

## Understanding County Finance

During each year, usually monthly, county finance staff prepare financial statements for the county commissioners. At the end of the fiscal year, the auditors spend one to three months preparing their report and audited financial statements, which they ultimately present to the commissioners. What do the numbers in these financial statements mean? Are they important? How can county commissioners better understand them? This chapter answers these questions and addresses other county financial reporting issues.

In the past decade, Georgia counties have seen major changes in accounting and financial reporting. The Department of Community Affairs (DCA) developed a local government uniform chart of accounts that county governments began using in 2000. After a decade of using the chart of accounts, DCA is considering making changes and additions to it in order to increase the level of uniformity across local governments in Georgia.

In addition, the Governmental Accounting Standards Board (GASB), which sets the accounting and financial reporting rules, has made two major changes to the financial reporting standards that county governments follow. This chapter discusses financial reporting requirements, including these new standards.

### **FINANCIAL REPORTING**

Financial reports are classified according to their content and the purposes for which they are issued. Different types of financial reports may be

issued for different user groups according to how the reports will be used (internal or external) and when they are completed (interim or annual).

Interim financial reports are prepared on a monthly basis by management, normally for internal use, including that of the county commissioners. Most counties issue some type of interim report to assist with their day-to-day management. Annual financial reports, which include data regarding operations in the previous year, are designed for external readers, such as citizens or bond rating services. Annual reports are less useful to county commissioners because of the timing of their preparation. Because these reports usually are independently audited by a certified public accounting firm, it may take up to six months after the close of the fiscal year to entirely complete this annual report. In addition to the regular annual report, some counties prepare a comprehensive annual financial report, which includes introductory, financial, and statistical information.

## **TYPES OF STATEMENTS**

Generally, governments prepare two types of financial statements: balance sheets (sometimes called statements of net assets) and operating statements (sometimes called statements of activities). Balance sheets are financial statements that present what the county owns, what it owes, and its worth (i.e., fund balance or net assets).

Operating statements are directed toward control over revenues and expenditures in the primary operating funds. The budgetary operating statement, which includes revenues and expenditures that are compared with the final revised budget and changes in fund balance, is most commonly used. A budgetary operating statement should be most useful to county commissioners, particularly during the year, because it compares budgeted revenues with actual revenues and budgeted expenditures with actual expenditures. This kind of statement allows county commissioners to monitor overspending and to determine if revenues are being received as projected.

## **COUNTY VERSUS BUSINESS FINANCES**

Before one can understand county financial statements, it is important to note the differences between the financial operations of a county and those of the business world. Counties have objectives that are different from those of commercial enterprises; they operate in a different economic,

legal, political, and social environment. Counties use capital assets to provide services, whereas businesses use capital assets to generate revenues. These differences often require accounting and financial reporting techniques unique to local governments.

Business enterprises exist to maximize economic profits. The “bottom line,” or profits and losses presented on an operating statement, is a reasonable indicator of the success of a business. For a county, however, the bottom line usually is not an accurate indicator of its success. If a county reports more revenues than expenditures in a fiscal year, is that good? If a county spends more than it receives in a fiscal year, is that bad? Whether a county reports more revenues than expenditures or spends more than it receives in a fiscal year is not all-important. The primary objective of a county is to provide services to its constituents within budgetary constraints. There is little regard for the bottom-line concept. The GASB’s new financial reporting standards (discussed later in this chapter) tend to move county financial reporting toward business-type accounting.

## **Legal Requirements**

In business, substantial discretion is allowed in obtaining and using resources. By contrast, Georgia county government financing and spending activities are subject to very specific legal and contractual provisions. To adequately review county financial reports, commission members should be familiar with county legal requirements. For instance, Georgia law dictates how a budget is adopted and amended as well as how often audits are conducted.

