



# Exposure Draft

**June 24, 2019**

**Comments Due: October 4, 2019**

Proposed Statement  
of the Governmental Accounting Standards Board

## **Omnibus 20XX**

This Exposure Draft of a proposed Statement of Governmental Accounting Standards is issued by the Board for public comment. Written comments should be addressed to:

Director of Research and Technical Activities  
Project No. 37-1

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**Governmental Accounting Standards Board**

## OMNIBUS 20XX

### WRITTEN COMMENTS

**Deadline for submitting written comments:** October 4, 2019

**Requirements for written comments.** Comments should be addressed to the Director of Research and Technical Activities, Project No. 37-1, and emailed to [director@gasb.org](mailto:director@gasb.org).

### OTHER INFORMATION

**Public hearing.** The Board has not scheduled a public hearing on the issues addressed in this Exposure Draft.

**Public files.** Written comments will become part of the Board's public file and are posted on the GASB's website.

This Exposure Draft may be downloaded from the GASB's website at [www.gasb.org](http://www.gasb.org).

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## **Notice to Recipients of This Exposure Draft**

The Governmental Accounting Standards Board (GASB) is responsible for (1) establishing and improving standards of state and local governmental accounting and financial reporting to provide useful information to users of financial reports and (2) educating stakeholders—including issuers, auditors, and users of those financial reports—on how to most effectively understand and implement those standards.

The due process procedures that we follow before issuing our standards and other communications are designed to encourage broad public participation in the standards-setting process. As part of that due process, we are issuing this Exposure Draft setting forth proposed standards that would address a number of practice issues and technical inconsistencies in authoritative literature.

We invite your comments on all matters in this proposed Statement. Because this proposed Statement may be modified before it is issued as a final Statement, it is important that you comment on any aspects with which you agree as well as any with which you disagree. To facilitate our analysis of comment letters, it would be helpful if you explain the reasons for your views, including alternatives that you believe the GASB should consider.

All responses are distributed to the Board and to staff members assigned to this project, and all comments are considered during the Board's deliberations leading to a final Statement. In deciding on changes in accounting and financial reporting standards, the GASB also takes into consideration the expected benefits to users of financial statements and the perceived costs of preparing and reporting the information. Only after the Board is satisfied that all alternatives have adequately been considered, and modifications have been made as considered appropriate, will a vote be taken to issue a Statement. A majority vote of the Board is required for adoption.

## Summary

The objective of this proposed Statement is to improve the consistency of authoritative literature and to enhance comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This proposed Statement addresses a variety of topics and includes specific proposals about the following:

- The effective date of Statement No. 87, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit pension plan or other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

### Effective Date

The requirements of this proposed Statement would be effective as follows:

- a. The requirements related to the effective date of Statement 87, reinsurance recoveries, and terminology used to refer to derivative instruments would be effective upon issuance.
- b. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 would be effective for fiscal years beginning after June 15, 2020.
- c. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities would be effective for reporting periods beginning after June 15, 2020.
- d. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition would be effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application would be encouraged and permitted by topic.

## **How the Changes in This Proposed Statement Would Improve Financial Reporting**

The requirements of this proposed Statement would improve the consistency of authoritative literature and would enhance comparability in the application of accounting and financial reporting requirements. More comparable reporting would improve the usefulness of information for users of state and local governments.

## **How the Board Considered Costs and Benefits in the Development of This Proposed Statement**

One of the principles guiding the Board's setting of standards for accounting and financial reporting is the assessment of expected benefits and perceived costs. The Board strives to determine that its standards address significant user needs and that the costs incurred through the application of its standards, compared with possible alternatives, are justified when compared to the expected overall public benefit. The Board believes that the expected benefits that would result from implementation of this proposed Statement—improved consistency of authoritative literature and greater comparability in the reporting of information about the topics addressed in this Statement—are significant and justify the perceived costs of implementation and ongoing compliance.

Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 2 discusses the applicability of this Statement.

# Proposed Statement of the Governmental Accounting Standards Board

## Omnibus 20XX

June 24, 2019

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# **Proposed Statement of the Governmental Accounting Standards Board**

## **Omnibus 20XX**

**June 24, 2019**

### **INTRODUCTION**

1. The objective of this Statement is to improve the consistency of authoritative literature and to enhance comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

### **STANDARDS OF GOVERNMENTAL ACCOUNTING AND FINANCIAL REPORTING**

#### **Scope and Applicability of This Statement**

2. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.

3. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, paragraph 37; Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, paragraphs 9 and 22; Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, paragraphs 107–109 and 141; Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, paragraph 15; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, paragraphs 64, 65, and 78 and footnote 12; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraph 167; Statement No. 67, *Financial Reporting for Pension Plans*, paragraph 30; Statement No. 69, *Government Combinations and Disposals of Government Operations*, paragraphs 35 and 36; Statement No. 72, *Fair Value Measurement and Application*, paragraph 81; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, paragraphs 5 and 116; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, paragraphs 4 and 59; Statement No. 84, *Fiduciary Activities*, paragraphs 22 and 25; Statement No. 87, *Leases*, paragraph 92; NCGA Interpretation 6, *Notes to the Financial Statements Disclosure*, paragraph 6; *Implementation Guide No. 2015-1*, Questions 10.16.4, 10.42.3, and 10.46.10; *Implementation Guide No. 2017-1, Implementation Guidance Update—2017*, Question

4.25; and Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, Question 4.5.

### **Effective Date of Statement 87**

4. The requirements of Statement 87 are effective for fiscal years beginning after December 15, 2019, and all reporting periods thereafter. Earlier application is encouraged.

