

# GASB-New Rules & Updates 2016 ACCMA Winter Conference

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# Governmental Accounting Standards Board (GASB)



[www.GASB.org](http://www.GASB.org)

The Governmental Accounting Standards Board (GASB) is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 by agreement of the Financial Accounting Foundation (FAF) and 10 national associations of state and local government officials, the GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.

## History of Governmental Financial Reporting Standard Setting

1930's	National Committee on Municipal Accounting
1950's	National Committee on Governmental Accounting
1970's	National Council on Governmental Accounting (NCGA)
1980's	Governmental Accounting Standards Board (GASB)

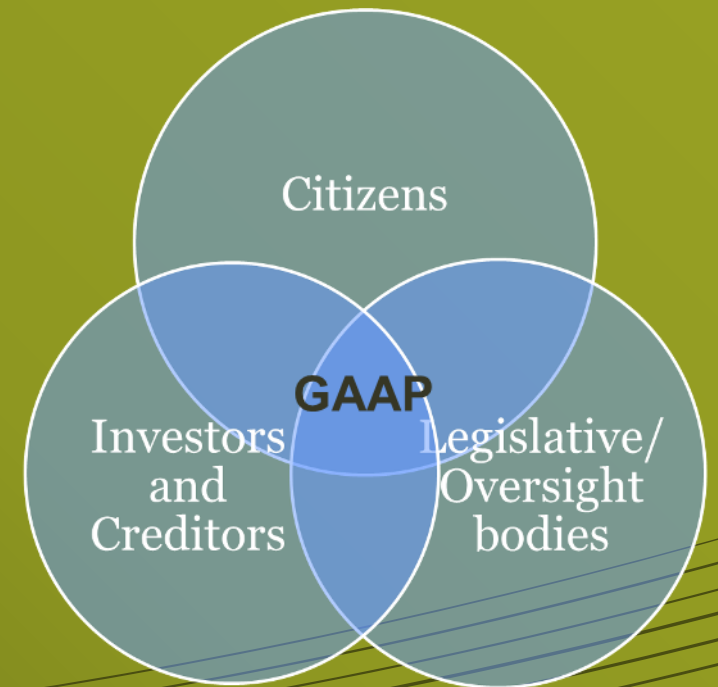
# GASB sets GAAP (Generally Accepted Accounting Principles)

<http://www.investopedia.com/terms/g/gaap.asp>

The FASB sets GAAP for publicly traded and privately held companies, the GASB sets GAAP for state and local governments.

Our audit opinions are based on compliance with GAAP.  
Therefore in order for you to “present fairly in all material respect” or have a clean opinion you must adhere to GAAP.

A negative opinion, could reduce the reliance on your financial statements, which could lead to less confidence in the reliability of your financial data and lower bond ratings.  
Translated... higher risk = higher interest rate  
bottom line is dollars and cents.....

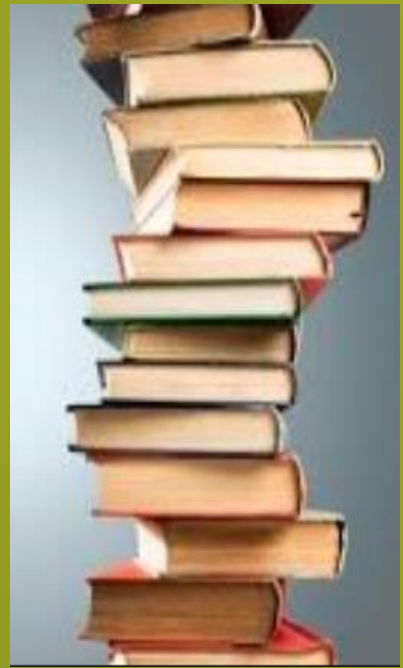


# GASB Statements – A Brief History

Now up to 79 statements:

1-71 (if applicable) implemented with your FY15 financial statements.  
Notable changes would have included:

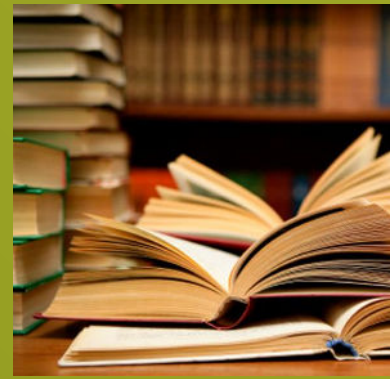
- ✓ GASB 34 – Full accrual financial statements (Government-Wide)  
Although lagged by a few years, included in this was infrastructure
- ✓ GASB 45 – OPEB
- ✓ GASB 51 – Intangibles, including easements came onto the books
- ✓ GASB 54 – Changes in reserve or fund balance definitions
- ✓ GASB 67-68 – Pensions





# GASB Statements - New

Issued – To be implemented :



FY16 72 – Fair Value Measurement and Application – Address accounting and financial reporting issues related to fair value measurements.

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FY17 73 – Pension plans – not administered through a trust  
FY16 AND – Technical amendments for plans and employers

FY17 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans – OPEB

FY18 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – OPEB (remaining)

## GASB Statements – New (continued)

- FY17 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments
- FY17 77 – Tax Abatement Disclosures
- FY17 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans
- FY17 79 - Certain External Investment Pools and Pool Participants

# Statement 77 – Tax Abatement Disclosures

Statement 77 applies to transactions involving an agreement between at least one government and a taxpayer. The government reduces—or, abates—the taxes the taxpayer otherwise would owe. The taxpayer, in turn, takes a specific action that contributes to economic development or otherwise benefits the government or its citizens.

What is a typical abatement in your government?

Property Tax Abatements?

772 Agreements?

Tax Incentive Districts?

Special Road Financing?



ALABAMA DEPARTMENT OF REVENUE

Application to Local Granting Authority  
for Abatement of Taxes

Noneducational Sales and Use Taxes,  
Noneducational Property Taxes, and/or Mortgage and Recording Taxes

Form CO: CAA  
7/09



# Statement 77 – Tax Abatement Disclosures

Disclosure – Aggregate or individually

**Confidentiality**

Will include all agreements that affect your entity – i.e.  
Lee County (Opelika and Auburn)

Information will need to include:

1. Names, if applicable, and purposes of the tax abatement programs
2. The specific taxes being abated
3. The authority under which tax abatement agreements are entered into
4. The criteria that make a recipient eligible to receive a tax abatement
5. The mechanism by which the taxes are abated
6. Provisions for recapturing abated taxes
7. The types of commitments made by the recipients of the tax abatements.



# Statement 77 – Tax Abatement Disclosures

- ✓The gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of tax abatement agreements.
- ✓Special instructions when other governments are involved.
- ✓Must discuss any other commitments (non-monetary)

All of this should be in the agreements or housed with the County right??

Information Hurdle:  
Reporting of Sales and Use Taxes

# Questions?

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“Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillfull execution; it represents the wise choice of many alternatives”.

by William Foster