

GASB Webinar for Financial Statement Users: *Financial Reporting Model Improvements—Governmental Funds*



Speakers



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To Pose Questions During the Webinar

- Send your questions by email to userwebinar@gasb.org

Financial Reporting Model Improvements

- **What:** In December 2016, the Board issued 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:** Statement 34 introduced major fund reporting to the governmental fund financial statements but did not address issues related to their measurement focus and basis of accounting. GASB research evaluating the effectiveness of the financial reporting model standards confirmed that these issues continue to be a concern to stakeholders. The Invitation to Comment identifies potential changes that could significantly improve the usefulness of information in the governmental funds.
- **When:** Comment deadline is March 31, 2017. User forums will be held in New York City, San Francisco, and Washington, DC on April 27 and May 12 and 18, respectively.

Scope of the Invitation to Comment: Governmental Funds

- Recognition approaches (measurement focus and basis of accounting)
- 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

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

Recognition Approaches

- Three possible recognition approaches to replace current financial resources/modified accrual:
 - Near-term financial resources
 - Short-term financial resources
 - Long-term financial resources

Common Characteristics of the Approaches

- Relationship with budgetary reporting
- Focus on financial resources, rather than on economic resources
- Same-page reconciliations to government-wide financial statements
- Titles and line item 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

Messages Conveyed by the Approaches

	Near-Term*	Short-Term	Long-Term
Information related to...	Spending and resources available for spending	Short-term (one year) financial assets and liabilities	Noncapital-related financial resources
Focused on...	Amount available for spending in the next period	Government's one-year operating cycle	Both shorter and longer time perspectives
Financial resources are...	Resources expected to be converted to cash	Cash; claims to cash, goods, and services; consumable goods; equity securities of another entity	Cash; claims to cash, goods, and services; consumable goods; equity securities of another entity

* Length of near-term would be specified (for example, 60–90 days after reporting period)

What Assets and Liabilities Would the Approaches Report?

	Near-Term	Short-Term	Long-Term
Assets	Receivable at period-end and normally due to convert to cash within near term; long-term receivables when due	Receivable at period-end and normally due to convert to cash within operating cycle; prepaids & inventories that will be consumed in the next operating cycle	All noncapital assets
Liabilities	Payable at period-end and normally due within near term; principal on debt when due	Payable at period-end and normally due within the next operating cycle	All noncapital-related liabilities

What Inflows and Outflows of Resources Would the Approaches Report?

	Near-Term	Short-Term	Long-Term
Inflows and outflows of resources	<p>Inflows—generally, newly acquired financial resources that do not result in corresponding liabilities and are available for spending.</p> <p>Outflows—spending for the period; principal payments on matured debt and other-than-near-term obligations.</p>	As the underlying transaction occurs and cash is collected or paid or due in the subsequent operating cycle	As the underlying transaction occurs, plus inflows and outflows for purchases and sales of capital assets and issuance and repayment of capital-related debt

Example #1—Taxes Receivable

End-of-year taxes receivable balance: \$42,000,000

\$29,000,000 property taxes levied before year-end for the subsequent fiscal year;
property taxes are due 6 and 9 months after year-end
\$13,000,000 other taxes are due in the near term

<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	Taxes receivable of \$42,000,000 and deferred inflow of resources of \$42,000,000	Inflows of resources of \$0 (related to subsequent fiscal year taxes)
Near-term financial resources	Taxes receivable of \$13,000,000 and deferred inflow of resources of \$13,000,000	Inflows of resources of \$0 (related to subsequent fiscal year taxes)
Short-term financial resources	Taxes receivable of \$42,000,000 and deferred inflow of resources of \$42,000,000	Inflows of resources of \$0 (related to subsequent fiscal year taxes)
Long-term financial resources	Taxes receivable of \$42,000,000 and deferred inflow of resources of \$42,000,000	Inflows of resources of \$0 (related to subsequent fiscal year taxes)

