

**TECHNICAL PLAN
FOR THE FINAL THIRD OF 2020**

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**GASB Technical Plan: Overview (As of 8/19/20)
Current Technical Agenda**

Project	Issued		To Be Issued			Staff/Consultant Assigned
	ITC/PV	ED	ITC/PV	ED	Final	
Conceptual Framework: Disclosure Framework	—	2/20	—	—	2Q21	Pam Dolan Lisa Parker Justin Boyd Tom Widman Emily Paul (consultant)
Recognition	6/11; 9/18	6/20	—	—	2Q22	Roberta Reese Chris Billing Caroline Gasser Ken Schermann (consultant)
Comprehensive Projects: Financial Reporting Model	12/16; 9/18	6/20	—	—	2Q22	Roberta Reese Lisa Parker Janeen Hathcock Scott Reeser Chris Billing Mike Crow Emily Frieler Caroline Gasser Tim Mayer
Revenue and Expense Recognition	1/18; 6/20	—	—	2Q23	1Q25	Paulina Haro Pam Dolan Scott Anderson Erin McKenzie Justin Boyd Emily Frieler Caroline Gasser Tim Mayer Ken Schermann (consultant)
ED—Exposure Draft Final—Statement, unless otherwise noted			ITC—Invitation to Comment PV—Preliminary Views			

**GASB Technical Plan: Overview (As of 8/19/20)
Current Technical Agenda**

Project	Issued		To Be Issued			Staff/Consultant Assigned
	ITC/PV	ED	ITC/PV	ED	Final	
Practice Issues:						
Compensated Absences	—	—	—	1Q21	4Q21	Deborah Beams Erin McKenzie Mike Crow Tim Mayer Ken Schermann (consultant)
Implementation Guidance—Update	—	—	—	4Q20	2Q21	Michelle Czerkawski Emily Paul (consultant) Chris Billing Tom Widman Ken Schermann (consultant)
Omnibus	—	—	—	3Q21	2Q22	Scott Anderson Scott Reeser Justin Boyd Tim Mayer Ken Schermann (consultant)
Prior-Period Adjustments, Accounting Changes, and Error Corrections	—	—	—	1Q21	1Q22	Emily Paul (consultant) Janeen Hathcock Emily Frieler Tom Widman Ken Schermann (consultant)
Risks and Uncertainties Disclosures	—	—	—	1Q21	4Q21	Janeen Hathcock Pam Dolan Mike Crow Tom Widman Ken Schermann (consultant)

GASB Technical Plan: Overview (As of 8/19/20)

Pre-Agenda Research

Research Activities	Staff /Consultant Assigned
Capital Assets	Reeser, Beams, Billing, Mayer, Mead
Going Concern Disclosures—Reexamination of Statement 56	Su, Anderson, Hathcock, Billing, Crow, Frieler, Gasser, Widman, Mead
Interim Financial Reporting	Paul (consultant), Beams, Boyd, Gasser, Mead
Investment Fees	Su, Crow, Mayer, Mead
Nonfinancial Assets	McKenzie, Anderson, Crow, Frieler, Mead

Post-Implementation Review

<u>Pronouncement(s)</u>	<u>Staff/Consultant Assigned</u>
Stage One	
Fair Value—Statement 72	Reeser, Widman, Mead
Fiduciary Activities—Statement 84	McKenzie, Boyd, Mead
Leases—Statement 87	Paul (consultant), Frieler, Mead
Other Postemployment Benefits—Statement 75	Parker, Gasser, Mead
Stage Two	
Pensions—Statements 67 and 68	Su, Billing, Mead

GASB Technical Plan: Overview (As of 8/19/20)

Monitoring Activities

Monitoring Activities	Staff Assigned
AICPA Auditing Standards	Czerkowski
Electronic Financial Reporting	Haro
Emerging Accounting Issues	Mead
Fiduciary Implementation	Parker
Leases Implementation	Beams
Pay-for-Success Financings	Reeser

Potential Projects

Acquisition of Less-Than-100-Percent Equity Interest in Component Units
Distributed Water Management Programs
Emissions Trading (Carbon Credits)
Impairments of Assets Other Than Capital Assets
In-Kind Contributions, Contributed Services, and Non-Monetary Interlocal Agreements
Popular Reporting
Postemployment Benefits—Reporting Investments in Master Trusts
Present Value
Reporting Unit Presentations
Revenue Recognition—Revenue from Gaming Activities
Social Security Disclosures

GASB Technical Plan: Overview (8/19/20)

Potential Reexamination Projects

Asset Impairment: Capital Assets—Statement 42
Certain Interfund Transactions—Statements 34 and 38
Chapter 9 Bankruptcies—Statement 58
Costs and Initial Rental Operations of Real Estate—Statement 62
Deferrals—Reexamination of Statements 63 and 65
Derivative Instruments—Statements 53, 59, and 64
Financial Reporting Entity—Reexamination of Statements 14, 39, 61, 80, and 90
Fund Balance—Statement 54
Inventory—Statement 62
Intangible Assets—Statement 51
Landfills—Statement 18
Regulated Operations—Statements 62 and 65
Pollution Remediation Obligations—Statement 49
Related Party Transactions—Statement 56
Research and Development—Statement 62
Right of Offset—Statement 62
Sales of Real Estate—Statement 62
Sales and Pledges of Receivables and Future Revenues—Statements 48 and 65
Securities Lending and Reverse Repurchase Agreements—Statement 28 and Interpretation 3
Statistical Section—Statement 44
Subsequent Events—Statement 56
Termination Benefits—Statement 47
Troubled Debt Restructurings—Statement 62

