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Statement No. 84 of the
Governmental Accounting
Standards Board

Fiduciary Activities

GOVERNMENTAL ACCOUNTING STANDARDS BOARD
OF THE FINANCIAL ACCOUNTING FOUNDATION

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Summary

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 2 discusses the applicability of this Statement.

Statement No. 84 of the Governmental Accounting Standards Board

Fiduciary Activities

January 2017

GOVERNMENTAL ACCOUNTING STANDARDS BOARD
of the Financial Accounting Foundation
401 Merritt 7, PO Box 5116, Norwalk, Connecticut 06856-5116

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January 2017

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INTRODUCTION

1. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

STANDARDS OF GOVERNMENTAL ACCOUNTING AND FINANCIAL REPORTING

Scope and Applicability of This Statement

2. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement apply to the financial statements of all state and local governments.

3. Governments should follow all other accounting and financial reporting requirements applicable to the transactions and other events reported in fiduciary funds.

4. This Statement supersedes NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles,* footnote 24; Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* paragraph 4; Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* paragraphs 70–73, 110, and 111; *Implementation Guide No. 2015-1,* Questions 4.14.1, 4.14.2, 6.43.2, 7.7.2, and 7.52.4; and Implemen-

tation Guide No. 2016-1, *Implementation Guidance Update—2016,* Question 4.26. It also amends NCGA Statement 1, paragraphs 32, 139, 143, and 147; NCGA Statement 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments,* paragraphs 5 and 6; Statement No. 6, *Accounting and Financial Reporting for Special Assessments,* paragraph 19; Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* footnote 12; Statement No. 14, *The Financial Reporting Entity,* paragraphs 19 and 27; Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance,* paragraph 5; Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* paragraphs 18 and 22; Statement 34, paragraphs 6, 12, 13, 63, 65, 67, 69, 106–109, 115, 123, 125, 135, 138, 141, and 147, and footnotes 48, 49, and 51; Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus,* paragraph 3; Statement No. 38, *Certain Financial Statement Note Disclosures,* paragraphs 6, 14, and 15; Statement No. 40, *Deposit and Investment Risk Disclosures,* paragraph 5; Statement No. 44, *Economic Condition Reporting: The Statistical Section,* paragraph 10; Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* paragraphs 30, 33, and 35; Statement No. 61, *The Financial Reporting Entity: Omnibus,* paragraph 9; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* paragraph 34; Statement No. 67, *Financial Reporting for Pension Plans,* paragraph 11; Statement No. 72, *Fair Value Measurement and Application,* paragraph 80; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* paragraph 116; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* paragraphs 18 and 59; NCGA Interpretation 6, *Notes to the Financial Statements Disclosure,* paragraph 5; Technical Bulletin No. 2006-1, *Accounting and Financial Reporting by Employers and OPEB Plans for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D,* paragraph 8; Implementation Guide 2015-1, Questions 1.4.2, 1.4.8, 2.7.1, 2.7.2, 3.49.1, 3.55.2, 3.58.1, 4.6.2, 4.27.1, 4.28.1, 4.28.11, 4.30.3, 4.62.2, 5.64.3, 5.64.4, 5.113.1, 6.29.3, 6.34.3, 6.34.4, 6.43.5, 6.45.1, 6.45.3, 7.3.5, 7.4.1, 7.51.6, 7.52.2, 7.52.3, 7.52.5–7.52.8, 7.55.5, 7.72.10, 7.77.4, 7.81.1, 7.81.2, 7.84.1, 7.97.1, 7.97.2, 7.97.4, 8.1.2, 8.1.3, and 8.15.4; Implementation Guide 2016-1, Questions 4.2, 4.13, 4.27, 4.61–4.63, 5.7, 5.8, 5.16, and 5.24; and 2002 AICPA State and Local Government Auditing and Accounting Guide, paragraph 5.28.

Identifying Fiduciary Activities

5. A primary government or its component units may be engaged in fiduciary activities. A component unit is a fiduciary activity (a fiduciary component unit) if it meets the criteria set forth in paragraphs 6–9, as applicable. Other activities are fiduciary activities if they meet the criteria in paragraph 10 or paragraph 11.

Fiduciary Component Units

6. An organization that meets the component unit criteria in Statement 14, as amended, is a fiduciary activity if it is one of the following arrangements:

a. A pension plan that is administered through a trust that meets the criteria in paragraph 3 of Statement 67
b. An other postemployment benefit (OPEB) plan that is administered through a trust that meets the criteria in paragraph 3 of Statement 74
c. A circumstance in which assets from entities that are *not* part of the reporting entity are accumulated for pensions as described in paragraph 116 of Statement 73
d. A circumstance in which assets from entities that are *not* part of the reporting entity are accumulated for OPEB as described in paragraph 59 of Statement 74.

7. Generally, pension plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 and OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 74 are legally separate entities. In determining whether those legally separate entities are component units, a primary government is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan or OPEB plan.

8. A component unit, that is not a pension arrangement or OPEB arrangement as described in paragraphs 6a–6d, is a fiduciary activity if the assets associated with the activity have one or more of the following characteristics:

a. The assets are (1) administered through a trust agreement or equivalent arrangement (hereafter jointly referred to as a trust) in which the government itself is not a beneficiary, (2) dedicated to providing benefits to recipients in accordance with the benefit terms, and (3) legally protected from the creditors of the government.

b. The assets are for the benefit of individuals and the government does *not* have administrative involvement with the assets or direct financial involvement with the assets.[1] In addition, the assets are *not* derived from the government's provision of goods or services to those individuals.
c. The assets are for the benefit of organizations or other governments that are *not* part of the financial reporting entity. In addition, the assets are *not* derived from the government's provision of goods or services to those organizations or other governments.

9. In determining whether a component unit is a fiduciary component unit, control of the assets of the component unit by the primary government (as discussed in paragraph 12) is *not* a factor to be considered.

Pension and OPEB Arrangements That Are Not Component Units

10. If they are not component units, the following pension and OPEB arrangements are fiduciary activities if the government controls the assets of the arrangement (as described in paragraph 12):

a. A pension plan that is administered through a trust that meets the criteria in paragraph 3 of Statement 67
b. An OPEB plan that is administered through a trust that meets the criteria in paragraph 3 of Statement 74
c. A circumstance in which assets from entities that are *not* part of the reporting entity are accumulated for pensions as described in paragraph 116 of Statement 73
d. A circumstance in which assets from entities that are *not* part of the reporting entity are accumulated for OPEB as described in paragraph 59 of Statement 74.

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[1]For purposes of this provision, a government has administrative involvement with the assets if, for example, it (a) monitors compliance with the requirements of the activity that are established by the government or by a resource provider that does not receive the direct benefits of the activity, (b) determines eligible expenditures that are established by the government or by a resource provider that does not receive the direct benefits of the activity, or (c) has the ability to exercise discretion over how assets are allocated. A government has direct financial involvement with the assets if, for example, it provides matching resources for the activities.

Other Fiduciary Activities

11. For activities not addressed in paragraphs 6–10, the activity is a fiduciary activity if all of the following criteria are met:

a. The assets associated with the activity are controlled by the government (as described in paragraph 12).
b. The assets associated with the activity are *not* derived either:
   (1) Solely from the government's own-source revenues (as described in paragraph 13) or
   (2) From government-mandated nonexchange transactions or voluntary nonexchange transactions with the exception of pass-through grants for which the government does *not* have administrative involvement or direct financial involvement.[2]
c. The assets associated with the activity have one or more of the following characteristics:
   (1) The assets are (a) administered through a trust in which the government itself is *not* a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.
   (2) The assets are for the benefit of individuals and the government does *not* have administrative involvement with the assets or direct financial involvement with the assets.[3] In addition, the assets are *not* derived from the government's provision of goods or services to those individuals.

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[2]For purposes of this provision, the descriptions of administrative involvement and direct financial involvement of a government that is a recipient of a pass-through grant provided in paragraph 5 of Statement 24 should be applied. That paragraph states, "A recipient government has administrative involvement if, for example, it (a) monitors secondary recipients for compliance with program-specific requirements, (b) determines eligible secondary recipients or projects, even if using grantor-established criteria, or (c) has the ability to exercise discretion in how the funds are allocated. A recipient government has direct financial involvement if, for example, it finances some direct program costs because of a grantor-imposed matching requirement or is liable for disallowed costs."

[3]See footnote 1.

(3) The assets are for the benefit of organizations or other governments that are *not* part of the financial reporting entity. In addition, the assets are *not* derived from the government's provision of goods or services to those organizations or other governments.

Control of Assets

12. A government controls the assets of an activity if the government (a) holds the assets or (b) has the ability to direct the use,[4] exchange, or employment of the assets[5] in a manner that provides benefits to the specified or intended recipients. Restrictions from legal or other external restraints that stipulate the assets can be used only for a specific purpose do not negate a government's control of the assets.

Own-Source Revenues

13. Own-source revenues are revenues that are generated by a government itself. They include exchange and exchange-like revenues (for example, water and sewer charges) and investment earnings. Derived tax revenues (such as sales and income taxes) and imposed nonexchange revenues (such as property taxes) also are included.

Reporting Fiduciary Activities in Fiduciary Funds

14. Governments should report fiduciary activities in the fiduciary fund financial statements of the basic financial statements. The fiduciary fund used to report the activities should be based on the requirements in paragraphs 15–18, except as provided in paragraph 19.

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[4]For purposes of this Statement, a government uses an asset when it expends or consumes that asset for the benefit of individuals, organizations, or other governments, outside of the government's provision of services to them.

[5]When a government appoints a designee to act on its behalf, the designee is performing the government's fiduciary duties and not assuming them. Thus, appointing a designee to act on its behalf does not alter the government's ability to direct the use, exchange, or employment of the assets.

15. *Pension (and other employee benefit) trust funds* are used to report fiduciary activities for the following:

a. Pension plans and OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively
b. Other employee benefit plans for which (1) resources are held in a trust that meets the criteria in paragraph 11c(1) and (2) contributions to the trust and earnings on those contributions are irrevocable.

16. *Investment trust funds* are used to report fiduciary activities from the external portion of investment pools and individual investment accounts[6] that are held in a trust that meets the criteria in paragraph 11c(1).

17. *Private-purpose trust funds* are used to report all fiduciary activities that (a) are *not* required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in a trust that meets the criteria in paragraph 11c(1).

18. *Custodial funds* are used to report fiduciary activities that are *not* required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in a trust that meets the criteria in paragraph 11c(1) should be reported in a separate *external investment pool fund* column, under the custodial funds classification.

19. Business-type activities, including enterprise funds, may report assets with a corresponding liability that otherwise should be reported in a custodial fund in the statement of net position of the business-type activity if those assets, upon receipt, are normally expected to be held for three months or less. A business-type activity that chooses to report such assets and liabilities in its statement of net position should separately report additions and deductions, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of its statement of cash flows.

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[6]For purposes of this Statement, the definition of individual investment accounts provided in paragraph 22 of Statement 31 should be applied. That paragraph defines individual investment accounts as, "An investment service provided by a governmental entity for other, legally separate entities that are not part of the same reporting entity. With individual investment accounts, specific investments are acquired for individual entities and the income from and changes in the value of those investments affect only the entity for which they were acquired."

Statement of Fiduciary Net Position

20. The statement of fiduciary net position should be used to report the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position of pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds.

21. Except for entities that are required to apply paragraph 22, a liability to the beneficiaries of a fiduciary activity should be recognized in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. For example, a county government should recognize a liability when it collects taxes for other governments, even though it may not be required to distribute the taxes to those governments until a specified time in the future. Liabilities other than those to beneficiaries should be recognized in accordance with existing accounting standards using the economic resources measurement focus.

22. A government that reports a pension plan or an OPEB plan in a pension (or other employee benefit) trust fund should report the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position in accordance with Statement 67 or Statement 74, as applicable.

Statement of Changes in Fiduciary Net Position

23. The statement of changes in fiduciary net position should be used to report additions to and deductions from pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Except for entities that apply paragraph 24 or are required to apply paragraph 25, the statement of changes in fiduciary net position should disaggregate additions by source including, if applicable, separate display of:

a. Investment earnings
b. Investment costs (including investment management fees, custodial fees, and all other significant investment-related costs)
c. Net investment earnings (investment earnings minus investment costs).

Investment-related costs should be reported as investment costs if they are separable from (a) investment earnings and (b) administrative costs. The statement of changes in fiduciary net position should disaggregate deductions by type and, if applicable, should separately display administrative costs.

24. A government may report a single aggregated total for additions and a single aggregated total for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions should indicate the nature of the resource flows. An example of a custodial fund addition description is *property taxes collected for other governments.* An example of a custodial fund deduction description is *property taxes distributed to other governments.*

25. A government that reports a pension plan or OPEB plan in a pension (or other employee benefit) trust fund should report changes in the plan's fiduciary net position in accordance with Statement 67 or Statement 74, as applicable.

Reporting Fiduciary Component Units

26. When reported in the fiduciary fund financial statements of a primary government, a fiduciary component unit should include the combined information of its own component units that are fiduciary component units. That combined information should be aggregated with the primary government's fiduciary funds based on the classifications provided in paragraphs 15–18.

EFFECTIVE DATE AND TRANSITION

27. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

28. Changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as

applicable) for the earliest period restated. In the first period that this Statement is applied, the notes to the financial statements should disclose the nature of the restatement and its effect. Also, the reason for not restating prior periods presented should be disclosed.

The provisions of this Statement need not be applied to immaterial items.

This Statement was issued by unanimous vote of the seven members of the Governmental Accounting Standards Board.

David A. Vaudt, *Chair*
Jan I. Sylvis, *Vice-Chair*
James E. Brown
Brian W. Caputo
Michael H. Granof
Jeffrey J. Previdi
David E. Sundstrom

Appendix A

BACKGROUND

A1. The standards pertaining to financial statements of state and local governments traditionally have required inclusion of fiduciary activities. Paragraph 19 of Statement No. 14, *The Financial Reporting Entity,* as amended, requires governments to include the activities of organizations that do not meet the requirements for inclusion in the financial reporting entity as fiduciary funds "if the primary government has a fiduciary responsibility for them." However, existing standards do not provide guidance regarding characteristics that should be considered in deciding whether a government has a fiduciary responsibility. Thus, governments have interpreted differently which activities should be reported as fiduciary activities, resulting in a lack of comparability between governments.

A2. The Board began considering a project on fiduciary activities based on issues that arose during the implementation of several GASB Statements. While governments were implementing Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* and No. 27, *Accounting for Pensions by State and Local Governmental Employers,* the GASB received numerous inquiries regarding whether an employer should report a particular pension plan as a pension trust fund. The existing standards did not provide a basis for a clear answer. Moreover, the Board became aware that, in the absence of specific authoritative guidance, preparers and auditors had different interpretations as to whether an activity should be reported by a government as a fiduciary activity.

A3. During the deliberations that led to the issuance of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* the Board recognized that the definition of fiduciary funds provided in NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles,* as amended, and the provision in paragraph 19 of Statement 14 to report activities for which a government has a fiduciary responsibility, may not be sufficiently descriptive to assist governments in determining whether an activity should be reported as a fiduciary activity. Issues regarding whether and in what way fiduciary activities should be included in governmental financial statements also arose during the development of the financial reporting model promulgated in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.*

A4. A reexamination of the effectiveness of the accounting and financial reporting standards for fiduciary activities, including the determination of which activities should be reported as fiduciary activities by governments, initially was included in the project reexamining Statement 14. That project led to the issuance of Statement No. 61, *The Financial Reporting Entity: Omnibus.* However, the Board determined that the issues associated with accounting and financial reporting for fiduciary activities were broader than reporting entity considerations and, therefore, decided not to include those issues in Statement 61.

A5. The Board added pre-agenda research on fiduciary activities to its technical plan at its April 2010 meeting. The original research plan included (a) reviewing the current practices of reporting fiduciary activities and (b) conducting a survey of financial statement users to assess the importance of fiduciary activity information to them. At its March 2011 meeting, the Governmental Accounting Standards Advisory Council (GASAC) ranked a project on fiduciary activities as a high priority and provided feedback on its inclusion in the current technical agenda after the research was completed. To supplement the survey, the GASB staff subsequently conducted telephone interviews with users who told the GASB that they use fiduciary activity financial information to assess a government's accountability.

A6. During its pre-agenda research, the Board identified issues related to the reporting of fiduciary activities, including (a) whether a government should report certain fiduciary activities as private-purpose trust funds or agency funds, (b) whether a stand-alone business-type activity should report fiduciary funds, and (c) whether a government should report a statement of changes in fiduciary net position for all fiduciary funds, including agency funds. The Board determined that consideration of those issues should be included and added the project to the current technical agenda in August 2013.

A7. In November 2014, the Board issued a Preliminary Views, *Financial Reporting for Fiduciary Responsibilities,* which presented the Board's tentative decisions on issues related to accounting and financial reporting for fiduciary activities. The Board received 36 written responses to the Preliminary Views from organizations and individuals. In addition, the Board had the opportunity to further explore the views of 18 organizations and individuals that testified at 3 public hearings held to obtain feedback on the Preliminary Views. During the comment period on the Preliminary Views, the GASB conducted a field test to obtain information from financial statement preparers about the potential cost, effort, and issues associated with the implementation of the provisions of the Preliminary Views. The GASB also conducted research to determine how the proposals in the Preliminary Views would impact accounting and financial reporting for governments that administer single-employer pension plans or other postemployment benefit (OPEB) plans.

