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GASB Financial Reporting Model: Project Update

Work continues on the GASB's project reexamining the financial reporting model. In the last update, I told you about all the outreach we'd conducted following the issuance of the Board's first document for public comment, the Invitation to Comment (ITC), *Financial Reporting Model Improvements—Governmental Funds*.

The ITC focused on the following issues:

- Recognition approaches (measurement focus and basis of accounting)
- Format of the governmental funds statement of resource flows
- Specific terminology
- Reconciliation to the government-wide statements, and
- For certain recognition approaches, a statement of cash flows.

Now, the GASB staff is analyzing the stakeholder feedback we received through over 100 comment letters and almost 100 participants in public hearings and user forums. Once that analysis has been completed and the information is synthesized for review, it will be presented to the members of the Financial Reporting Model Reexamination Task Force and discussed at a task force meeting in September. Beginning in October, the Board will redeliberate issues raised in the ITC with the benefit of stakeholder input, including task force feedback.

The results of these redeliberations will be presented in a second document for public comment, a Preliminary Views, that also will address a number of additional issues. These issues are expected to include:

1. *Government-Wide Statement of Activities*—The Board will consider alternative formats to improve the usefulness of the statement of activities.
2. *Proprietary Fund Financial Statements*—The Board will consider reporting alternatives related to the existing requirement to separately present operating and nonoperating revenues and expenses.
3. *Budgetary Comparisons*—The Board will consider the appropriate method of communication (as a basic financial statement or required supplementary information) for budgetary comparison information and which budget variances, if any, should be required to be presented.
4. *Permanent Funds*—The Board will consider alternatives for reporting information about permanent funds.

If you have ideas about other ways you or other stakeholders might be interested in learning about the work the Board is doing to improve the financial reporting model, we'd love to hear from you!

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