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2011 Uniform Accounting Network Year End Update

December 9, 2011

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Welcome to the 2011 Uniform Accounting Network Year End Update

Webinar Attendees:

Morning session will begin at 9:00 A.M.
Afternoon session will begin at 1:00 P.M.

In case you are disconnect from the presentation, please write down the following procedures so you can rejoin the presentation:

1. Type jointraining.com in your browser address bar.
2. Hit Enter.
3. On the *Join the Training* page, enter the *Training ID* and your *Email Address*.

Accounting Only Training ID number: 987-426-116
Accounting & Payroll Training ID number: 987-354-524
4. Click Continue

Presentation document was emailed on December 6th. If you need a copy of the presentation it is available at:

<http://uanlink.auditor.state.oh.us/training/materials/yearendupdate.htm>

Additional Notes:

- Your microphone has been muted.
- Please ensure the 'Mic & Speakers' option is selected under the Audio settings.
- If you have a question, please select 'Raise Your Hand' icon. The icon is located in the upper right corner of the screen. At the appropriate time a moderator will call upon you. Please make sure that your microphone is turned on (green light should be on).

Expand/Minimize the panel

Full Screen

Raise/Lower Hand

Mute/Un-mute



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Welcome

- Introductions
- Logistics
 - On-line participants: www.jointraining.com
 - Accounting Only: 987-426-116
 - Accounting and Payroll: 987-354-524



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Agenda

- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none"> • Agenda • 8:00 a.m. - 9:00 a.m. • 9:00 a.m. - 9:15 a.m. • 9:15 a.m. - 10:00 a.m. • 10:00 a.m. – 10:15 a.m. • 10:15 a.m. - 10:30 a.m. • 10:30 a.m. - 12:00 p.m. • 12:00 a.m. - 1:00 p.m. | <ul style="list-style-type: none"> • All Attendees Registration Welcome and Introduction Audit Update Auditor Dave Yost Break GASB 54 Lunch | <ul style="list-style-type: none"> • Accounting & Payroll
(Version 15.1) Year End Review-Accounting Break Year End Review-Payroll Questions for UAN Staff | <ul style="list-style-type: none"> • Accounting Only
(Version 2011.3) Year End Review Questions for UAN Staff |
| <ul style="list-style-type: none"> • 1:00 p.m. - 2:30 p.m. • 2:30 p.m. - 2:45 p.m. • 2:45 p.m. - 3:30 p.m. • 3:30 p.m. - 4:00 p.m. | | | |



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UAN Update

- Printer Refresh
 - Two communications have been sent
 - Select by December 18th
- Year End Releases
- Newly Elected Training
- GASB 54



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UAN version 16.0

Classification	Purpose	Amount
Restricted	Debt Service	\$25,000.00



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UAN version 2012.1

Single: For: Select existing or enter new.
 Multiple: Undistributed: #310.22

Classification	For	Amount
Nonspendable	Cemetery Endowment	\$5,000.00 ✕
		\$0.00 ↑

Click [Save] to refresh status icons



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Common Findings, 2011 Audit Bulletins, & Communicating Audit & Results to Your Board

December 9, 2011

Presented by: Kimberly Blake
Assistant Chief Auditor



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Agenda

- Common Findings
- Auditor of State Audit Bulletins (AOSAB)
- Communication & Survey Results



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Common Citations

- 5705.41d
- 5705.41b
- 5705.39
- 9.38
- 9.24



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Common Recommendations

- Accounting for activity (Issue II, FEMA)
- Prepare/Retain supporting documentation
- Policies
 - Travel
 - Cell Phone
 - Credit Cards
 - Equipment
- Minutes lack specifics
 - Board approval of documents
 - Executive Sessions



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AUDITOR OF STATE 2011 - Audit Bulletins



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AOS AB 2011-002

- **Leverage for Efficiency, Accountability and Performance Fund –**
 - This \$1.5 million fund will advance the costs of a performance audit to state agencies and local governments that might otherwise not be able to afford to have one conducted. Costs will be repaid the following year from the savings reaped from the audit's recommendations and sown again into new performance audits



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AOS AB 2011-002

- **Leverage for Efficiency, Accountability and Performance Fund –**
 - Application Process described in the bulletin



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AOS AB 2011-03

- **AOS Rescinds AOS Stimulus Tracker Reporting Requirements for American Recovery and Reinvestment Act of 2009 (ARRA) – Federal Stimulus Funds**
 - Effective September 30, 2011, with the close of the federal fiscal year, the AOS office is rescinding the AOS Stimulus Tracker reporting requirements for American Recovery and Reinvestment Act of 2009 (ARRA) – Federal Stimulus Funds. **Also effective on this date, the AOS is rescinding Bulletins 2009-005, 2009-007, and 2009-009, which includes guidance on using the AOS Stimulus Tracker.**



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AOS AB 2011-04

- **Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions**
 - GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned and unassigned. This bulletin references specific paragraphs from GASB 54.



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AOS AB 2011-06

- **Best Practices for Responding to Public Records Requests – Updated**
 - Public Records
 - Best Practices for Compliance with the Act
 - Putting the Recommendations for Best Practice to Work
 - Putting it All Together



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AOS AB 2011-07

- This bulletin explains the recent legislative changes and the impact of those changes on townships.
- Additionally, the bulletin details, and provides an example of, what is now required of township trustees and fiscal officers under the new law.



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AOS AB 2011-07

- I. Summary of Township Trustee & Fiscal Officer Compensation Law
- II. Recent Legislative Changes
- III. Certification
- IV. Other Township Employees



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COMMUNICATION IS KEY



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Communication

Form impression and interpret ambiguous message

- Words-7%
- Tone of voice-38%
- Nonverbal communication-55%



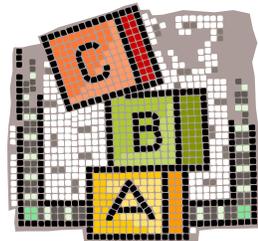
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Acronyms

- AOS
- ARRA
- FFA
- FFR
- GAAP
- GAGAS



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Acronyms

- GASB
- IPA
- OCBOA
- OCS
- RFI
- SOC



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Survey background

- Sent out survey in August 2011
- Various entity types across the state
- 11 question format with room for comments
- 47% response rate



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Question #1

My Board members understand and appreciate the benefits of an audit

True 77%

False 15%

They Don't Care 8%



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Question #2

This many Board members attend meetings with the auditors to hear firsthand what they have to say.

All 23%

Some 62%

None 8%

Don't Know 7%



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Question #3



What have you done to get your Board more involved in the audit and the results of the audit? (more than 1 OK)

- Board active on own 38%**
- Suggest they form committee 38%**
- I ask for advice 38%**
- We discuss negative press 46%**
- I explain their duty is to care 23%**



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Question #4

My Board is interested in the audit results and is directly involved in seeing we implement change to help mitigate any issues.

- True 62%**
- False 23%**
- Some 15%**



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Question #5

My Board asks me questions about the audit results and the progress we are making in addressing them.

True 77%

False 23%



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Question #6

We have an audit committee (or similar committee)

True 54%

False 46%



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Question #7

My auditors explain their results to me so I am able to fully explain any issues to my board at a later date.

True 100%



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Question #8

My Board members seem confused by the auditor's use of acronyms.

True 62%

False 38%



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Question #9

My Board members don't seem to understand GAAP (OCBOA) basis financial statements since they mainly deal with cash reports

True 69% **False 31%**



I feel my Board members are willing to understand GAAP (or OCBOA) basis financial statements since these are presented at the post audit and are posted to AOS's website.

True 31% **False 69%**



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Question #10

My Board members see an audit as one way to help control fraud from happening within the organization.

True 92%

False 8%



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Open Question #11

- Communication is the key
- Have open honest relationship
- Unless my audit is terrible-the Board could care less



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Story Time

- Citation
- Others



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ASK YOUR QUESTIONS?



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Location of AOS Regional Offices

Regional Office Numbers	
Athens	800-441-1389
Canton	800-443-9272
Cincinnati	800-368-7419
Cleveland	800-626-2297
Columbus	800-443-9275
Dayton	800-443-9274
Toledo	800-443-9276
Youngstown	800-443-9271

AUDITOR OF STATE'S OFFICE

Audit Regions Map



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Audit Division

Accounting & Auditing Support

88 E. Broad Street
Columbus, Ohio 43215



Kim Blake, CPA

Presenter Phone: (614) 728-7232
E-mail: kgblake@auditor.state.oh.us



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GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions

Applied to OCBOA and Regulatory Basis Financial Statements

December 9, 2011

Presented by: David B. Thompson
Local Government Services



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GASB Statement No. 54

- Issued March 11, 2009
- Effective for periods beginning after June 15, 2010
 - Villages and townships financial statements for the year ending December 31, 2011, completed in 2012, will incorporate these requirements.
 - This GASB will be for both OCBOA and Regulatory Basis filers.



