June 2014

THE GASB’S OPEB PROPOSALS:
WHAT FINANCIAL STATEMENT USERS NEED TO KNOW

In May 2014, the Governmental Accounting Standards Board (GASB) proposed new accounting and financial reporting standards for other postemployment benefits (OPEB) promised by state and local governments to their employees. OPEB is composed of all benefits other than pensions and termination benefits that are provided to retirees—most notably, retiree health insurance.

The GASB is proposing that OPEB be accounted for and reported based on essentially the same approach and methods as the GASB recently required for pension benefits under GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The pension standards were approved in June 2012 and are being implemented for fiscal years beginning July 1, 2014, and later.

This article summarizes in plain language the major provisions of the GASB’s OPEB proposals. It is intended for people who use financial information about governments to make decisions, perform analyses, or hold governments accountable—such as municipal bond analysts at rating agencies and mutual funds, legislators and legislative staff at various levels of government, members of oversight bodies, and staff at citizen groups and taxpayer associations. The article concludes with information about how you can give the GASB feedback on its OPEB proposals and, thereby, assist the GASB in finalizing the standards.

WHO THE PROPOSAL APPLIES TO

The GASB is proposing standards for OPEB that is administered through a trust in which all three of the following conditions are met:

- Contributions to the trust from the employer government or other entities (see the discussion of special funding situations below) are irrecoverable, meaning that once the government transfers resources to the trust, it generally cannot get them back.
- The sole purpose of the assets in the trust is to provide benefits under the terms of the OPEB plan.
• Assets in the trust are protected from creditors of (a) the employer government, (b) other contributing entities, (c) the plan administrator, and (d) the plan members (for defined benefit plans).

The proposal also provides separate guidance for governments that provide OPEB through an arrangement other than one that meets those three criteria. This is important because, unlike pensions, most governments do not provide OPEB through a trust meeting the criteria. In addition, the proposal contains guidance for governments that are responsible for the OPEB benefits of another entity’s employees—a circumstance called a special funding situation.

THE OPEB LIABILITY

OPEB is a form of compensation, like salaries and pensions, which governments provide to their employees in return for work. Consequently, like salaries, the costs and obligations associated with OPEB should be recorded as it is earned by the employees, rather than when contributions are made by the government to an OPEB plan or when benefit payments are made to retirees. The GASB’s proposals for new OPEB standards are constructed on this basic understanding of the OPEB transaction.

Is OPEB a Liability?

A key question is whether governments should report a long-term liability related to their promise to provide OPEB to their employees and retirees. The GASB defines a liability as “a present obligation to sacrifice resources that a government has little or no discretion to avoid.” The concepts that serve as the basis for the GASB’s standards-setting also state that, if an item meets the definition of a liability, it should be recognized in the financial statements, rather than disclosed in the notes to the financial statements.

OPEB generally does not have the same legal protections against being changed or eliminated that pensions have. Consequently, some people believe that governments should not have to report their OPEB as a liability in the financial statements. However, legal obligations are not the only kind of obligations that are reported as liabilities; obligations also may be social or moral. Rather than a legal liability, social and moral obligations may represent constructive liabilities for a government, which often arise from exchange transactions (such as a government compensating its employees for their work).

In the absence of a legal obligation, it may be possible that a government could, if it wished, stop making payments toward OPEB in the future. However, as historical documents, financial statements report on a government’s finances as they were on a certain date (generally the fiscal year-end) or during a particular period (generally the fiscal year). Therefore, the fact that a government’s promise to provide OPEB was intact as of the date of the financial statements means that the government had an obligation at that time, regardless of whether it could alter or eliminate the obligation in the future.
Reporting the OPEB Liability

The fact that OPEB earned today is not received by the employees until some point in the future when they retire means that a government has an obligation now to provide those benefits at that future time. The GASB considered a government’s obligation to provide OPEB in light of the definition of a liability, looking both at the overall obligation and the net obligation (the overall obligation minus the assets accumulated in an OPEB plan).

The GASB concluded that a government (the employer) that provides OPEB to its employees is responsible for the net obligation and would report that obligation as a liability in its financial statements. This liability would be called the net OPEB liability.

The overall obligation for OPEB is referred to in the proposed standards as the total OPEB liability. Governments that do not accumulate assets in a trust that meets the criteria described earlier would report the total OPEB liability in their financial statements.

