

TABLE OF CONTENTS

Chapter		Paragraph
1	Overview and Introduction	.01-.24
	Scope and Purpose .....	.01-.08
	GAAP for State and Local Governments .....	.09-.14
	Applicable Auditing Standards and Requirements .....	.15-.20
	Guidance in Other AICPA Audit and Accounting Guides and Statements of Position .....	.21-.22
	Other Sources of Guidance .....	.23
	Organization of This Guide .....	.24
2	Financial Reporting	.01-.97
	Introduction and Overview .....	.01-.06
	Historical Perspective .....	.02-.06
	Governmental Financial Statements .....	.07-.53
	Management’s Discussion and Analysis .....	.09-.10
	Government-Wide Financial Statements .....	.11-.25
	Fund Financial Statements .....	.26-.44
	Notes to the Financial Statements .....	.45-.48
	Required Supplementary Information Other Than MD&A ...	.49-.52
	Special-Purpose Governments .....	.53
	Other Financial Reporting Issues .....	.54-.59
	Other Information and Supplementary Information .....	.54
	Prior-Period Comparative Financial Information .....	.55-.56
	Government Combinations and Disposals of Government Operations .....	.57-.59
	Fair Value Measurement .....	.60-.85
	General Principles of Fair Value .....	.61-.68
	Valuation Techniques .....	.69-.71
	Inputs to Valuation Techniques .....	.72-.75
	Fair Value Hierarchy .....	.76-.79
	Guidance for Fair Value Measurement in Special Circumstances .....	.80-.85
	Auditing Considerations .....	.86-.96
	Compliance Requirements .....	.87
	Fund and Activity Classifications .....	.88
	Major Funds .....	.89
	Restricted Assets .....	.90
	Notes to the Financial Statements .....	.91-.92
	Required Supplementary Information, Supplementary Information, and Other Information .....	.93-.94
	Other Financial Reporting Considerations .....	.95
	Accounting and Financial Reporting Alternatives .....	.96
	Appendix A—Accounting and Financial Reporting Alternatives in GASB Statement No. 34, as Amended ....	.97

Chapter		Paragraph
3	The Financial Reporting Entity	.01-.39
	Introduction .....	.01-.03
	GASB's Financial Reporting Entity Standards .....	.04-.29
	Definition of the Financial Reporting Entity .....	.05-.12
	Financial Statement Presentation .....	.13-.22
	Disclosures .....	.23-.25
	Other Financial Reporting Requirements .....	.26-.29
	Auditing Considerations .....	.30-.39
	Reporting Entity .....	.30
	Internal Control Over Financial Reporting .....	.31
	Audit Procedures .....	.32-.33
	Separate Component Unit Auditor .....	.34
	Presentation of Less Than a Complete Financial Reporting Entity .....	.35
	Departures of Component Unit Information From GAAP .....	.36
	Nongovernmental Component Unit Use of Private-Sector Standards .....	.37
	Changes in the Financial Reporting Entity .....	.38
	Other Component Unit Auditing Considerations .....	.39
4	General Auditing Considerations	.01-138
	Introduction .....	.01-.02
	General Principles and Responsibilities .....	.03-.29
	Overall Objectives .....	.03
	Terms of Engagement .....	.04-.08
	Laws and Regulations .....	.09-.22
	Auditor's Communication With Those Charged With Governance .....	.23-.27
	Communicating Internal Control Related Matters .....	.28-.29
	Auditor's Risk Assessment and Response to Assessed Audit Risk .....	.30-.66
	Planning an Audit .....	.30-.34
	Audit Strategy .....	.35-.40
	Understanding the Entity, Its Environment, and Its Internal Control .....	.41-.66
	Materiality in Planning and Performing an Audit .....	.67-.93
	GASB Guidance to Preparers on Materiality Determinations .....	.69-.70
	Auditor Materiality Determinations .....	.71-.87
	Performing Further Audit Procedures .....	.88-.93
	Related Parties and Transactions .....	.94
	Group Audit Engagements .....	.95-121

