



# GASB 2025 – The Year Ahead

January 2025

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# Note From the Public Sector Industry Leader at Forvis Mazars

The public sector industry continues to experience change and challenges, from accounting standards changes to technological advancement and digital transformation, while facing budgetary constraints and resource shortages. In this environment of change occurring at increasing speed, monitoring current changes and staying aware of expected changes are extremely important. Leaders from the Nonprofit, Education, and Public Sector team at Forvis Mazars have attended a variety of industry conferences and heard several key hot topics and themes, including those summarized within this document. We are committed to staying at the forefront of industry issues and our team remains informed and poised to address the evolving regulations and changes affecting the public sector.

Forvis Mazars, LLP is an independent member of Forvis Mazars Global, a leading global professional services network. Ranked among the largest public accounting firms in the U.S., the firm's 7,000 dedicated team members provide an **Unmatched Client Experience**<sup>®</sup> through the delivery of assurance, tax, and consulting services for clients in all 50 states and internationally through the global network. Our team is proud to work with more than 800 public sector entities. Forvis Mazars is a leader in providing Uniform Guidance compliance audits and financial statement audit services to public sector organizations.

We encourage you to connect with a local team member for questions regarding any of the topics discussed in this document, or if you would like to learn more about our firm and how we can help your organization.

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# Introduction

This paper provides an overview of GASB's standard-setting activity for 2024, along with updates on outstanding exposure drafts and ongoing projects. While GASB's standard-setting activity has slowed almost to a halt after several very busy years, implementing upcoming guidance may require significant planning and effort. This paper includes summaries for all soon-to-be-effective standards, sorted by effective date. We have included links to resources from Forvis Mazars for a deeper dive.

## I. Hot Topic – Electronic Financial Reporting

On November 13, 2024, GASB approved a project to develop a digital taxonomy to support voluntary electronic financial reporting. The project will be broken into two phases. The first will focus on GAAP items to issue an audit opinion—basic financial statement and required supplementary information. The second phase would add other supplementary information. The staff will continue to monitor developments and may expand the project to include additional items.

### Financial Data Transparency Act of 2022 (FDTA) Update

On August 2, 2024, the SEC and eight federal agencies jointly issued a [proposal](#) establishing technical standards for future data submissions fulfilling FDTA requirements. The proposal addresses only how data is to be submitted using common identifiers and open-source data standards. While no new disclosures are required, the FDTA will significantly change the way municipal bond issuers and obligors report required disclosure information on the Municipal Securities Rulemaking Board (MSRB)'s Electronic Municipal Market Access website.

The FDTA required each agency to independently adopt final data standards by December 2024; however, there are no penalties for not meeting these deadlines. Many of the mandates from the 2010 Dodd-Frank Act were passed several years after the legislation's deadlines. FDTA Section 204 requires the SEC to also adopt data standards for information submitted to the MSRB two years after final data standard rules are issued for each of the federal agencies. The SEC must consult with market participants in establishing municipal market data standards; however, the FDTA does not mandate a compliance date for MSRB data standards, unlike the regulations for federal financial regulators.

Both SEC Chair Gary Gensler and Democratic Commissioner Jaime Lizarraga have announced their intent to step down in January 2025. President-elect Donald Trump has announced Paul Atkins as his nominee for SEC chair. Atkins previously served as a commissioner from 2002 to 2008. Atkins will require Senate approval and based on prior administrative turnovers, this could happen as soon as April or May 2025. Under SEC quorum rules, a three-member commission can only advance a regulation if all the commissioners participate in a vote. However, under the Sunshine Act, the two Republican commissioners could meet and begin planning a new regulatory agenda even before a new chair is confirmed. Republican Commissioners Hester Peirce and Mark Uyeda both worked with Atkins at the SEC during his previous tenure.