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GASB Statement No. 54

The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.



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GASB Statement No. 54

- New fund balance classifications are:
 - Non-spendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned



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Non-Spendable Fund Balance

- Legally or Contractually Required to be maintained. Examples include:
 - Principal of Permanent Funds
 - Unclaimed moneys fund
 - Cemetery Endowment

- This classification does not include reserve balance accounts/budget stabilization under Section 5705.13 and 5705.132, Revised Code



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Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or

- Imposed by law through constitutional provisions (Charters) or enabling legislation.



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Restricted Fund Balance

- *Enabling legislation*, authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.
- *Legal enforceability*, means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation. Legal enforcement exists upon receipt of resources.



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Enabling Legislation

Example

- Village council passes an ordinance that enacts a \$1,000 fee per lot (impact fee) in a new subdivision to be used for the development of parks. There is no State statute that allows for this fee. The Village's legal Counsel stated that "Home Rule" provides the authority to enact this fee.
- The source of the constraint is the enabling legislation.



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Enabling Legislation

Example

- Village council passes legislation that places a proposition on the ballot to install parking meters in village-owned parking lots and utilize the proceeds only for repairing and maintaining those lots. The ballot proposition is approved by a majority vote at a public election.
- The source of the constraint is externally imposed by voter approval. There is no enabling legislation for the local government.



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Enabling Legislation

Example

- A state passes a law allowing local governments to pass legislation placing a special levy before the voters, the proceeds of which can only be used for recreation programs. The local government's voters approve the levy at a general election.
- The local government would have a constraint imposed by state law and voter approval. There is no enabling legislation for the local government.



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Restricted Fund Balance

Examples of Restricted Fund Balance include resources provided from:

- Voted property tax levy not for General Fund operations
- Permissive Motor Vehicle License fees
- Gas taxes and motor vehicle licenses fees
- Most grant proceeds
- Voted income tax levy for a specific purpose (see separate sheet for income tax discussion)



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Restricted Fund Balance

Income Tax Scenarios

Type of Income Tax	Source of Constraint	Type of Constraint	Classification	Fund Type
Up to 1 Percent without voter approval	Section 718.01, ORC	None	Unassigned	General
Up to 1 Percent for a specific purpose without voter approval	Section 718.01, ORC <i>Restriction must be part of the original ordinance</i>	Imposed through enabling legislation	Restricted	Special Revenue or Capital Projects
Voted tax, unrestricted	Section 718.01, ORC	None	Unassigned	General
Voted tax, specific purpose	Section 718.01(C), ORC	Externally imposed by Voters	Restricted	Special Revenue or Capital Projects
Voted or unvoted tax Annual ordinance allocating tax	Section 718.01, ORC Ordinance No. ____	None Imposed by Ordinance	Unassigned Committed	General Special Revenue or Capital Projects



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Committed Fund Balance

- Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action at the government's highest level - council or board of trustees - of decision-making authority
- Constraints are imposed by the government separate from the authorization to raise the revenue
- Committed resources/amounts are not considered to be legally enforceable as with restricted.
- Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed (encumbered) for use in satisfying those contractual requirements.



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Committed Fund Balance

- Constraint can be removed or changed only by taking the same highest level action
- Action to constrain resources should occur prior to end of year, though the exact amount may be determined subsequently
- Ability to transfer resources by court order is not the same action of the governing body that created the constraint.



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Committed Fund Balance

Committed resources are generally unrestricted revenues authorized by state statute, ordinance, or resolution for which the government may commit the use of the revenue for a specific purpose. Examples of committed fund balance/resources include:

- Membership or entrance fees to a swimming pool to be used for swimming pool operations
- Recreation program fees to be used to recreation program expenses
- Cemetery charges for grave openings, burials, foundations, etc. To be used for cemetery operations.



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Committed Fund Balance

Court fines, forfeitures, and costs cannot be committed by governing board as those revenues are directed to specific funds or the general fund by State statute.



