

Topic No.	Subject	Topic No.	Subject
1	Initial adoption of SGAS 33 & 34	2	Management's discussion & analysis
3	Government wide statement of net assets	4	Government wide statement of activities
5	Governmental fund balance sheet	6	Governmental fund statement of revenues, expenditures and changes in fund balance
7	Statement of net assets, proprietary funds	8	Statement of revenues, expenses and changes in fund net assets (proprietary funds)
9	Statement of cash flows	10	Fiduciary fund statement of net assets
11	Fiduciary fund statement of changes in net assets	12	Interfund transactions
13(a)	Notes to the financial statements	13(b)	Capital assets and long-term liabilities
13(c)	Segment information	14	Major component unit presentation / disclosure
15	Budgetary presentations	16	RSI for modified approach to reporting infrastructure
17	Nonprofit entities	18	Special purpose governments engaged exclusively in governmental activities, business type activities or fiduciary activities
19	Additional CAFR requirements	20	Governmental colleges & universities
21	Infrastructure transition		

Part II

Presentation & Disclosures Applicable to SGAS 34

<u>Item no.</u>	Reference	N/A	Yes	Applicable, But Not Required-Explanation
1. Initial adoption of SGAS 33 & 34:				
a. Treat adjustments to <u>funds</u> resulting from applying these statements by restating opening equity for the earliest period presented. If more than 1 year is presented and it is not practical to restate the prior year, show the cumulative effect of the change as a restatement of beginning fund balance/net assets for the earliest period restatement. The statements should disclose the nature of the restatement and its effect. (Also, there is no restatement associated with the entity wide statements, since they are a new presentation.)	GASB 33, par. 31 GASB 34, par. 144			
a. Entities cannot adopt GASB 34 without adopting GASBs 33, 36, 37 and 38.	GASB 33, par. 31 GASB 37, par. 20 GASB 38, par. 16			
b. Recognition of promised donations does not require restatement.	GASB 33, par. 31			
2. Management's Discussion & Analysis				
c. Should appear between the opinion and the basic financial statements, and should be based on facts known by the date of the auditor's opinion.	GASB 34, par. 8 - 11 GASB 34 Imp Q.6 - 14 2001 GAAFR 251 - 254			
a. Should discuss current-year results compared with p/y, emphasizing the current year. It should also distinguish PG information from CU information. When appropriate, refer readers to separately issued CU statements. (Need not restate prior year "operating" statements in the initial year of adopting 34.) Note: MD&A should focus on the PG. Determining whether to discuss CU information requires professional judgment, based on the significance of the CU to total CU's and the CU's significance to the PG.	par. 8 GAAFR 2001 p. 254			
a. Should discuss current-year results compared with p/y, emphasizing the current year. It should also distinguish PG information from CU information. When appropriate, refer readers to separately issued CU statements. (Need not restate prior year "operating" statements in the initial year of adopting 34.) Note: MD&A should focus on the PG. Determining whether to discuss CU information requires professional judgment, based on the significance of the CU to total CU's and the CU's significance to the PG.	par. 10, 145			
b. Should briefly discuss statements, including the relationship of gov't wide vs. fund statements. Explain the difference in the information they provide.	par. 11			
c. Include condensed financial information derived from the government wide statements (Need not restate prior year "operating" statements in the initial year of adopting 34.). Present GTA separately from BTA.	par. 11, 145			
(1) Total assets, distinguishing capital vs. other assets				
a. Total liabilities, distinguishing long term vs. other.				
1. Total net assets, including: i. invested in capital assets, net of related debt (ii) restricted amounts (iii) unrestricted amounts				
2. Program revenues by major source				
3. General revenues by major source				