## **Annual Operating Budget**

Each year, Georgia counties adopt a budget showing where the money to operate the county comes from and how it will be spent (see Chapter 19). The annual operating budget plays a more expanded role in county government than it does in business. Budgets are an important internal planning tool for both business and government, but in county government they also play an important external role. Because a county is a public entity, parties inside (e.g., department directors) and outside (e.g., citizens) the county government may participate in the development of the annual operating budget. The law requires Georgia counties to conduct public budget hearings in which interested parties have an opportunity to ask questions and offer suggestions about the proposed

budget.<sup>1</sup> Very few people participate in budget hearings in most counties, but occasionally interested constituents attend budget hearings to express their opinions. For example, because the size of the budget usually affects property taxes, it is not uncommon for property owners to attend budget hearings.

Once the board of county commissioners adopts the budget, it establishes spending limits that departments normally cannot exceed unless the board of commissioners legally changes (i.e., amends) the budget through a commission meeting. State law establishes the legal level of budget control, referred to as the legal level of control, at the department level (i.e., money cannot be moved between departments without a budget amendment approved by the commissioners in a meeting), but commissioners have the authority to establish a more detailed legal level of control.<sup>2</sup> These limits create spending constraints for county administrators that usually do not exist in the commercial sector.

### **Accounting and Financial Reporting Rules**

Generally accepted accounting principles (GAAP) are the accounting rules followed by most accountants in business and government alike. GAAP provide a set of uniform minimum standards and guidelines for financial accounting and reporting. Therefore, all financial statements prepared on a GAAP basis are comparable, regardless of the legal jurisdiction or geographic location of the government. Georgia law requires counties to prepare their audited financial statements in conformity with GAAP.<sup>3</sup>

GAAP is used differently in business and government. GASB establishes GAAP for governments, and the Financial Accounting Standards Board sets standards for business. GASB, a nonprofit entity located in Norwalk, Connecticut, is made up of a full-time chairperson and six part-time board members and has a research director and a permanent staff of accountants working under the direction of the chairperson. When applied to business financial statements, GAAP provide information (i.e., the profit or loss) that investors and creditors need to decide whether (and how much) to invest in stock or to loan money to a particular business. By contrast, individuals do not invest capital in government; therefore, governmental GAAP financial statements emphasize legal compliance (e.g., budget information).

Because county commissioners have oversight responsibility for county financial operations, the rules that GAAP provide for preparing financial information to demonstrate accountability are very useful. County commissioners are responsible for setting financial policies, which includes determining how much money the county may spend

through the adoption of the annual operating budget and monitoring progress toward meeting those budgetary goals.

## **INDEPENDENT AUDITS**

Most counties have independent audits conducted in conformity with GAAP and generally accepted governmental auditing standards (GAGAS). GAGAS consist of the auditing rules that independent certified public accountants (CPAs) must follow when auditing county financial statements. In an independent audit, the CPA expresses an opinion as to the fairness of a county's basic financial statements in conformity with GAAP. In other words, the auditor verifies that the financial statements present the actual financial position and results of operations for the year ended.

The GASB and the Government Finance Officers Association (GFOA) have long recommended that the financial statements of all local governments be audited independently in accordance with GAGAS. In addition, Georgia law requires counties that spend at least \$300,000 annually or have a population in excess of 1,500 to be audited annually<sup>4</sup>; most other counties are required to be audited at least every two years (see Chapter 19).<sup>5</sup> Local governments that do not meet the minimum levels for spending or population must, at a minimum, provide evidence of reconciliation of cash, confirmation of cash balances, a listing of bank balances by bank, a statement of cash receipts and cash disbursements, a review of compliance with state law, and a report of agreed-upon procedures.<sup>6</sup> Because counties operate largely on involuntary resources in the form of taxes, which are entrusted to elected and appointed officials for the provision of public services, an audit by an independent certified public accounting firm is essential to ensure that public funds have been expended as legally required. There is another significant reason for an independent audit: because some of the country's larger counties have experienced financial difficulties, buyers of local government debt securities often rely on financial statements as a basis for investment.

