Fund Accounting - Government

- FASAB - Federal Accounting Standards Advisory Board priorities
  - Budgetary integrity - raising and spending \(\leftrightarrow\) budgets
  - Operating performance evaluate efforts, costs and accomplishment
  - Stewardship addresses impact of operations and investments
  - Systems and controls are judged by their adequacy
- GASB - Government Accounting Standards Board: state and local govt.
- Governments issue CAFR - Comprehensive Annual Financial Report
  - Introduction, Auditors Report, Management Discussion and Analysis, Supplemental Information, Schedules of legal compliance, and Statistical Tables
  - Government-wide involves a Statement of Net Assets and a Statement of Activities

Types of Funds

- **Governmental funds** use current financial resources to value assets and modified accrual to account for transactions
  - Current financial resources recognizes an asset when there is a purchase order and contract made to acquire the asset
  - Modified accrual recognizes:
    - Revenue when available and measurable
    - Expenses when liability is incurred
  - Types of governmental funds include
    - **General**: for basic services
    - **Special revenue**: resources restricted for specific use
    - **Capital projects**: legally authorized major projects
    - **Debt service**: for payment of principle and interest on debt
    - **Permanent**: restricted principle; interest is expendable
- **Proprietary funds** are similar to regular commerce and business and use economic resources (cost and depreciation) and full accrual (revenues when earned and expenses when incurred)
  - **Enterprise**: resources from sales and charges to external parties
  - **Internal service**: government \(\leftrightarrow\) government
  - Assets are not in government fund statements
- **Fiduciary funds** has the government as collector and disburser; uses the economic resources and full accrual
  - **Agency funds**: government acts as an temporary agent with no assets, revenues or expenses, only changes in assets and liabilities
  - **Pension**: for employees; either a defined benefit or contribution
    - Keeps track of net assets, changes in assets, funding progress and contribution trends
  - **Investment trusts**: arranged trusts for private purposes