### **Intra-Entity Transfers of Assets**

5. For purposes of paragraph 15 of Statement 48, as amended, the transfer of capital and financial assets between a governmental employer or nonemployer contributing entity and a pension plan or other postemployment benefit (OPEB) plan that are within the same financial reporting entity, any difference between the amount paid by the pension plan or OPEB plan (exclusive of amounts that may be refundable) and the carrying value of the assets transferred should be reported as follows:

- a. As an employer contribution or a nonemployer contributing entity contribution to the pension plan or OPEB plan in accordance with the requirements of Statement No. 68, *Accounting and Financial Reporting for Pensions*, or Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as applicable, in the separately issued statements of the employer or nonemployer contributing entity and in the financial statements of the reporting entity.<sup>1</sup>
- b. As an employer contribution or a nonemployer contributing entity contribution in accordance with the requirements of Statement No. 67, *Financial Reporting for Pension Plans*, or Statement 74, as applicable, in the stand-alone statements of the pension plan or OPEB plan and in the financial statements of the reporting entity.

### **Reporting Assets Accumulated for Defined Benefit Postemployment Benefits Provided through Plans That Are Not Administered through Trusts That Meet Specified Criteria**

6. Paragraph 116 of Statement 73, as amended, or paragraph 59 of Statement 74, as amended, as appropriate, is applicable to circumstances in which Statement 84 requires the reporting of assets that are accumulated for purposes of providing pensions or OPEB through defined benefit pension plans or defined benefit OPEB plans that are not administered through trusts that meet the criteria in paragraph 4 of Statement 73 or paragraph 3 of Statement 74, respectively.

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<sup>1</sup>Application of the provisions of this Statement should be the same for both discretely presented and blended component units. That is, the standards should first be applied in the separate financial statements of the component unit.

## **Applicability of Certain Requirements of Statement 84 to Postemployment Benefit Arrangements**

7. A government that reports a fiduciary activity for assets that are accumulated for purposes of providing pensions or OPEB through defined benefit pension plans or defined benefit OPEB plans that are not administered through trusts that meet the criteria in paragraph 4 of Statement 73 or paragraph 3 of Statement 74, respectively, should apply the requirements in paragraph 21 of Statement 84 with regard to recognition of a liability to the beneficiary (employer).

8. The requirements in paragraphs 22 and 25 of Statement 84 should be applied to the reporting of defined benefit pension plans and defined benefit OPEB plans; however, those requirements should not be applied to the reporting of defined contribution pension plans or defined contribution OPEB plans.

## **Exception to Acquisition Value in a Government Acquisition**

9. In a government acquisition, the acquiring government should measure liabilities (and assets, if any) related to the acquired entity's asset retirement obligations (AROs) that are within the scope of Statement No. 83, *Certain Asset Retirement Obligations*, using the accounting and financial reporting requirements of that Statement.

## **Reinsurance Recoveries**

10. For purposes of paragraph 37 of Statement 10 related to accounting for risk financing and insurance-related activities of public entity risk pools, amounts that are recoverable from reinsurers or excess insurers and that relate to paid claims and claim adjustment expenses may be reported as reductions of expenses but are not required to be.

## **Nonrecurring Fair Value Measurements**

11. For purposes of paragraph 81 of Statement 72, an example of nonrecurring fair value measurements of assets or liabilities that other Statements require or permit in the statement of net position in particular circumstances is presented in paragraph 455 of Statement 62.

## **Terminology Used to Refer to Derivative Instruments**

12. The terms *derivative* and *derivatives* in National Council on Governmental Accounting and GASB pronouncements should be replaced with *derivative instrument* and *derivative instruments*, respectively.

## **EFFECTIVE DATE AND TRANSITION**

13. The requirements of this Statement are effective as follows:
  - a. The requirements in paragraphs 4, 10, and 12 are effective upon issuance.
  - b. The requirements in paragraphs 5 and 6 are effective for fiscal years beginning after June 15, 2020.
  - c. The requirements in paragraphs 7, 8, and 11 are effective for reporting periods beginning after June 15, 2020.
  - d. The requirements in paragraph 9 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.
  
14. Earlier application is encouraged and is permitted by topic to the extent that all requirements associated with an individual topic are implemented simultaneously. For purposes of this paragraph, the requirements of the following paragraphs comprise individual topics:
  - a. Paragraph 4 regarding leases
  - b. Paragraph 5 regarding intra-entity transfers
  - c. Paragraph 6 regarding the applicability of Statements 73 and 74, as amended, to reporting assets accumulated for postemployment benefits
  - d. Paragraphs 7 and 8 regarding reporting fiduciary activities
  - e. Paragraph 9 regarding an exception to acquisition value in a government acquisition
  - f. Paragraph 10 regarding reinsurance recoveries
  - g. Paragraph 11 regarding nonrecurring fair value measurements
  - h. Paragraph 12 regarding derivative instruments.
  
15. Changes adopted to conform to the provisions in paragraph 9 of this Statement should be applied prospectively. Changes adopted to conform to the other provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. In the first period that this Statement is applied, the notes to financial statements should disclose the nature of the restatement and its effect. Also, the reason for not restating prior periods presented should be disclosed.

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| <p style="text-align: center;"><b>The provisions of this Statement need<br/>not be applied to immaterial items.</b></p> |
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## **Appendix A**

### **BACKGROUND**

A1. Since the issuance of Statement No. 85, *Omnibus 2017*, the Board has identified several practice issues and technical inconsistencies in authoritative literature. When specific, narrow issues or a significant number of technical inconsistencies are identified, the Board will consider an Omnibus project.

A2. A potential project to address an issue related to the effective date of Statement 87 by governments that prepare interim financial statements was discussed by members of the Governmental Accounting Standards Advisory Council (GASAC) at the November 2018 GASAC meeting. The Board added a project to the practice-issue portion of its current technical agenda in December 2018 with the objective of reviewing and considering solutions for that issue, as well as certain other practice issues and technical inconsistencies that have been identified during implementation or application of GASB Statements. The Board's deliberations began in January 2019, and the project was discussed with GASAC members at the March 2019 GASAC meeting.