GASB Technical Plan/Project and Pre-Agenda Research Activities Timetable—2020

	Actual														Projected					
	Jan.	Jan. Tel.	Feb.	Mar. Tel.	Mar.	Apr. Tel.	May	May Tel.	Jun. Tel. 1	Jun.	Jun. Tel. 2	Jul. Tel.	Jul.	Aug. Tel.	Sep.	Sep. Tel.	Oct.	Nov. Tel.	Dec.	Dec. Tel.
<u>Current Technical Agenda—Projects</u>																				
Conceptual Framework:																				
Disclosure Framework	X	—	X/ED*	—	—	—	—	—	—	—	—	—	PH	—	X	—	X	—	X	—
Recognition	—	—	X	—	—	—	X	—	—	X	—	—	—	—	—	—	—	—	—	—
Comprehensive Projects:																				
Financial Reporting Model	X	—	X	—	X	—	X	—	—	X	X/ED*	—	—	—	—	—	—	—	—	—
Revenue and Expense Recognition	X	—	X	—	X	—	X	—	—	X/PV*	—	—	—	—	—	—	X	—	X	—
Practice Issues:																				
Cares Act (TB)	—	—	—	—	—	—	—	—	X/ED*	—	X/F*	—	—	—	—	—	—	—	—	—
Certain Component Unit Criteria and 457 Plan Reporting	—	X	X	X/ED*	—	—	X	—	—	X/F*	—	—	—	—	—	—	—	—	—	—
Compensated Absences	—	—	X	—	X	—	X	—	—	—	—	—	X	—	—	—	X	—	X	—
Implementation Guide—Update	—	—	—	X	X	X/F*	—	—	—	—	—	—	—	—	—	X	X	X/ED	—	—
Ominibus	—	—	—	—	—	—	—	—	—	—	—	—	—	—	X	—	X	—	X	—
Omnibus-2020	X	X/F*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Postponement of Effective Dates	—	—	—	—	—	X/ED*	—	X/F*	—	—	—	—	—	—	—	—	—	—	—	—
Prior-Period Adjustments	—	—	X	—	X	—	X	—	—	—	—	—	—	—	X	—	X	—	X	—
Public-Private Partnerships and Availability Payment Arrangements	X	—	X	—	X/F*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Risks and Uncertainties Disclosures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	X	—	X	—	X	—
Secured Overnight Financing Rate	X	—	X	—	X/F*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subscription-Based IT Arrangements	X	—	—	—	—	—	X	X/F*	—	—	—	—	—	—	—	—	—	—	—	—
Technical Plan	==	==	==	==	==	X	==	==	==	==	X	==	X	==	==	==	==	==	X	==
	7	2	9	2	7	3	7	2	1	4	2	1	1	1	4	1	7	1	7	—
<u>Pre-Agenda Research Activities**</u>																				
Capital Assets#	R	—	R	—	R	X/R	R	—	—	R	—	—	R	X/R	R	—	R	R	X/R	—
Going Concern Disclosures#	R	—	R	—	R	X/R	R	—	—	R	—	—	R	X/R	R	—	R	R	X/R	—
Interim Financial Reporting#	R	—	R	—	R	X/R	R	—	—	R	—	—	R	X/R	R	—	R	R	X/R	—
Investment Fees#	R	—	R	—	R	X/R	R	—	—	R	—	—	R	X/R	R	—	R	R	X/R	—
Nonfinancial Assets#	—	—	—	—	—	—	—	—	—	—	—	—	—	X/R	R	—	R	R	X/R	—

* Issued

** Periodic update of pre-agenda research activities. No deliberations are scheduled.

Scheduled to be determined in the future whether to add as a project to the current technical agenda

X—Board Deliberation/Update
ED—Exposure Draft
F—Final Pronouncement/Document

ITC—Invitation to Comment
PH—Public Hearing
PV—Preliminary Views

R—Research Conducted
TF—Task Force Meeting
TB—Technical Bulletin

GASB Technical Plan/Project and Pre-Agenda Research Activities Timetable—2021

	Projected																
	Jan.	Feb. Tel.	Feb.	Mar. Tel.	Apr.	Apr. Tel.	May	Jun. Tel.	Jun.	Jul. Tel.	Aug.	Aug. Tel.	Sep.	Oct. Tel.	Nov.	Nov. Tel.	Dec.
<u>Current Technical Agenda—Projects</u>																	
Conceptual Framework:																	
Disclosure Framework	X	—	X	—	X	—	X/F	—	—	—	—	—	—	—	—	—	—
Recognition	—	—	—	PH	PH	—	X	—	X	—	X	—	X	—	X	—	X
Comprehensive Projects:																	
Financial Reporting Model	—	—	—	PH	PH	—	X	—	X	—	X	—	X	—	X	—	X
Revenue and Expense Recognition	X	—	X	PH	PH	—	X	—	X	—	X	—	X	—	X	—	X
Practice Issues:																	
Compensated Absences	X	X/ED	—	—	—	—	X	—	X	—	X	—	X	X/F	—	—	—
Implementation Guide—Update	—	—	—	X	X	X/F	—	—	—	—	—	—	—	X	X	—	—
Omnibus	X	—	X	—	—	—	X	—	X	X/ED	—	—	—	—	X	—	X
Prior-Period Adjustments	X	—	X	X/ED	—	—	—	—	—	—	X	—	X	—	X	—	X
Risks and Uncertainties Disclosures	X	X/ED	—	—	—	—	—	—	X	—	X	—	X	—	X	—	X/F
Technical Plan	==	==	==	X	X	X	==	==	==	X	==	==	==	==	X	==	X
	6	2	4	3	3	2	6	—	6	1	7	—	6	2	8	—	7
<u>Pre-Agenda Research Activities**</u>																	
Capital Assets#	R	—	R	R	X/R	—	R	—	R	R	X/R	—	R	R	R	—	X/R
Going Concern Disclosures#	R	—	R	R	X/R	—	R	—	R/CG	R	X/R	—	R	R	X	—	X
Interim Financial Reporting#	R	—	R	X	—	X	—	—	—	—	—	—	—	—	—	—	—
Investment Fees#	R	—	R	X	—	X	—	—	—	—	—	—	—	—	—	—	—
Nonfinancial Assets#	R	—	R	R	X	X	—	—	—	—	—	—	—	—	—	—	—

* Issued

** Periodic update of pre-agenda research activities. No deliberations are scheduled.

Scheduled to be determined in the future whether to add as a project to the current technical agenda

CG—Consultative Group Meeting

ED—Exposure Draft

F—Final Pronouncement/Document

ITC—Invitation to Comment

PH—Public Hearing

PV—Preliminary Views

R—Research Conducted

TF—Task Force Meeting

X—Board Deliberation/Update

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Current Technical Agenda: Conceptual Framework

Conceptual Framework: Disclosure Framework

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to develop concepts related to a framework for the development and evaluation of notes to financial statements for the purpose of improving the effectiveness of note disclosures in government financial reports. The framework will establish criteria for the Board to use in evaluating potential note disclosure requirements during future standards-setting activities and in reexamining existing note disclosure requirements. Those concepts also will provide governments a basis for considering the essentiality of information items for which the GASB does not specifically provide authoritative disclosure guidance.

Accounting and Financial Reporting Issues: The project will develop concepts in a disclosure framework that further clarifies the notion of essentiality. Those concepts will be intended to support the Board in its consideration of new note disclosure requirements in future standards setting activities, as well as assist in the evaluation of existing note disclosure requirements in reexamination projects. This approach is based on first addressing foundational issues in a disclosure framework (this proposed project), before bringing subsequent project prospectuses to the Board related to reexaminations of specific note disclosure topics.

Current Developments: The comment period ended June 30, 2020, for the Exposure Draft of a proposed Concepts Statement, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements*. A public hearing was conducted on July 28, 2020.

Work Plan:

<u>Board Meetings</u>	<u>Topics to Be Considered</u>
<u>September 2020:</u>	Summary of general feedback from comment letters and public hearing and redeliberations of purpose of notes to financial statements.
<u>October 2020:</u>	Redeliberations: users of notes to financial statements.
<u>December 2020:</u>	Redeliberations: types of information appropriate and not appropriate for notes to financial statements.
<u>January 2021:</u>	Redeliberations: essentiality and cost-benefit analysis.
<u>February 2021:</u>	Redeliberations: reporting units and notes to financial statements.
<u>April 2021:</u>	Discuss preballot draft of a final Concepts Statement.
<u>May 2021:</u>	Discuss ballot draft of a final Concepts Statement and consider for approval.

Conceptual Framework: Recognition

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and *when* that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements.

Accounting and Financial Reporting Issues: The project is considering the following issues:

1. What messages are financial statements conceptually attempting to convey? (In other words, what is the story that the financial statements attempt to communicate, or what questions should be answered by reading different financial statements and financial statements prepared using different measurement focuses? For example, the statement of cash flows answers the question, “What happened to cash during the year?”)
2. What is the relationship among objectives of financial reporting (user needs), financial statements, and measurement focuses at the conceptual level?
3. How does when an element is recognized affect the meaning that is to be conveyed by a particular financial statement?
4. What are the fundamental recognition criteria necessary to report an element in a financial statement?

Current Developments: An Exposure Draft of a proposed Concepts Statements on recognition was issued in June 2020. The comment period ends February 26, 2021. Public hearings and user forums are scheduled for March and April 2021.

Work Plan:

<u>Board Meetings</u>	<u>Topics to Be Considered</u>
<u>September 2020–February 2021:</u>	Comment period continues.
<u>March–April 2021:</u>	Public hearings and user forums.
<u>May 2021–January 2022:</u>	Redeliberate issues based on due process feedback.
<u>March 2022:</u>	Discuss draft of a final Concepts Statement.
<u>April 2022:</u>	Discuss preballot draft of a final Concepts Statement.
<u>June 2022:</u>	Discuss ballot draft of a final Concepts Statement and consider for approval.

Current Technical Agenda: Comprehensive Projects

**Financial Reporting Model—Reexamination of Statements 34, 35, 37, 41,
and 46 and Interpretation 6**

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*, No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules—Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model.

Accounting and Financial Reporting Issues: The project is considering the following issues:

Management’s Discussion and Analysis (MD&A)—Explore options for enhancing the financial statement analysis component, consider the elimination of requirements that are boilerplate and no longer necessary for understanding the financial reporting model, and clarify guidance for presenting currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Governmental Fund Financial Statements—Explore a conceptually consistent measurement focus and basis of accounting and develop a presentation format for governmental fund financial statements consistent with the measurement focus and basis of accounting. In conjunction with this project, the conceptual framework project on recognition of element of financial statements was recommended.

Proprietary Fund and Business-Type Activity Financial Statements—Evaluate operating indicator alternatives in conjunction with evaluating the guidance for the separate presentation of operating and nonoperating revenues and expenses.

Budgetary Comparisons—Explore the appropriate method of communication (either as basic financial statements or required supplementary information) for budgetary comparison information and consider whether and, if so, which budget variances should be required to be presented.

Other Issues—As appropriate and in conjunction with other topics, explore options that would permit more timely financial reporting or that would reduce complexity overall, such as presentation of special and extraordinary items and major component unit information.

Current Developments: An Exposure Draft of a proposed Statement was approved in June 2020. The comment period ends February 26, 2021. Public hearings and user forums are scheduled for March and April 2021.

Work Plan:

<u>Board Meetings</u>	<u>Topics to Be Considered</u>
<u>September 2020–February 2021:</u>	Comment period continues.
<u>March–April 2021:</u>	Public hearings and user forums.
<u>May 2021–January 2022:</u>	Redeliberate issues based upon due process feedback.
<u>March 2022:</u>	Discuss first draft of a final Statement.
<u>April 2022:</u>	Discuss preballot draft of a final Statement.
<u>June 2022:</u>	Discuss ballot draft of a final Statement and consider for approval.