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Assigned Fund Balance

- Amounts intended to be used for specific purposes
- Intent is expressed by
 - Governing body, or
 - High-level body or individual authorized by the governing body (Service Director - Cemeteries)
- Lowest classification for all governmental funds, except general fund and funds with deficits
- Funds created under Section 5705.13(C), R.C.
- Ordinance creating the fund but there is not a constraint on the revenue received



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Unassigned Fund Balance

- Unassigned fund balance is the residual classification for the general fund
- General fund should be the only fund that reports a positive unassigned fund balance
- Negative fund balances in other governmental funds are report as negative unassigned fund balance



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Can I have more than one Classification?

- Can there be more than one fund balance classification in a fund other than general fund?
 - For example:
 - Charges for services in SCM&R fund.
- Same question as above, but consider Section 5705.10(H), Revised Code, which states "Money paid into any fund shall be used only for the purposes for which such fund is established".



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Steps to determining the fund balance classification

- What is the main revenue source of the fund?
- Is there an external restriction?
 - Examples:
 - Grant Agreements
 - ORC
 - Ballot Language
- Does State law allow me to assess the fee?
- Has the governing body passed an ordinance/resolution placing a constraint on the revenue?
 - Ordinance/Resolution Language



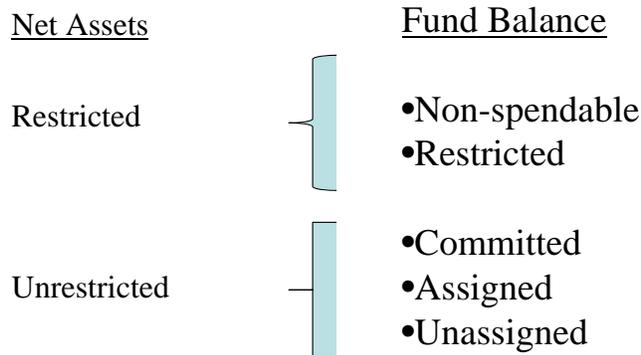
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Relationship of Net Assets to Fund Balance

Net assets reported on the statement of net assets modified cash basis (GAAP Lookalikes)



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Fund Definitions

General Fund

- NCGA Statement No. 1
 - General Fund - to account for all financial resources except those required to be accounted for in another fund.
- GASB Statement No. 54
 - General fund should be used to account for and report all financial resources not accounted for and reported in another fund.



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Fund Definitions

Special Revenue Funds

- NCGA Statement No. 1

– To account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are *legally restricted* to expenditure for *specified purposes*.

- GASB Statement No. 54

– Special revenue funds are used to account for and report the proceeds of specific revenue sources that are *restricted or committed to expenditures* for specified purposes other than debt service or capital projects. *The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.*



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Fund Definitions

- Special revenue funds must have a specific restricted or committed revenue source which comprises a **substantial** portion of fund's resources on an **ongoing** basis

– Fund also may include other revenue resources but the main thing to keep in mind is what is the most substantial revenue source.

Discontinue reporting the fund as SR when the restricted or committed resource is not longer expected to be the substantial portion of the inflows to the fund.

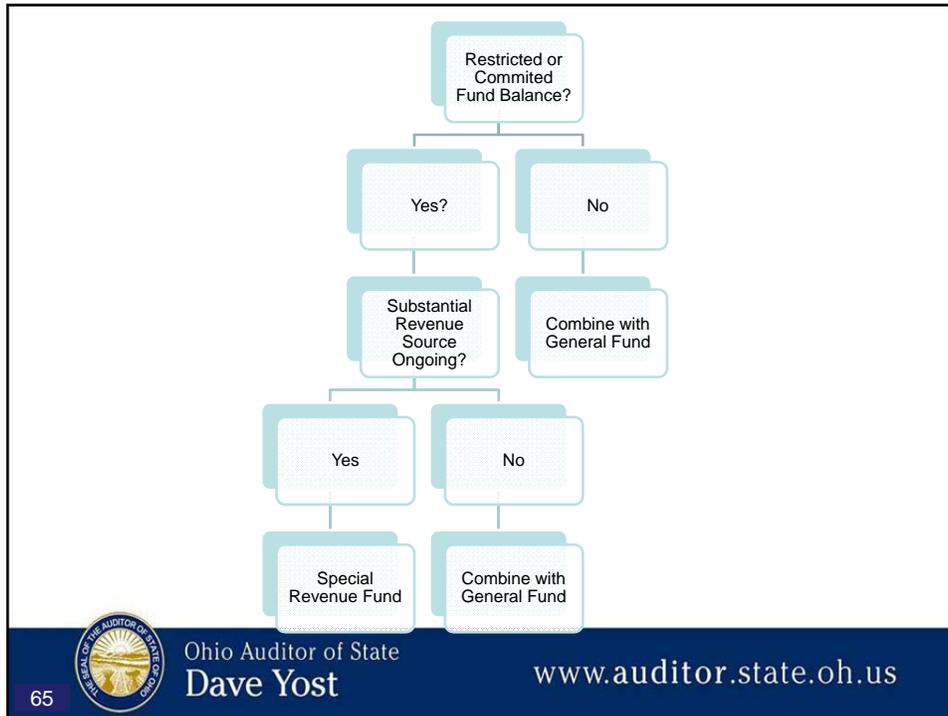
- Combine with general fund with the appropriate fund balance classification.



