

Governmental Accounting Standards Board (GASB) UPDATE

Know Your District's Requirements

NMSBA – February 23, 2019



SPEAKER BIO

- Audrey J. Jaramillo, CPA, CFE has been serving federal, state, and local Governments, non-profits, and commercial entities for 20 years throughout NM and is Managing Partner of Jaramillo Accounting Group, LLC.
- She has served on the AICPA's Taskforces on Training Young CPAs and Scholarships and has spoken on various topics for the AICPA, NM AGA, NM ASBO, NM GFOA, NMSBA, NM State Auditor, and other organizations.
- She is passionate about public service and served 8 years on her local school Board of Education and currently serves as an elected Councilor for the Town of Edgewood.



CONTENT

GETTING FAMILIAR WITH GASBS
LOOKING AT FUND BALANCE OPTIONS
(GASB 54)

IDENTIFYING FIDUCIARY ACTIVITIES
(GASB 84)

GAQC Web Event – Fiduciary Activities:
Understanding the Impacts of GASB 84

CONTENT

APPLICATION TO SCHOOL DISTRICTS / CHARTERS





Polling question 1

Who is here today?

- A. School District
- B. Charter School
- C. Governance / Elected Official
- D. Administration / Superintendent
- E. Finance / Business Office
- F. CPA Firm
- G. Other

Polling question 2

How familiar are you with GASBS?

- A. I've heard of the acronym, but haven't thought about it much
- B. I've done some basic research on the government standards
- C. I'm an expert, just attending this class to confirm that I know everything about the standards
- D. GASBS??? - I'm just here for the Conference - Friends & Food
- E. I have no idea - Can't we just leave everything to our Business Office?

Statement No. 1

Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide

Effective date on issuance: July 1984
(Issued 7/84)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 2

Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457

Effective date ending after: Dec. 15, 1986
(Issued 1/86)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 3

Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements

Effective date ending after: Dec. 15, 1986
(Issued 4/86)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 4

Applicability of FASB Statement No. 87, "Employers' Accounting for Pensions," to State and Local Governmental Employers

Effective date on issuance: Sept. 1986
(Issued 9/86)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 5

Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers

Effective date beginning after: Dec. 15, 1986
(Issued 11/86)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 6

Accounting and Financial Reporting for Special Assessments

Effective date beginning after: June 15, 1987
(Issued 1/87)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 7

Advance Refundings Resulting in Defeasance of Debt

Effective date beginning after: Dec. 15, 1986

(Issued 3/87)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 8

Applicability of FASB Statement No. 93, "Recognition of Depreciation by Not-for-Profit Organizations," to Certain State and Local Governmental Entities

Effective date on issuance: Jan. 1988

(Issued 1/88)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 9

Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting

Effective date beginning after: Dec. 15, 1989
(Issued 9/89)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 10

Accounting and Financial Reporting for Risk Financing and Related Insurance Issues

Effective date ending after: Various
(Issued 11/89)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 11

Measurement Focus and Basis of Accounting-- Governmental Fund Operating Statements

Effective date ending after: Deferred
(Issued 5/90)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 12

Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers

Effective date beginning after: June 15, 1990
(Issued 5/90)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 13

Accounting for Operating Leases with Scheduled Rent Increases

Effective date beginning after: Various
(Issued 5/90)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 14

The Financial Reporting Entity

Effective date beginning after: Dec. 15, 1992
(Issued 6/91)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 15

Governmental College and University Accounting and Financial Reporting Models

Effective date beginning after: June 15, 1992
(Issued 10/91)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 16

Accounting for Compensated Absences

Effective date beginning after: June 15, 1993
(Issued 11/92)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 17

***Measurement Focus and Basis of Accounting--
Governmental Fund Operating Statements: Amendment
of the Effective Dates of GASB Statement No. 11 and
Related Statements--an amendment of GASB
Statements No. 10, 11, and 13***

Effective date on issuance: June 1993
(Issued 6/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 18

Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs

Effective date beginning after: June 15, 1993
(Issued 8/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 19

Governmental College and University Omnibus Statement--an amendment of GASB Statements No. 10 and 15

Effective date beginning after: Various
(Issued 9/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 20

Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting

Effective date beginning after: Dec. 15, 1993

(Issued 9/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 21

Accounting for Escheat Property

Effective date beginning after: June 15, 1994
(Issued 10/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 22

Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds

Effective date beginning after: June 15, 1994
(Issued 12/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 23

Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities

Effective date beginning after: June 15, 1994
(Issued 12/93)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 24

Accounting and Financial Reporting for Certain Grants and Other Financial Assistance

Effective date beginning after: June 15, 1995
(Issued 6/94)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 25

Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans

Effective date beginning after: June 15, 1996

(Issued 11/94)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 26

Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans

Effective date beginning after: June 15, 1996

(Issued 11/94)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 27

Accounting for Pensions by State and Local Governmental Employers

Effective date beginning after: June 15, 1997
(Issued 11/94)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 28

Accounting and Financial Reporting for Securities Lending Transactions

Effective date beginning after: Dec. 15, 1997
(Issued 5/95)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 29

The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities

Effective date beginning after: Dec. 15, 1993 (with exceptions)

(Issued 8/95)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 30

Risk Financing Omnibus--an amendment of GASB Statement No. 10

Effective date beginning after: June 15, 1996
(Issued 2/96)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 31

Accounting and Financial Reporting for Certain Investments and for External Investment Pools

Effective date beginning after: June 15, 1997
(Issued 3/97)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 32

Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans--a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31

Effective date beginning after: December 31, 1998 or when plan assets are held in trust under the requirements of IRC Section 457, subsection (g), if sooner.
(Issued 10/97)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 33

Accounting and Financial Reporting for Nonexchange Transactions

Effective date beginning after: June 15, 2000
(Issued 12/98)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 34***Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments***

Effective dates:

Phase 1—Financial statements for periods beginning after June 15, 2001, for governments with total annual revenues of \$100 million or more in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.