Revenue and Expense Recognition

Final-Third 2020 Technical Plan

Project Description: The overall objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Achieving that objective will include: (1) development of guidance applicable to topics for which existing guidance is limited, (2) improvement of existing guidance that has been identified as challenging to apply, (3) consideration of a performance obligation approach to the GASB's authoritative literature, and (4) assessment of existing and proposed guidance based on the conceptual framework. The expected outcome of the project is enhanced quality of information that users rely upon in making decisions and assessing accountability.

Accounting and Financial Reporting Issues: The project is addressing the following issues:

1. Specific guidance for exchange transactions is limited and current guidance indicates revenue from exchange transactions should be recognized when the exchange takes place. Differences in practice have emerged as to whether the exchange takes place when the sale occurs or when the obligation is fulfilled. Should revenue be recognized at the time of sale or when (or as) the obligation is fulfilled?
2. FASB guidance introduced a performance obligation approach to recognition of revenue. Should the performance obligation approach be used for transactions of a government? Should the approach be used only for exchange transactions? Should the approach be used for both revenue and expenses?
3. Statements 33 and 36 were issued prior to additional development of the GASB Concepts Statements. Should the guidance be revised in light of the Concepts Statements?
4. GASB literature contains guidance for certain exchange expenses, such as compensated absences and postemployment benefits. Guidance does not exist for most other common exchange expenses, including salaries and circumstances in which the government is the customer. Should guidance be developed for these exchange expenses?

Current Developments: In June 2020, the Board issued a Preliminary Views, *Revenue and Expense Recognition*. The comment period ends February 26, 2021. Public hearings and user forums are scheduled for March and April 2021.

Work Plan:

<u>Board Meetings</u>	<u>Topics to Be Considered</u>
<u>September 2020–February 2021:</u>	Comment period continues.
<u>October 2020–April 2021:</u>	Field test.
<u>October 2020:</u>	Recognition—transfer of control; recognition over time: series, bundles, and assessment of performance (inputs and outputs methods).
<u>December 2020:</u>	Measurement principles and measurement unit of account.
<u>January 2021:</u>	Measurement components: fixed and variable consideration, nonmonetary consideration, financing component.
<u>February 2021:</u>	Measurement—allocation and stand-alone selling prices; contract modifications and terminations.
<u>March–April 2021:</u>	Public hearings and user forums.
<u>May 2021–November 2022:</u>	Redeliberate issues based on due process feedback and deliberate additional potential provisions that will be included in the proposed Statement.
<u>January 2023:</u>	Review draft standards section of an Exposure Draft of a proposed Statement.
<u>February 2023:</u>	Review illustrations.
<u>May 2023:</u>	Review preballot draft of an Exposure Draft of a proposed Statement.
<u>June 2023:</u>	Review ballot draft of an Exposure Draft of a proposed Statement and consider for approval.
<u>July–October 2023:</u>	Comment period.
<u>November 2023:</u>	Public hearings.
<u>December 2023–August 2024:</u>	Redeliberate issues based on due process feedback.
<u>October 2024:</u>	Review draft standards section of a final Statement.
<u>January 2025:</u>	Review preballot draft of a final Statement
<u>March 2025:</u>	Review ballot draft of a final Statement and consider for approval.

Current Technical Agenda: Practice Issues

Compensated Absences—Reexamination of Statement 16

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to address certain issues related to accounting and financial reporting for compensated absences. The project will consider improvements to the existing guidance in Statement No. 16, *Accounting for Compensated Absences*, related to: (1) addressing certain types of accrued leave benefits that are not covered in Statement 16, (2) measurement options for sick leave, and (3) the usefulness of required notes to financial statements for decision-making and assessing accountability.

Accounting and Financial Reporting Issues: The following issues will be considered:

1. When should a liability be recognized for various types of leave?
2. How should the compensated absences liability be measured? Should governments continue to have an option for the method of measuring accrued sick leave?
3. Should guidance be provided on how to determine the portion of the liability that is due within one year?
4. What disclosures about compensated absences should be required?

Current Developments: In May 2020, the Board considered topics related to measurement of a liability. A survey of financial statement users regarding the importance to them of information about compensated absences was concluded in June. The Board held initial discussions on the topic of disclosures in July 2020.

Work Plan:

<i><u>Board meetings</u></i>	<i><u>Topics to Be Considered</u></i>
<u>September 2020:</u>	Conclude additional user research on existing and potential disclosures.
<u>October 2020:</u>	Disclosures (continued).
<u>December 2020:</u>	Review first draft of a standards section of an Exposure Draft; cost-benefit considerations.
<u>January 2021:</u>	Review preballot draft of an Exposure Draft of a proposed Statement.
<u>February 2021 (T/C):</u>	Review ballot draft of an Exposure Draft of a proposed Statement and consider for approval.
<u>February–April 2021:</u>	Comment period.

May–August 2021:

Redeliberations.

September 2021:

Review preballot draft of a final Statement.

October 2021 (T/C):

Review ballot draft of a final Statement and consider for approval.

Implementation Guidance—Update

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to update implementation guidance for additional issues that come to the attention of the staff. This project will result in the issuance of an annual Implementation Guide. In addition, all updates will be incorporated into the *Codification of Governmental Accounting and Financial Reporting Standards* and the *Comprehensive Implementation Guide*, as appropriate.

Current Developments: At the April 2020 teleconference, the Board cleared for issuance Implementation Guide No. 2020-1, *Implementation Guidance Update—2020*.