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Fund Definitions

Debt Service Funds

- NCGA Statement No. 1
 - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- GASB Statement No. 54
 - Debt service funds are used to account for and report financial resources that are *restricted, committed, or assigned* to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Fund Definitions

Capital Projects Funds

- NCGA Statement No. 1
 - Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, Special Assessment Funds, and Trust Funds .)
- GASB Statement No. 54
 - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure *for capital outlays*, including the acquisition or construction of capital facilities *and other capital assets*. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.



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Fund Definitions

Permanent Funds

- Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs-that is, for the benefit of the government or its citizenry.
- Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.
 - Permanent funds should have fund balances that are non-spendable and restricted.



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Fund Definitions

- GASB 54 is only for governmental funds
 - Does not effect enterprise, internal service or trust funds.



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Budget Stabilization Arrangements

Stabilization amounts should be reported in the general fund as restricted or committed if:

- they meet the criteria set forth restricted or committed based on the source of the constraint on their use.
- Stabilization arrangements that do not meet the criteria to be reported within the restricted or committed should be reported as *unassigned* in the general fund.
- A stabilization arrangement would satisfy the criteria to be reported as a separate special revenue fund only if the resources derived are from a specific restricted or committed *revenue* source.



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Ohio's Local Government Budget Stabilization

- Authorized by Section 5705.13(A), Revised Code
- Budget reserve is created from the unencumbered fund balance – no specific revenue source
- Limit is 5 percent of the prior year revenue
- May exist in other operating funds
- Ohio's budget stabilization should be reported as unassigned fund balance in the general fund and NO budget stabilization should be reported in other funds.



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Encumbrances

- Encumbrances are now part of your restricted, committed, and assigned categories. They no longer have their own line item.
- Capital projects funds with an assigned balance
 - Look for Council/Trustee action approving the contract that generated the purchase order.
 - If so, move the encumbrance to committed fund balance.
 - If not, leave in assigned fund balance.
- General Fund
 - Look for Council/Trustee action approving the contract that generated the purchase order.
 - If so, move the encumbrance to committed fund balance.
 - If not, move the encumbrance to assigned fund balance.



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Note Disclosures

Governments should disclose the following about their fund balance classification policies and procedures:

- For *committed* fund balance:
 - the government's highest level of decision-making authority and
 - the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment
- For *assigned* fund balance:
 - the body or official authorized to assign amounts to a specific purpose and
 - the policy established by the governing body pursuant to which that authorization is given



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Note Disclosures

Government's policy regarding order of spending for:

- Restricted and unrestricted fund balance
 - Should be consistent with net asset policy
- Committed, assigned, and unassigned fund balance (new)
- Presentation in the notes of the detailed constraints within the classifications of fund balance



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Effective Date and Transition

- Periods beginning after June 15, 2010
- Fund balance classifications should be applied retroactively by restating fund balance for all prior periods presented



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AOS Bulletin – 2011-004

- Fund Balance Classifications
 - Nonspendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned



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AOS Bulletin – 2011-004

- **Nonspendable Fund Balance**
 - Amounts that cannot be spent due to constraints
 - **Examples:**
 - Townships
 - » Unclaimed Monies Fund
 - » Endowments Fund
 - Villages
 - » Unclaimed Monies Fund
 - » Endowments Fund