A8. The GASB assembled a task force for this project comprising persons broadly representative of the GASB's stakeholders. The task force members were provided with papers prepared for the Board's deliberations and drafts of the due process documents and final Statement for review and comment.

A9. In December 2015, the Board issued an Exposure Draft, *Fiduciary Activities.* The Board received 37 written responses to the Exposure Draft from organizations and individuals. In addition, 13 organizations and individuals testified at a public hearing held to obtain feedback on the Exposure Draft. The GASB also conducted research to investigate how single-employer and agent multiple-employer pension and OPEB plans would be reported under the proposed requirements in the Exposure Draft. In October 2016, the GASB staff conducted a webinar to inform and receive feedback from stakeholders on the Board's tentative revisions to the proposals in the Exposure Draft. As discussed throughout Appendix B, comments and suggestions from those sources contributed to the Board's deliberations in developing the requirements of this Statement. The GASB also regularly updated the members of the GASAC on project developments and heard feedback from GASAC members during the GASAC's periodic meetings.

Appendix B

BASIS FOR CONCLUSIONS

Introduction

B1. This appendix discusses factors considered significant by Board members in reaching the conclusions in this Statement. It includes discussion of the alternatives considered, and the Board's reasons for accepting some and rejecting others. Individual Board members may have given greater weight to some factors than to others.

Scope and Applicability of This Statement

B2. The requirements of this Statement apply to the fiduciary activities of all state and local governments. Some respondents questioned whether the proposals in the Exposure Draft would apply to external investment pools or whether the requirements in Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* should continue to apply. The Board concluded that a government should apply the criteria for all activities to identify those activities that are fiduciary activities.

Identifying Fiduciary Activities

Financial Reporting Entity Considerations

B3. The Board concluded that any legally separate entity that meets the definition of a component unit based on Statement 14, as amended, and meets one of the criteria in paragraphs 6a–6d (if a postemployment benefit arrangement) or 8a–8c (if not a postemployment benefit arrangement) of this Statement is a fiduciary component unit. Therefore, the primary government should not consider the provisions in paragraph 12 of this Statement regarding whether it controls the assets of the component units. Some respondents to both the Preliminary Views and the Exposure Draft sought additional clarification regarding the component unit control exception. Because of the financial accountability established in identifying a component unit, the Board concluded that it was unnecessary for a government to consider whether it controls assets of a fiduciary component unit.

B4. The Board concluded from the feedback received from single-employer pension plans and OPEB plans and state-sponsored agent multiple-employer pension and OPEB plans that participated in research on the effect of the proposals in the Exposure Draft that there was confusion regarding the application of the criteria in Statement 14, as amended, for determining whether a legally separate organization that administers a single-employer plan is a component unit. Some governments considered the employer contribution to the legally separate organization (with a government-appointed majority of the organization's board) that administers the single-employer plan to be a financial burden, while others did not.

B5. After considering the need for further clarification regarding this issue, the Board decided to clarify the financial benefit or burden criterion as it applies to pension plans or OPEB plans administered by legally separate organizations. The Board ultimately concluded that if a government is legally obligated or has otherwise assumed the obligation to make contributions to a pension plan or OPEB plan, that should be considered a financial burden on the primary government. Consequently, pension plans or OPEB plans should be reported as component units if the financial benefit or burden criterion is met and either (a) the majority of the plan's board is appointed by the government or (b) the plan is fiscally dependent on the government. This should apply to all types of plans: single-employer, agent multiple-employer, and cost-sharing multiple-employer.

Pension and OPEB Plans

B6. The Board concluded that if a pension plan or OPEB plan is *not* a component unit and is administered through a trust that meets the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* or if assets from entities that are not part of the reporting entity are accumulated for pensions or OPEB that are not administered through a trust that meets the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, the only additional criterion needed to determine whether the arrangement is a fiduciary activity is whether the government controls the assets.

B7. Some respondents to the Exposure Draft questioned whether this Statement applies to certain defined contribution plans and deferred compensation plans. The Board concluded that defined contribution plans and deferred compensation plans should apply the requirements of this Statement to determine whether the activity should be reported as a fiduciary activity.

The Control Criterion

B8. The definition of an asset in paragraph 8 of Concepts Statement No. 4, *Elements of Financial Statements,* includes the characteristic of control. Paragraph 12 of Concepts Statement 4 explains that a government may have control over an asset even if that asset is subject to external constraints or restrictions, such as those of a trust agreement or grant program. The Board believes that the restrictions on the use of an asset described in the final sentence of paragraph 12 of this Statement include restrictions on who the ultimate beneficiaries of the assets are. The fact that a specific group of assets may exist for the benefit of others does not rule out the possibility that the government controls those assets. Moreover, restrictions that stipulate assets can be used only for the purposes described in a custodial agreement or trust agreement do not negate a government's control over the assets.

B9. The Board also considered what the accounting and financial reporting implications should be if beneficiaries have indirect control over assets. Paragraph 14 of Concepts Statement 4 discusses the concept of indirect control. That paragraph states that beneficiaries of a trust may have a right to receive specified benefits from the trust, which the beneficiaries would consider to be an asset. However, the asset recognized by the beneficiaries is the right to receive distributions from the trust rather than the assets in the trust. The Board established in Concepts Statement 4 that control over the right to receive resources from a trust by beneficiaries does not override or diminish the government's control over the assets in the trust.

B10. Some respondents to the Exposure Draft requested clarification of the terms *administer* and *direct* as they are used in the provisions related to control. The Board agreed that those two terms may mean different things to different governments and, therefore, could result in inconsistent application of the control criterion. In addition, the Board determined that the term *administer* had been used in prior GASB authoritative literature in different contexts. The terms *administer* and *direct* also were seen by some respondents as redundant. To further clarify this provision, the Board eliminated the term *administer* in the description of control.

B11. Some respondents questioned whether situations in which a government contracts with a third party to administer deferred compensation plans—such as selecting a menu of investment options for the plan's participants—constitute the requisite level of control. To address those concerns, the Board decided to further explain the intent of the term *direct* within the context of this Statement. The Board added footnote 5 to clarify that if a government appoints a designee to act on its behalf, the government still maintains the ability to direct the use, exchange, or employment of the assets. The Board also concluded that by eliminating the term *administer,* as discussed above, it would clarify that the selection of investment options or determination of benefits would not, by themselves, result in a determination that the government controls the assets.

B12. The Board also decided to further explain a government's ability to direct the use, exchange, or employment of the assets. The terms *use, exchange,* and *employ,* were introduced in paragraph 12 of Concepts Statement 4. That paragraph states, "Generally, the government controlling the asset has the ability to determine whether to (a) directly use the present service capacity to provide services to citizens; (b) exchange the present service capacity for another asset, such as cash; or (c) employ the asset in any of the other ways it may provide benefit." Fiduciary activities were considered as the concepts were developed; therefore, the Board believes the terms *exchange* and *employ* apply to fiduciary activities. However, the Board concluded that further clarification of the term *use* was needed to place it in a fiduciary context.

B13. The term *use,* within the context of fiduciary activities, means to expend or consume an asset for the benefit of individuals, organizations, or other governments, outside of the government's provision of services to them. The Board concluded that this is different from the terms *exchange* and *employ.* To *exchange* is when a government replaces an asset for another asset that will be used to provide benefits to the intended beneficiaries, outside of the provision of services to them. To *employ* is when a government puts an asset into service for the purpose of providing benefits to the intended beneficiaries, outside of the provision of services to them. For example, when a government invests an asset, it is employing the asset without expending or consuming it. Therefore, the Board determined that it is appropriate to retain the term *use* when defining what is meant by *direct* in the control criterion. Describing *use* in this manner would alleviate the concerns expressed by some respondents related to situations in which a government only provides high-level investment guidance (for example, an investment policy regarding permitted investments). In this situation, the government is imposing the restrictions on how the beneficiary can use the assets, rather than directing the use of the assets. The Board concluded that situations that do not constitute control would become more apparent by describing what is meant by a government having the ability to use the assets.

Other Fiduciary Reporting Criteria

Own-Source Revenues

B14. The Exposure Draft provided the definition and examples of own-source revenues from the glossary section (paragraph 45) of Statement No. 44, *Economic Condition Reporting: The Statistical Section.* Some respondents believe that those examples did not offer sufficiently clear guidance for other, more ambiguous revenue sources. Those respondents requested additional guidance for determining what should be considered own-source revenues. The Board believes that it is not practicable to classify all types of revenue to alleviate each respondent's concern; however, it concluded that further elaboration on the concept of own-source revenues was needed.

B15. Own-source revenues derive from nonexchange revenues, as well as exchange and exchange-like revenues. The Board concluded that enhancing the discussion of own-source revenues in terms of exchange, exchange-like, and certain nonexchange revenues would assist stakeholders in understanding which revenues meet the definition of own-source revenues. Paragraph 13 of this Statement provides that enhanced discussion.

B16. The Board believes that resources that are held by pension and OPEB plans in a trust that meets the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74 are an exception to the premise that a government should not report assets that result from own-source revenue as a fiduciary activity. The Board believes the required characteristics of a trust in those Statements are such that the source of the resources held in that trust is not a relevant consideration.

Pass-Through Grants

B17. Another criterion that the Exposure Draft indicated should be considered in identifying whether an activity is a fiduciary activity was whether the resources came from a pass-through grant for which the government does not have administrative involvement or direct financial involvement. Some respondents to the Exposure Draft were concerned that they would be required to evaluate pass-through grants differently under this Statement than they do under Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* In providing guidance concerning which activities to report as fiduciary, the Board did not intend to change the guidance on pass-through grants contained in Statement 24. To ensure that consistent reporting of pass-through grants would continue, the criterion in Statement 24 is replicated as a criterion for identifying fiduciary activities in this Statement.

B18. The Board was concerned, however, that applying the criteria in the sequence proposed in the Exposure Draft in the aggregate could result in grants and contributions that are administered through a trust being inappropriately reported as fiduciary activities. To eliminate that possibility, the Board reordered the criteria in paragraph 11 of this Statement.

Assets Administered through a Trust or Equivalent Arrangement

B19. Some respondents to the Exposure Draft asked for further clarification on what should be considered an *equivalent arrangement.* Although existing GASB authoritative literature on employee benefit plans references *equivalent arrangements,* no definition has been provided for the term. For purposes of applying the criteria in this Statement, the Board continues to believe that an equivalent arrangement is one that, although not a trust by name, has the same characteristics required of a trust: (a) assets are dedicated to providing benefits to recipients in accordance with the benefit terms and (b) assets are legally protected from the creditors of the government that is acting as a fiduciary, as stated in paragraph 11c.

Assets Are for the Benefit of Individuals

B20. Some respondents to the Exposure Draft either disagreed or had questions regarding the intent of the criterion related to assets held for the benefit of individuals that are not required to be residents or recipients of the government's goods and services as a condition of being a beneficiary. Some of those respondents believed that the criterion excluded certain activities that should be reported as fiduciary activities. Examples of such activities include holding resources (that do not arise from the provision of services) for the benefit of students in educational institutions (student activity funds), patients in health-care facilities, and inmates in correctional institutions. The Board recognized that there may be situations in which the government serves only as a custodian for the resources.

B21. Some respondents also requested that the Board specifically require that student activity resources be reported as fiduciary funds. The Board believes that some of those activities are part of the government's provision of goods or services. The Board noted that the administration of those activities may vary across governments, with some governments assessing fees to pay for certain activities and other governments using other resources available to pay for certain activities. As a result, the Board concluded that a specific requirement addressing all student activity resources is not appropriate.

B22. The Board considered the concerns of respondents and decided to remove the provision related to individuals not being required to be residents or recipients of the government's goods and services as a condition of being a beneficiary. Further, the Board concluded that adding a provision that the use of those assets is for the benefit of the individuals would be necessary to increase the consistency with which those activities are identified as fiduciary activities. The Board also agreed to add the provision that the government cannot have administrative involvement or direct financial involvement with the assets to convey that concept consistently with the threshold established for pass-through grants in Statement 24. In that context, the government does not (a) monitor compliance with the requirements of the activity that are established by the government or a resource provider that does not receive the direct benefits of the activity, (b) determine eligible expenditures of the activity that are established by the government or a resource provider that does not receive the direct benefits of the activity, or (c) make decisions on how the assets are allocated.

B23. Other respondents to the Exposure Draft were concerned that, based on the criterion, certain assets held by a government for individuals that are not the result of the normal provision of goods or services provided to those individuals would no longer be considered a fiduciary activity. The Board's intent in excluding assets of activities resulting from a government providing goods or services to the individual was to exclude the general provision of services to constituents and counterparties in exchange transactions. A respondent provided an example related to a performance bond received from a contractor; the Board believes that the bond is part of an exchange transaction between the contractor and the government. Further, the Board clarified the intent of the criterion by adding a stipulation that the assets of the activity also are not derived from the government's provision of goods or services to those individuals.

Assets Are for the Benefit of Organizations or Other Governments

B24. Some respondents to the Exposure Draft either disagreed with or sought clarification of the intent of the criterion related to the assets being provided to organizations or other governments that are neither part of the financial reporting entity nor recipients of the government's goods and services as a condition of being a beneficiary. Some of these respondents sought clarification as to the intent of "being recipients of the government's goods or services."

B25. Similar to the discussion relating to individuals above, the Board's intent in excluding assets of activities resulting from a government providing goods or services to organizations or other governments was to exclude the general provision of services to constituent organizations and counterparties. The Board also believes that controlling the assets, on its own, is not a service of a government. The Board's intent was to include the resources that are either given to the government or collected by the government, and which do not derive from the provision of services by the government to those who gave the government the resources or for whom the government collected the resources. Therefore, the Board clarified the intent of the criterion by (a) removing the concept of the organizations or other governments not being required to be recipients of the government's goods and services and (b) adding the provision that the assets of the activity also are not derived from the government's provision of goods or services to those organizations or other governments.

Reporting Fiduciary Activities in Fiduciary Funds

Use of Fiduciary Funds to Report Fiduciary Activities

B26. The Board concluded that fiduciary activities should be reported in the basic financial statements because (a) their related assets are controlled by the government or (b) fiduciary component units have been identified through the component unit evaluation. Further, the Board believes that recognizing fiduciary assets, liabilities, and other elements in the basic financial statements provides a relevant and reliable representation of the fiduciary transactions and other events. The Board believes that those elements are measurable with a sufficient degree of reliability to be recognized in the basic financial statements and meet the other qualitative characteristics of financial reporting.

B27. Some respondents to the Preliminary Views and Exposure Draft suggested that note disclosure of fiduciary activities should be considered as an alternative to recognition in basic financial statements. Those respondents believe that disclosing fiduciary information in the notes to the financial statements would simplify the financial statements. In determining the communication method for fiduciary activities in a general purpose external financial report, the Board followed the hierarchy provided in Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements.* Concepts Statement 3 states that recognition in basic financial statements should be used if the information is essential for communicating with users the financial position or the inflows and outflows of resources of the reporting unit. The Board concluded that fiduciary activity information is essential for communicating both financial position and the inflows and outflows of resources of fiduciary activities. Therefore, as stated in paragraph 34 of Concepts Statement 3, note disclosure is not an adequate substitute for recognition in basic financial statements.

Classification of Activities as Fiduciary Funds

B28. Statements 67 and 74 provide that a pension plan or OPEB plan that is administered through a trust is one that meets all three of the following conditions: (a) the contributions from employers and nonemployer contributing entities to the plan and earnings on those contributions are irrevocable; (b) the plan assets are dedicated to providing benefits to plan members in accordance with the benefit terms; and (c) the plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the plan administrators, and—for defined benefit plans—plan members. The Board believes that those plans, as well as other employee benefits that are held in a trust that meets the same criteria, should be reported in a pension (and other employee benefit) trust fund. The Board also believes that for trust funds not related to pensions, OPEB, and other employee benefits, the requirement that contributions and earnings on those contributions are irrevocable would not be applicable. Therefore, the Board concluded that in order to report a fiduciary activity in an investment trust fund, the activity should be administered through a trust in which the assets are both dedicated to providing benefits to recipients in accordance with the benefit terms and legally protected from the creditors of the government that is acting as the fiduciary. In order to report a fiduciary activity in a private-purpose trust fund, the activity (1) is not required to be reported in a pension (or other employee benefit) trust fund or an investment trust fund and (2) is held in a trust in which (a) the assets are dedicated to providing benefits to recipients in accordance with the benefit terms and (b) the assets are legally protected from the creditors of the government that is acting as the fiduciary. All other fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds should be reported in custodial funds.