Work Plan:

<u>Board meetings</u>	<u>Topics to be considered</u>
<u>September 2020:</u>	Continue to develop materials for 2021 update.
<u>September 2020 (T/C):</u>	Deliberate issues.
<u>October 2020:</u>	Review preballot draft of an Exposure Draft of a proposed Implementation Guide.
<u>November 2019 (T/C):</u>	Review ballot draft of an Exposure Draft of a proposed Implementation Guide and consider for clearance.
<u>November 2019–January 2020:</u>	Comment period.
<u>February 2021:</u>	Redeliberate issues based on respondent feedback.
<u>March 2021 (T/C):</u>	Review a preballot draft of a final Implementation Guide.
<u>April 2021:</u>	Review a ballot draft a final 2021 Implementation Guide and consider for clearance.

Omnibus

Final-Third 2020 Technical Plan

Project Description: The objective of this proposed project is to address various technical corrections and other practice issues that have been identified in practice.

Accounting and Financial Reporting Issues: The following issues will be considered:

1. Leases and related pronouncements:
 - a. Remeasurement of assets and liabilities solely for a change in an index or rate used to determine variable payments
 - b. Effect of a purchase option on contract terms and measurement of the liability
2. Classification of derivative instruments that are neither hedges nor investments
3. Recognition of exchange and exchange-like financial guarantees
4. Technical corrections to terminology in the Codification.

Work Plan:

<u>Board meetings</u>	<u>Topics to Be Considered</u>
<u>September 2020:</u>	Remeasurement of assets and liabilities.
<u>October 2020:</u>	Purchase options.
<u>December 2020:</u>	Derivatives instruments.
<u>January 2021:</u>	Exchange and exchange-like financial guarantees.
<u>February 2021:</u>	Terminology issues.
<u>May 2021:</u>	Discuss the first draft of a standards section of an Exposure Draft of a proposed Statement.
<u>June 2021:</u>	Discuss preballot draft of Exposure Draft of a proposed Statement.
<u>July 2021 (T/C):</u>	Discuss ballot draft of an Exposure Draft of a proposed Statement and consider for approval.
<u>July–October 2021:</u>	Comment period.
<u>November–February 2022:</u>	Redeliberate issues.
<u>May 2022:</u>	Discuss preballot draft of a final Statement.
<u>June 2022 (T/C):</u>	Discuss ballot draft of a final Statement and consider for approval.

**Prior-Period Adjustments, Accounting Changes, and Error Corrections—
Reexamination of Statement 62**

Final-Third 2020 Technical Plan

Project Description: The objective of this project is to improve the accounting and financial reporting for prior-period adjustments, accounting changes, and error corrections in Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The project will fully reexamine the existing standards to address issues related to (1) inconsistency in practice, (2) confusion about and difficulty applying regarding the requirements, and (3) the usefulness of the related disclosures.

Accounting and Financial Reporting Issues: The following issues would be considered:

1. Consideration of the types of events that constitute the different types of prior-period adjustments, accounting changes, and error corrections
2. Consideration of the relationship between the existing requirements for prior-period adjustments, accounting changes, and error corrections and other GASB requirements; for example, with requirements for changes in assumptions associated with postemployment benefit measurements and with requirements in Statement No. 69, *Government Combinations and Disposals of Government Operations*
3. Clarification of terminology regarding reporting of accounting changes and error corrections (for example, terms including “restatement,” “reclassification,” and “prior-period adjustment”)
4. Usefulness of the disclosure requirements associated with each type of accounting change and error correction
5. Interaction between the general requirements for accounting changes and the specific transition provisions for implementation of individual pronouncements
6. Consideration of whether display requirements should be established.

Current Developments: In February–May 2020, the Board discussed the following categories for classification of events: changes in accounting principle, changes in accounting estimate, changes in measurement methodology used to determine an accounting estimate, corrections of errors, and first-time adoption of the GAAP framework by a reporting entity.

Work Plan:

Board meetings

Topics to Be Considered

September 2020:

Changes in reporting entity and reporting units.

October 2020:

Accounting and disclosure for each type of accounting change and error corrections.

<u>December 2020:</u>	Display; effective date and transition; other issues.
<u>January 2021:</u>	Review first draft of a standards section of a proposed Statement; cost-benefit considerations.
<u>February 2021:</u>	Review preballot draft of an Exposure Draft of a proposed Statement.
<u>March 2021 (T/C):</u>	Review ballot draft of an Exposure Draft of a proposed Statement and consider for approval.
<u>April–June 2021:</u>	Comment period.
<u>August–December 2021:</u>	Redeliberate issues based on respondent feedback.
<u>January 2022:</u>	Review preballot draft of a final Statement.
<u>February 2022:</u>	Review ballot draft of a final Statement and consider for approval.

Risks and Uncertainties Disclosures

Final-Third 2020 Technical Plan

Project Description: The primary objectives of this practice-issue project are to identify potential risks and uncertainties in the state and local government environment and to consider developing disclosure requirements associated with those risks and uncertainties.

Accounting and Financial Reporting Issues: The following issues would be considered:

1. Categories of risks and uncertainties (for example, operations, estimates, and concentrations)
2. Specific disclosure requirements within each category
3. Thresholds associated with risk and uncertainty disclosures.

Current Developments: This project was added to the current technical agenda at the July 2020 teleconference. In July and August, the staff conducted interviews with financial statement users regarding the information needed about risks and uncertainties to make decisions and assess accountability.

Work Plan:

Board meetings

Topics to Be Considered

<u>September 2020:</u>	Classification categories of risks and uncertainties; risks and uncertainties associated with operations and estimates used that currently are not addressed in GASB literature.
<u>October 2020:</u>	Risks and uncertainties associated with concentrations and additional categories, if any, that currently are not addressed in GASB literature.
<u>December 2020:</u>	Effective date and transition; review first draft of a standards section of a proposed Statement; cost-benefit considerations.
<u>January 2021:</u>	Review preballot draft of an Exposure Draft of a proposed Statement.
<u>February 2021 (T/C):</u>	Review ballot draft of an Exposure Draft of a proposed Statement and consider for approval.
<u>February–May 2021:</u>	Comment period.
<u>June–September 2021:</u>	Redeliberations.
<u>October 2021:</u>	Review preballot draft of a final Statement.
<u>December 2021:</u>	Review ballot draft of a final Statement and consider for approval.

