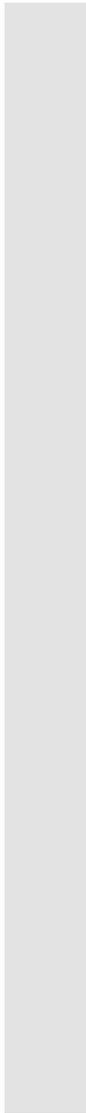




# GASB Update

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*Office of School Finance*



## Purpose of This Training

- Provide high-level overview of recent GASB standards
- Highlight standards most impacting school districts
- Provide practical implementation guidance

# Major Standards Impacting Schools

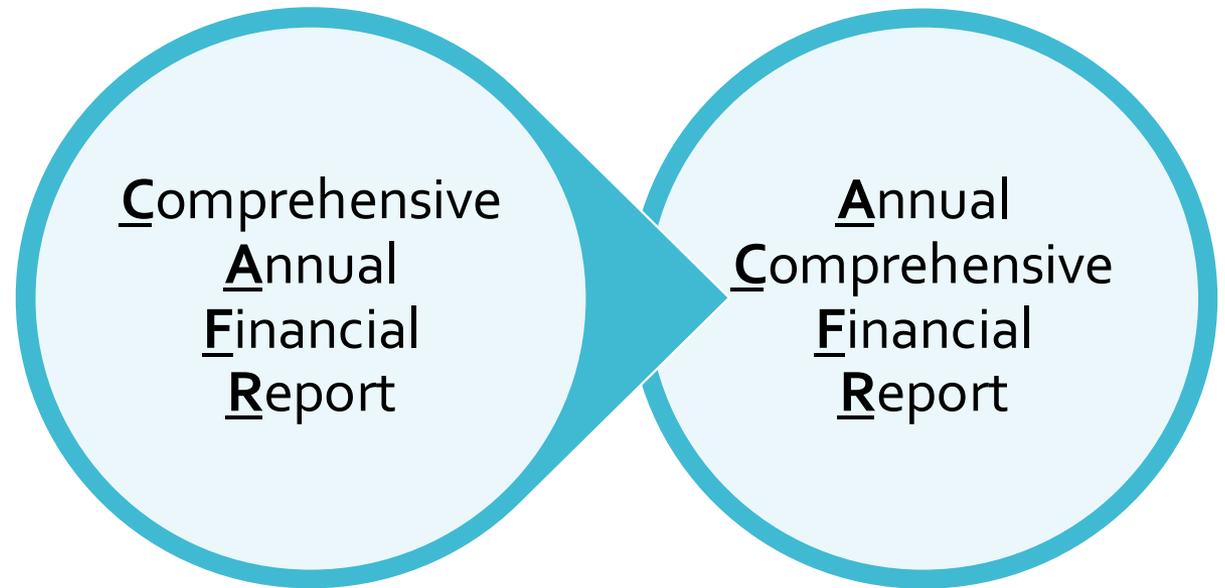
- GASB 96 – Subscription-Based IT Arrangements (SBITA)
- GASB 100 – Accounting Changes and Error Corrections
- GASB 101 – Compensated Absences
- GASB 102 – Certain Risk Disclosures

## Other GASB Standards

- GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans
- GASB 98 – The Annual Comprehensive Financial Report
- GASB 99 - Omnibus 2022
- GASB 103 – Financial Reporting Model Improvements
- GASB 104 – Disclosure of Certain Capital Assets
- GASB 105 – Subsequent Events

GASB 98

FY21



The previous acronym sounded identical to a deeply offensive slur used in South Africa.

GASB 97

FY22

Should a 457 Plan be reported as a component unit?



### Impact

Usually minimal since most districts simply allow payroll deductions in vendor-administered plans.

