*THE* ***GASB*** *REPORT*

***Technical Plan***

*No. 337-A / April 2013*

*(The GASB Report No. 299)*

***GASB Calendar***

The GASB has scheduled the following public meeting dates:

***May 14–16***

***June 25–27***

The GASB also is scheduled to meet via teleconference on June 3. The precise time, as well as the agenda, will be announced approximately two weeks before each meeting. All meetings are held at the Financial Accounting Foundation (FAF) offices in Norwalk, Connecticut with the exception of the June 27 meeting which will be held in East Elmhurst, New York (LaGuardia Marriott).

In addition, the FAF Board of Trustees will meet on May 22 in Washington, D.C.

Finally, the GASB will be meeting with the Governmental Accounting Standards Advisory Council on June 27 and 28 in East Elmhurst, New York (LaGuardia Marriott).

Please check the GASB website at www.gasb.org three working days prior to meetings to verify the final agenda.

If you plan to attend *any* meetings, please notify Ragan Vincent at (203) 956-5372 or via email at rpvincent@gasb.org. In addition, due to the FAF’s security procedures, visitors to *all* meetings are required to go to www.gasb.org to register at least 24 hours before each meeting they are planning to attend.

***David A. Vaudt Named as Incoming Chairman of the GASB***

The Financial Accounting Foundation (FAF) recently announced that Iowa Auditor of State David A. Vaudt has been named the next chairman of the GASB, effective July 1, 2013. The Board of Trustees of the FAF, which oversees the GASB and its sister organization, the Financial Accounting Standards Board (FASB), made the appointment.

Mr. Vaudt will succeed current GASB Chairman Robert H. Attmore, who is retiring on June 30. In a change from past practice, Mr. Vaudt was appointed to a single, seven-year term. Previously, GASB chairmen have been appointed to an initial five-year term with the possibility of serving a second five-year term.

“We’re very pleased to welcome David Vaudt as the new chairman of the GASB,” said Jeffrey J. Diermeier, chairman of the FAF Board of Trustees. “David’s extensive experience with and knowledge of the challenging accounting and financial issues facing state and local governments will enable him to continue the strong tradition of leadership and transparency established by our outgoing chairman, Bob Attmore, during his nine distinguished years as head of the GASB.”

Regarding Mr. Vaudt’s appointment, GASB Chairman Attmore said, “David is exceedingly well qualified to assume the role of chairman of the GASB. With David’s appointment, the Board is well positioned to continue the advancement of accounting and financial reporting for state and local governments,” the chairman added.

Mr. Vaudt has served as Iowa’s constitutionally elected auditor of state since January 2003. In that role, he has been responsible for auditing the state’s Comprehensive Annual Financial Report and Single Audit Report. Mr. Vaudt also has supervised the annual audits of more than 200 Iowa cities, counties, school districts, and other government organizations and agencies.

Previously, Mr. Vaudt worked for 25 years in KPMG’s Des Moines office, including 13 years as a partner. He specialized in the office’s government services practice and also served as the office’s human resources and recruiting partner. In the latter roles, he was responsible for conducting the annual reviews and evaluations of managers and staff and for leading the on-campus recruiting effort for audit professional staff. He also served as an instructor for KPMG national governmental accounting and auditing continuing education courses.

Mr. Vaudt served as president of the National State Auditors Association from 2011 to 2012, chair of the National Association of State Boards of Accountancy from 2003 to 2004, and chair of the Iowa Accountancy Examining Board from 1995 to 2002. He also has served on the boards and audit committees of civic and government organizations, including the Better Business Bureau of Iowa, the Iowa Homeless Youth Centers, the Des Moines public school system, the Young Women’s Resource Center, and the Walnut Creek Family Young Men’s Christian Association.

“All of us at the FAF look forward to working with David as we continue to pursue our objective of more closely aligning the goals and operations of the FAF, the FASB, and the GASB in the months and years ahead,” said FAF President and CEO Teresa S. Polley.

“These are challenging times for state and local governments,” Mr. Vaudt said. “I look forward to quickly engaging with the other GASB members and the wide range of GASB stakeholders, especially the Governmental Accounting Standards Advisory Council, to get a sense of the issues that they believe are the most pressing as we move ahead. I’m also looking forward to working during my transition with Bob Attmore, who has done an exceptional job of leading GASB in the past nine years.”

