

REPORTING

Note X - Other Disclosures

INSTRUCTIONS TO PREPARER

Provide any disclosures which may be needed for a fair presentation of the government's financial statements.

Endowments

Governments may receive endowments that are subject to donor-imposed restrictions. In these cases the following items need to be disclosed:

- the amount of net appreciation on investments of donor-restricted endowments that are available for expenditure authorized by the governing board, and how these amounts are reported in net position,
- the state/local law regarding the ability to spend net appreciation,
- the policy for authorizing and spending investment income, such as spending rate or total return policy.

Intergovernmental Assistance Programs

Current authoritative pronouncements do not require disclosure of specifics of intergovernmental assistance programs, but if a participation in such programs is considered a material part of the city/county/district operation, note disclosure is suggested.

In the note provide:

- description of a program,
- amounts of grants, entitlements or shared revenues,
- description of program requirements and provisions (i.e., cost sharing or matching requirements, etc.).

Major Receivables

Disclose a customer supporting a material amount of the government's operations or a material taxpayer.

Other

Please refer to GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for disclosure requirements for **government-wide** and **proprietary funds** financial statements pertaining to:

- Construction-type contracts by governments engaged in the contracting operations (paragraph 116);
- Debt that is extinguished through a troubled debt restructuring (paragraphs 147 and 162);
- Foreign currency transactions (paragraphs 170 and 171);
- Receivables and payables that represent contractual rights to receive money or contractual obligations to pay money on fixed or determinable dates (notes), whether or not there is a stated provision for interest (paragraph 187);
- Nonmonetary transactions (paragraph 280);
- Research and development arrangements (paragraph 384);
- Broadcasters and cable television systems (paragraphs 385-399);
- Insurance entities other than public entity risk pools (paragraph 429)
- Lending activities (paragraphs 431-451);
- Mortgage banking activities (paragraphs 473 and 474).

Please refer to GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for additional disclosure requirements for **business-type activities** financial statements pertaining to:

- Real estate sales (paragraph 330);
- Regulated operations that met certain criteria in paragraph 476.

Violation of Finance-Related Legal or Contractual Provisions

If there was a violation of finance-related legal or contractual provisions the city/county/district should disclose both the description of the violation(s) and the action(s) taken to address the violation(s).

Example:

At December 31, 20__ the following funds reported deficits in the fund balances or fund net position, which are violations of state statute:

<i>Fund</i>	<i>Deficit</i>
	\$
	\$

The city/county/district took the following action to eliminate the deficits in the fund(s):

Example:

The (city/county/district) was not in compliance with (identify the material violations of finance-

related legal or contractual provisions, such as bond covenants or grant terms). The (city/county/district) has (describe actions, agreements, or other steps taken to resolve the issue).

The compliance violations related to appropriated budgets may be disclosed in the Note 1, *Budgeting Information*. Other violations (e.g., violations of grant requirements, bond covenants, regulations governing deposits or investments, etc.) should be disclosed here to avoid duplication.

Government Combinations: Mergers, Transfers of Operations, Acquisitions, Disposals of Operations

Adjust the title appropriately to the government's combination. The following disclosure applies to any combination:

- Brief description of combination,
- Date of combination, and
- Brief description of the primary reason for the combination.

Government Mergers and Transfers of Operations

The new/continuing government should disclose:

- Amounts recognized for each financial element in the statement of net position of the merged entity:
 - Within total assets, distinguishing: current assets, capital assets, and other assets
 - Within total liabilities, distinguishing: current amount from long-term amounts
- Brief description of significant adjustment, and
- Initial amounts recognized by the new/continuing government if different from those previously recognized by the merged entity (because of adjustments).

Government Acquisitions

For government acquisition, the acquiring government should disclose:

- Brief description of the consideration provide,
- Total amount of net position acquired, and
- Brief description of contingent consideration arrangements.

Disposals of Operations

A government disposing of operations should disclose:

- Identification of operations that were transferred or sold,
- Description of the facts and circumstances leading to the disposal,
- Total expenses (distinguishing between operating and nonoperating),
- Total revenues (distinguishing between operating and nonoperating), and
- Total governmental fund revenues and expenditures.

For a detailed discussion of the governmental combinations see *GASB Statement 69, Government Combinations and Disposals of Government Operations*.

Financial Guarantees

A government with guaranteed obligations outstanding should disclose the following information (by

type of guarantee):

- The name of the guarantor,
- Amount of the guarantee,
- Length of the guarantee,
- Amount paid by the guarantor during the current period (if any),
- Cumulative amount paid by the guarantor on outstanding obligations,
- Description of requirements to repay the guarantor, and
- Outstanding amounts to be repaid to the guarantor (if any).

If the guarantor has made payments on an obligation during the current period, even if that obligation is no longer outstanding, the issuer must disclose:

- The amount paid by the guarantor during the current period,
- The cumulative amount paid by the guarantor on guaranteed obligations outstanding,
- A description of requirements to repay the guarantor, and
- Outstanding amounts that must be repaid to the guarantor (if any).

For a detailed discussion of the financial guarantees see GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.