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AOS Bulletin – 2011-004

- **Restricted Fund Balance**
 - Amounts externally imposed or imposed by enabling legislation
 - **Examples:**
 - Townships
 - » Gasoline Tax Fund
 - » Fire District Fund
 - Villages
 - » Police and Fire Pension Fund
 - » Drug Law Enforcement Fund



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AOS Bulletin – 2011-004

- Committed Fund Balance
 - Amounts constrained through legislative action (resolution or ordinance constraining revenue)
 - Examples:
 - Townships
 - » Compensated Absences Fund
 - » Underground Storage Tanks Fund
 - Villages
 - » Compensated Absences Fund
 - » Underground Storage Tanks Fund



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AOS Bulletin – 2011-004

- Assigned Fund Balance
 - Amounts constrained by intent (fund established to track activity)
 - Examples
 - Townships
 - » Funds generated with General Fund transfers
 - Villages
 - » Funds generated with General Fund transfers



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AOS Bulletin – 2011-004

- Unassigned Fund Balance
 - General fund
 - Any fund with a deficit balance



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AOS Bulletin – 2011-004

- Cemetery Fund – Villages
 - Sale of cemetery lots under ORC Section 759.13 are a special revenue fund with a restricted fund balance
 - Revenue received under ORC Sections 759.12 and 759.15 for the care of the lots are either permanent (can't spend principal) or private purpose trust funds(no principal constraint)
 - Donation revenue depends on the nature of the donation.
 - Care of the grounds is special revenue with restricted or committed fund balance
 - Enlargement or improvement of the grounds is capital projects with restricted or committed fund balance.
 - Enlargement or care of a particular lot is private purpose trust.
 - Principal cannot be spent and the earnings are used for governmental programs is a permanent fund with a non-spendable or restricted fund balance.



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AOS Bulletin – 2011-004

- Cemetery Fund – Townships
 - Fund established under ORC Sections 517.07 and 517.08 are a special revenue fund with a restricted fund balance
 - Sale of lots, gifts for maintaining the cemetery and transfers from the general fund are the typical revenue sources.
 - Fund established under ORC Section 517.15 are either a private purpose trust or a permanent fund.
 - If the township does an added charge for maintaining the cemetery this is a permanent fund with a non-spendable fund balance.
 - Individual purchasing a lot chooses to give additional monies for the maintenance of that lot is a private purpose trust fund.
 - Individual gifts for maintaining the cemetery is a private purpose trust fund.



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AOS Bulletin – 2011-004

- Governmental Fund Types
 - General
 - Special Revenue
 - Capital Projects
 - Debt Service
 - Permanent



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AOS Bulletin – 2011-004

- General
 - Used to account for and report all financial resources not accounted for and reported in another fund.
 - No change for GASB 54



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AOS Bulletin – 2011-004

- Special Revenue
 - Report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.



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AOS Bulletin – 2011-004

- Special Revenue
 - Fund is required to include substantial restricted or committed revenues that are ongoing.
 - Assigned revenues, transfers-in or other financing sources cannot be the substantial revenue for a special revenue fund.



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AOS Bulletin – 2011-004

- Capital Projects
 - Account for expenditures for capital outlays
 - Governing Body has not identified a purpose, fund balance is assigned
 - Transfers in as its sole revenue and the governing body has identified a specific purpose by ordinance or resolution, fund balance is restricted or committed.



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AOS Bulletin – 2011-004

- Debt Service
 - Accounts for the accumulation of revenues for and payment of principal and interest on debt.
 - Governing Body has not identified a purpose, fund balance is assigned
 - Transfers in as its sole revenue and the governing body has identified a specific purpose by ordinance or resolution, fund balance is restricted or committed.



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AOS Bulletin – 2011-004

- Transfers – are an inflow of resources to a fund—Not a revenue source
- Special Revenue Funds
 - Reported the same as the main revenue source
- Capital Projects & Debt Service Funds
 - If ordinance/resolution identifies a specific purpose, restricted fund balance
 - If no specific purpose is identified, assigned fund balance



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AOS Bulletin – 2011-004

- Income Tax
 - Unvoted or Voted
 - General operations – Unassigned General fund
 - Purpose identified – Restricted fund balance
 - Debt Service, Capital Projects or Special Revenue
 - Allocations
 - Committed Fund Balance
 - Debt Service, Capital Projects or Special Revenue



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AOS Bulletin – 2011-004

- Charges for Services
 - External constraints classified as restricted
 - No external constraints but constraints are generated by the governing body classified as committed.



