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GASB OVERVIEW

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Welcome
to the
Auditor of State
GASB Overview

UAN
UNIFORM ACCOUNTING NETWORK

UAN Support Information

- Annual Financial Report Selection
  - Determines Report Headers/Titles
  - GASB Cash Basis or GASB Modified Cash Basis
  - GASB Cash Basis: Without Investments or With All Pooled Investments
  - GASB Modified Cash Basis: Non-Pooled Investments
- Pooled Investments
  - Multiple funds included in an investment
  - Examples: Money Markets and Star Ohio
  - Pooled Investments will be marked 'yes' for pooled on the investment screen and they will report as Equity in Pooled Cash and Cash Equivalents on the GASB Net Asset Statements
- Non-pooled investments
  - One fund included in an investment and the interest for the investment is posted to that fund
  - Example: private purpose trust investment where the interest is posted back to the private purpose trust fund
  - Non-pooled investments will be marked 'no' for pooled on the investment screen and they will report as an Investment on the GASB Net Asset statements

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UAN Support Information (cont).

- Under **UAN Support**, select either GASB Cash Basis (Without Investments or With All Pooled Investments) or GASB Modified Cash Basis (With Non-Pooled Investments).
- If you have multiple funds included in an investment, the investment is considered a pooled investment.
- If you have only one fund included in an investment and the interest for the investment is posted to that fund, then the investment would be considered a non-pooled investment.

*Note: The Regulatory option is selected if GASB is not used.

GASB Reporting

- If you have multiple funds included in an investment, the investment is considered a pooled investment. Examples of common pooled investments would be Money Markets and Star Ohio. Pooled investments will be marked yes for pooled on the investment screen and they will report as Equity in Pooled Cash and Cash Equivalents on the GASB Net Asset Statements.
- If you have only one fund included in an investment and the interest for the investment is posted to that fund, then the investment would be considered a non-pooled investment. Examples of a common non-pooled investment would be a private purpose trust investment where the interest is posted back to the private purpose trust fund. Non-pooled investments will be marked no for pooled on the investment screen and they will report as an Investment on the GASB Net Asset statements.

Fund Types

- Governmental
  - General
  - Special Revenue
  - Capital Projects
  - Debt Service
  - Permanent
- Proprietary
  - Enterprise
  - Internal Service
- Fiduciary
  - Investment Trust
  - Private - Purpose Trust
  - Agency

Fund Types (cont.)

- If the entity needs to reclassify a fund
  - 2008 Enter new fund number
  - 2008 Map to new fund for reporting (Fund Utility)
  - 2009 Enter fund balance adjustments

Governmental Fund Types

- General – to account for all financial resources except those required to be accounted for in another fund
- Special Revenue – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes
- Capital Projects – to account for financial resources to be used for the acquisition or construction of major capital facilities

Governmental Fund Types (cont.)

- Debt Service - to account for the accumulation or resources for, and the payment of, general long term debt principal and interest
- Permanent - should be used to report resources that are legally restricted to the extent that only earnings, and not principal may be used for purposes that support the reporting governments programs

Proprietary Fund Types

- Enterprise - used to report any activity for which a fee is charged to external users for goods or services
  - Activity that is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity
  - Laws or regulations require that the activity's cost of providing services, including capital costs be recovered with fees and charges, rather than with taxes or similar revenues
  - The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs

Proprietary Fund Types (cont.)

- Internal Service - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis

Fiduciary Fund Types

- Investment Trust - to report the external portion of investment pools reported by the sponsoring government
- Private - Purpose Trust - to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments
- Agency - to report resources held by the reporting government in a purely custodial capacity

Library Chart of Accounts

- New program classifications
  - Not mandatory
- Information concerning the new accounts is include with Version 13.0

Component Units

- Affiliated organizations that are legally separate, tax exempt entities should be discretely presented as component units when all of the following criteria are meet (GASB Statement 39 has examples)
  - The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
  - The primary government has access to a majority of the economic resources received or held by the separate organization
  - The economic resources received or held are significant to the primary government

Restricted vs. Unrestricted

(Fund Utility)

- Restricted - net assets should be reported as restricted when constraints placed on net asset use are either
  - Externally imposed by creditors
  - Imposed by law through constitutional provisions or enabling legislation
- Unrestricted - net assets that do not meet the definition of restricted

GASB Statements

- Financial Statements
  - Government - Wide Statements
  - Fund Financial Statements
  - Budgetary Statements
- Notes to the Financial Statements
- Management's Discussion and Analysis (MD&A)
- Required Supplementary Information (RSI)

Government - Wide Statements

- Overall government without reporting funds or fund types
- Does not include Fiduciary activity
- Distinguish primary government vs. component units
- Governmental vs. Business type activities
- Report all assets, liabilities, revenues, expenses, gains and losses

Government - Wide Statements

- Statement of Net Assets - Cash or Modified Cash Basis
- Statement of Activities - Cash or Modified Cash Basis