4. Total revenues				
5. Program expenses, at a minimum by function				
6. Total expenses				
7. Excess (deficiency) before contributions to term and permanent endowments or perm fund principal, special and extraordinary items and transfers.				
(10) Contributions				
(11) Special and extraordinary items				
(12) Transfers				
(13) Changes in net assets				
(14) Ending net assets				
a. Analyze gov't type (GTA) and business type activities' (BTA) overall financial position and results of operations, explaining whether financial position has improved or deteriorated. Discuss the reasons, not just the \$ change. Discuss important economic factors affecting changes.				
b. Analyze balances and transactions of individual funds. Address reasons for <u>significant</u> changes in equity, and significant restrictions on future availability of fund resources.				
c. Analyze significant variations between the original and final budget and between the final budget and actual amounts for the <u>general</u> fund or its equivalent. Discuss known reasons for variations expecting to significantly affect future services or liquidity.				
d. Describe significant capital asset changes and long-term debt activity. Discuss commitments for capital expenditures, changes in credit ratings, debt limits that may affect financing facilities or services.				
(i) If using the modified infrastructure approach, discuss: (i) Significant changes in assessed conditions of eligible infrastructure vs. previous assessments. (ii) Compare the current assessment to the established (i.e., planned) condition level. (iii) Significant differences from estimated annual maintenance / preservation costs vs. actual expenditures during the year.				
(j) Discuss known facts, decisions, conditions expected to significantly affect equity or results of operations, based on objective information.				
e. The MD&A must discuss all material items listed in c - j above, but should not include topics not listed above. Governments can provide additional details about the required topics. Information not relating to the required topics should not be in the MD&A, but may be provided in the transmittal letter or as supplementary information. (If provided as supplementary information, auditors should consider the auditing and reporting requirements of AU 550 & 551.)	GASB 37, par. 4 34 Imp Q. 10			
3. Government wide Statement of Net Assets				
a. Follow full accrual accounting for GTA, BTA and CU, using the economic resources measurement focus. Report capital and other long-term assets and current and long-term liabilities.	par.16, 18			
a. Include separate columns for: (1) BTA 1. GTA 2. Discrete CU	par. 14, 15, 125			

3. Do not present fiduciary funds or CU that are fiduciary in nature.				
4. Include blended CU with either BTA or GTA.				
i. Present total column for the PG. A total column for the PG + CU is optional.	par. 14			
a. Display in net asset or balance sheet format. However, describe equity as "net assets."	par. 30			
b. List assets and liabilities in order of liquidity, or classify, with subtotals for current assets and liabilities.	par. 31, 97 - 99			
(f) Present capital assets at cost or fair value when donated. (Capital assets include land, improvements, easements, buildings, vehicles, equipment, art and historical treasures, infrastructure and other tangible and intangible assets used in operations for more than a single period).	par. 19, 27			
c. Present capital assets net of accumulated depreciation. (Report capital assets that are not depreciated, such as land, or art collections that do not diminish in value, on a separate line, if material.)	par. 20, 29			
(h) Categorize net assets as either: 1. Invested in capital assets, net of related debt 2. Restricted i. no category of restricted net assets can be negative. If liabilities related to restricted assets exceed those assets, reduce unrestricted net assets. ii. Should be on the full accrual basis iii. Should include additional subcategories for: A. Permanent endowments B. Permanent fund principal A. Disclose categories of restrictions in the notes if not on the face of the statements. 1. Unrestricted Do not present equity designations on this statement.	par. 33 - 36 Imp. 88 - 102 GASB 34 Imp page 220 01 GAAFR 210			
(i) Net any receivables and payables within GTA and BTA, present one residual due to / due from GTA / BTA. Classify as "internal balances." Classify amounts receivable from / payable to fiduciary funds as receivable from or payable to external parties.	par. 57 -58 Appendix C, A-2			
(J) Present internal service fund assets and liabilities in the GTA column, unless enterprise funds are the predominant user of their services.	par. 62			
(k) Eliminate "internal balances" from the total PG column (i.e., present zero amount).	par. 58			
4. Government Wide Statement of Activities	par. 38 - 62			
(a) Present GTA expenses at the functional (or lower) level.	par. 39			
(b) Present BTA <u>at least</u> by identifiable activities (i.e., segment). A segment is an identifiable activity reported as or within an enterprise fund or other stand alone entity (such as a blended CU) for which <u>all</u> of the following applies: 1) one or more revenue-backed debt instruments is outstanding 2) a revenue stream is pledged to support the debt. 3) An external party (e.g., bond covenant) requires the segment to be accounted for separately.	par. 39, 122 GASB 37, par. 10, 17			
(c) Use a net expense reporting format. That is, report expenses net of program revenues. Program revenues are (1) charges for services, licenses, permits, special assessments, <u>fin</u> es <u>and</u> <u>forfeits</u> , payments from another government for goods and services, etc., (2)	par. 47 - 51 GASB 37, par. 12, 13			

