March 14, 2017

Mr. David Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, Connecticut 06856-5116

RE: Project No. 3-251, Financial Reporting Model Improvements – Governmental Funds

Dear Mr. Bean:

The Technical Accounting and Review Committee (TARC) of the Illinois Government Finance Officers Association (IGFOA) has reviewed the Invitation to Comment (ITC) on Financial Reporting Model Improvements – Governmental Funds.

The Committee would first like to address a technical clarification that is needed in the invitation to Comment. Paragraph 22d notes that long-term capital debt would be recognized if it is due within the subsequent operating cycle. The Committee feels it is inconsistent to recognize capital debt but not capital assets. We question if it was the Board’s intent to include capital debt in this model.

This ITC was perhaps one of the most challenging GASB documents that the Committee has discussed in recent years from the perspective that there was no immediate consensus among Committee members as to the best reporting model. In order to determine the best recommendation, the Committee discussed at great lengths the various users of the financial statements as noted in paragraph B1 to determine the best financial reporting model for the governmental funds. The diversity of the primary user groups makes it challenging to find a “one size fits all” reporting model. The Committee discussed investors and creditors who would more likely prefer the long-term model. However, the Committee also felt the investors and creditors were highly versed in reading governmental financial statements and could already locate relevant information in the current financial statements. The citizenry and legislative and oversight bodies range from very uneducated users to highly informed users, making it difficult to pinpoint one particular model. The Committee believes the current basic financial statements are confusing to many users with basic knowledge and that a long-term model may further confuse some users. Many users also do not understand the current difference between the entity-wide financial statements and the current governmental fund statements. On the other side, a user who is more familiar with private sector accounting would be more comfortable with the long term model.
During our meetings, the Committee also questioned the need to vastly change the current reporting model for the government funds. Rather, the Committee discussed it might be best for the Board to retain the current reporting model, but to address particular inconsistencies in the current model.

Before responding to the questions, the Committee would like to inform the Board that it strongly opposes the short-term reporting model. The Committee believes that this reporting model could be manipulated by management to produce more favorable or unfavorable results, based upon management’s intent. The term “normally due” is difficult to apply consistently and many estimates may be involved to prepare the financial statements. This model would also be more difficult to audit by the auditing firms, resulting in increased audit fees and time to complete the audit.

Based upon the Committee’s review of the ITC and in consideration of the users of the financial statements, the Committee is recommending a hybrid approach to the financial reporting model which will become more apparent upon the Committee’s responses to the questions in the ITC. In this model, certain parts of the report would be prepared in the long-term format and certain schedules would be presented in a near-term format.

The Committee is recommending the basic financial statements be presented in the long-term format. We believe that this would provide better comparability for the governmental funds and would also satisfy the investor/creditor user group desires. As the Board may be aware, the State of Illinois is in a financial crisis and has been looking at the fund balances of other governments in the state as a way to solve the State’s financial woes. The current governmental fund balance model does not illustrate all of the governmental fund obligations. By utilizing a long-term focus, the State will better understand that the fund balance of our governmental funds is not available for the State to usurp.

If a long-term reporting model is adopted, the Committee would suggest the Board consider developing a method to communicate the element of fund balance that is available for spending, much like the current unassigned fund balance in the current governmental fund reporting model. Such a metric would be a useful tool to communicate to the citizenry (and elected officials) the element of the fund balance in the long-term model that could be used to support current operations. In the sample balance sheet that is attached to this letter, there is a separate spendable net position which is distinct from the long-term net position. The spendable net position calculated using the current items in the balance sheet and the long term net position would be calculated by calculated the difference between noncurrent assets and liabilities.

In addition to long-term basic financial statements, the Committee recommends budget to actual schedules of financial resource flows be presented on a near-term basis in the Required Supplementary Information (RSI). The Committee recommends presenting all major funds and an aggregated statement for non-major funds in RSI. This would be consistent with the opinion level provided by the auditors. These RSI statements should include a reconciliation schedule to the long-term financial statements in the basic financial statements. The Committee believes these near-term financial statements would best address the needs of the citizenry, legislative, and oversight bodies who are more comfortable with a near-term approach that has similarities to the current model and would focus on amounts available for spending (fund balance). The Committee has prepared sample financial statements in this hybrid model which are attached to this letter. The Committee also discussed that
near-term statements could also be presented for the Enterprise Funds if a consistent reporting structure was desired for these RSI statements.

