

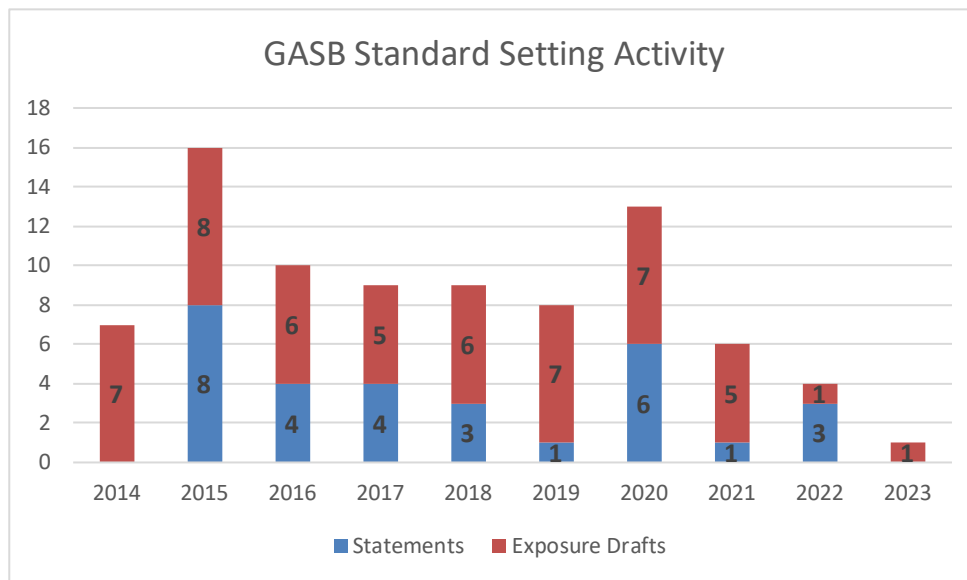
GASB 2024 – The Year Ahead

This paper provides an overview of 2023 GASB standard setting, along with updates on outstanding exposure drafts and ongoing projects. The developments included in this update are intended to be a reminder of recently issued accounting guidance that may affect you. This semiannual guide is intended as general information and should not be relied upon as being definitive or all-inclusive.

Overview

GASB is the independent organization that establishes and improves accounting and financial reporting standards for U.S. governmental entities. GASB’s standard-setting activity slowed almost to a halt after several very busy years. GASB has issued only one new statement and one exposure draft since June 2022. The board is expected to approve issuance of a final statement on risks and uncertainties in December for release in January 2024. In August 2023, GASB dropped a long-running project on a recognition concept statement. GASB has been focused on several multiyear projects that will have significant impacts on government financial reporting—the financial reporting model and revenue and expense recognition.

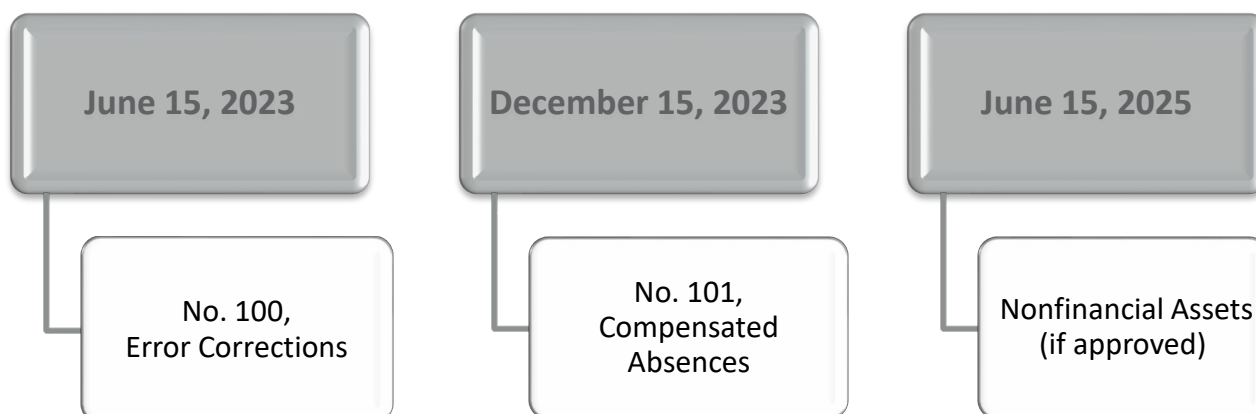
This paper summarizes GASB-issued standards sorted by effective date and includes updates on outstanding proposals, projects, and research with links to resources from **FORVIS** for a deeper dive.



Upcoming Effective Dates

Early adoption is permitted or encouraged for all the statements below.

