Déjà vu All Over Again! GASB Revisits the Financial Reporting Model

February 22, 2018
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The views expressed are those of Mr. Sundstrom, Ms. Commons, and Mr. Bullock and do not necessarily represent those of the GASB.
Financial Reporting Model Reexamination

- **What:** The Board is redeliberating over comments received in response to the December 2016 Invitation to Comment, the first due process document in the project reexamining the effectiveness of the financial reporting model—Statements 34, 35, 37, 41, and 46, and Interpretation 6.

- **Why:** A review of these standards found that they generally were effective, but that there were aspects that could be significantly improved.

- **When:** A Preliminary Views is planned for issuance in September 2018.
Concerns with Governmental Funds Financial Statements

- Lack of conceptual consistency in recognition of assets and liabilities
- Lack of foundation from which to develop standards for complex transactions
- Some consider it ineffective in conveying that the information is related to fiscal accountability (rather than operational accountability)
  - Focus on financial resources, rather than on economic resources
  - Shorter time perspective than information in government-wide financial statements
## Project Timeline – Where We’ve Been

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Agenda Research Started</td>
<td>April 2013</td>
</tr>
<tr>
<td>Added to Current Technical Agenda</td>
<td>September 2015</td>
</tr>
<tr>
<td>Task Force Meeting Held</td>
<td>June 2016</td>
</tr>
<tr>
<td>Invitation to Comment Issued</td>
<td>December 2016</td>
</tr>
<tr>
<td>Public Hearings and User Forums Held</td>
<td>April 2017</td>
</tr>
<tr>
<td>Task Force Meeting Held</td>
<td>September 2017</td>
</tr>
</tbody>
</table>
Scope of the Invitation to Comment: Governmental Funds

- Recognition approaches (measurement focus-what is being measured, and basis of accounting-when do we recognize)
  - Near-term financial resources
  - Short-term financial resources
  - Long-term financial resources

- Format of the governmental funds statement of resource flows

- Specific terminology

- Reconciliation to the government-wide financial statements

- For certain recognition approaches, a statement of cash flows
Invitation to Comment Characteristics

- Relationship with budgetary reporting
  - All retain current fund structure
  - Near-term closest with focus on amounts available for spending
  - Long-term farthest because of recognition of long-term financial assets and liabilities

- Focus on financial resources, rather than on economic resources

- Same-page reconciliation to government-wide financial statements

- Titles and line items totals that indicate the measurement focus

- Notification on top of statement that the presentation is a short-term view and that the government-wide statements present the long-term view
Invitation to Comment - What Are Financial Resources?

- Financial resources are resources expected to be converted to cash, including cash, claims to cash, claims to good or services, consumable goods, and equity securities of another entity.

- Prepaid items
  - Refundable?
  - Consumable in lieu of financial resources
  - Not expected to produce cash in the future

- Inventory
  - Tangible asset, like capital assets
  - Consumable in lieu of financial resources
  - Generally not expected to produce cash in the future
The current financial resources recognition approach with modifications will be carried forward to the Preliminary Views.

Neither the economic resources recognition approach nor presentation outside of the basic financial statements will be pursued further.

Financial resources to be defined as “cash, resources that are expected to be converted to cash, and resources that are consumable in lieu of cash.”
The recognition approach for governmental funds be based on a combination of the near-term and short-term recognition approaches, be called the short-term financial resources measurement approach, with the following characteristics:

- one-year from the inception of the transaction recognition timeframe
- accrued interest will be recognized when payable and normally due within one year, which may not necessarily align with the recognition of principal payments on the related debt
- recognition of tax and revenue anticipation notes as liabilities
- exclusion of the recognition of the current portion of long-term assets and liabilities.
Tentative Decisions for the Preliminary Views – Messages of the Short-Term Financial Resources Measurement Approach

- Reports financial balance sheet elements and flows of financial resources of governmental fund activities from a short-term perspective.
- Provides information about spending for the period and inflows of resources from short-term transactions as they occur.
- Provides information about long-term transactions as they mature, as well as period-end balances from short-term transactions.
- Provides financial results that may be comparable to budgetary information, which usually relates to shorter periods of time as well.
The determination of whether a transaction is short-term or long-term is key to the recognition under the approach being proposed in the Preliminary Views.

