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SLG University
Webinar

June 10, 2026



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GASB in Motion: Key
Updates and a Deep Dive
on GASB 103

PRESENTED BY

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June 10, 2026

Your Instructor



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Partner

Agenda

1. GASB Statement No. 103 and Certain IG 2025-1 Questions
2. Proprietary Fund Financial Statement Changes
3. Budgetary Comparison Information Changes
4. MD&A Changes
5. Unusual or Infrequent Items, Major Component Units, and Statistical Section Changes
6. GASB Statement No. 104
7. IG 2025-1, Implementation Guidance Update 2025
8. GASB Statement No. 105
9. GASB Projects

Learning Objective

By the end of this course, you should be able to:

- Analyze GASB pronouncements by identifying implementation issues and evaluating insights from both a GASB task force member and a financial statement auditor.

Poll 1: SLG U Attendance

Is this your first time attending SLG U?

- Yes!
- Hmm ... I can't remember
- No, I've attended before

GASB Overview

GASB Statements for Fiscal Year Ending June 30, 2026 and Beyond

No.	Title	Issued	Effective for Periods Beginning After	For FYE 6/30 Organizations
103	Financial Reporting Model Improvements	April 2024	June 15, 2025	FY 2025/26
104	Disclosure of Certain Capital Assets	September 2024	June 15, 2025	FY 2025/26
105	Subsequent Events	December 2025	June 15, 2026	FY 2026/27

GASB IG for Fiscal Year Ending June 30, 2026 and Beyond

No.	Title	Issued	Effective for Periods Beginning After	For FYE 6/30 Organizations
2025-1,	Implementation Guidance Update - 2025	June 2025	June 15, 2025	FY 2025/26



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GASB Statement
No. 103 and
Certain IG 2025-1
Questions

Overview of GASB 103

There is new and modified guidance as follows:

1. Presentation of proprietary fund statement of flows.
2. Budgetary comparison information.
3. MD&A.
4. Unusual or infrequent items.
5. Information about major component units in BFS.
6. Financial trends information in the statistical section.

IG 2025-1

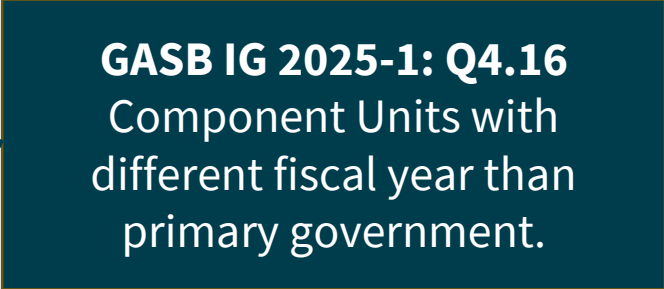
- 4.1 Cash Flows
- 4.2 - 4.7 General
- 4.16 Component Unit Comparability



Effective Date and Transition

Effective date

- Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
 - Fiscal year ending June 30, 2026, will be the first required implementation year.
 - For comparative financial statements, a change in accounting principle should be reported retroactively by restating financial statements for all prior periods presented, if practicable.