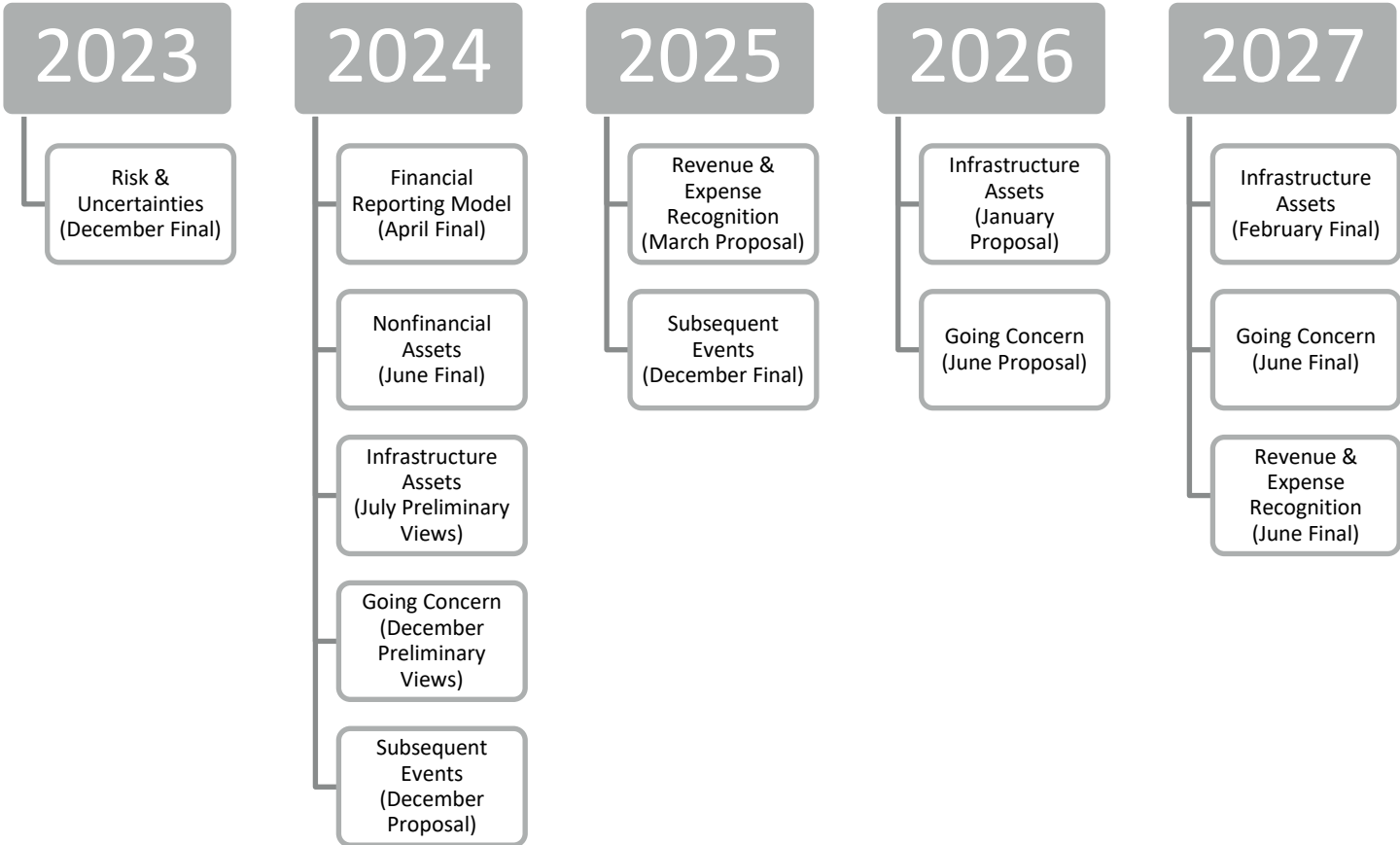
Fiscal Years Beginning After



Fiscal Years Beginning After June 15, 2023	
Standard	Description
<p>Statement 100 <i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i> Issued June 2022 Related Resource: GASB Updates Rules on Accounting Changes & Error Corrections</p>	<p>Distinguishing between a change in accounting principles and a change in estimates can be difficult, but the distinction is critical to applying the correct guidance. GASB research indicated preparer classification challenges among the various adjustment categories and diversity in the related note disclosures. To address current diversity in practice, Statement 100 defines the following categories and the prescribed accounting for each:</p> <ul style="list-style-type: none"> Changes in accounting principles Changes in accounting estimates Changes to or within the financial reporting entity Corrections of errors in previously issued financial statements
Fiscal Years Beginning After December 15, 2023	
Standard	Description
<p>Statement 101 <i>Compensated Absences</i> Issued June 2022 Related Resource: GASB Updates Compensated Absences Guidance</p>	<p>Since Statement 16, <i>Accounting for Compensated Absences</i>, was issued in 1992, benefit practices have evolved, resulting in inconsistent application of guidance and a lack of guidance for new leave types. Statement 101 creates a unified model for recognition and measurement for all types of compensated absences and eliminates certain previously required disclosures.</p>

Technical Agenda

Project Plan Summary Timeline



Projects Open for Comment or Redeliberation

The following table includes proposed standards open for comment or redeliberation. GASB will finalize the effective dates of the proposed standards after it considers proposal feedback.