County officials can realize many benefits from obtaining independent audits:

1. The results of financial and compliance audits can help elected and appointed officials in their decision-making roles.
2. The additional assurances provided by audited financial statements and the audit testing of legal compliance allow officials to make more confident decisions concerning the future of county operations.

3. Audit results also may point the way to constructive changes that benefit the county and its officials.
4. Audits include a review of a county's internal accounting controls that helps curtail circumstances permitting inefficiencies or fraud.

## **TYPES OF AUDITS**

Most independent audits conducted on behalf of counties are classified as both financial and compliance audits, whereas audits in the private sector are almost always financial audits. A financial and compliance audit expands the scope of the audit beyond validating financial records to include the county's compliance with the various finance-related legal and contractual provisions. This aspect of auditing is very important because, as mentioned earlier, counties must operate within a legally regulated environment.

Most counties in Georgia have an annual audit conducted by a CPA, in accordance with GAGAS. One type of financial audit is the single audit mandated by the provisions of the 1996 amendments to the U.S. Single Audit Act of 1984.<sup>7</sup> The purpose of the single audit is to have one countywide audit that will encompass not only local resources, but also all state and federal grants.<sup>8</sup>

## **THE UNIFORM CHART OF ACCOUNTS**

In 1997, the Georgia General Assembly passed legislation with significant implications for county financial reporting. It required that DCA develop a local government uniform chart of accounts and a set of community indicators that will allow state and local policymakers to monitor the social and economic conditions of Georgia communities.<sup>9</sup>

The uniform chart of accounts was approved by the state auditor and adopted by DCA in 1998. In developing the uniform chart, DCA solicited input and advice from local government officials around the state. Adapted from the GFOA's "Illustrative Chart of Accounts" contained in Appendix C of the "Blue Book," the Georgia chart's primary purpose is to provide a uniform format for local government financial reporting and accounting, allowing state agencies to collect more reliable and meaningful financial data and information from local governments.

Counties are required to use this uniform chart of accounts in reports to state agencies. Counties must also classify their transactions in conformity with the fund, balance sheet, revenue, and expenditure clas-

sification descriptions in the chart, and their accounting records should reflect these account classifications. Although local governments are not required to use the chart's numbering system in their own accounting systems, they may find that using the uniform chart of accounts for accounting purposes facilitates their financial reporting to DCA and other state agencies.<sup>10</sup>

DCA requires local governments to submit reports on their services and operations as a condition of receiving state-appropriated funds from the department.<sup>11</sup> These reports are produced using data from the local government finance and operations surveys administered by the department. The community indicators report is developed using data from these surveys and other sources for all local governments in the state with annual expenditures of \$250,000 or more.<sup>12</sup> A community's report focuses on demographic patterns, economy, finance, education, health, social environment, civic participation, and selected county government services. Any county that receives state funds from the governor's emergency fund or from a special project appropriation must submit a grant certification form to the state auditor in conjunction with its annual audit. This form requires the governing authority and the auditor of the county to certify that the grant funds were used solely for the purpose or purposes for which the grant was made. Failure to submit this certification results in forfeiture of the grant and the return of any grant funds already received by the local government.<sup>13</sup>

