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2022 GASB Updates

Thursday, September 22nd
Session 2 | 3:00 – 3:50 PM

Today’s Presenters

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Effective Dates by Fiscal Year

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2022

- GASB 87 – Leases (Covered in separate presentation)
- GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period – Most clients early implemented
- GASB 92 – Omnibus 2020 (multiple effective dates – some provisions were immediate)
- GASB 93 – Replacement of Interbank Offered Rates
- GASB 97 – CCUC and Section 457 Plan
- GASB 99 – Omnibus 2022 (Part 0)

2023

- GASB 91 – Conduit Debt Obligations
- GASB 94 – Public Private Partnerships
- GASB 96 – Subscription Based IT Arrangements (Covered in separate presentation)
- GASB 99 – Omnibus 2022 (Part 1)

2024 & BEYOND

- GASB 99 – Omnibus 2022 (Part 2)
- GASB 100 – Accounting Changes and Error Corrections – an amendment of GASB 62
- GASB 101 – Compensated Absences

Fiscal Year 2022

Statement No. 89 – Capitalized Interest

Effective for reporting periods beginning after December 15, 2020

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Objective

- Enhance the relevance of capital asset information and simplify accounting and reporting

Requirements

- Interest costs incurred before the end of the construction period should be recognized as an expense

Statement No. 92 – Omnibus

Multiple Effective Dates

Topic	Effective Date
Valuing assets transferred from a governmental employer or non-employer contributing entity to a pension or OPEB plan in the same financial reporting entity at carrying value	Fiscal years beginning after June 15, 2021
Clarifying the interactions between GASB 73/74 and GASB 84 for pension and OPEB plans not administered through GASB 67/74 qualifying trusts	Fiscal years beginning after June 15, 2021
Clarifying reporting requirements for defined contribution benefit plans reported as fiduciary activities	Reporting periods beginning after June 15, 2021

Statement No. 92 – Omnibus

Multiple Effective Dates

Topic	Effective Date
Clarifying how AROs should be measured in a government acquisition	Government acquisitions occurring in reporting periods beginning after June 15, 2021
Reinsurance recoveries for public entity risk pools may be reported as reductions of expenses but are not required to be	Immediately
Fixing an incorrect paragraph reference in paragraph 81 of GASB 72	Reporting periods beginning after June 15, 2021
Replacing "derivative" with "derivative instrument" throughout GASB's literature	Effective immediately

Statement No. 93 – Replacement of Interbank Offered Rates

Effective for reporting periods beginning after June 15, 2021

Objectives

- Address accounting and financial reporting implications that result from the replacement of the interbank offered rate (IBOR), most notably, the London interbank offered rate (LIBOR)
- **LIBOR is set to cease to exist in its current form at some point**
- For governments that have entered into debt or lease agreements that refer to the LIBOR, the referenced rate will need to be changed

Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for 457 Plans

Effective for fiscal years beginning after June 15, 2021

Objectives

- Increases consistency and comparability related to reporting fiduciary CU in circumstances in which the CU does not have a governing board and the PG performs those duties.
- Mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other EBP as fiduciary CU in fiduciary fund financial statements.
- Enhances the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 deferred compensation plans that meet the definition of a pension plan and for the benefits provided through those plans.

What You Need to Know

- Determine financial accountability in the absence of a governing board for a potential CU that is a defined contribution pension or OPEB plan or other EBP.
- Determine the applicability of the financial burden criterion in paragraph 7 of Statement 84
- Determine the type of Section 457 Plan (Pension or other EBP)

Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for 457 Plans

Effective for fiscal years beginning after June 15, 2021

Financial Accountability of the Primary Government

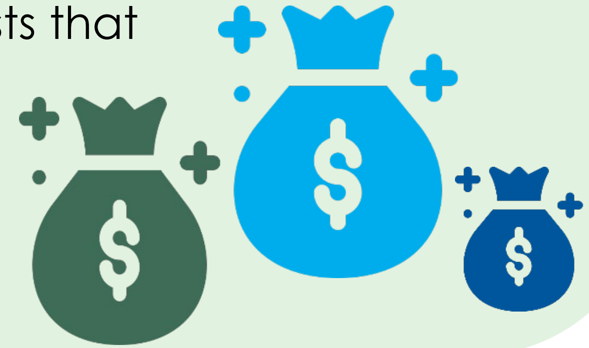
- Financial accountability is a component for identifying potential component units, see GASB Statement No. 14.
- The criteria for determining financial accountability is the ability of the primary government to appoint a voting majority of the potential component units governing board. Implementation Guide 2019-2 provided that in the absence of a governing board if the primary government assumes that role then they have financial accountability.
- This statement makes an exception to this rule for potential component units that are a defined contribution pension plan, defined contribution OPEB plan, or an other employee benefit plan.

Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for 457 Plans

Effective for fiscal years beginning after June 15, 2021

Applicability of the financial burden criterion – Paragraph 7 of Statement No. 84

- Financial burden is a component for identifying potential component units, see GASB Statement No. 14.
- Paragraph 7 of Statement 84 states that, "a primary government is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to a pension or OPEB plan."
- This statement clarifies paragraph 7 and limits its applicability to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet certain criteria of Statements No. 67 and No. 74.



Evaluation of Section 457 Plans

A Section 457 plan should be classified as either a pension plan or an other employee benefit plan, as follows:

- A Section 457 plan that meets the definition of a pension plan in paragraph 51 of Statement No. 67 or paragraph 128 of Statement No. 73, is a pension plan for accounting and financial reporting purposes.
  - Definition of Pension Plan – Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.
- A Section 457 Plan that does not meet this definition is an other employee benefit plan for accounting and financial reporting purposes.
- Statement 84, as amended, should be applied to determine if a Section 457 plan should be reported as a fiduciary activity in a government's fiduciary fund financial statements.
- All accounting and financial reporting requirements that are relevant to pensions should be applied to benefits provided through a Section 457 Plan that meets the definition of a pension plan. As such Statements No. 68 or No. 73 may be applicable depending on the specific type of benefits.

Polling Question #1

A Section 457 plan that meets the definition of a pension plan in paragraph 51 of Statement No. 67 or paragraph 128 of Statement No. 73 is:

a) another employee benefit plan for accounting and financial reporting purposes
b) a pension plan for accounting and financial reporting purposes
c) both a & b
d) neither a nor b

Statement No. 99 – Omnibus 2022 – Part (0)

Multiple Effective Dates

Topic	Effective Date
Replacement of Libor - ICE Benchmark Administration decided to continue publishing LIBOR after the original December 31, 2021 date. However, LIBOR is not considered to be an appropriate benchmark interest rate related to derivative instruments where interest rate risk of taxable debt is hedged	Immediate upon issuance
SNAP – State governments to recognize SNAP distributions in accordance with GASB 33	Immediate upon issuance
Disclosure of nonmonetary transactions – disclosures in notes will include measurement attributes applied to transferred assets rather than the original basis of accounting of those assets.	Immediate upon issuance

Statement No. 92 – Omnibus

Multiple Effective Dates

Topic	Effective Date
Fix references to balance sheet, fund equity and flow of resources statement to align with the terminology found in GASB 63	Immediate upon issuance
Added guidance for blended component units (BCU) where the BCU was created to issue debt that was secured by government's revenue on the government's behalf	Immediate upon issuance
Government wide statements updated terminology from "the financial reporting entity as a whole" with "the overall reporting government"	Immediate upon issuance

Fiscal Year 2023

Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Conduit Debt has all of the following characteristics:

- At least 3 parties involved
- Issuer and 3rd Party obligor not within same reporting entity
- Not parity bond of issuer and not cross-collateralized
- 3rd party obligor receives proceeds, not the issuer
- 3rd Party obligor is primarily obligated for D/S payments

What is Conduit Debt?

- A debt instrument issued in the name of a state and local government(the issuer) that is for the benefit of a 3rd party primarily liable for the repayment of the debt instrument (3rd party obligor)
  - A liability is not recognized by the issuer for conduit debt unless the issuer extends additional commitments, and it is **more likely than not** the issuer will support one or more debt service payments of the 3rd party obligor.

Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Evaluation of recognition of liability is based on level of commitment:

LIMITED

- Meets all characteristics of conduit debt
- Maintains the issue's tax-exempt status
- No responsibility for debt service payments beyond resources provided by 3rd party obligor
- May include facilitating payments to debt holders or agent

No annual evaluation - *

ADDITIONAL

- Makes debt service payments only in event 3rd party is unable to pay
- Has expended moral obligation or appropriation pledge
- Extending financial guarantee **
- Pledging government's own assets as security

Evaluate at least annually

VOLUNTARY

- Voluntary decision to make debt service payment when 3rd party obligor is unable to do so

Evaluate annually

Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Considerations

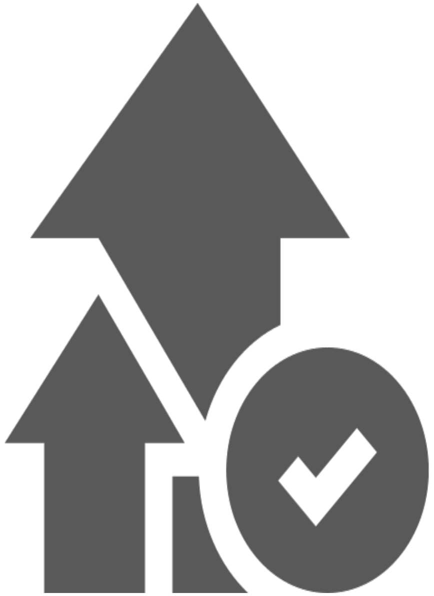
1. 3rd party obligor is entering bankruptcy
2. 3rd party obligor is breaching a debt covenant
3. 3rd party obligor is experiencing significant financial difficulty
4. The source of funding is terminated
5. Litigation has negatively impacted project
6. Issuer's willingness to support debt payments
7. Issuer's history of supporting debt payments

Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Recognition and Measurement for Additional Commitments

- Issuer should recognize a liability and expense in financial statements prepared using economic resources measurement focus if qualitative factors indicate that it is more likely than not the issuer will support one or more D/S payments
- Measured as the discounted PV of the best estimate of future outflows to be incurred
- Fund liability and expenditure recognized if liability expected to be liquidated with expendable available financial resources



Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Arrangements Associated with Conduit Debt

- Capital assets to be used by 3rd party Obligor but owned by issuer
- Issuer retains title to capital assets from beginning of arrangement
- "Lease-like" arrangements
- Payment schedule coincides with the debt service payment schedule
- Payments from 3rd party obligor cover debt service

GASB 91 provides guidance for accounting in these situations

Statement No. 91 – Conduit Debt

Effective for reporting periods beginning after December 15, 2021

Notes to Financial Statements – should include:

- Description of Issuer's conduit debt obligations
- Description of Issuer's limited commitments
- Description of Issuer's voluntary commitments
- Description of Issuer's additional commitments, including legal authority, length of time, recovery arrangements, if any
- O/S principal of conduit debt obligations of same type
- If a liability is recognized, brief description of timing/measurement of liability and change in liability
  - Cumulative payments made, if any
  - Amounts to be recovered, if any

Polling Question#2

Which of the following is a characteristic of conduit debt:

a) The Issuer is primarily liable
b) The Issuer receives the proceeds
c) At least 2 parties are involved
d) The 3rd party Obligor is primarily obligated for the debt service payments

Statement No. 94 – Public-Private and Public-Public Partnerships

Effective for fiscal years beginning after June 15, 2022

Objective

- To improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and provide guidance for accounting/financial reporting related to availability payment arrangements (APA)

This Statement carries forward the guidance requirements for service concession arrangements (GASB 60) and leases (GASB 87)

PPPs (P3s) and APA: What are they?

Public-Private Partnership

An arrangement where a government (known as the transferor) contracts with a nongovernmental entity (known as the operator) to provide public services by conveying control of the right to operate or use a nonfinancial asset (such as infrastructure) or other capital asset for a period of time in an exchange or exchange-like transaction

Public-Public Partnership

This is the same as a Public-Private Partnership except the transaction is between two governmental entities.