Pre-Agenda Research

Capital Assets

Final-Third 2020 Technical Plan

Research Description: The objective of this pre-agenda research is to review the existing standards applicable to capital asset accounting and financial reporting to evaluate whether the information reported about capital assets could: (1) be more comparable across governments and more consistent over time; (2) be more useful for making decisions and assessing government accountability; (3) be more relevant to assessments of a government's economic condition, including its financial position, fiscal capacity, and service capacity; and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time.

Major Research Issues: The following issues will be considered:

1. What choices do governments make with respect to their capital asset-related accounting policies, such as capitalization thresholds, depreciation methods, and estimated useful lives? Why do governments select those policies?
2. How do governments determine when outflows enhance the service capacity or extend the useful life of an asset?
3. How do governments report transactions that include one capital asset being "exchanged" for another capital asset, regardless of whether the transactions include additional compensation?
4. How does the reduction in net book value over time and the estimated useful lives of capital assets compare with the actual diminution of service capacity and their actual useful lives, respectively?
5. How has the incidence of reporting infrastructure assets using the modified approach changed since prior studies were conducted, if at all (see the next section)? Which networks or subsystems is it being applied to? What methods are used to assess condition? What condition levels are set?
6. Why did governments using the modified approach choose to do so in lieu of depreciation? If governments have ceased to use the modified approach, why did they change their reporting method?
7. How do users utilize capital asset information? How do they use the modified approach RSI?
8. How has the optional use of the modified approach affected the comparability of net position, expenses, and other financial statement information between governments that use it and those that do not?
9. How has state and local government usage of asset management systems that meet the criteria in Statement 34, paragraph 23, changed since the issuance of Statement 34?
10. Should a change in condition of capital assets have an impact on resource flows in the statement of activities and other resource flows statements? How would it be measured?
11. What information do governments collect and report about deferred maintenance? How is deferred maintenance estimated and do those estimates

possess the characteristics of information reported in general purpose external financial reports?

Current Developments: The staff continued to perform the literature review and archival research.

Research Work Plan:

Board meetings

Research activities

September 2020:

Conclude interviews with capital management system providers and consultants and industry associations.

September–December 2020:

Develop protocols and other materials for data gathering roundtables.

January–March 2021:

Conduct data gathering roundtables.

April–October 2021:

Develop, pretest, and administer surveys; develop protocol and other materials for roundtables to discuss potential paths forward.

November 2021–February 2022:

Conduct roundtables to discuss potential paths forward.

March–August 2022:

Conclude analysis of results of research and draft capstone research memorandum.

October 2022:

Discuss tentative research results with GASAC.

November 2022:

Discuss research memorandum with the Board.

Going Concern Disclosures—Reexamination of Statement 56

Final-Third 2020 Technical Plan

Research Description: The objective of this research is to evaluate whether the existing GASB authoritative literature has provided preparers of financial statements for state and local governments sufficient guidance about management’s responsibilities for evaluating and disclosing uncertainties associated with severe financial stress (what is now referred to as “going concern” uncertainties). The research will provide the Board with the information it requires to consider the need for revisions to existing disclosure standards, which would be intended to reduce existing diversity in note disclosures and to more effectively meet financial statement user needs.

Major Research Issues: The research would consider the relevance of the existing going concern standards to state and local governments. Specifically, the research is considering the following issues:

1. Are the current going concern indicators presented in note disclosure guidance appropriate for state and local governments, in light of the fact that, even under severe financial stress, few governments cease to operate even when encountering such indicators?
2. What other criteria might better achieve the objective of disclosing severe financial stress uncertainties with respect to governments?
3. What information do financial statement users need with respect to the disclosure of severe financial stress uncertainties?

Current Developments: The staff developed a plan to engage external researchers in complementary statistical analyses that will provide a comprehensive study of severe financial stress.

The staff also is developing a plan to conduct additional archival analysis of a sample of governments that experienced either bankruptcy or significant bond defaults. That effort will analyze the financial reports of at least the decade prior to the year of bankruptcy or default to identify potential ratios that most clearly indicate the forthcoming severe financial stress for each government.

Research Work Plan: The plan for the pre-agenda research includes the following activities:

Board meetings

September 2020–June
2021:

September 2021:

October 2021:

November 2021:

December 2021:

Research activities

Conduct complementary statistical analyses; financial statement analyses of governments that have experienced bankruptcy or significant bond defaults; begin drafting research memorandum.

Meet with consultative group.

Follow up analysis based on consultative group feedback; finish research memorandum.

Discuss research memorandum with the Board.

Discuss research results with the GASAC.

Interim Financial Reporting

Final-Third 2020 Technical Plan

Research Description: The objectives of this pre-agenda research are (1) to evaluate the importance of financial reporting in conformity with generally accepted accounting principles (GAAP) for a period less than a year—for instance, monthly, quarterly, or semiannually—to users of financial statements and (2) to assess the need for specific guidance related to such interim financial reports. The research will collect the information necessary for the Board to determine whether guidance is needed and, if so, to develop related standards.

Major Research Issues: The following issues will be considered:

1. What is current practice with respect to interim financial reporting and how has it changed since the descriptions in NCGA Statement 1 were developed?
2. Do interim GAAP financial reports of general purpose governments or business-type activities provide users with information that is valuable for making decisions and assessing accountability?
3. Should specific recognition and measurement standards be developed for interim GAAP reporting?
4. Should separate reporting entity standards be developed for interim GAAP reporting?