## Appendix B

### BASIS FOR CONCLUSIONS

#### Introduction

B1. This appendix discusses factors considered significant by Board members in reaching the conclusions in this Statement. It includes discussion of the alternatives considered and the Board's reasons for accepting some and rejecting others. Individual Board members may have given greater weight to some factors than to others.

#### Scope of This Statement

B2. In addition to the issues addressed in this Statement, which are discussed in more detail below, when the Omnibus project was added to the GASB's technical agenda, the project plan included two topics that, after deliberation, the Board ultimately decided not to address in this Statement. Those topics were (a) potential modifications to the definition of collections and (b) consideration of events subsequent to the financial statement date.

B3. Paragraphs 27–29 of Statement 34 provide guidance on the capitalization of collections. Governments are not required to capitalize collections that are (a) held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (b) protected, kept unencumbered, cared for, and preserved; and (c) subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. Those criteria were consistent with Financial Accounting Standards Board (FASB) guidance on the capitalization of collections at the time Statement 34 was issued. Consideration of potentially modifying the GASB's criteria was prompted in part by the issuance of FASB Accounting Standards Update No. 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*, which broadened the third criterion to allow proceeds to be used for the direct care of a collection. That change was made to align the FASB definition with the definition used by the American Alliance of Museums' (AAM) *Code of Ethics for Museums*. Outreach conducted by the GASB staff found that GASB stakeholders that likely would have applied the collections provisions of Statement 34 were not familiar with the AAM's changes to the definition of collections, which was modified in 1993. After considering the consequences of this modification, the Board decided that broadening the third criterion is inconsistent with the underlying concept that collections are held because of their intrinsic value. Additionally, the Board was concerned that a modification of the criterion may lead to diversity in practice regarding whether proceeds may be used for direct care and what types of expenses are considered direct care. For those reasons, the Board concluded that the definition of collections should not be addressed in this project.

B4. Paragraphs 8–10 of Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, as amended, require that the date through which to consider subsequent events is the date the financial statements are issued. However, the Board questioned whether there are

circumstances in which the financial statements are issued later than the date of the auditor's report and how subsequent events would be considered in those circumstances. The Board noted that Statement 34 requires consideration of events to be included as required supplementary information in management's discussion and analysis (MD&A) *as of the date of the auditor's report*. The Board determined that because governments generally are required to publicly release their financial statements, the date through which to consider both subsequent events and information in MD&A should be the date the financial statements are issued. Because the Board already has a financial reporting model reexamination project that is considering changes to requirements for presentation in MD&A, the Board determined that potential changes to the date through which to consider information for presentation in MD&A should be addressed in that project instead.

### **Effective Date of Statement 87**

B5. Prior to the issuance of this Statement, the requirements of Statement 87 were effective for reporting periods beginning after December 15, 2019. After issuance of Statement 87, some stakeholders brought to the Board's attention that the requirement that the Statement become effective for the first *reporting period* beginning after December 15, 2019, would result in significant incremental costs for governments that regularly report periods shorter than a year. A government issuing quarterly financial statements, for example, would have applied Statement 87 to a reporting period ending nine months earlier than comparable governments issuing annual financial statements.

B6. In response to stakeholder observations, the Board reexamined the effective date provision of Statement 87. Upon reconsideration, the Board agreed with stakeholder assertions that the additional cost to preparers as it specifically relates to providing leases information in reporting periods before a government has been required to provide that information for a fiscal year-end outweighs the potential benefits of providing that information in interim financial statements. Therefore, this Statement amends paragraph 92 of Statement 87 to require that Statement 87 be effective for *fiscal years* beginning after December 15, 2019.

B7. The Board noted that stating the effective date in terms of fiscal year instead of reporting period may cause some stakeholders to believe that the provisions of Statement 87 are effective only for annual financial statements. Therefore, this Statement also clarifies that the requirements of Statement 87, once effective, are effective for *all reporting periods thereafter*.

B8. The provisions of Statement 87 are required to be applied retroactively by restating financial statements, if practicable, for all prior periods presented. Some stakeholders have requested that the Board provide an additional (and optional) transition method that would allow governments to recognize and measure leases using the facts and circumstances that existed at the beginning of the period of implementation instead of at the beginning of the earliest period restated. Those stakeholders believe that the unanticipated costs and complexities of the modified retrospective transition method that have been encountered by some nongovernmental entities when implementing similar reporting requirements will be encountered by governments as well. The Board noted that the transition provisions of

Statement 87 adequately address circumstances in which prior period restatement is not practicable. For that reason, the Board concluded that an additional (and optional) transition method should not be provided.

### **Intra-Entity Transfers of Assets**

B9. Under the requirements of Statements 68 and 75, an employer or nonemployer contributing entity reports its contributions to a defined benefit pension or OPEB plan as a reduction in the net pension liability or net OPEB liability, as applicable. However, paragraph 15 of Statement 48 requires that the difference between the amount paid and the carrying value of the assets transferred “be reported as a gain or loss by the transferor and as a revenue or expenditure/expense by the transferee in their separately-issued statements, but reclassified as transfers or subsidies, as appropriate, in the financial statements of the reporting entity” (footnote reference omitted). If an employer or nonemployer contributing entity transfers capital or financial assets to a pension plan or OPEB plan, the employer or nonemployer contributing entity cannot apply both the reporting requirements of Statement 48 and the reporting requirements of Statement 68 or Statement 75, as applicable.

B10. Similarly, Statements 67 and 74 classify contributions from employers and nonemployer contributing entities as contributions (additions) and do not contain provisions for reporting such amounts as transfers or subsidies. As such, the reporting requirements in paragraph 15 of Statement 48 for presentation of amounts in the financial statements of the reporting entity conflict with the requirements of Statements 67 and 74.

B11. At the time the associated Statements were being developed, transactions of that nature generally were not being contemplated and, therefore, any potential conflict was not identified. After considering the financial reporting implications of those conflicting requirements, the Board believes that the integrity of the pension and OPEB reporting approaches should be maintained. Therefore, to resolve the conflicts between paragraph 15 of Statement 48 and the pension and OPEB (employer and plan) reporting requirements, the Board concluded that the amounts in question should be reported as employer or nonemployer contributing entity contributions, as applicable, consistent with Statements 67, 68, 74, and 75.

