



GASB accounting standard update

SPRING 2023

The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for state and local governments that follow Generally Accepted Accounting Principles (GAAP). Below is a list of upcoming GASB accounting standards that may be applicable to you, along with links to related Plante Moran articles and webinars for your benefit.

In May 2020, the GASB approved a new standard, GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This standard postponed the effective dates for certain GASB Statements (though Statement No. 93) and certain Implementation Guides, as reflected in the implementation dates below.

To continue to stay current with the upcoming changes, we welcome you to [subscribe](#) to our email distribution list, where you'll receive our most recent articles and invitations to our public sector webinars, including [GASB 94 & 96: Preparing to implement new guidance for P3s & SBITAs](#). **If you have questions or need assistance, don't hesitate to reach out — we're here to help!**

RECENTLY ISSUED GASB STATEMENTS

Statement	Description	Effective date (fiscal years ending) as amended by GASB 95	Plante Moran articles & webinars
<p>GASB 87: Leases</p> <p>Effective for reporting periods beginning after June 15, 2021 (As amended by GASB 95)</p>	<p>Establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating or capital leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right to use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources.</p> <p>Action item: Review your organization's agreements and contracts to identify any that meet the definition of a lease under this Statement. Even if the agreement isn't titled a lease, it may still meet the definition under the Statement. Brainstorm other routine transactions that are exchange-like for a right to use a nonfinancial asset.</p> <p>Consideration: There may be efficiencies in adopting GASB 96 at the same time you adopt GASB 87. Reach out for more information on what you should be considering here!</p>	June 30, 2022 Sept. 30, 2022 Dec. 31, 2022 March 31, 2023	<p>GASB 87, Implementation: Lessons learned from early adopters </p> <p>GASB, Leases: Your implementation questions answered </p> <p>GASB 87: Your advanced implementation questions answered </p> <p>GASB 87, Leases: What you need to know for successful implementation </p> <p>GASB 87, Leases: A closer look </p>
<p>GASB 91: Conduit Debt Obligations</p> <p>Effective for reporting periods beginning after Dec. 15, 2021 (As amended by GASB 95)</p>	<p>Clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.</p> <p>Action item: Consider whether any of your organization's obligations meet the definition of conduit debt and need to be analyzed further.</p>	Dec. 31, 2022 March 31, 2023 June 30, 2023 Sept. 30, 2023	<p>GASB 91: New requirements for conduit debt issuers </p>
<p>GASB 93: Replacement of Interbank Offered Rates</p> <p>Removal of LIBOR is effective for reporting periods ending after Dec. 31, 2021 (para. 11b)</p> <p>Lease modifications are effective for reporting periods beginning after June 15, 2021 (Amended by GASB 95)</p> <p>All other requirements effective for reporting periods beginning after June 15, 2020</p>	<p>The objective of this Statement is to replace citations of the London Interbank Offered Rate (LIBOR) with one or more acceptable benchmark reference rates.</p> <p>Action item: Review all debt/hedge agreements that use LIBOR as the interbank offered rate.</p>	<p>Removal of LIBOR:</p> March 31, 2022 June 30, 2022 Sept. 30, 2022 Dec. 31, 2022	<p>GASB replacement of Interbank Offered Rates: What you need to know </p>
		<p>Lease modifications:</p> June 30, 2022 Sept. 30, 2022 Dec. 31, 2022 March 31, 2023	
		<p>All other requirements:</p> June 30, 2021 Sept. 30, 2021 Dec. 31, 2021 March 31, 2022	

