

ORANGE WATER AND SEWER AUTHORITY

GASB34 - Before and After:
Comparative Presentation of Pro
Forma Financial Statements

Degree of Effort to Convert

- Proprietary Fund Accounting
- Governmental Fund Accounting

Degree of Effort to Convert

- Proprietary (Enterprise) Fund Accounting

Minimum impact in preparation and format

Degree of Effort to Convert

- Proprietary Fund Accounting

Minimal impact in preparation and format

- Governmental Fund Accounting

Degree of Effort to Convert

- Proprietary Fund Accounting

Minimal impact in preparation and format

- Governmental Fund Accounting

Take Greg's advice – C₂H₆O should be involved

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- Financial Section
- Statistical Section
- Compliance Section

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- Introductory Section
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Introductory Section

Before

- OWASA Officers
- Organizational Chart
- Letter of Transmittal

After

- Letter of Transmittal
- **GFOA Certificate of Achievement**
- Organizational chart
- List of Appointed Officials

Financial Section

Before

- Independent Auditor's Report
- General Purpose Financial Statements
- Supplementary Schedules

After

- Independent Auditor's Report
- **Management Discussion and Analysis**
- Basic Financial Statements
- Supplementary Schedules

Management Discussion and Analysis

- Look to the “Blue Book”
- Content Will Vary by Entity
- Elements Will Not
 - No More/No Less Than Specified

Basic Financial Statements

Before

- Balance Sheet
- Statement of Revenue, Expense & Changes in Retained Earnings
- Statement of Cash Flows
- Notes

After

- Statement of Net Assets
- Statement of Revenue, Expense & Changes in Net Assets
- Statement of Cash Flows
- Notes

Balance Sheet

Statement of Net Assets

Assets

● Unrestricted Assets	24.3	● Unrestricted Assets	24.3
● Restricted Assets	3.3	● Restricted Assets	3.3
● PPE (net)	149.2	● PPE (net)	149.2
● Other Non-current Assets (net)	<u>.8</u>	● Other Non-current Assets (net)	<u>.8</u>
● Total Assets	177.6	● Total Assets	177.6

Balance Sheet

Statement of Net Assets

Liabilities

- Current Liabilities 5.7
- Non-current Liabilities 36.9
- Equity
 - Contributions 58.2
 - Retained Earnings 76.8
- Total Equity 135
- Total Liabilities & Equity 177.6

- Current Liabilities 5.7
- Non-current Liabilities 36.9
- Net Assets
 - Invested in Cap. Assets 110.3
 - Restricted Assets 2.3
 - Unrestricted 22.4
 - Total Net Assets 135
- Total Liabilities and Net Assets 177.6

Basic Financial Statements

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- Statement of Net Assets
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Statement of Revenue, Expense & Change in Retained Earnings

Statement of Revenue, Expense & Change in Net Assets

• Operating Revenue	17.6
• Operating Expense	15.5
• Non-operating Revenue (Expense)	<u>2.1</u>
• Income Before Contributions	4.2
• Capital Contributions	<u>3.3</u>
• Net Income	7.5
• Retained Earnings	
Beginning	<u>69.3</u>
Ending	76.8

• Operating Revenue	17.6
• Operating Expense	15.5
• Non-operating Revenue (Expense)	<u>2.1</u>
• Income Before Contributions	4.2
• Capital Contributions	<u>3.3</u>
• Increase in Net Assets	7.5
• Net Assets	
Beginning	<u>127.4</u>
Ending	135.0

Kevin Ray, OWASA

EFC/AWWA GASB 34 Workshop, February 19, 2002

Basic Financial Statements

Before

After

- Balance Sheet
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- Statement of Net Assets
- Statement of Revenue, Expense & Changes in Net Assets
- Statement of Cash Flows
- Notes

Statement of Cash Flows

- Essential Elements Remain Unchanged
 - Net Cash Provided by/Used for:
 - Operating Activities
 - Non-capital Financing Activities
 - Capital and Related Financing Activities
 - Investing Activities

Statement of Cash Flows

- Reconciliations

Cash and Cash Equivalents

Operating Income to Net Cash
Provided by Operations

Statement of Cash Flows

- Supplemental Disclosure of Non-cash Activities
 - Contributed PPE
 - Unrealized Grants, Reimbursements
 - Capitalized Interest
 - Adjustments in FMV

Notes to Financial Statements

- Items Common to All Entities
- Items Unique to the Reporting Entity
- Look to the “Blue Book”

Supplementary Schedules

- Schedule of Revenues and Expenditures - Budget and Actual
 - Essentially a Categorical Statement of Budgetary Performance
 - Reconciliation of Basis of Accounting
- Schedule of Revenues and Expenditures – Project Funds

Statistical Section

- Historical Revenue/Expense Data
- Utility Performance/Loading Data
- Demographics
- Component Unit/Parent Government Disclosure
- Other Miscellaneous Statistical Data

Compliance Section

- Auditor's Report on Compliance and Internal Control
- Auditor's OMB A-133 Statement
- Schedule of Compliance Findings and Questioned Costs
- Schedule of Prior Audit Findings
- Schedules of Expenditures – Federal & State Awards

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Questions?