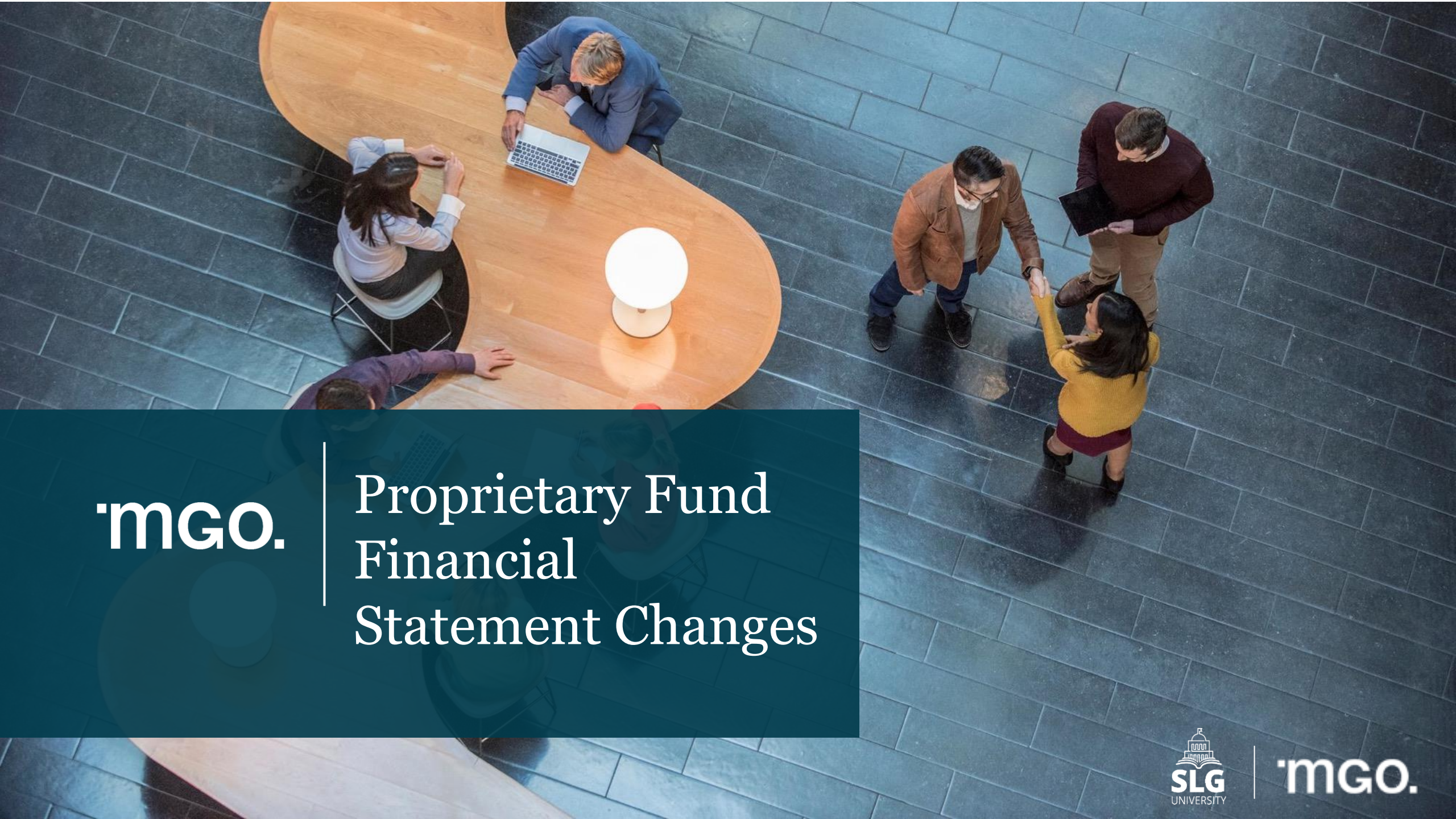
GASB IG 2025-1: Q4.16
Component Units with
different fiscal year than
primary government.

Transition

- Changes are **changes in accounting principles** and should follow GASB 100.

Purpose and Overall Impact

Modernization of Financial Reporting	GASB 103 modernizes governmental reporting by improving consistency and comparability in financial statements.
Clarified Definitions and New Concepts	It clarifies terms like operating activities and introduces new concepts such as noncapital subsidies.
Impact on Auditors and Preparers	Auditors face increased judgment and documentation needs. Preparers must update policies and controls.
Broader Operational and Communication Effects	GASB 103 affects interim monitoring, performance metrics, and communication with stakeholders.



