



# North Carolina Office of the State Controller

## Financial Reporting Update

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### **GASB 62 Effective for FY 2013**

**March 15, 2013 – Contact: Terri Noblin, Manager, Accounting & Financial Reporting (919) 707-0526**

In December 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This pronouncement significantly reduces the need to rely on sources outside of the GASB's literature to locate the necessary accounting guidance for the governmental environment.

GASB 62 is effective for the fiscal year ending June 30, 2013. This new standard incorporates into the GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The guidance generally has been taken "as-is" from the original FASB and AICPA pronouncements, except a few provisions that have been modified where necessary to relate specifically to the governmental environment.

By consolidating this GAAP for state and local governments into a single codification, the GASB is making the process of identifying relevant "category (a)" literature much less complex and time-consuming, while simultaneously improving the consistency of applying the literature. Identifying the applicable guidance will no longer be a daunting task for preparers and auditors. Because financial statement preparers and auditors would no longer have to search through various sources to determine which pronouncements apply to state and local governments, more consistent application of the relevant guidance is expected to result. Users of financial statements would benefit from this enhanced consistency.

The standards section of GASB 62 contains more than 500 paragraphs. Nonetheless, the implementation of this new standard should have minimal impact on most state and local governments.

To gain additional understanding of GASB 62, please refer to the following resources:

- a. GASB "plain language" article on GASB 62 – [GASB Statement Codifies FASB and AICPA Pronouncements Applicable to State and Local Governments](#)
- b. AICPA Government Brief on GASB 62 – [GASB Standard Identifies Applicable FASB and AICPA Accounting Literature](#)
- c. Article on NACUBO website – [New GASB Standard Codifies Accounting](#)
- d. The GASB webpage from which you may access a PDF file of GASB 62 as well other GASB pronouncements – [GASB Pronouncements](#)

Thank you for your time and attention to this important change. Questions regarding this specific update should be directed to Prabhavathi Vijayaraghavan at 919-707-0527 or [Prabhavathi.vijayaraghavan@osc.nc.gov](mailto:Prabhavathi.vijayaraghavan@osc.nc.gov)