Chapter		Paragraph
4	General Auditing Considerations—continued	
	Other Audit Considerations .....	.122-.127
	Subcontracting Arrangements .....	.122
	Independence Requirements .....	.123-.127
	Required Supplementary Information, Supplementary Information, and Other Information .....	.128-.137
	Audit Scope Includes Required Supplementary Information or Supplementary Information .....	.131-.132
	Required Supplementary Information .....	.133
	Supplementary Information .....	.134-.136
	Other Information .....	.137
	Appendix A—Consideration of Fraud in a Financial Statement Audit .....	.138
5	Investments, Certain Equity Interests, and Derivatives	.01-.131
	Part I—Accounting, Financial Reporting, and Auditing Considerations for Investments and Certain Equity Interests .....	.04-.05
	Nature of Transactions .....	.06-.17
	Compliance Requirements and Deposit and Investment Policies .....	.06-.10
	Deposit and Investment Risk .....	.11
	Internal Investment Pools .....	.12
	Reverse Repurchase Agreements .....	.13
	Securities Lending Transactions .....	.14
	Investment Arrangements, Including External Investment Pools .....	.15-.17
	Accounting and Financial Reporting Considerations .....	.18-.55
	General Recognition Standards .....	.18-.55
	Auditing Considerations for Investments and Certain Equity Investments .....	.56-.99
	Risk Assessment .....	.57
	Overall Considerations Relating to Investments and Certain Equity Interests .....	.58-.59
	Identification of Material Classes of Transactions, Account Balances, and Disclosures .....	.60-.63
	Identification of Significant Risks Related to Valuation .....	.64-.67
	Determining Audit Strategy for Testing Investments at Fair Value .....	.68-.70
	Management’s Specialist and the Use of Others in Fair Value Measurement .....	.71-.99
	Part II—Accounting, Financial Reporting, and Auditing Considerations for Derivative Instruments .....	.100
	Nature of Transactions .....	.100-.113

Chapter		Paragraph
5	Investments, Certain Equity Interests, and Derivatives—continued	
	Accounting and Financial Reporting Considerations—	
	Derivative Instruments .....	.114-.120
	Auditing Considerations—Derivative Instruments .....	.121-.131
6	Revenues and Receivables	.01-.102
	Introduction .....	.01-.02
	Nature of Transactions .....	.03-.09
	Accounting and Financial Reporting Considerations .....	.10-.88
	Accounting .....	.11-.68
	Resource Flows Statement Classifications .....	.69-.85
	Financial Position Statement Classifications .....	.86-.87
	Disclosures .....	.88
	Auditing Considerations .....	.89-.102
	Confirmations .....	.94-.97
	Estimates .....	.98-.99
	Tax Abatement Disclosures .....	.100
	Confidential Records .....	.101
	Other Auditing Procedures .....	.102
7	Capital Assets	.01-.91
	Nature of Transactions .....	.01-.09
	Capital Asset Management .....	.03-.08
	Compliance Considerations .....	.09
	Accounting and Financial Reporting Considerations .....	.10-.74
	Accounting and Financial Statement Presentation—	
	Government-Wide Financial Statements .....	.13-.30
	Accounting and Financial Statement Presentation—	
	Governmental Funds .....	.31-.32
	Accounting and Financial Statement Presentation—	
	Proprietary Funds .....	.33
	Accounting and Financial Statement Presentation—	
	Fiduciary Funds .....	.34
	Capital Leases .....	.35-.38
	Capital Asset Impairment .....	.39-.44
	Modified Approach for Infrastructure Assets .....	.45-.53
	Specified Conditions Approach for Internally Generated	
	Intangible Assets—Other Than Computer Software .....	.54-.55
	Specified Conditions Approach for Internally Generated	
	Computer Software .....	.56-.59
	Interfund Movements and Intra-Entity Transfers of Capital	
	Assets .....	.60-.62
	Capital Assets Used in Landfills .....	.63
	Capital Assets Used in Pollution Remediation .....	.64
	Service Concession Arrangements .....	.65-.70
	Disclosures .....	.71-.72
	Management’s Discussion and Analysis .....	.73-.74

Chapter		Paragraph
7	Capital Assets—continued	
	Auditing Considerations .....	.75-91
	Capital Asset Records .....	.78-80
	Ownership of Infrastructure Assets .....	.81
	Useful Lives of Infrastructure Assets .....	.82
	Modified Approach for Infrastructure Assets .....	.83-91
8	Expenses or Expenditures and Liabilities	.01-.126
	Introduction .....	.01
	Nature of Transactions .....	.02-10
	Accounting and Financial Reporting Considerations .....	.11-114
	General Recognition Standards .....	.11-17
	Specific Recognition and Financial Reporting Standards ...	.18-60
	Expenses Resulting From Previously Incurred	
	Disbursements .....	.61-65
	Liabilities .....	.66-99
	Resource Flows Statement Classifications .....	.100-107
	Financial Position Statement Classifications .....	.108-109
	Disclosures .....	.110-112
	Management’s Discussion and Analysis .....	.113-114
	Auditing Considerations .....	.115-126
9	Interfund, Internal, and Intra-Entity Activity and Balances	.01-35
	Introduction .....	.01
	Nature of Transactions .....	.02-05
	Nature of Interfund Activity and Balances .....	.02-03
	Nature of Internal Activity and Balances .....	.04
	Nature of Intra-Entity Activity and Balances .....	.05
	Accounting and Financial Reporting Considerations .....	.06-35
	Reporting Interfund Activity and Balances .....	.06-15
	Reporting Internal Balances and Activity .....	.16-20
	Reporting Intra-Entity Activity and Balances .....	.21-26
	Differing Year Ends .....	.27
	Auditing Considerations .....	.28-35
10	Net Position and Financial Statement Reconciliations	.01-31
	Nature of Transactions .....	.01-04
	Financial Reporting Considerations .....	.05-24
	Government-Wide Net Position .....	.06-08
	Proprietary Fund Net Position .....	.09
	Governmental Fund Balances .....	.10-18
	Reconciliations—Net Position and Changes in Net Position	.19-21
	Fiduciary Fund Net Position .....	.22
	Disclosures .....	.23-24
	Auditing Considerations .....	.25-31