Example #2—Special Assessments

Beginning of year balance: \$125,000

Collections during year: \$40,000

End of year balance: \$85,000

\$0 scheduled to be collected in the near term

\$25,000 scheduled to be collected in 6 months

\$60,000 scheduled to be collected in 18 months

	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	Receivable and deferred inflow of resources of \$85,000	Inflows of resources of \$40,000
Near-term financial resources	No receivable	Inflows of resources of \$40,000
Short-term financial resources	Receivable of \$25,000	Inflows of resources of \$25,000
Long-term financial resources	Current receivable of \$25,000, noncurrent receivable of \$60,000	No inflows of resources

Example #3—Notes Receivable Related to Lending

Beginning of year balance: \$4,400,000

Collections during year: \$700,000

End of year balance: \$3,700,000

\$0 scheduled to be collected in the near term

\$600,000 scheduled to be collected in 6 months

\$3,100,000 scheduled to be collected beyond the next reporting period

<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	Notes receivable and nonspendable fund balance of \$3,700,000	No inflows of resources
Near-term financial resources	No receivable	Inflows of resources of \$700,000
Short-term financial resources	Notes receivable of \$600,000	Inflows of resources of \$600,000
Long-term financial resources	Current notes receivable of \$600,000, noncurrent notes receivable of \$3,100,000	No inflows of resources

Example #4—Accrued Interest on Long-Term Debt

Beginning of year balance: \$900,000
 \$675,000 due in near-term; \$225,000 due in short-term
 Accrued during in the current year: \$2,400,000
 Paid during the current year: \$2,450,000
 End of year balance: \$850,000
 \$630,000 due in near-term; \$220,000 due in short-term

<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	No amounts recognized	Debt service expenditures of \$2,450,000
Near-term financial resources	Accrued interest payable of \$630,000	Outflows of resources of \$2,405,000
Short-term financial resources	Accrued interest payable of \$850,000	Outflows of resources of \$2,400,000
Long-term financial resources	Accrued interest payable of \$850,000	Outflows of resources of \$2,400,000

Example #5—Claims Payable

Beginning of year balance: \$1,300,000
\$0 due in near-term; \$600,000 due in short-term; \$700,000 due in long-term
Claims incurred during in the current year: \$1,850,000
Paid during the current year: \$600,000
End of year balance: \$2,550,000
\$100,000 due in near-term; \$1,850,000 due in short-term; \$600,000 due in long-term

<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	No amounts recognized	Outflows of resources of \$600,000
Near-term financial resources	Claims payable of \$100,000	Outflows of resources of \$700,000
Short-term financial resources	Claims payable of \$1,950,000	Outflows of resources of \$1,950,000
Long-term financial resources	Current claims payable of \$1,950,000 and noncurrent claims payable of \$600,000	Outflows of resources of \$1,850,000

Example #6—Postemployment Benefits

Pension plan is funded. Net pension liability is \$826,333 at period-end.
 OPEB plan is pay-as-you-go. Net OPEB liability is \$42,785,037 at period-end.

<u>Recognition Approach</u>	<u>Pension</u>	<u>OPEB</u>
Existing approach	No liability (no amount normally expected to be liquidated with available expendable resources)	
Near-term financial resources	No liability (no amounts due)	
Short-term financial resources	Liability of \$116,153 (cumulative excess of actuarially determined contribution over actual contributions)	Liability of \$3,416,452 (amount expected to be paid in the subsequent operating cycle)
Long-term financial resources	Noncurrent liability of \$826,333 (and related deferrals)	Current liability of \$3,416,452, noncurrent liability of \$39,368,585 (and related deferrals)

Example #7—Tax Anticipation Notes Payable

Beginning of year balance:	\$4,000,000 (due in the short-term)
Repayments during in the current year:	\$4,000,000
Borrowings during the current year:	\$4,400,000
End of year balance:	\$4,400,000 (due in the short-term)

<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Existing approach	Tax anticipation note payable of \$4,400,000	No flows of resources
Near-term financial resources	No tax anticipation note payable	Inflows of resources of \$4,400,000 Outflows of resources of \$4,000,000
Short-term financial resources	Tax anticipation note payable of \$4,400,000	No flows of resources
Long-term financial resources	Tax anticipation note payable of \$4,400,000	No flows of resources

Example #8—Bonds Payable

Beginning of year balance: \$33,400,000 (all capital-related)
\$8,400,000 due in the short-term; \$25,000,000 due in the long-term
 Principal paid during the current year: \$8,400,000
 End of year balance: \$25,000,000
\$4,300,000 due in the short-term; \$20,700,000 due in the long-term

