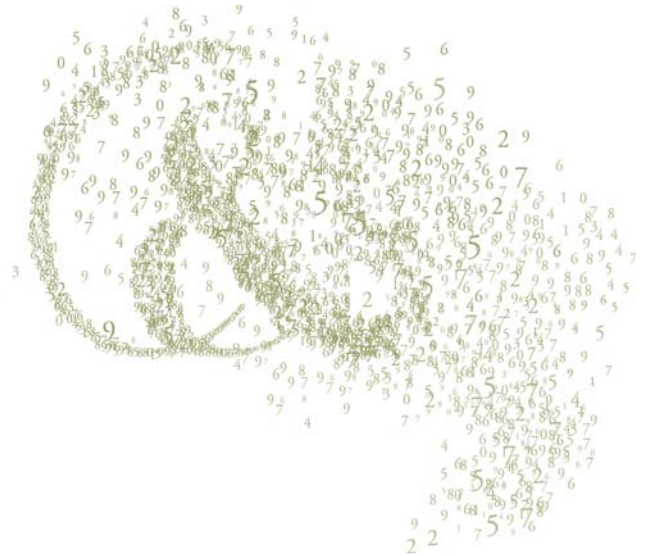


Bonadio & Co., LLP Certified Public Accountants



A Bonadio White Paper



GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions



Bonadio & Co., LLP

Certified Public Accountants



Fund Balance Reporting and Governmental Fund Type Definitions

GASB Technical Article

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Summary: During February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. This standard poses significant implications to the financial reporting of governmental entities. This technical white paper explains how governmental entities can take this opportunity to revise their financial reporting policies to simplify reporting and determine whether certain revenues may be classified in a manner that's to the entity's best advantage. This white paper will focus on the Standard's requirements and the considerations that Governments should contemplate in implementing this Standard.

This document will be of interest to governing bodies, counsel and management of governmental entities.

Note: *This document is current as of its most recent publish date of March 18, 2011. Be sure to visit www.bonadio.com/government to obtain the most recent version of this paper.*

**GASB 54 Fund Balance Reporting
And Governmental Fund
Type Definitions**

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Introduction

In February 2009, GASB 54 was released with significant changes in fund balance reporting and clarifications on the definition of those funds that can be categorized as special revenue funds. Many articles and workshops have followed in an effort to determine how this will affect governmental entities. Ironically, the Standard begins with;

The objective of this Statement is to enhance the usefulness of fund balance information by providing [clearer fund balance classifications](#) that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The summary goes on to note;

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the [definition of the special revenue fund](#) type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

This white paper outlines some of our positions and observations on applying this new standard, as well as some opportunities that we believe may be beneficial to the readers.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. An example of dates of implementation follows:

Years Ending	Required Implementation Begins	Types of Governments May Include
June 30 th	July 1, 2010	Schools, Authorities
September 30 th	October 1, 2010	Authorities
December 31 st	January 1, 2011	Towns, Cities, Counties, Authorities
March 31 st	April 1, 2011	Authorities
May 31 st	June 1, 2011	Villages

Clarification of Special Revenue Funds

As a result of its project research, the GASB staff found that the most common inconsistent application regarding the financial reporting of governmental fund types was with the reporting of special revenue funds. While the pre-GASB 54 definition of special revenue funds indicated that such funds were to be used “to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes,” a number of governments focused more on the *specified purposes* aspect of the definition as opposed to the *legally restricted specific revenue* aspect. As a result, many governments reported special revenue funds for expenditures related to specified purposes or activities where the funding sources were not derived from specific legally restricted revenue.

As a result of the inconsistent application of the previous special revenue fund definition, many governments were reporting resources and fund balances in special revenue funds that were, in essence, not legally restricted as to use and could, therefore, be considered available for other purposes if the governing body so needed. For example, the government may have reported, as a special revenue fund, a rainy day fund comprised of resources transferred from the general fund that were merely set aside for future needs. However, when there were neither specific revenues involved nor any legal restrictions, the government was free to use such resources at will for any purposes or transfer them back to the general fund as needed. This had the undesired effect of potentially misrepresenting the amount of resources the government truly had available for unrestricted and uncommitted general use.

PLANNING OPPORTUNITY

Governments should consider the implementation of GASB 54 as a unique opportunity to analyze the treatment of certain transactions and revenues. The results of this analysis could present the government with long-term budget planning opportunities.