Statement of Net Assets

- Governmental vs. Business Activities (Fund Utility)
  - Governmental = General, Special Revenue, Debt Service, Capital Projects, Internal Service
  - Business = Enterprise, Internal Service
- Checking vs. Investment
- Restricted vs. Unrestricted (Fund Utility)
  - Defaults set by fund type some funds will be clerk defined
- Component Units

Statement of Activities

- Cash Disbursements
- Receipts (Revenue Utility)
  - Program Receipts
    - Charge for Services and Sales, Operating Grants and Contributions, Capital Grants and Contributions
    - Program type revenues are those that purchase, use or directly benefit from the goods or services of the entity's programs
    - Program revenues come from parties outside the reporting government's citizenry if they are restricted to a specific program
  - General Receipts
    - All other revenues are general type revenues unless they are required to be reported as program revenues
    - General revenues can come from parties outside the reporting government's citizenry if they are unrestricted
    - General revenues can also come from the government's taxpayers or the governmental institution itself
- Component Units

Fund Financial Statements

- Governmental
  - Statement of Cash or Modified Cash Basis Assets and Fund Balances
  - Statement of Cash Receipts, Disbursements and Changes in Cash or Modified Cash Basis Fund Balances
- Proprietary
  - Statement of Fund Net Assets - Cash or Modified Cash Basis
  - Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets Cash or Modified Cash Basis
- Fiduciary
  - Statement of Fiduciary Net Assets Cash or Modified Cash Basis
  - Statement of Changes in Fiduciary Net Assets Cash or Modified Cash Basis

Fund Financial Statements (cont.)

- Major vs. Non-Major Funds (Fund Utility)
  - Major Funds
    - General Fund always major
    - Receipts and Disbursements are at least 10% of the fund type (Governmental vs. Enterprise) and 5% of the combined total
    - A fund that the government's officials believe is important
      - Displayed in separate columns
  - Non-Major Funds
    - Receipts and Disbursements are at less than 10% of the fund type (Governmental vs. Enterprise) and 5% of the combined total
      - Totaled and shown in a single column
- Major Fund Analysis Report

Fund Financial Statements (cont.)

- Major vs. Non-Major Funds columns
  - Major Fund System Default column
    - Based on information in the software
  - Major fund User Selection/Override column
    - The user must select 'Yes' or 'No' to match what the system defaulted for the major fund designations or the user can change the major fund designations
    - Use Major Fund Analysis Report in making determination

Governmental Fund Financial Statements

- Statement of Cash or Modified Cash Basis Assets and Fund Balances (same for all entity types)
  - Checking vs. Investment
  - Reserved vs. Unreserved
    - Reserved = Encumbrances or Permanent fund purpose
    - Unreserved = Group by fund type (Fund Utility). Reported in: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Permanent Fund.
- Statement of Cash Receipts, Disbursements and Changes in Cash or Modified Cash Basis Fund Balances
  - Similar to regulatory combined statement for all governmental and similar fiduciary fund types

Proprietary Fund Financial Statements

- Statement of Fund Net Assets - Cash or Modified Cash Basis (same for all entity types)
  - Checking vs. Investment
  - Restricted vs. Unrestricted (Fund Utility)
    - Defaults set by fund type some funds will be clerk defined
- Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets Cash or Modified Cash Basis
  - Similar to regulatory combined statement for all proprietary and similar fiduciary fund types

Fiduciary Fund Financial Statements

- Statement of Fiduciary Net Assets Cash or Modified Cash Basis (same for all entity types)
  - Checking vs. Investment
  - Restricted (Fund Utility)
    - Defaults set by fund type some funds will be clerk defined
- Statement of Changes in Fiduciary Net Assets Cash or Modified Cash Basis
  - Additions (Fiduciary Fund Utility)
    - Contributions or Interest
  - Deductions (Fiduciary Fund Utility)
    - Payments in Accordance with Trust Agreements or Other

Budgetary Statements

- Original Budget
  - The original budget is the first adopted appropriation measure for a fund that was meant to cover the entire year plus any carryover encumbrances. The original budget figures for appropriations should be documented in your minutes from the meeting when you passed your first permanent appropriations. (The software will automatically add Carry-Over Appropriations and subtract Carry-Over Adjustments from the figure you input.) The original budget figures for receipts should come from the Amended Certificate in place on the same date as the meeting when you passed your first permanent appropriations.
- Final Budget
  - Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes
- Actual inflows, outflows and balances

Notes to the Financial Statements

- Should communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements

MD&A

- Provide analysis of the governments financial activities
- Current - year vs. prior - year information
- Discuss basic financial statements
- Compare current - year vs. prior - year government - wide statements
- Analysis of governments overall financial position
- Analysis of fund balances
- Analysis of budget information
- Describe capital asset and long term debt activity
- Infrastructure assets
- Describe anything that will have a significant effect on financial position

RSI

- Budgetary Statements can be included as part of the RSI instead of with the Statements.
- Most likely UAN clients will not be required to submit an RSI. The RSI option is available in case you decide to include the RSI as part of your Annual Financial Report.

Questions?

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