



ICCCFO Fall Conference - 2025

GASB UPDATE

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THE AGENDA

- GASB PRONOUNCEMENTS
- TECHNICAL AGENDA

A blurred photograph of a crowd of people walking in a modern, brightly lit interior space, possibly a transit hub or office lobby. The background features a wall with a grid of circular ventilation holes. The image is split vertically: the left side has a blue tint, and the right side is more neutral. A semi-transparent dark blue horizontal band is overlaid across the middle of the image.

GASB PRONOUNCEMENTS

GASB 102 – CERTAIN RISK DISCLOSURES

EFFECTIVE DATE: PERIODS BEGINNING AFTER JUNE 15, 2024

June 30, 2025

December 31, 2025

April 30, 2026

GASB 102 – CERTAIN RISK DISCLOSURES

OBJECTIVE – PROVIDE TIMELY INFORMATION REGARDING CONCENTRATIONS OR CONSTRAINTS

Concentration – Lack of diversity related to an aspect of a significant inflow or outflow of resources

Constraint – Limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority

GASB 102 – CERTAIN RISK DISCLOSURES

DISCLOSURE REQUIRED WHEN:

Known to the government prior to financial statement issuance

Reporting unit vulnerable to the risk of substantial impact

Event has occurred, begun to occur, or more likely than not to begin to occur within 12 months of the date the financial statements are issued

IF MITIGATING ACTION TAKEN PRIOR TO ISSUANCE CAUSES ANY OF THE CRITERIA TO NOT BE MET, DISCLOSURE NOT REQUIRED



GASB 102 – CERTAIN RISK DISCLOSURES

DISCLOSURE ELEMENTS:

Nature of circumstances

Vulnerability to risk of substantial impact

Description of the concentration or constraint

Identification of each associated event (if they have occurred/begun to occur)

Status of any mitigation efforts

GASB 102 – CERTAIN RISK DISCLOSURES

EXAMPLE CONCENTRATIONS:

Principal employers

Principal industries

Principal resource providers

Composition of principal inflows of resources

Workforce

Suppliers

GASB 102 – CERTAIN RISK DISCLOSURES

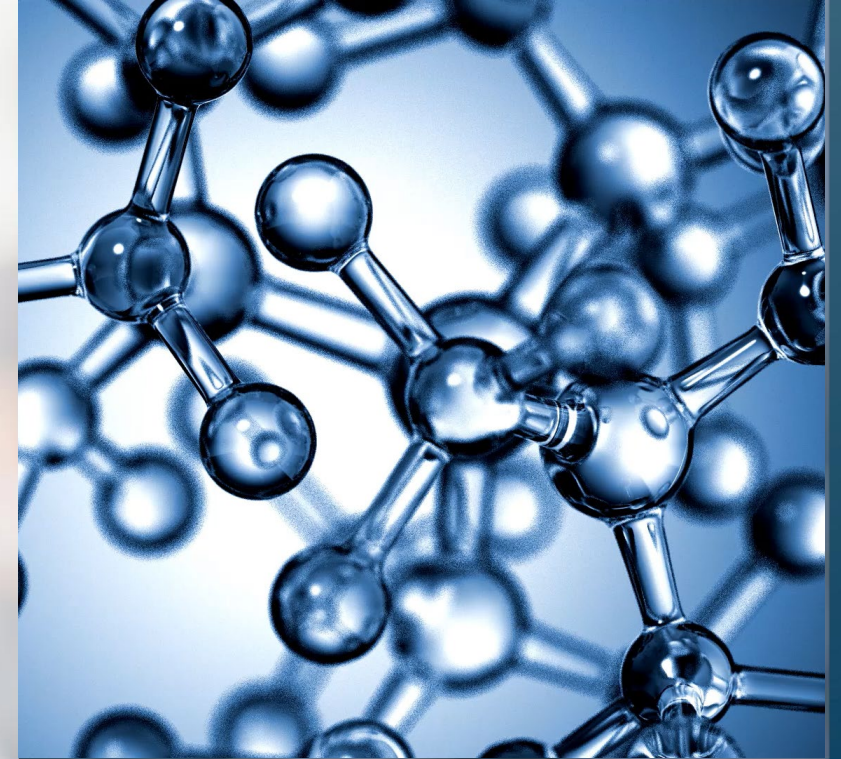
EXAMPLE CONSTRAINTS:

Limitations on raising revenue

Limitations on spending

Limitations on the incurrence of debt

Mandated spending



GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

**EFFECTIVE DATE: PERIODS BEGINNING
AFTER JUNE 15, 2025**

June 30, 2026

December 31, 2026

April 30, 2027

EARLY IMPLEMENTATION ENCOURAGED

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

IMPACTED SECTIONS:

Management's discussion and analysis

Unusual and infrequent items

Proprietary fund financial statements

Major component unit presentation

Budgetary comparison information

Statistical section – financial trends information

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

MANAGEMENT’S DISCUSSION AND ANALYSIS

Focus on current year balances and results of operations in comparison to prior year – fact-based analysis with emphasis on the “why”

Seek to avoid unnecessary duplication and “boilerplate” discussion

Focus should be on the primary government

Fewer required elements

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS – CURRENT SECTIONS

1. Discussion of the basic financial statements
2. Condensed financial information
3. Analysis of the government's overall financial position and results of operations
4. Analysis of the balances and transactions of individual funds
5. Description of capital asset and long-term debt activity
6. Currently known facts, decisions or conditions of future significance
7. Analysis of budgetary variations
8. Discussion of infrastructure accounted for using the modified approach



GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS – GASB 103 SECTIONS

1. Overview of the financial statements
2. Financial summary
3. Detailed analyses
4. Significant capital asset and long-term financing activity
5. Currently known facts, decisions, or conditions

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

UNUSUAL OR INFREQUENT ITEMS

Replaces previous categories of extraordinary items and special items

Definition does not change – Transaction or event must be unusual in nature and infrequent in occurrence

Presentation requirements

- Last items before net change in net position or in fund balance
- Multiple items should be presented gross, not netted
- Example: Disaster recovery grant intended to help government recover from an unusual or infrequent natural disaster (inflow) and impairment loss from damage caused by the same natural disaster (outflow)

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Change to the format of the statement of revenues, expenses and changes in fund net position

Redefines operating and nonoperating revenues and expenses

Defines new category - subsidies

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Operating revenues (detailed)
Total operating revenues
Operating expenses (detailed)
Total operating expenses
Operating income (loss)
Noncapital subsidies (detailed)
Total noncapital subsidies
Operating income (loss) and noncapital subsidies
Other nonoperating revenues and expenses (detailed)
Total other nonoperating revenues and expenses
Income (loss) before unusual or infrequent items
Unusual or infrequent items (detailed)
Increase (decrease) in fund net position
Fund net position—beginning of period
Fund net position—end of period

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Nonoperating revenues and expenses

- Subsidies received and provided
- Contributions to permanent and term endowments
- Revenues and expenses related to financing
- Resources from the disposal of capital assets and inventory
- Investment income and expenses

Operating revenues and expenses

- Revenue and expenses other than nonoperating revenues and expenses

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Subsidies

- Resources received from another party or fund

FOR WHICH PROPRIETARY FUND DOES NOT PROVIDE GOODS AND SERVICE AND

THAT DIRECTLY OR INDIRECTLY KEEP THE FUND'S CURRENT OR FUTURE FEES/CHARGES LOWER THAN THEY WOULD BE OTHERWISE

Resources provided to another party or fund

- For which the recipient does not provide goods and services to the fund and
- That are recoverable through the fund's current or future pricing policies

All other transfers

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

STATISTICAL SECTION – FINANCIAL TRENDS INFORMATION

When only business-type operations or business-type and fiduciary operations, present revenues by major source distinguishing between

- Operating income (loss)
- Noncapital subsidies
- Other nonoperating revenues and expenses