GASB 96

FY23

- Subscription-Based Information Technology Arrangements (SBITAs)
  - Establishes accounting and financial reporting rules for software and technology subscriptions
  - Examples

Cloud-based  
ERP systems

Payroll or HR  
systems

Student  
information  
systems

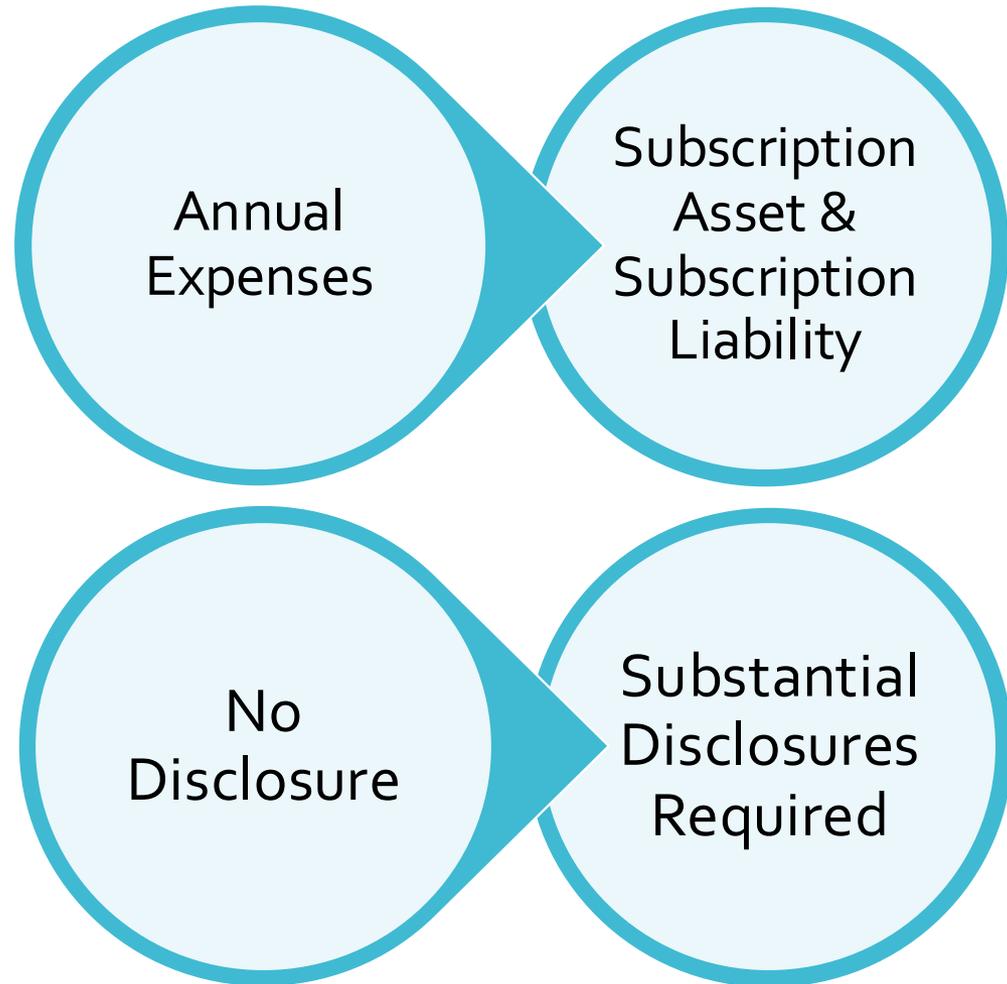
Learning  
Management  
systems

E-textbook  
agreements

GASB 96

FY23

- Subscription-Based Information Technology Arrangements (SBITAs)



GASB 99

FY24

- It's named "Omnibus" for a reason
  - Leases (GASB 87)
  - Public-Private Partnerships (GASB 94)
  - SBITAs (GASB 96)
  - Derivative Instruments
  - Fiduciary Activities
  - Financial Guarantees

