



To the Mayor and Members of the City Council

SUBJECT: Implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities"

Background

In January 2017, the GASB issued Statement No. 84 (Statement) which provides criteria for state and local governments to use to identify whether an activity is fiduciary and should be reported in the basic financial statements. This Statement enhances the value of the information within the financial statements for measuring government accountability and stewardship, and provides the criteria for three types of activities: 1) fiduciary component units, 2) pension and OPEB arrangements that are not component units, and 3) other fiduciary activities.

This Statement is effective for the City's financial periods beginning October 1, 2020 (fiscal year 2021).

Overall Effect on the Financial Reporting

The Financial Management Services Department (FMS) has reviewed and assessed current activities to determine if they meet the requirements for reporting as fiduciary activities. FMS will continue to review and evaluate future activities to ensure proper accounting treatment and financial reporting.

Impact on City

Effective October 1, 2020, the Rock Creek Public Improvement District (PID) Debt Service Fund's assets, liabilities, and fund balance will be moved to a custodial fund. The beginning fund balances of the City's Debt Service Fund will be restated.

If you have any questions, please call Reginald Zeno, Chief Financial Officer, at 817-392-8517.