Phase 2—Financial statements for periods beginning after June 15, 2002, for governments with total annual revenues of \$10 million or more but less than \$100 million in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.

Phase 3—Financial statements for periods beginning after June 15, 2003, for governments with total annual revenues of less than \$10 million in the first fiscal year ending after June 15, 1999. Different provisions apply for reporting general infrastructure assets at transition.

(Issued 6/99)

[\[Preface & Summary\]](#) [\[Status\]](#)

Statement No. 35

Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34

Effective Date: In three phases based on a public institution's total annual revenues, beginning with periods beginning after June 15, 2001 and continuing through periods beginning after June 15, 2003. Public institutions that are component units of a primary government should implement this standard at the same time as that primary government.

(Issued 11/99)

[Summary](#) [Status](#)

Statement No. 36

Recipient Reporting for Certain Shared Nonexchange Revenues—an amendment of GASB Statement No. 33

Effective date: Simultaneously with Statement 33, for periods beginning after June 15, 2000
(Issued 4/00)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 37***Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34***

Effective Date: Coincides with the effective date of GASB Statement 34 for the reporting government. That is, the requirements of this Statement are effective in three phases based on a government’s total annual revenues in the first fiscal year ending after June 15, 1999:

Phase 1 governments—with total annual revenues of \$100 million or more—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2001.

Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2002.

Phase 3 governments—with total annual revenues of less than \$10 million—should apply the requirements of this Statement in financial statements for periods beginning after June 15, 2003.

This Statement should be simultaneously implemented with Statement 34. Earlier application is encouraged, if done in conjunction with early adoption of Statement 34.

(Issued 6/01)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 38***Certain Financial Statement Note Disclosures***

Effective Date: Coincides with the effective date of GASB Statement 34 for the reporting government. That is, the requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

Phase 1 governments—with total annual revenues of \$100 million or more—should implement paragraphs 6 through 11 for fiscal periods beginning after June 15, 2001. These governments should implement paragraphs 12 through 15 for fiscal periods beginning after June 15, 2002.

Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million—should apply this Statement for fiscal periods beginning after June 15, 2002.

Phase 3 governments—with total annual revenues of less than \$10 million—should apply this Statement for fiscal periods beginning after June 15, 2003.

Earlier application is encouraged. However, paragraphs 6, 14, and 15 should be implemented only if Statement 34 has also been implemented.

(Issued 6/01)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 39

Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14

Effective Date: For periods beginning after June 15, 2003
(Issued 5/02)

[\[Summary\]](#) [\[Status\]](#)

Important Notice—[Error Correction](#) for Statement No. 39

Statement No. 40

Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3

Effective Date: For periods beginning after June 15, 2004
(Issued 3/03)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 41

Budgetary Comparison Schedules—Perspective Differences— an amendment of GASB Statement No. 34

Effective date: This Statement should be implemented simultaneously with Statement 34. For governments that have implemented Statement 34 prior to the issuance of this Statement, the requirements of this Statement are effective for financial statements for periods beginning after June 15, 2002

(Issued 5/03)

[Summary](#) [Status](#)

Statement No. 42

Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries

Effective date: For periods beginning after December 15,
2004

(Issued 11/03)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 43

Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Effective date: The requirements of this Statement for OPEB plan reporting are effective *one year prior* to the effective date of the related Statement for the employer (single-employer plan) or for the largest participating employer in the plan (multiple-employer plan). The requirements of the related Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

Plans in which the sole or largest employer is a phase 1 government—with annual revenues of \$100 million or more—are required to implement this Statement in financial statements for periods beginning after December 15, 2005.

Plans in which the sole or largest employer is a phase 2 government—with total annual revenues of \$10 million or more but less than \$100 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2006.

Plans in which the sole or largest employer is a phase 3 government—with total annual revenues of less than \$10 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2007.

If comparative financial statements are presented, restatement of prior-period financial statements is required. Early implementation is encouraged.

(Issued 4/04)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 44

Economic Condition Reporting: The Statistical Section— an amendment of NCGA Statement 1

Effective date: Statistical sections prepared for periods
beginning after June 15, 2005
(Issued 5/04)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 45***Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions***

Effective date: The requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999:

Governments that were phase 1 governments for the purpose of implementation of Statement 34—those with annual revenues of \$100 million or more—are required to implement this Statement in financial statements for periods beginning after December 15, 2006.

Governments that were phase 2 governments for the purpose of implementation of Statement 34—those with total annual revenues of \$10 million or more but less than \$100 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2007.

Governments that were phase 3 governments for the purpose of implementation of Statement 34—those with total annual revenues of less than \$10 million—are required to implement this Statement in financial statements for periods beginning after December 15, 2008.

Earlier application of this Statement is encouraged. All component units should implement the requirements of this Statement no later than the same year as their primary government.

(Issued 6/04)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 46

Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34

Effective date: For periods beginning after June 15, 2005.

