

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm.

Isaac M. O'Bannon • Jan. 11, 2024

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



The Governmental Accounting Standards Board has issued new guidance that requires state and local governments to disclose information about certain risks.

Although such governments are required to disclose information about their exposure to some risks, such as interest and credit risk associated with investments, essential information about certain other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The new statement is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm.

GASB Statement No. 102, *Certain Risk Disclosures*, requires governments to disclose

essential information about risks related to vulnerabilities due to certain

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

making authority—such as a voter-approved property tax cap or a state-imposed debt limit. Based on input from financial statement users during the research phase of the project, GASB is proposing that certain types of assets be disclosed separately in the note disclosures about capital assets. This would allow users to make informed decisions about these and to evaluate accountability.

Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Disclosure Criteria

The statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met.

- a. The concentration or constraint is *known* to the government prior to issuing the financial statements.
- b. The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- c. An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note Disclosures

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the

issuance of the financial statements, and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved