the government control the asset? ¶12
   - NO: The activity would not be reported
   - YES: Are the assets derived solely from the government’s own-source revenue? ¶11b1
     - YES: The activity would be reported with the governmental or business-type activities
     - NO: Are the assets derived from government-mandated nonexchange transactions or voluntary nonexchange transactions? ¶11b2
       - YES: Are the assets held in a trust or equivalent arrangement and the government itself is not a beneficiary? ¶11c1
         - NO: Are the assets for the benefit of individuals and the government does not have administrative involvement or direct financial involvement? ¶11b2
           - YES: The activity would be reported with the governmental or business-type activities
           - NO: Are the assets for the benefit of organizations or other governments that are not part of the financial reporting entity? ¶11c2
             - NO: The activity would be reported with the governmental or business-type activities
             - YES: Are the assets for the benefit of individuals and the government does not have administrative involvement or direct financial involvement? ¶11b2
               - NO: Are the assets for the benefit of organizations or other governments that are not part of the financial reporting entity? ¶11c3
                 - NO: The activity would be reported with the governmental or business-type activities
                 - YES: The activity would be reported in a fiduciary fund

*These questions have two parts. The second part is: Are the assets you are holding for the individual/government/organization come from you providing a good or service to the recipient? – If Yes, not fiduciary. If No, it is fiduciary.
GAAP Basis - Court Accounting

*Cities and Counties with their Own Court*

1. AOC Codes (386/586) Fiduciary

2. Revenues for Fines and Fees
   BARS Codes 35P.PP.PP

3. Revenue from State
   Generally BARS Codes 336.PP.PP

Administrative Office of the Courts (AOC)

Local Government
Cities and Counties that Contract for Court

1. **Revenues** for Fines and Fees
   BARS Codes 35P_PP_PP

2. **Payment** for Court Service
   BARS Code 512.50_PP

Provider of Court Services

City that Contracted Court Services
Cities and Counties that Provide Court Services for Others (GAAP)