SCAs - Are PPPs in which the following are met:

- Transferor conveys to operator right & obligation to provide public service through use / operation of underlying PPP asset in exchange for significant consideration (i.e. up-front payments, installment payments, improvements, new facility, etc.)
- Operator collects fees from 3rd party (i.e. toll road)
- Transferor determines and has right to modify/approve which services operator provides, to whom services are provided and prices/rates
- Transferor entitled to significant residual utility in underlying PPP asset at end of arrangement

PPPs (P3s) and APA: What are they?

Availability Payment Arrangement

This is an arrangement in which a government compensates an operator for services (this can include- designing, constructing, financing, maintaining, or operating a non-financial asset) for a period of time in an exchange or exchange-like transaction.

APAs

- Payments are based entirely on asset's availability for use, rather than on tolls, fees, or other measures of demand
- Availability for use – Based on criteria such as physical condition of asset, construction milestones, etc.
- Government procures a capital asset or service rather than receiving compensation for allowing another entity to provide public services
- May be similar to a PPP that contains a variable payment provision; however, (in contrast to PPPs) the other party in APAs is receiving compensation from the government based solely on availability to perform rather than performance of a public service.

PPPs that meet Lease definition – apply GASB 87 guidance for accounting and financial reporting…ONLY *IF*

- Existing assets of the transferor are the only underlying PPP assets
- Improvements are not required to be made by the operator to those existing assets as part of the PP arrangement
- The PPP does not meet the definition of an SCA

Accounting for PPPs - Transferor

- If an underlying PPP asset is an existing asset of the transferor, at the commencement of the PPP term, the transferor should continue to report the underlying PPP asset
- Continue to apply other accounting and financial reporting requirements applicable to the underlying PPP asset, including depreciation and impairment

At commencement recognize:

- A receivable for installment payments, if any, to be received in relation to the PPP
- A deferred inflow of resources

Accounting for PPPs - Transferor (cont.)

- If an underlying PPP asset is a new asset purchase or constructed by the operator and **the PPP meets the definition of an SCA** recognize:
  - An asset for the purchased or constructed underlying PPP asset measured at acquisition value when the asset is placed into operation

<u>At commencement recognize</u>:

- A receivable for installment payments, if any, to be received in relation to the PPP
- A deferred inflow of resources

Accounting for PPPs - Transferor (cont.)

- If an underlying PPP asset is a new asset purchase or constructed by the operator and **the PPP does not meet the definition of an SCA**, when the underlying PPP asset is placed into service, the transferor should recognize:
  - A receivable for the underlying PPP asset purchased or constructed measured to be received from the operator
  - A receivable for installment payments, if any, to be received in relation to the PPP
  - A deferred inflow of resources

Accounting for PPPs - Transferor (cont.)

- Indirect costs incurred by Transferor should be reported as outflows of resources in the period incurred

- Improvements – transferor should measure improvements made by the operator to an underlying PPP asset as acquisition value when the improvements are placed into service

Apply all other accounting and financial reporting requirements relevant to the improvements to underlying PPP asset including depreciation and impairment

Accounting for PPPs - Operator

- If an underlying PPP asset is an existing asset of a transferor, at the commencement of the PPP term, the governmental operator recognizes:
- A liability for installment payments, if any, to be received in relation to the PPP
- An intangible right-to-use asset