Current Developments: A survey of users regarding the usefulness of interim financial reporting is being conducted between July and September 2020. The results will inform the focus of follow-up telephone interviews with preparers.

Research Work Plan: The plan for the pre-agenda research includes the following activities:

Board meetings

Research activities

August–September 2020:

Administer survey of users.

October–December 2020:

Develop protocols and other materials and conduct interviews of preparers.

January–February 2021:

Analyze results of research and draft research memorandum.

March 2021 (T/C):

Discuss research memorandum with the Board.

April 2021:

Discuss research results with the GASAC.

Investment Fees

Final-Third 2020 Technical Plan

Research Description: The initial objectives of this pre-agenda research activity are (1) to review the ways in which governments report the fees charged to them, if any, in relation to investments, including fees associated with private equity funds, hedge funds, and real estate; (2) to identify the information needs of users pertaining to those fees; and (3) to evaluate the sufficiency of existing guidance to result in appropriate reporting that meets user needs. The research will collect the information necessary for the Board to determine whether existing guidance is sufficient or, if not, whether improvements to the relevant standards should be considered further.

Major Research Issues: The following issues will be considered:

1. What information do governments report regarding fees associated with investments? What fees are netted against investment income rather than recognized as investment expense?
2. What information about investment fees is made available to governments by the general partners or funds managing alternative investments? Can additional information be obtained by governments, if necessary?
3. What information do financial statement users need regarding investment fees? Do users need additional information about fees related to alternative investments? What characteristics of alternative investments, if any, would justify additional reporting beyond what is required for investments in general?
4. What audit issues, if any, are associated with investment fees?

Current Developments: The project staff concluded the survey of preparers and began the analysis of the results. The project staff also launched the survey of auditors. The results of all three surveys (users, preparers, auditors) will inform the focus of the interviews with relevant professional organizations.

Research Work Plan: The plan for the pre-agenda research includes the following activities:

Board meetings

Research activities

September–November 2020: Continue to analyze results of surveys.

Conduct telephone interviews with relevant professional organizations.

December 2020–February 2021:

Analyze results of research and draft research memorandum.

March 2021 (T/C):

Discuss research memorandum with Board.

April 2021:

Discuss research results with GASAC members.

Nonfinancial Assets

Final-Third 2020 Technical Plan

Research Description: The initial objective of this pre-agenda research is to determine what effect the nonfinancial asset classification has had on financial reporting, including how it has been interpreted and applied by governments and whether it is a valuable distinction for users of financial statements. If it is determined that additional guidance on nonfinancial assets is needed, another objective will be to consider how the existing accounting and financial reporting standards could be improved.

Major Research Issues: The following issues would be considered:

1. Should intangible assets associated with other intangible assets (for example, software in the scope of Statement No. 96, *Subscription-Based Information Technology Arrangements*) and intangible assets associated with tangible assets (for example, leases within the scope of Statement 87 and public-private partnerships in the scope of Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*) continue to be classified as capital assets?
2. Should intangible assets addressed in Statement 51 (for example, internally generated software) continue to be classified as capital assets? If so, should the terms include a reference to capital assets in the financial statements (for example, nonfinancial assets, including capital assets)?
3. Should other types of assets (for example, capital assets held for resale, patents, copyrights) be classified as nonfinancial assets versus being classified as capital assets?
4. Does the nonfinancial assets classification communicate information that users need to make decisions or assess accountability? Is it important to users to receive information that distinguishes capital assets from other nonfinancial assets?

Research Work Plan:

<u>Board meetings</u>	<u>Research activities</u>
<u>August 2020:</u>	Develop instrument for preparer survey.
<u>August–September 2020:</u>	Literature review.
<u>September–October 2020:</u>	Administer preparer survey.
<u>October–November 2020:</u>	Archival analysis.
<u>November–December 2020:</u>	Develop instrument for user survey.

- January–February 2021: Administer user survey.
- January–March 2021: Analyze research results and prepare research memorandum.
- April 2021: Discuss tentative research results with GASAC.
Discuss research memorandum with the Board.

Monitoring Activities

AICPA Auditing Standards

Final-Third 2020 Technical Plan

Description of Monitoring Activities: The objective of this activity is to monitor the effect of potential or proposed changes in generally accepted auditing standards (GAAS) established by the American Institute of Certified Public Accountants (AICPA) on the state and local government environment. Monitoring will provide the Board with a basis for evaluating the need to consider modifying accounting and financial reporting standards as a result of any potential or proposed changes to GAAS by the AICPA.

Current Developments: Staff members continued to monitor issues related to GAAS discussed by the Auditing Standards Board (ASB) committee of the AICPA.

Since April 2020, the ASB issued the following Statements on Auditing Standards (SAS):

- SAS No. 141, *Amendment to the Effective Date of SAS Nos. 134 Through 140*. The affected SASs originally were effective for audits of financial statements for periods ending on or after December 15, 2020. SAS 141 delays the effective dates of the referenced SASs to audits of financial statements for periods ending on or after December 15, 2021. SAS 141 also removes the prohibitions in against early implementation that originally were part of SAS 134 and SAS 136–SAS 140 and recommends that SAS 134–SAS 140 be implemented concurrently.
- SAS No. 142, *Audit Evidence*, explains what constitutes audit evidence in an audit of financial statements and describes characteristics of information that are considered when evaluating information to be used as audit evidence. It will be effective for audits of financial statements for periods ending on or after December 15, 2022, with early implementation permitted.
- SAS No. 143, *Auditing Accounting Estimates and Related Disclosures*, discusses areas of auditor focus when evaluating the reasonableness of estimates. It will be effective for audits of financial statements for periods ending on or after December 15, 2023, with early implementation permitted.

In addition, in May the ASB continued discussions of issues related to direct examination engagements and issues related to convergence with IAASB in the areas of risk assessment and quality management.

