

Kelly Culver

From: LSL CPAs - Lance, Soll & Lunghard LLP [august.burrows@lslcpas.com]
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To: Kelly Culver
Subject: GASB Statements 55-59



The Latest Information

March 14, 2011

GASB STATEMENT NOS. 55-59

Various GASB Statements have been issued and implemented in the past couple of years. During LSL CPAs' GASB Update held earlier this year, each GASB was discussed in detail. For those of you who were unable to attend, we wanted to give you a brief summary of each statement and make our presentation available to you.

Below is a summary of the new pronouncements and the effective dates:

GASB Statement No. 55 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - Issued and effective March 2009

The objective of this statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature.

The GASB is responsible for establishing GAAP for state and local governments. However, the current GAAP hierarchy is set forth in the AICPA SAS No. 69, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. This GASB makes SAS No. 69 applicable to state and local governments. It essentially applies to the financial statements of all State and local governments that are presented in conformity with GAAP.

GASB Statement No. 56 - *The Codification of Accounting and Financial Reporting Guidance* - Issued and Effective March 2009

The objective of this statement is primarily to incorporate, into the GASB standards, the existing guidance for: *related party transactions, going concern considerations, subsequent events*.

GASB Statement No. 57 - *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*

The provisions related to the use and reporting of the alternative measurement method are effective December 2009.

The provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements is for periods beginning after June 15, 2011.

GASB 57 is an amendment to GASB 45. The objective of the Statement is to address issues related to the: *Use of the alternative measurement method* and, the *frequency and timing of measurements* by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans.

GASB Statement No. 58 - *Accounting and Financial Reporting for Chapter 9 Bankruptcies* - Effective for periods beginning after June 15, 2009

This statement was issued to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy code.

GASB Statement No. 59 - *Financial Instruments Omnibus* - Effective for periods beginning after June 15, 2010

The objective of this statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. Various GASB Statements were amended/clarified relating to cash and investment measurement, reporting and disclosure.

For additional information on all of the GASB Statements listed above, please [click here](#) for our GASB Update presentation on the subject.

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If you have any questions, please feel free to contact a partner or manager.

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