B12. With regard to the inclusion of the requirements in paragraph 15 of Statement 48 in the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), the Board noted that those requirements initially were included only in Section S20, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.” The Board concluded that it also would be appropriate to include those requirements in Section 2600, “Reporting Entity and Component Unit Presentation and Disclosure,” of the Codification with the existing discussion of other issues related to intra-entity transactions and balances.

### **Certain Effects of Statement 84**

B13. Pursuant to the requirements of Statement 84, control is a factor in determining whether a postemployment benefit arrangement is a fiduciary activity only if the activity is

not a component unit. However, when Statement 84 was codified, the term *control* replaced terminology that originally was used to describe circumstances in which assets are accumulated for postemployment benefits that are provided through defined benefit pension or OPEB plans that are not administered through trusts that meet specified criteria in Statement 73 or Statement 74, as well as in certain associated implementation guidance. It was brought to the Board's attention that the use of the term *control* in the description of those circumstances could be interpreted to limit the applicability of the requirements of those Statements to circumstances in which a postemployment benefit arrangement is not a component unit. However, the applicability of the requirements was not intended to be limited in that way by the issuance of Statement 84. To more clearly reflect the intended applicability of the requirements to all circumstances, regardless of whether a government has control over the accumulated assets, the Board concluded that the language affected by Statement 84 should be further modified. Therefore, this Statement clarifies the applicability of the requirements of Statements 73 and 74.

B14. Paragraph 116 of Statement 73 and paragraph 59 of Statement 74, as amended, require that a liability to participating employers or nonemployer contributing entities be reported for the amount, if any, of assets accumulated in excess of liabilities for benefits due to plan members and accrued investment and administrative expenses in a circumstance in which (a) a pension plan or OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of Statement 73 or paragraph 3 of Statement 74, as applicable, and (b) a government is reporting assets accumulated for pension purposes in a custodial fund. However, paragraph 21 of Statement 84 establishes that "a liability to the beneficiaries of a fiduciary activity should be recognized in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources." After further consideration of that potential conflict, the Board concluded that the requirements in paragraph 21 of Statement 84 should be applied in the circumstances addressed in paragraph 116 of Statement 73 and paragraph 59 of Statement 74, as amended. Therefore, this Statement modifies the requirements of Statements 73 and 74 to remove the liability recognition provisions.

B15. Paragraphs 22 and 25 of Statement 84 require governments that report a pension plan or an OPEB plan in a pension (or other employee benefit) trust fund to report the plan's statement of fiduciary net position and statement of changes in fiduciary net position in accordance with the requirements of Statement 67 or Statement 74, as applicable. Statements 67 and 74 establish such requirements for defined benefit pension plans and defined benefit OPEB plans, respectively, but with regard to defined contribution pension plans and defined contribution OPEB plans, those Statements establish only note disclosure requirements. Because those Statements do not establish requirements for presentation of a statement of net position or statement of changes in net position for defined contribution plans, the Board concluded that the requirements in paragraphs 22 and 25 of Statement 84 should be limited to defined benefit plans.

### **Exception to Acquisition Value in a Government Acquisition**

B16. Paragraph 34 of Statement 69 provides for an exception to the use of acquisition value for acquired municipal solid waste landfill closure and postclosure care costs and for

obligations for pollution remediation. As noted in paragraph 96 of the Basis for Conclusions of Statement 69, the Board believes that the most relevant measures for both of those liabilities are “based on an evaluation of (a) the facts and circumstances relating to each liability and (b) the current costs that are estimated to be necessary to satisfy those obligations. Those estimates are developed using relevant information available at the time of measurement about the specific circumstances. Measurements that are based on current costs and expectations are more relevant for pollution and landfill obligations because there is a logical relationship between the liability and the factors upon which the obligation is based.”

B17. It was brought to the Board’s attention that a similar exception was not provided for AROs when Statement 83 was issued. After considering the implications of this form of exception, the Board agreed that the basic requirements for the measurement of certain AROs in Statement 83 are similar to the basic requirements for the measurement of municipal solid waste landfill closure and postclosure care costs in Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, and of obligations for pollution remediation in Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. Many of the same basic principles, including the measurement of liabilities at the current value of expected outlays, also are used in the measurement of an ARO. Because the measurement of AROs uses current costs, which is a measurement approach similar to that employed for municipal solid waste landfill closure and postclosure care costs and pollution remediation obligations, and also relies on the facts and circumstances relating to each liability, the Board concluded that paragraph 34 of Statement 69 should be amended to also include an exception to the use of acquisition value in a government acquisition of AROs.

## **Reinsurance Recoveries**

B18. Some stakeholders have noted that the first sentence in paragraph 37 of Statement 10 states that amounts that are recoveries from reinsurers or excess insurers are required to be reported as reductions of expenses. However, the last sentence in paragraph 37 states that recoveries *may* be netted. The Board determined that the first sentence in paragraph 37 should be amended to not require that recoveries from reinsurers or excess insurers be reported as reductions of expenses. The Board believes this amendment will eliminate the inconsistency in the guidance without changing practice because those governments that have been reporting reinsurance recoveries as reductions of expenses still will have the option to do so.

## **Nonrecurring Fair Value Measurements**

B19. Paragraph 81 of Statement 72 presents an example of a nonrecurring fair value measurement of assets; however, some stakeholders noted that the Statement inadvertently refers to paragraph 453 of Statement 62 and a description of a recurring fair value measurement of an asset. The Board considered the requirements of Statement 62 and concluded that the example that should have been referenced is in paragraph 455 of Statement 62—a scenario in which the occurrence of a specific transaction involved with a mortgage loan would be required to be measured at fair value if the fair value is lower than

the cost. To address this issue, this Statement amends paragraph 81 of Statement 72 to refer to the correct example in Statement 62.