B29. Some respondents to the Exposure Draft questioned whether external investment pools were required to follow the classification requirements of this Statement. The Board acknowledged that, based on the application of the proposals in the Exposure Draft, an external investment pool should be reported either as an investment trust fund or as a custodial fund depending on the terms of the trust that holds the pool's assets. In both instances, the external investment pool would be reported as a fiduciary activity, but in different columns in the fiduciary fund financial statements. That result would *not* be consistent with current practice for the reporting of external investment pools, which are required by Statement 31 to be reported as investment trust funds irrespective of whether the pool's assets are administered through a trust. Therefore, the Board included an amendment to Statement 31 to clarify that the classification of external investment pools should be based on the requirements in this Statement. The Board believes that in circumstances in which an external investment pool is not administered through a trust that meets the criteria in paragraph 11c(1), the government should report the external portion of the pool as a custodial fund, but in a separate column from other custodial funds. As a result, the information related to those external investment pools still will be separately identifiable in the government's basic financial statements rather than combined with other custodial funds of the government.

B30. Results of pre-agenda research for this project revealed that there was confusion surrounding whether certain resources should be reported in a private-purpose trust fund or an agency fund under existing standards. The Board determined that this confusion would be reduced by requiring private-purpose trust funds to be used if there is a trust that meets the criteria in paragraph 11c(1).

B31. The Board also considered comments provided by users during the pre-agenda research that indicated that an *agency fund* often is confused with *agencies* of the government. The Board concluded that the title *agency fund* could be confusing and, therefore, established the custodial fund classification to address this issue.

B32. Some respondents to the Preliminary Views expressed concern with the use of custodial funds for resources held for a short time and for which a government has no administrative responsibility. Those respondents contend that the effort required to accumulate and classify the additions and deductions for resources that essentially pass through in a few days would exceed the potential benefit that may be provided by that level of reporting. It was suggested that the Board consider retaining the agency funds with no requirement for reporting additions and deductions. After considering those respondent concerns, the Board concluded that the length of time that resources are held in a custodial capacity should not be a criterion for determining in which fiduciary fund the activity should be reported. Furthermore, the Board believes that users will better understand the volume of activity in a custodial fund if resource flows information is provided. However, the Board understands the cost concerns raised by those respondents and, therefore, added a proposal in the Exposure Draft and carried that provision forward to this Statement to allow for highly aggregated reporting of additions and deductions for custodial funds in which resources, upon receipt, are normally expected to be held for three months or less, as further discussed in paragraph B37.

Statement of Fiduciary Net Position

Recognition of a Liability to Beneficiaries in a Fiduciary Fund

B33. The Board initially considered whether the event giving rise to a liability to beneficiaries of fiduciary activities occurs when a beneficiary's claim to the resources is *due and payable.* Although there was some support for the concept, the Board was concerned about the use of the *due and payable* notion because it is the benchmark for recognition of governmental fund liabilities under the modified accrual basis of accounting. The Board concluded that recognizing liabilities to the beneficiaries of fiduciary activities in fiduciary funds when they are due and payable would be inconsistent with the accrual basis of accounting required for fiduciary funds.

B34. The Board also considered whether the event giving rise to a liability to beneficiaries occurs when a beneficiary has an immediate claim on the resources. The Board believes that using the *immediate claim* criterion for recognition of a liability to the beneficiaries across all fiduciary funds would be consistent with the existing fiduciary fund model in most cases. However, the Board was concerned about potentially different interpretations of what is meant by the term *immediate claim.* Therefore, the Board concluded that a more appropriate approach would be to avoid using that term. The Board determined that a liability to the beneficiaries of fiduciary activities should be recognized when an event occurs that *compels* the government to disburse fiduciary resources. The Board also concluded that in certain cases, a government incurs a liability as soon as it takes control of resources in a fiduciary capacity if the beneficiary does not need to take action to compel the government to disburse the resources; for example, when a county tax collector receives taxes on behalf of other taxing bodies. Liabilities other than those to beneficiaries (for example, those for administrative costs for the fiduciary activity) should be recognized in accordance with existing accrual basis of accounting standards.

Statement of Changes in Fiduciary Net Position

Reporting of Additions and Deductions

B35. In the Exposure Draft, the Board proposed that additions to and deductions from fiduciary net position be disaggregated by source in the statement of changes in fiduciary net position. Some respondents contended that disaggregated information on additions and deductions is not beneficial or necessary. However, users who were interviewed during the pre-agenda research stated that they needed more detailed information about the additions and deductions in fiduciary funds to assess a government's accountability for these activities. Users specifically stated that they need information pertaining to a fiduciary activity's investment and administrative costs. Statements 67 and 74 require disaggregation of certain additions and deductions in the statement of changes in fiduciary net position, including administrative costs and investment costs for defined benefit pension and OPEB plans. Information regarding administrative and investment costs is not currently required to be disclosed for other fiduciary activities. The Board believes that requiring additions and deductions to be disaggregated by source—including separately displaying investment earnings, investment costs, net investment earnings, and administrative costs—would provide consistent and comparable information and would assist users in assessing the administrative and investment costs associated with the fiduciary funds.

B36. Prior to the issuance of the Exposure Draft, the Board received comments from task force members stating that there may be difficulty separating investment costs from investment earnings for some investment types or from administrative costs. The Board believes that it is important to report investment earnings separately from investment costs, rather than reporting only net investment earnings. By providing investment cost information separately, users can better assess a government's stewardship over the investments and whether the costs are reasonable given the value of the investments or earnings from the investments. Users also can compare this information to other investment activities. However, the Board acknowledged that there may be investments for which the investment costs currently are not separable from investment earnings and administrative costs. Therefore, this Statement requires that investment costs be reported separately only if they are separable from investment earnings and administrative costs.

Custodial Funds

B37. The Board discussed various alternatives to relieve some of the burden that would be assumed by preparers and auditors regarding the cost and effort required to prepare and audit financial statements that include fiduciary activities. The Board concluded that although not substantiated conceptually, consideration should be given to providing relief to governments holding fiduciary resources for a short time. Taking the potential cost implications into consideration, the Board concluded that when custodial funds are held for a short time, it may be more appropriate not to require that additions be disaggregated by source and deductions be disaggregated by type. Instead, reporting additions and deductions as single amounts may be appropriate if the descriptions clearly indicate the nature of the resource inflows and outflows. After considering various alternatives, the Board concluded that if the resources are normally expected to be held for three months or less, reporting additions and deductions as single amounts would provide preparers with some relief from disaggregating flows of fiduciary activities in which they are acting in a manner similar to a cash conduit.

B38. A respondent to the Exposure Draft stated that it may *not* be beneficial to have the option to report a single aggregated total for additions and a single aggregated total for deductions because it would be administratively difficult to consistently ascertain if financial resources will be held for three months or less. The Board highlighted that the proposed provision was "expected to be held for three months or less," rather than "will be held for three months or less." Because it is a reporting option rather than a requirement, a government could disaggregate the additions and deductions if it believes that level of detail is more useful to readers or it is unable to reasonably determine the expected holding period. The Board continues to believe that the option will be beneficial to some governments and carried it forward to this Statement. The Board also added a clarification in paragraph 24 that the determination of how long the resources are normally expected to be held should be made upon receipt of the resources.

B39. This Statement provides a similar exception for reporting fiduciary activities of business-type activities, including enterprise funds. As with custodial funds, the Board believes that, in certain circumstances, a business-type activity holds assets of fiduciary activities for such a short period that the benefits of separately reporting the activities in fiduciary funds may not justify the costs of that reporting. Therefore, the Board determined that presenting separate financial statements for fiduciary activities for which resources are held for a period that is normally expected to be three months or less is not necessary. Instead, those assets, and a related liability to beneficiaries, may be reported by business-type activities in their proprietary fund statements. Although the Board acknowledges the need for consistency between general purpose governments and business-type activities, the Board believes that there are some differences that support this reporting alternative. Financial statements of fiduciary activities and business-type activities are both presented using the economic resources measurement focus. Consequently, combining some fiduciary activities' balances and cash flows with those of the related business-type activity can be done somewhat seamlessly. Conversely, general purpose governments report multiple activities, and governmental fund financial statements are presented using the current financial resources measurement focus, which differs from the measurement focus used in the separate financial statements for fiduciary funds. Further, business-type activities are required to present a statement of cash flows, which can present the fiduciary flow information (in lieu of a statement of additions and deductions). Therefore, the Board concluded that, in those certain circumstances, it is appropriate to allow business-type activities to report the assets and liabilities of certain fiduciary activities with the assets and liabilities of the business-type activity in its statement of net position.

B40. The Board considered whether separate identification of the cash flows of an included fiduciary activity should be required. Paragraph 15 of Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* requires that a statement of cash flows classify cash receipts and cash payments as resulting from operating, noncapital financing, capital and related financing, or investing activities. The Board believes that requiring cash flows of custodial funds normally expected to be held for three months or less to be identified separately would make them more distinguishable from the other cash flows of a business-type activity and would inform users about the volume of that activity. However, the Board concluded that the costs outweigh the benefits of having to separately identify those cash flows in the statement of cash flows unless the resulting cash flows are significant. Therefore, the Board decided that a business-type activity that chooses to report qualifying custodial assets and liabilities in its statement of net position should separately report significant additions and deductions—as cash inflows and cash outflows, respectively—in the operating activities category of its statement of cash flows. In considering that provision, the Board acknowledged that additions or deductions may not exist in some instances. For example, with the transfer of payroll withholdings to a separate clearing account, there will be no addition to report, only a deduction when the amounts withheld are paid.

Reporting Fiduciary Component Units

B41. Some special-purpose governments (for example, public employee retirement systems) that are engaged only in fiduciary activities and are component units of another government have component units of their own that are engaged only in fiduciary activities. Paragraph 26 of this Statement requires that a component unit that is a fiduciary component unit combine its fiduciary activities, by individual fiduciary fund, with that of its fiduciary component units. That information will be rolled up into the primary government's fiduciary fund financial statements, in the appropriate individual fiduciary fund columns.

B42. The Board acknowledges that there has been some uncertainty in applying the provisions of Statement 14, as amended, and Statement 34, as amended, regarding whether the financial statements of a fiduciary component unit should include its fiduciary component units when the component unit is presented in the financial statements of the primary government. The Board believes that consistency in reporting those activities will be achieved and uncertainty will be reduced by specifying how the fiduciary component unit information should be reported in the primary government's financial statements.

B43. Some respondents to the Exposure Draft suggested replacing the reporting requirement to aggregate fiduciary component units with fiduciary funds of the primary government with a requirement to report all fiduciary component units in a separate column. The assets, liabilities, and additions to and deductions from fiduciary net position of fiduciary component units can be significant when compared to those of the governmental activities and business-type activities of the financial reporting entity. The Board believes that the reason the "aggregated total" roll-up approach that applies to discretely presented component units has not been specifically made applicable to what would be the "aggregated total" of a fiduciary component unit is that fiduciary activities are excluded from the government-wide statements, where all other component units are presented. Also, the "aggregated total" approach would roll up a fiduciary component unit as a single column, rather than include its funds within the appropriate columns of the fiduciary fund financial statements. The Board concluded that "aggregated total," in a fiduciary fund context, refers to the totals of each column, rather than an aggregation of all the fiduciary funds into a single reporting unit. Consequently, the result is different from the single column "aggregated total" roll up of all other component units. A government engaged only in fiduciary activities, by its nature, would report only fiduciary activities, whether they arose from its own activities or those of its fiduciary component units.

B44. Some respondents to the Exposure Draft sought clarification of the effects the requirements of this Statement would have on whether fiduciary component units are reported in the government-wide financial statements. The current requirement to exclude fiduciary funds of component units in the government-wide statements of a financial reporting entity does not change. Paragraph 126 of Statement 34, as amended, requires inclusion of the "aggregated total" information of a component unit, which does not include its fiduciary funds or fiduciary component units. Some respondents to the Exposure Draft also requested clarification regarding the treatment and presentation of fiduciary activities of discretely presented component units. Specifically, a respondent disagreed with the criteria, suggesting that it would require the reporting of a certain component unit wholly as a fiduciary activity of the primary government because that component unit has fiduciary funds. The Board noted that *Implementation Guide No. 2015-1,* Question 4.28.11, provides that if a discretely presented component unit is not a fiduciary component unit but has fiduciary funds, those fiduciary funds are not reported in the reporting entity's financial statements.

Considerations Related to Benefits and Costs

B45. The overall objective of financial reporting by state and local governments is to provide information to assist users (the citizenry, legislative and oversight bodies, and investors and creditors) in assessing the accountability of governments and in making economic, social, and political decisions. One of the principles guiding the Board's setting of standards for financial reporting is the assessment of the expected benefits and perceived costs. The Board strives to determine that its standards (including disclosure requirements) address a significant user need and that the costs incurred through the application of its standards, compared with possible alternatives, are justified when compared to the expected overall public benefit.

B46. Present and potential users are the primary beneficiaries of improvements in financial reporting. Persons within governments who are responsible for keeping accounting records and preparing financial statements, as well as managers of public services, also benefit from the information that is collected and reported in accordance with GASB standards. The costs to implement the standards are borne primarily by governments and, by extension, their citizens and taxpayers. Users also incur costs associated with the time and effort required to obtain and analyze new information to meaningfully inform their assessments and decisions.

B47. The Board's assessment of the expected benefits and perceived costs of issuing new standards is unavoidably more qualitative than quantitative because no reliable and objective method has been identified for quantifying the value of improved information in financial statements. Furthermore, it is difficult to accurately measure the costs of implementing new standards until implementation has taken place. Nonetheless, the Board undertakes this assessment based on the available evidence regarding expected benefits and perceived costs with the objective of achieving an appropriate balance between maximizing benefits and minimizing costs.

B48. The Board assessed the expected benefits and perceived costs of this Statement's requirements at two levels—for individual decisions and for the entirety of the Statement. Throughout its deliberations, the Board specifically considered the relative expected benefits and perceived costs of individual decisions and also considered information gathered related to fiduciary activities from the research performed and respondent comments received on the Preliminary Views and Exposure Draft.

B49. The primary source of information on the expected benefits of establishing reporting requirements for fiduciary activities is the pre-agenda research described in Appendix A—the survey of users and telephone interviews with users interested in assessing a government's operational accountability for its fiduciary activities. The results of that research indicate the degree of importance that users place on fiduciary information. The research results were complemented by respondents' comments on the Preliminary Views and Exposure Draft and by feedback received from members of the GASAC.

B50. The primary sources of information about perceived costs are the results of the field test described in Appendix A and the comments received from respondents to the Preliminary Views and Exposure Draft. The field test results suggest that the Board's tentative decisions generally could be implemented by governments with reasonable effort and cost.

B51. As discussed in paragraphs B37 and B39, after considering the requirements in this Statement, the Board determined that it was necessary to add exceptions to custodial fund reporting that would reduce the effort and costs incurred by governments. Specifically, governments reporting custodial fund assets that are normally expected to be held for three months or less would not be required to disaggregate the funds' additions and deductions, as would be required for all other fiduciary funds. Also, business-type activities normally expected to hold custodial fund assets for three months or less would not be required to report those activities in fiduciary fund financial statements. Instead, a business-type activity would be allowed to report that short-duration custodial fund activity in its statement of net position and in the operating section of its statement of cash flows.

B52. Some respondents to the Preliminary Views and Exposure Draft expressed concerns about having numerous fiduciary activities that would have to be analyzed and evaluated to determine whether the activities are governed by a trust agreement. The Board acknowledges that in the first year of implementation, some governments will have to review, and in some circumstances change, how their fiduciary activities are classified. For some governments, this exercise may require analysis, especially for funds that the governments have reported for an extended period. However, the Board believes that the effort will be limited to the first year of implementation. In subsequent years, governments generally would have to analyze only new fiduciary activities or fiduciary activities for which the facts and circumstances related to the provisions in this Statement have changed.

Effective Date and Transition

B53. The Board believes that the effective date, which is one year later than that proposed in the Exposure Draft, allows adequate time for financial statement preparers to plan for the transition and implementation of the provisions of this Statement. Some governments may wish to implement earlier than that date. Accordingly, this Statement encourages early application.

B54. The Board believes that this Statement should be applied retroactively. In the period this Statement is first applied, changes made to comply with this Statement should be treated as an adjustment of prior periods, and government-wide and fund financial statements presented for the periods affected should be restated. However, the Board considered the potential for the lack of readily available information for the presentation of the restatement of all prior periods. Accordingly, the Board concluded that the cumulative effects of this Statement may be presented by restating beginning net position (or fund balance or fund net position, as applicable), for the earliest period restated, if it is not practicable to restate all prior periods.

B55. The phrase *if practicable* has been used in other GASB standards in a similar context as used in this Statement with respect to transition provisions that require restating the financial statements for all prior periods presented. The Board believes that reasonable efforts should be deployed before a government determines that restatement of all prior periods presented is not practicable. In other words, *inconvenient* should not be considered equivalent to *not practicable.*

Appendix C

FLOWCHARTS FOR EVALUATING AND REPORTING POTENTIAL FIDUCIARY ACTIVITIES

C1. The following flowcharts are intended to aid in the application of the provisions of this Statement. The flowcharts are nonauthoritative and do not cover all aspects of this Statement. They should not be used in place of the Statement itself.

Chart 1—Flowchart for Evaluating and Reporting Potential Fiduciary Activities

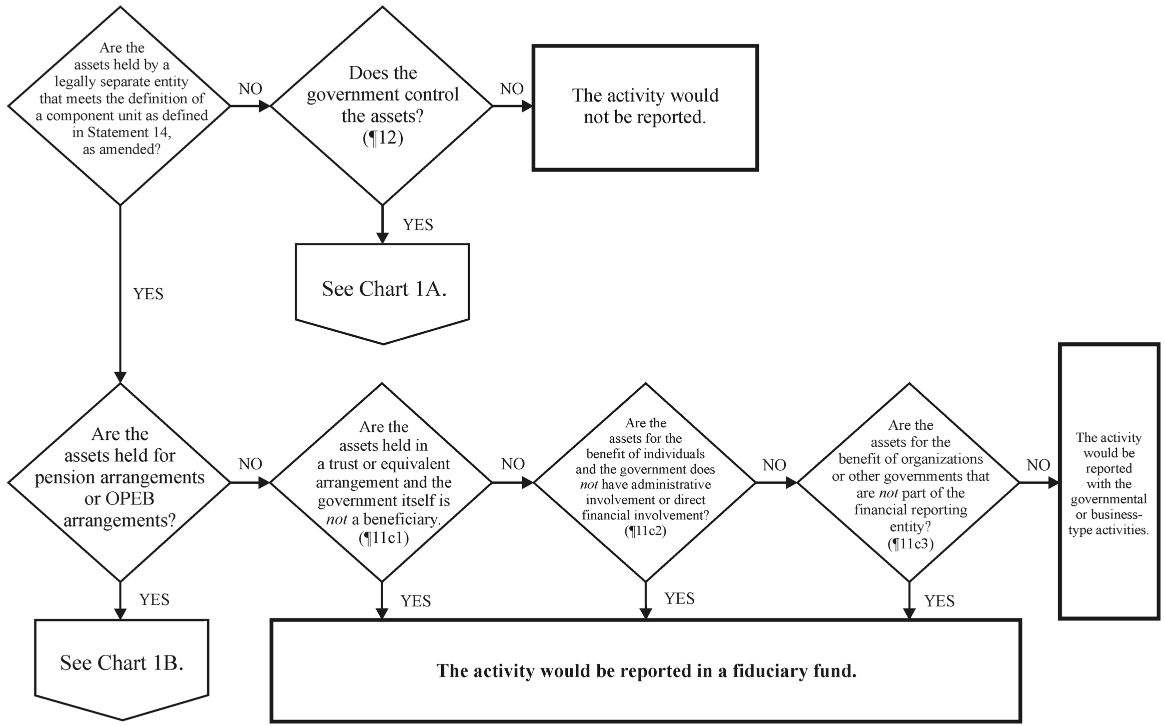


Chart 1A—Flowchart for Evaluating and Reporting Potential Fiduciary Activities

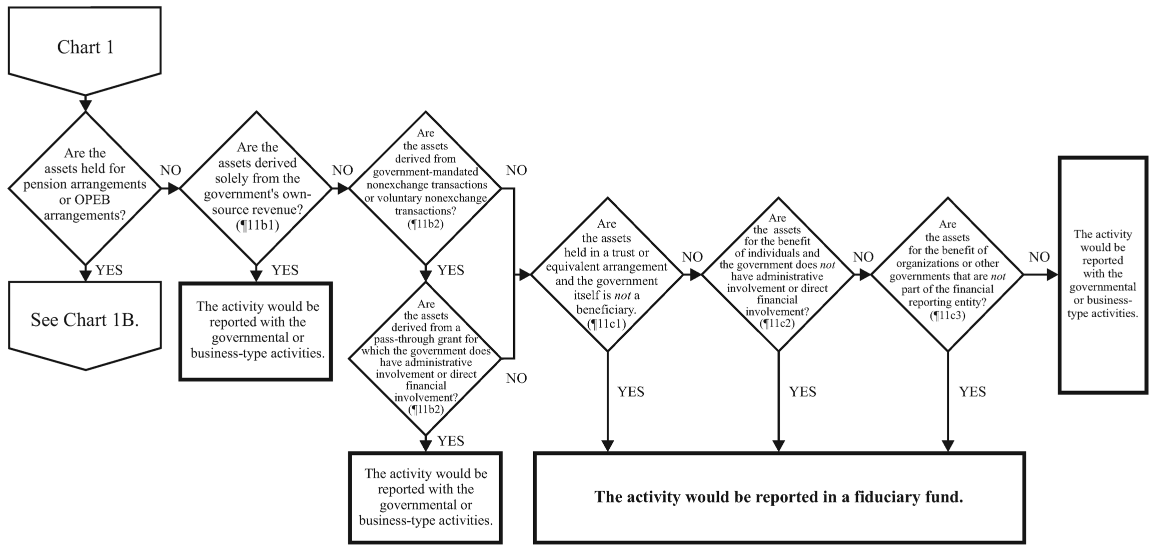
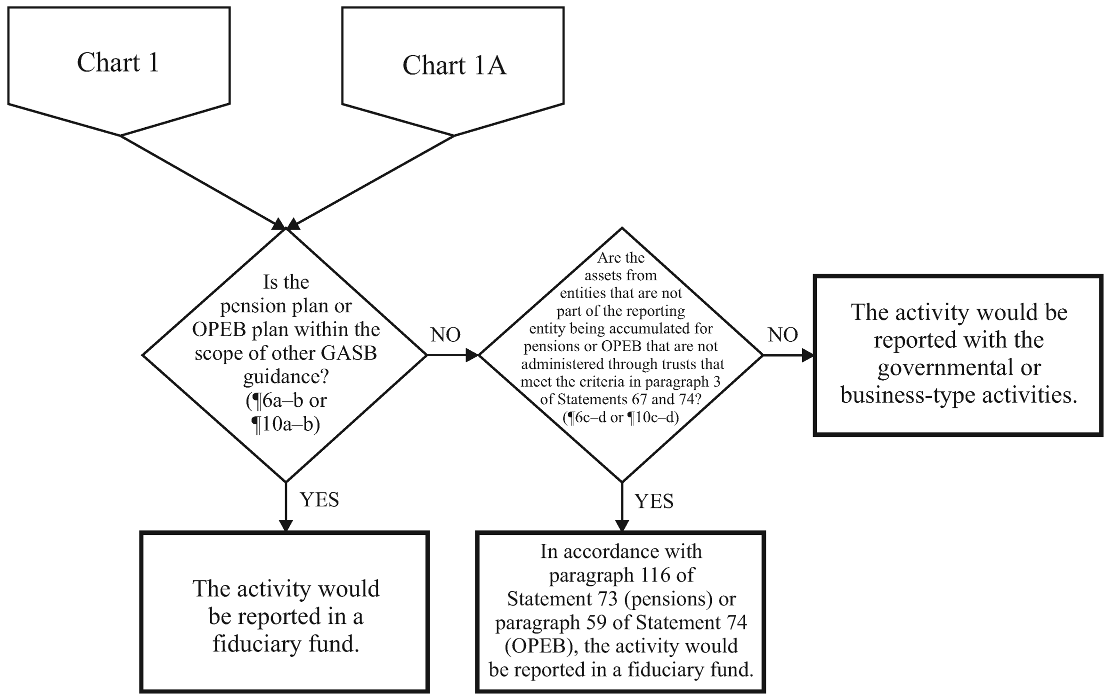


Chart 1B—Flowchart for Evaluating and Reporting Potential Fiduciary Activities (Postemployment Benefit Arrangements)



Appendix D

ILLUSTRATION

D1. This appendix illustrates an example of the fiduciary fund financial statements for a hypothetical government. The statements are illustrative only and should not be considered authoritative. Management's discussion and analysis, other statements that constitute basic financial statements, notes to financial statements, budgetary comparison schedules, and other required contents are not presented; thus, this set of statements does not meet the minimum requirements for basic financial statements and required supplementary information.

Government ABC
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 20X2
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash and cash equivalents	$ 184,351	$ 840,693	$ 104,747	$ 58,196
Receivables:				
Employee	2,123	—	—	—
Employer	83,004	—	—	—
Taxes for other governments	—	—	—	206,937
Interest and dividends	175,402	12,166	—	—
Sale of investments	30,879	—	—	—
Total receivables	291,408	12,166	—	206,937
Investments at fair value:				
Short-term investments	2,268,960	241,645	61,591	—
Bonds, notes, mortgages, and preferred stock	14,115,391	804,576	187,650	—
Common stock	20,342,440	—	520,196	—
Real estate	3,408,145	—	—	—
International investments	1,723,951	—	—	—
Mutual funds	72,315	178,046	—	—
Pooled investment funds	23,128	—	—	—
Total investments	41,954,330	1,224,267	769,437	—
Securities lending collateral	1,746,544	—	—	—
Other assets	13,519	181	81,157	361
Total assets	44,190,152	2,077,307	955,341	265,494
LIABILITIES				
Accounts payable and other liabilities	130,846	1,361	61,447	1,451
Due to local governments	—	—	—	164,201
Obligations under securities lending	1,346,544	—	—	—
Other long-term liabilities	1,617	—	7,870	—
Total liabilities	1,479,007	1,361	69,317	165,652
NET POSITION				
Restricted for:				
Pensions	29,897,802	—	—	—
Postemployment benefits other than pensions	12,813,343	—	—	—
Pool participants	—	2,075,946	—	—
Individuals, organizations, and other governments	—	—	886,024	99,842
Total net position	$ 42,711,145	$ 2,075,946	$ 886,024	$ 99,842

Government ABC
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
for the Year Ended June 30, 20X2
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Members	$ 297,846	$ —	$ —	$ —
Employers	1,259,384	—	—	—
Other plans	148,792	—	—	—
Gifts and bequests	—	—	197,258	—
Total contributions	1,706,022	—	197,258	—
Investment earnings:				
Net increase in fair value of investments	1,852,408	64,663	33,702	—
Interest, dividends, and other	1,416,448	58,465	30,378	—
Securities lending income	76,075	—	—	—
Total investment earnings	3,344,931	123,128	64,080	—
Less investment costs:				
Investment activity costs	32,281	50,236	63	—
Securities lending costs	73,642	—	—	—
Net investment earnings	3,239,008	72,892	64,017	—
Capital share and individual account transactions:				
Shares sold	—	2,817,210	—	—
Reinvested distributions	—	72,892	—	—
Shares redeemed	—	(2,776,843)	—	—
Net capital share and individual account transactions	—	113,259	—	—
Sales tax collections for other governments	—	—	—	1,811,120
Miscellaneous	1,130	—	—	1,468
Total additions	4,946,160	186,151	261,275	1,812,588
DEDUCTIONS				
Benefits paid to participants or beneficiaries	1,963,047	—	—	—
Medical, dental, and life insurance for retirees	536,027	—	—	—
Refunds and transfers to other systems	170,514	—	—	—
Administrative expense	19,920	—	43	293
Beneficiary payments to individuals	—	—	211,179	—
Payments of sales tax to other governments	—	—	—	1,811,120
Distributions to shareholders	—	72,892	—	—
Total deductions	2,689,508	72,892	211,222	1,811,413
Net increase (decrease) in fiduciary net position	2,256,652	113,259	50,053	1,175
Net position—beginning	40,454,493	1,962,687	835,971	98,667
Net position—ending	$ 42,711,145	$ 2,075,946	$ 886,024	$ 99,842

Appendix E

CODIFICATION INSTRUCTIONS

E1. The instructions that follow update the June 30, 2016 *Codification of Governmental Accounting and Financial Reporting Standards* (Codification) for the effects of this Statement. Only the paragraph number of this Statement is listed if the paragraph will be cited in full in the Codification.

*   *   *

[Update cross-references throughout.]

*   *   *

SUMMARY STATEMENT OF PRINCIPLES **SECTION 1100**

Sources: [Add the following:] GASB Statement 84

.103 [Replace *(and similar component units)* with *(including fiduciary component units)*; replace *Agency funds* with *Custodial funds*.]

.105 [Replace *(and similar component units)* with *(including fiduciary component units)*.]

.108 [Replace *(and similar component units)* with *(including fiduciary component units)*.]

.110 [In subparagraph (c), delete the last sentence and insert the following after the first sentence:] The recognition of certain liabilities in fiduciary funds is discussed in paragraph .138 of Section 1600.

.114 [Insert the following at the end of subparagraph (d):] When reported in the fiduciary fund financial statements of a primary government, a fiduciary component unit should include the combined information of its own component units that are fiduciary component units. That combined information should be aggregated with the primary government's fiduciary funds based on the classifications in paragraphs .128–.134 of Section 1300.

[NCGAS 1, pp. 2–4, as amended by GASBS 6, ¶15 and ¶25 and GASBS 34, ¶15, ¶80, and ¶82; GASBS 14, ¶11, ¶19, ¶43, and ¶65; GASBS 14, ¶12 and ¶66, as amended by GASBS 61, ¶4; GASBS 34, ¶6, as amended by GASBS 84, ¶5; GASBS 34, ¶14, ¶15, ¶21, ¶22, ¶75, ¶79, ¶88, and ¶89, and fn53; GASBS 34, ¶13, ¶30, ¶53, ¶80, ¶82, ¶92, ¶101, ¶108, ¶112, and ¶125, as amended by GASBS 63, ¶8; GASBS 34, ¶16, as amended by GASBS 63, ¶7 and ¶8; GASBS 34, ¶18, as amended by GASBS 72, ¶79; GASBS 34, ¶63, as amended by GASBS 84, ¶5 and ¶18; GASBS 34, ¶100, as amended by GASBS 48, ¶21 and GASBS 63, ¶8; GASBS 34, ¶106, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, and GASBS 84, ¶21; GASBS 34, ¶130, as amended by GASBS 41, ¶3; GASBS 37, ¶6 and ¶10; GASBS 42, ¶9; GASBS 51, ¶17; GASBS 84, ¶14, ¶22, and ¶26]

* * *

FUND ACCOUNTING **SECTION 1300**

Sources: [Add the following:] GASB Statement 84

.102 [Replace subparagraph (c) with the following:] *Fiduciary fund* reporting focuses on net position and changes in net position. Fiduciary funds should be used to report fiduciary activities, as discussed in paragraphs .128–.134. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Financial statements of fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting. The recognition of certain liabilities of fiduciary funds is discussed in paragraph .138 of Section 1600.

Required financial statements for fiduciary funds are the statement of fiduciary net position and the statement of changes in fiduciary net position. Fiduciary fund financial statements should include information about all fiduciary funds of the primary government, including fiduciary component units.

[NCGAS 1, ¶18; GASBS 34, ¶63, ¶64, ¶78, and ¶79; GASBS 34, ¶66, ¶91, and ¶92, as amended by GASBS 63, ¶7, ¶8, and ¶12; GASBS 34, ¶69, as amended by GASBS 63, ¶7, ¶8, and ¶12 and GASBS 84, ¶5–¶18; GASBS 34, ¶106, as amended by GASBS 63, ¶7, ¶8, and ¶12 and GASBS 84, ¶5 and ¶18; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, and GASBS 84, ¶18 and ¶21; GASBS 84, ¶22]

.103 [Replace *(and similar component units)* with *(including fiduciary component units)*; replace *agency funds* with *custodial funds*.] [GASBS 34, ¶63, as amended by GASBS 84, ¶5 and ¶18; GASBS 54, ¶28; GASBS 84, ¶14]

.105 [Replace *held in trust for individuals, private organizations, or other governments* with *held as a fiduciary activity*.] [NCGAS 1, ¶30; GASBS 14, ¶54; GASBS 54, ¶21, ¶31, and ¶32; GASBS 54, ¶30, as amended by GASBS 84, ¶14]

.106 [Replace *held in trust for individuals, private organizations, or other governments* with *held as a fiduciary activity*.] [NCGAS 1, ¶10; GASBS 54, ¶33, as amended by GASBS 84, ¶14]

.107 [Revise the last sentence as follows:] The debt service transactions of a special assessment issue for which the government is not obligated in any manner should be reported in a custodial fund (see paragraph .115) rather than a debt service fund. [GASBS 6, ¶19, as amended by GASBS 84, ¶18; GASBS 54, ¶34]

.108 [Replace last sentence as follows:] Permanent funds do not include private-purpose trust funds (defined in paragraph .114). [GASBS 34, ¶65 and GASBS 54, ¶35, as amended by GASBS 84, ¶17]

.109 [Add the following to the end of the first sentence:] or fiduciary activities that have the characteristics in paragraph .116 of this section [GASBS 34, ¶67, as amended by GASBS 84, ¶19]

[Replace current paragraphs .111–.114 with new paragraphs .111–.116 as follows; renumber subsequent paragraphs.]

.111 The fiduciary fund used to report fiduciary activities (see paragraphs .128–.136) should be based on the requirements in paragraphs .112–.115, except as provided in paragraph .116. [GASBS 84, ¶14]

.112–.116 [GASBS 84, ¶15–¶19, including footnotes; renumber subsequent footnotes.]