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AOS Bulletin – 2011-004

- Donations
 - External constraints classified as restricted
 - Implied external constraints by the person donating the revenues classified as committed.
 - No constraints would be recorded in the general fund



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AOS Bulletin – 2011-004

- Unclaimed monies
 - Nonspendable fund balance for the five year holding period.



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AOS Bulletin – 2011-004

- Change in Fund Classification
 - Funds maintained for day-to-day accounting purposes may no longer meet the fund type criteria for reporting in the year-end external financial statements.
- Applies to governments preparing regulatory and OCBOA (GAAP look-a-like) statement



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AOS Bulletin – 2011-004

- GASB 54 Fund Balance Classification Analysis Charts
 - Common funds and foundation (substantial) revenue sources
 - May have more than one fund balance classification identified.



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Last Bit of Helpful Advice

- Document all conclusions!!



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UAN version 2012.1

Year End Review

December 9, 2011

Presented by: Bob Walter

James Watson



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Year End Reporting Changes



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GASB 54

- On September 29th, 2011 AOS mailed to all Fiscal Officers: Auditor Bulletin 2011-004 “Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.”
- GASB Statement 54 introduces five fund balance classifications and clarifies the existing governmental fund type definitions. This bulletin clarifies the impact on Ohio governmental units.



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GASB 54

- The UAN version 2012.1 (Year End Update) installation disk will contain AOS Bulletin 2011-004 (including the supplemental crosswalk guides) and a Fund Purposes sheet provided by LGS.
- Use these resources and notes from the LGS lecture today to “do your homework” ahead of time. You also might need to refer to minutes and other entity reference material to determine the proper classifications.



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Required for Regulatory & OCBOA filing

- The GASB 54 requirements must be completed by all entities, whether the entity is filing Regulatory or OCBOA (GASB 34) annual financial statements.



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Completing GASB 54

- UAN version 2012.1 includes a new AFR – Fund Utility with a Governmental Fund Classification page to be used for meeting the GASB 54 requirements.
- UAN will provide technical guidance for using this utility, but cannot suggest selections / entries.



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Completing GASB 54

- Steps to Access: General → Reports & Statements → Year End → AFR – Fund Utility.
All funds will be listed.

The screenshot shows a web application interface with a navigation menu at the top containing 'Budget', 'Inventory', 'Cemetery', and 'General'. Below this is a sub-menu with 'Reports & Statements' and 'Maintenance'. The main content area is titled 'AFR - Fund Utility' and includes a 'Year' dropdown menu set to '2011'. Below the menu is a table with two columns: 'Fund' and 'Name'. A single row is visible with a checkbox in the 'Fund' column and the text '1000 General' in the 'Name' column.



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Completing GASB 54

- Mark the fund(s) on the list you wish to edit.
- Click Edit, then click the AFR filing type.

The screenshot shows a close-up of the 'Edit' button from the previous interface. A dropdown menu is open, displaying two options: 'OCBOA' and 'Regulatory'. Other buttons visible in the background are 'Reset', 'Display', and 'Close'.



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Completing GASB 54

- The following examples assume Regulatory is selected when editing in the AFR – Fund Utility.
 - Note: When OCBOA is selected, the AFR – Fund Utility will include additional tabbed pages for completing OCBOA related information.

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Completing GASB 54

- The AFR – Fund Utility will open:

Edit AFR - Fund Utility

Year: 2011 UAN Support cannot suggest which selections or entries to make on this form. For guidance, contact the state auditor's Local Government Services division. Information Incomplete

Fund (including any mapped funds): Fund: 2031 Balance: \$70,720.00 Mapping (for miscategorized or ancillary funds only): Map To: Not Mapped

Name: Road and Bridge Name: Category: Special Revenue Category:

Governmental Fund Classification

This tab must be completed for all governmental funds in order to file Regulatory or OBCOA annual financial statements.

Single: For: Select existing or enter new.
 Multiple: Undistributed:

Classification	For	Amount

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Completing GASB 54

- Complete the Governmental Fund Classification tab.
- If there is one classification for the entire fund balance, then click Single and then the classification:

Governmental Fund Classification

This tab must be completed for all governmental funds in order to file Regulatory or OBCOA annual financial statements.