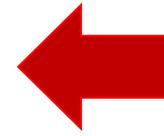
<u>Recognition Approach</u>	<u>Balance Sheet</u>	<u>Resource Flows Statement</u>
Current approach	No amounts recognized	Expenditures of \$8,400,000
Near-term financial resources	No amounts recognized	Outflows of resources of \$8,400,000
Short-term financial resources	Bonds payable of \$4,300,000	Outflows of resources of \$4,300,000
Long-term financial resources	No amounts recognized	Outflows of resources of \$8,400,000

Other Information about the Recognition Approaches

- Illustrative financial statements
 - Clearer titles, descriptions, and labels
 - Same-page reconciliation to government-wide information
 - Notification that the recognition approach is different from government-wide financial statements

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.



Notification that recognition approach is different from government-wide

NEAR-TERM ASSETS

	General Fund	Special Tax Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 861,272	\$ 8,846,434	\$ 30,571,406	\$ 40,279,112
Taxes receivable	11,713,873	-	1,628,750	13,342,623
Intergovernmental receivables	662	607	83,736	85,005
Grant receivable	250,992	-	-	250,992
Other receivables	2,056,859	-	1,457,817	3,514,676
Interfund receivables	610,066	-	607,909	1,217,975
Total near-term assets	<u>\$ 15,493,724</u>	<u>\$ 8,847,041</u>	<u>\$ 34,349,618</u>	<u>\$ 58,690,383</u>

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	<u>4,102,438</u>	<u>757,344</u>	<u>2,284,329</u>	<u>7,144,111</u>
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	<u>11,391,286</u>	<u>8,089,697</u>	<u>32,065,289</u>	<u>51,546,272</u>
Total near-term liabilities and near-term financial resources fund balances	<u>\$ 15,493,724</u>	<u>\$ 8,847,041</u>	<u>\$ 34,349,618</u>	<u>\$ 58,690,383</u>

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	<u>\$ 158,942,106</u>



Same-page reconciliation to government-wide

Clearer titles and descriptions

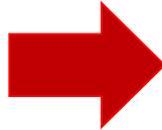
Resource Flows Statement—Existing Format

- 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
 - Lacks consistency in resource flows related to debt and to capital assets

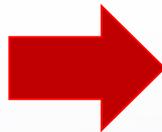
This financial statement presents a short-term view of governmental fund resource flows and excludes items of a long-term nature.
For a complete portrayal of the governmental activities flows, see the government-wide statement of activities.

Existing Format

Inflows of
Resources
(Revenues)



Outflows of
Resources
(Expenditures)



