GASB CODIFICATION · FINANCIAL REPORTING

Section 2700

Supplemental and Special-Purpose Reporting

GARS 2700

GAAP and legal compliance set the floor for financial reporting, not the ceiling. This section covers the finance officer's role in going beyond the ACFR — condensed “popular” reports, statistical compilations, and other supplemental data that serve needs the basic statements don't. Plain-language reference only; not a substitute for the authoritative text.

¶.101 – .102

A Floor, Not a Ceiling — and Whose Job It Is

The Codification sets minimum standards.
Its principles and illustrative procedures enhance fiscal control, support GAAP and legal compliance, and meet many — but not all — user information needs. Neither GAAP nor legal requirements cap what can be reported; a government can always report more than the minimum.

The finance officer owns supplemental data.
Preparing the fiscal data needed for management decisions, setting fiscal policy, informing citizens and investors, and reporting to central compiling agencies (such as national statistics bureaus) falls to the finance officer — a compliant ACFR doesn't preclude, or excuse, further reporting organized differently than by fund, fund type, or major/nonmajor fund.

¶.103

Why a Single Fund Can Mislead

Users want the whole picture.
Managers, legislators, and others often want total revenues and other financing sources across the government, plus the amounts drawn from each source — not just what one fund shows.

Cross-government comparisons need the same lens.
Comparing one government's taxes or expenditures to another's, if based solely on a single fund's data, can be misleading.

¶.104

Popular Reports & Condensed Summaries

Some governments publish highly condensed “popular” reports.
Aimed primarily at citizens, often using charts or graphs instead of formal financial statements — research into better designs for these summaries is encouraged.

They supplement, never supplant, the ACFR.
Condensed summary statements should complement, not replace, the ACFR or the basic financial statements and RSI.

Two conditions apply.
The data in a condensed summary must be reconcilable to the basic financial statements, and readers should be referred back to the full ACFR or basic statements.

¶.105

Building a System Flexible Enough

Design for the follow-up question.
Wherever additional data is needed — internal or external, routine or special purpose — the finance officer should take the initiative to keep the accounting system flexible.

Two goals at once.
The system should meet fundamental fiscal and legal accountability requirements while also being able to produce relevant supplemental and special-purpose information on a timely basis.

Paraphrased for plain-language reference from GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2700, “Supplemental and Special-Purpose Reporting.” Principal source: NCGA Statement 1. This summary is not authoritative — consult the current Codification (GARS-Online) or your auditor for application to a specific district.