operating grants and contributions, capital grants and contributions financed by parties <u>other</u> than the reporting gov't taxpayers, if restricted to a particular program and (3) investment earnings on endowments or permanent funds <u>if restricted to a program(s)</u> .				
(d) Present all revenues except program revenues (see examples immediately above), as general revenues. i. General revenues include <u>all</u> taxes (income, property, etc.), and intergovernmental revenue not meeting the criteria of (c) above. ii. Classify each significant tax separately (property, income, sales, etc.)	par. 52, 53			
(e) Report special and extraordinary items as separate general revenue categories. 2. Special items are <u>significant</u> unusual or nonrecurring transactions under management's control. 1. Extraordinary items are defined as unusual <u>and</u> nonrecurring. They should be rare. We suggest you consult with A&A if considering extraordinary item presentation.	par. 55 - 56 APB 30			
(f) Report the following as general revenues, (1) contributions to term (i.e., temporarily) restricted endowments. (2) contributions to permanent endowments (3) contributions to permanent fund principal.	par. 53			
(g) Report transfers between GTA & BTA separately, after	Par. 53			
(h) If a government elects to allocate indirect expenses to	par. 42 Appendix C, B-2			
(l)(1) Include depreciation on assets specifically identifiable with a function as a direct (i.e, functional) expense. 2. Pro-rate depreciation among functions that share an asset, if the functions are identifiable. 1. For capital assets serving many functions: a. Include depreciation as a separate cost. Caption as "depreciation not allocated to functions." b. Include depreciation in "general gov't" function, or c. allocate to functions per (g) above. a. Include depreciation on infrastructure in the functional category used to maintain and construct it (such as "transportation," "public works.") NOTE: There is no depreciation on infrastructure if the modified approach is used.	par. 44			
(j) Report interest expense on general long-term liabilities as an indirect expense: (1) Report as a separate line, or (2) Allocate to functions per (g) above. Exception: Report as a direct expense when debt is essential to creating or continuing the existence of a program. (This should not be frequently encountered.)	par. 46 appendix C, B-2			
(k) Eliminate internal service fund revenues and expenses representing a "doubling up" of expenses already reported in the same functional classification. However, do not eliminate the effect of interfund services between functions (for example, a sale of utility services to the general government).	par. 59 - 60			
5. Governmental Fund Balance Sheet Present in balance sheet format (assets = liabilities + fund balance)	par. 83			
(a)(1) Present major funds in separate columns, with a column for aggregated non major funds.	par. 75 - 76			

(2) The general fund is always a major fund. (3) Include blended CU's as either major funds or with aggregated nonmajor funds, as appropriate.				
(b) Report as major funds: a. The general fund b. gov't or ent. Funds with total assets, liabilities, revenues or exp. of at least 10% of the corresponding total assets (etc.), for all govt or enterprise funds. c. The same element (assets, expenditures, etc.) that met the 10% test in (2) is at least 5% of the corresponding element total for all governmental + enterprise funds. d. Any other funds a government wishes to classify as major.	Par. 76 GASB 37, par. 15			
(c) Present a total column (Do not label it "memorandum only.")	par. 83			
(d) Follow modified accrual accounting, current financial	par. 79 - 82			
(e) Present a reconciliation of the governmental funds' equity to GTA net assets. Reconciling items may include: 2. Reporting capital assets at historical cost and depreciating them (GTA) vs. reporting capital outlay (fund statement). a. Including general long-term liabilities only on the GTA statement. b. Recording deferred revenue on the fund statements for unavailable revenue. c. Not including internal service fund net assets (i.e, present only on the GTA).	par. 85			
(f) Fund balances: 2. Display unreserved nonmajor funds' balances by fund type. (See Example C-1 in 34.) 1. Except where GAAP expressly authorizes a reserve (e.g., encumbrances, prepayments), we recommend that reserves only be reported for restrictions imposed by parties <u>outside</u> the financial reporting entity. 2. Disclose on face of statement or in notes, the nature of the reservations (encumbrances, etc.) 3. Offset long term loans receivable with reserved fund balance (this would not apply where loans were made with borrowed funds, since the credit would already exist in loans payable). 4. Display designations as part of unreserved balances. 5. Do not report negative reserves or designations.	par. 84 NCGA 1, par. 118, 2001 GAAFR 46, 157			
6. Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance				
a. Present major funds in separate columns, with a column for aggregated non major funds, with a total column. (The columns should not be labeled "memorandum only.")	par. 76, 86			
(b) (1) Present revenues by major source. (2) Present expenditures by character: a. Current b. Intergovernmental* c. Debt service d. Capital outlay 1. Present current expenditures by (at a minimum) function. * Governments often omit this- when they subgrant funds, such amounts should be reported as Intergovernmental expenditure.	par. 86, 87 34, example C-2			