For example, if on a given date the obligation for OPEB equals $1 million and the value of the net position of the OPEB plan equals $100,000, then the employer government would report the difference of $900,000 as a net OPEB liability in its financial statements. If, on the other hand, the employer government did not provide OPEB through a trust meeting the criteria, it would report the entire $1 million as its liability.

Any liability that a government has to an OPEB plan, such as contributions that are due but have not yet been made, would be reported separately from the net OPEB liability.

MEASURING A GOVERNMENT’S TOTAL OPEB LIABILITY

The process of calculating the amount of the total OPEB liability essentially involves three steps (generally performed as part of an actuarial valuation):

1. Projecting benefit payments
2. Discounting the projected benefit payments to their actuarial present value (their estimated value in today’s dollars)
3. Attributing the actuarial present value of projected benefit payments to past and future years during which employees have worked or are expected to work.

The portion of the present value attributed to periods of work provided by employees in the current and prior years is a government’s total OPEB liability.

Projecting OPEB Payments

The actuarial process is complex. For example, projections are made using assumptions regarding the factors that affect the cost of benefits for employees and
their beneficiaries in the future. The assumptions are based on historical experience and expectations about the future. These factors may include, but are not limited to:

- How fast the cost of healthcare will rise
- How many employees of a government are expected to receive benefits
- How long employees are expected to work for the government
- How long employees are expected to live after beginning to receive benefit payments.

Under the GASB’s proposals, all assumptions would be consistent with Actuarial Standards of Practice as issued by the Actuarial Standards Board, unless otherwise specified by the GASB.

Based on the career-long relationship that is being measured, the GASB also proposes to continue the current practice of incorporating expectations of future employment-related events (such as salary increases and years of continuing employment until retirement) into projections of benefit payments to the extent that they are relevant to the determination of the amount of benefits. How much they earned in the final years of their employment is a key determinant of the amounts that retirees will receive for pensions, though it may be less significant to projections of OPEB.

The GASB’s proposal also would require projections of OPEB payments to include certain taxes or other assessments expected to be imposed on the benefits provided (such as those associated with the Affordable Care Act). Projected OPEB payments would not be reduced by subsidies expected to be received for providing benefits, except for those from the federal government for providing Medicare benefits.

**Implicit Rate Subsidy**

In health insurance plans in which a government’s active and inactive employees are insured together as a group, the premiums paid by the inactive employees might be lower than they would have been if the inactive employees were insured separately—this is sometimes referred to as an implicit rate subsidy.

Some believe that if the inactive employees pay 100 percent of their premiums without a specific contribution from the employer, then the employer should not be required to treat the implicit rate subsidy as OPEB. However, the GASB concluded when developing the existing OPEB standards that exempting governments from including an implicit rate subsidy in their OPEB calculations could result in the annual cost and long-term obligations of their OPEB being significantly understated. If a government pays for all or part of the premiums of active employees, the premiums it pays are higher than they would be if the active employees were insured separately. The additional active-employee premiums the government pays are essentially its subsidy of the inactive employees’ premiums.
Implicit rate subsidies are, therefore, required to be included by governments as OPEB when projecting future benefit payments. The GASB has proposed continuing this treatment of implicit rate subsidies.

**Cost-of-Living Adjustments**

Some OPEB include provisions for adjusting benefits to help keep pace with rising prices—automatic cost-of-living adjustments (COLAs). Some OPEB also include provisions for other automatic changes in benefit payments at a future date. Ad hoc COLAs and other changes in benefit payments are not written into the OPEB provisions; they are made at the discretion of the government. Automatic COLAs and other changes in benefit payments are currently included in projections of benefit payments, but ad hoc COLAs and other changes in benefit payments are not.

The GASB is proposing that ad hoc COLAs and other changes in benefit payments also would be included in benefit projections if an employer’s past practice and future expectations of granting them indicate that they effectively have become automatic.

The implication of this proposal is that, for some employers, the amount of projected benefit payments would be greater than under current standards. As a result, the actuarial present value of the future benefit payments and the OPEB liability to be reported by those governments also would be larger. The GASB believes that this would be a more accurate reflection of the total obligation of a government that provides ad hoc COLAs and other changes in benefit payments in a virtually automatic manner.