***Board Meeting Summary***

The GASB met via teleconference on March 11 to discuss issues related to its projects addressing Nonexchange Financial Guarantees, Fair Value Measurement and Application, the Hierarchy of Generally Accepted Accounting Principles (GAAP Hierarchy), and the Implementation Guide on Financial Reporting for Pension Plans.

The Board also held a public meeting April 2–4 to discuss issues associated with its projects on Nonexchange Financial Guarantees, Fair Value Measurement and Application, Recognition and Measurement under the Conceptual Framework, the GAAP Hierarchy, Other Postemployment Benefits (OPEB), and the Technical Plan.

In addition, the GASB met via teleconference on April 22 to discuss a ballot draft of a final Statement on Nonexchange Financial Guarantees. Although the Board approved Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* due to publication deadlines, those deliberations are not described in this issue of The GASB Report but will be highlighted in the next issue.

***Conceptual Framework—Measurement***

The Board reviewed the preliminary draft of measurement concepts and made clarifying edits. As a next step in the project, the staff will prepare a preballot draft of the measurement Exposure Draft for the Board’s review at the May Board meeting.

***Nonexchange Financial Guarantees***

The Board continued to deliberate issues raised by respondents to the Exposure Draft, *Accounting and Financial Reporting for Nonexchange Financial Guarantee Transactions.* At the March teleconference, the Board primarily focused on issues related to disclosures and the effective date and transition provisions.

Regarding whether the disclosure requirements proposed in the Exposure Draft should be included in the final Statement, the Board tentatively agreed to carry forward the disclosure requirements with minor clarifying changes to emphasize that certain basic disclosures are required even if the more-likely-than­not threshold for recognition of a liability is not met.

The Board next discussed whether adjustments should be made to the effective date and transition guidance presented in the Exposure Draft. After deliberation, the Board tentatively decided that the effective date and transition guidance of the final Statement should retain the effective date and transition guidance as originally proposed.

During review of a preballot draft of a final Statement, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* Board members provided suggestions to the project staff for clarifying changes to be incorporated into the ballot draft of the final Statement that will be reviewed and considered for approval at the April teleconference. The Board approved Statement 70 for issuance at the teleconference.

***Fair Value Measurement and Application***

The Board deliberated issues on the topics of potential fair value disclosures, potential conforming changes with other GASB literature, and the type of the due process document that will be issued. Continuing the disclosures discussion, the Board considered examples of asset and liability disclosures organized by classes and types, as well as examples of narrative descriptions of the sensitivity of fair value measurements to changes in unobservable inputs. The Board tentatively agreed to propose the following:

* The determination of appropriate classes and types of assets and liabilities should be made on the basis of the nature, characteristics, and specific types of risks of the asset or liability as well as the level of the fair value hierarchy within which the fair value measurement is categorized.
* A more general disclosure regarding investment class and type, leaving disaggregation up to professional judgment. However, the Board tentatively agreed that guidance should be provided indicating when there should be further disaggregation.
* Additional disclosures for investments in certain entities that calculate net asset value per share should be required.
* All disclosures required for a recurring fair value measurement generally would be required for a nonrecurring fair value measurement.

Next, the Board addressed areas within current GASB literature that may need revision to conform to the tentative proposals. The Board tentatively agreed to propose the following:

• Guidance for donated works of art, historical treasures, and similar assets and guidance for capital assets acquired through a nonexchange transaction would be amended so that *fair value* is replaced with *acquisition value,* consistent with the tentative decision to measure donated capital assets at acquisition value.

• For assets received in a nonmonetary transaction, when the value of the asset received is more clearly evident than the fair value of the asset surrendered, *fair value* would be replaced with *acquisition value* for measuring the value of the asset received.

• Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* would be revised so that transferor governments measure a capital asset received through a service concession arrangement at its acquisition value (instead of fair value) when placed in operation.

• When prior-period adjustments are recorded and financial statements only for a single period are presented, the disclosure of the effects of such restatement should be limited to the effects on the beginning balance of net position. The effect of this tentative decision would be to delete the disclosure related to “the change in net assets of the immediately preceding period” currently found in Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

• *Investment in* would be revised to *ownership of* (including revisions to related terms) in the GASB guidance for investment in common stock in Statement 62.

In deliberating investments in common stock, concentrating on criteria for application of the equity and cost methods found in Statement 62, the Board tentatively decided to propose that investments in certain entities that calculate net asset value per share not be eligible for the equity method. Likewise, common stock investments held by endowments would not be eligible for the equity method. These foregoing investments would be measured at their fair values.