It is important to note that GASB 54 does not require the use of special revenue funds for specific revenues that are restricted or committed to expenditure for specified purposes. **In other words, use of special revenue funds is generally considered discretionary, and such restricted or committed revenues and their related expenditures may be accounted for and reported in the general fund.** However, there may be other authoritative documents or pronouncements (e.g., laws) that require the restricted or committed revenue and related expenditures to be accounted for and reported in a separate fund.

While GASB 54 does not require the use of special revenue funds, it does place limitations on what revenues and expenditures *may be reported* in a special revenue fund.

Definition of Special Revenue Funds

Prior to GASB 54, special revenue funds were defined as follows:

Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are **legally restricted** to expenditure for specified purposes.

GASB 54 includes the following clarified definition for special revenue funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are **restricted or committed** to expenditure for specified purposes other than debt service or capital projects.

In expanding upon this definition, GASB 54 indicates the following:


- The phrase *proceeds of specific revenue sources* establishes that one or more specific “restricted or committed revenues” should be the *foundation* for a special revenue fund.
- Other resources (e.g., investment earnings and transfers from other funds) also **may** be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.
- The restricted or committed specific revenue sources may be initially received in another fund and subsequently distributed to and recognized as revenue in a special revenue fund where they will be expended.
- The restricted or committed specific revenue sources should be expected to continue to comprise a *substantial portion* of the fund’s inflows or fund balances.
- Use of a special revenue fund should be discontinued (and the fund’s remaining resources reported in the general fund) if the government no longer expects a substantial portion of the inflows to be derived from the restricted or committed revenue sources.

Restricted or Committed Revenue Sources

An important element of the clarified definition of special revenue funds is the replacement of the phrase “legally restricted” with the phrase “restricted or committed” when referring to specific revenues that will serve as the foundation for the fund.

Restricted Revenue Sources

Revenue sources that are considered restricted to specified purposes are those that are defined as *restricted* in paragraph 34 of GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. Revenue sources are considered restricted when constraints placed on the use of the resources are either:

- 
- Externally imposed by creditors (e.g., through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

“Enabling legislation,” as the term is used in GASB 54, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.

“Legal enforceability” means that a government can be compelled by an external party (e.g., citizens, public interest groups, or the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

For example, a hotel/motel tax created by a local government ordinance, approved by the voters, and restricted in the ordinance for local tourism and cultural development would be considered a *restricted revenue source*. Such revenue and related expenditures could be reported in a special revenue fund pursuant to GASB 54, assuming the hotel/motel tax served as the foundation of the fund’s resources.

Committed Revenue Sources

Revenue sources that are considered *committed* are those resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Committed resources cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (e.g., legislation, resolution, or ordinance) it employed to previously commit those resources. The authorization specifying the purposes for which amounts can be used should have the consent of both the legislative and executive branches of the government, if applicable. In contrast to revenues that are restricted by enabling legislation, committed revenues may be redeployed for other purposes with appropriate due process.

Constraints imposed on the use of *committed* revenues are imposed unilaterally by the government separate from the authorization to raise the underlying revenue. Therefore, compliance with constraints imposed by the government that *commit* revenues to specific purposes is not considered to be legally enforceable. For example, an existing park entrance fee may be subsequently committed by a governing body ordinance (i.e., the government’s highest level of decision-making authority) to be used specifically for park maintenance. This fee would be considered a *committed revenue source* and could be reported in a special revenue fund pursuant to GASB 54, assuming the fee served as the foundation of the fund’s resources.

Some of the respondents to the project’s exposure draft questioned whether a government could establish and maintain a separate special revenue fund with *assigned* resources, as defined in GASB 54, serving as the foundation for that fund. The GASB evaluated the pros and cons of such an approach and ultimately rejected it, concluding that: (1) it would be tantamount to having no parameters at all for using special revenue funds; and (2) such a permissive definition could ultimately undermine the significance of the general fund and the determination of available resources.



Fund Balance Classifications

Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements that are trying to identify resources that are liquid and available to be used to provide services. The GASB found that many financial statement users are receiving inconsistent and non-comparable information. This is reducing financial statement usefulness and is leading to confusion as to what the information presented in fund balance reporting actually communicates.

The GASB believes this problem is the result of the differences that exist in how governments interpret and apply the current standards for fund balance reporting (e.g., some governments report reserved fund balances that many would conclude should be properly reported as unreserved; some governments report fund balance designations while others do not). The term “restricted net assets” introduced in GASB Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments (GASB 34), and its relationship to reserved fund balance adds to the confusion.