Other
Financing
Sources and
Uses



	General Fund	Special Tax Fund	Other Governmental Funds	Total Governmental Funds
INFLOWS OF NEAR-TERM FINANCIAL RESOURCES				
Taxes:				
Property tax	\$ 20,322,167	\$ 5,159,156	\$ 2,015,047	\$ 27,496,370
Sales tax	45,034,789	-	4,430,774	49,465,563
Use tax	3,586,753	-	-	3,586,753
Motor fuel tax	-	-	2,889,647	2,889,647
Other taxes	3,975,895	-	2,698,909	6,674,804
Payments in lieu of taxes	2,721,420	-	-	2,721,420
Licenses and permits	1,303,889	-	-	1,303,889
Fees for services	7,052,692	-	202,273	7,254,965
Franchise fees	1,968,522	-	-	1,968,522
Fines and citations	1,476,364	-	-	1,476,364
Intergovernmental	14,595,019	-	6,292,493	20,887,512
Investment earnings	5,829	163,384	19,043	188,256
Payments received on notes and special assessments	-	500,000	186,500	686,500
Miscellaneous	4,216,940	154,482	626,287	4,997,709
Total inflows of near-term financial resources	<u>106,260,279</u>	<u>5,977,022</u>	<u>19,360,973</u>	<u>131,598,274</u>
OUTFLOWS OF NEAR-TERM FINANCIAL RESOURCES				
Current:				
General government	13,888,388	6,961,201	2,221,691	23,071,280
Public health and safety	70,081,545	-	590,383	70,671,928
Highway and streets	12,000,830	-	4,715,808	16,716,638
Culture and recreation	3,541,191	335,659	1,808,065	5,684,915
Economic development	496,141	-	3,374,045	3,870,186
Capital outlay	345,187	1,515	1,346,497	1,693,199
Debt service	6,435,656	366,890	9,210,517	16,013,063
Total outflows of near-term financial resources	<u>106,788,938</u>	<u>7,665,265</u>	<u>23,267,006</u>	<u>137,721,209</u>
Excess of inflows over outflows	<u>(528,659)</u>	<u>(1,688,243)</u>	<u>(3,906,033)</u>	<u>(6,122,935)</u>
OTHER FINANCING SOURCES AND USES				
Leases—lessee	233,200	-	-	233,200
Proceeds from the issuance of tax anticipation notes	4,400,000	-	-	4,400,000
Transfers in	500,000	-	10,806,809	11,306,809
Transfers out	(7,836,079)	(6,445)	(2,920,900)	(10,763,424)
Total other financing sources and uses	<u>(2,702,879)</u>	<u>(6,445)</u>	<u>7,885,909</u>	<u>5,176,585</u>
Net change in near-term financial resources fund balances	(3,231,538)	(1,694,688)	3,979,876	(946,350)
Near-term financial resources fund balances at beginning of year	14,622,824	9,784,385	28,085,413	52,492,622
Near-term financial resources fund balances at end of year	<u>\$ 11,391,286</u>	<u>\$ 8,089,697</u>	<u>\$ 32,065,289</u>	<u>\$ 51,546,272</u>
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)				
Net change in near-term financial resources fund balance of governmental funds				\$ (946,350)
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				(4,642,130)
Difference between depreciation in the statement of activities and capital outlay outflows above				(3,026,375)
Net change in tax anticipation notes reported as near-term resource inflows above				(400,000)
Principal paid on long-term debt and related items reported as near-term resource outflows above				9,604,926
Internal service fund activities that are allocated to governmental activities in the statement of activities				18,875
Change in net position of governmental activities				<u>\$ (77,554)</u>

Resource Flows Statement—Current and Long-Term Activity Format

- 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

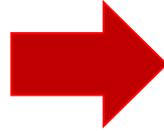
Resource Flows Statement—Current and Long-Term Activity Format (continued)

- **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 transactions 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

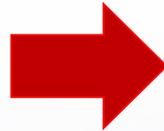
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 For a complete portrayal of the governmental activities flows, see the government-wide statement of activities.