Single: For: Select existing or enter new.

Classification	Default
Nonspendable	
Restricted	Default
Committed	Default
Assigned	

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Completing GASB 54

- Select the purpose from the “For” menu or enter a different one directly into the field. Then click [Save]

Governmental Fund Classification

This tab must be completed for all governmental funds in order to file Regulatory or OBCOA annual financial statements.

Single: Restricted For: Select existing or enter new.

Classification	Purpose	Default
	Cemetery	
	Debt Service	
	Drug and Alcohol Education and Enforce...	
	Emergency Medical Services	
	Fire Operations	
	Garbage and Waste Disposal	
	Issue II Projects	
	Police Operations	
	Recreation Programs	
	Road and Bridge Maintenance and Improv...	Default

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Completing GASB 54

- Select Multiple when you need to distribute the fund balance between more than one classification.

Single: For: Select existing or enter new.
 Multiple: Undistributed:

Classification	For	Amount
Nonspendable	Cemetery Endowment	\$5,000.00 ✕
		\$0.00 ↑

Click [Save] to refresh status icons.

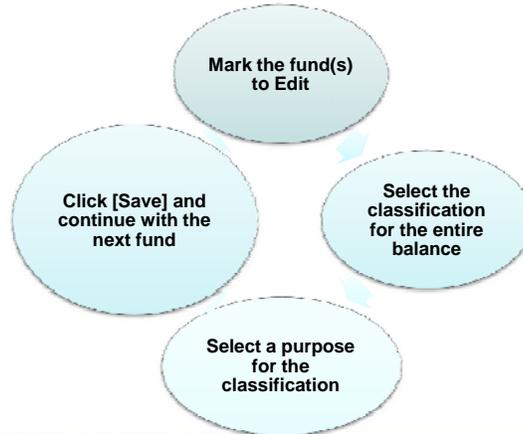
Completing GASB 54

The following reports now include sections on GASB 54 Worksheet / Notes Disclosures:

Regulatory	OCBOA
Combined Statement, Govrn. Combining Statement, Govrn.	Statement of Assets and Fund Balances, Governmental

Completing GASB 54

Fund Balance Classification process when there is a single classification:



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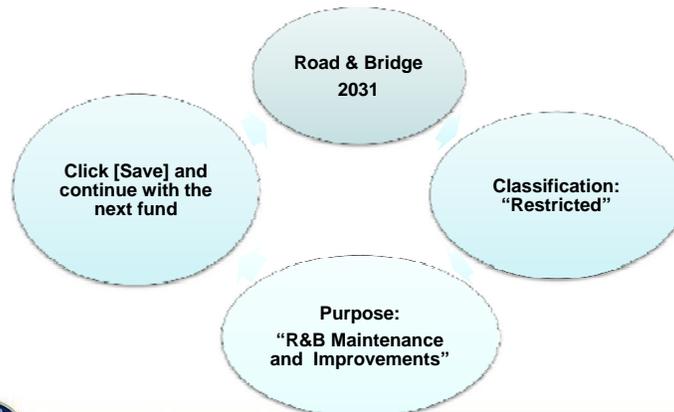
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Completing GASB 54

Single Classification Example:

Our example township's entire Road & Bridge fund balance is restricted for R&B maintenance and improvements



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Completing GASB 54

Fund Balance Classification process when there are multiple classifications:

```

    graph TD
      A((Mark the fund(s) to Edit)) --> B((Mark Multiple and use the list data entry line to select a classification and purpose))
      B --> C((Enter the amount and click the insert row arrow))
      C --> D((Continue to distribute until undistributed balance equals zero.))
      D --> E((Click [Save] and continue with the next fund))
      E --> A
    
```

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Completing GASB 54

Multiple Classification Example:
Our example township set aside \$25,000 of the General Fund balance to be used next year for Recreation Programs for baseball and soccer and a motion was passed to do so.

```

    graph TD
      A((General Fund 1000)) --> B((Classification: "Assigned"  
For (Purpose): "Recreation Programs"))
      B --> C((25,000.00))
      C --> D((Is Undistributed 0?  
If no, repeat steps to classify the remainder of the current fund.))
      D --> E((Click [Save] and continue with the next fund))
      E --> A
    
```

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Completing GASB 54

Questions about AFR – Fund Utility
walkthrough?



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Year End Review - Accounting



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