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Proprietary Fund Financial Statement Changes



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GASB 103: Proprietary Funds

Three **big** changes to proprietary fund financial statements are as follows.

- Changes in presentation.
- Definitions of operating revenues and expenses and of nonoperating revenues and subsidies.
- Definition of subsidies.



Proprietary Fund Presentation

The new presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position.



Operating revenues (detailed)

Total operating revenues

Operating expenses (detailed)

Total operating expenses

Operating income (loss)

Noncapital subsidies (detailed)

Total noncapital subsidies

Operating income (loss) and noncapital subsidies

Other nonoperating revenues and expenses (detailed)

Total other nonoperating revenues and expenses

Income (loss) before unusual or infrequent items

Unusual or infrequent items (detailed)

Increase (decrease) in fund net position

Fund net position—beginning of period

Fund net position—end of period

Definitions

Definitions of operating revenues and expenses and of nonoperating revenues and expenses.

- Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses.
- Nonoperating revenues and expenses are as follows.
 - Subsidies received and provided.
 - Contributions to permanent and term endowments.
 - Revenues and expenses related to financing.
 - Resources from the disposal of capital assets and inventory.
 - Investment income and expenses.

GASB IG 2025-1: Q4.4
Revenue recognized from the deferred inflow of resources related to leases are not related to financial, thus they are operating revenues.



Exception: Nonoperating Revenues and Expenses Definition

Classify as **operating** revenues or expenses **if transactions constitute the proprietary fund's principal ongoing operations.**

For example, interest revenues should be reported as operating revenues by a proprietary fund established to provide loans to first-time homeowners.

GASB IG 2025-1: Q4.2 – Q4.3

Treatment of interest expenses associated with borrowings and interest revenue on leasing property.

GASB IG 2025-1: Q4.1

Presentation differences between operating income and net cash flow from operating activities.