[Replace heading before current paragraph .125 with the following:] Disclosure of Fund Activities

.127 [In current paragraph .125, replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBS 38, ¶6, as amended by GASBS 84, ¶14–¶18]

[Insert new paragraphs .128–.136, including heading, as follows:]

Identification of Fiduciary Activities

.128–.136 [GASBS 84, ¶5–¶13, including footnotes]

.704-3 [Revise answer as follows:] No. The assets are derived from the government's provision of goods and services to the inmates. In effect, the funds serve to reduce the amount of resources the county would otherwise have to raise to pay for those expenditures. If a separate fund is reported, it should be a special revenue fund. [GASBIG 2015-1, Q7.52.2, as amended by GASBS 84, ¶11]

.704-4 [Replace *private-purpose trust fund* with *fiduciary fund*.] [GASBIG 2015-1, Q7.52.5, as amended by GASBS 84, ¶14]

[Replace Question .704-5 with the following:]

.704-5 Q—Should a fund be classified as a private-purpose trust fund if its principal or income benefits a discretely presented component unit?

A—No. The financial reporting entity includes its discretely presented component units. Thus, the criteria in paragraph .134c(3) of this section would not be met. The fund in this case may be reported as a special revenue fund if it meets the criteria in paragraph .105 of this section, or as part of the general fund.

[GASBIG 2015-1, Q7.52.6, as amended by GASBS 84, ¶11 and ¶17]

.705-16 [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q7.51.6, as amended by GASBS 84, ¶18]

.706-1 [Revise answer as follows:] No. The assets are derived from the government's provision of goods and services to the inmates. In effect, the funds serve to reduce the amount of resources the county would otherwise have to raise to pay for those expenditures. If a separate fund is reported, it should be a special revenue fund. [GASBIG 2015-1, Q7.52.2, as amended by GASBS 84, ¶11]

.706-2 [Replace *an agency fund* with *a custodial fund*; remove italics.] [GASBIG 2015-1, Q7.52.3, as amended by GASBS 84, ¶18]

[Delete Question .706-3; renumber subsequent questions.]

.706-3 [In current Question .706-4, replace *private-purpose trust fund* with *fiduciary fund*.] [GASBIG 2015-1, Q7.52.5, as amended by GASBS 84, ¶14]

[Replace current Question .706-5 with the following:]

.706-4 Q—Should a fund be classified as a private-purpose trust fund if its principal or income benefits a discretely presented component unit?

A—No. The financial reporting entity includes its discretely presented component units. Thus, the criteria in paragraph .134c(3) of this section would not be met. The fund in this case may be reported as a special revenue fund, if it meets the criteria in paragraph .105 of this section, or as part of the general fund.

[GASBIG 2015-1, Q7.52.6, as amended by GASBS 84, ¶11 and ¶17]

.706-5 [In current Question .706-6, replace *for individuals, private organizations, or another government* with *as a fiduciary activity*; replace *an agency fund* with *a custodial fund*; and revise the question as follows:] Should all escheat property be reported in a private-purpose trust fund? [GASBIG 2015-1, Q7.52.7, as amended by GASBS 84, ¶17 and ¶18]

.706-6 [In current Question .706-7, replace the last sentence with the following:] Alternatively, a governmental or proprietary fund may be used to account for only the amount that is expected to revert to the government, with the amounts held for claimants and amounts held for other governments accounted for in one or more fiduciary funds, as appropriate. [GASBIG 2015-1, Q7.52.8, as amended by GASBS 84, ¶14]

[Revise heading .715 as follows:] Disclosure of Fund Activities

[Insert new heading .716 and associated text as follows:]

.716 Identification of Fiduciary Activities

No questions assigned.

* * *

REPORTING CAPITAL ASSETS SECTION 1400

[In Statement of Principle, Reporting Capital Assets, replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 1, ¶32, as amended by GASBS 34, ¶6 and ¶69, GASBS 63, ¶8, and GASBS 84, ¶5; GASBS 34, ¶30, ¶80, ¶92, and ¶108, as amended by GASBS 63, ¶8]

.101 [Replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 1, ¶32, as amended by GASBS 34, ¶6 and ¶69, GASBS 63, ¶8, and GASBS 84, ¶5; GASBS 34, ¶30, ¶80, ¶92, and ¶108, as amended by GASBS 63, ¶8]

.116 [Replace *component units that are fiduciary in nature* with *fiduciary component units*.] [GASBS 34, ¶106, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 34, ¶108, as amended by GASBS 63, ¶8]

* * *

REPORTING LIABILITIES SECTION 1500

[In Statement of Principle, Accounting for Long-Term Liabilities, replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 1, ¶32 and ¶42, as amended by GASBS 34, ¶69 and GASBS 63, ¶8; GASBS 34, ¶6, as amended by GASBS 84, ¶5; GASBS 34, ¶30, ¶82, ¶92, and ¶108, as amended by GASBS 63, ¶8]

.102 [Replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 1, ¶42, as amended by NCGAS 4, ¶14, NCGAI 9, ¶12, GASBS 6, ¶13 and ¶23, GASBS 10, ¶53, GASBS 13, ¶7, GASBS 16, ¶6,

GASBS 18, ¶7, GASBS 47, ¶3, GASBS 49, ¶9, GASBS 62, ¶34–¶43 and ¶96–¶113, GASBS 63, ¶8, and GASBI 1, ¶13; GASBS 34, ¶6, as amended by GASBS 84, ¶5; GASBS 34, ¶30, ¶82, ¶92, ¶108, as amended by GASBS 63, ¶8; and GASBS 34, ¶81]

.106 [Delete *agency*.] [GASBS 62, ¶34, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

* * *

BASIS OF ACCOUNTING **SECTION 1600**

Sources: [Add the following:] GASB Statement 84

[In Statement of Principle, Fund Financial Statements, delete the last sentence of subparagraph (c); insert the following after the first sentence:] The recognition of certain liabilities of fiduciary activities is discussed in paragraph .138 of this section. [NCGAS 1, ¶57, as amended by GASBS 6, ¶15; GASBS 34, ¶6 and ¶79; GASBS 34, ¶92, as amended by GASBS 63, ¶8; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, and GASBS 84, ¶21; GASBS 84, ¶22]

.138 [Insert the following after the last sentence:] For other fiduciary activities, a liability to the beneficiaries of a fiduciary activity should be recognized in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. [GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, and GASBS 84, ¶21; GASBS 84, ¶22]

* * *

CLASSIFICATION AND TERMINOLOGY SECTION 1800

.113 [Delete *agency*.] [GASBS 62, ¶34, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

[Revise heading before paragraph .803 as follows:]

Reporting Negative Cash Balances in Custodial Funds

.803 [Replace *Agency funds* with *Custodial funds*; replace *agency funds* with *custodial funds*.] [AICPA SLG 2002, ¶5.28, as amended by GASBS 84, ¶18]

* * *

DEFINING THE FINANCIAL REPORTING ENTITY SECTION 2100

Sources: [Add the following:] GASB Statement 84

.110 [Replace *Component units that are fiduciary in nature* with *Fiduciary component units*.] [GASBS 14, ¶11, as amended by GASBS 34, ¶80 and ¶82 and GASBS 63, ¶8; GASBS 34, ¶6, ¶14, and ¶75; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

.118 [Replace *.196* with *.197*; delete the last two sentences.] [GASBS 14, ¶19, as amended by GASBS 35, ¶5 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20 and ¶22–¶25]

.126 [Insert subparagraph (d) as follows; in paragraph following subparagraph (d), replace *Exchange transactions* with *Except as noted in d, exchange transactions*.]

d. The primary government is legally obligated or has otherwise assumed the obligation to make contributions to an organization that is a pension plan or OPEB plan.

[GASBS 14, ¶27, as amended by GASBS 61, ¶6 and GASBS 84, ¶7; GASBS 84, ¶7]

.143 [Insert the following at the end of the paragraph:] When reported in the fiduciary fund financial statements of a primary government, a fiduciary component unit should include the combined information of its own component units that are fiduciary component units. That combined information should be aggregated with the primary government's fiduciary funds based on the classifications of fiduciary funds (see paragraphs .128–.134 of Section 1300). [GASBS 14, ¶43; GASBS 84, ¶26]

.706-3 [Revise the last sentence of answer as follows:] (See Questions .706-7, .708-4, and .711-4 in this section for discussion of primary governments as potential component units.) [GASBIG 2015-1, Q4.6.2, as amended by GASBS 84, ¶5]

[Delete Question .706-8.]

[Replace Questions .709-1–.709-3 with the following:] *No questions assigned.*

[Revise Question .711-5 as follows:]

.711-5 Q—Should a pension plan be evaluated as a component unit of a primary government?

A—Yes. A pension plan should be evaluated using the financial accountability criteria of this section. In addition, paragraph .141 of this section notes that other organizations should be evaluated as potential component units if they are closely related to the primary government to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion.

[GASBIG 2015-1, Q4.62.2 and GASBIG 2016-1, Q4.13, as amended by GASBS 84, ¶6 and ¶7]

.719-1 [Replace *Component units that are fiduciary in nature* with *Fiduciary component units*.] [GASBIG 2015-1, Q4.27.1, as amended by GASBS 84, ¶5]

* * *

Sources: [Add the following:] GASB Statement 84

Statement of Principle [Replace *funds and component units that are fiduciary in nature* with *fiduciary funds, including fiduciary component units,*] [NCGAS 1, ¶128, as amended by GASBS 14, ¶11, ¶19, ¶43, and ¶65; GASBS 14, ¶12 and ¶66, as amended by GASBS 61, ¶4; GASBS 34, ¶6, ¶14, ¶15, ¶63, and ¶75; GASBS 34, ¶13, ¶106, and ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 34, ¶80 and ¶82, as amended by GASBS 63, ¶8; GASBS 44]

.102 [Replace *and similar component units* with *, including fiduciary component units*.] [GASBS 34, ¶6, as amended by GASBS 84, ¶5]

.105 [In subparagraph b(3)(b)(iii), replace *and component units that are fiduciary in nature* with *including fiduciary component units*; revise subparagraph b(5)(a)(i) as follows:] By fund type—when a primary government (including its blended component units) has more than one internal service fund or more than one nonmajor governmental or enterprise fund—or by type of fiduciary fund (including fiduciary component units)—when a primary government has more than one type of fiduciary fund. [NCGAS 1, ¶139, as amended by GASBS 6, ¶25, GASBS 34, ¶80, ¶82, and ¶130, GASBS 63, ¶8, and GASBS 84, ¶14–¶18; GASBS 14, ¶19 and ¶50; GASBS 34, ¶6, ¶75, ¶78, and ¶96, and fn35, fn36, fn49, and fn50; GASBS 34, ¶12 and ¶106, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 34, ¶91, as amended by GASBS 63, ¶8]

.110 [In subparagraph (b), replace *component units that are fiduciary in nature* with *fiduciary component units*.] [GASBS 34, ¶12, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶5]

.111 [Revise the second through fourth sentences as follows:] The statements should include the primary government and its component units, except for fiduciary activities. Fiduciary funds, including fiduciary component units, should be reported only in the statements of fiduciary net position and changes in fiduciary net position. (See paragraphs .197–.200.) [GASBS 34, ¶13, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20 and ¶22–¶25]

[Insert new paragraph .173 as follows; renumber subsequent paragraphs:]

.173 Business-type activities, including enterprise funds, may report assets with a corresponding liability that otherwise should be reported in a custodial fund in the statement of net position of the business-type activity if those assets, upon receipt, are normally expected to be held for three months or less. [GASBS 84, ¶19]

.181 [In current paragraph .180, delete *agency*.] [GASBS 62, ¶34, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

[Revise heading before current paragraph .196 as follows:] Required Financial Statements—Fiduciary Funds (including Fiduciary Component Units)

.197 [In current paragraph .196, replace *as well as component units that are fiduciary in nature* with *including fiduciary component units*; replace *fund type* with *type of fiduciary fund*; replace *agency funds* with *custodial funds*.] [GASBS 34, ¶106, as amended by GASBS 63, ¶8, GASBS 73, ¶115 and ¶116, GASBS 74, ¶20, and GASBS 84, ¶5 and ¶14–¶18]

.198 [Revise the first sentence of current paragraph .197 as follows:] The statement of fiduciary net position should include information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position for pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. [GASBS 34, ¶108, as amended by GASBS 63, ¶7 and ¶8, GASBS 67, ¶15–¶21, GASBS 73, ¶115 and ¶116, GASBS 74, ¶21–¶27, and GASBS 84, ¶20; GASBS 63, ¶7; GASBS 84, ¶20 and ¶22]

[Replace current paragraph .198 with new paragraphs .199 and .200 as follows; renumber subsequent paragraphs.]

.199 The statement of changes in fiduciary net position should be used to report additions to and deductions from the fiduciary net position for pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Except for entities that apply paragraph .200, the statement of changes in fiduciary net position should disaggregate additions by source including, if applicable, separate display of: (a) investment earnings, (b) investment costs (including investment management fees, custodial fees, and all other significant investment-related costs), and (c) net investment earnings (investment earnings minus investment costs). Investment-related costs should be reported as investment costs if they are separable from investment earnings and administrative costs. The statement of changes in fiduciary net position should disaggregate deductions by type and, if applicable, should separately display administrative costs. [GASBS 34, ¶109, as amended by GASBS 63, ¶8, GASBS 67, ¶22–¶29, GASBS 73, ¶115 and ¶116, GASBS 74, ¶20–¶33, and GASBS 84, ¶23; GASBS 84, ¶23]

.200 A government may report a single aggregated total for additions and a single aggregated total for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions should indicate the nature of the resource flows. An example of a description of the nature of a custodial fund addition is *property taxes collected for other governments.* An example of a description of the nature of a custodial fund deduction is *property taxes distributed to other governments.* A government that reports a defined benefit pension plan or defined benefit OPEB plan in a fiduciary fund should report changes in the fund's net position in accordance with the detailed display requirements of Section Pe5 or Section Po50, as applicable. [GASBS 34, ¶109, as amended by GASBS 63, ¶8, GASBS 67, ¶22–¶29, GASBS 73, ¶115 and ¶116, GASBS 74, ¶20–¶33, and GASBS 84, ¶24 and ¶25; GASBS 84, ¶24 and ¶25]

[Delete current paragraphs .199 and .200, including heading; renumber subsequent paragraphs.]

.208 [Delete subparagraph e(3) and footnote 56; renumber subsequent footnotes.] [NCGAS 1, ¶143 and ¶147, as amended by GASBS 34, ¶12, ¶78, ¶80, ¶82, ¶86, ¶91, ¶106, ¶107, ¶112, and ¶130, GASBS 63, ¶8, and GASBS 84, ¶23; GASBS 9, ¶6; GASBS 34, ¶75 and ¶96, and fn35 and fn36]

.214 [Revise the second sentence as follows:] Fiduciary component units, however, should be included only in the fund financial statements with the primary government's fiduciary funds and should be aggregated with the primary government's fiduciary funds based on the fiduciary fund classifications identified in Section 1300. [GASBS 34, ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 84, ¶26]

[In current footnote 58, replace c*omponent units that are fiduciary in nature* with *fiduciary component units*.] [GASBS 34, fn48, as amended by GASBS 84, ¶5]

[In current footnote 60, replace *only in business-type activities* with *only in business-type activities or only in business-type and fiduciary activities*.] [GASBS 34, fn51, as amended by GASBS 63, ¶8 and GASBS 84, ¶14]

.702-2 [Replace *paragraphs .107 and .108 of Section Sp20* with *paragraphs .113–.116 of Section Sp20*.]

.702-4 [Revise the first sentence of the question as follows:] A special-purpose government is involved in a single governmental activity but also reports a pension plan that is a fiduciary activity of the government in a pension trust fund. [GASBIG 2015-1, Q7.3.5, as amended by GASBS 84, ¶14 and ¶15]

.702-5 [Replace *fiduciary fund type* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q7.4.1, as amended by GASBS 84, ¶14–¶18]

.704-13 [Replace *and similar component units* with *, including fiduciary component units*.] [GASBIG 2015-1, Q7.84.1, as amended by GASBS 84, ¶5]

[Delete Question .706-4; renumber subsequent questions.]

.729-8 [Replace *fiduciary fund type* with *type of fiduciary fund*; replace *agency funds* with *custodial funds*.] [GASBIG 2015-1, Q7.55.5, as amended by GASBS 84, ¶14–¶18]

[Revise heading .756 as follows:] Required Financial Statements—Fiduciary Funds (including Fiduciary Component Units)

.756-1 [Replace *by fund type* with *for each type of fund*.] [GASBIG 2016-1, Q4.61, as amended by GASBS 84, ¶14–¶18]

.756-3 [Replace *investment trust funds* with *fiduciary funds*; replace *"net position held in trust for pool participants."* with *"net position held for pool participants."*.] [GASBIG 2016-1, Q4.62, as amended by GASBS 84, ¶18]

.756-4 [Replace *component units that are fiduciary in nature* with *fiduciary component units*; replace *fiduciary fund types* with *fiduciary funds*.] [GASBIG 2015-1, Q7.77.4, as amended by GASBS 84, ¶5 and ¶14–¶18]

.756-5 [Insert *as fiduciary activities* at the end of the first sentence of the question; in the answer, delete *only* in the third sentence, and delete the fourth and fifth sentences.] [GASBIG 2016-1, Q4.63, as amended by GASBS 84, ¶6, ¶7, ¶10, and ¶14]

[In heading .759, replace *Agency Funds* with *Custodial Funds*.]