Chapter		Paragraph
11	The Budget	.01-.26
	Introduction .....	.01-.03
	Budgetary Processes .....	.04-.11
	Types of Budgets .....	.04-.06
	Legal Level of Budgetary Control .....	.07-.08
	Encumbrances .....	.09-.10
	Budgetary Basis .....	.11
	Financial Reporting Considerations .....	.12-.16
	Budgetary Comparison Schedules or Statements .....	.12-.13
	Disclosures .....	.14-.16
	Auditing Considerations .....	.17-.26
	Internal Control Considerations .....	.18
	Presentation of Budgetary Comparison Information .....	.19-.21
	Audit Support for Financial Statement Assertions .....	.22-.24
	Budgetary Compliance Considerations .....	.25-.26
12	Special-Purpose and State Governments	.01-.124
	Introduction .....	.01-.03
	Financial Reporting Requirements for Special-Purpose Governments .....	.04-.09
	Compliance Requirements .....	.10
	Specific Guidance for Special-Purpose Governments .....	.11-.89
	Hospitals and Other Health Care Providers .....	.11-.13
	School Districts .....	.14-.20
	Airports .....	.21-.23
	Public Housing Authorities .....	.24-.27
	Financing Authorities .....	.28-.35
	Transportation Systems .....	.36-.37
	Utilities .....	.38-.39
	Postemployment Benefit Plans .....	.40-.45
	Public Entity Risk Pools .....	.46-.50
	External Investment Pools .....	.51-.58
	Colleges and Universities .....	.59-.89
	Specific Guidance for Indian Tribes .....	.90-.94
	Specific Guidance for State Governments .....	.95-.124
	Nature and Organization of State Governments .....	.96-.99
	Specialized Reporting Requirements .....	.100
	Reporting Entity Definition .....	.101
	Separate Fund, Departmental, Agency, and Program Audits .....	.102
	Medicaid .....	.103-.105
	Food Stamps .....	.106
	Unemployment Compensation Benefit Plans .....	.107
	Lotteries .....	.108-.113
	Escheat Property .....	.114-.117
	State Tuition Programs .....	.118-.119

Chapter		Paragraph
12	Special-Purpose and State Governments—continued	
	Multistate Legal Settlements, Including Tobacco Settlement Resources .....	.120-.124
13	Defined Benefit Pension Plans (Plan & Employer Considerations)	.01-.183
	Introduction .....	.01-.06
	Nature of Transactions .....	.07-.15
	Types of Defined Benefit Pension Plans .....	.07-.08
	Number of Defined Benefit Pension Plans .....	.09-.10
	Relevance of Census Data .....	.11-.15
	Part I—Plan Accounting, Financial Reporting, and Auditing Considerations for Defined Benefit Pension Plans Administered Through a Qualifying Trust .....	.16-.95
	Accounting and Financial Reporting Considerations .....	.16-.43
	Auditing Considerations for the Pension Plan .....	.44-.95
	Part II—Employer Accounting, Financial Reporting, and Auditing Considerations: Single and Agent Employers ....	.96-.142
	Accounting and Financial Reporting Considerations .....	.96-.108
	Auditing Considerations for Single and Agent Employers ..	.109-.142
	Part III—Employer Accounting, Financial Reporting, and Auditing Considerations: Cost-Sharing Employers .....	.143-.180
	Accounting and Financial Reporting Considerations .....	.143-.165
	Auditing Considerations for Cost-Sharing Employers .....	.166-.180
	Appendix A—Governmental Employer Participation in Agent Multiple-Employer Plans: Issues Related to Information for Employer Reporting .....	.181
	Appendix B—Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting .....	.182
	Appendix C—Governmental Employer Participation in Single-Employer Plans: Illustrative Schedule of Pension Amounts and Illustrative Auditor’s Report .....	.183
14	Defined Benefit Postemployment Benefits Other Than Pensions (Plan & Employer Considerations)	.01-.218
	Introduction .....	.01-.05
	Nature of Transactions .....	.06-.16
	Types of Defined Benefit OPEB Plans .....	.06-.08
	OPEB Financing (Risk Management) and Administrative Arrangements .....	.09-.11
	Number of Defined Benefit OPEB Plans—OPEB Plans Administered Through a Qualifying Trust .....	.12-.13
	Relevance of Census Data .....	.14-.16
	Part I—Plan Accounting, Financial Reporting, and Auditing Considerations for Defined Benefit OPEB Plans Administered Through a Qualifying Trust .....	.17-.102
	Accounting and Financial Reporting Considerations .....	.17-.47