### **Terminology Used to Refer to Derivative Instruments**

B20. Paragraph 7 of Statement 53 defines the term *derivative instrument*. That term was intended to replace references to *derivative* in previously issued authoritative literature. However, it was brought to the Board’s attention that, currently, references in the Codification to derivative instruments are not consistent and that certain occurrences of the term *derivative* remain that should have been updated to be consistent with the terminology used in Statement 53. The Board concluded that the terminology should be consistent, and therefore, this Statement includes requirements to achieve that standardization.

### **Other Codification Amendments**

B21. Paragraph .133b of Section N50, “Nonexchange Transactions,” of the Codification, which addresses on-behalf payments for fringe benefits or salaries *other than pensions or OPEB*, includes an example that references on-behalf payments for *pensions*. Some stakeholders noted that the Codification instructions in Statement 85 should have addressed the example when other, related modifications to the content of Section N50 were made. The Board agreed and concluded that the Codification instructions in this Statement should include instructions to remove the example from paragraph .133b and to include the example in paragraph .132, which addresses similar transactions for pensions and OPEB.

### **Considerations Related to Benefits and Costs**

B22. The overall objective of financial reporting by state and local governments is to provide information to assist users (the citizenry, legislative and oversight bodies, and investors and creditors) in assessing the accountability of governments and in making economic, social, and political decisions. One of the principles guiding the Board’s setting of standards for financial reporting is the assessment of the expected benefits and perceived costs. The Board strives to determine that its standards address a significant user need and that the costs incurred through the application of its standards, compared with possible alternatives, are justified when compared to the expected overall public benefit.

B23. Present and potential users are the primary beneficiaries of improvements in financial reporting. Persons within governments who are responsible for keeping accounting records and preparing financial statements, as well as managers of public services, also benefit from the information that is collected and reported in accordance with GASB standards. The costs to implement the standards are borne primarily by governments and, by extension, their citizens and taxpayers. Users also incur costs associated with the time and effort required to obtain and analyze new information to meaningfully inform their assessments and decisions.

B24. The Board’s assessment of the expected benefits and perceived costs of issuing new standards is unavoidably more qualitative than quantitative because no reliable and objective method has been identified for quantifying the value of improved information in

financial statements. Furthermore, it is difficult to accurately measure the costs of implementing new standards until implementation has taken place. Nonetheless, the Board undertakes this assessment based on the available evidence regarding expected benefits and perceived costs with the objective of achieving an appropriate balance between maximizing benefits and minimizing costs.

B25. As previously discussed, this Statement addresses practice issues that have been raised during the implementation and application of GASB Statements. The Board believes that the expected benefits that will result from the clarifications provided by this Statement—improved consistency within the authoritative literature and greater comparability of financial reporting—are significant and will not result in substantial additional cost because the Board believes that much of the information necessary to comply with this Statement already is available to governments or would not require extensive effort to obtain. In addition, the Board believes that certain of the provisions—for example, the modification to the effective date provisions of Statement 87—will decrease the costs to certain preparers of applying the requirements that are being amended. Therefore, the Board believes that the expected benefits that will result from implementation of this Statement justify the perceived costs of implementation and ongoing compliance.

### **Effective Date and Transition**

B26. The Board concluded that this Statement should be effective as soon as possible in order to address concerns related to the effective date of Statement 87 and to eliminate the identified inconsistencies in authoritative literature in a timely manner. As originally issued, Statement 87 was effective for reporting periods beginning after December 15, 2019. Therefore, the Board concluded that the provisions of this Statement related to the effective date of Statement 87 should be effective upon issuance of this Statement. Similarly, the Board concluded that technical corrections to authoritative literature that are not expected to result in a change in practice should be effective immediately.

B27. For all other provisions, the Board determined that this Statement generally should be effective for a government's financial statements for reporting periods beginning after June 15, 2020. However, certain of the previously issued Statements that are affected by the provisions of this Statement apply to governments' fiscal years, whereas others apply to reporting periods. Therefore, the effective date provisions of this Statement reflect that distinction.

B28. In addition, similar to the approach to early application that was presented in Statement 85, which, like this Statement, addressed a range of discrete topics, the Board concluded that earlier application should be permitted for individual topics, rather than requiring implementation of all provisions of this Statement simultaneously. The Board believes that such an approach potentially benefits preparers and users of the resultant information because reporting improvements related to one or more individual topics can be implemented early even if information necessary to implement all topics ahead of the required effective dates is not yet available.

B29. With regard to transition, the Board concluded that, with the exception of provisions related to government acquisitions, it is appropriate to require retroactive application of the provisions of this Statement, if practicable. The phrase *if practicable* has been used in other GASB standards in a similar context as used in this Statement with respect to transition provisions that require restating the financial statements and schedules of required supplementary information for all prior periods presented. The Board believes that reasonable efforts should be deployed before a government determines that restatement of all prior periods presented is not practicable. In other words, *inconvenient* should not be considered equivalent to *not practicable*.

B30. With regard to the provisions related to government acquisitions, the Board concluded that the requirements should be applied prospectively, consistent with the manner in which Statement 69 was applied, because retrospective application would be impractical and burdensome for many governments for the reason that the information needed may not exist or may no longer be readily available.

## Appendix C

### CODIFICATION INSTRUCTIONS

#### *Codification of Governmental Accounting and Financial Reporting Standards—June 2020 Update*

C1. The instructions that follow update the December 31, 2018 *Codification of Governmental Accounting and Financial Reporting Standards* (Codification) for the provisions of this Statement. Only the paragraph number of the Statement is listed if the paragraph will be cited in full in the Codification. The instructions for Sections 2600 and N50 also address the placement of certain existing content in the Codification. In addition, the provisions in paragraph 4 of this Statement will be incorporated into Appendix D, “Effective Dates of Pronouncements,” of the Codification, in accordance with the procedures set forth in that document.