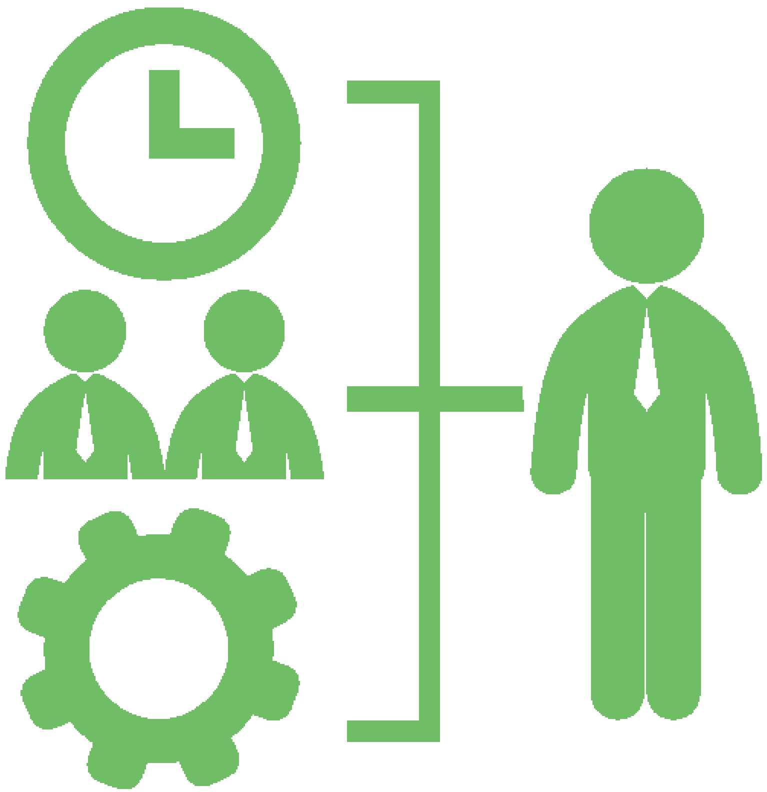
- If an underlying PPP asset is an new asset purchased or constructed by a governmental operator **and the PPP meets the definition of an SCA**, at the commencement of the PPP term, the governmental operator recognizes:
- A liability for installment payments, if any, to be received in relation to the PPP
- A right-to-use asset

Accounting for PPPS - Operator

- If an underlying PPP asset is an new asset purchased or constructed by a governmental operator **and the PPP does not meet the definition of an SCA**, at the commencement of the PPP term, the governmental operator should recognize:
- The underlying PPP asset until ownership of the underlying PPP asset is transferred to the transferor, if applicable
- Continue to apply other accounting and financial reporting requirements applicable to the underlying PPP asset including depreciation and impairment
- When underlying PPP asset is placed into service, the governmental operator should recognize:
  - Liability for underlying PPP asset to be transferred to transferor, if applicable
  - Liability for installment payments, if any, to be made in relation to the PPP
  - A deferred outflow for the underlying PPP asset to be transferred

Transfer of Ownership

- If the operator is required to transfer the underlying PPP asset during or at the end of the PPP term:
  - Operator should measure the liability based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership
  - Recognize a deferred outflow of resources = the estimated carrying value of the underlying PPP asset as of the expected date of transfer of ownership
  - Subsequently recognize the DOR into expense in a systematic and rational manner over the remaining PPP term



Statement No. 94 – Public-Private and Public-Public Partnerships

Effective for fiscal years beginning after June 15, 2022

APAs

May have multiple components:

- Could involve a situation, for example, where a government enters into an agreement with an operator to design, construct, finance, operate and maintain a toll road in exchange for:
  - Fixed payments to compensate the operator for the design, construction, financing, operation and maintenance and
  - Variable payments based on whether certain measures related to availability were met
- Each component is recognized as a separate agreement

Fiscal Year 2024 and Beyond

Statement No. 99 – Omnibus 2022 – Part (2)

Effective for fiscal years beginning after June 15, 2023

Addresses accounting for exchange and exchange-like guarantees

Describes reporting requirements for derivative instruments that are neither hedges or investments

When a hedge is terminated, the statement will require separate presentation on the resource flows statement showing the impact of termination

Statement No. 100 – Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62

Effective for fiscal years beginning after June 15, 2023

Accounting Changes

- Changes in accounting principle
  - Includes implementation of a new GASB pronouncement
  - Reporting – retroactive, restatement for all periods presented
- Changes in accounting estimates
  - Changes to inputs used for an estimate resulting from a change in circumstance, new information, or more experience
  - Includes changes to measurement methodologies (i.e. depreciation, fair value measurement, collectability, etc.)
  - General guidance applies in absence of specific guidance (i.e. actuarial assumptions)
  - Reporting – prospective – recognize in the period of change
- Changes to or within the financial reporting entity:
  - CU added or removed (though exceptions apply)
  - CU reclassified between blended and DCU
  - Fund added or removed
  - Fund reclassified between major and non-major
  - Reporting – account for change as of first day of reporting period in which it is made