<p>(c) Present only the following as other financing sources / uses:</p> <p>(1) face amount of long term debt*</p> <p>(2) debt premiums or discounts</p> <p>(3) payments to escrow agents re: bond refundings</p> <p>(4) transfers</p> <p>(5) proceeds from sales of capital assets, unless reported as a special item.</p> <p>* Interfund borrowing, even if long term, should <u>not</u> be reported as a financing source. It should always be a fund liability.</p>	<p>GASB 34, par. 88</p> <p>GASB 37, par. 16</p> <p>GASB 34, par. 112</p>			
<p>a. Present material special and extraordinary items separately, after other financing sources / uses.</p>	<p>par. 89</p>			
<p>b. Present a reconciliation to GTA changes in net assets from the government-wide activity statement to the total change in governmental <u>fund</u> balances. Reconciling items may include:</p> <ol style="list-style-type: none"> 1. Reporting revenues on the accrual basis on the GTA, modified accrual in the fund statements. 2. Reporting depreciation on the GTA, capital outlays on the fund statements; (3) Reporting long-term debt proceeds as liabilities in GTA; other financing sources in the fund statements; (4) Reporting expenses on the GTA, expenditures on the fund statements; (5) Including net internal service fund revenue (expense) on the GTA. 	<p>par. 90</p>			
<p>7. Statement of Net Assets (or Balance Sheet) Proprietary Funds Can present in either balance sheet or net assets format.</p>	<p>par. 98</p>			
<p>a. Present major funds in separate columns, with a column for aggregated non major funds, a total enterprise funds column and one column for combined internal service funds.</p> <p>Note: Classifying a fund as “enterprise” is <u>permitted</u> if a fee is charged to external users. Enterprise classification is <u>required</u> if:</p> <ol style="list-style-type: none"> (1) Enterprise debt is backed <u>solely</u> by a pledge of enterprise fund net revenues. (2) Laws / regulations require recovering service costs from user charges, rather than from taxes, etc. (3) Pricing policies are designed to recover costs. <p>(Per GASB 37, par. 13, “ The focus of these criteria is on fees charged to external users.”)</p>	<p>par. 67, 75, 76, 96</p> <p>GASB 37, par. 13</p>			
<p>b. Include blended CU's as either major funds or aggregate with nonmajor funds, as appropriate.</p>				
<p>c. Present on the full accrual basis, economic measurement focus.</p> <p>Therefore, enterprise fund totals should (usually)* agree to BTA totals.</p> <p>* No reconciliation should be needed to BTA, except in the unusual circumstance where internal service funds were presented with BTA.</p>	<p>par. 92</p> <p>01 GAAFR, 166 par. 104</p>			
<p>d. Present internal service activity in a single column.</p>	<p>par. 96</p>			
<p>(e) Present assets and liabilities in a classified format (i.e., with subtotals for current assets, noncurrent assets, current liabilities and noncurrent liabilities). (The option of sequencing assets and liabilities in order of liquidity permitted for the government-wide statement is not permitted for this statement.)</p>	<p>par. 97</p>			