.759-1 [In the second sentence of the question, replace *an agency fund* with *a custodial fund*; in the remainder of the question and answer, replace *agency* with *custodial*. Revise the last sentence of the question as follows:] How should the county report the portion collected and on hand for the county's purposes? [GASBIG 2015-1, Q7.81.1, as amended by GASBS 84, ¶14 and ¶18]

[Revise Question .759-2 as follows:]

.759-2 Q—If a government uses a central payroll system and reports all payroll deductions in a custodial fund, should the unremitted balances in the custodial fund at year-end be reclassified to the funds from which the payroll deductions arose?

A—No. The operating funds have transferred the withheld amounts to the custodial fund and thus have no further liability. The custodial fund appropriately reports the unremitted amounts as liabilities.

[GASBIG 2015-1, Q7.81.2, as amended by GASBS 84, ¶18 and ¶21]

* * *

NOTES TO FINANCIAL STATEMENTS SECTION 2300

.106 [Revise subparagraph a(1) as follows:] A description of the government-wide financial statements, noting that fiduciary activities are not included. (See Section 2200, paragraph .111.)

[In subparagraph a(3), replace *fiduciary fund types* with *each type of fiduciary fund*.]

[NCGAS 1, ¶158; NCGAI 6, ¶4, as amended; GASBS 34, ¶113, ¶114, ¶117–¶120, and ¶123, as amended by GASBS 62, ¶4; GASBS 34, ¶115, as amended by GASBS 62, ¶4, GASBS 63, ¶8, and GASBS 84, ¶5; GASBS 34, ¶116, ¶121, and ¶122, as amended by GASBS 62, ¶4 and GASBS 63, ¶8; GASBS 38, ¶6, as amended by GASBS 84, ¶14–¶18; GASBS 38, ¶7, ¶9, ¶10, ¶14, and ¶15; GASBS 45, ¶24 and ¶25; GASBS 54, ¶23 and ¶24; GASBS 56, ¶8–¶11, as amended by GASBS 63, ¶8; GASBS 56, ¶12–¶14; GASBS 62, ¶90–¶95, ¶106–¶109, ¶112, ¶113, ¶201, ¶223, ¶231, ¶239, ¶255, ¶256, and ¶270]

.107 [In subparagraph (z), delete *reported as investment trust funds*.]

.126 [Replace *fiduciary fund type* with *type of fiduciary fund*.] [GASBS 38, ¶14, as amended by GASBS 84, ¶14–¶18]

.127 [In subparagraph (a) replace *internal service funds in the aggregate, and fiduciary fund type* with *and internal service funds in the aggregate*.] [GASBS 38, ¶15, as amended by GASBS 84, ¶23]

.703-2 [Replace *and similar component units* with *, including fiduciary component units*.] [GASBIG 2015-1, Q7.84.1, as amended by GASBS 84, ¶5]

* * *

CASH FLOWS STATEMENTS **SECTION 2450**

Sources: [Add the following:] GASB Statement 84

[Add new paragraph .117 as follows; renumber subsequent paragraphs.]

.117 A business-type activity that, in accordance with paragraph .116 of Section 1300, chooses to report in its statement of net position assets and liabilities that otherwise should be reported in a custodial fund should separately report additions and deductions, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of its statement of cash flows. [GASBS 84, ¶19]

.702-2 [Replace *investment trust funds* with *fiduciary funds*.] [GASBIG 2015-1, Q2.7.1, as amended by GASBS 84, ¶14]

[Revise Question .703-1 as follows:]

.703-1 Q—Should cash flows of fiduciary activities be included in the statement of cash flows for a university that reports using the business-type activities model?

A—A statement of cash flows is required for proprietary funds and entities that use proprietary fund accounting. A statement of cash flows is not required for fiduciary funds. Therefore, only if the university includes the cash and cash equivalent balances of the activity that otherwise would be a fiduciary activity with the cash and cash equivalents reported on the university's statement of net position in accordance with paragraph .116 of Section 1300, should the receipts and disbursements pertaining to those activities be included, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of the university's statement of cash flows.

[GASBIG 2015-1, Q2.7.2, as amended by GASBS 84, ¶5 and ¶19]

* * *

SEGMENT INFORMATION **SECTION 2500**

.102 [Revise second and third sentences as follows:] Special-purpose governments engaged only in business-type activities or only in business-type and fiduciary activities also are encouraged to present this information. (See Section Sp20, "Special-Purpose Governments," paragraphs .113, .114, and .116.) [GASBS 34, ¶123, as amended by GASBS 84, ¶14]

* * *

REPORTING ENTITY AND COMPONENT UNIT PRESENTATION AND DISCLOSURE **SECTION 2600**

[In the Statement of Principle, subparagraph (c), replace the last sentence with the following:] Fiduciary funds, including fiduciary component units, should be reported only in the statements of fiduciary net position and changes in fiduciary net position. [NCGAS 1, ¶128, as amended by GASBS 14, ¶11, ¶19, ¶43, and ¶65; GASBS 14, ¶12 and ¶66, as amended by GASBS 61, ¶4; GASBS 34, ¶6, ¶14, and ¶15; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 44]

.101 [Replace the last sentence with the following:] Fiduciary funds, including fiduciary component units, should be included only in the statements of fiduciary net position and changes in fiduciary net position. [GASBS 14, ¶1, ¶9, and ¶11; GASBS 34, ¶6, ¶14, and ¶15; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

.104 [Replace *paragraphs .193–.197* with *paragraphs .197–.200*; delete the last two sentences.] [GASBS 14, ¶19 as amended by GASBS 35, ¶5 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20 and ¶22–¶25]

.105 [Replace *Component units that are fiduciary in nature* with *Fiduciary component units*.] [GASBS 14, ¶42; GASBS 34, ¶6 and ¶125, as amended by GASBS 84, ¶5; GASBS 39, ¶7]

.106 [Insert the following at the end of the paragraph:] When reported in the fiduciary fund financial statements of a primary government, a fiduciary component unit should include the combined information of its own component units that are fiduciary component units. That combined information should be aggregated with the primary government's fiduciary funds based on the classifications of fiduciary funds (see paragraphs .128–.134 of Section 1300). [GASBS 14, ¶43; GASBS 84, ¶26]

.107 [Revise the third sentence as follows:] Financial data for fiduciary component units should be reported only in the fund financial statements in the primary government's statements of fiduciary net position and changes in fiduciary net position. [GASBS 14, ¶44, as amended by GASBS 35, ¶5; GASBS 34, ¶14 and ¶107; GASBS 34, ¶106 and ¶125, as amended by GASBS 63, ¶8 and GASBS 84, ¶5; GASBS 34, ¶126, as amended by GASBS 63, ¶8]

.108 [Replace *component units that are fiduciary in nature* with *fiduciary component units*.] [GASBS 14, ¶51, as amended by GASBS 34, ¶127 and fn50, GASBS 61, ¶8, and GASBS 63, ¶8; GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 34, fn49, as amended by GASBS 84, ¶5]

.111 [Replace *only in business-type activities* with *only in business-type activities or only in business-type and fiduciary activities*.] [GASBS 14, ¶50; GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 34, fn51, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 37, ¶18]

.115 [Revise the first sentence as follows:] For governments engaged only in business-type activities or only in business-type and fiduciary activities that use a single column for financial statement presentation of their business-type activities, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes to the financial statements. [GASBS 61, ¶9, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶14]

[Delete Questions .702-1 and .702-2; renumber subsequent questions.]

[Replace current Questions .702-3 and .702-4 with the following:]

.702-1 Q—Should a pension plan be evaluated as a component unit of a primary government?

A—Yes. A pension plan should be evaluated using the financial accountability criteria of Section 2100. In addition, paragraph .141 of Section 2100 notes that other organizations should be evaluated as potential component units if they are closely related to the primary government to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion.

[GASBIG 2015-1, Q4.62.2 and GASBIG 2016-1, Q4.13, as amended by GASBS 84, ¶6 and ¶7]

.703-1 [Replace *Component units that are fiduciary in nature* with *Fiduciary component units*.] [GASBIG 2015-1, Q4.27.1, as amended by GASBS 84, ¶5]

.704-2 [Replace *component units that are fiduciary in nature* with *fiduciary component units*.] [GASBIG 2015-1, Q4.28.1, as amended by GASBS 84, ¶5]

.704-8 [Replace *fiduciary in nature* with *a fiduciary component unit*.] [GASBIG 2015-1, Q4.28.11, as amended by GASBS 84, ¶5]

.706-3 [Replace *fund type* with *fund type (or type of fiduciary fund)*.] [GASBIG 2015-1, Q4.30.3, as amended by GASBS 84, ¶26]

* * *

STATISTICAL SECTION **SECTION 2800**

.109 [Revise subparagraph (a) as follows:] Governments engaged only in business-type activities or only in business-type and fiduciary activities should present, for their business-type activities, revenues by major source and should distinguish between operating and nonoperating revenues and expenses in the statistical section of their separately issued financial reports. [GASBS 44, ¶10, as amended by GASBS 63, ¶8, GASBS 73, ¶115 and ¶116, GASBS 74, ¶3, ¶58, and ¶59, and GASBS 84, ¶14]

* * *

FAIR VALUE MEASUREMENT SECTION 3100

.161 [In subparagraph (e), replace *fiduciary fund types and component units* with *fiduciary funds (including fiduciary component units)*.] [GASBS 72, ¶80, as amended by GASBS 84, ¶5 and ¶14–¶18]

* * *

CASH DEPOSITS WITH FINANCIAL INSTITUTIONS SECTION C20

.104 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBS 40, ¶5, as amended by GASBS 84, ¶14–¶18]

.701-2 [In first paragraph of the answer, replace *for which the reporting entity is a custodian and that are reported in an agency, trust, or other fund—such as deferred compensation plan assets and* with *that are used to report fiduciary activities of the reporting entity—such as* and delete the last sentence of the paragraph; in second paragraph of the answer, replace *an agency fund* with *a custodial fund*.] [GASBIG 2016-1, Q4.2, as amended by GASBS 84, ¶5, ¶14, and ¶18]

.704-1 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.2, as amended by GASBS 84, ¶14–¶18]

.704-6 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.8, as amended by GASBS 4, ¶14–¶18]

* * *

[Revise the second and third sentences of footnote 8 as follows:] Entities that are reported as proprietary funds, fiduciary funds, or discretely presented component units of a primary government may participate in a risk financing internal service fund of that primary government. However, other stand-alone entities (see Section 2600, "Reporting Entity and Component Unit Presentation and Disclosure," paragraph .126) that (a) engage only in business-type activities, only in fiduciary activities, or only in business-type and fiduciary activities and (b) are not considered to be a part of another financial reporting entity should not use an internal service fund (and the related provisions of paragraph .128) to report their own risk financing activities. [GASBS 10, fn12, as amended by GASBS 14, ¶66, GASBS 34, ¶138 and ¶139, and GASBS 84, ¶14]

.706-1 [Insert the following at the end of the answer:] The requirements for recognition in fiduciary funds of liabilities to the beneficiaries of fiduciary activities are set forth in paragraph .138 of Section 1600. [GASBIG 2015-1, Q3.58.1, as amended by GASBS 84, ¶21]

.715-1 [Replace *it is believed that there is no fiduciary or trust relationship in risk financing activities* with *risk financing activities are not fiduciary activities*.] [GASBIG 2015-1, Q3.49.1, as amended by GASBS 84, ¶5]

.716-1 [In second sentence of the answer, replace *trust funds* with *fiduciary funds*; revise fourth sentence of the answer as follows:] Stand-alone entities that
(a) are engaged only in business-type activities, only in fiduciary activities, or only in business-type and fiduciary activities and (b) are not considered to be a part of another financial reporting entity should not use an internal service fund to report their own risk financing activities. [GASBIG 2015-1, Q3.55.2, as amended by GASBS 84, ¶14]

* * *

DEFERRED COMPENSATION PLANS (IRC SECTION 457) SECTION D25

Sources: [Delete GASB Statement 34 and GASB Implementation Guide 2015-1.]

[Delete paragraph .101 and heading that precedes it; renumber subsequent paragraph.]

[Delete Question .701-1; renumber subsequent question.]

*   *   *

ESCHEAT PROPERTY — SECTION E70

Sources: [Remove GASB Statement 34.]

.102 [Replace *for individuals, private organizations, or another government* with *as a fiduciary activity*; replace *an agency* with *a custodial*.] [GASBS 37, ¶3, as amended by GASBS 84, ¶17 and ¶18]

.104 [Replace the second sentence with the following:] Escheat transactions reported in private-purpose trust funds or custodial funds in the statements of fiduciary net position and changes in fiduciary net position should be excluded from the government-wide financial statements. [GASBS 37, ¶3, as amended by GASBS 63, ¶8 and GASBS 84, ¶18, ¶23, and ¶24]

[Replace Question .702-1 with the following:]

.702-1 Q—Should a fund be classified as a private-purpose trust fund if its principal or income benefits a discretely presented component unit?

A—No. The financial reporting entity includes its discretely presented component units. Thus, the criteria in paragraph .134c of Section 1300, "Fund Accounting," would not be met. The fund in this case may be reported as a special revenue fund, if it meets the criteria in paragraph .105 of Section 1300, or as part of the general fund.

[GASBIG 2015-1, Q7.52.6, as amended by GASBS 84, ¶11 and ¶17]

.702-2 [Replace *for individuals, private organizations, or another government* with *as a fiduciary activity*; replace *an agency fund* with *a custodial fund*; and revise the question as follows:] Should all escheat property be reported in a private-purpose trust fund? [GASBIG 2015-1, Q7.52.7, as amended by GASBS 84, ¶17 and ¶18]

.702-3 [Replace the last sentence with the following:] Alternatively, a governmental or proprietary fund may be used to account for only the amount that is expected to revert to the government, with the amounts held for claimants and amounts held for other governments accounted for in one or more fiduciary funds, as appropriate. [GASBIG 2015-1, Q7.52.8, as amended by GASBS 84, ¶14]

* * *

INVESTMENTS **SECTION I50**

.136 [In first sentence, replace *sponsors* with *reports*; replace *a separate investment trust fund (a fiduciary fund)* with *a fiduciary fund*; replace *net position—amounts held in trust for pool participants* with *net position held for pool participants*.] [GASBS 31, ¶18, as amended by GASBS 63, ¶8 and GASBS 84, ¶5 and ¶18; GASBS 34, ¶107; GASBS 34, ¶106, as amended by GASBS 63, ¶7 and ¶8]

.140 [Replace *fiduciary fund types and component units* with *fiduciary funds (including fiduciary component units)*.] [GASBS 72, ¶80, as amended by GASBS 84, ¶14–¶18]

.147 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBS 40, ¶5, as amended by GASBS 84, ¶14–¶18]

.568 [Revise definition as follows:] A governmental entity that provides an investment pool or individual investment accounts to other entities and that reports that activity as a fiduciary activity. [GASBS 31, ¶22, as amended by GASBS 84, ¶5]

.701-2 [In first paragraph of the answer, replace *for which the reporting entity is a custodian and that are reported in an agency, trust, or other fund—such as deferred compensation plan assets and* with *that are used to report fiduciary activities of the reporting entity—such as* and delete the last sentence of the paragraph; in second paragraph of the answer, replace *an agency fund* with *a custodial fund*.] [GASBIG 2016-1, Q4.2, as amended by GASBS 84, ¶5, ¶14, and ¶18]

[Delete Question .701-6; renumber subsequent questions.]

.701-6 [In current Question .701-7, replace *acting in a fiduciary capacity holds moneys that were* with *reports a fiduciary activity for moneys*.] [GASBIG 2016-1, Q4.27, as amended by GASBS 84, ¶14]

.713-6 [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q6.34.4, as amended by GASBS 84, ¶18]

.721-12 [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q6.29.3, as amended by GASBS 84, ¶18]

.725-1 [Replace *in an investment trust fund* with *in a fiduciary fund*; replace *that trust fund* with *that fund*.] [GASBIG 2015-1, Q6.34.3, as amended by GASBS 84, ¶14]

[Delete Question .725-4.]

.725-7 [Replace *investment trust funds* with *fiduciary funds*; replace *"net position held in trust for pool participants."* with *"net position held for pool participants."*.] [GASBIG 2016-1, Q4.62, as amended by GASBS 84, ¶18]

.726-1 [Replace *investment trust funds* with *fiduciary funds*.] [GASBIG 2015-1, Q6.43.5, as amended by GASBS 84, ¶18]

.726-2 [Replace *investment trust funds* with *fiduciary funds*.] [GASBIG 2015-1, Q6.45.1, as amended by GASBS 84, ¶18]

.726-4 [Replace *investment trust fund* with *fiduciary fund*.] [GASBIG 2015-1, Q6.45.3, as amended by GASBS 84, ¶18]

.733-4 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.8, as amended by GASBS 84, ¶14–¶18]

.734-8 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.2, as amended by GASBS 84, ¶14–¶18]

* * *

INVESTMENTS—REVERSE REPURCHASE AGREEMENTS SECTION I55

.107 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBS 40, ¶5, as amended by GASBS 84, ¶14–¶18]

.701-2 [In first paragraph of the answer, replace *for which the reporting entity is a custodian and that are reported in an agency, trust, or other fund—such as deferred compensation plan assets and* with *that are used to report fiduciary activities of the reporting entity—such as* and delete the last sentence of the paragraph; in second paragraph of the answer, replace *an agency fund* with *a custodial fund*.] [GASBIG 2016-1, Q4.2, as amended by GASBS 84, ¶5, ¶14, and ¶18]

.705-1 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.2, as amended by GASBS 84, ¶14–¶18]

.705-6 [Replace *fiduciary fund types* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q1.4.8, as amended by GASBS 84, ¶14–¶18]

* * *

LEASES SECTION L20

.101 [Replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 5, ¶5, as amended by GASBS 34, ¶6, ¶80, and ¶82, GASBS 63, ¶8, and GASBS 84, ¶5]

.102 [Replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 5, ¶6, as amended by GASBS 63, ¶8 and GASBS 84, ¶5]

.118 [Replace *(and similar component units)* with *(including fiduciary component units)*.] [NCGAS 5, ¶16, as amended by GASBS 13, ¶4–¶7, GASBS 34, ¶69, and GASBS 62, ¶216–¶221; NCGAS 5, ¶17, as amended by GASBS 13, ¶4–¶7 and GASBS 34, ¶69; GASBS 34, ¶92 and ¶107; GASBS 34, ¶106, as amended by GASBS 84, ¶5]

* * *

NONEXCHANGE TRANSACTIONS — SECTION N50

.128 [Replace *an agency fund* with *a custodial fund*.] [GASBS 24, ¶4, as amended by GASBS 35, ¶5; GASBS 24, ¶5, as amended by GASBS 35, ¶5 and GASBS 84, ¶18; GASBS 34, ¶6]

.715-2 [Replace *agency* with *fiduciary*.] [GASBIG 2015-1, Q7.72.10, as amended by GASBS 84, ¶5]

* * *

REPORTING ASSETS ACCUMULATED FOR DEFINED BENEFIT PENSIONS NOT PROVIDED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA — SECTION P23

.101 [Replace *hold* with *control*.] [GASBS 73, ¶5, as amended by GASBS 84, ¶5]

.106 [In first sentence, replace *holds* with *controls* and *in a fiduciary capacity* with *as a fiduciary activity*; replace *an agency fund* with *a custodial fund*; replace *the agency fund* with *the custodial fund*.] [GASBS 73, ¶116, as amended by GASBS 84, ¶5 and ¶18]

* * *

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS—EMPLOYER REPORTING — SECTION P50

.701-1 [Replace *agency fund* with *custodial fund*.] [GASBIG 2015-1, Q8.1.2, as amended by GASBIG 2016-1, ¶3 and GASBS 84, ¶18]

.701-2 [Replace *or agency fund* with *reports a custodial fund*; replace *as a trust or agency fund* with *as a trust or reports a custodial fund*; replace *the trust or agency fund* with *the trust or custodial fund*.] [GASBIG 2015-1, Q8.1.3, as amended by GASBIG 2016-1, Q5.16 and GASBS 84, ¶18]

.703-5 [Replace *an agency fund* with *a custodial fund*; replace *the agency fund* with *the custodial fund*.] [GASBIG 2015-1, Q8.15.4, as amended by GASBIG 2016-1, Q5.24 and GASBS 84, ¶18]

* * *

REPORTING ASSETS ACCUMULATED FOR DEFINED BENEFIT POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS NOT PROVIDED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA — SECTION P53

.101 [Replace *hold* with *control*.] [GASBS 74, ¶4, as amended by GASBS 84, ¶5]

.108 [In first sentence, replace *holds* with *controls* and *in a fiduciary capacity* with *as a fiduciary activity* ; replace *an agency fund* with *a custodial fund* ; replace *the agency fund* with *the custodial fund*.] [GASBS 74, ¶59, as amended by GASBS 84, ¶5 and ¶18]

* * *

SPECIAL ASSESSMENTS — SECTION S40

.119 [Replace *an agency fund* with *a custodial fund* ; delete *, to reflect the fact that the government's duties are limited to acting as an agent for the assessed property owners and the bondholders*.] [GASBS 6, ¶19, as amended by GASBS 84, ¶16; GASBS 34, ¶80 and ¶106, as amended by GASBS 63, ¶8]

* * *

CABLE TELEVISION SYSTEMS — SECTION Ca5

Sources: [Add the following:] GASB Statement 84

.102 [Insert the following as a new second sentence:] In addition, cable television systems may be engaged in fiduciary activities (see paragraphs .128–.136 of Section 1300, "Fund Accounting"). [GASBS 34, ¶15, ¶69, and ¶135; GASBS 84, ¶5]

.104 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .105, including heading, as follows; renumber subsequent paragraphs.]

Cable Television Systems Engaged Only in Business-Type Activities and Fiduciary Activities

.105 Governments engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (see Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (see Section 2200, paragraphs .198–.200). For these governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

* * *

COLLEGES AND UNIVERSITIES **SECTION Co5**

Sources: [Add the following:] GASB Statement 84

.102 [Insert the following as a new second sentence:] In addition, public colleges and universities may be engaged in fiduciary activities (see paragraphs .128–.136 of Section 1300, "Fund Accounting"). [GASBS 34, ¶15 and ¶135; GASBS 84, ¶5]

.106 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .107, including heading, as follows; renumber subsequent paragraphs.]

Reporting by Public Colleges and Universities Engaged Only in Business-Type Activities and Fiduciary Activities

.107 Public colleges and universities engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (see Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (see Section 2200, paragraphs .198–.200). For these governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

.111 [Revise the first sentence as follows:] For governments engaged only in business-type activities or only in business-type activities and fiduciary activities that use a single column for financial statement presentation of their business-type activities, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes to the financial statements. [GASBS 61, ¶9, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶14]

.702-1 [Replace *agency* with *fiduciary*.] [GASBIG 2015-1, Q7.72.10, as amended by GASBS 84, ¶5]

[Delete Question .703-2; renumber subsequent questions.]

[Revise renumbered Question .703-3 as follows:]

.703-3 Q—Is a state university, reporting as a business-type activity, required to use a single column, or can it present its activities in more than one column in the statement of net position; in the statement of revenues, expenses, and changes in net position; and in the statement of cash flows?

A—Institutions that elect to report as business-type activities, pursuant to the provisions in paragraph .106 or paragraph .107 of this section, may consider the full scope of their non-fiduciary activities to be a single business-type activity and, accordingly, would use a single column in the basic statements for those activities. On the other hand, some institutions may prefer to report as multiple business-type activities and use more than a single column for those activities (separately reporting auxiliary enterprises or healthcare facilities, for example) in the basic financial statements. However, other disaggregations, such as components of net position, do not constitute separate business-type activities and should not be reported in separate columns. (See also Questions .704-1 and .706-2 in Section Sp20 about using multiple columns for business-type activities.)

[GASBIG 2015-1, Q7.97.4, as amended by GASBS 84, ¶14]

[Insert new Question .704-1, including heading, as follows; renumber subsequent headings.]

.704 Reporting by Public Colleges and Universities Engaged Only in Business-Type Activities and Fiduciary Activities

.704-1 Q—Should cash flows of fiduciary activities be included in the statement of cash flows for a university that reports using the business-type activities model?

A—A statement of cash flows is required for proprietary funds and entities that use proprietary fund accounting. A statement of cash flows is not required for fiduciary funds. Therefore, only if the university includes the cash and cash equivalent balances of the activity that otherwise would be a fiduciary activity with the cash and cash equivalents reported on the university's statement of net position in accordance with paragraph .116 of Section 1300, should the receipts and disbursements pertaining to those activities be included, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of the university's statement of cash flows.

[GASBIG 2015-1, Q2.7.2, as amended by GASBS 84, ¶5 and ¶19]

* * *

Sources: [Add the following:] GASB Statement 84

.102 [Insert the following as a new second sentence:] In addition, hospitals and other healthcare providers may be engaged in fiduciary activities (see paragraphs .128–.136 of Section 1300, "Fund Accounting"). [GASBS 34, ¶15, ¶69, and ¶135; GASBS 84, ¶5]

.104 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .105, including heading, as follows; renumber subsequent paragraphs.]

Hospitals and Other Healthcare Providers Engaged Only in Business-Type Activities and Fiduciary Activities

.105 Hospitals and other healthcare providers engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (see Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (see Section 2200, paragraphs .198–.200). For these governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

.112 [Revise the first sentence as follows:] For governments engaged only in business-type activities or only in business-type activities and fiduciary activities that use a single column for financial statement presentation of their business-type activities, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes to the financial statements. [GASBS 61, ¶9, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶14]

* * *

INSURANCE ENTITIES—OTHER THAN PUBLIC ENTITY RISK POOLS — SECTION In3

Sources: [Add the following:] GASB Statement 84

.102 [Insert the following as a new second sentence:] In addition, insurance entities may be engaged in fiduciary activities (see paragraphs .128–.136 of Section 1300, "Fund Accounting"). [GASBS 34, ¶15, ¶69, and ¶135; GASBS 84, ¶5]

.104 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .105, including heading, as follows; renumber subsequent paragraphs.]

Insurance Entities Engaged Only in Business-Type Activities and Fiduciary Activities

.105 Governments engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (see Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (see Section 2200, paragraphs .198–.200). For these governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

* * *

INVESTMENT POOLS (EXTERNAL) — SECTION In5

.103 [Revise sources as follows:] GASBS 31, ¶17; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 84, ¶20 and ¶23

.702-1 [Replace *investment trust funds* with *fiduciary funds*; delete the last sentence of the answer.] [GASBIG 2015-1, Q2.7.1, as amended by GASBS 84, ¶14]

.702-2 [Replace *in an investment trust fund* with *in a fiduciary fund*; replace *that trust fund* with *that fund*.] [GASBIG 2015-1, Q6.34.3, as amended by GASBS 84, ¶14]

* * *

PENSION PLANS ADMINISTERED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA—DEFINED BENEFIT **SECTION Pe5**

.110 [Replace *acts as the fiduciary entrusted with administering* with *administers*.] [GASBS 67, ¶11, as amended by GASBS 84, ¶5]

.701-18 [Replace *paragraphs .108–.110* with *paragraphs .115–.118*; replace *.196* with *.197*. In last paragraph of the answer, revise the second sentence as follows:] Fiduciary fund financial statements are required to include a separate column for each type of fiduciary fund, including pension and other employee benefit trust funds. [GASBIG 2015-1, Q5.64.3, as amended by GASBIG 2016-1, Q5.7 and GASBS 84, ¶14–¶20 and ¶22–¶25]

.701-19 [Replace *agency fund* with c*ustodial fund*; revise the last sentence of the answer as follows:] The requirements of Section Po50, Po51, or P53 would apply to financial reporting of the postemployment healthcare plan by the state agency that administers the postemployment healthcare plan if the arrangement is a fiduciary activity of that agency. [GASBIG 2015-1, Q5.64.4, as amended by GASBIG 2016-1, Q5.8 and GASBS 84, ¶5, ¶18, ¶22, and ¶25]

.703-2 [Replace *by fund type* with *for each type of fund*.] [GASBIG 2016-1, Q4.61, as amended by GASBS 84, ¶14–¶18]

* * *

PENSION PLANS ADMINISTERED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA—DEFINED CONTRIBUTION **SECTION Pe6**

.107 [Replace *acts as the fiduciary entrusted with administering* with *administers*.] [GASBS 67, ¶11, as amended by GASBS 84, ¶5]

.702-1 [Replace *paragraphs .196–.198* with *paragraphs .197–.200*.] [GASBIG 2015-1, Q5.113.1, as amended by GASBS 84, ¶20 and ¶22–¶25]

*   *   *

PUBLIC ENTITY RISK POOLS **SECTION Po20**

Sources: [Add the following:] GASB Statement 84

.114 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

*   *   *

POSTEMPLOYMENT BENEFIT PLANS (OTHER THAN PENSION PLANS) ADMINISTERED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA—DEFINED BENEFIT **SECTION Po50**

.112 [Replace *act as the fiduciary entrusted with administering* with *administer*.] [GASBS 74, ¶18, as amended by GASBS 84, ¶5]

.701-1 [Replace *or agency fund* with *reports a custodial fund*; replace *in a fiduciary capacity* with *as a fiduciary activity*; replace *as a trust or agency fund* with *as a trust or reports a custodial fund*; replace *the trust or agency fund* with *the trust or custodial fund*.] [GASBIG 2015-1, Q8.1.3, as amended by GASBIG 2016-1, Q5.16 and GASBS 84, ¶5 and ¶18]

*   *   *

POSTEMPLOYMENT BENEFIT PLANS (OTHER THAN PENSION PLANS) ADMINISTERED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA—DEFINED CONTRIBUTION SECTION Po51

.105 [Replace *act as the fiduciary entrusted with administering* with *administer*.] [GASBS 74, ¶18, as amended by GASBS 84, ¶5]

* * *

SPECIAL-PURPOSE GOVERNMENTS SECTION Sp20

Sources: [Add the following:] GASB Statement 84

.102 [Replace the last sentence with the following:] Fiduciary activities are those that meet the criteria in paragraphs .128–.136 of Section 1300, "Fund Accounting." [GASBS 34, ¶15 and ¶69; GASBS 34, ¶135, as amended by GASBS 84, ¶5–¶13]

[Insert the following heading before paragraph .103:]

Use of Enterprise Funds

[Insert new paragraphs .104–.109 as follows, including heading; renumber subsequent paragraphs and footnote.]

Use of Fiduciary Funds

.104 [GASBS 84, ¶14–¶19, including footnote; renumber subsequent footnotes.]

[Revise the heading before renumbered paragraph .113 as follows:] Reporting by Certain Special-Purpose Governments Engaged in Business-Type Activities

.113 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .114 as follows; renumber subsequent paragraphs:]

.114 Governments engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (Section 2200, paragraphs .198–.200). For those governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

.115 [Replace *paragraph .197* with *paragraph .198*; replace *paragraph .198* with *paragraphs .199 and .200*.] [GASBS 34, ¶129; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 84, ¶20 and ¶22–¶25]

[Revise the heading before renumbered paragraph .115 as follows:] Reporting by Certain Special-Purpose Governments Engaged in Fiduciary Activities

[Insert new paragraph .116 as follows; renumber subsequent paragraphs:]

.116 Special-purpose governments engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (Section 2200, paragraphs .198–.200). For those governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

.118 [Replace, *a PERS* with *and that are fiduciary activities of a PERS, the PERS*; replace *paragraph .109* with *paragraph .117*; and replace *paragraphs .197 and .198* with *paragraphs .198–.200*.] [GASBS 34, ¶141, as amended by GASBS 73, ¶115 and ¶116, GASBS 74, ¶13, and GASBS 84, ¶5 and ¶20–¶26; GASBS 84, ¶20, ¶23, and ¶24]

.119 [Insert the following at the end of the last sentence:] or only in business-type activities and fiduciary activities (paragraph .114 or paragraph .116). [GASBS 34, ¶147, as amended by GASBS 62, ¶4 and GASBS 84, ¶14]

.123 [Revise the first sentence as follows:] For governments engaged only in business-type activities or only in business-type activities and fiduciary activities that use a single column for financial statement presentation of their business-type activities, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes to the financial statements. [GASBS 61, ¶9, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶14]

[Insert new headings .703 and .704, as well as associated text, as follows; renumber subsequent headings and associated questions.]

.703 Use of Enterprise Funds

No questions assigned.

.704 Use of Fiduciary Funds

No questions assigned.

.705-2 [Revise the first sentence of the question as follows:] A special-purpose government is involved in a single governmental activity but also reports a pension that is a fiduciary activity of the government in a pension trust fund. [GASBIG 2015-1, Q7.3.5, as amended by GASBS 84, ¶14 and ¶15]

[Revise heading .706 as follows:] Reporting by Certain Special-Purpose Governments Engaged in Business-Type Activities

[Revise renumbered Questions .706-1–.706-3 as follows:]

.706-1 [Replace *paragraph .107* with *paragraph .113*.] [GASBIG 2015-1, Q7.97.1, as amended by GASBS 84, ¶19]

.706-2 Q—If a multiple-enterprise-fund business-type activity combines its funds to provide for a single-column presentation, are underlying fund financial statements also required to be included in the basic financial statements?

A—Yes. Paragraph .113b or paragraph .114 of this section requires the presentation of enterprise *fund* financial statements. The specific requirements for the content and form of enterprise fund financial statements are set forth in paragraphs .170–.196 of Section 2200 and paragraphs .130 and .137 of Section 1600. Paragraph .171 of Section 2200 refers to the major fund reporting requirements in paragraph .158 of Section 2200 and further requires the presentation of a combined total column for enterprise funds. The required combined total columns may be presented on the same pages as the enterprise fund financial statements or on separate pages. (See also Question .706-3 in this section about using a single column for business-type activities.)

[GASBIG 2015-1, Q7.97.2, as amended by GASBS 84, ¶19]

.706-3 Q—Is a state university, reporting as a business-type activity, required to use a single column, or can it present its activities in more than one column in the statement of net position; in the statement of revenues, expenses, and changes in net position; and in the statement of cash flows?