\* \* \*

[Update cross-references throughout.]

\* \* \*

### SUMMARY STATEMENT OF PRINCIPLES

### SECTION 1100

[Revise the sources as follows:] NCGAS 1, pp. 2–4, as amended by GASBS 6, ¶15, GASBS 14, ¶11, ¶19, ¶43, and ¶65, GASBS 34, ¶6, ¶15, and ¶69, and GASBS 63, ¶8; GASBS 14, ¶12 and ¶66, as amended by GASBS 61, ¶4; GASBS 34, ¶6, as amended by GASBS 84, ¶5; GASBS 34, ¶14, ¶15, ¶21, ¶75, ¶79, ¶88, and ¶89; GASBS 34, ¶13, ¶30, ¶53, ¶80, ¶82, ¶101, ¶108, ¶112, and ¶125, as amended by GASBS 63, ¶8; GASBS 34, ¶16, as amended by GASBS 63, ¶7 and ¶8 and GASBS 81, ¶24–¶28; GASBS 34, ¶18, as amended by GASBS 72, ¶79; GASBS 34, ¶22, as amended by GASBS 81, ¶27; GASBS 34, ¶63, as amended by GASBS 84, ¶5 and ¶18; GASBS 34, ¶92, as amended by GASBS 63, ¶8 and GASBS 81, ¶27; GASBS 34, ¶100, as amended by GASBS 48, ¶21, GASBS 63, ¶8, and GASBS 81, ¶24–¶28; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, GASBS 81, ¶27, GASBS 84, ¶18 and ¶21, and GASBS XX, ¶7; GASBS 34, ¶130, as amended by GASBS 41, ¶3; GASBS 37, ¶6 and ¶10; GASBS 42, ¶9; GASBS 44; GASBS 51, ¶17; GASBS 54, ¶28; GASBS 84, ¶14 and ¶26; GASBS 84, ¶22, as amended by GASBS XX, ¶8

\* \* \*

### FUND ACCOUNTING

### SECTION 1300

.102 [Revise the sources as follows:] NCGAS 1, ¶18; GASBS 34, ¶63, ¶64, ¶78, and ¶79; GASBS 34 ¶66, ¶91, and ¶92, as amended by GASBS 63, ¶7, ¶8, and ¶12; GASBS 34, ¶69,

as amended by GASBS 63, ¶7, ¶8, and ¶12 and GASBS 84, ¶5–¶18; GASBS 34, ¶106, as amended by GASBS 63, ¶7, ¶8, and ¶12 and GASBS 84, ¶5 and ¶18; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, GASBS 84, ¶18 and ¶21, and GASBS XX, ¶7; GASBS 84, ¶22, as amended by GASBS XX, ¶8

\* \* \*

## **BASIS OF ACCOUNTING**

## **SECTION 1600**

[In the Statement of Principle, “Fund Financial Statements,” revise the sources as follows:] NCGAS 1, ¶57, as amended by GASBS 6, ¶15; GASBS 34, ¶6 and ¶79; GASBS 34, ¶92, as amended by GASBS 63, ¶8; GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, GASBS 84, ¶18 and ¶21, and GASBS XX, ¶7; GASBS 84, ¶22, as amended by GASBS XX, ¶8

.138 [Revise the sources as follows:] GASBS 34, ¶107, as amended by GASBS 67, ¶20, GASBS 73, ¶115 and ¶116, GASBS 74, ¶26, GASBS 84, ¶18 and ¶21, and GASBS XX, ¶7; GASBS 84, ¶22, as amended by GASBS XX, ¶8

\* \* \*

## **DEFINING THE FINANCIAL REPORTING ENTITY**

## **SECTION 2100**

.118 [Revise the sources as follows:] GASBS 14, ¶19, as amended by GASBS 35, ¶5 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **SECTION 2200**

.111 [Revise the sources as follows:] GASBS 34, ¶13, as amended by GASBS 68, ¶8 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

.198 [In the fourth sentence, replace *pension plans* with *defined benefit pension plans*, and replace *other postemployment benefit plans* with *defined benefit other postemployment benefit plans*.] [GASBS 34, ¶108, as amended by GASBS 63, ¶7 and ¶8, GASBS 67, ¶15–¶21, GASBS 73, ¶115 and ¶116, GASBS 74, ¶21–¶27, GASBS 84, ¶20, and GASBS XX, ¶8; GASBS 63, ¶7; GASBS 84, ¶20; GASBS 84, ¶22, as amended by GASBS XX, ¶8]

.200 [Revise the sources as follows:] GASBS 34, ¶109, as amended by GASBS 63, ¶8, GASBS 67, ¶22–¶29, GASBS 73, ¶115 and ¶116, GASBS 74, ¶20–¶33, GASBS 84, ¶24 and ¶25, and GASBS XX, ¶8; GASBS 84, ¶24; GASBS 84, ¶25, as amended by GASBS XX, ¶8

\* \* \*

**NOTES TO FINANCIAL STATEMENTS**

**SECTION 2300**

.108 [In the last sentence, replace *derivatives* with *derivative instruments*.] [NCGAI 6, ¶6, as amended by GASBS XX, ¶12]

\* \* \*

**REPORTING ENTITY AND COMPONENT UNIT  
PRESENTATION AND DISCLOSURE**

**SECTION 2600**

Sources: [Add GASBS 48.]

.104 [Revise the sources as follows:] GASBS 14, ¶19, as amended by GASBS 35, ¶5 and GASBS 84, ¶5; GASBS 63, ¶7; GASBS 84, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

[Insert new paragraph .118 as follows; renumber subsequent paragraphs.]

.118 Transfers of capital and financial assets and future revenues within the same financial reporting entity should be accounted for in accordance with paragraphs .112–.114 of Section S20. [GASBS 48, ¶15, as amended by GASBS 65, ¶13 and GASBS XX, ¶5; GASBS 65, ¶13; GASBS XX, ¶5]

\* \* \*

**FAIR VALUE MEASUREMENT**

**SECTION 3100**

Sources: [Add GASBS XX.]

