

## Summary of Substantive Changes

# Special District Uniform Accounting and Reporting (SPD) Manual

The 2020 edition of the *Special District Uniform Accounting and Reporting (SPD)* manual has been reviewed to confirm consistency with current GAAP guidelines according to GASB Codification.

The general changes implemented in the 2020 edition of the SPD manual are as follows:

- Reorganized material to correlate with the GASB Codification in order to gain efficiency and accuracy for future GAAP updates and to reduce redundancy.
- Incorporated the GASB Codification in reference citations and in overall guidance.
- Revised manual for consistency with guidance through GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, as amended.
- Incorporated additional guidance that is of particular significance to dependent special districts (*see Chapters 14, 15, 24, 25 and 26*).
- Correlated guidance with the *Accounting Standards and Procedures for Counties* to ensure blended component units were given the same guidelines.
- Improved clarity of language through sentence structure changes, consolidation of duplicate material, and the elimination of guidance determined to be outside the authority of the State Controller's Office (SCO).
- Incorporated provisions from new laws chaptered in 2018 and GASB Pronouncements not yet codified, including the addition of preliminary guidance on GASBS 87, *Leases*.
- Improved language for consistency and comparability for guidance provided in other SCO publications.

Substantive changes concerning specific chapters of the SPD manual are listed in the following table:

Description of Change	Reason for Change
<b>Chapter 2, Governing Standards and Reporting</b>	
Chapter renamed and merged existed material with language from the chapter on <i>Regulatory Accounting Framework</i> (former SPD Chapter 18).	To consolidate similar material related to governing standards for local governments and statutory reporting requirements into one chapter.
<b>Chapter 7, Classification and Terminology</b>	
Merged chapter 5, <i>Balance Sheet Accounts</i> , and chapter 6, <i>Revenue and Expense/Expenditure Accounts</i> , from 2018 edition of the SPD manual into one chapter.	<p>To consolidate subject matter and guidance related to terminology and appropriate classifications for balance sheet, expenditure/expense, and revenues into one chapter.</p> <p>Relocated special district functional revenue and expense/expenditure chart of accounts examples (Chapter Section 6.11 from 2018 edition of the SPD manual) to the appendix section. This was done to avoid confusing the reader since the same account number series are used to illustrate other accounts in this chapter.</p> <p>Cross references to Appendix D are identified in Chapter 7.</p>

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<b>Chapter 8, <i>The Reporting Entity</i></b>	
New addition to the SPD Manual.	To provide an overview of the financial structure of the primary local government and the relationships with its corresponding component units.
<b>Chapter 14, <i>Contracts and Agreements</i></b>	
New addition to the SPD Manual.	To consolidate specialized accounting treatments related to contracts and agreements in one area. This chapter also introduces accounting guidance related to the topics of “On-behalf Payments for Fringe Benefits” and “Derivative Instruments”.
<b>Chapter 15, <i>Reporting for Service Concession Arrangements</i></b>	
New addition to the SPD Manual.	To provide an overview of the accounting and reporting guidance related to service concession arrangements.
<b>Chapter 16, <i>Investments and Lending</i></b>	
New addition to the SPD Manual.	To provide an overview of how local governments should account for investments, including reverse purchase agreements and transactions related to securities lending.
<b>Chapter 18, <i>Taxes</i></b>	
Revised chapter to include high level accounting guidance on various types of taxes.	To include additional accounting guidance for various types of taxes and related legislative references.
<b>Chapter 22, <i>Retirement Systems</i></b>	
Removed complex guidance and substituted references for the guidance removed.	To improve clarity of the subject matter for the intended end user.
<b>Chapter 24, <i>Compensated Absences</i></b>	
New addition to the SPD Manual.	To provide readers an overview of the accounting and reporting guidance related to compensated absences.

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<b>Chapter 25, <i>Municipal Solid Waste Landfill Closure and Postclosure Care Costs</i></b>	
New addition to the SPD Manual.	To provide guidance on reporting costs related to Municipal Solid Waste Landfill closure and postclosure care.
<b>Chapter 26, <i>Leases</i></b>	
New addition to the SPD Manual.	To provide an overview of the lease accounting for local governments, applicable to reporting period that begin prior to December 15, 2019.  Guidance for GASB Statement (GASBS) No. 87, <i>Leases</i> , is not included in this chapter. Refer to Appendix A, <i>Upcoming Changes</i> for a preview of the upcoming guidance.
<b>APPENDICES</b>	
Appendix A: <i>Upcoming Changes</i> is a new addition to this section of the SPD Manual	Appendix A: <i>Upcoming Changes</i> , was added to notify readers of this manual of released GASB pronouncements whose provisions are not yet effective.