

A Glimpse of **GASB**

Governmental Accounting Standards Board (GASB)

The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles (GAAP).



Who sets accounting standards?

The Financial Accounting Foundation (FAF), organized in 1972, is the independent, private-sector organization with responsibility for the oversight, administration, finances and appointment of two standard setting boards.



The Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB)

Mission

The collective mission of the GASB, the Financial Accounting Standards Board (FASB), and the Financial Accounting Foundation (FAF) is to establish and improve financial accounting and reporting standards.



This is to provide useful information to investors and other users of financial reports and educate stakeholders on how to most effectively understand and implement those standards.

Board Members

Joel Black (Chair)
Public Accounting

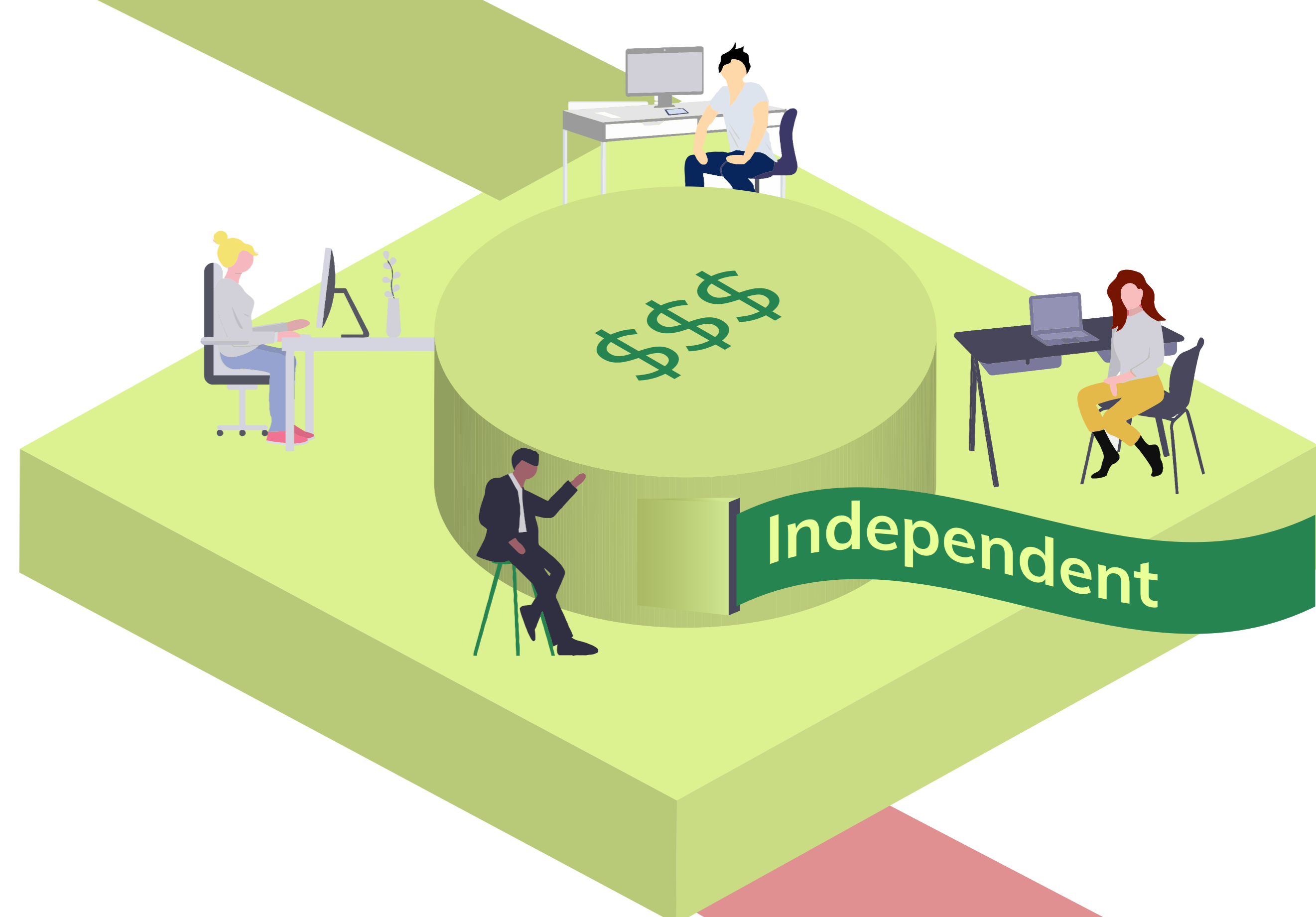
Jeff Previdi (Vice Chairman)
Financial Statement User

- The seven members of the GASB include a chairman and a vice chairman. Board members are appointed by the FAF Board of Trustees generally for 5-year terms; they may serve up to 10 years.
- The majority of other GASB board members are former government and/or credit rating agency employees. Citizens and taxpayers don't seem to have the representation they deserve.



How is GASB funded?

More than 80% of GASB's funding comes from "GASB accounting support fee," which are collected from broker-dealer firms based the total par value of municipal securities transactions.



Other revenue include license fees received for the use of GASB material and subscriptions.

Recent standards of note

GASB Statement 68 and 75 improved accounting and financial reporting by requiring liabilities related to pension and other post-employment benefits to be reported in full on state and local governments' balance sheets.



Additional improvement needed

On July 24, 2020 GASB issued for public comment the Exposure Draft, Financial Reporting Model Improvements.

- The Board recommends using the short-term view for governmental funds, including the general fund.
- This nearsighted view does not provide an accurate picture of the general fund and other governmental funds because major incurred expenses and corresponding liabilities, such as those related to pensions, are not included.



Join Us in Advocating FACT-Based Accounting to GASB!

State legislators and taxpayers need to know the facts about their state's finances. Unfortunately, with the way the general fund financial statements are prepared, you are not given an accurate picture of the operating results of your state's budget.

You can be a part of the movement to get rid of this outdated and unreliable accounting by encouraging GASB to require states and report the general fund using a long-term, full accrual approach to accounting.

Truth in Accounting is a 501(c)(3) non-profit organization that educates and empowers citizens with understandable, reliable, and transparent government financial information.

Learn more at truthinaccounting.org | data-z.org

Prepared by:
Truth in Accounting