



State of North Carolina

Department of State Treasurer

RICHARD H. MOORE
TREASURER

*State and Local Government Finance Division
and the Local Government Commission*

DEPUTY TREASURER

September 16, 2002

Memorandum # 976

TO: Local Government Officials and Their Auditors

FROM: Janice T. Burke, Acting Secretary
Vance Holloman, Director, Fiscal Management

SUBJECT: Implementation of GASB Statement No. 34

Many local governments and public authorities are implementing GASB Statement 34 for fiscal year ended June 30, 2002 and we realize this is a challenging task. For this reason, units implementing Statement 34 will not be required to amend their audit contracts unless the report is submitted after December 31st.

This extension does not change the requirement that units issuing debt after mid October have 2002 financial statements available for their official statements. Furthermore, this extension does not change the date for submitting secondary market disclosures to national information repositories.

Please see Memorandum # 974 for guidance in preparing your statements and feel free to call us with questions about Statement 34. The illustrative financial statements for a city, county and school board are being updated for Statement 34 reporting requirements. These statements will be available this week. We will review draft financial statements of any unit implementing Statement 34 upon request. The review will not be as extensive as that performed by the Government Finance Officer's Association as part of their certificate program for excellence in financial reporting.

Phase 1 units are not required to implement retroactive general infrastructure reporting requirements until the fiscal year ending June 30, 2006. Please do not delay issuing your reports because this information is not available. Disclose that this information will be reported until a later period. This will not result in the auditor issuing a qualified or adverse audit opinion.

Contact our staff if you have any questions about this memorandum.