
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

CHANGES RESULTING FROM ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2021, the State implemented the following pronouncements and implementation guide issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 84, *Fiduciary Activities*,
- Statement No. 92, *Omnibus 2020*, paragraphs 6-10, and 12,
- Statement No. 93, *Replacement of Interbank Offered Rates*, all paragraphs except 11b, 13, and 14,
- Statement No. 98, *The Annual Comprehensive Financial Report*,
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

Statement No. 84 provides criteria for determining and identifying fiduciary activities of a government. The focus is on whether the government has control of the assets of the fiduciary activity and the beneficiaries with whom the government has a fiduciary relationship with. Activity meeting the criteria should be reported in the fiduciary fund of the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position should be presented. There are four types of fiduciary funds that should be reported, 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds.

Statement No. 92 provides guidance on intra-entity transfers of assets; reporting assets accumulated for defined benefit postemployment benefits provided through plans that are not administered through trusts that meet specified criteria; applicability of certain requirements of GASB Statement 84 to postemployment benefit arrangements; exception to the acquisition value in a government acquisition; and nonrecurring fair value measurements.

Statement No. 93 provides guidance on the replacement of interbank offered rates, such as the London Interbank Offered Rate (LIBOR) when it no longer exists.

Statement No. 98 replaces the term *comprehensive annual financial report* with *annual comprehensive financial report* along with the associated acronym.

Implementation Guide No. 2019-2, *Fiduciary Activities* provides additional guidance on the requirements of Statement No. 84.