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GASB 94: <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> Effective for reporting periods beginning after June 15, 2022	Addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. Action item: Consider whether any arrangements meet the definition of PPPs and therefore require further analysis.	June 30, 2023 Sept. 30, 2023 Dec. 31, 2023 March 31, 2024	GASB 94 is approaching: Are P3s on your organization's radar?  You've mastered GASB leases, but are you ready for P3s and SBITAs?  GASB 94 & 96: Preparing to implement new guidance for P3s & SBITAs 
GASB 96: <i>Subscription Based Information Technology Arrangements (SBITA)</i> Effective for reporting periods beginning after June 15, 2022	This Statement addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, <i>Leases</i> , as amended. Action item: Consider whether any of your organization's IT arrangements meet the definition of SBITAs and need to be analyzed further.	June 30, 2023 Sept. 30, 2023 Dec. 31, 2023 March 31, 2024	Understanding GASB 96, Subscription-Based Information Technology Arrangements  You've mastered GASB leases, but are you ready for P3s and SBITAs?  Implementing GASB 96 & 101: Next steps for higher education  GASB 94 & 96: Preparing to implement new guidance for P3s & SBITAs 
GASB 97: <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Section 457 Plans</i> Effective for reporting periods as follows: <ul style="list-style-type: none"> • Paragraph 4 (as it applies to DC pension and OPEB plans and other employee benefit plans) and paragraph 5 are effective immediately • Paragraphs 6–9 are effective for fiscal years beginning after June 15, 2021 • All other requirements are effective for reporting periods beginning after June 15, 2021 	This Statement is an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement increases consistency and comparability related to the reporting of fiduciary component units and mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans, and other employee benefit plans, such as Section 457 plans. Action item: Ensure you keep this standard in mind when implementing GASB 84. In addition, consider whether the changes to component unit criteria might have an impact on any separate legal entities that do not have a board, outside of pension and OPEB plans. Review all Section 457 plans to determine whether the plan should be classified as either a pension plan or other employee benefit plan, and if it then should be reported as a fiduciary activity.	Paragraphs 4–5 effective immediately All other requirements: June 30, 2022 Sept. 30, 2022 Dec. 31, 2022 March 31, 2023	Defined contribution plans & GASB Statement 97: Key considerations 

Statement	Description	Effective date (fiscal years ending) as amended by GASB 95	Plante Moran articles & webinars
<p>GASB 99: Omnibus 2022</p> <p>Effective for reporting periods as follows:</p> <ul style="list-style-type: none"> • The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance • The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter • The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter 	<p>This Statement addresses various technical corrections, as follows: the remeasurement of certain assets and liabilities solely for a change in an index or rate used to determine variable payments, including those related to payment arrangements for public-private and public-public partnerships and subscription-based IT arrangements; the effect of a purchase option on contract terms and the measurement of the liability; the classification of derivative instruments that are neither hedges nor investments; the recognition of exchange and exchange-like financial guarantees; and technical corrections to terminology in the Codification.</p> <p>Action item: Consider whether any of the topics addressed by this Standard are applicable for your organization and, if so, determine the impact.</p>	<p>Leases, PPPs, and SBITAs:</p> <p>June 30, 2023 Sept. 30, 2023 Dec. 31, 2023 March 31, 2024</p> <p>Financial guarantees and the classification and reporting of derivative instruments:</p> <p>June 30, 2024 Sept. 30, 2024 Dec. 31, 2024 March 31, 2025</p>	
<p>GASB 100:</p> <p><i>Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62</i></p> <p>Effective for fiscal years beginning after June 15, 2023</p>	<p>This Statement improves the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, comparable information for decision-making and will result in greater consistency in application in practice. Accounting changes, as defined in this standard, include changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity.</p> <p>Action item: Ensure familiarity with this standard not only for accounting requirements related to these types of changes/corrections but also new disclosure requirements.</p>	<p>June 30, 2024 Sept. 30, 2024 Dec. 31, 2024 March 31, 2025</p>	

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GASB 101: <i>Compensated Absences</i> Effective for fiscal years beginning after Dec. 15, 2023	<p>This Statement supersedes Statement 16, <i>Accounting for Compensated Absences</i>, which was issued in 1992. This Standard updates the recognition and measurement guidance for compensated absences by aligning the guidance under a unified model. This will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to any type of leave.</p> <p>This statement also amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences, and allow governments to disclose only the net change in the liability. In addition, governments will no longer be required to disclose which governmental funds typically have been used to liquidate the compensated absence liability.</p> <p>Action item: <i>Review all compensated absences and types of leave to verify the liability is appropriately measured and reported.</i></p> <p><i>The general approach for measurement is to use an employee's pay rate as of the financial reporting date and would be recognized if the leave was attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. However, there are some exceptions, such as parental leave and military leave, for which a liability would not be recognized until the leave commences.</i></p>	Dec. 31, 2024 March 31, 2025 June 30, 2025 Sept. 30, 2025	GASB 101, Compensated Absences: What's the big deal?  Implementing GASB 96 & 101: Next steps for higher education 