Short-term transactions are those that NORMALLY are DUE to convert to or require the use of cash (or other financial assets) within one year from the inception of the transaction.

- Normally (consistent with its use in Interpretation 6) refers to circumstances for governments in general, not the potentially unique circumstances of a single government.
- Due refers to the date at which payment is scheduled or, if not scheduled, expected to be made.
Tentative Decisions for the Preliminary Views – What are Long-Term Transactions?

- Long-term transactions are those that NORMALLY are DUE to convert to or require the use of cash (or other financial assets) beyond one year from the *inception of the transaction*.
  - Normally (consistent with its use in Interpretation 6) refers to circumstances for governments in general, not the potentially unique circumstances of a single government.
  - Due refers to the date at which payment is scheduled or, if not scheduled, expected to be made.
Tentative Decisions for the Preliminary Views – Recognition in the Short-Term Approach

- Assets include those from *short-term transactions* that are *receivable* at period-end as well as cash and other financial assets that are available to be converted to cash or are expected to be consumed in lieu of cash within the subsequent operating cycle.

- Liabilities include those arising from *short-term transactions* that are *payable* at period-end.

- Assets arriving from *transactions that are normally long-term* would be recognized when payments come due.

- Liabilities arriving from *transactions that are normally long-term* would be recognized when payments become due.
Asset Recognition

- Examples of assets that would be recognized:
  - Cash and investments
  - Accounts receivable
  - Property taxes receivable
  - Prepaid items
  - Inventory
  - Long-term receivables with delayed payment terms that have matured

- Examples of assets that would not be recognized:
  - Long-term receivables that have not matured
  - Capital assets, including intangible assets
Notes Receivable – Current Practice

BOY receivable balance was $4,387,776. $645,000 matured and was collected during the year. EOY receivable balance was $3,742,776.

Current practice for reporting notes receivable is inconsistent. Recognize an asset and report nonspendable fund balance for amounts not available to pay liabilities of the current period.

Reported Amounts

Notes receivable of $3,742,776, and nonspendable fund balance of $3,742,776. Revenue of $645,000.
Notes Receivable – Short-Term Approach

Recognize revenue for amounts collected during the year. This presentation should not be used to establish a precedent for reporting notes receivable. This transaction would be considered a long-term transaction because the note payments are scheduled to be collected beyond one-year from the inception of the transaction. Recognize an asset when the payments are due. Recognize an inflow of resources for payments that mature during the period.

Reported Amounts

No receivable is included. Inflows of resources of $645,000 are included.
Liability Recognition

- Examples of liabilities that would be recognized:
  - Accounts payable and accrued payroll
  - Accrued interest payable
  - Any unpaid balances due on long-term debt that matured during the period
  - Tax anticipation notes or revenue anticipation notes

- Examples of liabilities that would *not* be recognized:
  - Compensated absences liabilities
  - Long-term debt
  - Net pension and other postemployment benefit liabilities
  - Asset retirement obligations
Compensated Absences – Current Practice

Recognize a liability and an outflow of resources to the extent normally expected to be liquidated with expendable available financial resources.

Reported Amounts

No amounts are included.
Compensated Absences – Short-Term Approach

This transaction would be considered a long-term transaction because the liability is normally liquidated beyond one-year from the inception of the transaction. Recognize a liability and an outflow of resources when the amount becomes due, typically when an employee separates from service. For purposes of this illustration, it has been assumed that compensated absences transactions are long-term in nature. It is expected that a future standards setting project would be needed to apply the recognition concept to these transactions.

Reported Amounts

No amounts are included.
Inflow Examples

- Examples of transactions that would be recognized as inflows of resources that were collected during the period or are due in the subsequent operating cycle:
  - Property taxes levied for the period
  - Sales, income, and other taxes relating to the reporting period
  - Repayments from lending activities that matured during the period
  - Proceeds from borrowings of the current period
  - Proceeds from sales of capital assets

- Example of transactions that would *not* be recognized as inflows of resources:
  - Payments from lending activities due in subsequent periods
  - Proceeds from tax anticipation or revenue anticipation borrowings
Outflows