Statement No. 100 – Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62

Effective for fiscal years beginning after June 15, 2023

Corrections of Errors in Previously Issued Financial Statements

- Mathematical
- Misapplication of accounting principle
- Oversight or misuse of facts
  - That existed at the time the FS were issued
  - That are about conditions that existed as of the FS date, **and**
  - That could reasonably be expected to have been obtained and taken into account
- Reporting – retroactive restatement for all periods presented

Statement No. 100 – Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62

Effective for fiscal years beginning after June 15, 2023

Key New Requirements

- Display of aggregate amount of adjustments to, and restatements of, beginning fund balance, net position as applicable for each reporting unit
- Summary disclosure in tabular form of the overall effects on beginning position of the earliest period adjusted or restated for each:
  - Change in accounting principle (including implementation of new pronouncements)
  - Change to or within the financial reporting entity; and
  - Error correction

Statement No. 100 – Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62

Effective for fiscal years beginning after June 15, 2023

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Example of Summary Disclosure

	12/31/20X1 As Previously Reported	Change to or within the Financial Reporting Entity (A)	Change to or within the Financial Reporting Entity (B)	Error Correction (C)	12/31/20X1 As Restated
Government-Wide					
Governmental Activities	$ 768,033	$ -	$ -	$ 71,312	$ 839,345
Business-Type Activities	543,163	(2,184)	-	-	540,979
Total Primary Government	**$ 1,311,196**	**$ (2,184)**	**$ -**	**$ 71,312**	**$ 1,380,324**
Governmental Funds					
Major Funds:					
General Fund	$ 631,607	$ -	$ -	$ -	$ 631,607
Fund A	100,922	-	-	-	100,922
Nonmajor Funds	40,486	-	-	-	40,486
Total Governmental Funds	**$ 773,015**	**$ -**	**$ -**	**$ -**	**$ 773,015**
Proprietary Funds					
Major Funds:					
Enterprise Fund C	$ 418,910	$ -	$ -	$ -	$ 418,910
Enterprise Fund D	74,831	(2,184)	-	-	72,647
Nonmajor Funds	49,422	-	-	-	49,422
Total Proprietary Funds	**$ 543,163**	**$ (2,184)**	**$ -**	**$ -**	**$ 540,979**
Fiduciary Funds					
Pension and Other Employee Benefit Trust Funds	$ 3,071,227	$ -	$ -	$ -	$ 3,071,227
Discretely Presented Component Units					
ABC Authority	$ 1,696	$ -	$ -	$ -	$ 1,696
QRS Foundation	-	2,184	-	-	2,184
XYZ Foundation	-	-	1,500	-	1,500
Nonmajor Component Units	2,730	-	-	-	2,730
Total Discretely Presented Component Units	**$ 4,426**	**$ 2,184**	**$ 1,500**	**$ -**	**$ 8,110**

Selected Other Disclosure Provisions

- Explicit justification of preferability (based on qualitative characteristics – understandability, relevance, reliability, timeliness, consistency or comparability) – required in disclosures for
  - Change in accounting principle and
  - Changes in estimation methodology;
  - unless change results from implementing new GASB pronouncement
- Disclosure of FS line items affected by changes in accounting principle and estimates **(other than totals and subtotals)**
- Disclosure of reason for change to or within reporting entity **(except for change in fund presentation due to meeting/not meeting major fund threshold)**
- Disclosure requirements for changes in accounting principle and error corrections with no effect on beginning position but result in reclassification within the FS

RSI (including MD&A) and SI

Changes to accounting principle and changes to/within reporting entity in RSI and SI

- For reporting periods presented in the basic FS
  - Info for those periods presented in RSI or SI should be adjusted or restated in the same manner as the basic FS
- For prior reporting periods that are earlier than those in the basic FS
  - Info for those periods presented in RSI or SI **should not be** restated but MD&A should reference the related note disclosure

RSI (including MD&A) and SI - (cont.)