CURRENT GASB PROJECTS

Project	Description	Current stage (As of May 2023)
<i>Financial Reporting Model</i>	The objective of this project is to make improvements to the financial reporting model, including Statement 34, <i>Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments</i> , and other reporting model-related pronouncements. The objective of these improvements would be to enhance the effectiveness of the model in providing information that's essential for decision-making and enhance the ability to assess a government's accountability. The most significant impact of this potential new standard will be related to the measurement focus and basis of accounting for governmental fund statements. The conceptual framework project on recognition (below) will significantly impact the results of this project.	Current stage: Exposure Draft Re-deliberations Estimated issuance of final standard: Q1, 2024

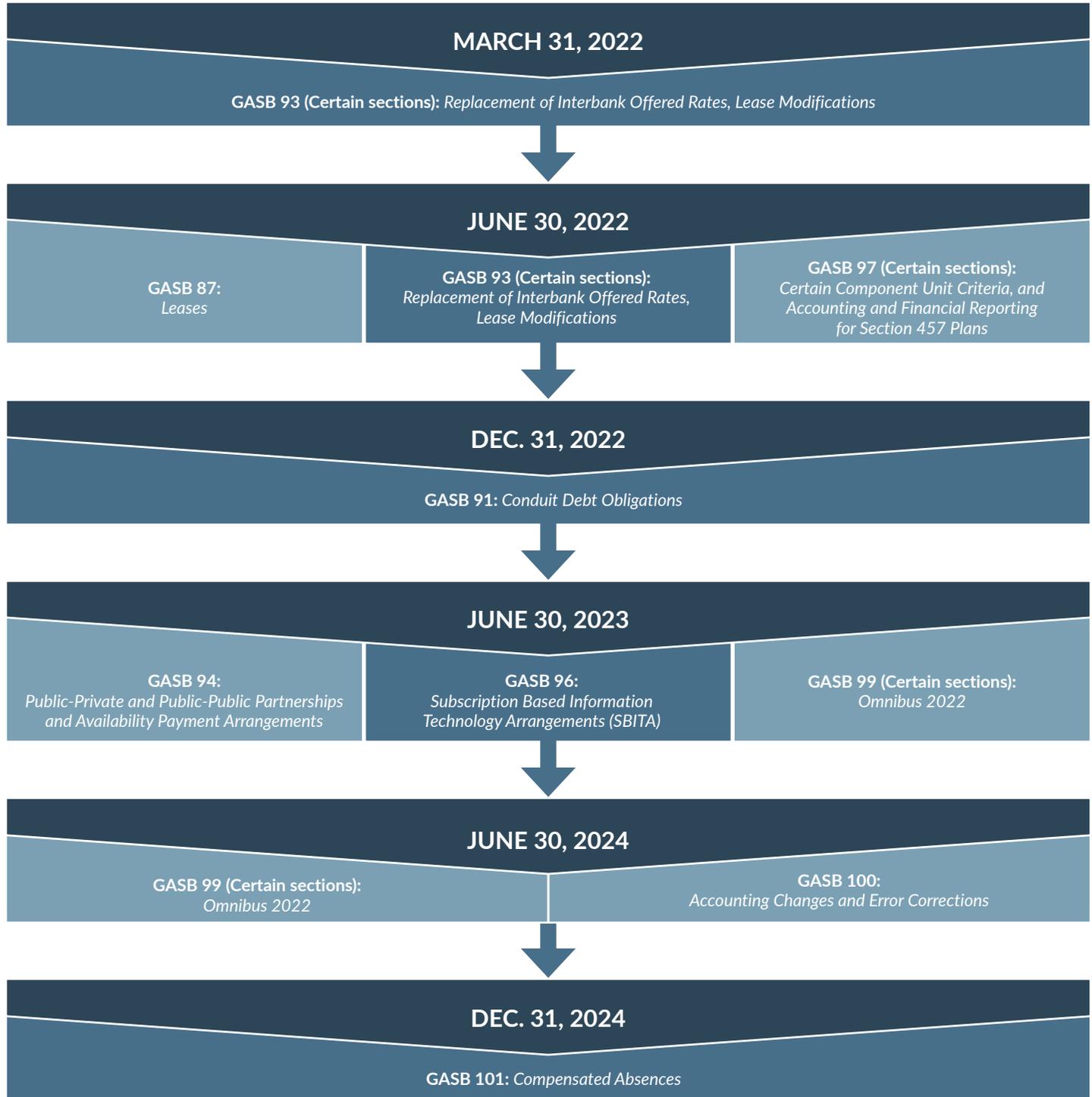
Project	Description	Current stage (As of May 2023)
<i>Conceptual Framework: Recognition</i>	The objective of this project, which is closely tied to the financial reporting model, is to develop recognition criteria for whether information should be reported in state and local governmental financial statements and when that information should be reported. This project will ultimately result in a Concepts Statement.	Current stage: Exposure Draft Re-deliberations Estimated issuance of final standard: Q1, 2024
<i>Revenue and Expense Recognition</i>	The objective of this project is to develop a comprehensive application model for the recognition of revenues and expenses that arise from nonexchange, exchange, and exchange-like transactions, including guidance for exchange transactions that hasn't been specifically addressed in the current literature. The purpose is: <i>to improve the information regarding revenues and expenses that users need to make decisions and assess accountability; to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed in GASB 33 and 36; to evaluate revenue and expense recognition in the context of the conceptual framework; and to address application issues identified in practice. The changes coming from FASB Topic 606 (Revenue from Contracts with Customers) prompted this project to be formed.</i>	Current stage: Preliminary Views Re-deliberations Estimated issuance of exposure draft: Q1, 2025 Estimated issuance of final standard: Q2, 2027
<i>Risks and Uncertainties</i>	Currently, the FASB standards contain requirements to disclose certain risks and uncertainties relating to the nature of its operations, estimates, and vulnerability due to certain concentrations; GASB literature doesn't currently contain similar requirements. The GASB project will identify potential risks and uncertainties in the state and local government environment and consider disclosure requirements associated with those risks and uncertainties.	Current stage: Exposure Draft Re-deliberations Estimated issuance of final standard: Q3, 2023
<i>Implementation Guidance: 2023 Update</i>	The objective of this project is to update implementation guidance when sufficient need exists for new or improved guidance.	Current stage: Exposure Draft Re-deliberations Estimated issuance of final standard: Q2, 2023
<i>Classification of Nonfinancial Assets</i>	The objective of this project is to reconsider the existing classification of nonfinancial assets and other related subclassifications (i.e. capital assets or intangible assets) and how these changes would affect financial statement presentation and disclosure. This project will not reexamine the recognition or measurement part of nonfinancial assets.	Current stage: Initial Deliberations Estimated issuance of exposure draft: Q3, 2023 Estimated issuance of final standard: Q2, 2024