- Examples of transactions that would be recognized as outflows of resources:
  - Salaries and wages earned during the period
  - Use of goods (including inventories) and services
  - Long-term lending activities
  - Interest accrued during the period on borrowings
  - Principal payments on long-term borrowings that mature in the period
  - Payments related to other long-term transactions, such as postemployment benefits and compensated absences, that mature in the period
  - Capital outlays

- Examples of transactions that would *not* be recognized as outflows:
  - Prepayments for goods and services to be received in future periods
  - Principal payments on tax anticipation notes or revenue anticipation notes
  - Purchases of inventories
  - Depreciation
Deferred Outflows and Inflows

- Deferred outflows of resources and deferred inflows of resources would be recognized for (a) outflows of resources that do not meet the definition of an asset and are inherently related to future periods and (b) inflows of resources that do not meet the definition of a liability and are inherently related to future periods, respectively.

- The net position element (fund balance) would represent the residual amount (or deficiency) of short-term assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the reporting period.
Grants Receivable – Current Practice

- **BOY receivable balance was $550,992.** Of that balance:
  - $150,992 was expected to be received within 60 days
  - $400,000 was expected to be received between 6 months and one-year

- **New grants received during the period were $300,000.**

- **Collections during the year were $600,000,** consisting of:
  - all $550,992 from the beginning of year balance
  - $49,008 of the current year grant activity

- **EOY receivable balance was $250,992.** Of that balance:
  - $100,992 was expected to be received within 60 days
  - $150,000 was expected to be received between 6 months and one-year.
Grants Receivable – Current Practice

Recognize an asset for amounts receivable at year-end and recognize a deferred inflow of resources for amounts expected to be collected beyond the period of availability. Recognize revenue for amounts collected during the year and expected to be collected within the period of availability.

Reported Amounts

Grants receivable of $250,992 and deferred inflow of resources of $150,000. Assuming a three-month period of availability, grants revenue of $550,000 ($400,000 + $49,008 + 100,992).
Grants Receivable – Short-Term Approach

This transaction would be considered a short-term transaction because grants normally are collected within one-year from the inception of the transaction. Recognize an asset for amounts receivable at year-end and recognize an inflow of resources for grants incurred during the year.

Reported Amounts

Grants receivable of $250,992 is included. Inflows of resources of $300,000 are included.
Tentative Decisions for the Preliminary Views - Potential Benefits

- Provides information about amounts available for spending that is consistent and comparable across governments.
- Provides a measure of fund balance that indicates how much is available for spending in the subsequent period.
- Provides information for evaluating a government’s budget.
- Conceptually consistent recognition of assets and liabilities.
Separate presentation of operating and nonoperating revenues and expenses—in proprietary fund and business-type activity (BTA) financial statements
- Operating activities are those other than nonoperating activities
- Nonoperating activities include:
  - Subsidies received and provided
  - Revenues and expenses of financing
  - Resources from the disposal of capital assets and inventory
  - Investment income and expenses
Separate presentation of operating and nonoperating revenues and expenses (continued)

- Subsidies are resources provided by another party or fund for the purpose of keeping the rates lower than otherwise would be necessary for the level of goods and services to be provided
  - Includes resources for purchase of capital assets
- Subtotal for operating income (loss) and noncapital subsidies
Tentative Decisions for the Preliminary Views

- Budgetary comparisons
  - Would be presented in required supplementary information (no option for basic statements)
  - Required variances would be final-budget-to-actual and original-budget-to-final-budget
Tentative Decisions for the Preliminary Views

- Statement of Activities and Schedule of Natural Classifications
  - The existing format of the government-wide statement of activities be presented with a schedule of natural classification of expenses by function or program.
  - The information conveyed in a schedule of natural classification of expenses be presented in general purpose external financial reports as supplementary information.
Other Topics – Preliminary Views

- **Permanent funds**
  - Determine recognition approach and presentation for permanent funds when preliminary view for recognition approach in governmental funds is finalized

- Reconciliation to government-wide statements and use of specific terminology

- Format of the governmental fund resource flows statement

- Cash flow statement
### ABC Government

**Near-Term Financial Resources Balance Sheet**

**Governmental Funds**

**June 30, 20XX**

This financial statement presents a short-term view of the governmental fund activities and excludes items of a long-term nature. For a complete portrayal of the financial position of the governmental activities, see the government-wide statement of net position.