## **FUND ACCOUNTING**

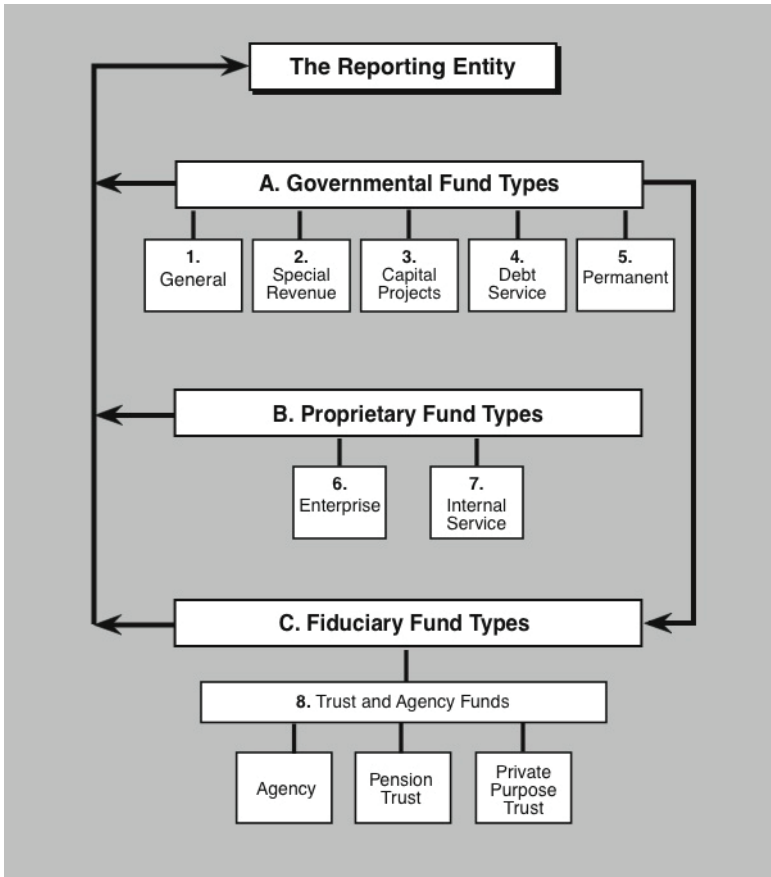
Fund accounting requires counties to keep separate records for each individual fund. GAAP define a fund as an entity with separate accounting records for a specific activity. For example, a county might account for a state grant in one fund and record the proceeds from a building bond sale in another fund. Fund accounting can complicate manual bookkeeping. The use of a computer and computerized government accounting systems for fund accounting greatly simplify the process. Also, GAAP encourages counties to maintain a minimum number of funds.

For county commissioners to be able to read and understand county financial statements, they need to know the nature and purpose of eight fund types (defined by GAAP as generic fund types), which are grouped into three categories. These categories are important because the accounting rules that counties must follow may be applied differently to each of the fund categories.

Figure 16-1 presents a fund organizational chart illustrating the four categories and the relationship of categories A, B, and C to the eight generic fund types. The categories are briefly described here:

- A. Governmental fund types. Used to account for general county operations (e.g., sheriff’s department, public works, parks and recreation).
- B. Proprietary fund types. Used to account for county activities that are similar to the commercial sector (e.g., a water and sewer utility).

**Figure 16-1.** *Governmental Accounting and Financial Reporting*





- C. Fiduciary fund types. Used to account for assets held by a county in a trustee or agent capacity (e.g., property taxes collected by the county for the county school system).

Five generic fund types are categorized within governmental funds:

1. General fund. Used to account for all resources that GAAP do not require to be accounted for in another fund. Counties report most of their financial transactions in this fund, including some of the activities of the constitutional officers. Expenditures in this fund might include road maintenance, the court system, police and fire, the county clerk's office, and parks and recreation.
2. Special revenue funds. Used to account for resources that are legally or administratively restricted for specific purposes. A federal grant fund might be classified here.
3. Capital projects funds. Used to account for resources restricted for major capital outlays. The proceeds from building bond issues to build new jails that will be repaid from property taxes would be accounted for here.
4. Debt service funds. Used to repay the principal and interest on general long-term debt, such as a building bond issue.
5. Permanent funds. Used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the county's programs (that is, for the benefit of the county or its citizenry). For example, the perpetual care of a cemetery that the county operates would be classified as a permanent fund.

The two following generic fund types are classified as proprietary fund types:

6. Enterprise funds. Used to account for operations that are financed and operated in a manner similar to business enterprises. Public utilities are the most common county activity reported in this way.
7. Internal service funds. Used to account for operations similar to those under enterprise funds that provide goods or services primarily to other departments within the same county on a cost-reim-

bursement basis. Counties often report as internal service funds activities such as data processing, motor pools, and print shops. Normally, the larger counties use internal service funds.