.162 [Replace *paragraph .118* with *paragraph .120*.] [GASBS 72, ¶81, as amended by GASBS XX, ¶11; GASBS XX, ¶11]

\* \* \*

**DERIVATIVE INSTRUMENTS**

**SECTION D40**

.160 [In subparagraph c(4) and in the last sentence of the paragraph, replace *embedded derivative* with *embedded derivative instrument*.] [GASBS 53, ¶64, as amended by GASBS 59, ¶10, GASBS 63, ¶8, and GASBS XX, ¶12]

.161 [Replace *hedging derivative* with *hedging derivative instrument*.] [GASBS 53, ¶65, as amended by GASBS XX, ¶12]

.170 [In footnote 11, replace *derivatives* with *derivative instruments*.] [GASBS 53, fn12, as amended by GASBS XX, ¶12]

.175 [Replace *embedded derivative* with *embedded derivative instrument*.] [GASBS 53, ¶78, as amended by GASBS XX, ¶12]

.709-4 [Replace *investment derivative* with *investment derivative instrument*.] [GASBIG 2015-1, Q10.16.4, as amended by GASBS XX, ¶12]

.726-2 [In the fourth sentence of the question, replace *embedded derivative* with *embedded derivative instrument*.] [GASBIG 2015-1, Q10.42.3, as amended by GASBS XX, ¶12]

.730-5 [In the answer, replace *hedging derivative* with *hedging derivative instrument*.] [GASBIG 2015-1, Q10.46.10, as amended by GASBS XX, ¶12]

\* \* \*

## **FOREIGN CURRENCY TRANSACTIONS**

## **SECTION F70**

.103 [In the first sentence, replace *derivative* with *derivative instrument*.] [GASBS 62, ¶167, as amended by GASBS XX, ¶12]

\* \* \*

## **INVESTMENTS**

## **SECTION I50**

Sources: [Add GASBS XX.]

.123 [Replace *derivatives* with *derivative instruments*.] [GASBS 31, ¶9, as amended by GASBS XX, ¶12; GASBS 67, ¶18; GASBS 72, ¶69, as amended by GASBS 85, ¶7]

.141 [Replace *paragraph .118* with *paragraph .120*.] [GASBS 67, ¶30, as amended by GASBS 72, ¶81 and GASBS XX, ¶11; GASBS 72, ¶81, as amended by GASBS XX, ¶11; GASBS XX, ¶11]

.543 [Replace *derivatives* with *derivative instruments*.] [GASBS 31, ¶22, as amended by GASBS XX, ¶12]

\* \* \*

## **NONEXCHANGE TRANSACTIONS**

## **SECTION N50**

.132 [Insert the last two sentences from paragraph .133b at the end of paragraph .132.]

.133 [In subparagraph (b), delete the last two sentences.]

\* \* \*

**REPORTING ASSETS ACCUMULATED FOR  
DEFINED BENEFIT PENSIONS NOT PROVIDED  
THROUGH TRUSTS THAT MEET SPECIFIED CRITERIA**

**SECTION P23**

.101 [Replace *governments that control assets accumulated* with *governments in circumstances in which assets are accumulated.*] [GASBS 73, ¶5, as amended by GASBS 84, ¶5 and GASBS XX, ¶6]

.106 [In the first sentence, replace *government that controls assets accumulated* with *government that reports the accumulation of assets*; delete the second sentence.] [GASBS 73, ¶116, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6 and ¶7]

.702-1 [In the answer, replace *if a government controls such assets as a fiduciary activity* with *if a government reports the accumulation of assets as a fiduciary activity.*] [GASBIG 2017-1, Q4.25, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6]

\* \* \*

**REPORTING ASSETS ACCUMULATED FOR  
DEFINED BENEFIT POSTEMPLOYMENT BENEFITS  
OTHER THAN PENSIONS NOT PROVIDED THROUGH  
TRUSTS THAT MEET SPECIFIED CRITERIA**

**SECTION P53**

.101 [Replace *governments that control assets accumulated* with *governments in circumstances in which assets are accumulated.*] [GASBS 74, ¶4, as amended by GASBS 84, ¶5 and GASBS XX, ¶6]

.108 [In the first sentence, replace *government that controls assets accumulated* with *government that reports the accumulation of assets*; delete the second sentence.] [GASBS 74, ¶59, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6 and ¶7]

.701-1 [In the answer, replace *if a government controls such assets as a fiduciary activity* with *if a government reports the accumulation of assets as a fiduciary activity.*] [GASBIG 2017-2, Q4.5, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6]

\* \* \*

**SALES AND PLEDGES OF RECEIVABLES AND  
FUTURE REVENUES AND INTRA-ENTITY  
TRANSFERS OF ASSETS AND FUTURE REVENUES**

**SECTION S20**

Sources: [Add GASBS XX.]

[Replace current paragraph .112 with new paragraphs .112–.114 as follows; renumber subsequent paragraphs and footnotes.]

.112 When accounting for the transfer of capital and financial assets and future revenues within the same financial reporting entity, the transferee should recognize the assets or future revenues received at the carrying value of the transferor. For example, in an intra-entity sale of receivables, the transferee government should recognize the receivables acquired at the carrying value of the transferor government. [GASBS XX, ¶15]

.113 In a transfer of capital and financial assets within the same financial reporting entity:

- a. If the transferee is not a pension plan or an OPEB plan, the difference between the amount paid (exclusive of amounts that may be refundable) and the carrying value of the receivables transferred should be reported as a gain or loss by the transferor and as a revenue or expenditure/expense by the transferee in their separately issued statements, but reclassified as transfers or subsidies, as appropriate, in the financial statements of the reporting entity.<sup>3</sup>
- b. If the transferee is a pension plan or an OPEB plan, any difference between the amount paid by the pension plan or OPEB plan (exclusive of amounts that may be refundable) and the carrying value of the assets transferred should be reported as (1) an employer contribution or a nonemployer contributing entity contribution to the pension plan or OPEB plan in accordance with the requirements of Sections P20, P21, P50, or P51, as applicable, in the separately issued statements of the employer or nonemployer contributing entity and in the financial statements of the reporting entity,<sup>4</sup> and (2) an employer contribution or a nonemployer contributing entity contribution in accordance with the requirements of Section Pe5, Section Pe6, Section Po50, or Section Po51, as applicable, in the stand-alone statements of the pension plan or OPEB plan and in the financial statements of the reporting entity.