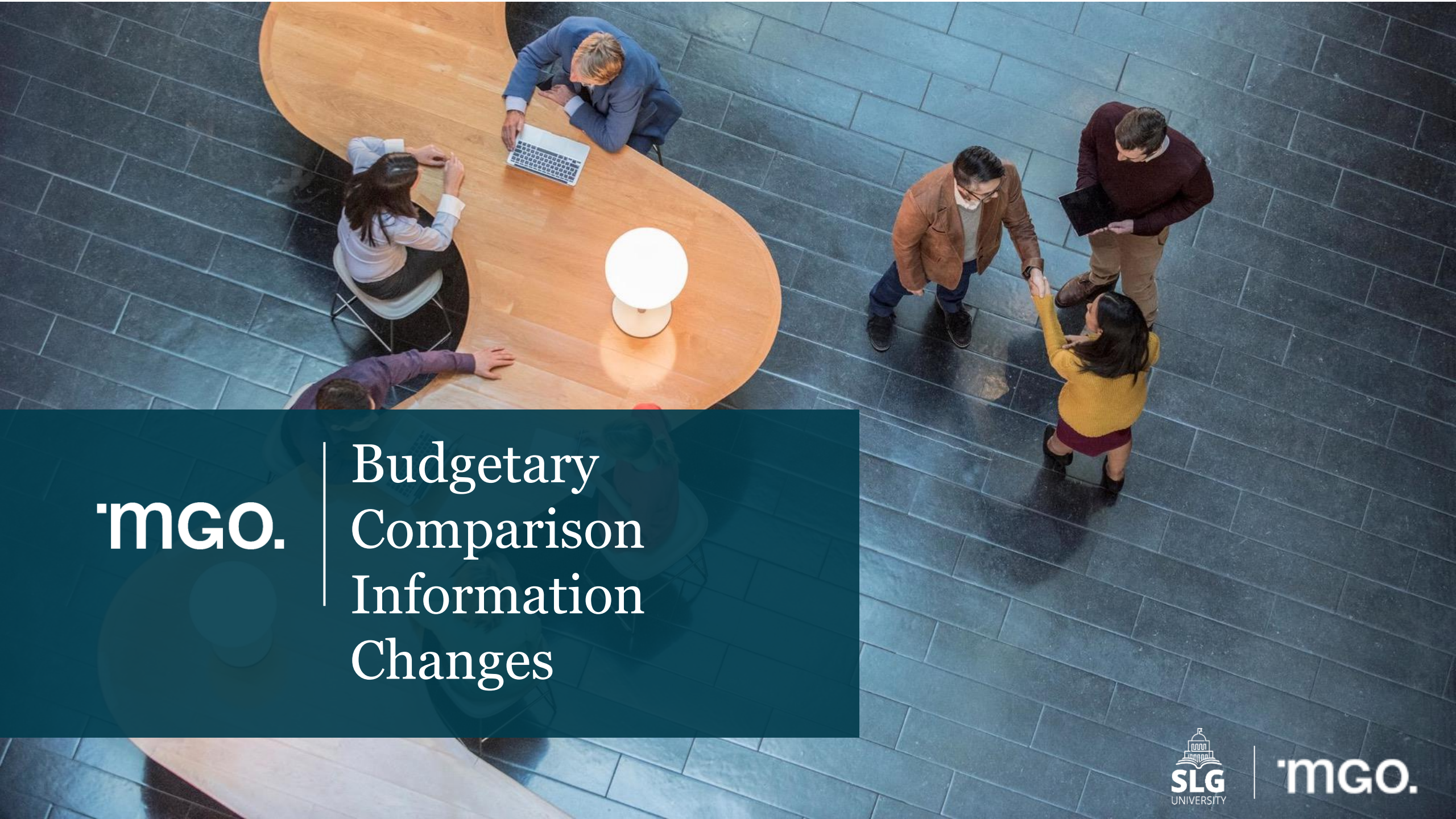
Definition of Subsidies

1. Resources **received** from another party or fund.
 - For which the proprietary fund does not provide goods and services to the other party or fund, and
 - That directly or indirectly keeps the proprietary fund's current or future fees and charges lower than they would be otherwise.
2. Resources **provided** to another party or fund.
 - For which the other party or fund does not provide goods and services to the proprietary fund, and
 - That are recoverable through the proprietary fund's current or future pricing policies.
3. All other transfers.

GASB IG 2025-1: Q4.5 – Q4.7

Subsidies used for capital assets, but not limited to use by provider, treatment of PILOTs, and third-party insurers.





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Budgetary
Comparison
Information
Changes



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Three Key Changes

Budgetary comparison schedules should be presented as RSI for the general fund and for each major special revenue fund with a legally adopted annual budget.

- No longer **optional** to present the budgetary comparison information in the basic financial statements.

Separate columns for the variances between the following.

1. Original and final budget amounts; this is **new**.
2. Final budget amounts and actual results.

An explanation of significant variations between **original and final budget amounts** and **final budget amounts and actual results** is also required to be presented in notes to RSI, **not MD&A**.

Notes to RSI

Notes to RSI should contain important disclosures and analysis of the budgetary comparison schedule.

Required Supplementary Information
Sample City
Budgetary Comparison Schedule
General Fund
for the Year Ended June 30, 20X5
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget— over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget— over (under) Actual Amounts
	Original	Final			
BUDGETARY REVENUES					
Taxes	\$ 157,715	\$ 157,715	\$ -	\$ 161,885	\$ 4,170
Payments in lieu of taxes	16,218	15,853	(365)	15,737	(116)
Intergovernmental	1,580	2,002	442	1,597	(405)
Charges for services	13,299	13,299	-	13,905	606
Licenses, permits, and fees	2,712	3,220	508	3,532	312
Fines and forfeitures	8,262	8,262	-	7,853	(409)
Investment earnings	5,100	5,100	-	6,792	1,692
Miscellaneous	3,313	3,313	-	2,075	(1,238)
Total budgetary revenues	208,179	208,764	585	213,376	4,612
BUDGETARY EXPENDITURES					
Current:					
General government	29,786	29,138	(648)	29,097	(41)
Public safety	132,479	129,953	(2,526)	129,770	(183)
Public works	3,297	3,263	(34)	1,882	(1,381)

Note A—Actual Budget Results

BUDGETARY REVENUES

Differences—final budget to actual:

The City experienced an increase in revenue for taxes from budgeted amounts primarily due to the opening of the new shopping center 3 months earlier than expected.