Included in fiduciary fund types is the eighth generic fund type, which is subdivided into three funds:

- 8a. Agency funds. Used as holding accounts for assets belonging to some entity other than the county. For example, a tax fund holding a county's collected property taxes for the school system is classified as an agency fund.
- 8b. Pension trust funds. Used by counties to account for their own (single employer) pension plans. In other words, the retirement assets held for the county's employees who have retired or will retire are reported here. Only a few Georgia counties maintain their own single employer pension plans.
- 8c. Private purpose trust funds. Used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. These funds do not benefit the reporting county.

## **FINANCIAL REPORTING FOLLOWING GASB STATEMENT 34**

County commissioners can expect to see the results of GASB Statement 34 in their annual audited financial statements. GASB Statement 34 includes two levels of reporting in the annual financial report: fund-level reporting and government-wide reporting.<sup>14</sup>

### **Fund-Level Financial Reporting**

GASB Statement 34 requires counties to continue to do what annual reports already do: provide information about funds. The focus of financial statements has been sharpened, however. Pre-GASB Statement 34, fund information was reported in the aggregate by fund type, which often made it difficult for users to assess accountability. Now, counties are required to report information about their most important (or "major") funds, including the county's general fund.

Fund statements continue to assess the "operating results" of many funds by reporting the amount of cash on hand and other assets that can easily be converted to cash. These statements show the performance—in the short term—of individual funds using the same indicators that many counties use when financing their current operations.

Fund-level reporting basically requires counties to present balance sheets and operating statements for each fund category (i.e., governmental, proprietary, and fiduciary). In addition, counties are required to continue to provide budgetary comparison information in their annual reports. An important change, however, is the requirement to add the government's original budget to that comparison. Many counties revise their original budgets over the course of the year for a variety of reasons. Requiring counties to report their original budget in addition to their revised budget increases the usefulness of the budgetary comparison.

### **Government-wide Financial Reporting**

GASB Statement 34 also implemented a requirement to provide government-wide financial reporting in order to give users of the financial statements a complete picture of the government's fiscal operations using accrual accounting methods. The requirements also called for county financial managers to share their insights in a required management's discussion and analysis, giving readers an objective and easily readable analysis of the government's financial performance for the year. Most governmental utilities and private-sector companies use accrual accounting, which measures not only current assets and liabilities, but also long-term assets and liabilities, such as capital assets (including infrastructure) and general obligation debt. It also reports all revenues and all costs of providing services each year—not just those received or paid in the current year or soon after year-end (like the modified accrual basis). Counties prepare both a government-wide balance sheet (known as the statement of net assets) and a government-wide operating statement (known as the statement of activities), with governmental activities aggregated together and business-type activities aggregated together.

These government-wide financial statements help users

- assess the finances of the county in total, including the current year's operating results;
- determine whether the county's overall financial position improved or deteriorated;
- evaluate whether the county's current-year revenues were sufficient to pay for current-year services;
- understand the cost of providing services to its citizenry;
- see how the county finances its programs—through user fees and other program revenues versus general tax revenues; and

- understand the extent to which the county has invested in capital assets, including roads, bridges, and other infrastructure assets.

## **GASB STATEMENT 45**

GASB Statement 45 requires local governments to report on certain obligations that it has to employees in the form of post-employment benefits. Previously, most local governments had reported obligations for pension liabilities. The new standard requires disclosure of so-called other post-employment benefits (OPEB). The largest of these is typically health insurance, but they may include life insurance or other types of benefits that constitute a financial obligation.

While most local governments fund their pension obligations as they are incurred, prior to GASB Statement 45, OPEB obligations were typically charged in the accounting period when they were provided. For instance, health insurance benefits for retirees may be funded this year along with those of current employees. This practice understated the financial obligations made during retirees' working years. In some local governments in which baby boom generation workers are nearing retirement, the understatement of these obligations may be significant.

