

RECONCILING GOVERNMENTAL FUND STATEMENTS TO THE DISTRICT-WIDE STATEMENTS

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/repmodel/index.html>) and the AICPA (September 2002) Audits of State and Local Governments (GASB 34 Edition).

Q: Why must the governmental fund statements be reconciled to the district-wide statements?

A: Because the governmental fund statements are reported under the modified-accrual basis of accounting and the district-wide statements are reported under the accrual basis of accounting.

The Total Fund Balance for all governmental funds as shown on the Governmental Funds Balance Sheet is reconciled to the Total Net Assets for governmental activities as shown on the Statement of Net Assets.

The Total Net Change in Fund Balances for the governmental funds as shown on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Change in Net Assets of governmental activities as shown on the Statement of Activities.

Q: May the reconciliation of the fund statements to the district-wide statements be presented directly on the statements?

A: The reconciliation may be done directly on the fund statements or on a separate schedule; however, ASBO recommends using a separate schedule to allow for a more complete explanation and to avoid the need for additional note disclosures. Examples of note disclosure reconciling the fund statements to the district-wide statements can be found in ASBO's Implementation Recommendations, Pages 53 and 54, Figures 5-4 and 5-5.