

FIDUCIARY FUNDS

Note: The following questions and answers were formulated using ASBO International’s GASB Statement No. 34 Implementation Recommendations for School Districts (hereafter, referred to as ASBO’s Implementation Recommendations). OPI supports ASBO’s recommendations and encourages the use of this publication for further information and guidance. Other resources are GASB Implementation Guides (see GASB website at <http://www.gasb.org/repmode/index.html>) and the AICPA (September 2002) Audits of State and Local Governments (GASB 34 Edition).

Q: How are expendable and non-expendable trusts funds reported on the fund financial statements?

A: The concept of expendable and non-expendable trust funds has been eliminated under GASB 34 and replaced with the following:

A **special revenue fund** will be used to account for resources that are used to support school district operations and were previously reported as *expendable*.

A new governmental fund type called **permanent funds** will be used to account for resources legally restricted so that only the earnings they generate, not the principal, may be used to support school district operations. These funds were previously reported as *non-expendable*. An example would be the Permanent Endowment Fund.

A **private purpose trust fund** will be used to account for resources that are not used to support school district operations and were previously reported as *expendable*. An example is the Student Extracurricular Fund.

A **fiduciary fund** (pension and other employee benefits trust fund or investment trust fund) will continue to be used for resources that are not used to support school district operations and were previously reported as *non-expendable*. An example is the Deferred Compensation Trust Fund.

OPI will reclassify the following funds to conform to GASB 34 requirements:

Fund# / Old Name / Type	Fund# / New Name / Type
81 Endowment Fund (Non-expendable Trust Fund)	45 Permanent Endowment Fund (Permanent Fund)
84 Student Extracurricular (Expendable Trust)	84 Student Extracurricular (Private Purpose Trust Fund)

Q: What are the different types of fiduciary activities and why are they not reported on the district-wide statements?

A: Fiduciary fund types include pension and other employee benefit trust funds, investment trust funds, private purpose trust funds and agency funds (e.g. student activity funds). Since these resources are not available for district operations, these activities are not included in the district-wide statements.

Q: What statements are required for fiduciary funds?

A: The required statements are the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. These statements are presented using the accrual basis of accounting and the funds are presented by fund type.

Q: What are the requirements for budget to actual information?

A: GASB 34 requires school districts to prepare a budgetary comparison for its general fund and each major budgeted special revenue fund. The comparison may be made a part of the basic financial statements or as a required supplementary information schedule in the notes (recommended by ASBO). The schedule must show at least three columns: original budget, final budget and actual data presented on the budgetary basis. Additional columns may be presented to show variance information. Any excess expenditures over budgeted appropriations in the individual funds is required to be disclosed in the notes. If the budget is prepared on a basis other than GAAP, the district is required to provide a reconciliation.

Office of Public Instruction
Contact Denise Ulberg 444-0783