

REPORTING

Note X – Major Component Units

INSTRUCTIONS TO PREPARER

If the authority has a component unit(s) that is (are) considered to be major and that financial information is aggregated in presentation with other component units. GAAP requires that separate presentation or disclosure be made for the major component unit(s). The major component unit information may be presented in combining statement following the standalone fund statements or in a note disclosure.

If combining statements are used for presentation they are required to show the major component units (each in a separate column), the aggregate of all non-major component units in one column, and a total column.

If note disclosure is used to report major component units the authority is required to present condensed financial statements. The following information should be displayed.

- a. Type of goods or services provided by the component unit.
- b. Condensed statement of net position:
 - (1) Total assets distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or component units should be reported separately.
 - (2) Total deferred outflows of resources.
 - (3) Total liabilities distinguishing between current and long-term amounts. Amounts payable to other funds or component units should be reported separately.
 - (4) Total deferred inflows of resources.
 - (5) Total net position distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts of net investment in capital assets.
- c. Condensed statement of revenues, expenses, and changes in net position:
 - (1) Operating revenues (by major source).
 - (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
 - (3) Operating income (loss).
 - (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
 - (5) Capital contributions and additions to permanent and term endowments.
 - (6) Special and extraordinary items.
 - (7) Transfers.
 - (8) Change in net position.
 - (9) Beginning net position.
 - (10) Ending net position.

d. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities.
 - (b) Noncapital financing activities.
 - (c) Capital and related financing activities.
 - (d) Investing activities.
- (2) Beginning cash and cash equivalent balances.
- (3) Ending cash and cash equivalent balances.

If the authority has major component units separate information may also need to be presented in the notes for investments, capital assets, and long term debt, if that information is significant to the authority. This information may be displayed in the same note (i.e. long-term debt); however, it should be shown separately from the authority information.