Paragraph 5 of GASB 54 requires fund balance for governmental funds to be reported in classifications that “comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.” GASB 54 provides for an analysis of ending fund balance amounts to determine how they should be classified, but it does not require the presentation of a detailed statement of changes in fund balances.

Nonspendable and Spendable Fund Balance


Nonspendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form; or (2) legally or contractually required to be maintained intact.

“Nonspendable” and “spendable” are new terms that are introduced in GASB 54. The GASB believes these terms are consistent with the spending focus of governmental funds. Some examples of nonspendable fund balance include the corpus of a permanent fund, or fund balances associated with inventories and property acquired for resale when the use of the proceeds from those assets is not constrained.

The components of nonspendable fund balance (i.e., not in spendable form, or legally or contractually required to be maintained intact) may be presented separately, or nonspendable fund balance may be presented in the aggregate. If nonspendable fund balance is displayed in the aggregate on the face of the balance sheet, the amounts of the two nonspendable components should be disclosed in the notes to the financial statements.

After fund balance is categorized as nonspendable or spendable, GASB 54 requires further classification of the spendable amounts as restricted, committed, assigned, or unassigned based on the relative strength of the constraints that control how the specific amounts can be spent.

The determination of nonspendable fund balance should be completed prior to considering the classification of spendable amounts. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the spendable amounts in the fund for that specific purpose, resulting in a negative residual balance. Paragraph 19 of GASB 54 states:



Amounts assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as *unassigned* fund balance. A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund.

Restricted Fund Balance

Fund balance should be reported as restricted when the constraints on the use of its resources are either: (1) externally imposed by grantors, contributors, creditors, or laws and regulations; or (2) imposed by law through enabling legislation. These resources can be expended only for the stipulated purpose.

An example of an amount that is legally or contractually required to be maintained intact is the corpus of a permanent fund. For purposes of reporting net assets, paragraph 35 of GASB 34 requires amounts that are “required to be retained in perpetuity” to be classified as “nonexpendable” within the restricted net asset category. However, those amounts should be classified as nonspendable, rather than restricted for fund balance reporting purposes under GASB 54.

A factor contributing to the confusion noted above is the similarity in the terminology used in the relationship between reserved fund balance and restricted net assets. The GASB determined that using a consistent term throughout the financial statements would outweigh the disadvantages that come with replacing a familiar term. It decided to use the same term to describe the equivalent level of constraint on the use of net assets in proprietary funds and the government-wide statements. GASB 54 eliminates the term “reserved” and replaces it with the term “restricted.” This will enhance the consistency between the information reported in the full accrual statements and in the governmental fund financial statements and help avoid further confusion.


GASB 54 requires governments to classify amounts consistently, regardless of the fund type or column in which they are presented. An amount cannot be classified as restricted in one fund and as unrestricted in another fund.

Restricted fund balances may be presented in the aggregate or in a manner that distinguishes between the major restricted purposes. When restricted amounts are presented in the aggregate on the financial statements, detailed information should be provided in the footnotes.

Committed Fund Balance

Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government’s highest decision-making authority.

Constraints on committed amounts are imposed internally and are not legally enforceable, as with restricted amounts. Paragraph 10 of GASB 54 states:



Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The authorization specifying the purposes for which amounts can be used should have the consent of both the legislative and executive branches of the government, if applicable. The amount of funds committed to a specific purpose does not have to be determined by the balance sheet date, or at the time of the commitment. However, the formal action to commit the resources must take place before the end of the financial statement period.

As is the case with restricted amounts, committed fund balances may be presented in the aggregate or in a manner that distinguishes between the major committed purposes. When committed amounts are presented in the aggregate on the financial statements, detailed information should be provided in the footnotes.

Assigned Fund Balance

Assigned fund balance amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed.

“Assigned” fund balance is a new term that replaces the former term “designated” fund balance. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assignments are considered an expression of a government’s intent. Paragraph 13 of GASB 54 states that “intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.” As discussed below, the government should disclose who is empowered to make assignments. Assigned fund balance amounts are more easily reassigned to a different purpose than committed amounts. To clarify the distinction between the assigned classification and the committed classification, the GASB added material to differentiate between the two that addresses the level of authority required and the actions necessary to change or reverse a commitment or an assignment. Not all governments will have both committed and assigned fund balances, as not all governments have multiple levels of decision-making authority.

