



GASB Update

Office of School Finance
July 2016




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What's Next with GASB?

The purpose of this presentation is to provide basic information about upcoming GASB statements.

Of the GASB statements included in this presentation, the following are effective for the FY16 financial statements: 72, 73, 76 and 79.



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Statement No. 72

Title: *Fair Value Measurement and Application*

Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged. (FY16)


(Issued 02/15)


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Statement No. 72

- This statement requires a government to determine fair value using valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: (1) the market approach (2) the cost approach or (3) the income approach.
- It also establishes a hierarchy of inputs to valuation techniques used to measure fair value.
- It generally requires investments to be measured at fair value.
- It requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The government should organize these disclosures by type of asset or liability reported at fair value.

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Statement No. 73

Title: *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. (FY16)


(Issued 06/15)


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Statement No. 73

- The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets.
- It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.


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Statement No. 73

This Statement also clarifies the application of certain provisions of Statements 67 and 68 with regard to the following issues:

- Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported
- Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions
- Timing of employer recognition of revenue for the support of nonemployer contributing entities *not* in a special funding situation.

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Statement No. 74

Title: Statement No. 74
Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. (FY17)


(Issued 06/15)


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Statement No. 74

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.







Statement No. 74

- Addresses both defined benefit and defined contribution OPEB plans administered through trusts
- Also addresses OEPB plans that are not administered through trusts

Practical Note: GASB 74 applies to the RHBT. GASB 75 will apply to the county boards of education.




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Statement No. 75

Title: Statement No. 75
Accounting and Financial Reporting for
Postemployment Benefits Other Than Pensions

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. (FY18)


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Statement No. 75


Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.


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Statement No. 75

- For county boards of education, this will be similar to GASB 68 where the proportionate share of the net OPEB liability, OPEB expense, and deferred inflows and outflows must be reflected on the financial statements.
- County boards of education will be a considered a cost-sharing employer in a defined benefit OPEB trust.
- GASB 75 also has specific language for special funding situations which will have to be worked through similar to GASB 68.
- Requires increased note disclosures and RSI

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Statement No. 76


Title: GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged. (FY16)

(Issued 06/15)

Supersedes GASB Statement No. 55


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Statement No. 76

The objective of GASB 76 is to identify the hierarchy of GAAP, which consists of the sources of accounting principles used to prepare financial statements of state and local entities in conformity with GAAP and the framework for selecting those principles.




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Statement No. 76

The statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.



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Statement No. 77

Title: GASB Statement No. 77, *Tax Abatement Disclosures*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. (FY17)


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Statement No. 77

- Defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.
- An example relevant for county boards of education would be payments in lieu of property taxes.

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Statement No. 77

This statement requires several new footnote disclosures related to tax abatements, including but not limited to:

- Brief descriptive info
- Gross dollar amount of taxes abated during the period
- Other commitments made, other than to abate taxes, as part of the tax abatement agreement.

The statement specifies how to organize the new disclosures and also requires disclosure of certain tax abatements entered into by other governments.

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Statement No. 78

Title: GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. (FY17)

(Issued 12/15)


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Statement No. 78

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

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Statement No. 79

Title: GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. (Part FY16 and Part FY17)

(Issued 12/15)


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Statement No. 79

This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial report purposes. If the external investment pool meets the criteria and measures all of its investments at amortized cost, the pool's participants also should measure their investment in that external investment pool at amortized cost for financial reporting purposes.

Practical Note: Appears to mainly apply to money market funds







Statement No. 80

Title: GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. (FY17)

(Issued 01/16)





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Statement No. 80

This statement generally would not apply to county boards of education.

The primary applicability is to the healthcare industry.

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Statement No. 81

Title: GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

Effective Date: The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged. (FY18)

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Statement No. 81

Irrevocable split-interest agreements are a specific type of giving arrangement used by donors to provide resources to two or more beneficiaries, including governments. Examples include: charitable lead trusts, charitable remainder trusts, charitable annuity gifts, and life-interests in real estate.

These are likely not common for county boards of education.

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Statement No. 82

Title: GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. (Part FY17 and Part FY18)



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Statement No. 82


The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*

Statement No. 82


Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.




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Summary of Effective Dates by FY

- FY2016
 - GASB 72 – Fair Value Measurement and Application
 - GASB 73 – Pensions – Related Assets (Outside of Scope of GASB 67 and GASB 68)
 - GASB 76 – GAAP Hierarchy for State and Local Governments
 - GASB 79 – Certain External Investment Pools and Pool Participants
- FY 2017
 - GASB 73 – Pension Amendments to Certain Provisions of GASB 67 & 68
 - GASB 74 – Financial Reporting – OPEB Plans
 - GASB 77 – Tax Abatement Disclosures
 - GASB 78 – Pensions Provided Through Certain Multiple-Employer Defined Benefit Plans
 - GASB 79 – Certain Investment Pools and Participants
 - GASB 80 – Blending Requirements for Certain Component Units
 - GASB 82 – Pension Issues
- FY 2018
 - GASB 75 – Accounting and Financial Reporting – OPEB Employers
 - GASB 81 – Irrevocable Split-Interest Agreements
 - GASB 82 – Pension Issues

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Any Questions?

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