The Committee’s final suggestion would be for the Board to consider if entity-wide statements would still be relevant if the government funds are presented in a long-term model. The Committee is suggesting that a column be added to the government funds to capture the capital assets and capital debt in the governmental fund statements. Please reference our sample financial statements to see this illustration. The Committee believes if this column could be added, the entity-wide statements would no longer be necessary. Discretely presented component units can then be presented on their own separate statements, much like fiduciary funds are in the current financial reporting model.

**Question 2.1:** The Committee believes the financial statements should continue to present information that reflects a shorter time perspective to demonstrate legal compliance. If the financial statements no longer present any information on a short-term basis, there would be a large disconnect between the budget process and the year-end audited financial statements. The citizenry (via the elected officials) hold the audited financial statements as the confirmation that the government has adhered to the budget document that was enacted at the beginning of the fiscal year. A full long-term model would make it difficult for this user group to determine if the government adhered to its budget. Also, due to unfunded pension and other post-employment benefit (OPEB) liabilities, the long-term model year-end results would be more focused on the performance of the investment market than with the actual day-to-day operations of the government. The importance of a shorter time perspective is why the Committee is recommending that budget to actual schedules in RSI be presented in the near-term focus.

**Question 2.2:** Yes. The answer has been addressed in Question 2.1. To reiterate, the Committee feels elected officials (which represent the citizenry user group) believe it is important that the year-end financial reporting model facilitate a budget to actual comparison. Compliance with the budget has legal significance in the State of Illinois and the Committee feels this is important to communicate in the annual financial statements. The Committee believes that presenting Statements of Changes in Fund Balance in the near-term format in the RSI facilitates a budget to actual comparison which would be useful to the citizenry and elected officials.

**Question 2.3:** The definition of fiscal accountability as footnoted in the definition to this question highlights a shorter term perspective, and as such, the Committee believes a near-term approach would be more appropriate.

**Question 2.4:** Based upon the Committee’s discussion, the most frequent question asked from users of the financial statements regarding tax or revenue anticipation notes was regarding the balance at fiscal year-end. In the long-term basic financial statements suggested in our hybrid approach, the outstanding amount would be reported as a liability on the balance sheet which would highlight the response to this frequent question. If a near-term approach is adopted by the Board, the Committee believes anticipation notes should be included as a liability in the fund financial statements. The anticipation notes are mortgaging the future revenues that would be accrued in the financial statements and thus, should be reported as fund liabilities.
**Question 2.5:** The Committee believes prepaids and inventory are financial resources as they are consumable in lieu of financial resources. Having a prepaid asset prevents the need to consume financial resources in a future period. Having inventory on hand prevents the need to purchase additional items in a future period, thus reducing the need to consume financial resources. The existence of prepaids and inventories helps match the expense/expenditure to the period in which it is consumed, rather than the period in which it was purchased.

**Question 2.6:** The Committee’s suggested hybrid approach as noted above adequately responds to this question. The Committee did agree that it would prefer a 90 day availability period in the near-term financial reporting model. This would be in line with the current non-exchange transaction guidance and would also be in line with the sales tax remittance schedule in the State of Illinois.

**Question 2.7:** A same page reconciliation would more prominently identify the recognition differences between the governmental fund information and the government-wide financial statements. However, the Committee had concerns that the font on the statement may need to be so small to fit it on one page that the statement may be illegible without a magnifying glass. Further, the Committee suggests the Board strongly consider if there is a need for government-wide financial statements if a long-term model is adopted. In the case that a long-term model is adopted, a whole separate set of statements will be prepared for governmental activities, of which the only difference is capital assets and capital debt. If a long-term model is adopted, the Committee strongly suggests the Board consider ways to eliminate the need for the entity-wide statements or to simplify the presentation.

**Question 3.1:** The Committee strongly prefers the existing format and believes the current and long-term activity format would be too confusing to users of the financial statements. With the advent of terms like deferred inflows and outflows, the Committee believes more time has to be spent educating users of the financial statements on the terminology in the financial statements before we can even begin explaining the financial performance that is demonstrated therein. By the time we have finished explaining the terminology, we have lost the attention of the users. The Committee also felt strongly that the further governmental resource flow statements depart from a more traditional “income statement” the more difficult it is for the citizenry (a key user group of the financial statements) to understand the statements.

