

Central Ohio AGA



## GASB Update

October 30, 2018

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Supervising Project Manager

The views expressed in this presentation are those of Ms. Dolan.  
Official positions of the GASB are reached only after extensive due process and deliberations.



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## Presentation Overview

Information about the GASB

Preliminary Views on the financial reporting model

Pronouncements currently being implemented

Other documents issued for public comment

Projects currently being deliberated by the Board



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## GASB Members

- David A. Vaudt (Chairman)
- Jeffrey J. Previdi (Vice Chairman)
- James E. Brown
- Brian W. Caputo
- Michael H. Granof
- Kristopher E. Knight
- David E. Sundstrom

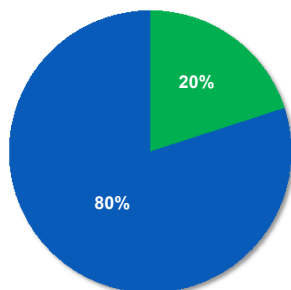


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## How Is the GASB Funded?



- Voluntary Reserve Fund Contribution (primarily derived from subscriptions & publications and investment income)
- GASB Accounting Support Fees (funds GASB recoverable expenses)

### GASB 2017 Accounting Support Fee Assessment

Approx. 440 municipal bond broker-dealers  
(per Dodd-Frank)

\$8.3 million



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## Preliminary Views: *Financial Reporting Model Improvements*

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## Financial Reporting Model Reexamination

### What:

•The Board is considering improvements to the financial reporting model—Statements 34, 35, 37, 41, and 46, and Interpretation 6

### Why:

•A review of those standards found that they generally were effective, but that there were aspects that could be significantly improved

### When:

•An Invitation to Comment was issued in December 2016; A Preliminary Views was issued September 2018; comment deadline is February 15, 2019



## Concerns with Existing Reporting of Governmental Funds

Some consider it ineffective in conveying that the information is related to fiscal accountability (rather than operational accountability)

- Focuses on financial resources rather than on economic resources
- Shorter time perspective than information in government-wide financial statements

Lack of conceptual consistency in recognition of assets and liabilities

Lack of conceptual foundation from which to develop standards for complex transactions

Lack of consistency in short-term perspective



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## Proposal: Recognition in Governmental Funds

### Short-Term Financial Resources Measurement Focus

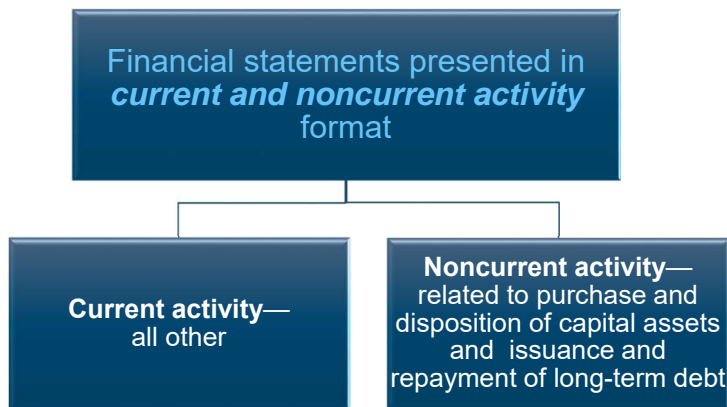
Items Arising from Short-Term Transactions and Events	Items Arising from Long-Term Transactions and Events
Those that normally are due to convert to or generate cash (or other financial assets) or require the use of cash (or other financial assets) entirely <i>within one year</i> from the inception of the transaction or other event	Those that normally are due to convert to or require the use of cash (or other financial assets) in periods that <i>extend beyond one year</i> from the inception of the transaction or other event
Elements recognized when the underlying transaction <i>occurs</i>	Elements recognized when the payments to be received or made become <i>due</i>



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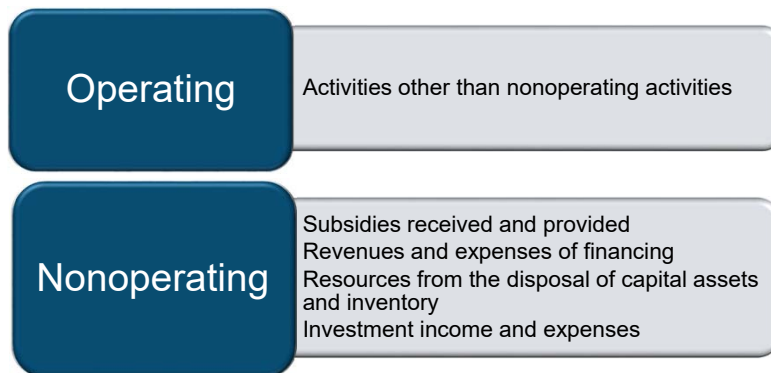
## Proposal: Presentation of Governmental Funds



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## Proposals: Proprietary Funds

Separate presentation of operating and nonoperating revenues and expenses



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## Proposals: Proprietary Funds (continued)

Add a new subtotal for *operating income (loss) and noncapital subsidies*

Subsidies are resources provided by another party or fund for the purpose of keeping the rates lower than otherwise would be necessary for the level of goods and services to be provided



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## Proposal: Budgetary Comparisons

Would be presented as required supplementary information (no option for basic statements)

Required variances would be final-budget-to-actual and original-budget-to-final-budget



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## Other Proposals

### Major component unit presentations

- If it is not feasible to present major component unit financial statements in separate columns in the reporting entity's financial statements, the financial statements of the major component units would be presented in the reporting entity's basic financial statements as combining financial statements

### Schedule of government-wide expenses by natural classification would be presented as supplementary information

- Governmental activities expenses by function or program
- Business-type activities expenses by different identifiable activity



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## Project Timeline

Pre-Agenda Research Started	April 2013
Added to Current Technical Agenda	September 2015
Invitation to Comment Issued	December 2016
Preliminary Views Issued	September 2018
Comment Deadline	February 15, 2019
Public Hearings	March 5, 2019 (Rosemont, IL) March 12, 2019 (Atlanta, GA) March 14, 2019 (Flushing, NY)
User Forums	March 6, 2019 (Rosemont, IL) March 14, 2019 (Flushing, NY)



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## Pronouncements Currently Being Implemented

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