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# SUPERINTENDENT OF PUBLIC INSTRUCTION

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December 28, 2015

( ) Action Required  
(X) Informational

## MEMORANDUM NO. 080-15M SCHOOL APPORTIONMENT AND FINANCIAL SERVICES

TO: Educational Service District Superintendents  
Educational Service District Fiscal Officers

FROM: Randy I. Dorn, State Superintendent of Public Instruction

RE: Educational Service District Accounting Manual Revisions for 2015–16

CONTACT: Paul Stone, 360-725-6303, [paul.stone@k12.wa.us](mailto:paul.stone@k12.wa.us)  
Agency TTY: 360-664-3631

### **Purpose**

The *Educational Service District Accounting Manual* has been revised for the 2015–16 school year.

### **Effective Date**

The effective date of the revised manual is September 2015 and the changes are applicable to the educational service district fiscal year beginning September 1, 2015.

### **Summary of Changes**

#### **In Chapter 1, Principles of Accounting:**

- The narrative on page 24 which describes how the federal indirect expenditure rates were computed is changed.

#### **In Chapter 2, Principles of Reporting:**

- Narrative clean up on pages 6 & 7: net assets changed to net position.
- The Statement of Net Position, beginning on page 19, incorporates new reporting elements.
- The Statement of Fiduciary Net Position – Agency Funds on page 26 is has been changed to “Statement of Fiduciary Net Position – Fiduciary Funds.

- The Statement of Fiduciary Net Position – Agency Funds on page 27 has been added. Per GASBS 34, ¶ 110: In the statement of net position, agency fund assets should equal liabilities. Agency funds should not be reported in the statement of changes in fiduciary net position to distinguish this type of fund from other fiduciary funds.
- Instructions to Notes to the Financial Statements on page 29 have been enhanced.
- The Notes are reformatted with page breaks to begin each note.
- Additional narrative is added to the end of Note 1 on page 33, describing the implementation of the new pension reporting standard.
- The Pension Note, beginning on page 41, has been revised to comply to GASBS 68.

**In Chapter 3, Chart of Accounts:**

- General Ledger Accounts were added to the chart of accounts. These new GL accounts have been incorporated throughout this chapter and elsewhere for financial reporting purposes. Beginning on page 2:
  - **Liabilities**
    - 660 Net Pension Liability
  - **Deferred Inflows and Outflows of Resources**
    - 711 Deferred Outflows of Pension Plan Investment Earnings
    - 712 Deferred Outflows of Pension Plan Experience Differences
    - 713 Deferred Outflows of Pension Plan Assumption Changes
    - 714 Deferred Outflows of Pension Plan Changes in Proportions
    - 715 Deferred Outflows of Pension Plan Contributions
    - 751 Deferred Inflows of Pension Plan Investment Earnings
    - 752 Deferred Inflows of Pension Plan Experience Differences
    - 753 Deferred Inflows of Pension Plan Assumption Changes
    - 754 Deferred Inflows of Pension Plan Changes in Proportions
  - **Fund Equity/Net Position**
    - 892 Unrestricted Fund Balance for Net Pension Liability

**On the ESD Financial Statement (F-185):**

- On the **Schedule of Revenues and Other Financing Sources:**
  - Revenue 39, State General Purpose, Unassigned has been added.

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- On the **Statement of Net Position**:
  - The Deferred Outflows of Resources section is expanded for pension reporting.
  - The Deferred Inflows of Resources section is expanded for pension reporting.
  - Net Pension Liability is added to the Noncurrent Liabilities section.
  - Future L&I Assessments has a “current” component.
  - Unallocated Loss Adjustment Expenses has a “noncurrent” component.
  - Unrestricted Fund Balance is expanded below the face of the financial statements for transparency.

### **Assistance**

If you need additional copies or have any questions regarding these changes, please contact Paul Stone at 360-725-6303 or e-mail [paul.stone@k12.wa.us](mailto:paul.stone@k12.wa.us). The agency TTY number is 360-664-3631.

The electronic copy of this handbook is available at:  
<http://www.k12.wa.us/safs/INS/ESD/ESD.asp>.

K–12 FINANCIAL RESOURCES

SCHOOL APPORTIONMENT AND  
FINANCIAL SERVICES

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