(f) Report externally imposed restrictions on assets.	par. 99			
(g) Use the same equity classifications as for BTA.	Par. 98			
8. Statement of Revenues, Expenses and Changes in Fund Net Assets (Proprietary Funds)				
Present major funds in separate columns, with a column for aggregated non major funds, and a total column.	par. 96			
Present internal service activity in a single column.	par.96			
(a) Present revenues by major source. Separately identify revenues pledged to secure revenue bonds.	par. 100			
(b) Present nonoperating revenues and expenses after operating income. (1) Report the following separately (if significant) after nonoperating income: a. capital contributions from grants, developers or other. b. additions to principal of permanent and term endowments c. special and extraordinary items d. transfers	par. 101			
9. Statement of Cash Flows				
(a) Present for proprietary and internal service funds. (b) Use the direct method. (c) See FSDCL Part III for other requirements	par. 105			
10. Fiduciary Fund Statement of Net Assets				
e. Include separate, combined columns for: (1) Pension / employee benefit trust funds. (2) Investment trust (including <u>external</u> investment pools) (3) Private purpose trust (Used when assets benefit individuals, private organizations or other governments.) (4) Agency (when used as a clearing account, to distribute resources to other funds or entities, report the assets / liabilities pertaining to the government in its appropriate funds, not as agency fund assets / liabilities.) (5) Report blended and discrete CU's in the appropriate column (1– 4 above). Note: Funds for which no legal trust agreement exists or when the fund's assets benefit the government or citizens in general, should be classified as special revenue. Classify as "permanent funds" if the principal of the fund is not expendable.	par. 65, 69 - 73, 106, 111 GASB 34 Imp. Q. 223 AOS Bltn.98-02, Q 1 – Q 9			
a. Use full accrual, economic resources measurement focus.	par. 107			
b. Classify escheat property as follows: 1. Report as an asset in the governmental or proprietary fund to which the property ultimately escheats. 2. Report as an asset of private purpose trust or agency fund, as appropriate, if property escheats to individuals, private organizations or another government. Or, can report in a governmental or proprietary fund with an offsetting liability for amounts due to other individuals, organizations or governments. (See Part III for additional escheat guidance.)	Par. 72 GASB 37, par. 3			
11. Fiduciary Fund Statement of Changes in Net Assets				
a. Present additions and deductions to net assets for all fiduciary fund types (agency funds do not have net assets).	par. 109			
12. Interfund Transactions	par. 112			
b. Present interfund amounts requiring repayment as	par. 112			

interfund loans or due to / due from. Amounts not expected to be repaid should reduce the interfund asset / liability, and be recorded as a transfer.	Example C-1			
a. Interfund services provided / used (i.e., reciprocal exchanges) Record as revenue (e.g., charges for services) in "seller" fund and as expenditure / expense in "purchaser" funds.				
b. Nonreciprocal activity- such as (subsidy) transfers, payments in lieu of taxes: Report as other financing sources / uses.				
c. Reimbursements: Should not be displayed in the statements. That is, generally report the reimbursement as an expenditure / expense of the reimbursing fund, and as a reduction of expenditure / expense in the fund reimbursed.				
13. Notes to the Financial Statements In addition to the list below, the disclosure requirements of FSDCL Part III apply to GASB 34 presentations.				
(a) Disclose:				
a. The summary of significant policies should disclose the activities accounted for in each of the following columns: a. major funds. b. internal service funds c. fiduciary fund types. Except for the general fund, the descriptions should be specific to the entity, rather than general definitions that could describe any government.	GASB 38, par. 6			
b. Disclose, in the summary of accounting policies, the length of time used to define "available" for recording revenue in modified accrual statements.	GASB 38, par. 7			
c. Description of the government-wide statements, disclosing that neither fiduciary funds nor fiduciary CU's are included (GASB 34, Par. 13).	GASB 34 par. 115			
d. That government-wide statements use full accrual, economic resource measurement focus (Par. 16).				
e. That policy for eliminating internal activity on the statement of activities (Par. 57- 61).				
f. The policy for applying / not applying FASB pronouncements subsequent to Nov. 30, 1989 to BTA and proprietary fund statements (par. 17, 94).				
g. The policy for capitalizing assets and for their estimated useful lives. Governments using the modified approach should describe that approach (par. 20, 23).				
h. Describe transactions included as program revenues (par. 48) and the policy for allocating indirect expenses to functions in the government-wide statement of activities (par. 41 - 46).				
i. The policy for defining operating vs. nonoperating revenues of proprietary funds (par. 102).				
1. The policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available (par. 34).				
(11) Disclose the following interfund balance details: i. Amounts due from other funds by individual major fund and <u>aggregated</u> :	GASB 38, par. 14 Illustrations 14 & 15			