Further, the Committee strongly implores the Board to consider retaining the terms revenues and expenses (or expenditures) instead of changing the terminology. If it is necessary to redefine these terms in a GASB Statement, then that is preferred. Even educated users of the financial statements such as Board/Council members and finance committees fail to understand the nuances between the terms expenditures and expenses. Our Committee also finds that most users do not currently understand the terms deferred inflows and deferred outflows. Adding new terminology makes the financial statements more difficult to comprehend. Also, in the current negative government atmosphere that our country is in, we believe that by making the financial statements more difficult to understand, some user groups may incorrectly infer that a government was “hiding something” because they could not understand the information in the financial statements. Therefore, as mentioned before, we implore the Board to use terms that the user groups are already familiar with, such as revenues and expenses.
**Question 3.2:** We do not believe statements of cash flows to be required under our hybrid approach. The near-term schedules that we suggest are sufficiently close to cash basis and are consistent with statements that users see and understand. The Committee’s experience is that most users do not use statements of cash flows.

**Question 3.3:** Presenting additional statements of cash flows would greatly increase audit costs for governments that do not have the time or ability to prepare cash flow statements. For those governments that have the expertise to prepare the statements, this would increase staff time to prepare these additional cash flow statements. Governments are not easily in a position to increase staff in their finance departments to do so.

**Question 3.4:** As noted in 3.2 and 3.3, our Committee believes the cash flow statements to be unnecessary.

**Other Comments:**
As the Board evaluates the responses to this Invitation to Comment and works towards a Preliminary Views document, the Committee would ask the Board to revisit the entity-wide Statement of Activities. It is the Committee’s experience that very few users of the financial statements understand how to read this statement. The Committee also discussed that in many governments, there is little need to separate program revenues from general revenues. By charter, the services that the government provides would not be provided but for government. That is to say, the services that are provided typically are not covered alone by program revenues and capital grants, etc.

Lastly, it would be remiss to not mention those in our constituency who would prefer no change to the governmental fund financial statements. The current concept of fund balance is a hallmark of government operations that is understood by the users of the financial statements. The burden of changing from the current reporting model would be a challenging undertaking for governments, their staff, their boards, and other users. There are also those governments in our state for which the cost of implementing one of these models would be great. This may result in more governments transitioning back to a cash basis of accounting rather than implement the new standards.

The Committee has drafted our hybrid model with the assumption that GASB will be making some change to the reporting model and that the status quo is not under consideration. We are providing our best attempt to build a reporting model which can be useful by the all the user groups of the financial statements.

Again, TARC appreciates the opportunity to provide feedback to the Board on this Invitation to Comment.

Sincerely,

Christina Coyle, CPA  
Chair, Technical Accounting Review Committee  
Illinois Government Finance Officers Association
VILLAGE OF SOMEWHERE, ILLINOIS

LONG-TERM FINANCIAL RESOURCES BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2022

ASSETS

Current assets:
- Cash and investments $ 5,416,308 $ 3,747,880 $ 645,885 $ 168,581 $ 501,901 - $ 10,478,555
- Receivables (net, where applicable, of allowances for uncollectibles) - - - - - - -
  - Property taxes 5,249,341 - - - - - 5,249,341
  - Utility taxes - - - - - - -
  - Telecommunications tax 36,677 - - - - - 36,677
  - Accounts 169,676 - - - - - 169,676
  - Interest 893 486 - - - - 1,389
  - Other 30,169 - - - - - 30,169
- Due from other funds 58,437 - - - - - 58,437
- Intergovernmental receivable 1,272,602 - - - 54,944 - 1,327,546
- Inventory 10,462 - - - - - 10,462
- Prepaid items 94,094 - - - - - 94,094

Total current assets 12,338,637 3,748,376 910,873 168,581 556,945 - 17,723,312

Noncurrent assets:
- Capital assets not being depreciated - - - - - - -
- Capital assets being depreciated - - - - - - -

Total noncurrent assets - - - - - - -

Total assets 12,338,637 3,748,376 910,873 168,581 556,945 - 17,723,312

DEFERRED OUTFLOWS OF RESOURCES

- Unamortized loss on refunding 44,220
- Pensions 2,783,100 - - - - - 2,783,100

Total deferred outflows of resources 2,827,320 - - - - - 2,827,320

Total assets and deferred outflows of resources $ 15,165,957 $ 3,748,376 $ 910,873 $ 168,581 $ 556,945 $ 51,385,154 $ 71,935,786

