



# **GASB UPDATE**

## **ICCCFO SPRING 2025 CONFERENCE**

# MEET THE PRESENTERS



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# THE AGENDA

- RECAP OF GASB STATEMENT 101
- RECAP OF GASB STATEMENT 102
- GASB STATEMENT 103

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 STATEMENT 101

# GASB 101, COMPENSATED ABSENCES

**IMPLEMENTATION DATE: FISCAL YEARS BEGINNING AFTER  
DECEMBER 15, 2023**



## **OBJECTIVE**

- Better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences
- Achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures

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# GASB STATEMENT 102



# GASB 102, CERTAIN RISK DISCLOSURES

**IMPLEMENTATION DATE: FISCAL YEARS BEGINNING AFTER JUNE 15, 2024**



## OBJECTIVE

- Provide timely information regarding concentrations or constraints

**All entities have concentrations and/or constraints but may or may not require disclosure!!**

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# GASB STATEMENT 103



# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

**IMPLEMENTATION DATE: FISCAL YEARS BEGINNING AFTER JUNE 15, 2025**



## OBJECTIVE

- To improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **CHANGES TO FOLLOWING SECTIONS:**

- Management's discussion and analysis
- Unusual and infrequent items (previously called extraordinary and special 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 Model
• Discussion of the basic financial statements
• Condensed financial information
• Analysis of the government’s overall financial position and results of operations
• Analysis of the balances and transactions of individual funds
• Description of capital asset and long-term debt activity
• Currently known facts, decisions or conditions of future significance
• Analysis of budgetary variations
• Discussion of infrastructure accounted for using the modified approach

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **GASB 103 Revisions**

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

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OPERATING REVENUE ANALYSIS

THE COLLEGE'S OPERATING REVENUES INCREASED XX% TO \$XX MILLION FOR FISCAL 2025. THE INCREASE IS PRIMARILY ATTRIBUTABLE TO A POSITIVE CHANGE IN TUITION AND FEES.

THOUGHTS?





# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OPERATING REVENUE ANALYSIS

OPERATING REVENUES TOTALED \$XX MILLION AND \$XX MILLION FOR THE YEARS ENDED JUNE 30, 2025 AND 2024, RESPECTIVELY. THE COLLEGE'S MAIN SOURCE OF OPERATING REVENUE IS DERIVED FROM TUITION AND FEES, WHICH ACCOUNTED FOR XX% AND XX% OF TOTAL OPERATING REVENUES FOR THE YEARS ENDED JUNE 30, 2025 AND 2024, RESPECTIVELY.

THE TUITION RATE FOR FISCAL YEAR 2025 WAS \$XXX PER CREDIT HOUR COMPARED TO \$XXX PER CREDIT HOUR IN 2024. TOTAL CREDIT HOURS GENERATED FOR FISCAL YEAR 2025 INCREASED TO XXX,XXX COMPARED TO XXX,XXX IN 2024. THE INCREASES IN CREDIT HOURS THE COLLEGE EXPERIENCED WERE PRIMARILY IN BACCALAUREATE, CAREER AND TECHNICAL EDUCATION AND ADULT EDUCATION, WITH OTHER AREAS REMAINING STEADY.

**THOUGHTS?**



# 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

# 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

### 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

## **DETERMINATION OF NON-CAPITAL SUBSIDIES**

### **PART I - DETERMINATION OF NONCAPITAL SUBSIDIES**

**1 IS THE REVENUE REFLECTIVE OF NONCAPITAL ACTIVITY?**

**IF NONCAPITAL, MOVE TO STEP 2**

**IF CAPITAL, MOVE TO PART II**

**2 DOES THE REVENUE REPRESENT RESOURCES FROM ANOTHER PARTY OR ANOTHER FUND IN THE REPORTING ENTITY?**

**IF FROM ANOTHER PARTY, MOVE TO STEP 3**

**IF FROM ANOTHER FUND, MOVE TO STEP 5**

**3 DOES THE REVENUE REPRESENT RESOURCES RECEIVED FROM ANOTHER PARTY FOR WHICH THE PROPRIETARY FUND DOES NOT PROVIDE GOODS AND SERVICES TO THE OTHER PARTY?**