<ul style="list-style-type: none"> 1. Governmental funds 2. Enterprise funds 3. Internal service funds 4. Fiduciary fund type. <ul style="list-style-type: none"> ii. The purpose for interfund balances iii. Balances not expected to be repaid within 1 year. 				
<p>(12) Disclose the following interfund transfer details:</p> <ul style="list-style-type: none"> A. Amounts transferred from other funds by individual major fund and <u>aggregated</u>: <ul style="list-style-type: none"> 1. Governmental funds 2. Enterprise funds 3. Internal service funds 4. Fiduciary fund type. A. The principal purposes for interfund transfers. B. The purpose and amount of transfers meeting either of the following criteria: <ul style="list-style-type: none"> A. Nonroutine B. Those inconsistent with the purpose of the fund making the transfer. 	GASB 38, par. 15 Illustrations 16 & 17			
a. Capital assets and long-term liabilities				
<ul style="list-style-type: none"> a. A.. Disclose major classes of capital assets owned (land, improvements, infrastructure, vehicles, etc.). <ul style="list-style-type: none"> a. Separately disclose classes of assets not being depreciated, including infrastructure reported on the modified approach. a. Disclose major classes of long term debt (bonds, compensated absences, etc.) b. The notes should differentiate GTA vs. BTA: <p>(i.) Capital assets (ii.) Long-term liabilities Note: It is permissible to disclose this information on the face of the government wide statement of net assets, or disclose this detail in the notes.</p>	par. 116 34 Imp. Q.281			
<ul style="list-style-type: none"> b. For each major class of capital assets and for accumulated depreciation, disclose: <ul style="list-style-type: none"> a. Beginning of the year balance b. Additions c. Sales or other dispositions d. End of year balance e. Current depreciation expense, with note disclosure of amounts charged to each function in the government wide statement of activities. 	par. 117			
<ul style="list-style-type: none"> c. Governments may use composite methods to calculate depreciation. Example: Depreciate similar groups of assets (interstate highways or roads and bridges) using the same depreciation rate. 	Par. 163 - 166			
<ul style="list-style-type: none"> d. Disclose collections (e.g., art) not capitalized and the reason for not capitalizing them. (We believe this requirement only need apply to material collections.) For collections that are capitalized, disclose them as a major class(es) of assets per (1) and (2) above. 	par. 118			
<p>(5) Capitalizing interest Capitalizing interest applies only to BTA and proprietary funds. GTA and governmental fund statements should not reflect capitalized interest.</p>	GASB 37par. 6, 30--35 34 Imp. Q 31			
<ul style="list-style-type: none"> a. For periods in which no interest is capitalized, disclose total interest costs 	SFAS 34, par 21 (I 67.118)			

<p>enterprise fund or other stand alone entity (such as a blended CU) for which each of the following applies:</p> <ol style="list-style-type: none"> 1) one or more revenue-backed debt instruments is outstanding 2) a revenue stream is pledged to support the debt. 3) An external party (e.g., bond covenant) requires the segment to be accounted for separately. <p>(Therefore, every segment is an identifiable activity, but not every identifiable activity requires reporting as a segment.)</p>	<p>GAAFR Review, June, 2001</p>			
<p>b. Type of goods or services the segment provides.</p>				
<p>2. Condensed statement of net assets:</p> <ol style="list-style-type: none"> a. Total assets, distinguishing current assets, capital assets, other assets, amounts receivable from other funds or CU's. c. Total liabilities, distinguishing current vs. long term amounts, amounts payable to other funds or to CU's. d. Total net assets, distinguishing restricted, unrestricted, invested in capital assets net of related debt. (Categorize restricted amounts as either expendable or nonexpendable.) 				
<p>a. Condensed statement of changes in net assets:</p> <ol style="list-style-type: none"> a. Operating revenues (by major source). b. Operating expenses, identifying depreciation separately. c. Operating income (loss). d. Nonoperating revenues (expenses), separately identifying major rev / exp. e. Capital contributions and additions to perm & term endowments. f. Special and extraordinary items. g. Transfers h. Changes in net assets. i. Beginning and ending net assets. <p>Include segment information for CU's if judged significant to other CU's and to the PG.</p>				
<p>14. Major component unit presentation / disclosure: Present major CU's using one of the following methods:</p> <p>Note: Classifying a CU as major requires judgment, considering each CU compared to other CU's and each CU to the PG. If no CU is significant compared to the PG, no CU need be deemed major. The permanent files should support these conclusions. Also, these requirements <u>don't</u> apply to fiduciary CU's.</p>				
<p>a. Include each major, nonfiduciary CU in separate columns on the entity-wide statements. Aggregate nonmajor CUs in a single column. A combining statement for nonmajor CUs is not required, but may be presented as supplementary information.</p>	<p>par. 126 and fn 50</p>			
<p>Or,</p> <p>b. Include combining major CU statements (with aggregated nonmajor CU total columns) after the fund statements. (A combining statements for nonmajor CU's, in addition to the aggregated total, is optional as other supplemental information.)</p>	<p>par. 126</p>			
<p>Or, present condensed statements in the notes:</p> <p>c. Condensed statement of net assets:</p> <p>(A) Total assets, separately disclosing:</p> <ol style="list-style-type: none"> (i) capital assets (ii) receivables from PG 	<p>par. 127</p>			

