



Office of the
Washington
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GASB Update

As of April 1, 2026

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S. state and local governments. All statements, exposure drafts and other documents for public comment are available from the GASB website, www.gasb.org, free of charge.

A summary of the current and upcoming accounting and financial reporting standards is below.

GAAP – For all statements, earlier application is encouraged.

CASH – Implementation will be at the time of BARS prescription.

Current GASB Documents for Comment: <https://www.gasb.org/projects/documents-for-public-comment>

GASB Pronouncements Effective for Reporting Year 2025

- **Statement No. 102, *Certain Risk Disclosures***

This statement improves financial reporting by providing users of financial statements with timely information regarding certain concentrations or constraints and related events that make a government vulnerable to a substantial impact.

GAAP – BARS provides guidance on when this disclosure is required and what to include in the disclosure.

CASH – BARS provides guidance on when this disclosure is required and what to include in the disclosure.

GASB Pronouncements Effective for Reporting Year 2026

- **Statement No. 103, *Financial Reporting Model Improvements***

This statement improves key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability; including improvements to the management's discussion and analysis (MD&A), required supplementary information (RSI), proprietary fund statements, unusual/infrequent items, major component unit information and budgetary comparison information.

GAAP –

- “Special and extraordinary items” are renamed to “unusual or infrequent items.”
- Updates to the MD&A emphasize that detailed analyses should explain *why* balances and results of operations changed.
- Updates to the format of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position.
- New definitions for operating and non-operating revenues and expenses. Introduces and defines a new term “subsidiaries.”

- Budgetary comparison schedules have additional required columns and must be reported as Required Supplementary Information. There is no longer the option to include them with basic statements.
- Major component units are required to be reported separately on the face of the government wide financial statements. However, if the readability is reduced, governments may present combining statements for their major component units.

CASH – “Special and extraordinary items” are renamed to “unusual or infrequent items.”

- **Statement No. 104, *Disclosure of Certain Capital Assets***

This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures.

GAAP – Minor updates to the tables in *Note X – Capital Assets*. Also adding a disclosure for capital assets held for sale.

CASH – *information coming soon, research in progress*

- **Implementation Guide 2025-1**

This guide’s objective is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This statement brings the guidance on the accounting and financial reporting for cash flow reporting, basic financial statements and MD&A, leases, conduit debt obligations, accounting changes and error corrections, compensated absences, and component unit reporting.

GAAP – Most of the required changes have been or will be implemented in BARS with the updates related to recent accounting changes.

CASH - Most of the required changes have been or will be implemented in BARS with the updates related to recent accounting changes.

GASB Pronouncements Effective for Reporting Year 2027

- **Statement No. 105, *Subsequent Events***

This statement improves financial reporting related to subsequent events by (1) clarifying the subsequent events time frame, (2) clarifying the definitions of recognized and nonrecognized events, and (3) specifying the required note disclosures for subsequent events.

GAAP – New requirement to disclose the date through which subsequent events were analyzed. This is required even if there are no subsequent events to report. *Note X – Subsequent Events* will be updated to reflect this change and other minor clarifications.

CASH – The subsequent event note disclosure will be removed from *Note X – Other Disclosures* and put into its own note: *Note X – Subsequent Events*. The existing note will be expanded to include additional information and examples.