Earlier application is encouraged.

(Issued 12/04)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 47

Accounting for Termination Benefits

Effective date: For periods beginning after June 15, 2005
(Issued 06/05)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 48

Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues

Effective date: For periods beginning after December 15,
2006

(Issued 09/06)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 49

Accounting and Financial Reporting for Pollution Remediation Obligations

Effective date: For periods beginning after December 15,
2007

(Issued 11/06)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 50

Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27

Effective date: For periods beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting surrogate funded status and funding progress information for plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and required supplementary information contain information resulting from actuarial valuations as of June 15, 2007, or later.

(Issued 05/07)

[Summary](#) [Status](#)

Statement No. 51

Accounting and Financial Reporting for Intangible Assets

Effective Date: For periods beginning after June 15, 2009
(Issued 06/07)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 52

Land and Other Real Estate Held as Investments by Endowments

Effective date: For periods beginning after June 15, 2008
(Issued 11/07)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 53

Accounting and Financial Reporting for Derivative Instruments

Effective date: For periods beginning after June 15, 2009
(Issued 06/08)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 54

Fund Balance Reporting and Governmental Fund Type Definitions

Effective date: For periods beginning after June 15, 2010
(Issued 02/09)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 55

The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

Effective date: Effective upon issuance
(Issued 03/09)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 56

Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards

Effective date: Effective upon issuance
(Issued 03/09)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 57

OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

Effective date: The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

(Issued 12/09)

[Summary](#) [Status](#)

Statement No. 58

Accounting and Financial Reporting for Chapter 9 Bankruptcies

Effective date: For periods beginning after June 15, 2009.
Retroactive application is required for all prior periods
presented during which a government was in bankruptcy.
(Issued 12/09)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 59

Financial Instruments Omnibus

Effective date: For periods beginning after June 15, 2010.

Earlier application is encouraged.

(Issued 06/10)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 60

Accounting and Financial Reporting for Service Concession Arrangements

Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

(Issued 11/10)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 61

The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.
(Issued 11/10)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 62

Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

(Issued 12/10)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 63

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

(Issued 06/11)

[Summary](#) [Status](#)

Statement No. 64

Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53

Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged.

(Issued 06/11)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 65

Items Previously Reported as Assets and Liabilities

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

(Issued 03/12)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 66

Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged.

(Issued 03/12)

[\[Summary\]](#) [\[Status\]](#)

Statement No. 67

Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25

Effective Date: The provisions of Statement 67 are effective for financial statements for fiscal years beginning after June 15, 2013. Earlier application is encouraged.

(Issued 06/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 68

Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27

Effective Date: The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

(Issued 06/12)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 69

Government Combinations and Disposals of Government Operations

Effective Date: The provisions of Statement 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Early application is encouraged.

(Issued 01/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 70

Accounting and Financial Reporting for Nonexchange Financial Guarantees

Effective Date: The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged.

(Issued 04/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 71

Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68

Effective Date: The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

(Issued 11/13)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 72

Fair Value Measurement and Application

Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

(Issued 02/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 73

Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 74

Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

Statement No. 75

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

(Issued 06/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 77, *Tax Abatement Disclosures*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 08/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 12/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

(Issued 12/15)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 80, *Blending Requirements for Certain Component Units*—an amendment of GASB Statement No. 14

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

(Issued 01/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

Effective Date: The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged.

(Issued 03/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

(Issued 03/16)

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

GASB Statement No. 83, *Certain Asset Retirement Obligations*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)
(Issued 11/16)

GASB Statement No. 84, *Fiduciary Activities*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

(Issued 01/17)

GASB Statement No. 85, *Omnibus 2017*

Effective Date: The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

(Issued 03/17)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)
(Issued 05/17)

GASB Statement No. 87, *Leases*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

(Issued 06/17)

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

(Issued 04/18)

***GASB Statement No. 89, Accounting for Interest Cost Incurred
before the End of a Construction Period***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)

(Issued 06/18)

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

[\[Full Text\]](#) [\[Summary\]](#) [\[Status\]](#)
(Issued 08/18)

GASB 54:

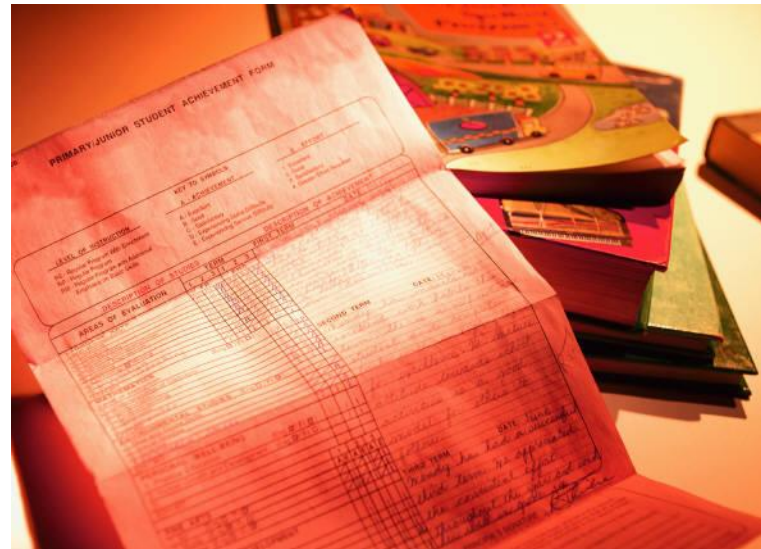
Fund Balance Classifications

OBJECTIVES OF GASB 54

- Provide clarity to fund balance classifications
- Create more consistency in reporting
- Create consistency between fund and government-wide statements
- Assist in understanding levels of restrictions on fund balances
- Provide clarity on appropriate use of different governmental fund types