<ul style="list-style-type: none"> (iii) receivables from other CU's (B) Total liabilities, separately disclosing: <ul style="list-style-type: none"> (i) long-term debt (ii) payables to the PG (iii) payables to other CU's (C) Total net assets, separately disclosing: <ul style="list-style-type: none"> (i) restricted (ii) unrestricted (iii) invested in capital assets, net of related debt. Condensed statement of activities: (D) Expenses (by major function and for depreciation, if separately reported) (E) Program revenue, by type (F) Net program revenue (expense) (G) Tax revenue (H) Other nontax general revenues (I) Contributions to endowments and perm fund principal (J) special and extraordinary items (K) changes in net assets (L) beginning and ending net assets. 				
(e) Separately disclose significant transactions between the PG and major CU's.	par. 128			
15. Budgetary Presentations				
<ul style="list-style-type: none"> (a) For the general and major special revenue funds, present: <ul style="list-style-type: none"> a. The original budget, including encumbrances carried forward. ("Original" means budget actions adopted before the year or the first fund budget intended to cover the entire year. For example, temporary appropriations covering a 3 month period would not be the "original" budget.) b. Final budget amounts. c. Actual amounts on the budgetary basis. d. A variance column is optional. Variances should be captioned "positive" and "negative" rather than "favorable" and "unfavorable." 	par. 130 GASB 34 Imp Q 251 34, Ex. G-1, G-2			
(b) Present as a basic statement, or as RSI (If RSI, present after the notes. If a basic statement, present immediately after the governmental fund statement of rev, exp.)	34 Imp. Q 248			
i. The level of detail can either match the budget document or match the level presented in the governmental fund statement of rev, exp, balances.	par. 131			
a. Include reconciliation to statement of rev, exp, balances, either in a separate schedule or in the notes. (If presented as RSI, a reconciliation note would be a note to the RSI.)				
b. Disclose excess of expenditures over appropriations for individual funds. This applies only to the funds presented in the budgetary comparison. All such excesses must be disclosed, regardless of materiality.	par. 131 GASB 37, par. 19			
16. RSI for Modified Approach to Reporting Infrastructure RSI (other than MD&A) should appear immediately after the notes, per 34, par. 6c. Present the following schedules:				
(a) Schedule of the assessed condition of infrastructure, for the 3 most recent assessments.	par. 132			
(b)(1) Estimate, as of <u>beginning</u> of 5 most recent years, of amounts to maintain at the established level. (2) Actual maintenance amounts spent for 5 most recent years.	par. 132			
(c) Notes accompanying the schedules should disclose:	par. 133			