A—Institutions that elect to report as business-type activities, pursuant to the provisions in paragraph .113 or paragraph .114 of this section, may consider the full scope of their non-fiduciary activities to be a single business-type activity and, accordingly, would use a single column in the basic statements for those activities. On the other hand, some institutions may prefer to report as multiple business-type activities and use more than a single column for those activities (separately reporting auxiliary enterprises or healthcare facilities, for example) in the basic financial statements. However, other disaggregations, such as components of net position, do not constitute separate business-type activities and should not be reported in separate columns. (See also Questions .706-1 and .706-2 about using multiple columns for business-type activities.)

[GASBIG 2015-1, Q7.97.4, as amended by GASBS 84, ¶14]

[Revise heading .707 as follows:] Reporting by Certain Special-Purpose Governments Engaged in Fiduciary Activities

.707-1 [Replace *paragraphs .108–.110* with *paragraphs .115–.118*; replace *.196* with *.197*. In last paragraph of the answer, revise the second sentence as follows:] Fiduciary fund financial statements are required to include a separate column for each type of fiduciary fund, including pension and other employee benefit trust funds. [GASBIG 2015-1, Q5.64.3, as amended by GASBIG 2016-1, Q5.7, as amended by GASBS 84, ¶14–¶20 and ¶22–¶25]

.707-2 [Insert *as fiduciary activities* at the end of the first sentence of the question; in the answer, delete *only* in the third sentence and delete the fourth and fifth sentences.] [GASBIG 2016-1, Q4.63, as amended by GASBS 84, ¶6, ¶7, ¶10, and ¶14]

* * *

UTILITIES **SECTION Ut5**

Sources: [Add the following:] GASB Statement 84

.102 [Insert the following as a new second sentence:] In addition, utilities may be engaged in fiduciary activities (see paragraphs .128–.136 of Section 1300, "Fund Accounting"). [GASBS 34, ¶15, ¶69, and ¶135; GASBS 84, ¶5]

.104 [Replace *.195* with *.196*.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19]

[Insert new paragraph .105, including heading, as follows; renumber subsequent paragraphs.]

Utilities Engaged Only in Business-Type Activities and Fiduciary Activities

.105 Governments engaged only in business-type activities and fiduciary activities should present only the financial statements required for enterprise funds (see Section 1600, paragraphs .130–.137, and Section 2200, paragraphs .170–.196) and the financial statements required for fiduciary funds (see Section 2200, paragraphs .198–.200). For these governments, basic financial statements and RSI consist of those financial statements, MD&A (Section 2200, paragraphs .106–.109, as appropriate), and RSI other than MD&A, if applicable (Section 2200, paragraph .205). [GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, and ¶22–¶25]

.112 [Revise the first sentence as follows:] For governments engaged only in business-type activities or only in business-type activities and fiduciary activities that use a single column for financial statement presentation of their business-type activities, a component unit may be blended by consolidating its financial statement data within the single column of the primary government and presenting condensed combining information in the notes to the financial statements. [GASBS 61, ¶9, as amended by GASBS 63, ¶7 and ¶8 and GASBS 84, ¶14]

* * *

E2. The instructions that follow update the Codification Instructions of Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for the effects of this Statement.

* * *

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS—REPORTING FOR BENEFITS NOT PROVIDED THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA—DEFINED BENEFIT **SECTION P52**

.602 [In the Response to Question 2, replace *an agency fund* with *a custodial fund*.] [GASBTB 2006-1, ¶8, as amended by GASBS 74, ¶58 and ¶59, GASBS 75, ¶5 and ¶16, and GASBS 84, ¶18]

* * *

E3. The instructions that follow update the June 30, 2016 *Comprehensive Implementation Guide* for the effects of this Statement.

* * *

[Update cross-references throughout.]

* * *

1.2.4. [In first paragraph of the answer, replace *for which the reporting entity is a custodian and that are reported in an agency, trust, or other fund—such as deferred compensation plan assets and* with *that are used to report fiduciary activities of the reporting entity—such as* and delete the last sentence of the paragraph; in second paragraph of the answer, replace *an agency fund* with *a custodial fund*.] [GASBIG 2016-1, Q4.2, as amended by GASBS 84, ¶5, ¶14, and ¶18]

2.7.1. [Replace *investment trust fund* with *fiduciary fund*; delete the last sentence of the answer.] [GASBIG 2015-1, Q2.7.1, as amended by GASBS 84, ¶14]

[Revise Question 2.7.2 as follows:]

2.7.2. Q—Should cash flows of fiduciary activities be included in the statement of cash flows for a university that reports using the business-type activities model?

A—A statement of cash flows is required for proprietary funds and entities that use proprietary fund accounting. A statement of cash flows is not required for fiduciary funds. Therefore, only if the university includes the cash and cash equivalent balances of the activity that otherwise would be a fiduciary activity with the cash and cash equivalents reported on the university's statement of net position in accordance with paragraph .116 of Section 1300, should the receipts and disbursements pertaining to those activities be included, if significant, as cash inflows and cash outflows, respectively, in the operating activities category of the university's statement of cash flows.

[GASBIG 2015-1, Q2.7.2, as amended by GASBS 84, ¶5 and ¶19]

3.49.1. [Replace *it is believed that there is no fiduciary or trust relationship in risk financing activities* with *risk financing activities are not fiduciary activities*.] [GASBIG 2015-1, Q3.49.1, as amended by GASBS 84, ¶5]

3.55.2. [In second sentence of the answer, replace *trust funds* with *fiduciary funds*; revise fourth sentence of the answer as follows:] Stand-alone entities that (a) are engaged only in business-type activities, only in fiduciary activities, or only in business-type and fiduciary activities and (b) are not considered to be a part of another financial reporting entity should not use an internal service fund to report their own risk financing activities. [GASBIG 2015-1, Q3.55.2, as amended by GASBS 84, ¶14]

3.58.1. [Insert the following at the end of the answer:] The requirements for recognition in fiduciary funds of liabilities to the beneficiaries of fiduciary activities are set forth in paragraph 21 of Statement No. 84, *Fiduciary Activities.* [GASBIG 2015-1, Q3.58.1, as amended by GASBS 84, ¶21]

4.6.2. [Revise last sentence of the answer as follows:] (See Questions 4.9.7, 4.10.2, and 4.26.3 for discussion of primary governments as potential component units.) [GASBIG 2015-1, Q4.6.2, as amended by GASBS 84, ¶5]

[In heading 4.14, replace *Relationships* with *Activities*.]

[Delete Questions 4.14.1 and 4.14.2.]

4.27.1. [Replace *Component units that are fiduciary in nature* with *Fiduciary component units*.] [GASBIG 2015-1, Q4.27.1, as amended by GASBS 84, ¶5]

4.28.1. [Replace *component units that are fiduciary in nature* with *fiduciary component units*.] [GASBIG 2015-1, Q4.28.1, as amended by GASBS 84, ¶5]

4.28.11. [Replace *fiduciary in nature* with *a fiduciary component unit*.] [GASBIG 2015-1, Q4.28.11, as amended by GASBS 84, ¶5]

4.30.3. [Replace *fund type* with *fund type (or type of fiduciary fund)*.] [GASBIG 2015-1, Q4.30.3, as amended by GASBS 84, ¶26]

4.62.1. [Replace question and answer with the following:] [See Question 4.62.2.]

4.62.2. Q—Should a pension plan be evaluated as a component unit of a primary government?

A—Yes. A pension plan should be evaluated using the financial accountability criteria of Statement 14. In addition, paragraph 41 of that Statement, as amended, notes that other organizations should be evaluated as potential component units if they are closely related to the primary government to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion.

[GASBIG 2015-1, Q4.62.2 and GASBIG 2016-1, Q4.13, as amended by GASBS 84, ¶6 and ¶7]

5.64.3. [In second sentence of the answer, replace *Statement 34, as amended,* with *Statement 34, as amended, and Statement 84*. In last paragraph of the answer, revise the second sentence as follows:] Fiduciary fund financial statements are required to include a separate column for each type of fiduciary fund, including pension and other employee benefit trust funds. [GASBIG 2015-1, Q5.64.3, as amended by GASBIG 2016-1, Q5.7, as amended by GASBS 84, ¶14–¶20 and ¶22–¶25]

5.64.4. [Replace *agency fund* with *custodial fund*; revise the last sentence of the answer as follows:] The requirements of Statement 74 would apply to financial reporting of the postemployment healthcare plan by the state agency that administers the postemployment healthcare plan if the arrangement is a fiduciary activity of that agency. [GASBIG 2015-1, Q5.64.4, as amended by GASBIG 2016-1, Q5.8 and GASBS 84, ¶5, ¶18, ¶22, and ¶25]

6.6.3. [Replace *acting in a fiduciary capacity holds moneys that were* with *reports a fiduciary activity for moneys*.] [GASBIG 2016-1, Q4.27, as amended by GASBS 84, ¶14]

6.29.3. [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q6.29.3, as amended by GASBS 84, ¶18]

6.34.3. [Replace *in an investment trust fund* with *in a fiduciary fund*; replace *that trust fund* with *that fund*.] [GASBIG 2015-1, Q6.34.3, as amended by GASBS 84, ¶14]

6.34.4. [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q6.34.4, as amended by GASBS 84, ¶18]

[Delete Question 6.43.2.]

6.43.5. [Replace *investment trust funds* with *fiduciary funds*.] [GASBIG 2015-1, Q6.43.5, as amended by GASBS 84, ¶18]

6.45.1. [Replace *investment trust funds* with *fiduciary funds*.] [GASBIG 2015-1, Q6.45.1, as amended by GASBS 84, ¶18]

6.45.3. [Replace *investment trust fund* with *fiduciary fund*.] [GASBIG 2015-1, Q6.45.3, as amended by GASBS 84, ¶18]

7.3.5. [Revise the first sentence of the question as follows:] A special-purpose government is involved in a single governmental activity but also reports a pension plan that is a fiduciary activity of the government in a pension trust fund. [GASBIG 2015-1, Q7.3.5, as amended by GASBS 84, ¶14 and ¶15]

7.4.1. [Replace *fiduciary fund type* with *each type of fiduciary fund*.] [GASBIG 2015-1, Q7.4.1, as amended by GASBS 84, ¶14–¶18]

[Delete Question 7.7.2.]

7.51.6. [Replace *an agency fund* with *a custodial fund*.] [GASBIG 2015-1, Q7.51.6, as amended by GASBS 84, ¶18]

7.52.2. [Revise answer as follows:] No. The assets are derived from the government's provision of goods and services to the inmates. In effect, the funds serve to reduce the amount of resources the county would otherwise have to raise to pay for those expenditures. If a separate fund is reported, it should be a special revenue fund. [GASBIG 2015-1, Q7.52.2, as amended by GASBS 84, ¶11]

7.52.3. [Replace *an agency fund* with *a custodial fund*; remove italics.] [GASBIG 2015-1, Q7.52.3, as amended by GASBS 84, ¶18]

[Delete Question 7.52.4.]

7.52.5. [Replace *private-purpose trust fund* with *fiduciary fund*.] [GASBIG 2015-1, Q7.52.5, as amended by GASBS 84, ¶14]

[Replace Question 7.52.6 with the following:]

7.52.6. Q—Should a fund be classified as a private-purpose trust fund if its principal or income benefits a discretely presented component unit?

A—No. The financial reporting entity includes its discretely presented component units. Thus, the criteria in paragraph 11c(3) of

Statement 84 would not be met. The fund in this case may be reported as a special revenue fund, if it meets the criteria in Statement 54 or as part of the general fund.

[GASBIG 2015-1, Q7.52.6, as amended by GASBS 84, ¶11 and ¶17]

7.52.7. [Replace *for individuals, private organizations, or another government* with *as a fiduciary activity*; replace *an agency fund* with *a custodial fund*; and revise the question as follows:] Should all escheat property be reported in a private-purpose trust fund? [GASBIG 2015-1, Q7.52.7, as amended by GASBS 84, ¶17 and ¶18]

7.52.8. [Replace the last sentence with the following:] Alternatively, a governmental or proprietary fund may be used to account for only the amount that is expected to revert to the government, with the amounts held for claimants and amounts held for other governments accounted for in one or more fiduciary funds, as appropriate. [GASBIG 2015-1, Q7.52.8, as amended by GASBS 84, ¶14]

7.55.5. [Replace *fiduciary fund type* with *type of fiduciary fund*; replace *agency funds* with *custodial funds*.] [GASBIG 2015-1, Q7.55.5, as amended by GASBS 84, ¶14–¶18]

7.72.10. [Replace *agency* with *fiduciary*.] [GASBIG 2015-1, Q7.72.10, as amended by GASBS 84, ¶5]

7.77.1. [Replace *by fund type* with *for each type of fund*.] [GASBIG 2016-1, Q4.61, as amended by GASBS 84, ¶14–¶18]

7.77.3. [Replace *investment trust funds* with *fiduciary funds*; replace *"net position held in trust for pool participants."* with *"net position held for pool participants."*] [GASBIG 2016-1, Q4.62, as amended by GASBS 84, ¶18]

7.77.4. [Replace *component units that are fiduciary in nature* with *fiduciary component units*; replace *fiduciary fund types* with *fiduciary funds*.] [GASBIG 2015-1, Q7.77.4, as amended by GASBS 84, ¶5 and ¶14–¶18]

7.77.5. [Insert *as fiduciary activities* at the end of the first sentence of the question; in the answer, delete *only* in the third sentence and delete the fourth and fifth sentences.] [GASBIG 2016-1, Q4.63, as amended by GASBS 84, ¶6, ¶7, ¶10, and ¶14]

[In heading 7.81, replace *Agency* with *Custodial*.]

7.97.1. [Replace *Paragraph 138 of Statement 34, as amended,* with *Paragraph 138 of Statement 34, as amended, and paragraph 19 of Statement 84*.] [GASBIG 2015-1, Q7.97.1, as amended by GASBS 84, ¶19]

7.81.1. [In the second sentence of the question, replace *an agency fund* with *a custodial fund*; in the remainder of the question and answer, replace *agency* with *custodial*. Revise the last sentence of the question as follows:] How should the county report the portion collected and on hand for the county's purposes? [GASBIG 2015-1, Q7.81.1, as amended by GASBS 84, ¶14 and ¶18]

[Revise Question 7.81.2 as follows:]

7.81.2. Q—If a government uses a central payroll system and reports all payroll deductions in a custodial fund, should the unremitted balances in the custodial fund at year-end be reclassified to the funds from which the payroll deductions arose?

A—No. The operating funds have transferred the withheld amounts to the custodial fund and thus have no further liability. The custodial fund appropriately reports the unremitted amounts as liabilities.

[GASBIG 2015-1, Q7.81.2, as amended by GASBS 84, ¶18 and ¶21]

7.84.1. [Replace *and similar component units* with *, including fiduciary component units*.] [GASBIG 2015-1, Q7.84.1, as amended by GASBS 84, ¶5]

7.97.2. [Revise the answer as follows:] Yes. Paragraph 138b of Statement 34, as amended, requires the presentation of enterprise fund financial statements. The specific requirements for the content and form of enterprise fund financial statements are set forth in paragraphs 91–105 of that Statement, as amended ("Required Financial Statements—Proprietary Funds"), and paragraph 19 of Statement No. 84, *Fiduciary Activities.* Paragraph 96 of Statement 34 refers to the major fund reporting requirements in paragraph 75 of that Statement and further requires the presentation of a combined total column for enterprise funds. The required combined total columns may be presented on the same pages as the enterprise fund financial statements or on separate pages. (See also Question 7.97.4 about using a single column for BTAs.) [GASBIG 2015-1, Q7.97.2, as amended by GASBS 84, ¶19]

7.97.4. [Revise the answer as follows:] Institutions that elect to report as BTAs, pursuant to the provisions in paragraph 138 of Statement 34, as amended, may consider the full scope of their non-fiduciary activities to be a single business-type activity and, accordingly, would use a single column in the basic financial statements for those activities. On the other hand, some institutions may prefer to report as multiple BTAs and use more than a single column for those activities (separately reporting auxiliary enterprises or healthcare facilities, for example) in the basic financial statements. However, other disaggregations, such as components of net position, do not constitute separate business-type activities and should not be reported in separate columns. (See also Questions 7.97.1 and 7.97.2 about using multiple columns for BTAs.) [GASBIG 2015-1, Q7.97.4, as amended by GASBS 84, ¶14]

8.1.2. [Replace *agency fund* with *custodial fund*.] [GASBIG 2015-1, Q8.1.2, as amended by GASBIG 2016-1, ¶3 and GASBS 84, ¶18]

8.1.3. [Replace *or agency fund* with *reports a custodial fund*; replace *as a trust or agency fund* with *as a trust or reports a custodial fund*; replace *the trust or agency fund* with *the trust or custodial fund*.] [GASBIG 2015-1, Q8.1.3, as amended by GASBIG 2016-1, Q5.16 and GASBS 84, ¶18]

8.15.4. [Replace *an agency fund* with *a custodial fund*; replace *the agency fund* with *the custodial fund*.] [GASBIG 2015-1, Q8.15.4, as amended by GASBIG 2016-1, Q5.24 and GASBS 84, ¶18]