**General Fund
over (under)**

\$ 4,170

Poll 2: Budgetary Variances

Under GASB 103, where should the explanation of significant budgetary variances be presented?

- In MD&A
- In the RSI
- In the basic financial statements
- In the statistical section



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MD&A Changes



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General MD&A Requirements

- Precedes the basic financial statements and is considered RSI.
- Objective and easily readable analysis.
- Based on currently known facts, decisions, or conditions.
- Financial managers are knowledgeable about the government. This includes transactions and events, fiscal policies, and conditions and results of operations.
- Opportunity to present short- and long-term analyses, but do not duplicate the transmittal letter.
- Written in a manner that can be understood by users who may not have a detailed knowledge of governmental accounting and financial reporting.
- Include explanations and interpretations that help users understand the information provided.
- Discuss the current-year balances and results of operations in comparison with the prior year, with emphasis on the current year.
 - MD&A is required to address both years presented in the comparative financial statements. Therefore, there should be three years of comparative data. This includes the current year, the prior year, and the year preceding the prior year. (GASBIG 2015-1, Q7.5.4)
- Fact-based.

General MD&A Requirements cont.

- Discuss the activities that have had either a significant positive impact or a significant negative impact in comparison with the prior year.
- Assist users in understanding why balances and results of operations reported in the current year's financial statements changed from the prior year, rather than simply presenting the amounts or percentages by which they changed.
- Charts, graphs, and tables are encouraged to enhance the understandability of the information.
- If possible, the analysis in MD&A should avoid unnecessary duplication.
- Certain explanations may be relevant to the discussion in multiple sections of the MD&A.
 - Those explanations may be repeated after they have been presented initially, but that is not required.
 - Determining whether to repeat an explanation within multiple sections of MD&A is a matter of professional judgment.

A tax rate increase enacted during the year may affect the results in both the government-wide financial statements and the government fund financial statements.

MD&A Requirements for Component Units

- Focus on the primary government.
- Distinguish between the primary government and its discretely presented component units.
- Determining whether to discuss matters related to a discretely presented component unit is a matter of professional judgment and should be based on the nature and significance of the individual component unit's relationship to the primary government.
- If appropriate, the reporting entity's MD&A should refer users to the component units separately issued financial statements.



MD&A Requirements

Requirements are discussed in general rather than specific terms to emphasize that financial managers should include the explanations that are most relevant to the information presented each year. They should avoid **boilerplate** discussions.

Information presented should be confined to the topics discussed in the following five sections.

1. Overview of the Financial Statements
2. Financial Summary
3. Detailed Analyses
4. Significant Capital Asset and Long-Term Financing Activity
5. Currently Known Facts, Decisions, or Conditions

MD&A Highlights

- Condensed financial information is relatively consistent with some updates.
- For detailed analyses, in addition to reporting the amounts or percentages of significant changes, the analysis should explain why those changes from the prior year occurred and indicate the magnitude of those changes.
- Significant capital asset and long-term financing activity should include the following.
 - Capital assets include intangible assets under GASB 51 and intangible right-to-use assets under GASB 87, Leases; GASB 94, PPP; and GASB 96, SBITA.
 - Long-term financing includes debt and obligations from GASB 87, 94, and 96.
- Move the following from MD&A to notes to the required supplementary information or RSI:
 - Budgetary information.
 - Information on modified approach to capital assets.