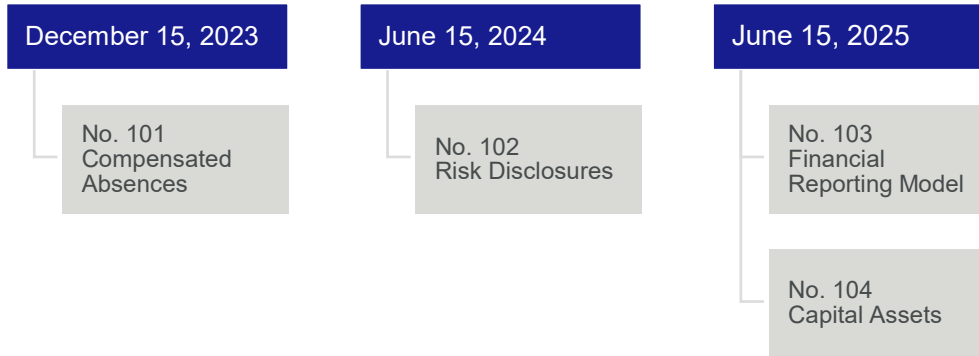
Both the FDTA legislation and the SEC vote on the proposal had broad bipartisan support and this proposal is likely to move forward, but on a delayed basis after new SEC commissioners are appointed.

**Resource:** [What the Recent FDTA Data Proposal Means for Governments](#)

**Forvis Mazars will continue to monitor these developments.**

## II. Upcoming Effective Dates

### Fiscal Years Beginning After



#### Fiscal Years Beginning After December 15, 2023

Statement	Description
<p><b>Statement 101</b> Compensated Absences Issued: June 2022 <b>Resource:</b> <a href="#">Preparing for GASB's Compensated Absences – Statement 101</a></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>

#### Fiscal Years Beginning After June 15, 2024

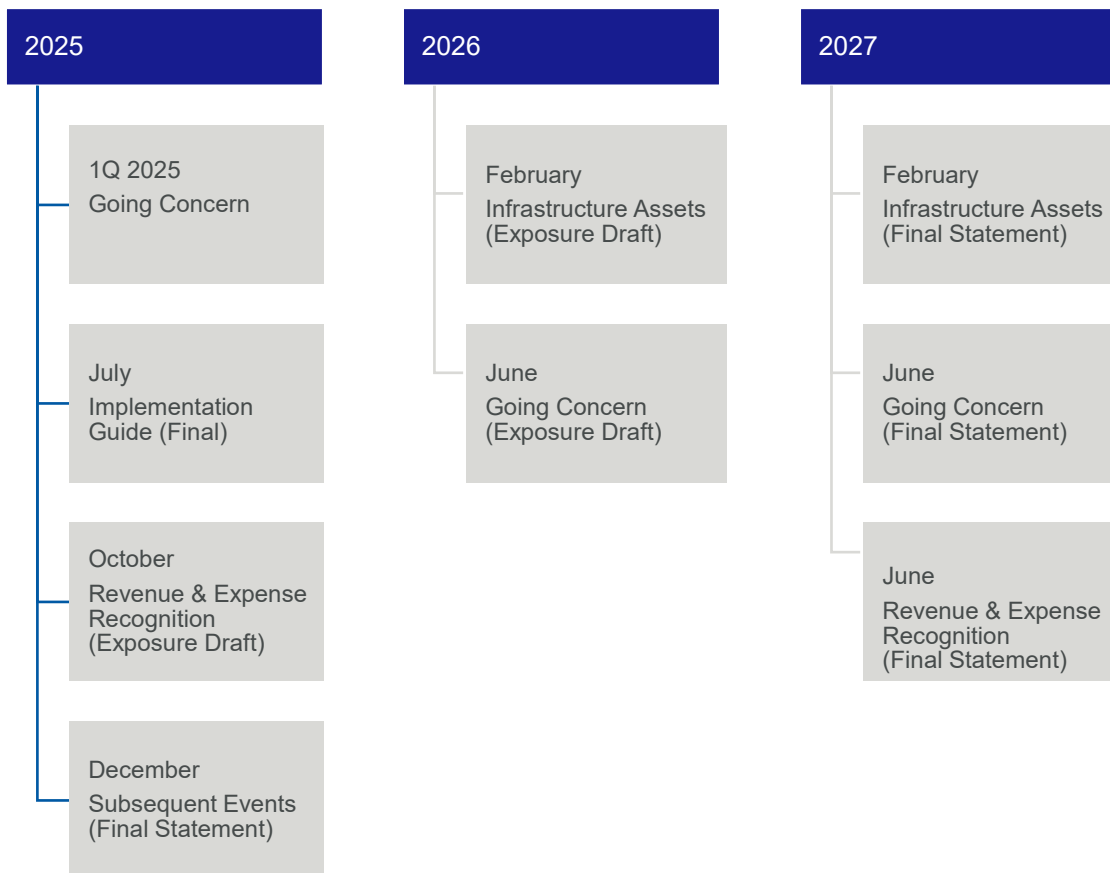
Statement	Description
<p><b>Statement 102</b> Certain Risk Disclosures Issued: December 2023 <b>Resource:</b> <a href="#">Details on GASB's New Required Risk Disclosures</a></p>	<p>Statement 102 requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The statement includes four nonauthoritative examples of concentrations and constraints, including a financial resource provider, collective bargaining, mandated spending, and an employer concentration.</p>