Reversing a previous tentative decision, the Board tentatively agreed not to replace the term *investment* and related terms. Instead, the Board proposed that clarifying language be added to Statement 62. If a government owns common stock that meets the criteria for the equity method and that ownership does not meet the definition of an investment, the equity method may nevertheless be applied. The Board also tentatively decided to propose the elimination of the cost method from GASB guidance for investments in common stock.

Next, the Board tentatively decided to reverse two other previous tentative decisions. First, the Preliminary Views would remain silent as to whether split-use property should be allocated according to its uses to be consistent with a previous tentative decision not to bifurcate assets to determine if the definition of investment would apply. Second, the Preliminary Views would provide no specific guidance on present value techniques. Guidance is expected to be provided in a future project that specifically addresses present value.

The Board also tentatively decided to propose that transaction costs be reported as period costs and not be taken into account in fair value measurements. To be consistent with this tentative position, the existing provisions for defined benefit pension and OPEB plans—in which transaction costs currently reduce fair value measurements—would be proposed to be changed accordingly. The Board considered transition guidance and tentatively agreed to propose that the transition provision be prospective application with an option to apply fair value retrospectively.

After considering the potential benefits of conducting further constituent outreach activities that would result from an additional step to the project’s due process, the Board tentatively decided to issue a Preliminary Views—rather than an Exposure Draft—in June 2013.

***GAAP Hierarchy***

After adding a second level to the authoritative section of the GAAP hierarchy at the February 2013 meeting, the Board tentatively agreed to propose retaining GASB Technical Bulletins in this level.

The Board also addressed the placement of the *Comprehensive Implementation Guide* (CIG) and tentatively decided to propose the promotion of the CIG to the second level of authoritative literature. The Board also tentatively agreed to propose that Technical Bulletins and the CIG remain staff documents subject to clearance by the Board.

Based on the revised methodology for analyzing the CIG on an individual question-and-answer (Q&A) basis identified at the February 2013 meeting, the Board reconsidered specific questions in Chapters 2, “Cash Flows Reporting,” 3, “Risk Financing and Related Insurance Issues,” and 4, “The Financial Reporting Entity,” of the CIG. The Board concluded discussions of the GAAP Hierarchy project by providing comments and suggestions regarding the staff analysis of Chapters 9, “The Statistical Section,” and Z, “Other Implementation Guidance,” of the CIG on an individual Q&A basis.

***Implementation Guide—Financial Reporting for Pension Plans***

The Board evaluated a list of potential illustrative material to accompany the illustrations originally presented in Statement No. 67, *Financial Reporting for Pension Plans,* in an Implementation Guide to that Statement. The Board tentatively agreed that the following illustrations should be included:

• An expansion of the illustration of the discount rate “crossover” calculation that was presented in Statement 67 to present data for all years of the calculation

• A crosswalk showing the relationship between amounts displayed in plan financial statements and the amounts used as the beginning and ending fair values of investments in the calculation of the money-weighted rate of return on pension plan investments.

***Other Postemployment Benefits***

In the discussion of issues related to the timing and frequency of the measurement of a single or agent employer’s defined benefit OPEB liability, the Board tentatively decided to propose that an employer’s net OPEB liability be measured as of a date no earlier than the single or agent employer’s prior fiscal year-end, consistently applied from period-to-period. The Board also tentatively decided to propose that the frequency of actuarial valuations used to determine a single or agent employer’s net OPEB liability be at least biennial. In addition, the Board tentatively decided to propose that the timing of actuarial valuations used to determine a single or agent employer’s net OPEB liability be no more than 30 months and 1 day earlier than the employer’s most recent fiscal year-end. In circumstances in which the actuarial valuation date is not the measurement date, the Board tentatively decided to propose that update procedures be used to roll forward the information to the measurement date.

Next, the Board discussed issues related to the recognition of expense related to a single or agent employer’s defined benefit OPEB obligations. The Board tentatively decided to propose that contributions to an OPEB plan trust from an employer be considered a liquidation of the employer’s liability. The Board also tentatively decided to propose that the difference between the projected and actual investment return on OPEB plan assets be recognized as a deferred outflow of resources or as a deferred inflow of resources and be recognized as OPEB expense over a closed five-year period, beginning in the current period.

