

IGFOA Technical Accounting Review Committee 2009 Recap

Committee Projects

GASB Statement 54 White Paper

In light of Statement 54's implementation for periods beginning after June 15, 2010, it was discussed that a white paper on this statement might be useful. The white paper should focus on issues most relevant, including but not limited to: 1) fund balance reclassifications applied retroactively (restating fund balance for prior periods represented); 2) elimination of the reserved component of fund balance in favor of a restricted classification; 3) fund balance disclosures and 4) other pertinent issues. TARC is looking for a few volunteers to assist with this white paper.

Impact of Illinois Municipal Retirement Fund Phase-In Rate on Local Government

Financial Statements / Audits. TARC volunteers met with Illinois Municipal Retirement Fund Chief Financial Officer Richard DeCleene in August to discuss the phase-in rate, and its impact on employers. IMRF provided examples that will be available to all employers. In addition, IMRF will post information on their public site.

Hot Topic Session at Conference: Committee members again this year planned and delivered a hot topic session at the Annual Conference in Springfield.

Discussion of GASB Proposal(s)

- Proposed Suggested Guidelines for Voluntary Reporting, SEA Performance Information (No. 20-2). Issued June 30, 2009. Comment Deadline October 30, 2009. http://www.gasb.org/exp/SEA_Proposal.pdf

*TARC stood by comments submitted to GASB in October of 2008, namely,
" We agree that while external reporting of SEA performance information assists users in assessing accountability and in making better informed decisions, it is imperative that SEA reporting remain voluntary in nature.*

We respectfully request that attainability be added to the qualitative characteristics of SEA essential components. Certain goals and objectives of an organization may be worth monitoring and reporting, but not currently attainable due to financial, legal or other hurdles (i.e., need for a referendum to issue bonds).

We strongly oppose any current or future SEA reporting as a requirement for a CAFR or as any part of audited financial statements. We are concerned that under "SEA Reports and the Reporting of SEA Performance Information" paragraph 16, the reference to "other financial document" may open the door to SEA inclusion in the CAFR. The process of taking non-audited information from decentralized sources within an organization, which an auditor has no basis to believe the information to be reasonable, and including this in an audited document reduces the credibility of the financial statements."

Discussion of GASB Exposure Drafts

- Financial Instruments Omnibus (No. 26-3). Issued June 30, 2009. Comment Deadline October 30, 2009. http://www.gasb.org/exp/ed_fio.pdf
TARC sees this exposure draft as sufficient. TARC will monitor.
- OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans (No. 19-15). Issued June 26, 2009. Comment Deadline August 28, 2009. http://www.gasb.org/exp/ed_opeb.pdf
It was decided not to respond this exposure draft as the GASB statement was a favorable change per TARC.
- Pension Accounting and Financial Reporting. Issued March 31, 2009 (No. 34). Comment Deadline July 31, 2009. http://www.gasb.org/exp/itc_pension_accounting_and_financial_reporting.pdf
Following extensive discussion, TARC prepared detailed response with examples.

For detailed committee reports, visit http://www.igfoa.org/TARC_update.html