GASB Statement 45 requires local governments to provide a report on the liability incurred as a result of OPEB obligations and the amount that is funded. The report must also include a description of each OPEB plan, the funding policy followed, and a projection of future cash outlays for benefits discounted to present value. In order to show the present value of benefits to those future periods, the report must use an actuarial cost method.<sup>15</sup>

If the local government is the sole plan participant with fewer than 100 benefits-eligible participants, an alternative simplified evaluation method can be used. However, that method includes most of the same steps and calculations as an actuarial evaluation.

## **BASIS OF ACCOUNTING**

When does a county record the sale of water? When the customer uses the water, when the county reads the meter, or when the customer pays the bill? The basis of accounting answers this type of question. Basis of accounting refers to when revenues, expenses (on the accrual basis of accounting) or expenditures (on the modified accrual basis of accounting), and related assets and liabilities are formally recognized in the accounting process and reported in the financial statements.

Like basis of accounting, the “measurement focus”—an interrelated concept—is reflected in a county’s financial statements. Measurement focus indicates what the financial statements are trying to communicate; that is, what is being measured by the statements. Most counties use two types of measurement focus:

- *Current financial resources measurement focus.* Financial statements using this focus, commonly known as “flow of funds,” report only current assets (i.e., those that the county can convert to cash quickly) and current liabilities (i.e., those due in the short term) on their balance sheets. The difference between these assets and liabilities, or the fund balance, is considered to be the amount available for spending. On these statements, the emphasis is on accountability. The financial data and information assist county commissioners in their oversight function.
- *Economic resources measurement focus.* Financial statements using this focus report all assets and liabilities on their balance sheets. The difference between all assets and all liabilities is the capital, or equity of the fund. On these statements, the emphasis is on “profit” or “loss.” County commissioners can thereby monitor financial projections.

Measurement focus determines *what* is measured in the financial statements; the basis of accounting determines *when* transactions are formally recognized in the financial statements. When measurement focus is determined, the basis of accounting to be used is determined. Basis of accounting is a difficult concept. However, in order to understand county financial statements, county commissioners need to understand the different bases of accounting and which funds in their county use which basis at which financial reporting level.

As alluded to previously, there is more than one basis of accounting. GAAP find two bases of accounting acceptable for counties: accrual and modified accrual. Others exist that are unacceptable. The most common unacceptable basis of accounting is the cash basis. On the cash basis, when the money comes in, the county records the revenue; when the county writes the check, it reports the cost. While using this type of basis may be simple, ultimately it is not truly informative. The cash basis of accounting fails to recognize receivables and payables (i.e., amounts still due to or owed by the county). Therefore, under the cash basis of accounting, the financial statements do not accurately represent the financial position or results of county operations.

## **The Accrual Basis of Accounting**

Counties use the accrual basis, which is used by most major corporations, on all government-wide statements and for their proprietary and fiduciary fund types. When counties use the accrual basis, they report revenues in the financial statements when they earn revenue: a county earns the revenue when it provides the service. For example, when a resident waters his or her yard, the county has provided for the use of water and earned that revenue, even though the county does not record the revenue until the water meter is read and the number of gallons the customer used is calculated. A county reports expenses when they are incurred; that is, when the county owes a supplier for an item purchased or owes an employee for a service performed. For example, once an employee works one day, an expense is incurred because the county owes the employee a day's pay. GAAP has special rules regarding when counties must formally recognize taxes and grants.

Using the accrual basis of accounting, a county can purchase fixed assets (equipment, vehicles) and report them on the balance sheet as assets and not as costs in the operating statement. However, each year the county must include in the operating statement a charge for the use of each fixed asset, based on its estimated useful life. This charge is called depreciation.

On the accrual basis of accounting, all liabilities (both short- and long-term) are included on the balance sheet. For example, when a county issues long-term bonds for an enterprise fund (e.g., the water fund), the bonds payable are reported as a liability on the balance sheet of the enterprise fund, but this transaction is not reported on the operating statement. When a portion of the principal is paid, the liability is reduced but the operating statement is not affected. However, any interest costs are reported as an expense.