<table>
<thead>
<tr>
<th>NEAR-TERM ASSETS</th>
<th>General Fund</th>
<th>Special Tax Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$861,272</td>
<td>$8,846,434</td>
<td>$30,571,406</td>
<td>$40,279,112</td>
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<tr>
<td>Taxes receivable</td>
<td>11,713,873</td>
<td>-</td>
<td>1,628,750</td>
<td>13,342,623</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>662</td>
<td>607</td>
<td>-</td>
<td>85,005</td>
</tr>
<tr>
<td>Grant receivable</td>
<td>250,992</td>
<td>-</td>
<td>-</td>
<td>250,992</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,056,859</td>
<td>-</td>
<td>1,457,817</td>
<td>3,514,676</td>
</tr>
<tr>
<td>Interfund receivables</td>
<td>610,066</td>
<td>-</td>
<td>607,909</td>
<td>1,217,975</td>
</tr>
<tr>
<td><strong>Total near-term assets</strong></td>
<td><strong>$15,493,724</strong></td>
<td><strong>$8,847,041</strong></td>
<td><strong>$34,349,618</strong></td>
<td><strong>$58,690,383</strong></td>
</tr>
</tbody>
</table>

| NEAR-TERM LIABILITIES AND NEAR-TERM FINANCIAL RESOURCES FUND BALANCES |
|------------------|------------------|------------------|------------------|------------------|
| Near-term liabilities: | | | | |
| Accounts payable | $929,666 | $493,212 | $1,642,560 | $3,065,438 |
| Other payables | 2,444 | - | 926 | 3,370 |
| Accrued payroll | 2,966,848 | 14,733 | 65,821 | 3,047,402 |
| Accrued interest | 51,874 | 22,300 | 559,827 | 634,001 |
| Interfund payable | 51,606 | 227,099 | 15,195 | 293,900 |
| Claims payable | 100,000 | - | - | 100,000 |
| **Total near-term liabilities** | **4,102,438** | **757,344** | **2,284,329** | **7,144,111** |

| Near-term financial resources fund balances: | | | | |
| Restricted | - | 8,089,697 | 32,211,162 | 40,300,859 |
| Assigned for library | 685,630 | - | - | 685,630 |
| Unassigned | 10,705,656 | - | (145,873) | 10,559,783 |
| **Total near-term financial resources fund balances** | **11,391,286** | **8,089,697** | **32,065,289** | **51,546,272** |

<table>
<thead>
<tr>
<th>Total near-term liabilities and near-term financial resources fund balances</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$15,493,724</strong></td>
<td><strong>$8,847,041</strong></td>
<td><strong>$34,349,618</strong></td>
<td><strong>$58,690,383</strong></td>
<td></td>
</tr>
</tbody>
</table>

### RECONCILIATION OF NEAR-TERM FINANCIAL RESOURCES FUND BALANCE OF GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (see Note X)

| Near-term financial resources fund balance of governmental funds | $51,546,272 |
| Amounts reported for governmental activities in the statement of net position are different due to: | |
| Capital assets used in governmental activities that are not near-term financial resources | 187,089,527 |
| Other long-term assets that are not available to pay for near-term outflows of resources | 3,862,427 |
| Tax anticipation notes that are not near-term liabilities | (4,400,000) |
| Postemployment benefit liabilities that are not due in the near term | (42,743,028) |
| Other long-term liabilities, including bonds payable, that are not due in the near term | (36,396,724) |
| Internal service fund balance that is allocated to governmental activities in the statement of net position | (16,368) |
| **Net position of governmental activities** | $158,942,106 |

**Notification recognition approach is different from government-wide**

**Clearer titles and descriptions**

**Same-page reconciliation to government-wide**
Format of the Resource Flows Statement - Existing Format

Presents inflows and outflows of resources considered revenues and expenditures separately from those that are considered other financing sources and uses

- Revenues and expenditures
- Other financing sources and uses
  - Issuance of debt
  - Bond refundings
  - Sales of capital assets
  - Transfers

- Benefits
  - Consistency with prior presentation of resource flows
  - Consistency with budgetary presentations (for some)

- Challenge
  - Lack consistency in resource flows related to debt and to capital assets
    - Resources received from the issuance of long-term debt and disposal of capital assets – reported as an other financing source
    - Payment of principal on that debt and original purchase of the capital asset – reported as an expenditure
Existing Format