Topic	Description	Status (Subject to Change)
<p>Revenue and Expense Recognition</p> <p>Preliminary Views Issued June 2020, Redeliberation</p>	<p>Develops a comprehensive model for the recognition of revenues and expenses arising from nonexchange, exchange, and exchange-like transactions, including exchange transactions not specifically addressed in the current literature.</p>	<p>Exposure Draft: March 2025</p> <p>Public Hearings: April 2025</p> <p>Final Statement: June 2027</p>
<p>Financial Reporting Model</p> <p>Exposure Draft Issued August 2020, Redeliberation</p> <p>Related Resource: Updates on GASB's Financial Reporting Model Project</p>	<p>Re-examines governmental funds' measurement focus and basis of accounting and financial statement preparation.</p>	<p>Final Statement: April 2024</p>
<p>Risks & Uncertainties Disclosures</p> <p>Exposure Draft Issued June 20, 2022, Redeliberation</p> <p>Related Resource: GASB Wants More Details on Risks</p>	<p>Governments would be required to disclose information about certain risks that could affect services provided or the ability to meet obligations as they become due. Disclosure would be required for a government's vulnerabilities to certain concentrations and constraints common in the governmental environment.</p> <p><i>Forty-eight Comment letters received. Full support from S&P rating agency and investors; very limited support from governments and auditors.</i></p>	<p>Final Statement: December 2023</p>
<p>Classification of Nonfinancial Assets</p> <p>Exposure Draft Issued September 2023, Comment Period Open Through January 2024</p> <p>Related Resource: GASB Proposal to Break Out Certain Capital Assets</p>	<p>This project would reconsider the existing classification of nonfinancial assets and other related subclassifications, <i>i.e.</i>, capital assets or intangible assets, to ensure that assets are classified to provide the most relevant financial information and to ensure the classification definitions are understandable. The project will not re-examine the recognition or measurement of nonfinancial assets.</p>	<p>Final Statement: July 2024</p>

Projects in Initial Deliberation

In addition to the projects above, GASB's technical plan includes projects in the initial deliberation stage indicated in the following table.

Topic	Project Description	Schedule (Subject to Change)
<p>Going Concern Uncertainties and Severe Financial Stress</p> <p>Added to agenda December 2021</p> <p>Initial Deliberations</p>	<p>The project will consider disclosures and:</p> <ul style="list-style-type: none"> Addressing going concern diversity in practice and clarifying when disclosure is appropriate Defining “severe financial stress” and criteria for identifying when governments should disclose their exposure <p><i>In October, GASB announced a new task force to provide suggestions and feedback on this project consisting of financial statement users, preparers, and auditors. The task force can identify possible implementation difficulties, assess the potential costs, and opine on the usefulness of new information.</i></p>	<p>Preliminary Views: December 2024</p> <p>Exposure Draft: June 2026</p> <p>Final Statement: June 2027</p>
<p>Infrastructure Assets</p> <p>Added to agenda May 2023</p> <p>Initial Deliberations</p>	<p>The project is considering the following issues:</p> <p>How should infrastructure assets be recognized and measured in financial statements? Should the optional use of the modified approach continue to be allowed to report infrastructure assets?</p> <p>Should additional information related to the maintenance and preservation of infrastructure assets be presented in financial statements and, if so, what information and what method of communication should be used to provide that information?</p>	<p>Preliminary Views: July 2024</p> <p>Exposure Draft: January 2026</p> <p>Final Statement: February 2027</p>
<p>Subsequent Events</p> <p>Added to agenda August 2023</p> <p>Initial Deliberations</p>	<p>Statement 56 was issued in March 2009, but was part of the 1972 Association of International Certified Professional Accountants' (AICPA) audit literature. That guidance was never evaluated for appropriateness to state and local governments, effectiveness, consistency with the conceptual framework, or the information's usefulness.</p> <p>Pre-agenda research indicated challenges with (1) identifying subsequent events and (2) distinguishing between recognized and nonrecognized subsequent events resulting in diversity in practice.</p>	<p>Exposure Draft: December 2024</p> <p>Final Statement: December 2025</p>

Pre-Agenda Research

GASB is scheduled to perform pre-agenda research on this topic:

- **GAAP Structure:** The initial objective of this pre-agenda research is to evaluate the effectiveness of GASB's current dual-authority approach to communicating GAAP for state and local governments—that is, a GAAP structure that includes both original pronouncements and a codification, each with equal authoritative status. Based on the outcome of the initial research, a potential subsequent objective would be to consider whether—and if so, how—GASB's current GAAP structure could be improved. Added to research agenda in August 2023.

Conclusion

For some entities, implementing these Statements will be complex and likely will require significant hours to implement correctly. **FORVIS** can help educate your team, provide implementation tools, and assist with analysis and documentation. We serve a variety of entities, including state and local governments, airports, transportation authorities, public power and utility providers, tribal governments, and public colleges and universities.

If you would like assistance complying with the new guidance, contact one of our professionals. Our public sector accounting, audit, and consulting experience and resources can help you stay compliant, stretch your dollar, and plan for the future. For more information, visit forvis.com.

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