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Unusual or
Infrequent Items,
Major Component
Units, and Statistical
Section Changes

GASB 103: Unusual or Infrequent Items

Unusual or infrequent items are simplified. Unchanged definitions of **unusual nature** or **infrequency of occurrence**. For example, GASB 62 definitions are still applicable.

Unusual Nature	The underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the government, taking into account the environment in which the government operates.
Infrequency of Occurrence	The underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the government operates.

GASB 103: Unusual or Infrequent Items cont.

Presentation of unusual or infrequent items.

- Present inflows and outflows related to unusual or infrequent items individually as the last presented flow(s) of resources prior to the net change.
- Inflows and outflows related to each unusual or infrequent item should be presented separately and not netted on the financial statements.
- Disclose in notes to financial statements the program, function, or identifiable activity to which an unusual or infrequent item is related, if applicable, and whether that item is within the control of management.

GASB 103: Major Component Units

Information about major component units in basic financial statements.

- In the basic financial statements, governments should present each major component unit separately in the reporting entity's statements of net position and activities if it does not reduce the readability of the statements.
- If presenting each major component unit separately reduces the readability of the statements, combining statements of major component units should be included in the reporting entity's basic financial statements after the fund's financial statements.

GASB 103: Statistical Section

Trend information about changes in net position.

- In the statistical section of separately issued financial reports, governments engaged only in business-type activities or only in business-type and fiduciary activities should present revenues by major source for their business-type activities, distinguishing between operating, noncapital subsidy, and other nonoperating revenues and expenses.



Poll 3: Component Unit

Under GASB 103, when should a government present each major component unit separately in the basic financial statements?

- Always, regardless of impact on readability
- Only when the component unit is fiduciary in nature
- When separate presentation does not reduce statement readability
- Only in the statistical section



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**GASB Statement
No. 104**



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Overview and Separate Disclosure

Overview

- New and modified guidance as follows:
 - Separate disclosure of certain capital assets.
 - Capital assets held for sale.
- Effective date as follows:
 - Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Separate Disclosure

- Separately list by major class of underlying asset:
 - Lease assets under GASB 87.
 - Intangible right-to-use assets by an operator under GASB 94 (**PPP**).
 - Subscription assets under GASB 96.
 - Intangible assets other than those above.

Intangible assets should not be disclosed in the same major class as any owned assets of that type.

Held for Sale

Held for sale if meeting both criteria:

1. Government has decided to pursue the sale of the asset.
2. It is probable that the sale will be finalized within one year of the financial statement date.

Consider the following factors:

- Available for immediate sale in its present condition.
- Actively locating a buyer, such as putting out for a bid.
- Market conditions for selling that type of asset.
- Regulatory approvals needed to sell the asset.