Project	Description	Current stage (As of May 2023)
<i>Going Concern Uncertainties and Severe Financial Stress</i>	The objective of this project is to address issues related to disclosures regarding going-concern uncertainties and severe financial stress. The project will consider: <ol style="list-style-type: none"> 1. <i>Improvements to existing guidance for going-concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate.</i> 2. <i>Developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress.</i> 3. <i>What information about a government's exposure to severe financial stress is necessary to disclose.</i> 	Current stage: Initial Deliberations Estimated issuance of preliminary views: Q3, 2024 Estimated issuance of exposure draft: Q1, 2026 Estimated issuance of final standard: Q2, 2027
<i>Infrastructure Assets</i>	This project would address issues related to accounting and financial reporting for infrastructure assets, including how it should be recognized and measured in financial statements, evaluation of the use of the modified approach, and consideration of whether additional information such as maintenance and preservation of infrastructure assets should be presented in financial statements.	Current stage: Initial Deliberations Estimated issuance of preliminary views: Q3, 2024 Estimated issuance of exposure draft: Q1, 2026 Estimated issuance of final standard: Q2, 2027



Let's look ahead

Upcoming GASB standards are effective starting with the following fiscal year-ends:



Projects in the works

Upcoming GASB projects have estimated final standard issuance dates as follows:

Q2, 2023	<input checked="" type="checkbox"/> Implementation Guidance: 2023 Update
Q3, 2023	<input checked="" type="checkbox"/> Risks and Uncertainties Disclosures
Q1, 2024	<input checked="" type="checkbox"/> Financial Reporting Model <input checked="" type="checkbox"/> Conceptual Framework: Recognition
Q2, 2024	<input checked="" type="checkbox"/> Classification of Nonfinancial Assets
Q2, 2027	<input checked="" type="checkbox"/> Revenue and Expense Recognition <input checked="" type="checkbox"/> Going Concern Uncertainties and Severe Financial Stress <input checked="" type="checkbox"/> Infrastructure Assets