Inflows of Resources (Revenues)

Outflows of Resources (Expenditures)

Other Financing Sources and Uses

### Inflows of Near-Term Financial Resources (Revenues)

#### Taxes:
- **Property tax**: 20,322,167
- **Sales tax**: 45,034,789
- **Use tax**: 3,586,753
- **Motor fuel tax**: 7,052,692
- **Other taxes**: 3,586,753

#### Payments in lieu of taxes:
- **Payments in lieu of taxes**: 2,721,420

#### Licenses and permits:
- **Licenses and permits**: 1,303,889

#### Fees for services:
- **Fees for services**: 7,052,692

#### Franchise fees:
- **Franchise fees**: 1,968,522

#### Fines and citations:
- **Fines and citations**: 1,476,364

#### Intergovernmental:
- **Intergovernmental**: 14,595,019

#### Investment earnings:
- **Investment earnings**: 5,829

#### Payments received on notes and special assessments:
- **Payments received on notes and special assessments**: 500,000

#### Miscellaneous:
- **Miscellaneous**: 4,216,940

#### Total inflows of near-term financial resources:
- **Total inflows**: 106,260,279

### Outflows of Near-Term Financial Resources (Expenditures)

#### Current:
- **General government**: 13,888,388
- **Public health and safety**: 70,081,545
- **Highway and streets**: 12,000,830
- **Culture and recreation**: 3,541,191
- **Economic development**: 3,541,191
- **Capital outlay**: 345,187
- **Debt service**: 6,435,656

#### Total outflows of near-term financial resources:
- **Total outflows**: 106,788,938

### Excess of Inflows over Outflows:
- **Excess of inflows over outflows**: (528,659)

### Other Financing Sources and Uses

- **Leases—lessee**: 233,200
- **Proceeds from the issuance of tax anticipation notes**: 4,400,000
- **Transfers in**: 500,000
- **Transfers out**: (7,836,079)

#### Total other financing sources and uses:
- **Total other financing sources and uses**: (2,702,879)

### Change in Net Position of Governmental Activities

- **Change in net position of governmental activities**: (77,554)

For a complete portrayal of the governmental activities flows, see the government-wide statement of activities.

Would report inflows and outflows of resources related to the purchase and disposal of capital assets and the payment and issuance of long-term debt separately from other current period activities of a governmental fund.

- Inflows of resources and outflows of resources for current activities
  - Transfers for current activities

- Inflows of resources and outflows of resources for long-term activities
  - Purchases and sales of capital assets
  - Issuance and repayment of long-term debt
  - Transfers for long-term activities

- Benefit
  - Consistency in inflows of resources and outflows of resources for long-term activities, as well as current activities

- Challenges
  - Some capital asset and debt transaction may contain elements of both current and long-term uses (transfers)
  - Current and long-term are not the same as current and noncurrent in a classified balance sheet
  - With exception of transfers, detail can be discerned from existing format
  - Some current activities (e.g., taxes) made be associated with long-term activities
Current and Long-Term Activity Format

### Inflows of Resources for Current Activities

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Tax Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,322,167</td>
<td>5,159,156</td>
<td>2,015,047</td>
<td>27,496,370</td>
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</table>

### Outflows of Resources for Current Activities

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<th>Special Tax Fund</th>
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<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,721,420</td>
<td>-</td>
<td>2,698,909</td>
<td>6,674,804</td>
</tr>
<tr>
<td>1,203,889</td>
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<td>1,303,889</td>
<td>2,507,778</td>
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<tr>
<td>7,052,692</td>
<td>-</td>
<td>202,273</td>
<td>7,254,965</td>
</tr>
<tr>
<td>1,968,522</td>
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<td>-</td>
<td>1,968,522</td>
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<tr>
<td>1,476,364</td>
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<td>-</td>
<td>1,476,364</td>
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<tr>
<td>14,595,019</td>
<td>-</td>
<td>6,292,493</td>
<td>20,887,512</td>
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<tr>
<td>5,829</td>
<td>163,384</td>
<td>-</td>
<td>168,213</td>
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<tr>
<td>-</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>4,216,940</td>
<td>178,650</td>
<td>1,303,889</td>
<td>6,699,479</td>
</tr>
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</table>