Regarding the effects of changes in the total OPEB liability on the measurement of a single or agent employer’s net OPEB liability, the Board tentatively decided to propose that differences between expected and actual experience with regard to economic or demographic factors and changes of assumptions about future economic or demographic factors or of other inputs be recognized as deferred outflows of resources or deferred inflows of resources. The Board tentatively decided to propose that deferred outflows of resources and deferred inflows of resources resulting from differences between expected and actual experience and changes in assumptions be recognized as OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all OPEB plan participants, determined as of the beginning of the measurement period. The Board tentatively decided to propose that the effects of all other changes in the total OPEB liability on the measurement of the net OPEB liability be recognized in OPEB expense in the current reporting period.

Finally, the Board tentatively agreed to propose that contributions to an OPEB plan from a single or agent employer subsequent to the measurement date of the net OPEB liability and before the end of the employer’s reporting period be reported as a deferred outflow of resources.

***Technical Plan***

The Board reviewed the proposed technical plan for the second third of 2013, including the proposed addition of a Leases project to the major project portion of the current technical agenda and a Pension—Technical Correction project to the practice issues portion of the current technical agenda.

After discussing these potential projects and adjustments to the Fair Value Measurement and Application project timetable that would be made as a result of the Board’s earlier decision to add a Preliminary Views to the Fair Value project’s due process, the Board unanimously approved the technical plan, including the two new current agenda items and the revisions to accommodate the addition of a Preliminary Views to the Fair Value project plan. (Please see the article on the project additions on page X.)

***Projects Added to Current Technical Agenda—Leases and Pensions—Technical Correction***

In April, after consultation with the Governmental Accounting Standards Advisory Council, the Board voted unanimously to add items addressing leases and a technical correction to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, to the current technical agenda.*

The Leases project was elevated from the research agenda, and the Pensions—Technical Correction project arose from an issue that was brought to the staff’s attention through the technical inquiry process.

***Leases—Reexamination of NCGA Statement 5 and GASB Statement 13***

The objective of the Leases project is to reexamine issues associated with lease accounting and to consider improvements to the existing guidance within the context of the government environment. This project will provide a basis for the Board to consider whether current leases meet the definitions of assets and liabilities.

Current guidance is provided by National Council on Governmental Accounting (NCGA) Statement 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments,* GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Statement 62 incorporates the provisions of FASB Statement No. 13, *Accounting for Leases,* as amended and interpreted, into the GASB’s authoritative literature.

A major focus of the Leases project will be on the forms of financial reporting display and disclosure that would meet the essential needs of financial statement users. Areas of particular emphasis will include potential changes to the current model of classifying leases into operating and capital categories (and the different associated accounting treatments) as well as the evaluation of existing lease guidance against the revised definitions of assets and liabilities and considering whether current treatment of leases is consistent with those financial statement elements.

Board deliberations on the project are due to begin in June with an overview of the Financial Accounting Standards Board proposed lease accounting standards that are expected to be reexposed for comment in May 2013. Issuance of a GASB Exposure Draft is scheduled for December 2014.

***Pensions—Technical Correction***

The objective of this narrowly scoped practice issue is to address an issue in Statement 68 for which the Board believes a technical correction may be needed.

Paragraph 137 of Statement 68 requires that if determination of the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions is not practical at the beginning of the period when the provisions of Statement 68 are adopted, beginning balances of deferred outflows of resources and deferred inflows of resources should not be reported. Statement 68 also permits an employer to recognize a net pension liability measured as of a date one year prior to its fiscal year-end and requires that, on an ongoing basis, employer contributions made subsequent to the measurement date but before the end of the employer’s fiscal year be reported as a deferred outflow of resources until the contributions are reflected in the net pension liability. Statement 68 also prohibits recognizing the effect of employer contributions in pension expense.

However, in circumstances in which all deferred outflows of resources and deferred inflows of resources related to pensions cannot be determined as of the beginning of the initial implementation period, the application of the Statement provision could result in a significant understatement of the restated net position and a significant understatement of expense in the first year of implementation.

Board deliberations on the project, which are intended to address and resolve the related inconsistency in the Statement, are due to begin in May. An Exposure Draft is scheduled for issuance in June. A final Statement is scheduled for issuance prior to the end of 2013.

