

REPORTING

Note X - Endowments

INSTRUCTIONS TO PREPARER

Governments may receive endowments that are subject to donor-imposed restrictions. In these cases the following items need to be disclosed:

- the amount of net appreciation on investments that are available for expenditure authorized by the governing board, and how these amounts are classified within net position on the statement of net position,
- the state/local law regarding the ability to spend net appreciation on investment, and
- the policy for authorizing and spending investment income, such as spending rate or total return policy.

(GASB Statement 34, paragraph 121)

Example:

Endowments are provided to the (city/county/district) on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or corpus of the endowment be retained in perpetuity. If a donor did not provide specific instructions, (e.g., state law, etc.) permits the (city/county/district's) (legislative body) to authorize to expense the net appreciation of the investments of the endowment funds as discussed below.

Expendable endowments as of December 31, 20__:

<i>Program A</i>	\$_____
<i>Program B</i>	\$_____
_____	_____
<i>Total</i>	\$_____

Nonexpendable endowments as of December 31, 20__:

<i>Program A</i>	\$_____
<i>Program B</i>	\$_____
_____	_____
<i>Total</i>	\$_____