### Outflows of Near-Term Financial Resources for Long-Term Activities

<table>
<thead>
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<th>Special Tax Fund</th>
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<tbody>
<tr>
<td>13,888,388</td>
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<td>22,071,280</td>
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<tr>
<td>70,081,545</td>
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<td>4,715,808</td>
<td>75,802,353</td>
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<td>1,200,080</td>
<td>-</td>
<td>1,808,065</td>
<td>3,008,145</td>
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<tr>
<td>3,541,191</td>
<td>335,659</td>
<td>5,684,915</td>
<td>9,860,725</td>
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<tr>
<td>496,141</td>
<td>-</td>
<td>3,374,045</td>
<td>3,870,186</td>
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<tr>
<td>155,204</td>
<td>-</td>
<td>500,000</td>
<td>655,204</td>
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</table>

### Total Net Flows of Near-Term Financial Resources

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Tax Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,163,299</td>
<td>7,296,860</td>
<td>13,209,992</td>
<td>120,670,151</td>
</tr>
<tr>
<td>6,596,980</td>
<td>(1,319,838)</td>
<td>6,306,185</td>
<td>11,583,327</td>
</tr>
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</table>

### Net Flows of Near-Term Financial Resources for Long-Term Activities

<table>
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<th>Special Tax Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>233,200</td>
<td>-</td>
<td>-</td>
<td>233,200</td>
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<tr>
<td>4,400,000</td>
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<tr>
<td>10,651,605</td>
<td>-</td>
<td>-</td>
<td>10,651,605</td>
</tr>
<tr>
<td>1,346,497</td>
<td>(1,969,199)</td>
<td>-</td>
<td>(632,702)</td>
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<tr>
<td>9,210,517</td>
<td>(12,213,063)</td>
<td>-</td>
<td>(3,002,546)</td>
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<tr>
<td>2,240,900</td>
<td>(10,108,220)</td>
<td>-</td>
<td>(8,868,320)</td>
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<tr>
<td>9,828,518</td>
<td>(374,850)</td>
<td>(2,326,309)</td>
<td>(12,529,677)</td>
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<tr>
<td>3,231,538</td>
<td>(1,694,688)</td>
<td>3,979,876</td>
<td>5,507,983</td>
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<tr>
<td>14,622,824</td>
<td>9,788,385</td>
<td>28,005,413</td>
<td>52,402,622</td>
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<tr>
<td>11,391,286</td>
<td>8,089,697</td>
<td>32,052,899</td>
<td>51,549,002</td>
</tr>
</tbody>
</table>

### Reconciliation of Net Change in Near-Term Financial Resources Fund Balance to Change in Net Position of Governmental Activities in the Statement of Activities (see Note X)

- Amounts reported for governmental activities in the statement of activities are different due to:
  - Revenues that do not provide near-term financial resources: $686,500
  - Expenses that do not require the use of near-term financial resources: $1,515,479
  - Difference between depreciation in the statement of activities and capital outlay outflows above: $4,000,000
  - Principal paid on long-term debt and related items reported as near-term resource inflows above: $9,604,952
  - Change in net position of governmental activities: $18,875

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Special Tax Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$11,391,286</td>
<td>$8,089,697</td>
<td>$32,052,899</td>
<td>$51,549,002</td>
</tr>
</tbody>
</table>
Topics Expected to Be Addressed at the ED stage

- **Extraordinary and Special Items**—explore options for clarifying the guidance for more consistent reporting

- **Management’s Discussion and Analysis (MD&A)**
  - Enhance the financial statement analysis component
  - Eliminate boilerplate
  - Clarify guidance for presenting currently known facts, decisions, or conditions

- **Debt Service Funds**—explore options for providing additional information, either individually or in aggregate in the financial statements or the notes
# Project Timeline – What Lies Ahead

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Views Expected</td>
<td>September 2018</td>
</tr>
<tr>
<td>Comment Period and Field Test</td>
<td>October 2018 – January 2019</td>
</tr>
<tr>
<td>Public Hearings/User Forums</td>
<td>February 2019</td>
</tr>
<tr>
<td>Exposure Draft Expected</td>
<td>June 2020</td>
</tr>
<tr>
<td>Public Hearings</td>
<td>October 2020</td>
</tr>
<tr>
<td>Final Statement Expected</td>
<td>February 2022</td>
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