[GASBS 48, ¶15, as amended by GASBS XX, ¶5; GASBS XX, ¶5]

.114 In an intra-entity sale of future revenues, the transferor government has reported no carrying value for the rights sold because the asset recognition criteria have not been met. Therefore, the transferee government should not recognize an asset and related revenue until recognition criteria appropriate to that type of revenue are met. Instead, the transferee government should report the amount paid as a deferred outflow of resources to be recognized in expense over the duration of the sale agreement. The transferor government should report the amount received from the intra-entity sale as a deferred inflow of resources in its government-wide and fund financial statements and recognize the amount as revenue over the duration of the sale agreement.<sup>5</sup> [GASBS 48, ¶15, as amended by GASBS 65, ¶13; GASBS 65, ¶13]

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<sup>3</sup>[Insert current footnote 3.]

<sup>4</sup>See footnote 3. [GASBS 48, fn3; GASBS XX, fn1]

<sup>5</sup>[Insert current footnote 4.]

\* \* \*

**CABLE TELEVISION SYSTEMS**

**SECTION Ca5**

.105 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

**COLLEGES AND UNIVERSITIES**

**SECTION Co5**

.107 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

**COMBINATIONS AND DISPOSALS OF OPERATIONS**

**SECTION Co10**

Sources: [Add GASBS XX.]

.131 [Revise as follows:] The acquiring government should measure liabilities (and assets, if any) related to the acquired entity’s municipal solid waste landfill closure and postclosure care costs and other asset retirement obligations and obligations for pollution remediation using the accounting and financial reporting requirements for state and local governments that are applicable to those transactions. [GASBS 69, ¶34; GASBS XX, ¶9]

.132 [Replace *derivatives* with *derivative instruments*.] [GASBS 69, ¶35, as amended by GASBS XX, ¶12]

.133 [Replace *derivatives* with *derivative instruments*.] [GASBS 69, ¶36, as amended by GASBS XX, ¶12]

\* \* \*

**HOSPITALS AND OTHER HEALTHCARE PROVIDERS**

**SECTION Ho5**

.105 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

**INSURANCE ENTITIES—OTHER THAN PUBLIC ENTITY  
RISK POOLS**

**SECTION In3**

.105 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

**PUBLIC ENTITY RISK POOLS**

**SECTION Po20**

Sources: [Add GASBS XX.]

.133 [In the first sentence, delete *and as reductions of expenses.*] [GASBS 10, ¶37, as amended by GASBS XX, ¶10; GASBS XX, ¶10]

\* \* \*

**POSTEMPLOYMENT BENEFIT PLANS (OTHER THAN  
PENSION PLANS) ADMINISTERED THROUGH TRUSTS  
THAT MEET SPECIFIED CRITERIA—DEFINED BENEFIT**

**SECTION Po50**

.701-5 [In the answer, replace *if a government controls such assets as a fiduciary activity* with *if a government reports the accumulation of assets as a fiduciary activity.*] [GASBIG 2017-2, Q4.5, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6]

\* \* \*

**SPECIAL-PURPOSE GOVERNMENTS**

**SECTION Sp20**

Sources: [Add GASBS XX.]

.114 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

.115 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 84, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

.116 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

.118 [Revise the sources as follows:] GASBS 34, ¶141, as amended by GASBS 73, ¶115 and ¶116, GASBS 74, ¶13, GASBS 84, ¶5 and ¶20–¶26, and GASBS XX, ¶7 and ¶8; GASBS 84, ¶20, ¶23, and ¶24; GASBS XX, ¶8

\* \* \*

## UTILITIES

## SECTION Ut5

.105 [Revise the sources as follows:] GASBS 34, ¶129; GASBS 34, ¶138, as amended by GASBS 63, ¶8 and GASBS 84, ¶14; GASBS 34, ¶139, as amended by GASBS 63, ¶8; GASBS 62, ¶3, ¶23–¶43, and ¶501; GASBS 63, ¶7; GASBS 84, ¶19, ¶20, ¶23, and ¶24; GASBS 84, ¶22 and ¶25, as amended by GASBS XX, ¶8

\* \* \*

### ***Comprehensive Implementation Guide—June 2020 Update***

C2. The instructions that follow update the December 31, 2018 *Comprehensive Implementation Guide* for the provisions of this Statement.

\* \* \*

5.258.1. [In the answer, replace *if a government controls such assets as a fiduciary activity* with *if a government reports the accumulation of assets as a fiduciary activity*.] [GASBIG 2017-1, Q4.25, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6]

8.93.5. [In the answer, replace *if a government controls such assets as a fiduciary activity* with *if a government reports the accumulation of assets as a fiduciary activity*.] [GASBIG 2017-2, Q4.5, as amended by GASBS 84, ¶5 and ¶18 and GASBS XX, ¶6]

10.16.4. [Replace *investment derivative* with *investment derivative instrument*.] [GASBIG 2015-1, Q10.16.4, as amended by GASBS XX, ¶12]

10.42.3. [In the fourth sentence of the question, replace *derivative* with *derivative instrument*.] [GASBIG 2015-1, Q10.42.3, as amended by GASBS XX, ¶12]

10.46.10. [In the answer, replace *hedging derivative* with *hedging derivative instrument*.] [GASBIG 2015-1, Q10.46.10, as amended by GASBS XX, ¶12]