APPLICATION & TERMS

- Applies to any government reporting governmental funds – therefore excludes proprietary funds and business-type special purpose governments
- Fund balance classifications
 - Non-spendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned



CLASSIFICATION TOTALS DISPLAYED WITH DETAILS DISCLOSED IN THE NOTES

| | Major Special Revenue Funds | | | Major Debt Service Fund | Major Capital Projects Fund | Other Funds |
|-----------------------|--------------------------------|-------------------|--------------------|-------------------------------|--------------------------------------|-------------------|
| | General Fund | Highway Fund | School Aid Fund | | | |
| Fund Balances: | | | | | | |
| Nonspendable | \$ 125,000 | \$ 108,000 | \$ 16,000 | | | \$ 164,000 |
| Restricted | 405,000 | 24,000 | | 206,000 | 796,000 | 214,000 |
| Committed | 461,000 | | 103,000 | | | |
| Assigned | 230,000 | 258,000 | 73,000 | 306,000 | 652,000 | 176,000 |
| Unassigned | 525,000 | | | | | |
| Total fund balances | <u>\$ 1,746,000</u> | <u>\$ 390,000</u> | <u>\$ 192,000</u> | <u>\$ 512,000</u> | <u>\$ 1,448,000</u> | <u>\$ 554,000</u> |

101

SPECIFIC DETAILS IN THE NOTES

Major

101

SPECIFIC DETAILS IN THE NOTES

Major

NON-SPENDABLE FUND BALANCE

- Resources that are not spendable because
 - They are not in a spendable form, i.e., prepaids, inventory, long term receivables and notes receivable, property held for sale
 - They are legally or contractually required to be retained intact – like the principal amount in a permanent fund

RESTRICTED FUND BALANCE

- Restrictions imposed by
 - Third parties like creditors, grantors, contributors, regulators
 - Enabling legislation – such that a third party could legally compel the organization to stick to the commitment

COMMITTED FUND BALANCE

- Resources committed by the governing body using the highest level/methodology of decision making authority
 - Resolutions and/or ordinances
- Restriction remains unless similar action is undertaken to affect a change
- These amounts are not deemed to be 'legally enforceable' as is the case for the 'restricted' classification



ASSIGNED FUND BALANCE

- Resources constrained based on the *intent* of the organization that are neither committed or restricted
- Based on the members of the organization delegated with the authority to make such *assignments*
 - Governing body
 - Management
 - Budget committees

ASSIGNED FUND BALANCE

- All resources reported in governmental funds, other than the general fund, that are not restricted or committed
- Resources in the general fund that are so determined by those given such authority
- Can't report negative amounts, or create negative amounts by virtue of an assignment

ASSIGNED FUND BALANCE

- Includes portions of ending fund balances that are to be used to finance gap between subsequent year's budgeted revenues and expenditures



UNASSIGNED FUND BALANCE

- Residual in General Fund that is not restricted, committed, or assigned
- Negative amounts in other funds created by expenditures exceeding restricted, committed, or assigned resources

FINANCIAL STATEMENT DISCLOSURES

- Committed fund balances
 - The highest level of decision making authority
 - The formal action required to be taken
- Assigned fund balances
 - Individuals or groups authorized to make assignments
 - Policy of the entity for which the authorization is given

GASB 84:

What is a fiduciary activity?

TOPIC

Scope:

- Establishes criteria for identifying fiduciary activities and guidance on reporting those activities.
 - Also, clarifies that stand-alone business-type activities should report fiduciary activities

Timing:

- Issued January 2017
- Effective for reporting periods beginning after December 15, 2018
 - Essentially effective starting with 12/31/2019 year-ends
 - Meaning **SY19-20 & June 30, 2020 Financial Statements**
 - Apply retroactively for all periods presented (if practicable)