GASB 99

FY24

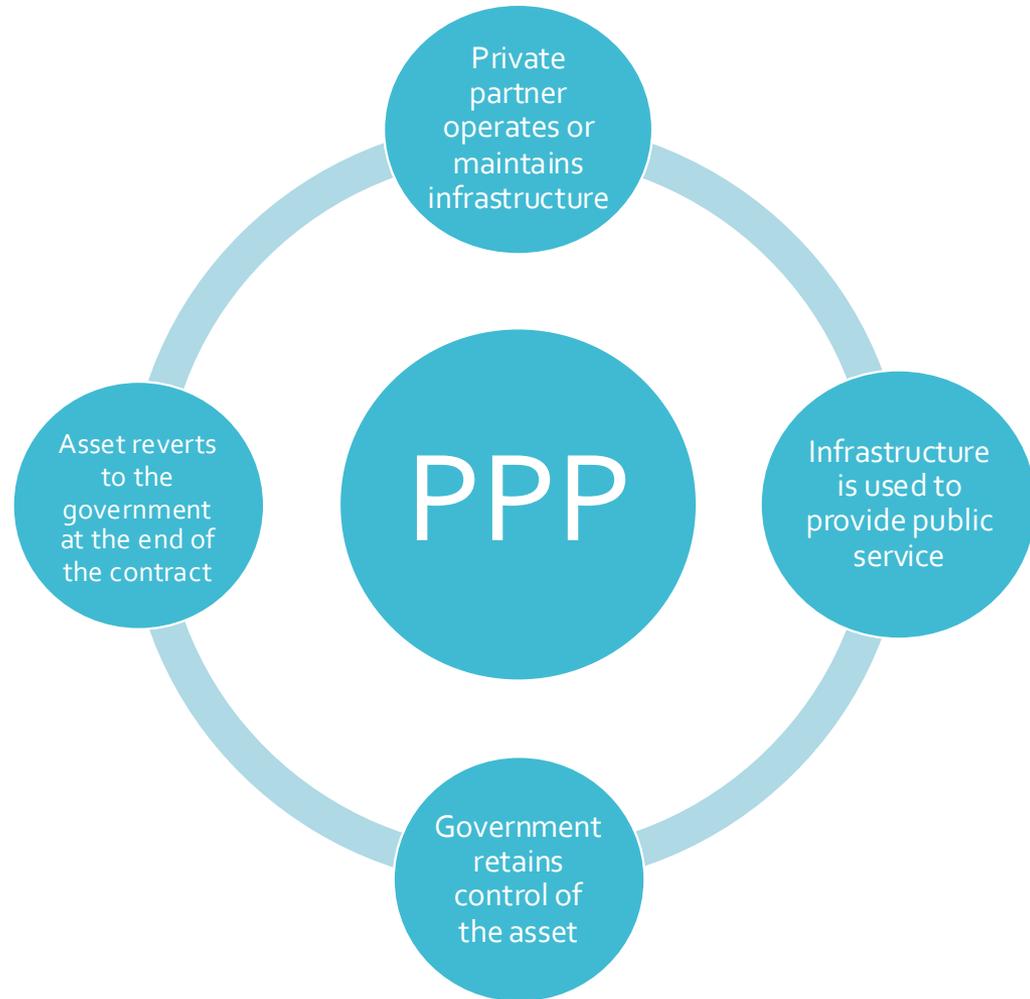
- Leases
  - Lease termination payments
    - Right-to-use asset and corresponding lease liability should be removed
    - Termination payment is recognized immediately in expense
  - Lease incentives
    - Recognized as a reduction of lease payments when measuring the lease liability
  - Embedded leases
    - Some service contracts might include the right to use a specific asset, which may qualify as a lease under GASB 87
      - Managed print services
      - Equipment service agreements

GASB 99

FY24

- Public – Private Partnerships

- Is it a lease (GASB 87) or a PPP (GASB 94)



GASB 99

FY24

- Subscription-Based Information Technology Agreements (SBITAs)
  - Contract Term clarification
    - Subscription term should include periods covered by options to extend but only if it is reasonably certain the government will exercise them.
  - Implementation Costs

Preliminary  
Project Stage

• **Expense**

Implementation  
Stage

• **Capitalize**

Post  
Implementation  
Stage

• **Expense**

GASB 99

FY24

- SBITAs (continued)
  - Termination
    - The remaining SBITA asset and liability must be adjusted
    - Any difference becomes a gain or loss on termination
  - Contract Modifications
    - Recalculate the liability
    - Adjust the right-to-use asset
    - Treat it as a new SBITA if the scope changes significantly

GASB 99

FY24

- Derivative Instruments
  - A change in a contract's reference rate does not automatically cause the contract to be treated as a new derivative instrument
  - Financial markets transitioning away from the LIBOR interest rate benchmark

GASB 99

FY24

- Fiduciary Activities
  - Should a fiduciary component unit associated with a business-type activity be reported in an enterprise fund or fiduciary fund?