Monitoring Plan:

Board Meetings

Monitoring Activities

September–December 2020: Staff will continue to monitor the development of auditing standards.

Electronic Financial Reporting

Final-Third 2020 Technical Plan

Description of Monitoring Activities: The objective of this activity is to monitor the effect of the electronic media on information delivery and user needs. Monitoring and support of research into the evolving state of the art in electronic financial reporting by state and local governments will provide the Board with a basis for evaluating the need to develop standards for financial reports intended for this medium.

Current Developments: Staff members continued to monitor the work of and confer with the academics from Rutgers University on their research efforts and with a state government that is implementing a law that requires local governments to provide the state data using XBRL. Staff members also continue to monitor a project by XBRL U.S. to develop a taxonomy for state and local governments.

XBRL U.S. published a revised demonstration CAFR taxonomy for public comment.

Monitoring Plan:

Board Meetings

Monitoring Activities

September–December 2020: Staff will continue to monitor the development of XBRL reporting.

Pay-for-Success Financings

Final-Third 2020 Technical Plan

Description of Monitoring Activities: The objective of this activity is to monitor pay-for-success financings to determine whether the factors noted in the GASB pre-agenda research on this subject have changed in any significant manner. Monitoring the evolving state of the art in pay-for-success financings by governments will provide the Board with a basis for evaluating the need to develop standards for these transactions.

Current Developments: Staff members continued to monitor news reports, trade journals, and professional publications for information and research about pay-for-success financings. Staff members also continued to monitor the work of other standards setters for potential projects about pay-for-success financings.

Monitoring Plan:

Board Meetings

Monitoring Activities

September–December 2020: Staff will periodically reach out to leaders in this field to continue to determine whether the factors associated with these transactions have changed in any significant manner.

Post-Implementation Review

Fair Value—Statement 72—Stage One

Final-Third 2020 Technical Plan

PIR Topic: Statement No. 72, *Fair Value Measurement and Application*

Current Developments: The staff continued to analyze the survey and archival results and began preparing the final summary for stage one.

Work Plan:

Board Meetings

Activities

September–October 2020: Complete analyzing post-implementation year data; prepare final summary for stage one.

January 2021: Begin stage two.

Fiduciary Activities—Statement 84—Stage One

Final-Third 2020 Technical Plan

PIR Topic: Statement No. 84, *Fiduciary Activities*

Current Developments: Recruitment of volunteers to participate in the preparer surveys was on hold until July 1, 2020 because of the pandemic.

Work Plan:

Board Meetings

Activities

September 2020:

Conclude initial recruitment.

Survey volunteers regarding their decision about when to implement Statement 84.

September 2020–June 2022:

Conduct survey and archival analysis for pre-implementation year.

January 2021–July 2022:

Analyze pre-implementation year data.

July 2021–June 2023:

Conduct survey and archival analysis for Statement 84 implementation year.

January 2022–July 2023:

Analyze implementation year data.

July 2022–June 2024:

Conduct survey and archival analysis for post-implementation year.

January 2023–December 2024:

Analyze post-implementation year data; prepare final summary for stage one.

June 2025:

Begin stage two.

Leases—Statement 87—Stage One
Final-Third 2020 Technical Plan

PIR Topic: Statement No. 87, *Leases*

Current Developments: Recruitment of volunteers to participate in the preparer surveys was on hold until July 1, 2020 because of the pandemic.

Work Plan:

Board Meetings

Activities

September 2020:

Survey volunteers regarding their decision about when to implement Statement 87.

September 2020–June 2021:

Continue initial recruitment.

July 2021–June 2023:

Conduct survey and archival analysis for pre-implementation year.

January 2022–July 2023:

Analyze pre-implementation year data.

July 2022–June 2024:

Conduct survey and archival analysis for Statement 87 implementation year.

January 2023–July 2024:

Analyze implementation year data.

July 2023–June 2025:

Conduct survey and archival analysis for post-implementation year.

January 2024–December 2025:

Analyze post-implementation year data; prepare final summary for stage one.

June 2026:

Begin stage two.

Other Postemployment Benefits—Statement 75—Stage One

Final-Third 2020 Technical Plan

PIR Topic: Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Current Developments: The archival analysis for the pre-implementation year and implementation year for both phase 1 and phase 2 governments completed. Collection of financial reports of governments with annual revenue between \$5 million and \$10 million continued. Recruitment of volunteers to participate in the preparer surveys was on hold until July 1, 2020 because of the pandemic.

Work Plan:

Board Meetings

Activities

September–October 2020: Continue to recruit volunteers; add data for volunteers to archival analysis and summary.

September 2020–December 2021: Conduct survey for pre-implementation year, year of implementation, and post-implementation year.

March 2021–June 2022: Analyze results and prepare summary for stage one.

January 2023: Begin stage two.

Pensions—Statements 67 and 68—Stage Two

Final-Third 2020 Technical Plan

PIR Topic: Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*

Current Developments: Financial reports of governments with annual revenue between \$5 million and \$10 million continued to be collected and added to the archival analysis. Collection of data from financial statements of pension plans and large and medium governments also continued.

Work Plan:

Board Meetings

Activities

September 2020:

Complete collection small-government financial reports and conclude archival analysis.

September–December 2020:

Analyze data and prepare summary of results for archival analysis of both Statements 67 and 68; develop protocol and materials for stakeholder roundtables.

January–June 2021:

Conduct stakeholder roundtables.

July–December 2021:

Analyze data and prepare summary of results for roundtables; develop preparer, auditor, and user surveys.

October 2021–June 2022:

Administer preparer, auditor, and user surveys.

July 2022–February 2023:

Analyze data from surveys; prepare final report.

March 2023:

Discuss final report with the Board.

April 2023:

Discuss final report with the GASAC.

May 2023:

Present final PIR report to FAF Board of Trustees; publish report.