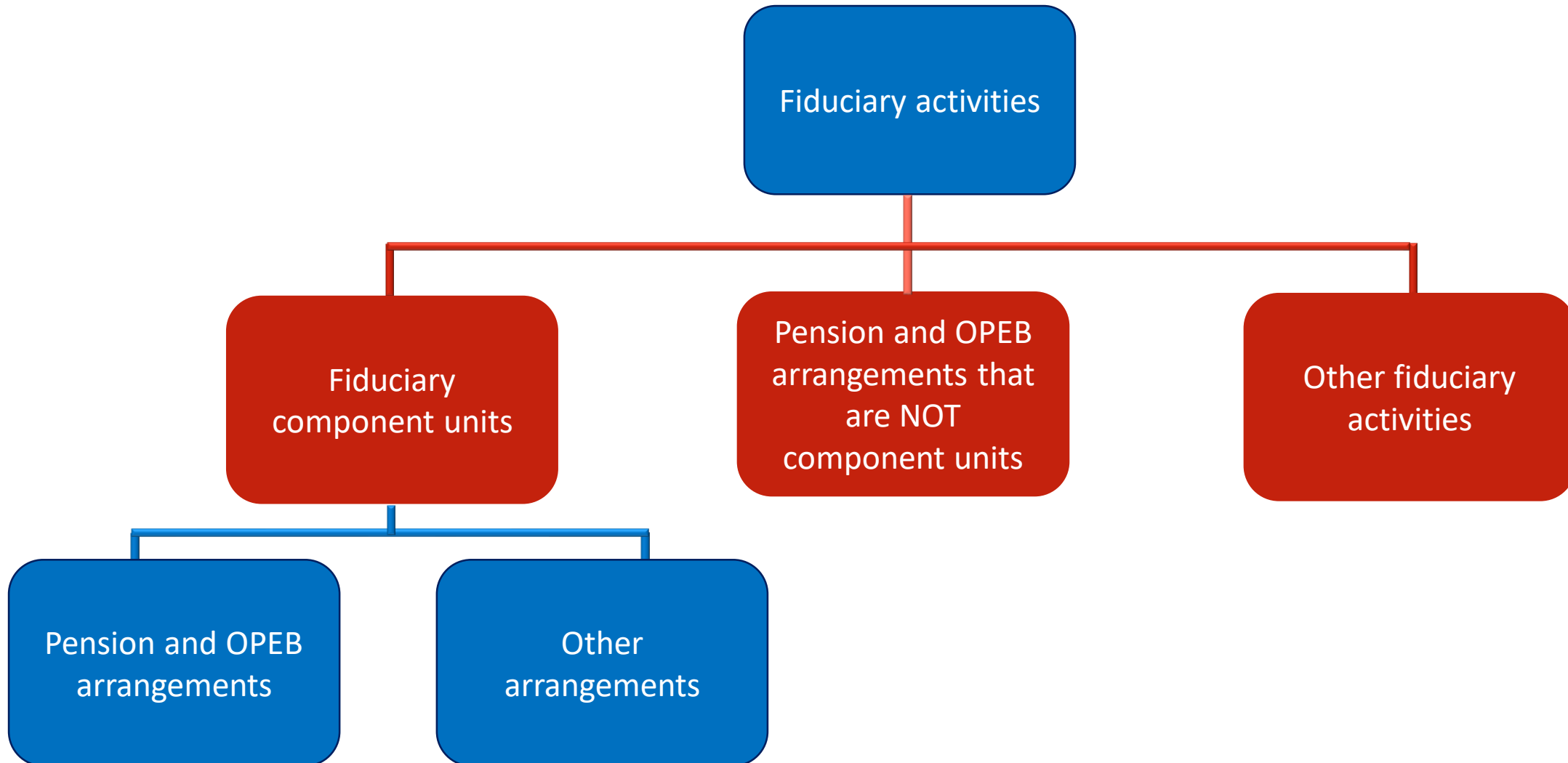
Public comments DUE **February 28, 2019**

Implications





This standard could have considerable impact on:

- Activities that previously were fiduciary and could now be governmental or proprietary.
 - Budget considerations
- Activities that previously were governmental or proprietary, and could now meet the definition of a fiduciary activity.
- Reporting of pension and OPEB should be closely considered.
 - Single employer pension plans may or may not continue to be part of a primary government reporting entity if not considered fiduciary by the PG
 - Implications on DC plans need to be considered
- Financial systems will need to change.
 - Tracking of additions and deductions within custodial funds.
 - In consideration of any changes in activity classifications
- BTA-only reporters that now have to report fiduciary funds.

