March 2, 2015

Director of Research and Technical Activities
Project No. 3-13P
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via email: director@gasb.org

Dear Sir:

The Florida Government Finance Officers Association (FGFOA) is pleased to respond to the Government Accounting Standard Board’s (GASB) Invitation to Comment on the Preliminary Views related to Financial Reporting for Fiduciary Responsibilities (PV). These comments were prepared based on a review by the FGFOA members, its Technical Resources Committee, and the Board of Directors.

We understand the primary objective of this PV is to enhance the consistency and comparability of reporting fiduciary activities in general purpose external financial reporting.

We concur that a government’s control of fiduciary assets should be determined by a combination of the legal structure that defines the relationship of the governing body to the fiduciary activity and whether the government has a responsibility for administering the exchange of assets.

We concur that the classification of fiduciary activities as a particular fiduciary fund would be determined in part by the presence or absence of a trust agreement or equivalent arrangement. We also concur that to be reported in an investment trust fund or private-purpose trust fund, a fiduciary activity would need to be administered through a trust agreement or equivalent arrangement where the trust assets are dedicated to providing benefits to recipients in accordance with the benefit terms, and trust assets are legally protected from the creditors of the government that is acting as the fiduciary.

We concur with the proposal of a new custodial fund type to report any fiduciary activity not administered through a trust agreement or equivalent arrangement and that the fund would be reported as a fiduciary fund and would include certain funds previously classified as agency funds or as trust funds, but for which there is no trust agreement or equivalent arrangement.

We concur that a liability would be recognized when an event has occurred that compels a government to disburse fiduciary resources which is when no further action or conditions is required to be met by the beneficiary to be entitled to receive the resources.

We concur that all fiduciary funds would report additions and deductions in
the statement of changes in fiduciary net position in the basic financial statements and the government would present (1) additions disaggregated by source and by net investment income (if applicable) and (2) deductions disaggregated by type and a separate display of administrative costs (if applicable).

We concur that fiduciary fund financial statements of a primary government would include the combined information of a special-purpose government engaged only in fiduciary activities component unit and component units that are fiduciary in nature.

We concur that a stand-alone business-type activity also engaged in fiduciary activities should present fiduciary fund financial statements within its basic financial statements.

We would like to thank the GASB for its efforts in preparing the PV and for the opportunity to respond. Feel free to contact me at (386) 329-4279 or mpickles@sjrwmrd.com.

Sincerely,

Mary-Lou Pickles, CGFO, CMA
President