<p>1. The basis for the condition measurement.</p> <p>2. The scale used for the condition measurement.</p> <p>3. The condition at which the government intends to preserve infrastructure.</p> <p>4. Factors affecting trends reported in 16.a & b above, including:</p> <p>a. measurement scale.</p> <p>b. basis for the condition measurement</p> <p>c. condition assessment method</p> <p>If government changes planned condition level, disclose estimated effect of change on annual preservation amount.</p>				
<p>a. Account for a change <u>to</u> the modified approach as a change in accounting estimate, which does not require a restatement of prior periods presented.</p> <p>Note: This would only apply to a change made <u>after</u> the initial adoption of 34.</p>	GASB 37, par. 8,9			
<p>17. Non profit entities deemed governmental</p> <p>Should follow GASB 34. Not for profits previously following SOP 78-10 or <i>Audits of Health & Welfare Organizations</i> may report as enterprise activities, even if they do not meet par. 67 definition of an enterprise fund.</p>	par. 147 GASB 34 Imp Q.268			
<p>18. Special Purpose Governments Engaged Exclusively in Governmental Activities, Business-Type <u>or</u> Fiduciary Activities</p> <p>See the special reporting options permitted by 34.</p>	par. 135 - 141			
<p>19. Additional CAFR Requirements:</p> <p>In addition to the basic statements included in the GPFS, the CAFR should contain the following: Note: The individual and combining fund requirements listed below do not apply to GASB 34 major funds. For 34 statements, the combining totals of all the governmental or proprietary fund types should equal the nonmajor fund aggregated totals in the fund statements.</p>	GASB 2200 GASB 34, par. 281			
<p>(a) Introductory section including table of contents, letter(s) of transmittal, and other material as deemed appropriate by management.</p>	GASB 2200.108.a			
<p>(b)(1) Combining balance sheets (or statements of net assets) by fund type, for nonmajor funds. If separately issued CU financial statements are <u>not</u> available, present CU combining statements.(Present its major funds and aggregated nonmajor funds by fund type in 34 statements.)</p> <p>(2) Segregate each fund type into a separate subsection.</p> <p>(3) Separate each subsection with a divider page.</p>	GASB 2200.109.b GASB 34 Imp. Q. 242			
<p>(c) Individual fund balance sheets for nonmajor funds, if necessary.</p>	GASB 2200.109.b			
<p>(d) Combining statements of revenues, expenditures/ expenses and changes in fund balances/retained earnings/ net assets by fund type, for nonmajor funds. Combining statements by fund type for discrete CUs are also required if separately issued CU financial statements are not available.</p>	GASB 2200.109.b			
<p>b. Budgetary comparison for nonmajor governmental funds for which annual budgets are adopted.</p>	NCGA 1, par 139, 154-155			
<p>c. Individual fund statements of revenues, expenditures/ expenses and changes in fund balances/retained earnings / net assets by fund type, if necessary.</p>	GASB 2200.108.b			
<p>(g) Combining statements of proprietary fund cash flows by fund type, for nonmajor funds. Combining statements by fund type for discrete CUs are also required if separately issued financial statements are not available.</p>	GASB 2200.108.b, .109.b GASB 34 Imp. Q. 243			
<p>d. Individual fund statements of cash flows for proprietary</p>	GASB 2200.108.b			

funds, if necessary.				
(i) Combining statement of changes in assets and liabilities - all agency funds.	GASB 2200.108.b			
(J) Combining statements of net assets and changes in net assets for other nonmajor: (1) private purpose trust funds. (2) investment trust funds (3) employee pension or benefit funds. (Should be rarely encountered in Ohio local governments.)				
(K) Schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.	GASB 2200.108.b			
20. Governmental colleges & universities	GASB 35			
a. Governmental colleges and universities must follow GASB 34.	Par. 2			
a. These institutions should follow the same phase-in period as other governments: (1) Annual revenue > \$100 million should adopt for periods beginning after 6/15/01. (2) Annual revenue > \$10 million, < \$100 million, for periods beginning after 6/15/02. (3) Annual revenue < \$10 million, for periods beginning after 6/15/03. Except: If a coll or univ is a CU, it must adopt 34 simultaneously with its PG.	Par.6, 7			
b. These institutions should capitalize infrastructure, following GASB 34 requirements.	Par. 9			
21. Reporting infrastructure at transition	Par. 148 – 166			
(a) Prospective reporting is required when GASB 34 is adopted. (i.e., must begin capitalizing infrastructure acquired in the year GASB 34 is adopted.) (1) Phase I gov'ts (>\$100 mm in revenue) must retroactively report all infrastructure in years beginning after 6/15/05. (2) Phase II gov'ts (<\$100, > \$10 mm in revenue) must retroactively report all infrastructure in years beginning after 6/15/06. (3) Phase III gov'ts (<\$10 mm in revenue) are not required to report infrastructure retroactively.	Par. 148			
c. If there is inadequate historical cost information, retroactive reporting can be limited to major assets that were acquired or significantly reconstructed or improved in FYE after 6/30/80.	Par. 149, 154			
a. During transition (e.g., fiscal years beginning prior to 6/15/05 for phase I), a government can add networks for which information is reasonably complete, but should not add part of a network.	Par. 150			
b. During transition, disclose : a. Which major (per par. 156) infrastructure networks or subsystems are reported, and which are not. b. Assets reported under the modified approach.	Par. 151, 156			

