GASB CODIFICATION · FINANCIAL REPORTING

Section 2900

Interim Financial Reporting

GARS 2900

Annual statements tell you how the year went. Interim reports — monthly or quarterly — are what keep management and the legislative body steering during the year itself. This section covers what interim reports are for, how they differ from the ACFR, and how their usefulness is judged. Plain-language reference only; not a substitute for the authoritative text.

STATEMENT OF PRINCIPLE

What Interim Reports Are For

Financial position and operating results, mid-year.
Appropriate interim statements and reports should be prepared to facilitate management control of financial operations and legislative oversight — and, where necessary or desired, external reporting.

Shorter periods, same underlying accounts.
Interim statements cover periods of less than a year (a month or a quarter) and are derived from the same accounts and related records as the annual statements, but traditionally are prepared primarily for internal use.

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How Interim Differs From Annual

Built around the budget, not just GAAP.
Interim reports typically compare actual results against budgetary estimates and limitations, for the month or quarter and/or year-to-date, and usually use the budgetary basis of accounting.

Some annual statements are often skipped.
Because they're for internal use, interim reports often don't include statements of general capital assets or general long-term debt.

Room for forward-looking information.
Interim reports may properly include budgetary or cash flow projections and other information management finds pertinent to effective control during the year.

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Feeding the Budget Process

Interim budgetary reports are expected during the year.
They should be prepared to facilitate management control and legislative oversight of governmental fund financial operations.

They serve two purposes.
These reports support revenue and expenditure control processes and facilitate timely planning and budgetary revisions before year-end.

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Judged by Usefulness, Not a Fixed Format

The key test is relevance for management control.
That includes both planning future operations and evaluating current financial status and results to date.

Keep working at it.
Continual effort should go into making sure accounting and related interim information actually serves management control needs.

Format is a matter of judgment.
Because managerial styles and information needs vary widely, appropriate internal interim reporting is largely a matter of professional judgment rather than a detailed prescribed format.

Paraphrased for plain-language reference from GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2900, "Interim Financial 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.

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