An overview of the GASB’s current technical agenda

***GASB Current Technical Agenda: Overview*** (As of 4/19/13)

**Issued**  **To Be Issued Staff/Consultant Phone\***

**Project ITC/PV ED DPD/PV ED Final Assigned Extension**

Conceptual Framework—

Measurement 6/11 — — 2Q13 1Q14 Roberta Reese 324

Ken Schermann 206

Recognition 6/11 — — 1Q14 1Q15 Paul Nabhan 303

Economic Condition Reporting— 11/11 — — TBD TBD Lisa Parker 351

Financial Projections Dean Mead 294

Theodore Minch 228

Jay Fountain (consultant)

Fair Value Measurement and — — 2Q13 2Q14 4Q14 Randy Finden 240

Application Deborah Beams 210

Janalyn Guo 227

Nonexchange Financial Guarantees — 6/12 — — 2Q13 Deborah Beams 210

Scott Reeser 448

Randy Finden 240

Ken Schermann 206

Joe Ammon 216

Leases — — — 4Q14 4Q15 Deborah Beams 210

Randy Finden 240

Ken Schermann 206

Joseph Ammon 216

Postemployment Benefits Accounting

and Financial Reporting:

Other Postemployment Benefits — — — 2Q14 2Q15 Scott Reeser 448

Accounting and Financial Roberta Reese 324

Reporting Michelle Czerkawski 293

Erin Bojarzin 441

*\*(203) 847-0700*

*ED: Exposure Draft Final: Statement, unless otherwise noted*

*DPD: Due Process Document PV: Preliminary Views*

*ITC: Invitation to Comment TBD: To be determined*

***GASB Current Technical Agenda: Overview*** (As of 4/19/13)

**Issued**  **To Be Issued Staff/Consultant Phone\***

**Project ITC/PV ED ITC/PV ED Final Assigned Extension**

**Practice Issues:**

Comprehensive Implementation Guide— Michelle Czerkawski 293

Annual Update — — — — 3Q13 Ken Schermann 206

Randy Finden 240

Dean Mead 294

Roberta Reese 324

Scott Reeser 448

Paul Nabhan 303

GAAP Hierarchy — — — 1Q14 2Q15 Blake Rodgers 253

Michelle Czerkawski 293

Ken Schermann 206

Kelly Amos 308

Implementation Guide—

Pension Accounting and Financial Reporting

Plan Reporting — — — — 2Q13 Michelle Czerkawski 293

Roberta Reese 324

Employer Reporting — — — — 1Q14 Kelly Amos 308

Pensions—Technical Correction — — — 2Q13 4Q13 Michelle Czerkawski 293

Kelly Amos 308

*\*(203) 847-0700*

*ED: Exposure Draft Final: Statement, unless otherwise noted*

*PV: Preliminary Views ITC: Invitation to Comment*

***Technical Plan for the Second Four Months of 2013***

At its April meeting, the Board approved the following technical plan for the second third of 2013.

***Projects Added to Current Agenda***

The technical plan for the second third of 2013 includes a new project on accounting and financial reporting for leases as well as the addition of a practice issue addressing a technical correction related to pensions. (Please see the related article on page X.)

The technical plan anticipates, in addition to the continued deliberation of projects on the GASB’s current technical agenda, the issuance of a final Statement, *Accounting and Financial Reporting for Nonexchange Financial Guarantees;* Exposure Drafts addressing Measurement under the Conceptual Framework and Pensions—Technical Correction; a Preliminary Views on Fair Value Measurement and Application; and the issuance of an Implementation Guide on Statement No. 67, *Financial Reporting for Pension Plans.*

A summary of the objectives and status of each of the projects on the Board’s current technical agenda, as well as summary information about projects that comprise the research portion of its technical plan, is presented below. Additional information about all of the Board’s projects is included in the GASB’s technical plan for the second third of 2013, which can be viewed or downloaded at the GASB website at www.gasb.org.

***Current Agenda Projects***

***Conceptual Framework—Recognition and Measurement***

***Primary Objectives:*** This project has two primary objectives, which will be addressed in two subprojects. The first objective is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and when that information should be reported. The second objective is to consider the measurement concepts that should be used in governmental financial statements. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements and a Concepts Statement on measurement.

***Looking Ahead:*** During the second third of 2013, the Board is scheduled to issue an Exposure Draft on measurement.

***Economic Condition Reporting—Financial Projections***

***Primary Objective:*** The objective of this project is to consider whether guidance or guidelines should be provided for additional information about economic condition, particularly financial projections, as part of general purpose external financial reporting.

This project also will include consideration of information financial statement users identified as necessary to assess the risks associated with a government’s intergovernmental financial dependencies.

***Looking Ahead:*** Board deliberations on this project have been placed on hold pending resolution of issues relating to GASB’s scope.

***Fair Value Measurement and Application***

***Primary Objective:*** The objective of this project is to review and consider alternatives for the further development of the definition of fair value, the methods used to measure fair value, the applicability of fair value guidance to investments and other items currently reported at fair value, and potential disclosures about fair value measurements.