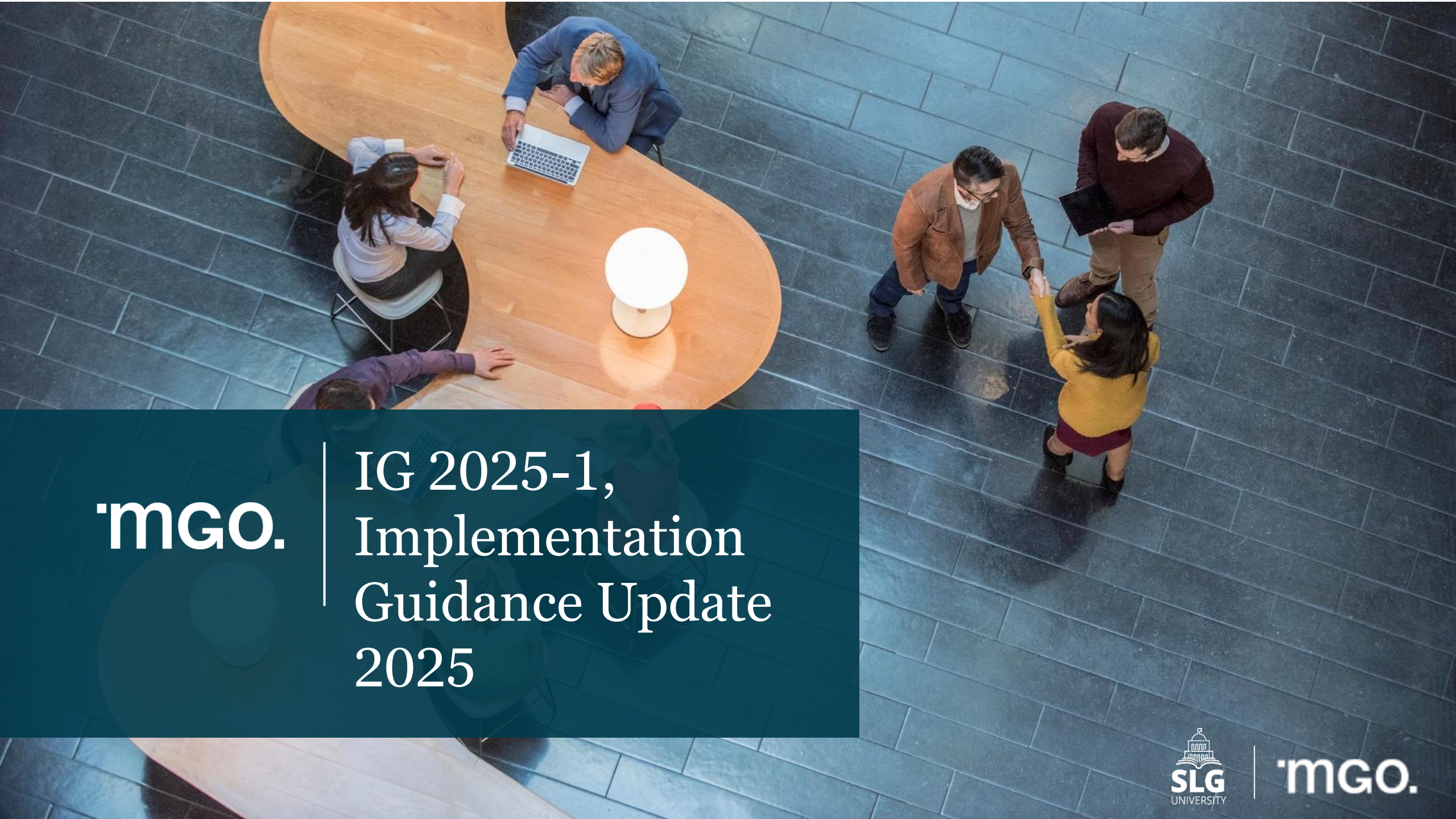
Held for Sale cont.

Accounting for capital assets held for sale:

- Evaluate whether a capital asset is a capital asset held for sale each reporting period.
- Continue to report the capital asset within the appropriate major class of capital assets.

Disclosure capital assets held for sale, including the following:

- Separate disclosure of historical cost and accumulated depreciation or amortization by major class of asset.
- The carrying amount of debt which capital assets held for sale are pledged as collateral for each major class of asset.
- Disclosures should be made for both governmental and business-type activities.



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IG 2025-1,
Implementation
Guidance Update
2025



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Overview

New and modified guidance — outside of GASB 103 items already discussed — as follows:

1. Leases
2. Conduit debt
3. GASB 100
4. GASB 101
5. Title equals ownership?
6. Special revenue funds required?

Effective Date

- Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

New Questions and Answers

New and modified guidance outside of GASB 103, as follows:

- Q4.8 – 4.9, Leases: Application of lease term and guidance for lease modifications.
- Q4.10, Conduit Debt: Clarification on conduit debt issued by component unit.
- Q4.11 – 4.14, GASB 100: Change in capitalization threshold, restatement display provisions, and effects to display provisions related to changes to or within the financial reporting entity.
- Q4.15, GASB 101: Future pay provision.