Fund balance amounts in the general fund that are intended to be used for a specific purpose (as defined above) are classified as assigned. In governmental funds other than the general fund, all spendable amounts (excluding negative balances) that are not restricted or committed are considered assigned. Fund balance amounts in special revenue, capital projects, debt service, or permanent funds that are not restricted or committed are considered assigned to the purposes of that fund. Similar to restricted and committed amounts, assigned fund balances may be presented in the aggregate or in a manner that distinguishes between the major purposes. When assigned amounts are presented in the aggregate on the financial statements, detailed information should be provided in the footnotes.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts that are not contained in the other classifications. The general fund should be the only fund that reports a positive unassigned fund balance. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Disclosures

GASB 54 requires that governments disclose the policies and processes used to impose constraints on the use of resources so that financial statement users have enough information to understand the process used to implement constraints and how those constraints may be modified or removed, as well as whether constrained amounts are considered to have been spent. Paragraph 23 of GASB 54 requires governments to disclose:

- a. For *committed* fund balance: (1) the government's highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment
- b. For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which that authorization is given
- c. For classification of fund balances in accordance with paragraph 18: (1) whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and (2) whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

PLANNING OPPORTUNITY

Due to the additional disclosure requirements included in GASB 54 and the potential changes to the accounting treatment of these transactions, governments should strongly consider updating their accounting policies to

Governments that establish stabilization arrangements and minimum fund balance policies are required to disclose information regarding those arrangements and policies, even when the constraints do not meet the criteria for classification as restricted or committed.

GASB 54 Effect on Fund Balance Reporting for Encumbrances

The primary change resulting from the implementation of GASB 54 is that encumbrances will no longer be displayed as a classification of fund balance on the face of the balance sheet. Instead of balance sheet display, material encumbrances outstanding at year-end that are intended to be honored in subsequent years must be: (1) disclosed in the notes to the financial statements by major funds and non-major funds in the aggregate as part of the required disclosure of other significant commitments of the government; and (2) included within the amounts reported for restricted, committed, or assigned fund balances based on the GASB 54 definitions for these classifications.

GASB 54 eliminates the use of a reservation of fund balance for outstanding encumbrances at year-end for GAAP-basis financial reporting purposes. Instead, if the government intends to honor the encumbrance commitments, it should report the encumbered amounts in one of two ways in accordance with GASB 54, depending on the specific circumstances:

1. For amounts encumbered for specific purposes for which resources have already been classified as restricted, committed, or assigned fund balances, there should be no further classification of the fund balances for the encumbered amounts. In other words, the amount is already reported as a restricted, committed, or assigned fund balance, and the government should not report the encumbered amounts in a separate display within those fund balance classifications. (For *example, encumbered amounts for open purchase orders to be funded by resources of a municipality restricted by state law for street improvements would already be reported as restricted fund balances pursuant to GASB 54; therefore, there is no need for further classification of the encumbered amount.*)
2. For amounts encumbered for specific purposes where the amounts have not been previously included in restricted, committed, or assigned fund balance classifications, the encumbered amounts should be reported within the committed or assigned fund balance amounts, as appropriate, and should not be included as part of unassigned fund balance. (For *example, to record the purchase commitment resulting from the governing body resolution adopted to acquire land for economic development purposes, the resolution indicated that the purchase commitment was to be funded by unrestricted resources. Therefore, assuming the encumbered amount related to the proposed land purchase is not already reported as part of committed fund balances, GASB 54 requires this amount to be classified as “fund balance—committed for economic development.”*)

PLANNING OPPORTUNITY

The standard does not seek to change or discontinue the practice of the budgetary controls that encumbrances provide. However, the effects of this reporting change should be considered and an assessment of how it may effect certain regulatory requirements, such as fund balance maintenance.

Source: Examples taken from CCH a Wolters Kluwer business Governmental GAAP Update Service July 30, 2009

Guidance from the New York State Office of the State Comptroller

During the fall of 2010, the New York State Office of the State Comptroller issued a memorandum clarifying their understanding of the effects of this new standard. The full document may be found at <http://www.osc.state.ny.us/localgov/pubs/releases/gasb54.pdf>.

The memorandum specifically notes that the changes in reporting requirements do not require a change in the local governments budgeting and accounting. Thus, while the transactions and account balances may require a change in reporting and disclosure, the practices utilized internally throughout the year need not change.