Error corrections in RSI and SI

- For reporting periods presented in the basic FS
  - Info for those periods presented in RSI or SI should be adjusted or restated in the same manner as the basic FS
- For prior reporting periods that are earlier than those in the basic FS
  - Info for those periods presented in RSI or SI **should be** corrected by restatement, if possible
  - Identify amounts as restated or not restated, as appropriate
  - Explain why it is not practicable to restate prior years in RSI or SI, if applicable

Statement No. 101 – Compensated Absences

Effective for fiscal years ending after December 15, 2023

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Requires compensated absences to be recognized in financial statements prepared using the economic resources measurement focus for:

- Leave that has not been used
- Leave that has been used but not yet paid in cash or other noncash means

Liability should be recognized for unused leave:

- When the leave is attributable to services already rendered
- The leave accumulates, and
- The leave is more likely than not to be used for time off or otherwise settled with cash or other noncash means

Statement No. 101 – Compensated Absences

Effective for fiscal years ending after December 15, 2023

Is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means – is assessed by relevant factors such as:

- Employment policies for compensated absences
- Whether leave that has been earned is, or will become, eligible for use or payment in the future
- Historical info about use, payment or forfeiture
- Info known to government indicating historical info is not representative of future trends or patterns

Statement No. 101 – Compensated Absences
Effective for fiscal years ending after December 15, 2023

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When to Recognize	Leave Type
Not recognized	Leave is more likely than not to be settled through conversion to defined benefit pension or other post-employment benefits
When leave commences	Leave is dependent upon the occurrence of a sporadic event that affects a small proportion of the employees in a particular reporting period (i.e. parental leave, military leave, jury duty)
When leave is taken	Leave that employees are able to take as needed without specific limits (unlimited leave) and holiday leave taken on a specific date

Statement No. 101 – Compensated Absences

Effective for fiscal years ending after December 15, 2023

Salary-related Payments

- Non-salary obligations incurred related to providing leave in exchange for services rendered (i.e.- social security/Medicare, DC post employment benefits)
- Recognize liability for salary-related payments that are directly and incrementally associated with the leave:
  - Directly – amount of payment is a function of salary paid (payment amount is depends on amount of salary to be paid)
  - Incrementally associated – will be paid in addition to the salary payment

Exception – salary-related payments related to DB pensions or DB OPEB should not be included in the measurement of liabilities for compensated absences

Measurement of Liability

- Measurement of liability for unused leave including salary-related payments
- Unused leave time x rate as of date of financial statements, where rate is:
  - Employee's pay rate or estimated rate representative of eligible population for leave pools and
  - Salary-related payment rates
- For any leave *more likely than not* to be paid at a different rate, use the expected rate
- For unused leave more likely than not to be settled through noncash means other than conversion to DB post-employment benefits, use amount for which it is expected to settle

Statement No. 101 – Compensated Absences

Effective for fiscal years ending after December 15, 2023

Long-term liabilities disclosures – included either:

1. Separate increases or decreases
2. A net increase or decrease – indicating that it is net

Implementation

Changes adopted at transition to conform to this Statement should be reported as a change in accounting principle in accordance with GASB Statement 100.

NOTE!

No longer required to disclose which governmental funds have typically been used to liquidate the liability

Polling Question#3

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When do you recognize leave that is more likely than not to be settled through conversion to defined benefit pension or other post-employment benefits?

a) When the conversion is made
b) When the employee works the time associated with the leave benefit
c) Whenever you feel like it
d) It is not recognized

GASB: Current Projects

Project	Stage
Risks and Uncertainties Disclosures	Exposure Draft Comment Period – Comments due September 30, 2022
Classification of Nonfinancial Assets	Initial Deliberations – Expect Exposure Draft May 2023
Financial Reporting Model	Exposure Draft Redeliberations – Expect Final Statement December 2023
Revenue and Expense Recognition	Preliminary Views Redeliberations - Expect Exposure Draft March 2025
Going Concern Uncertainties and Severe Financial Stress	Initial Deliberations – Expect Exposure Draft April 2025

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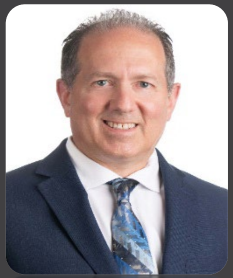

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