**IF YES, MOVE TO STEP 4**

**IF NO, REVENUE IS NOT A SUBSIDY. MOVE TO PART II.**

**4 DOES THE REVENUE REPRESENT RESOURCES THAT DIRECTLY OR INDIRECTLY KEEP THE PROPRIETARY FUND'S CURRENT OR FUTURE FEES AND CHARGES LOWER THAN THEY WOULD BE OTHERWISE?**

**IF YES, STOP. REVENUE IS A SUBSIDY. MAP TO NONCAPITAL SUBSIDIES WITH APPROPRIATE DESCRIPTIVE CAPTION (I.E. INTERGOVERNMENTAL REVENUES)**

**IF NO, REVENUE IS NOT A SUBSIDY. MOVE TO PART II.**

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **DETERMINATION OF NON-CAPITAL SUBSIDIES**

### **PART I - DETERMINATION OF NONCAPITAL SUBSIDIES (CONTD)**

**5 DOES THE REVENUE FROM THE OTHER FUND REPRESENT RESOURCES RECEIVED FOR WHICH THE PROPRIETARY FUND DOES NOT PROVIDE GOODS AND SERVICES TO THE OTHER FUND?**

**IF YES, MOVE TO STEP 6**

**IF NO, REVENUE IS NOT A SUBSIDY, BUT RATHER A CHARGE FOR SERVICE. GROUP WITH OPERATING REVENUES WITH APPROPRIATE DESCRIPTIVE CAPTION (I.E. CHARGES FOR SERVICES)**

**6 DOES THE REVENUE FROM THE OTHER FUND REPRESENT RESOURCES THAT DIRECTLY OR INDIRECTLY KEEP THE PROPRIETARY FUND'S CURRENT OR FUTURE FEES AND CHARGES LOWER THAN THEY WOULD BE OTHERWISE?**

**IF YES, STOP. REVENUE IS A SUBSIDY. GROUP WITH TRANSFERS IN.**

**IF NO, REVENUE IS NOT A SUBSIDY, BUT RATHER A CHARGE FOR SERVICE. GROUP WITH OPERATING REVENUES WITH APPROPRIATE DESCRIPTIVE CAPTION (I.E. CHARGES FOR SERVICES)**



# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **DETERMINATION OF OTHER NON OPERATING REVENUE**

### **PART II - DETERMINATION OF OTHER NONOPERATING REVENUES**

#### **1 IS THE REVENUE A CONTRIBUTION TO A PERMANENT OR A TERM ENDOWMENT?**

**IF YES, STOP. MAP REVENUE TO "CONTRIBUTIONS TO PERMANENT/TERM ENDOWMENTS" ON THE FINANCIAL STATEMENTS WITHIN THE NONOPERATING REVENUE SECTION**

**IF NO, MOVE TO STEP 2**

#### **2 IS THE REVENUE RELATED TO CAPITAL FINANCING FROM ANOTHER PARTY?**

**IF YES, STOP. MAP REVENUE TO "CAPITAL FINANCING" ON THE FINANCIAL STATEMENTS WITHIN THE NONOPERATING REVENUE SECTION (I.E. INTERGOVERNMENTAL REVENUE)**

**IF NO, MOVE TO STEP 3**

#### **3 IS THE REVENUE RELATED TO RESOURCES FROM THE DISPOSAL OF CAPITAL ASSETS AND/OR INVENTORY?**

**IF YES, STOP. MAP REVENUE TO "GAIN FROM THE DISPOSAL OF CAPITAL ASSETS/INVENTORY" WITHIN THE NONOPERATING REVENUE SECTION.**

**IF NO, MOVE TO STEP 4**

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **DETERMINATION OF OTHER NON OPERATING REVENUE**

### **PART II - DETERMINATION OF OTHER NONOPERATING REVENUES (CONTD)**

- 4      IS THE REVENUE RELATED TO INVESTMENT INCOME?**  
IF YES, STOP. MAP REVENUE TO "INVESTMENT INCOME" WITHIN THE NONOPERATING REVENUE SECTION.  
IF NO, MOVE TO STEP 4
  
- 5      IS THE REVENUE RELATED TO TRANSFERS FROM OTHER FUNDS THAT ARE CAPITAL RELATED?**  
IF YES, STOP. MAP REVENUE TO "TRANSFERS IN - CAPITAL RELATED" WITHIN THE NONOPERATING REVENUE SECTION.  
IF NO, THE REVENUE IS OPERATING. MAP TO OPERATING REVENUES WITH APPROPRIATE DESCRIPTIVE CAPTION.