The memorandum notes that the State considers all properly established and authorized reserves to be classified as restricted. Reserves that allow for transfers back to the originating fund and where the governing board has determined that the reserve is no longer needed for the purpose originally intended should be classified as assigned for the amount that is returnable to the operating fund.

OSC believes that, based upon their analysis, use of the committed classification is unlikely.

Appendix A is contained in the OSC memorandum that provides a crosswalk between the Pre-GASB 54 classification and the post-GASB 54 classifications.

Statutory Fund Balance Limitations

Real Property Tax Law SS1318 limits the amount of unexpended surplus funds a school district can retain annually to no more than 4% of the following year's budgetary appropriations. The memorandum notes that the surplus funds as defined under the new classifications of GASB 54 should include; the total committed, assigned and unassigned fund balance less appropriated fund balance and encumbrances that are included in the committed and assigned fund balances. The table below demonstrates

Fund Balance Classification	Year End Fund Balance	Encumbrances Included in YE Fund Balance	Appropriated Fund Balance	Available to Surplus Funds
Committed	700,000	50,000	500,000	150,000
Assigned	50,000	20,000	0	30,000
Unassigned	450,000	0	0	450,000
Total	1,200,000	70,000	500,000	630,000

Source: Fictitious data, for illustration purposes only

NOTE – as mentioned above, OSC considers amounts reserved consistent with the constraints defined in General Municipal Law or Education Law to be classified as restricted and, therefore, not part of surplus funds. This treatment is consistent with past practice as it pertains to excluding the reserves from the surplus amount.

While there is no specific mention of BOCES surplus treatment in the memorandum, it is believed that similar treatment is logical absent any specific guidance.

Special Revenue Funds

In the memorandum, OSC discusses the change in definition of special revenue funds as defined in previous section. Included in their analysis are certain funds that are legally mandated to be kept separate, funds that have been deleted and must be included in the general fund and other funds that may depend upon facts and circumstances.

In order to support the use of a special revenue fund, such as a city or village water fund, there must be an understanding with the ratepayers that money collected would be used for the funds operations as stated in a charter, local law, or other document from the fund from when the fund was created. A history of funds being used for operations is not enough.

Appendix B is contained in the OSC memorandum that provides a table that demonstrates the effect on certain special revenue funds post-GASB 54.

Funds that are legally mandated to be kept separate and therefore remain special revenue funds include;

Funds
Town Highway
County Road
County Road Machinery
Town Special Districts
Sewer Funds

Funds that are not legally mandated to be kept separate and should be analyzed include;

Fund	Fund Code	
	<i>Unallowable</i>	
School Store	B	Fund Deleted
	<i>Depends</i>	
Housing Authority	CB	
Refuse	CL	
Miscellaneous	CM	
Health Related Facility	CN	
Parking	CP	
Recreation	CR	
Transportation	CT	
Urban Renewal	CU	
Water	FX	

For all funds reported that are not legally mandated, specific restricted or committed revenues should be the foundation of the fund and represent a substantial portion (at least 20%) of the expected inflows of the fund.



Conclusion

The implementation of GASB 54 will require local governments to carefully analyze how transactions are reported and whether there may be an effect, positive or negative, relating to retaining surplus fund balance. While much of the guidance notes that a change in the internal budgeting and accounting need not change, governments should consider what effects the final GAAP compliant reporting may have on their operations. Some of the guidance may also lead to changes in recognition of certain revenues within funds. Additionally, governments may find opportunities for simplifying their reporting structure.

For more information:

<http://www.bonadio.com> Bonadio website

<http://gasb.org/home> GASB website

References:

The development of this document includes the opinions of the authors based upon their experience, as well as reference to certain materials utilized in developing those opinions. Specific references utilized in the preparation of this document included;

- *Statement No. 54 of the Governmental Accounting Standards Board – Fund Balance Reporting and Governmental Fund Type Definitions*
- *CCH a Wolters Kluwer business Governmental GAAP update service*
 - *Volume 10, Issue 13, July 15, 2010*
 - *Volume 09, Issue 24, December 30, 2009*
 - *Volume 09, Issue 14, July 30, 2009*
- *Memorandum from the New York State Comptrollers Office – Fund Balance Reporting and Governmental Fund Type Definitions October 2010*

In certain instances, the authors have provided excerpts and tables from these documents.

While the authors' opinions and perspective are cited throughout this document, they are general in nature and should not be applied without first contemplating the governmental entity's specific facts and circumstances.