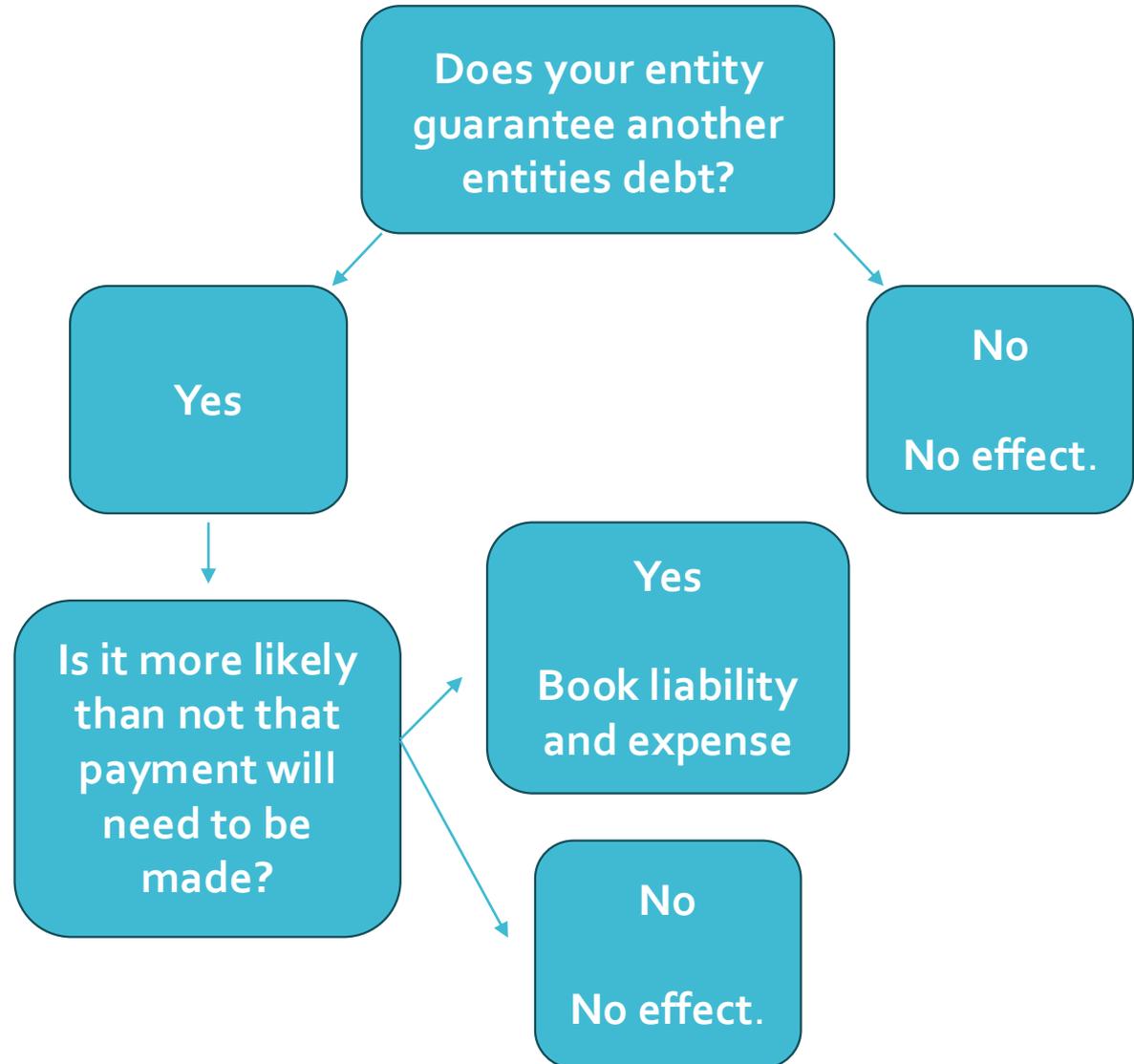
## Fiduciary Fund

- Impact: Likely minimal
- Fiduciary activities in schools may include:
  - Student activity funds
  - Scholarship funds
  - Trust funds for students
  - Agency-type arrangements

