

Accounting Updates

Presented by: Joe Lodge, CPA

Overview

- FASB Updates – all nongovernment entities
- GASB Updates – government entities
- Lease and SBITA implementation Q&A
- Single audits update

FASB Updates

FASB Updates

- fasb.org –
<https://fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>

Issued In 2025

[Update 2025-02](#)—Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122

[Update 2025-01](#)—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date

Issued In 2024

[Update 2024-04](#)—Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments

FASB Updates

- Update 2025-02—Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122
- Update 2025-01—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date
- Update 2024-04—Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments
- Update 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses
- Update 2024-02—Codification Improvements—Amendments to Remove References to the Concepts Statements
- Update 2024-01—Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards

FASB Updates

- Update 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures
- Update 2023-08—Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets
- Update 2023-07—Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures
- Update 2023-06—Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative
- Update 2023-05—Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement

FASB Updates

- Update 2023-04—Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No.121(SEC Update)
- Update 2023-03—Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Update
- Update 2023-02—Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (a consensus of the Emerging Issues Task Force)
- Update 2023-01—Leases (Topic 842): Common Control Arrangements

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LOSING

FAILURE IS THE GREATEST TEACHER,
AND WE'RE LEARNING SO MUCH JUST BY WATCHING YOU.

GASB Updates

GASB Updates

- gasb.org – <https://gasb.org/standards-and-guidance/pronouncements>

Statement No. 103

Financial Reporting Model Improvements

Issued April 2024

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. If a primary government chooses early implementation of this Statement, all component units also should implement this Statement in the same year, subject to the provisions of paragraph 59 of Statement 14.

 Full Text

Summary

Status

 Video

GASB Updates

- GASB Statement No. 104, Disclosure of Certain Capital Assets
- GASB Statement No. 103, Financial Reporting Model Improvements
- GASB Statement No. 102, Certain Risk Disclosures
- GASB Statement No. 101, Compensated Absences
- GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62
- GASB Statement No. 99, Omnibus 2022
- GASB Statement No. 98, The Annual Comprehensive Financial Report
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements

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COMPROMISE

LET'S AGREE TO RESPECT EACH OTHER'S VIEWS,
NO MATTER HOW WRONG YOURS MIGHT BE.

GASB Update – GASB 101 Effective for December 31, 2024 – Compensated Absences

- Historically, only ‘vested’ benefits accrued
- Under GASB 101, any compensated leave that has been earned is more likely than not (> 50% likelihood) to be used should be accrued
- FIFO vs. LIFO will have significant impact
- Accrue payroll-related expenses (FICA, retirement, workers compensation)
- Do not include sporadic leave (maternity, jury duty, military)

GASB Update – GASB 103 Effective for June 30, 2025 – Financial Reporting Model

- MD&A – financial statement overview, financial summary, detailed analysis, capital assets, long-term financing, known facts, decisions, and conditions
- ‘Extraordinary and special items’ becomes ‘unusual and infrequent items’
- Operating vs. nonoperating – may change presentation of tax revenues, grants, and contributions
- Capital contributions included in nonoperating
- Budgetary comparison schedule is required supplementary information – include explanation of variances

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PASS THE BUCK

CONFESSION MAY BE GOOD FOR THE SOUL,
BUT BLAMESHIFTING WILL KEEP YOU EMPLOYED LONGER.

Lease and SBITA Implementation Q&A

- Challenges faced?
- Unusual contract terms?
- Year 2 implementation – reconcile balances to amortization schedules, evaluate new contracts and changes to contracts
- Other?

Single Audits Update

- Single audit and major program threshold changing from \$750,000 to \$1,000,000
- De minimus cost rate change from 10% - 15%
- Effective for year ending September 30, 2025, and later

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NEVER GIVE UP

NEVER STOP TRYING TO EXCEED YOUR LIMITS. WE NEED THE ENTERTAINMENT.

Questions?

Contact Information

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