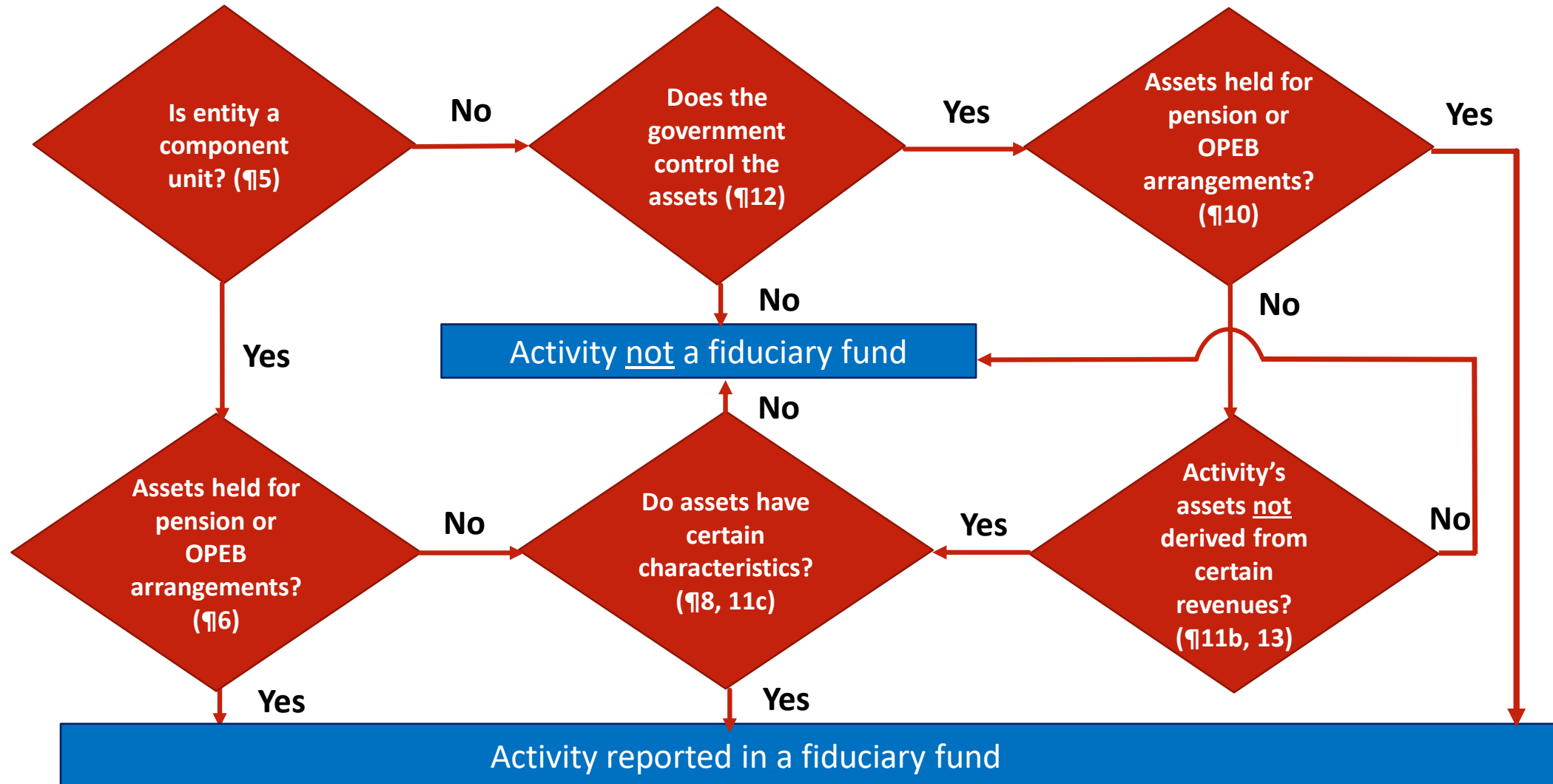
Types of fiduciary activities



OTHER FIDUCIARY ACTIVITIES

| | Must meet All the following criteria: | | PLUS Any of the following: |  |
|---|--|--|--|---|
|  | Assets controlled by government | | Assets held in a qualifying trust in which government is not beneficiary, legally protected, and dedicated to providing benefits to recipients | |
|  | Assets not derived from own source revenues | | Assets held for the benefit of individuals without the government having administrative or direct financial involvement | |
|  | Assets not derived from government- mandated or voluntary nonexchange transactions | | Assets held for the benefit of outside organizations not part of the government's reporting entity | |

Fiduciary activities flowchart



Control of assets

- Government holds the assets, or
- Government has ability to direct the use, exchange, or employment of assets for benefit of specified or intended recipients
 - Government uses asset when it expends or consumes asset for benefit of others, outside of the government's provision of services to them
 - Appointing designee to act on its behalf does not alter the government's ability to direct the use, exchange or employment of assets

**Restrictions on use of assets do not negate
government's control of the assets**



Polling question 3

What would NOT be an example of own source revenues?

- A. Charges for services
- B. Property taxes levied for the government
- C. Interest earnings
- D. Jail inmate accounts

Examples

Example – Property Tax Collections

- County collects property taxes on all taxable property within its boundaries based on its own tax levy ordinance and the tax levy ordinances adopted by other governments
- Property taxes are collected for the county and for the other taxing bodies such as the city, park district, school district and fire protection district
- The property taxes collected and held for other governments are commingled with the taxes collected for the county and are not held in a trust or equivalent arrangement
- The government holds the funds in a separate demand deposit accounts
- The taxes collected are distributed to all taxing bodies as regular intervals (at least bimonthly)

Conclusion – Property Tax Collections -
Portion for Other Governments
Fiduciary Activity

Portion for Reporting Government
Governmental or Business-type Activity



Example – Drama Club

- The drama club of a school district holds several fundraising events during the year to fund club activities
- The drama club has 3 student leaders who determine how the funds should be allocated and facilitate the purchases
- The drama club has a teacher sponsor who provides oversight for reviewing club spending for appropriateness and stamps OKAY TO PAY on club invoice to be processed by the main office
- The school district does not have a policy or procedure requiring the school board be involved in the approval of the drama club purchases
- The school district invests the funds on behalf of the clubs
- The clubs are not in a trust equivalent arrangement

Example – Drama Club

Criteria Met?

Test One – control

- Government controls the assets



Test Two – not from certain revenues

- Own source revenues
- Government mandated or voluntary nonexchange transactions



Test Three – meet at least one characteristic

- Trust
- For Individuals – with no admin or direct financial involvement, and not from government's provision of services
- For Organizations – not part of reporting entity, and not from governments provision of services



Conclusion – Drama Club

Fiduciary Activity



Example – Speech Team

- The speech team of a school district is allocated a percentage of school district registration fees annually and also receives various donations throughout the year through fundraising activities
- The speech team has 3 student leaders who recommend how the funds should be spent
- The school board has an internal district policy requiring a designated teacher to oversee speech team activities, including purchases, and requiring a principal to approve all speech team purchases
- The teacher sponsor approves team spending and stamps “OKAY TO PAY” on the invoices
- The school principal reviews all team purchase orders and approves them prior to the main office processing the payment
- The school district invests the funds on behalf of the team
- The team is not in a trust equivalent arrangement

Example – Speech Team

Criteria Met?