LIABILITIES

Current liabilities:
- Accounts payable 184,138 $ - $ 302,163 $ - $ 8,196 $ - $ 494,497
- Accrued payroll 380,037 - - - - - 380,037
- Accrued interest payable - - - - - - -
- Deposits payable 186,113 - - - - - 186,113
- Unearned revenue 41,479 - - - - - 41,479
- Due to other funds 3,345 - - - - - 3,345
- Bonds payable - - - - - - -
  - Due from other funds 58,437 - - - - - 58,437
  - Intergovernmental payable 73,694 - - - - - 73,694

Total current liabilities 929,008 - - - - - 929,008

Noncurrent liabilities:
- Bonds payable - - - - - - -
  - Due to other funds 685,100 - - - - - 685,100
- Compressed absence payable 73,694 - - - - - 73,694
- Intergovernmental agreements payable - - - - - - -

Total noncurrent liabilities 20,012,714 - - - - - 20,012,714

Total liabilities 20,941,722 - - - - - 20,941,722

DEFERRED INFLOWS OF RESOURCES

- Pension benefits 565,147 - - - - - 565,147
- Taxes receivable levied for the next year 2,235,758 - - - - - 2,235,758

Total deferred inflows of resources 5,800,905 - - - - - 5,800,905

Total liabilities and deferred inflows of resources 26,742,627 - - - - - 26,742,627

LONG-TERM FINANCIAL RESOURCES NET POSITION

SPENDABLE NET POSITION

- Restricted for capital purposes - - - - - - -
- Restricted for specific purposes - - - - - - -
- Restricted for debt service - - - - - - -
- Unrestricted - - - - - - -

Total spendable net position 5,517,549 3,748,376 910,873 168,581 556,945 45,885,187 51,385,154 71,935,786

LONG TERM NET POSITION

- Net investment in capital assets - - - - - - -
- Restricted for specific purposes - - - - - - -
- Restricted for capital purposes - - - - - - -
- Restricted for debt service - - - - - - -
- Unrestricted (17,185,394) - - - - - (17,185,394)

Total long-term net position (17,185,394) - - - - - 45,885,187 28,699,793

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND LONG TERM FINANCIAL RESOURCES NET POSITION $ 15,165,957 $ 3,748,376 $ 910,873 $ 168,581 $ 556,945 $ 51,385,154 $ 71,935,786
## STATEMENT OF LONG-TERM FINANCIAL RESOURCE FLOWS - EXISTING FORMAT

**VILLAGE OF SOMEWHERE, ILLINOIS**

STATEMENT OF LONG-TERM FINANCIAL RESOURCE FLOWS

**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

### REVENUES

<table>
<thead>
<tr>
<th>Category</th>
<th>General</th>
<th>Equipment Replacement</th>
<th>General Capital Projects</th>
<th>Debt Service Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Capital Assets and Related Debt</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>8,854,494</td>
<td>-</td>
<td>1,093,038</td>
<td>-</td>
<td>609,179</td>
<td>-</td>
<td>10,556,711</td>
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<td>Investment income</td>
<td>1,344</td>
<td>(274)</td>
<td>144</td>
<td>225</td>
<td>194</td>
<td>-</td>
<td>1,633</td>
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<tr>
<td>Licenses and permits</td>
<td>1,073,864</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,073,864</td>
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<tr>
<td>Charges for services</td>
<td>1,454,042</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>105,823</td>
<td>-</td>
<td>1,574,865</td>
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<tr>
<td>Intergovernmental</td>
<td>2,464,391</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,210</td>
<td>-</td>
<td>2,518,601</td>
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<tr>
<td>Fines and forfeits</td>
<td>795,702</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>795,702</td>
</tr>
<tr>
<td>Capital asset additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>321,728</td>
<td>321,728</td>
</tr>
<tr>
<td>Change in debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>145,367</td>
<td>8,842</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>164,209</td>
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<tr>
<td><strong>Total revenues</strong></td>
<td>14,789,204</td>
<td>8,568</td>
<td>1,118,182</td>
<td>54,435</td>
<td>715,196</td>
<td>1,184,056</td>
<td>17,869,641</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>General</th>
<th>Equipment Replacement</th>
<th>General Capital Projects</th>
<th>Debt Service Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Capital Assets and Related Debt</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>2,389,573</td>
<td>2,349</td>
<td>111,757</td>
<td>-</td>
<td>181,090</td>
<td>-</td>
<td>2,684,769</td>
</tr>
<tr>
<td>Public safety</td>
<td>10,787,601</td>
<td>221,788</td>
<td>-</td>
<td>-</td>
<td>9,960</td>
<td>-</td>
<td>11,019,349</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>3,946,988</td>
<td>18,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,065,222</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>142,446</td>
<td>142,446</td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>395,388</td>
<td>395,388</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,155,510</td>
<td>1,155,510</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>-</td>
<td>-</td>
<td>256,069</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>256,069</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>17,124,162</td>
<td>242,371</td>
<td>111,757</td>
<td>256,069</td>
<td>191,050</td>
<td>1,693,344</td>
<td>19,618,753</td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OF INFLOWS OVER OUTFLOWS**