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

EFFECTIVE DATE: PERIODS BEGINNING AFTER JUNE 15, 2025

June 30, 2026

December 31, 2026

April 30, 2027

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

REQUIRES SEPARATE PRESENTATION OF CERTAIN TYPES OF CAPITAL ASSETS

Asset Type	Disclosure Requirement
Lease Assets (GASB 87)	By major class of underlying asset
Intangible RTU Assets (GASB 94)	By major class of P3 asset
Subscription Assets (GASB 96)	In accordance with Statement No. 96
Intangible (other)	By major class of asset
Asset Held for Sale	Within existing class*

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

CAPITAL ASSETS HELD FOR SALE

Government pursuing sale of the asset

Probable* that the sale will be finalized within one year of the balance sheet date

*Likely to occur

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

CAPITAL ASSETS HELD FOR SALE – TIMING OF SALE CONSIDERATION

Asset available for *immediate* sale in present condition

Active program to identify a buyer (i.e. bid)

Market conditions

Regulatory approvals (if applicable)

EVALUATE ANNUALLY

Capital assets being depreciated:				
Buildings and improvements	40,861	334	-	41,195
Equipment	32,110	1,544	(1,514)	32,140
Road network	72,885	10,219	-	83,104
Bridge network	18,775	4,627	-	23,402
Software	2,100	548	(650)	1,998
Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
Subscription assets	5,490	687	(743)	5,434
Total capital assets being depreciated	218,431	20,480	(5,363)	233,548
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(2,896)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(7,456)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	(1,009)	(450)	209	(1,250)
Total accumulated depreciation	(49,778)	(7,325)	2,097	(55,006)

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TECHNICAL AGENDA

REVENUE AND EXPENSE RECOGNITION

**LIMITED GUIDANCE EXISTS FOR
EXCHANGE TRANSACTIONS
GUIDANCE FOR NONEXCHANGE
TRANSACTIONS OUTDATED**

EXPOSURE DRAFT: EXPECTED Q4 2025*

REVENUE AND EXPENSE RECOGNITION

BOARD OBJECTIVES:

Expenses – provide guidance

Revenues – expand guidance

Review GASB 33 – non-exchange transactions

Conceptual framework considerations

Performance obligation recognition

REVENUE AND EXPENSE RECOGNITION

CATEGORIZATION

Category A

- Satisfaction of a performance obligation

REVENUE AND EXPENSE RECOGNITION

CATEGORIZATION

Category B

- Derived Revenue
- Imposed Revenue
- Contractual Binding Arrangement
- General Aid to Governments
- Shared Revenue

Category A	Category B
Fees for specific services (water, electricity, lottery, tuition)	Taxes (property tax, income tax, sales tax)
Expenditure-driven grants	Purpose-restricted grants (and donations)
Research grants and revolving loans	Donations (unrestricted donations, pledges, perpetual trusts)
Medicaid fees for services	Punitive fees (fines, penalties, forfeitures)
Most expenses	Special assessments (capital and service)
	Regulatory fees (driver's licenses, building permits, marriage licenses, professional service licenses)
	Capital fees (passenger facility charges, impact fees)

SUBSEQUENT EVENTS

FINAL STANDARD EXPECTED Q4 2025 FY BEGINNING AFTER JUNE 15, 2026

June 30, 2027

December 31, 2027

April 30, 2028

EXISTING GUIDANCE OUTDATED

SUBSEQUENT EVENTS

Recognized Events	Nonrecognized Events
Occur during subsequent event timeframe	Occur during subsequent event timeframe
Indicative of conditions at the F/S date and affects accounting estimate	Significant effect (unfavorable or favorable)
Incorporate into measurement of accounting estimates at reporting date	Specific: Debt, Combination/Disposal/Entity Change/New Tax Rate
	Essential for understanding
	Note disclosure

SUBSEQUENT EVENTS

NOTE DISCLOSURES

Description

Estimate of effect

By reporting unit

ANY QUESTIONS?



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