About the Authors

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Timothy (Tim) is a Principal with Bonadio and a member of Bonadio's Government Division.

Tim graduated from the State University of New York at New Paltz and has over 20 years experience in Private and Public Accounting. Prior to joining Bonadio, he held positions with firms in Buffalo and Hudson, NY, for 13 years that included positions of Staff Accountant, Supervisor, Audit Manager and Office Partner.

Tim specializes in providing business, accounting, and auditing services for a variety of clients with a primary focus on governmental entities, school districts, BOCES, municipalities, and NYS agencies. His experience includes:

- Auditing of a wide variety of tax-exempt organizations, including associations, membership organizations, quasi-governmental, and governmental organizations.
- OMB Circular A-133 audits.
- Business and technical consulting and operational efficiency reviews.
- Presenting audit reports, management letters, and trend and ratio analyses to boards of directors, audit committees, and other governance bodies.
- Consulting with clients on forecasts, projections, budget and variance analysis, internal control reviews, operational reviews, efficiency studies, and various other business and technical consulting projects.
- Lecture leader and panel member on topics including SAS 112, GASB 45 and GASB 54 at several conferences and workshops.

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Alan is a partner in The Bonadio Group's Government, Compliance, and Labor Division. He has been with the firm since 1987.

Alan provides business, accounting, and auditing services for a variety of clients including NYS agencies, towns, cities, counties, libraries, and school districts. He has a concentration in large, multi-faceted audits and is accustomed to dealing with clients with complex organizational structures, multiple locations, and sophisticated IT operations.

As a result of this work, Alan has developed extensive experience with respect to compliance and reporting requirements for these organizations, knowledge of Governmental Accounting Standards Board (GASB) pronouncements, and the evaluation and design of internal accounting systems.

Alan received his B.S. degree in accounting from the State University of New York at Albany. He is a member of the American Institute of Certified Public Accountants, NYS Society of Certified Public Accountants, Government Finance Officers Association, and the Capital Chapter of the NYS ASBO, and serves on both the Public School Accounting Committee and Government Accounting Committees of the NYS Society of CPAs.

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Randy provides business, accounting, and auditing services for a variety of clients such as municipalities, public authorities, local development corporations, and tax-exempt organizations. As a result of this work, Randy has developed extensive experience with respect to compliance and reporting requirements for these organizations, knowledge of Governmental Accounting Standards Board (GASB) pronouncements, and the NYS Public Authorities and Accountability Act, as well as the evaluation and design of internal accounting systems.

Randy received his B.S. degree in Accounting from the State University of New York at Geneseo. He is a member of the American Institute of Certified Public Accountants and Finance Officers Association. Randy is on the Finance Committee and Board of Crisis Nursery of Greater Rochester. Randy is a 2008 recipient of the Rochester Business Journal's Forty Under 40 award for leadership and service in their jobs and in the community.

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Ken is the partner in charge of Bonadio's Government Labor & Compliance Division and has over 20 years of public accounting experience with both international and locally based accounting firms. Prior to joining Bonadio, Ken was the Managing Partner of Perry Pink & Semmler, CPA, P.C., which merged with Bonadio in 2002.

Ken is responsible for managing a variety of town, county, public authority, and municipal audit and consulting engagements. His experience includes overseeing financial, operational, and Medicaid compliance audits; consulting, and tax advisory services for municipal and county governments, and Union and Union benefit funds. He is also becoming one of the State's experts in auditing Medicaid providers, and in the process, helping to lead the charge on identifying and eliminating Medicaid fraud, waste, and abuse.

Ken received his BS degree in accounting from Geneseo State University. He is a member of the American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants, New York State Government Finance Officers Association, and Certified Fraud Examiners Association. He serves on the finance committee for St. Ambrose Church; is a member of the board of directors, secretary, and advisor for the Vietnam Veteran's Memorial for Greater Rochester, Inc; and recently concluded his appointment by Governor Pataki as a councilman of SUNY Brockport College.

Bonadio and Government

When it comes to the business of government, Bonadio is a firm that's all business. We know that governments have unique needs. It's because of these special needs that we have developed a team of professionals specializing in serving governments. Whether it's performing an annual financial statement audit, analyzing cost containment and savings opportunities, or attacking Medicaid waste, we strive to deliver outstanding results for remarkably affordable fees. For more information, visit our website (www.bonadio.com), or call us at 1.800.487.7624.

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