Current and Long-Term Activity Format

Inflows of Resources for Current Activities



Outflows of Resources for Current Activities



Long-Term Activity



	General Fund	Special Tax Fund	Other Governmental Funds	Total Governmental Funds
INFLOWS OF NEAR-TERM FINANCIAL RESOURCES FOR CURRENT ACTIVITIES				
Taxes:				
Property tax	\$ 20,322,167	\$ 5,159,156	\$ 2,015,047	\$ 27,496,370
Sales tax	45,034,789	-	4,430,774	49,465,563
Use tax	3,586,753	-	-	3,586,753
Motor fuel tax	-	-	2,889,647	2,889,647
Other taxes	3,975,895	-	2,698,909	6,674,804
Payments in lieu of taxes	2,721,420	-	-	2,721,420
Licenses and permits	1,303,889	-	-	1,303,889
Fees for services	7,052,692	-	202,273	7,254,965
Franchise fees	1,968,522	-	-	1,968,522
Fines and citations	1,476,364	-	-	1,476,364
Intergovernmental	14,595,019	-	6,292,493	20,887,512
Investment earnings	5,829	163,384	19,043	188,256
Payments received on notes and special assessments	-	500,000	186,500	686,500
Miscellaneous	4,216,940	154,482	626,287	4,997,709
Transfers in	500,000	-	155,204	655,204
Total inflows of near-term financial resources for current activities	106,760,279	5,977,022	19,516,177	132,253,478
OUTFLOWS OF NEAR-TERM FINANCIAL RESOURCES FOR CURRENT ACTIVITIES				
General government	13,888,388	6,961,201	2,221,691	23,071,280
Public health and safety	70,081,545	-	590,383	70,671,928
Highway and streets	12,000,830	-	4,715,808	16,716,638
Culture and recreation	3,541,191	335,659	1,808,065	5,684,915
Economic development	496,141	-	3,374,045	3,870,186
Transfers out	155,204	-	500,000	655,204
Total outflows of near-term financial resources for current activities	100,163,299	7,296,860	13,209,992	120,670,151
Net flows of near-term financial resources for current activities	6,596,980	(1,319,838)	6,306,185	11,583,327
NET FLOWS OF NEAR-TERM FINANCIAL RESOURCES FOR LONG-TERM ACTIVITIES				
Leases—lessee	233,200	-	-	233,200
Proceeds from the issuance of tax anticipation notes	4,400,000	-	-	4,400,000
Transfers in	-	-	10,651,605	10,651,605
Capital outlay	(345,187)	(1,515)	(1,346,497)	(1,693,199)
Debt service	(2,435,656)	(366,890)	(9,210,517)	(12,013,063)
Payment on tax anticipation notes	(4,000,000)	-	-	(4,000,000)
Transfers out	(7,680,875)	(6,445)	(2,420,900)	(10,108,220)
Net flows of near-term financial resources for long-term activities	(9,828,518)	(374,850)	(2,326,309)	(12,529,677)
Net change in near-term financial resources fund balances	(3,231,538)	(1,694,688)	3,979,876	(946,350)
Near-term financial resources fund balances at beginning of year	14,622,824	9,784,385	28,085,413	52,492,622
Near-term financial resources fund balances at end of year	\$ 11,391,286	\$ 8,089,697	\$ 32,065,289	\$ 51,546,272
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)				
Net change in near-term financial resources fund balance of governmental funds				\$ (946,350)
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				(4,642,130)
Difference between depreciation in the statement of activities and capital outlay outflows above				(3,026,375)
Net change in tax anticipation notes reported as near-term resource inflows above				(400,000)
Principal paid on long-term debt and related items reported as near-term resource outflows above				9,604,926
Internal service fund activities that are allocated to governmental activities in the statement of activities				18,875
Change in net position of governmental activities				\$ (77,554)

Governmental Funds Statement of Cash Flows

- For short-term and long-term financial resources approaches
 - The time perspectives are not close to cash
- Possible usefulness of statement of cash flows
 - Assess liquidity and solvency
 - Identify cash-flow issues
 - Additional information about debt service payments
 - Assess financial strength
 - Trend analysis
- Issues
 - Are existing classifications for proprietary funds—operating, capital and related financing, noncapital financing, and investing—appropriate for governmental funds?
 - Reconciliation between the statement of cash flows and statement of resource flows