## Fiscal Years Beginning After June 15, 2025

Statement	Description
<p><b>Statement 103</b></p> <p>Financial Reporting Model Improvements</p> <p><b>Issued:</b> May 2024</p> <p><b>Resource:</b> <a href="#">GASB Updates the Financial Reporting Model</a></p>	<p>Statement 103 updates requirements for management's discussion and analysis, unusual and infrequent items, proprietary fund statement, component unit, and budget presentation.</p>
<p><b>Statement 104</b></p> <p>Disclosure of Certain Capital Assets</p> <p><b>Issued:</b> September 2024</p> <p><b>Resource:</b> <a href="#">GASB Statement 104 – New Capital Asset Disclosures</a></p>	<p>Statement 104 requires capital assets held for sale, intangible assets, lease assets, and subscription assets to be broken out separately in note disclosure.</p>

### III. Technical Agenda

#### Project Plan Summary Timeline (Subject to Change)



## IV. Projects

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.

Proposals Issued		
Topic	Description	Status (Subject to Change)
<p><b>Revenue and Expense Recognition</b></p> <p>Preliminary Views Issued June 2020</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><b>Exposure Draft:</b> October 2025</p> <p><b>Final Statement:</b> June 2027</p>
<p><b>Infrastructure Assets</b></p> <p>Preliminary Views</p> <p>Approved: September 30, 2024</p> <p><b>Resource:</b> <a href="#">GASB Invites Feedback on Its Infrastructure Assets Project</a></p>	<p>The document identified areas for improvement and GASB’s planned approach. GASB would update the infrastructure definition, tweak certain aspects of the modified approach, and would add additional financial statement note disclosure.</p>	<p><b>Public Hearings:</b> February 2025</p> <p><b>Exposure Draft:</b> February 2026</p> <p><b>Final Statement:</b> February 2027</p>
<p><b>Subsequent Events</b></p> <p>Exposure Draft</p> <p>Approved: November 13, 2024</p> <p><b>Resource:</b> <a href="#">GASB Proposes Clarifications on Subsequent Events</a></p>	<p>The proposal would clarify the subsequent event that required recognition and establishes specific note disclosure for nonrecognized events. If approved, changes would be effective for fiscal years beginning after June 15, 2026.</p>	<p><b>Comments Due by February 21, 2025</b></p> <p><b>Final Statement:</b> December 2025</p>
<p><b>Implementation Guide—2025</b></p> <p>Exposure Draft</p> <p>Approved: November 13, 2024</p> <p><b>Resource:</b> Coming Soon</p>	<p>The proposal addresses unresolved questions on Statement 103, <i>Financial Reporting Model Improvements</i>; Statement 101, <i>Accounting Changes and Error Corrections</i>; and Statement 87, <i>Leases</i>.</p>	<p><b>Comments Due by January 24, 2025</b></p> <p><b>Final Statement:</b> July 2025</p>

Initial Deliberations		
Topic	Description	Status (Subject to Change)
<p><b>Going Concern Uncertainties and Severe Financial Stress</b></p> <p>Added to Agenda December 2021</p>	<p>The project will consider disclosures and:</p> <ul style="list-style-type: none"> <li>Addressing going concern diversity in practice and clarifying when disclosure is appropriate</li> <li>Defining “severe financial stress” and criteria for identifying when governments should disclose their exposure</li> </ul> <p>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.</p> <p>On December 11, 2024, GASB approved drafting a pre-ballot draft to be voted on in February 2025.</p>	<p><b>Preliminary Views:</b> 1Q 2025</p> <p><b>Public Hearings:</b> April 2025</p> <p><b>Exposure Draft:</b> June 2026</p> <p><b>Final Statement:</b> June 2027</p>

## Pre-Agenda Research

GASB is currently performing pre-agenda research on the following topics:

- GAAP Structure.** Research will evaluate the effectiveness of GASB’s current dual-authority approach to communicating GAAP for state and local governments (an original pronouncement and a codification, each with equal authoritative status) and consider improvements to GASB’s current GAAP structure. Research is planned through June 2025 followed by stakeholder outreach on single authority alternatives from September 2024 to December 2025. In April 2026, GASB will issue a due process document to solicit stakeholder feedback and results will be reviewed by the board in April 2027.
- Revenue and Expense Recognition – Note Disclosures.** The project will review the need to update note disclosures for transactions that will be in the scope of the revenue and recognition project noted above. Staff will conduct focus groups through April 2025 and present findings to the board in June 2025.

## Monitoring Activities

- AICPA Auditing Standards.** Staff will monitor the effect of potential or proposed changes in U.S. generally accepted auditing standards (GAAS) established by the American Institute of CPAs (AICPA) on the state and local government environment for GASB to evaluate the need to update existing GASB accounting and financial reporting standards.
- Cybersecurity Risk Disclosures.** Staff will research the types of cybersecurity risks, events (such as ransomware and denial-of-service attacks), and the financial impact of such that are present within state and local governments, determine whether existing disclosure guidance is adequate or if additional guidance is warranted, determine whether the framework established in Statement No. 102, *Certain Risk Disclosures*, is applicable to these specific types of risks, and determine if additional guidance is needed or practicable.
- Digital Assets.** Staff will monitor the development of governments’ activities in cryptocurrency and other types of digital assets, both as investments and as consideration paid or received in transactions, as well as any new guidance from other standard setters.



- **Electronic Financial Reporting.** Staff is monitoring the effect of the electronic media on information delivery and user needs to provide the board with a basis for evaluating the need to develop standards for electronic financial reporting. Staff also continues to monitor a project by XBRL U.S. to develop a taxonomy for state and local governments as well as state and federal legislation (*Financial Data Transparency Act of 2022*). Staff has begun working on a taxonomy for this project.
- **Environmental Credits.** Staff will consider the need to develop specific accounting and financial reporting standards for environmental credits programs, such as emissions trading, that are administered by state and local governments. Staff will assess the prevalence and common uses of environmental credits through academic- and policy-related literature, review of federal and state governments, and other standard-setter activity.
- **Environmental, Social, and Governance Reporting.** Staff will monitor the development of governments' activities regarding ESG reporting and the development of guidance by other standard setters.  
**Resource:** [GASB Highlights Existing Guidance on ESG Reporting](#)

## Conclusion

The assurance team at Forvis Mazars delivers extensive experience and skilled professionals to help align with your objectives. Our proactive approach includes candid and open communication to help address your financial reporting needs.

Our public sector accounting, audit, and consulting experience and resources can help you with compliance, stretch your dollar, and plan for the future. 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 have any questions, please reach out to a professional at [forvismazars.us](https://forvismazars.us).

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