Amendments to Previous IG

Amendments to previously issued questions and answers are as follows:

- Q5.1, Is the title always equivalent to ownership?
 - Replaces example to provide a circumstance in which the entity that holds title to an asset does not recognize the asset.
- Q5.2, Are governments required to use special revenue funds to report restricted or committed revenue scores?
 - Adds language that is consistent with category A literature.





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**GASB
Statement
No. 105**



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Overview

Subsequent Events

- Transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued — the subsequent events time frame.
- The date the financial statements are available to be issued is the date at which:
 - The financial statements are complete in a form and format that complies with GAAP, and
 - Approvals necessary for issuance have been obtained.

Notes to Financial Statements

- The dates through which subsequent events have been evaluated should be disclosed in notes to financial statements, regardless of whether there is a recognized or nonrecognized event.

Overview cont.

Applicability

- The requirements of this statement apply in the absence of other applicable requirements.

Effective Date

- Effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.
- Fiscal year ending June 30, 2027, will be the first required implementation year.



Recognized Events

Recognized Event

- A subsequent event providing evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date.
 - Accounting estimates reported as of the financial statement date should reflect the conditions that existed at that date, including conditions substantiated by recognized events.
- Identifying recognized events requires professional judgment and knowledge of the facts and circumstances.
 - Example of a water utility: Bankruptcy versus a major casualty like a fire or flood.

Nonrecognized Events

Nonrecognized Events

- A subsequent event that results in a significant effect — favorable or unfavorable — that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following.
 - A debt-related transaction
 - A government combination or a disposal of government operations
 - A change to the legally separate entities that compose the financial reporting entity
 - A transaction or other event that is of such a significant nature should be disclosed
- Nonrecognized events do not inform conditions that existed at the financial statement date.
 - The effects should not be incorporated into BFS as of the financial statement date.
 - Information should be disclosed only.

Notes to Financial Statements

The following information should be disclosed about a nonrecognized event.

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

These note disclosures should correspond to the reporting units in the financial statements, subject to GASB 14.



Poll 4: GASB 105

Under GASB Statement No. 105, which of the following best describes a recognized subsequent event?

- An event occurring after year-end that is disclosed only in the notes
- An event that provides evidence about conditions that existed at the financial statement date
- Any significant event approved after the audit report date
- A debt-related transaction occurring after issuance



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GASB Projects



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GASB Projects

All Projects	Standard Setting	Conceptual Framework	Pre-Agenda Research	Post-Implementation Review	Technology
Standard Setting		Next Milestone		Expected Date	
Going Concern Uncertainties and Severe Financial Stress		Exposure Draft		2Q2027	
Implementation Guidance Update—2026		Final Document		3Q2026	
Infrastructure Assets		Comment period ends		6/26/2026	
Revenue and Expense Recognition		Exposure Draft		3Q2027	

GASB Projects cont.

Pre-Agenda Research	Next Milestone	Expected Date
Digital Assets		
GAAP Structure	Comment period ends	08/31/2026
Pension and OPEB Disclosures—Concepts Statement 7		
Pensions and OPEB—Effects of Deferred Outflows of Resources and Deferred Inflows of Resources on Expense		
Revenue and Expense Recognition—Note Disclosures		
Post-Implementation Review		
Fiduciary Activities—Statement 84—Stage Two		
Leases—Statement 87—Stage Two		
Other Postemployment Benefits—Statement 75—Stage Three		
Technology	Next Milestone	Expected Date
Voluntary Digital Financial Reporting	Due Process Document	2Q2026

**ANY
QUESTIONS?**

Poll questions: Join [MGOcpa.cnf.io](https://mgocpa.cnf.io)



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