

GASB 84: Frequently Asked Questions

Revised October 19, 2020

- 1. If a local government created a Tax Increment Financing (TIF) district and is collecting the payments and forwarding them on to another party, are those TIF revenues the government's own source revenue?**

A. Yes, if a TIF district is created by a local government the TIF revenues are the local government's own source revenue.

- 2. Is hotel/motel tax levied by a local government considered own source revenue?**

A. The portion of the Hotel/Motel tax levied under ORC 5739.09 (A) (1) and (B) (1) to make contributions to the convention or visitors' bureau is considered own source revenue of the government levying the tax. Under GASB 84, these dollars should not be reflected in a custodial fund. Under ORC 351.021, convention facilities authorities have the ability to levy their own tax. There are various other Hotel/Motel taxes that can be levied which will need to be reviewed by the respective local government to determine who levied the tax. Also, counties will sometimes collect and distribute hotel/motel taxes that are levied by another government (township, municipal corporation, convention facilities authority), if that tax is not levied by the county, it is not own source revenue to the county and can be reported as custodial.

- 3. Can a County be considered a cash conduit for state-levied shared money that will be distributed to the County?**

A. No, any state-levied shared monies distributed to the County should not be reported in a fiduciary fund.

- 4. If a local government is levying a special assessment and forwarding the proceeds to another party, are those assessments considered the government's own source revenue?**

A. Special assessments levied by a local governments are considered the local government's own source revenue. However, debt service transactions of a special assessment issue for which the government is not obligated in any manner should be reported in a custodial fund. (GASB 6 paragraph 19, as amended. See also GASB codification S40.119) Special assessments levied for a special improvement district (SID) or an energy special improvement district (ESID), to pay debt of the SID or ESID (provided the government is not obligated in any manner) fall under this exception and can be reported in a custodial fund. This exception also applies to special assessments levied for an overlapping/neighborhood government. (For example, government A levies special assessments for debt related to an improvement project, but some of the property owners who receive the benefit of the improvement are in government B. Government B levies the special assessments on those few property owners and forwards the amount collected to government A. Government B is not obligated in any manner. Government B can report these special assessments in a custodial fund.)

5. Is the income tax associated with a Joint Economic Development District (JEDD) or a Joint Economic Development Zone (JEDZ — formed under ORC 715.691) the own source revenue of the JEDD or JEDZ?

A. JEDDs/JEDZs are formed under ORC 715.691-715.90. These Sections also authorize the JEDD/JEDZ to levy a district-wide/zone-wide income tax. This levy is the own source revenue of the JEDD/JEDZ. (See AOS Bulletin 2009-004 and 2015-007). This question does not apply to Municipal Utility Districts (MUDs) created under 715.69 (formerly also known as JEDZs). ORC 715.69 was repealed and entities created under 715.69 are now subject to ORC 715.84(J).

6. Has the implementation date for GASB 84 been delayed by GASB?

A. GASB has recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This GASB pronouncement delays the implementation of various GASB pronouncements. Following are paragraph 4, 5 and 6 from GASB 95. Paragraph 4 identifies the GASB pronouncements postposed along with the new effective dates. Paragraph 5 explains that governments are still permitted to early implement these GASB pronouncements. Meaning, if a government is in the process of implementing GASB 84 for its calendar year 2019 financial statements, it may continue with its efforts to implement GASB 84 for 2019; however, it is not required to do so. If a government has implemented one of the impacted GASB pronouncements in a previous reporting period, it should continue to apply that pronouncement. Paragraph 6 clarifies that GASB 95 is effective immediately, thus there is no waiting period. This GASB pronouncement is effective upon issuance. GASB has acknowledged that if the pandemic's ramifications for financial reporting extend further, additional consideration of effective dates may be necessary. GASB 95 can be [found here](#).

Postponement of Effective Dates

4. The requirements of the following Statements and Implementation Guides are effective as indicated:

- a. Statement 83—reporting periods beginning after June 15, 2019
- b. Statement 84 and Implementation Guide 2019-2—reporting periods beginning after December 15, 2019
- c. Statement 87 and Implementation Guide 2019-3—fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- d. Statement 88—reporting periods beginning after June 15, 2019
- e. Statement 89—reporting periods beginning after December 15, 2020
- f. Statement 90—reporting periods beginning after December 15, 2019
- g. Statement 91—reporting periods beginning after December 15, 2021
- h. Statement 92, paragraphs 6 and 7—fiscal years beginning after June 15, 2021
- i. Statement 92, paragraphs 8, 9, and 12—reporting periods beginning after June 15, 2021
- j. Statement 92, paragraph 10—government acquisitions occurring in reporting periods beginning after June 15, 2021
- k. Statement 93, paragraphs 13 and 14—fiscal years beginning after June 15, 2021, and all reporting periods thereafter

- l. Implementation Guide 2017-3, Questions 4.484 and 4.491—the first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019
 - m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1–5.4—actuarial valuations as of December 15, 2018, or later
 - n. Implementation Guide 2018-1—reporting periods beginning after June 15, 2019
 - o. Implementation Guide 2019-1—reporting periods beginning after June 15, 2020.
5. Earlier application of the provisions in paragraph 4 is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

Effective Date

6. The requirements of this Statement are effective immediately.
- 7. With GASB delaying the implementation date for GASB 84, when do local governments need to begin budgeting according to GASB 84 fund classifications?**
- A.** With the issuance of GASB 95, GASB 84 is now effective for 2020 for governments with a December 31 year end. Any changes in fund classification will not need to be made to the day-to-day books or budgeted until the 2022 budget year. Schools and other June 30 year end filers will need to begin budgeting according to GASB 84 fund classifications for fiscal year 2023. However, there is nothing to prevent a local government from adopting their budget following GASB 84 fund structure prior to these effective dates. As a practical matter, it may be easier for regulatory filers to begin budgeting according to GASB 84 fund structure as they begin generating the new fiduciary statement for 2020. (See question 8)
- 8. The GASB 84 bulletin introduced a new fiduciary statement and indicated, “Effective with 2020 statements, governments not statutorily required to prepare GAAP statements that prepare regulatory statements will be preparing a new Statement of Changes for their Fiduciary Funds.” Has this effective date been clarified?**
- A.** Yes, regulatory filers with a period end date on or after December 31, 2020, will need to prepare the new fiduciary statement. Meaning, the first regulatory financial statements which will require the new fiduciary statement will be those prepared for the period ending December 31, 2020.