# PRE GASB-103

	2024
<b>OPERATING REVENUES</b>	
Student tuition and fees, net of scholarship allowances of \$5,923,105 for 2024 and \$5,228,182 for 2023	\$ 15,480,901
Sales and service fees	1,446,112
Auxiliary services revenue	11,487
Other operating revenues	2,518,678
Total operating revenues	19,457,178
<b>OPERATING EXPENSES</b>	
Instruction	21,063,010
Academic support	3,538,469
Student services	5,708,045
Public service	8,236,282
Operations and maintenance of plant	9,053,504
Institutional support	12,597,650
Auxiliary services	1,747,233
Depreciation and amortization	8,864,552
Scholarships, grants and waivers	5,581,018
Total operating expenses	76,389,763
<b>OPERATING INCOME (LOSS)</b>	<b>(56,932,585)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Local property taxes	34,763,895
Personal property replacement tax	3,421,509
State appropriations	7,806,553
State grants and contracts	17,831,349
Federal grants and contracts	11,245,621
Local grants and contracts	602,714
Investment income	4,707,338
Loss on disposal of capital assets	(1,193,929)
Interest on capital assets - related debt	(1,308,050)
Non-operating revenues (expenses)	77,877,000
<b>CAPITAL CONTRIBUTIONS</b>	<b>428,169</b>
<b>CHANGE IN NET POSITION</b>	<b>21,372,584</b>
<b>NET POSITION, JULY 1</b>	<b>131,059,027</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 152,431,611</b>

# POST GASB-103

	2024
<b>OPERATING REVENUES</b>	
Student tuition and fees, net of scholarship allowances of \$5,923,105 for 2024 and \$5,228,182 for 2023	\$ 15,480,901
Sales and service fees	1,446,112
Auxiliary services revenue	11,487
Other operating revenues	2,518,678
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<b>OPERATING INCOME (LOSS)</b>	(56,932,585)
<b>NON-CAPITAL SUBSIDIES</b>	
Local property taxes	34,763,895
Personal property replacement tax	3,421,509
State appropriations	7,806,553
State grants and contracts	17,831,349
Federal grants and contracts	11,245,621
Local grants and contracts	602,714
Non-capital subsidies	75,671,641
<b>OPERATING INCOME (LOSS) AND NON-CAPITAL SUBSIDIES</b>	18,739,056
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	4,707,338
Loss on disposal of capital assets	(1,193,929)
Interest on capital assets - related debt	(1,308,050)
Capital contributions	428,169
Non-operating revenues (expenses)	2,633,528
<b>CHANGE IN NET POSITION</b>	21,372,584
<b>NET POSITION, JULY 1</b>	131,059,027
<b>NET POSITION, JUNE 30</b>	\$ 152,431,611

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **MAJOR COMPONENT UNIT PRESENTATION**

- Each major component unit should be presented separately in government-wide financial statements
- If separate presentation reduces readability of the statements, alternative presentation of:
  - Single column in government-wide statements
  - Combining major component unit statements after fund financial statements

Presentation of condensed statements in note disclosures no longer allowed

# GASB 103, FINANCIAL REPORTING MODEL IMPROVEMENTS

## **BUDGETARY COMPARISON INFORMATION**

- Presentation in basic financial statements no longer allowed (i.e. all RSI)
- Two variance columns required
  - Variance between original and final budgets
  - Variance between final budget and actual results
- Notes to RSI required to explain significant variances



# 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

**QUESTIONS?**





# THANK YOU!

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