

GASB 100 Accounting Changes and Error Corrections

Q1 **GASB Statement No. 100 *Accounting Changes and Error Corrections* an amendment of *GASB Statement No. 62* is effective for fiscal years beginning after June 15, 2023 (Ohio governments are required to implement GASB 100 beginning with fiscal years ended June 30, 2024, and calendar years ending December 31, 2024). What are the reporting requirements for regulatory and OCBOA filers?**

GASB 100 defines accounting changes (including changes in accounting principles, changes in accounting estimate and changes to or within the financial reporting entity) and error corrections. GASB 100 paragraph 31, requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable to be displayed in the financial statements for each reporting unit. Note disclosure is also required, if the government has separately displayed in the financial statements the effects of each accounting change or error correction by reporting unit those effects need not be repeated in the notes to the financial statements. These GAAP display requirements apply to OCBOA statements. However, for regulatory filers note disclosure is sufficient and no financial display is necessary.

For Schools (and other entities with a fiscal year end other than June 30), sample display requirements can be found in the [School](#) OCBOA Statements, a sample GASB 100 OCBOA note can be found in the [School](#) OCBOA Notes, and a sample GASB 100 regulatory note can be found in the [Generic Special Purpose Government](#) Regulatory notes. There are no changes in display requirements for regulatory filers. The regulatory and OCBOA shells for December 31 year end will be updated by the end of the year. Sample GAAP disclosure will be added to this document.

Q2 **GASB 100 is an amendment of GASB Statement No. 62. What are the most significant changes to GAAP/OCBOA statements resulting from GASB 100?**

The major changes all GAAP/OCBOA financial statement preparers should be aware of include:

- GASB 100 updates the definitions of accounting changes (including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity) and error corrections
- A change in a fund's presentation as major/nonmajor is a change to or within the financial reporting entity.
- GASB 100 provides specific accounting and financial reporting guidance for accounting changes and error corrections, including:
 - a change in accounting principle should be done retroactively by restating beginning net position, fund balance or fund net position,
 - absent any other specific requirements, a change in accounting estimate should be done prospectively,
 - a change to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period.
 - an error correction should be reported retroactively by restating beginning net position, fund balance, and fund net position, as applicable, for the cumulative effect of the error correction on prior periods.
- GASB 100 requires adjustments and restatements from accounting changes and error corrections to be displayed on the face of the financial statements. The beginning balance as previously reported will be presented along with the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position.

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- GASB 100 requires the face of the financial statement to reflect the movement of funds between major and nonmajor to be included in this aggregate adjustment amount. The beginning balance as previously reported will reflect the major/nonmajor presentation as reported in the prior financial statements and will then show an adjustment to reflect the new major/nonmajor presentation.
- The effects of accounting changes and error corrections on beginning net position, fund balance or fund net position should be disclosed in the notes in a tabular format that reconciles beginning balances as previously reported to beginning balances as adjusted or restated for each reporting unit. If the government has separately displayed in the financial statements the effects of each accounting change or error correction by reporting unit, those effects need not be repeated in notes to financial statements.
- GASB 100 provides specific display/disclosure requirements when amounts are restated. Captioning items as restated beyond those items prescribed by GASB 100 is a matter of professional judgment. Disclosure requirements for capital assets and long-term obligations include, “Beginning- and end-of-year balances.” (See GASB Codification 2300.118a) If this disclosure requirement uses a beginning balance captioned as January 1 or July 1 (rather than December 31 or June 30), the “restated” label should not be used.
- GASB 100 provides specific guidance related to RSI and SI where previously none was provided, including:
 - There is specific guidance related to how accounting changes and error corrections are to be presented in the MD&A. For periods earlier than those presented in the financial statements, changes in accounting principle and changes to or within the financial reporting entity should not be restated. If an error affects periods earlier than those presented in the basic financial statements, all affected information should be corrected by restating the information for those prior periods. See GASB 100 for guidance if preparing comparative financial statements.
 - GASB 100 guidance related to supplementary information is intended to include the statistical section. (See GASB 44 ¶2)

Q3 Where can I find the definitions; accounting and financial reporting treatment; note disclosure requirements; and required supplementary information and supplementary information requirements related to *accounting changes* (changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity) and *error corrections*?

GASB Statement No. 100, Accounting Changes and Error Corrections can be found on [GASB's Website](#).