Test One - control

- Government controls the assets



Test Two – not from certain revenues

- Own source revenues
- Government mandated or voluntary nonexchange transactions



Test Three – meet at least one characteristic

- Trust
- For Individuals – with no admin or direct financial involvement, and not from government's provision of services
- For Organizations – not part of reporting entity, and not from governments provision of services



Conclusion – Speech Team

Governmental Activity



Schools: Student activity funds

The robotics club, which is led by 5 student leaders, had a car wash fundraiser to raise money for the students to pay for travel and hotel costs to attend an out-of-state robotics competition.

- The school board has a school district policy that requires a teacher to oversee the club's activities, including purchases, and also requires the school building's principal to review and approve all club purchase orders and invoices.
- The school district holds the funds raised during the fundraiser in an interest bearing checking account, and will issue a check to the teacher when requested.

Will this be a fiduciary activity?

How did we get there?

Student activity funds

| | Criteria | Yes | No | Guidance |
|----|--|-----|----|--|
| 1) | Is the entity holding the assets a component unit? | | X | If no, proceed below. If yes, skip to question 3. |
| 2) | Does the government control the assets? | X | | If yes, proceed below. If no, STOP, the activity is not reported. |
| 3) | Is this a pension or OPEB arrangement that falls under other GASB standards? | | X | If yes, STOP, activity is fiduciary. If no, proceed below. |
| 4) | Were the assets derived from the following: - Own-source revenues - Government-mandated/voluntary nonexchange | | X | If yes, STOP, activity should be reported as governmental or business type activities. If no, proceed below. |
| 5) | Has the other certain criteria been met? -Held in trust and government is not the beneficiary? -Held for the benefit of individuals where government does NOT have administrative involvement? -Held for the benefit of an organization or other government that is not a part of the reporting entity? | | X | If yes, activity is fiduciary. If no, activity should be reported as governmental or business-type activities |

Schools: Student activity funds

Throughout the year, the class of 2019 raised money through fundraising efforts for a variety of activities to assist with the planning process of the 2019 Grad Bash graduation party and to purchase a small commemorative gift for each of the 2019 graduates. The class of 2019 has a committee of seven students who determine how the funds are allocated to facilitate purchases. The class of 2019 group has a teacher who provides oversight for reviewing the groups spending and gives the approval for central office to cut the check. There is no district policy requiring school board be involved with approval of activity.

Will this be a fiduciary activity?

How did we get there?

Student activity funds #2

| | Criteria | Yes | No | Guidance |
|----|--|-----|----|---|
| 1) | Is the entity holding the assets a component unit? | | X | If no, proceed below. If yes, skip to question 3. |
| 2) | Does the government control the assets? | X | | If yes, proceed below. If no, STOP, the activity is not reported. |
| 3) | Is this a pension or OPEB arrangement that falls under other GASB standards? | | X | If yes, STOP, activity is fiduciary. If no, proceed below. |
| 4) | Were the assets derived from the following: - Own-source revenues - Government-mandated/voluntary nonexchange | | X | If yes, STOP, activity should be reported as governmental or business type activities. If no, proceed below. |
| 5) | Has the other certain criteria been met? -Held in trust and government is not the beneficiary? -Held for the benefit of individuals where government does NOT have administrative involvement? -Held for the benefit of an organization or other government that is not a part of the reporting entity? | X | | If yes, activity is fiduciary. If no, activity should be reported as governmental or business type activities. |

Fiduciary activities RECAP

Own-source revenue

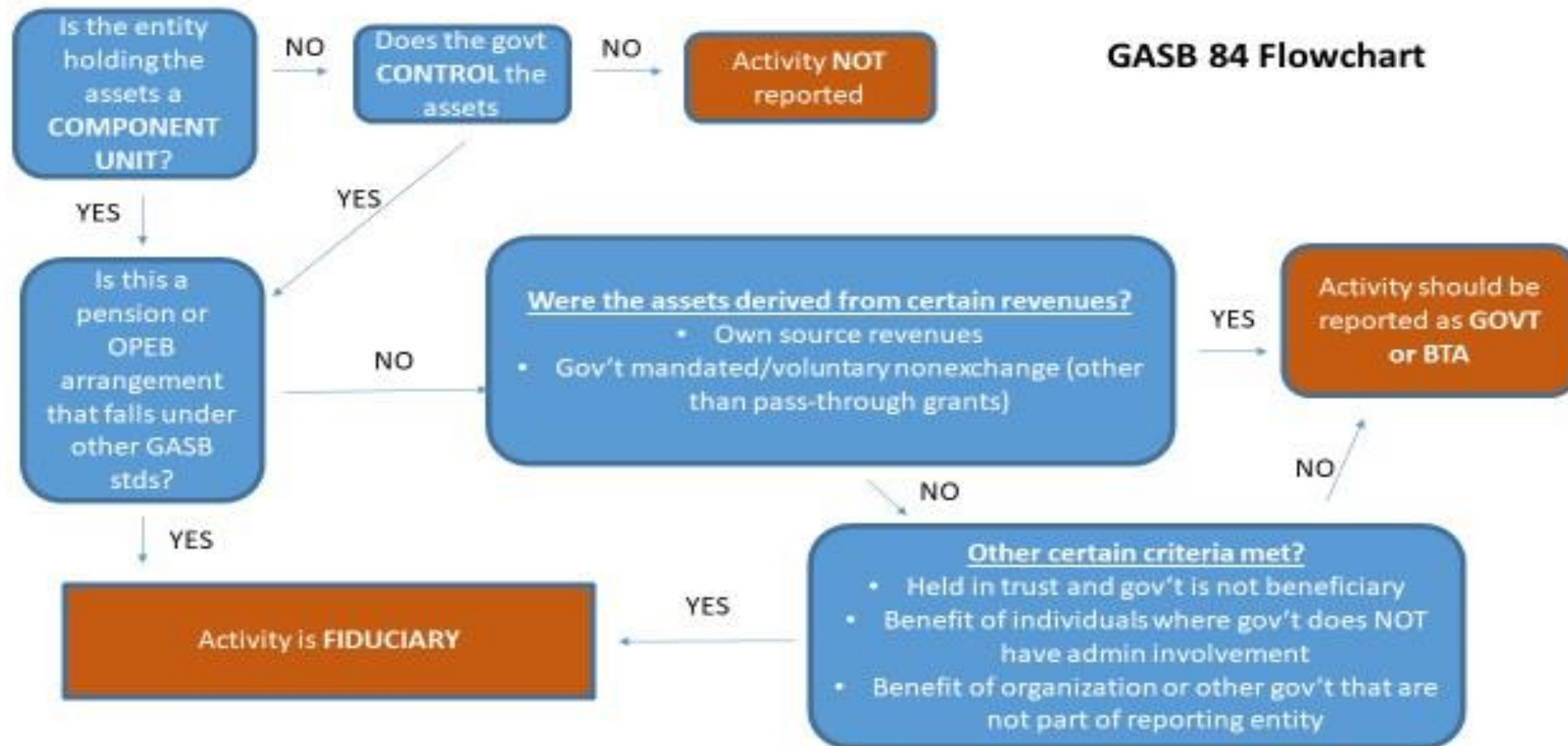
- Defined as revenue generated by the government entity itself. Includes charges or services, interest earnings, income taxes, property taxes, etc.