# Financial Guarantees

GASB 99

FY24



GASB 100

FY24

- Accounting Changes
  - Change in accounting principles
  - Changes in accounting estimates
  - Changes to or within the financial reporting entity
  - Corrections of prior period errors

GASB 100

FY24

Accounting  
Principle  
Change

- Restate Prior Years

Accounting  
Estimate  
Change

- Prospective Change

Reporting  
Entity Change

- Restate Prior Years

Error  
Correction

- Restate Prior Years

GASB 100

FY24

- Change in Accounting Principles
  - Examples
    - GASB 87
    - GASB 96
  - Requires
    - Adjusting beginning net position
    - Disclosure of the change and impact

GASB 100

FY24

- Accounting Estimate Change
  - Example
    - If your district updates the following assumptions after implementing GASB 101
      - Vacation payout rates
      - Sick leave usage
  - Requires
    - Prospective only (no restatement)

GASB 100

FY24

- Reporting Entity Change
  - Example
    - Your district adds or removes a component unit such as:
      - A school building authority
      - A separate foundation
  - Requires
    - Adjusting beginning net position
    - Disclosure of the change and impact

GASB 100

FY24

- Error Correction
  - Example
    - Your district realizes it missed a **material** copier lease during GASB 87 implementation.
  - Requires
    - Adjusting beginning net position
    - Disclosure of the change and impact

GASB 101

FY25

- Establishes financial reporting rules for compensated absences
  - Defines three general criteria for recognizing a liability for unused leave balances:

The leave is attributable to **services already rendered**



The leave **accumulates**



The leave is **more likely than not** to be used for time off or otherwise paid or settled.

# GASB 101

FY25

- Examples include:
  - Annual/personal leave
  - Sick leave
- Liabilities for the following compensated absences are not to be recognized until the leave commences and is used:
  - Parental Leave
  - Military Leave
  - Jury Duty Leave
- Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included as a liability for compensated absences

GASB 102

FY25

- Certain Risk Disclosures
  - Limited to risks arising due to:

Concentrations

- Lack of diversity related to an aspect of a significant inflow or outflow of resources

Constraints

- Limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority

- Does not require recognition of a liability, simply a FS disclosure.

GASB 102

FY25

Concentrations

- One Revenue Source
- One Major Employer
- One Vendor
- One Geographic Area

Constraints

- Legal Limits
- Contractual Obligations
- Debt Covenants
- Grant Restrictions

GASB 102

FY25

- Dependence on one revenue source
  - Examples
    - State Aid
    - Local Property Tax Levy
    - Federal Programs
  - If one source represents a large portion of revenue, **AND** a risk event occurs, disclosure may be required.
    - State funding formula changes
    - Enrollment decline affecting state aid
    - Property tax base collapse

GASB 102

FY25

- Major Employer Concentration
  - Examples
    - Coal Company
    - Chemical Plant
    - Large Manufacturing facility
  - If that employer were to close or decline significantly, a district may see a significant drop in property tax revenue which would require FS disclosure.

GASB 102

FY25

- Federal Grant Dependence
  - Examples
    - ESSER funds
    - Title I
    - IDEA
  - If the funding is ending or expected to decline it would require FS disclosure.

GASB 103

FY26

- Financial Reporting Model Improvements
  - Establishes new or modifies existing requirements related to:
    - Management's Discussion and Analysis (MD&A)
    - Unusual or infrequent items
    - Operating vs Nonoperating Revenues
    - Budgetary Comparison Changes

GASB 103

FY26

- Management's Discussion and Analysis (MD&A)
  - Requirements stay the same, but the structure has been refined to focus on the following items:
    - Overview of Financial Statements
    - Analysis of current-year results
    - Discussion of significant capital asset and long-term debt activity
    - Known facts or conditions expected to affect finances

GASB 103

FY26

Extraordinary  
and Special  
Items



Unusual or  
Infrequent  
Items

- Transactions and other events that are either unusual in nature or infrequent in occurrence
- Examples
  - Major insurance recoveries
  - Natural disaster costs
  - Large settlement payments
- Required to be separately presented as the last item before the net change in resource flows in the government-wide and governmental fund statements.