Chapter		Paragraph
14	Defined Benefit Postemployment Benefits Other Than Pensions (Plan & Employer Considerations)—continued	
	Auditing Considerations for OPEB Plans Administered Through a Qualifying Trust .....	.48-102
	Part II—Employer Accounting, Financial Reporting, and Auditing Considerations for Defined Benefit OPEB Plans Administered Through a Qualifying Trust: Single and Agent Employers .....	.103-149
	Accounting and Financial Reporting Considerations .....	.103-115
	Auditing Considerations for Single and Agent Employers Administered Through a Qualifying Trust .....	.116-149
	Part III—Employer Accounting, Financial Reporting, and Auditing Considerations for Defined Benefit OPEB Plans Administered Through a Qualifying Trust: Cost-Sharing Employers .....	.150-187
	Accounting and Financial Reporting Considerations .....	.150-172
	Auditing Considerations for Cost-Sharing Employers .....	.173-187
	Part IV—Employer Accounting, Financial Reporting, and Auditing Considerations for Defined Benefit OPEB Plans That Are Not Administered Through a Qualifying Trust ....	.188-218
	Accounting and Financial Reporting Considerations .....	.188-201
	Auditing Considerations for Employers When the Plan Is Not Administered Through a Qualifying Trust .....	.202-218
15	Concluding the Audit	.01-50
	Introduction .....	.01
	Misstatements and Audit Adjustments .....	.02-07
	Litigation, Claims, and Assessments .....	.08-10
	Written Representations .....	.11-15
	Related-Party Transactions .....	.16-19
	Going Concern Considerations .....	.20-31
	Subsequent Events .....	.32-42
	Analytical Procedures .....	.43
	Communicating With Those Charged With Governance .....	.44-46
	Audit Documentation .....	.47-50
16	Audit Reporting	.01-103
	Introduction .....	.01-03
	Materiality .....	.04-11
	Specific Issues in Reporting on the Audits of Governmental Financial Statements .....	.12-62
	Basic Financial Statements .....	.12
	The Auditor's Report .....	.13-35
	Special Situations .....	.36-62
	Required Supplementary Information, Supplementary Information, and Other Information .....	.63-86
	Audit Scope Includes Required Supplementary Information, Supplementary Information, or Other Information .....	.65

Chapter		Paragraph
16	Audit Reporting—continued	
	Required Supplementary Information .....	.66-.73
	Supplementary Information .....	.74-.79
	Other Information .....	.80-.86
	Other Financial Presentations .....	.87-.102
	Individual Fund Financial Statements .....	.87-.90
	Departmental, Agency, and Program Financial Statements .....	.91
	Special-Purpose Regulatory Presentations .....	.92
	Summary Financial Information .....	.93-.102
	Appendix A—Illustrative Auditor’s Reports .....	.103
17	Financial Statements Prepared in Accordance With a Special-Purpose Framework .....	.01-.19
	Accounting and Financial Reporting Considerations .....	.01-.06
	Auditing Considerations .....	.07-.17
	Auditor’s Reports .....	.15-.17
	Appendix A—Illustrative Auditor’s Reports .....	.18
	Appendix B—Overview of Reporting Requirements for Special-Purpose Financial Statements .....	.19
18	Auditor Involvement With Municipal Securities Filings .....	.01-.40
	Introduction .....	.01-.06
	Auditor Involvement With Municipal Securities Offerings .....	.07-.30
	Conditions Affecting Auditor Involvement .....	.08-.20
	Auditor Responsibilities When Involved in an Official Statement .....	.21-.27
	Engagement Terms Regarding Auditor Involvement .....	.28-.29
	Continuing Disclosure Documents .....	.30
	Using <i>Government Auditing Standards</i> Reports and References in the Official Statement .....	.31
	Letters for Underwriters and Other Requesting Parties .....	.32-.38
	References to the Auditor as an "Expert" .....	.38
	Attestation Engagements Related to Municipal Securities Issuances .....	.39-.40
Supplement		
Statement of Position 98-2		
Appendix		
A	Acronyms and Abbreviations	
B	Category B Guidance	
C	Overview of Statements on Quality Control Standards	
D	Schedule of Changes Made to the Text From the Previous Edition	
Index of Pronouncements and Other Technical Guidance		
Subject Index		

<http://www.pbookshop.com>