Administrative or direct financial involvement

- A recipient government has administrative involvement if, for example, it (a) monitors secondary recipients for compliance with program-specific requirements, (b) determines eligible secondary recipients or projects, even if using grantor-established criteria, or (c) has the ability to exercise discretion in how the funds are allocated. A recipient government has direct financial involvement if, for example, it finances some direct program costs because of a grantor-imposed matching requirement or is liable for disallowed costs.

Fiduciary activities

Alternative Flowchart



*Proposed
Implementation
Guide (12/18/2018)
Education Examples*

Polling question 4

This standard isn't effective until Dec. 31, 2019 year ends, or later. When should we start thinking about these examples and how it will affect us?

- A. Dec. 30, 2019
- B. After Dec. 31, 2019, but before the auditors arrive
- C. At least a year in advance, as it will affect budgeting
- D. I'm sure it's not significant to our community; pass on considering it

Reporting fiduciary activities



Fiduciary funds – Four types

**Pension and other
employee benefit
trust funds**

**Investment trust
funds**

**Private-purpose
trust funds**

Custodial funds

Recommendations



Identify potential fiduciary population

Current activities
reported as fiduciary

Current governmental
and business-type
activities (funds)

Bank accounts

Component units

Non-reported activities:

- No defined population to start with
- Review known resources controlled but not held by the government
- Consult with operational departments

Research and gather information

- Research relevant laws and regulations
- Obtain documentation, such as:

**Contracts and/or
agreements**

Trust documents

**Originating
documents**

**Descriptions from
entities involved
with activities**

- Gather enough information to gain a preliminary understanding of:

**Who/what entity
provided the
resources**

**The purpose of the
resources**

**The potential
beneficiaries of
the resources**

Perform detailed analyses of identified activities

- Work through all the accounts methodically, applying the standard consistently
 - E.g. different activities with the same characteristics should generally result in the same determination
- If working with many activities, separate into manageable pieces. For example, activities can be separated by:
 - Department
 - Value
 - Type (e.g. scholarships, retirement accounts)
- Keep detailed and consistent documentation

Modify processes, systems and controls

- Account for one-time transactions, such as:
 - Reclassifying to other funds
 - Changing fiduciary fund types
 - Adding previously unreported activities
 - Removing previously reported activities
- Revisit policies and procedures
 - Fiduciary determinations
 - Accounting
 - Financial reporting
- Update systems
 - Required de-aggregation of additions and deductions
 - Changes in terminology

Restatement of Financial Statements

- Apply retroactively by restating the FS
 - If practicable, to all prior periods presented
 - If not practicable, the cumulative effect
- Restate beginning fiduciary net position for the earliest period restated
- Notes to the FS
 - Required to disclose the nature of the restatement AND its effect
 - Also, reason for NOT restating prior periods presented should be disclosed



Polling question 5

Now that you've learned about GASB 84, what are you most concerned about?

- A. The effect on our reporting and chart of accounts
- B. The time and effort it will take to identify all of the potential fiduciary activities and non-fiduciary activities
- C. Training staff on how to properly record these transactions as they come in
- D. Nothing, we've got a good handle on this

Tips and Tools

1

Start early

Especially for larger and more complex governments and governments with limited accounting resources

2

Use visual tools

E.g. flowcharts

3

Create forms

Or questionnaires

4

GASB 84

Consult the Implementation Guide (expected May 2019)

5

Consult with others

Peers, industry groups, auditors, GASB, etc.

6

Educate

Stake holders, including those charged with governance

Q&A



Thank you