(2,334,958)       (233,803)       1,006,425    (201,634)       524,146    (509,288)       (1,749,112)

### OTHER FINANCING SOURCES AND USES

<table>
<thead>
<tr>
<th>Category</th>
<th>General</th>
<th>Equipment Replacement</th>
<th>General Capital Projects</th>
<th>Debt Service Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Capital Assets and Related Debt</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>242,895</td>
<td>405,241</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>648,136</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(390,999)</td>
<td>(914,485)</td>
<td>(609,486)</td>
<td>(201,634)</td>
<td>(300,000)</td>
<td>(1,611,484)</td>
<td>(2,202,480)</td>
</tr>
<tr>
<td><strong>Total other financing sources and uses</strong></td>
<td>(154,104)</td>
<td>405,241</td>
<td>(914,485)</td>
<td>1,063,342</td>
<td>(300,000)</td>
<td>(1,611,484)</td>
<td>(9994)</td>
</tr>
</tbody>
</table>

**NET CHANGE IN LONG-TERM FINANCIAL RESOURCES NET POSITION**

(2,489,062)       171,438      91,940       861,708       224,146    (509,288)       (1,649,118)

**LONG-TERM FINANCIAL RESOURCES NET POSITION AT BEGINNING OF YEAR**

9,087,608       3,576,938      516,770    (706,579)       266,066       46,394,475       40,960,062

**LONG-TERM FINANCIAL RESOURCES NET POSITION AT END OF YEAR**

(11,576,670)       3,748,376      608,710       155,129       490,212       45,885,187       39,310,944
## BUDGETARY COMPARISON WITH RECONCILIATION TO GOVERNMENT-WIDE

**VILLAGE OF SOMEWHERE, ILLINOIS**

**GENERAL CORPORATE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**NEAR-TERM BASIS**

For the Year Ended December 31, 2022

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$8,767,419</td>
<td>$8,767,419</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>930,088</td>
<td>930,088</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>2,238,560</td>
<td>2,238,560</td>
</tr>
<tr>
<td>Charges for services</td>
<td>1,396,791</td>
<td>1,396,791</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>799,500</td>
<td>799,500</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>137,412</td>
<td>140,784</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>14,269,770</td>
<td>14,273,142</td>
</tr>
</tbody>
</table>

| **EXPENDITURES** |              |        |
| General government | 2,077,688 | 2,070,802 | 2,064,164 |
| Public safety | 12,294,213 | 12,211,213 | 10,613,327 |
| Highways and streets | 3,917,717 | 3,920,917 | 3,906,162 |
| **Total expenditures** | 18,289,618 | 18,202,932 | 16,583,653 |

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**

(4,019,848) | (3,929,790) | (1,794,449)

**OTHER FINANCING SOURCES (USES)**

| Transfers in | 242,895 | 242,895 | 242,895 |
| Transfers (out) | (396,999) | (396,999) | (396,999) |
| **Total other financing sources (uses)** | (154,104) | (154,104) | (154,104) |

**NET CHANGE IN FUND BALANCE**

$ (4,173,952) | $ (4,083,894) | $ (1,948,553) |

**NEAR TERM FUND BALANCE, JANUARY 1**

4,133,515

**NEAR TERM FUND BALANCE, DECEMBER 31**

$ 2,184,962

**RECONCILIATION OF NEAR TERM CHANGE IN FUND BALANCE TO NET CHANGE IN LONG-TERM FINANCIAL RESOURCES NET POSITION**

- Net change in fund balance - near-term basis $ (1,948,553)
- The change in the net pension liability and the related deferred inflows and outflows (467,180)
- The change in the net other postemployment benefit obligation (73,329)

**NET CHANGE IN LONG-TERM FINANCIAL RESOURCES NET POSITION** $ (2,489,062)