Statement of Cash Flows

	General Fund	Special Tax Fund	Other Governmental Funds	Total Governmental Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and others	\$ 13,338,224	\$ 154,482	\$ 615,251	\$ 14,107,957
Payments to employees	(73,056,349)	(5,469,288)	(9,307,193)	(87,832,830)
Payments to suppliers	(23,083,117)	(2,071,850)	(3,966,033)	(29,121,000)
Payments to claimants	(600,000)	-	-	(600,000)
Payments to other funds	(2,564,791)	-	(974,326)	(3,539,117)
Net cash provided (used) by operating activities	<u>(85,966,033)</u>	<u>(7,386,656)</u>	<u>(13,632,301)</u>	<u>(106,984,990)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes and payments in lieu of taxes received	81,418,903	5,409,226	11,892,516	98,720,645
Intergovernmental taxes received	9,996,146	-	-	9,996,146
Operating grants received	4,469,756	-	5,667,381	10,137,137
Proceeds from tax anticipation note	4,400,000	-	-	4,400,000
Principal paid on tax anticipation note	(4,000,000)	-	-	(4,000,000)
Interest paid on tax anticipation note	(43,577)	-	-	(43,577)
Transfers in	666,486	-	4,078,762	4,745,248
Net cash provided (used) by noncapital financing activities	<u>96,907,714</u>	<u>5,409,226</u>	<u>21,638,659</u>	<u>123,955,599</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital-related notes receivable	-	500,000	145,000	645,000
Proceeds from capital-related special assessments receivable	-	-	41,500	41,500
Principal paid on capital debt	(2,238,624)	(282,188)	(7,084,114)	(9,604,926)
Interest paid on capital debt	(156,795)	(86,138)	(2,162,441)	(2,405,374)
Capital grants received	-	-	699,127	699,127
Purchases of capital assets	(11,987)	(1,515)	(1,346,497)	(1,359,999)
Transfers from other funds for capital debt payments	-	-	10,651,605	10,651,605
Transfers to other funds for capital debt payments	(7,680,875)	(6,445)	(2,420,900)	(10,108,220)
Net cash provided (used) by capital and related financing activities	<u>(10,088,281)</u>	<u>123,714</u>	<u>(1,476,720)</u>	<u>(11,441,287)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	475,000	-	475,000
Purchase of investments	-	(450,000)	-	(450,000)
Interest earnings received	5,829	138,384	19,043	163,256
Net cash provided (used) by investing activities	<u>5,829</u>	<u>163,384</u>	<u>19,043</u>	<u>188,256</u>
Net increase (decrease) in cash	859,229	(1,690,332)	6,548,681	5,717,578
Cash beginning of year	2,043	10,536,766	24,022,725	34,561,534
Cash end of year	<u>\$ 861,272</u>	<u>\$ 8,846,434</u>	<u>\$ 30,571,406</u>	<u>\$ 40,279,112</u>
NONCASH CAPITAL AND NONCAPITAL FINANCING ACTIVITIES				
Leases—lessee	\$ 233,200	\$ -	\$ -	\$ 233,200
Recognition of current portion of long-term capital debt*	(456,296)	(196,158)	(4,924,408)	(5,576,862)
Recognition of current portion of long-term receivables*	-	450,000	150,000	600,000
Recognition of change in fair value of effective hedging derivative instrument*	-	-	(155,631)	-

*Applicable only to the short-term approach.

Project Timeline

Pre-agenda research started	August 2013
Added to technical agenda	September 2015
Invitation to Comment issued	December 2016
Comment deadline	March 31, 2017
Public hearings and user forums	April and May 2017

Public Hearings and User Forums

Public Hearings	User Forums
April 28, 2017 in Atlanta, GA	April 27, 2017 in New York, NY
May 3, 2017 in Dallas, TX	May 12, 2017 in San Francisco, CA
May 11, 2017 in San Francisco, CA	May 18, 2017 in Washington, DC (NFMA)
May 21, 2017 in Denver, CO (GFOA)	
May 24, 2017 in Norwalk, CT	

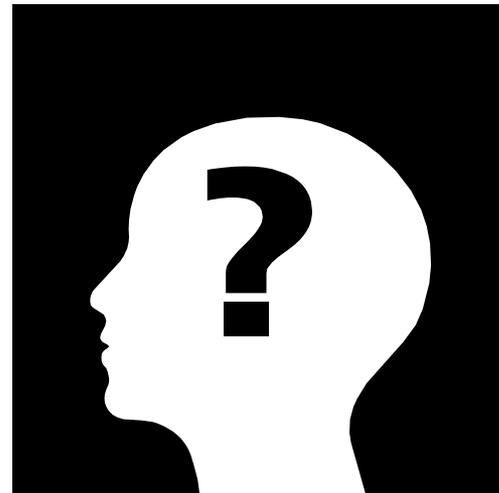
Additional Information about the Proposals

- Series of brief videos will be available on the GASB website

User Forums

- Format
- Questions are provided in advance
- Submitting written comments prior to forums is encouraged, but not required
- Link to Invitation to Comment: <http://tinyurl.com/j3rtgbe>

Questions?



GASB website—www.gasb.org

Topics Expected to Be Addressed in the Next Stage (Preliminary Views)

- Format of the government-wide statement of activities
 - Existing net cost format
 - Traditional format with expenses by function or program
 - Functional or programmatic expenses by natural classification
- Separate presentation of operating and nonoperating revenues and expenses in proprietary fund and business-type activity (BTA) financial statements
- Budgetary comparisons
 - Determine method of communication (either as basic financial statements or required supplementary information)
 - Which budget variances, if any, should be required to be presented
- Permanent funds
 - Determine recognition approach and presentation for permanent funds

Topics Expected to Be Addressed at Third Stage (Exposure Draft)

- 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