***Looking Ahead:*** During the second third of 2013, the Board is scheduled to issue a Preliminary Views on Fair Value Measurement and Application.

***Leases***

***Primary Objective:*** The objective of this project is to reexamine issues associated with lease accounting, consider improvements to existing guidance, and provide a basis for the Board to consider whether the current guidance is appropriate based on the definitions of assets and liabilities.

***Looking Ahead:*** During the second third of 2013, a project task force will be formed, and the Board will consider issues related to the scope of the project.

***Postemployment Benefits Accounting and Financial Reporting: Other Postemployment Benefits Accounting and Financial Reporting***

***Primary Objective:*** The Board will consider the possibility of improvements to the existing standards of accounting and financial reporting for other postemployment benefits (OPEB) by state and local governmental employers and by the trustees, administrators, or sponsors of OPEB plans. One objective of this project is to improve the *accountability* and transparency of financial reporting in regard to the financial effects of employers’ commitments and actions related to OPEB. This objective would include improving the information provided to help financial report users assess the degree to which *interperiod equity* has been achieved. The other objective of this project is to improve the *usefulness of* information for decisions or judgments of relevance to the various users of the general purpose external financial reports of governmental employers and OPEB plans.

***Looking Ahead:*** During the second third of 2013, the Board is scheduled to deliberate issues related to the implicit rate subsidy and the alternative measurement method.

***Practice Issues***

***Comprehensive Implementation Guide—Update:*** The objective of this project is to update the *Comprehensive Implementation Guide* for the effects of new pronouncements and for additional issues that have come to the attention of the staff. The staff will develop materials for the 2013–2014 guide during the second third of 2013 for review by the project advisory committee, and the Board will consider the Update for clearance.

***GAAP Hierarchy:*** The objective of this project is to consider possible modifications to the GAAP hierarchy, as set forth in Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* During the second third of 2013, the Board will review various chapters of the current *Comprehensive Implementation Guide.*

***Implementation Guide—Pension Accounting and Financial Reporting:*** The objective of this project is to publish guidance to assist pension plans, employers, and governmental nonemployer contributing entities as they prepare to implement Statement No. 67, *Financial Reporting for Pension Plans,* or Statement No. 68, *Accounting and Financial Reporting for Pensions.* During the second third of 2013, the guide on *Financial Reporting for Pension Plans* is scheduled to be considered for clearance by the Board and is scheduled to be released in June. The staff also will develop additional material for the employer guide for review by the project advisory committee.

***Pensions—Technical Correction:*** The objective of this project is to address an issue in Statement 68 for which a technical correction is needed. During the second third of 2013, the Board will discuss the technical matter at issue and consider for approval an Exposure Draft that is scheduled to be released in June 2013.

***Research Projects***

***Electronic Financial Reporting:*** The objective of this research project is to monitor the effect of electronic media on information delivery and user needs. Extensive research into the evolving state of the art in electronic financial reporting by state and local governments will provide the Board with a basis for evaluating the need to develop standards for financial reports intended for this communication medium.

***Fiduciary Responsibilities:*** The objective of this research project is to assess whether additional guidance should be developed regarding the application of the *fiduciary responsibility* criterion in deciding whether and how governments should report fiduciary activities in their financial reports. Existing standards do not provide a basis for a clear answer to those questions, and thus there has been diversity in practice regarding the interpretation of governments’ fiduciary responsibilities.

***Tax Abatement Disclosures:*** The objective of this research project is to consider providing disclosure guidance for governments that have granted tax abatements subsidies. Tax abatements are a reduction of or exemption from taxes, offered by a government to a specific taxpayer, typically for the purpose of spurring economic development. They are generally applied to ad valorem taxes, in particular property taxes.

***The GASB Report***

The GASB welcomes feedback on *The GASB Report.*

Managing Editor: Christine L. Klimek

Email: [clklimek@f-a-f.org](mailto:clklimek@f-a-f.org)

Editor: Kip Betz Email: [jcbetz@gasb.org](mailto:jcbetz@gasb.org)

Write: 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116

Telephone: (203) 847-0700

GASB website address: www.gasb.org

***Subscription questions and address changes:***

Barbara Diliberto

Email: [bldiliberto@f-a-f.org](mailto:bldiliberto@f-a-f.org)

Fax: (203) 847-6045

***To order GASB publications:***

(800) 748-0659 or www.gasb.org