## **The Modified Accrual Basis of Accounting**

The other acceptable basis of accounting, the modified accrual, is used by counties to report their governmental fund types at the fund reporting level. Under modified accrual accounting, revenues are reported when they are considered to be available—not when they are earned, as in the accrual basis of accounting. Availability of revenue (i.e., when it is formally recognized as revenue) is primarily what differentiates these two bases of accounting.

“Available” means the county will collect the revenue in the current year or shortly after the end of the year to pay liabilities from the current year. For example, if the fiscal year ends on June 30 and the county will receive revenue for that fiscal year in July, it will probably be reported as revenue as of June 30, as long as it relates to the year just ended. However, if the available revenue is not received until December, it will probably not be reported as revenue for the year ending June 30 because it cannot be used to pay outstanding liabilities at June 30.

On both the accrual and modified accrual bases of accounting, an expense or expenditure, respectively, is recognized when the liability is incurred, but the due date for payment of a liability affects how it is reported. If payment for the liability is not due at year-end, on the modified accrual basis, the liability is not reported as an expenditure at the time incurred. On the accrual basis, the due date of the payment, or when the county pays the liability, does not affect when the county reports the expense.

On the modified accrual basis, counties report capital assets, such as equipment and vehicles, as expenditures on the operating statement; they are reported as assets on the balance sheet on the accrual basis. However, because the county has acquired assets, these purchases also are reported separately in the county’s capital asset system but not on its governmental fund type balance sheet. Using the modified accrual basis of accounting, depreciation is not reported in the operating statement because the county already has reported the total cost of the capital asset as an expenditure when purchased.

Long-term debt generally cannot be reported on the balance sheet of a fund that uses the modified accrual basis of accounting. When a county sells bonds and cash is received, the proceeds from the sale of bonds are reported on the operating statement in a special section called “other financing sources/uses.” Although the county must pay back the principal on the bonds, the liability is not reported in the governmental fund type. Therefore, a balance sheet reporting governmental funds usually will not include any long-term liabilities. However, counties do report both their capital assets and their long-term debt at the government-wide reporting level.

The repayment of governmental fund debt usually is paid from a debt service fund and is reported as an expenditure on the modified accrual basis of accounting. On the accrual basis, the repayment of debt principal is reported as a reduction of a liability and not as an expense.

## NOTES

1. OFFICIAL CODE OF GEORGIA ANNOTATED (O.C.G.A.) §36-81-5(e), (f), (g).
2. O.C.G.A. §36-81-3(d).
3. O.C.G.A. §36-81-7(b), (c)(1).
4. O.C.G.A. §36-81-7(a)(1).
5. O.C.G.A. §36-81-7(a)(2).
6. O.C.G.A. §36-81-7(a)(3).
7. 31 UNITED STATES CODE ANNOTATED (U.S.C.A.) §§7501–7507.
8. For a more in-depth discussion on compliance auditing, see Paul T. Hardy, Betty J. Hudson, Myra Byrd, Richard W. Campbell, and Paul E. Glick, *Compliance Auditing in Georgia Counties and Municipalities: A Practical Guide to State Laws for Auditors and Local Government Officials* 2010 (Athens: Carl Vinson Institute of Government, University of Georgia, 2010).
9. O.C.G.A. §36-81-3(e).
10. *Ibid.*; *Uniform Chart of Accounts for Local Governments in Georgia*, 2nd ed. (Atlanta: Georgia Department of Community Affairs, 2001); [www.dca.ga.gov/development/research/programs/downloads/UCA2ndEdition.pdf](http://www.dca.ga.gov/development/research/programs/downloads/UCA2ndEdition.pdf). Accessed September 22, 2010.
11. O.C.G.A. §36-81-8(c).
12. O.C.G.A. §36-81-8(h).
13. O.C.G.A. §36-81-8.1.
14. *GASB Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (Washington, DC: Governmental Accounting Standards Board, 1999).
15. *GASB Summary of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (Norwalk, CT: Governmental Accounting Standards Board, 2004).