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Post-Implementation Review Concludes GASB's Pollution Remediation Statement Achieves Purpose.

Norwalk, CT—August 23, 2016—A Post-Implementation Review (PIR) of Governmental Accounting Standards Board (GASB) Statement No. 49, [*Accounting and Financial Reporting for Pollution Remediation Obligations*](#) (issued 2006), concluded that Statement 49 accomplished its objectives of providing more consistent, timely, and complete reporting of pollution remediation obligations by state and local governments.

“The PIR report on Statement 49 tells us that, overall, the standard provides creditors and other users of financial statements with useful information,” said GASB Chair David A. Vaudt. “The GASB acknowledges the issues raised by some governments in applying certain provisions of the Statement, and will consider those issues when addressing the provisions in the future.”

The PIR team developed its final report based on input from financial statement users, preparers, and auditors. The Statement 49 PIR team reached the following overall conclusions:

- Statement 49 resolved the primary issues underlying its stated need. In particular, it achieved the objective of reporting pollution remediation obligations that is more consistent, timely, and complete.
- Statement 49 provides creditors and other users of financial statements with useful information. Users of financial statements incorporate information about pollution remediation liabilities in their analyses when pollution remediation obligation amounts are significant. For most governments, however, pollution remediation obligation amounts are not significant.
- Statement 49 is operational because it is understandable, can be applied as intended, and enables information about pollution remediation obligations to be reported reliably. The measurement of a pollution remediation liability requires judgment as with any other accounting estimate.
- The changes made to financial and operating practices as a result of Statement 49 are not significant or unexpected.
- There were no significant unanticipated consequences as a result of the adoption of Statement 49.
- Overall, implementation and ongoing application costs associated with Statement 49 were not significant and were consistent with the GASB's expectations.
- Statement 49 achieved its expected benefits.

The PIR team had no standard-setting process recommendations as a result of the review.

The review of Statement 49 was undertaken by an independent team of the Financial Accounting Foundation (FAF), the parent organization of the GASB and the Financial Accounting Standards Board (FASB). The team's formal report is available [here](#). The GASB's response letter to the report is available [here](#).

With the completion of the GASB Statement 49 review, the PIR team has begun its review of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. For more information on the PIR process and to express an interest in participating in a review, visit the FAF

website.

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