

OHIO AUDITOR OF STATE  
**KEITH FABER**

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## Regulatory Statements 2020

**TRACIE MCCREARY**  
Local Government Services  
Chief Technical Specialist

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## Overview of Changes for 2020

- GASB 84 and the New Statement for Fiduciary Funds
- GASB 54 fund balance classification on statements replaced with simplified note disclosure
- Cash note expanded to identify segregated accounts
- Disclosure for Accounting Changes
- COVID-19 disclosure

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## New Statement for Fiduciary Funds

- GASB 84, Fiduciary Activities
- Updates the definition of Fiduciary Funds

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## GASB 84 Overview

- Defines what is reported as fiduciary funds
- Renames agency funds as custodial funds and changes the definition, so not all agency funds will be custodial funds
- Adds/changes operating statement for fiduciary funds—new UAN accounts have been added to accommodate this change
- GASB 84 must be followed for GAAP and OCBOA (GAAP look-alike) reports for 2020
- Regulatory is defined by AOS and will change for 2020



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## GASB 84 Definition of Fiduciary Funds

This presentation includes a plain-language version of the GASB 84 definition. See GASB 84 for the complete definition. The definition has three parts and you must meet all three parts.

### Part #1

- Cash is held by the government and

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## GASB 84 Definition of Fiduciary Funds

### Part #2

Not the government's own source revenue--own source revenues include:

- Government's own fees—charges for services
- Investment earnings
- Income taxes
- Property taxes
- Grants

*Exception—pass through grants can be fiduciary if you don't make any decisions related to the grant and are not accountable for how the dollars are spent*

**and**

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## GASB 84 Definition of Fiduciary Funds

### Part #3

Have one or more of the following

- Meet the definition of a trust—trust or trust like arrangement—private purpose trust fund
  - Administered through a trust—government is not beneficiary
  - Provides benefits in accordance with benefit terms
  - Legally protected from the creditors of the government

Note: If this definition isn't met, the fund is not a private purpose trust fund, but the fund can still be evaluated for custodial.

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## GASB 84 Definition of Fiduciary Funds

• Have one or more of the following (*continued*)

- Assets are for the benefit of individuals and the government does not determine how the dollars are spent and is not accountable for how the dollars are spent
- Assets are for the benefit of organizations or other governments that are not part of the government's reporting entity

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## GASB 84 Definition of Fiduciary Funds

~~Custodial~~

• Regulatory filers will follow a simplified version of GASB 84 for 2020 reporting

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## GASB 84 Definition of Fiduciary Funds

- AOS Bulletin 2020-003 discussing Fiduciary Activities was issued in February of 2020
- AOS web-site includes a GASB 84 analysis chart and FAQs to assist with this process
- New fiduciary accounts were added in UAN release 2020.1



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## Unclaimed Monies Fund

- Under GASB 54 we allowed the unclaimed monies fund to be carried on the day-to-day books as fiduciary, but the fund is combined with the general fund for reporting purposes. This reporting will continue under GASB 84.



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## Mayor's Court Fund

- Mayor's Court Fund can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the Mayor's Court fund as custodial--provided distributions are being made on a consistent basis



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## Performance Deposit Fund

- Performance deposit funds can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the performance deposit fund as custodial

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## Fire Trust Fund

- Fire trust funds can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the fire trust fund as custodial

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## Payroll Withholding Fund

- Payroll withholding funds can be carried on the day-to-day books as fiduciary (employee withholding)
- UAN Payroll Software users will not have this fund
- Regulatory filers can report the payroll withholding fund as custodial



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## Fiscal Agent

- For day-to-day books and regulatory filers, governments who serve as fiscal agent for a legally separate organization can classify this fund as a custodial fund.



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## Own Source Revenue



- Unless there is an exception noted on another slide, for day-to-day books, and regulatory filers, own source revenue will need reclassified to another fund type.

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## Private Purpose Trust Funds



- For day-to-day books, review trust or trust like arrangement to determine if it meets the new definition on slide 7. If it does, then the fund can remain a private purpose trust fund for day-to-day reporting and for financial statement reporting. If it does not meet the definition, then the fund should be reclassified on the day-to-day books.

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## New Fiduciary Receipt Codes

- Unclaimed monies received
- Deposits received
- Amounts held for employees
- Amounts received as fiscal agent
- Other amounts collected for distribution

<b>RECEIPT</b>		No. 123456
DATE		
FROM	\$	
DOLLARS		
CHECK FROM		
PAID TO	TO	BY

Note: these codes are in addition to the receipt codes already available

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## New Fiduciary Receipt Codes

- Libraries revenue codes 881-885
- Village revenue codes 881-885
- Township revenue codes 881-885



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## New Fiduciary Expenditure Program Codes

- Distributions as Fiscal Agent
- Distributions to Other Governments
- Distributions to Other Funds (Primary Government)
- Distributions of Unclaimed Monies
- Distributions of Deposits
- Distributions on Behalf of Employees
- Other Distributions

Note: In UAN, fiduciary funds will be limited to these program codes, object codes will also be available

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## New Fiduciary Expenditure Program Codes

- Libraries program codes 781-789
- Villages program codes 881 - 889 Governments
- Township program codes 781-789

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## Example of New Statements

See handout pages 1 through 8 for old statements and page 9 through 14 for new statements



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STATEMENTS

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## Example of New GASB 54 Note


See handout pages 15 and 16



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NEW

GASB 54



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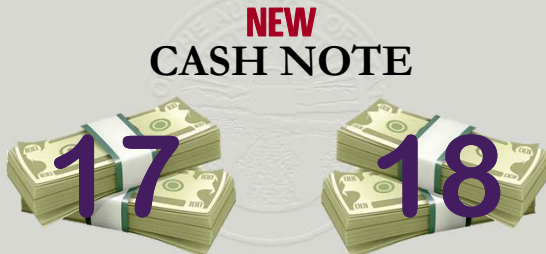
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## Example of New Cash Note

See handout pages 17 and 18



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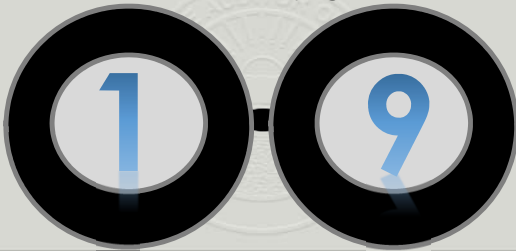
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## Example of Accounting Changes Note and COVID-19 Note

See handout page 19



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## Regulatory Shells for Statements and Notes

The regulatory shells for the Statements and Notes have not been posted yet, but will be available soon at:

- [www.ohioauditor.gov/references/shells/regulatory.html](http://www.ohioauditor.gov/references/shells/regulatory.html)

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## Reports Available for UAN Users

- Cash Reconciliation is located at General > Reports and Statements > Year End > Cash Reconciliation
- The Budgetary Note Information Export is located at General > Reports and Statements > Year End > AFR - Regulatory and it is the last item in the report list on that screen.

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2020 Village Officers Training (AOS webinars)

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