GASB 103

FY26

- Operating vs. Nonoperating
  - Specific to proprietary fund statements

Operating

- Result from the activities that constitute the primary purpose of the fund.

Nonoperating

- Everything Else

- Examples:
  - Food Service Funds
  - Child Care Programs
  - Community Service Programs
  - Internal Service Funds

GASB 103

FY26

- Budgetary Comparison Information
  - General fund and each major special revenue fund that has a legally adopted annual budget must be included in required supplementary information (RSI).
  - Separate Columns for the following:

Original Budget	Final Budget	Actual Results	Difference
\$\$\$	\$\$\$	\$\$\$	\$\$\$
\$\$\$	\$\$\$	\$\$\$	\$\$\$
\$\$\$	\$\$\$	\$\$\$	\$\$\$

GASB 104

FY26

- Disclosures of Certain Capital Assets
  - Requires additional disclosures when a government stops using a capital asset but still owns it.

Inactive  
Capital  
Asset

- District is no longer using it in operations
- District still owns the asset

# GASB 104

FY26

- No changes to FS presentation, only disclosures added.

## Disclosure Requirements

- Description of the asset
- Reason it became inactive
- Carrying value of the asset
- Estimated period it is expected to remain inactive

- Examples:
  - Closed school building
  - Old bus garage
  - Vacant administrative building
  - Land Held for future use

GASB 105

FY27

- Subsequent Events
  - Transactions or events that occur after the financial statement date, but before the financial statements are available to be issued.

“Available  
to be  
Issued”

- Financial statement are complete and GAAP-compliant
- Required approvals for issuance have been obtained.
- May not necessarily be the audit report date.

GASB 105

FY27

- Two types of subsequent events

### Recognized Events

- Provide evidence of conditions that existed at the financial statement date
- Financial statement adjustment required.
  - Example: Settlement of lawsuit related to prior-year activity

### Non-Recognized Events

- Events that did not exist at the financial statement date
- Do NOT adjust financial statements
- May require disclosure
  - Example: Natural disaster damaging school facilities after year-end

GASB 105

FY27

Non-  
Recognized  
Events  
Disclosures

- A description of the non-recognized event and its effect.
- An estimate of the amount of the event or the reason why an estimate cannot be made.

# GASB 103

FY26

- Non-Recognized Events Disclosures
  - A description of the non-recognized event and its effect.
  - An estimate of the amount of the event or the reason why an estimate cannot be made.
- All Financial statements must disclose the date through which subsequent events were evaluated.

## Implementation Guides

[Implementation Guide No. 2019-3: Leases](#)

[Implementation Guide No. 2020-1](#)

[Implementation Guide No. 2021-1](#)

[Implementation Guide No. 2023-1](#)

[Implementation Guide No. 2025-1](#)

## Current Projects

- Going Concern Uncertainties and Severe Financial Distress
- Implementation Guidance Update – 2026
- Infrastructure Assets
- Revenue and Expense Recognition

## Current Projects

- Going Concern Uncertainties and Severe Financial Distress

### Project Description

- Improvements to existing guidance for going concern considerations
- Developing a definition of severe financial stress and criteria for identifying when these situations should be disclosed and what should be disclosed

### Status

- The Board is redeliberating issues in light of feedback received in response to the [Preliminary Views](#)

## Current Projects

- Implementation Guidance Update - 2026

### Project Description

- Objective is to update implementation guidance for subsidies as defined in Statement No. 103

### Status

- In February 2026, an Exposure Draft was issued for public comment. Public comment period end April 27<sup>th</sup>, 2026

## Current Projects

- Infrastructure Assets

### Project Description

- Objective is to make Infrastructure asset reporting more comparable, more useful, more relevant, and better reflect the capacity of those assets.

### Status

- The Board is redeliberating issues in light of feedback received in response to the [Preliminary Views](#)

## Current Projects

- Revenue and Expense Recognition

### Project Description

- objective is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions.

### Status

- The Board is redeliberating the Preliminary Views proposals