**Discounting Projected Benefit Payments**

If you were to try to calculate how much you would receive in the future if you invested a certain amount today, you would need to determine how much the investment would earn—its rate of return. For any given amount invested today, a higher rate of return results in larger future earnings. Alternatively, for any given payments to be received in the future, a lower rate of return would require you to invest a larger amount today. For example, if you wanted to receive annual payments of $100 for each of the next 10 years, and the rate were 6 percent, then you would need to invest about $736. However, if the rate were 3 percent, then you would need to invest more—about $853.

The process of converting or discounting projected benefit payments into their actuarial present value requires assuming a rate of return or discount rate.

The GASB’s new proposal for selecting a discount rate has some similarities to the present discounting approach; however, the proposed approach provides more detail regarding the weighting approach to be used. Under the GASB’s proposal, governments would project the OPEB payments expected to be made in each year and the amount of plan assets available for providing those benefits to current active and inactive employees and their beneficiaries. The projection of plan assets would include assumptions about earnings on the plan’s investments and contributions from the
government, current employees, and other contributing entities. The latter assumption would be based on actual contribution experience and the government’s current policies. For example, if a government has consistently adhered to a contribution policy of making its full actuarially calculated contribution each year and there are no indications that policy will not be followed in the future, then the projections would assume that the government will continue to make its full actuarially calculated contributions. If, however, a government’s contribution policy is pay-as-you-go, then the projections of future contributions would be based on that policy.

As long as plan assets related to current active and inactive employees and their beneficiaries are projected to be sufficient to make the projected benefit payments for those individuals, governments would discount those projected benefit payments using the long-term expected rate of return.

For some governments, however, there will be a point (called the crossover point) at which the plan assets are projected not to be sufficient for making projected benefit payments to current active and inactive employees and their beneficiaries. The GASB believes that the projected benefit payments that occur at that point (and later) take on attributes that are similar to other forms of debt. In this circumstance, the discount rate would be based on a tax-exempt, high-quality 20-year general obligation municipal bond index rate. High-quality would be defined as being rated AA or higher (or an equivalent rating).

For an OPEB plan with no assets held in trust—which is most common—all projected benefit payments would be discounted using the municipal bond rate.

The impact of the proposed changes in selecting a discount rate depends on (1) whether a government has a crossover point and, therefore, will use the municipal bond index rate and (2) if the municipal bond index rate is higher or lower than the discount rate the government is currently using.

Attributing Present Value to Specific Periods

After the projected benefit payments have been discounted to their present value, they are attributed to periods related to the years when the employees worked or are expected to work for a government and earn the benefits. For accounting and financial reporting purposes, governments can now choose among six methods for attributing the present value of benefit payments to specific years.

The way in which the present value is divided among prior and future years has an effect on the amounts of the benefits that are identified as being related to services in each period and, therefore, the amount reported as OPEB expense in the financial statements. In addition, the method of attribution affects the amount of the benefits assigned to past periods—the total OPEB liability.

The attribution of the present value of benefit payments currently is done either in level dollar amounts or as a level percentage of projected payroll. The level dollar method divides the liability into equal dollar amounts over the selected number of
years. The level percentage method calculates payments so that they equal a constant percentage of projected payroll over time.

*The GASB is proposing that all governments use a single method of attributing the actuarial present value of benefit payments—known as the entry age actuarial cost method—and that they do so as a level percentage of payroll.* Under this method, projected benefit payments are discounted to their actuarial present value as of when the employee first began to earn benefits and attributed to the employee’s expected periods of employment until they leave the government.

The GASB believes the attribution pattern that results from use of the entry age actuarial cost method and level percentage of payroll is more representative of how OPEB is earned. In other words, the pattern reflects the ongoing annual exchange of service for benefits over the course of an employee’s period of employment in amounts that keep pace with the employee’s projected salary over that period.

In addition, the GASB believes that moving from a choice among six attribution methods to a single required method would result in a significant improvement in the comparability of OPEB information.

**Frequency and Timing of Measurement**

The present requirement is that actuarial valuations be conducted at least every two years for most governments and at least every three years for OPEB plans with fewer than 200 members. *The GASB is proposing that all OPEB plans conduct a valuation at least every two years, regardless of size.*

The information that governments would be required to present under the proposals—such as the OPEB liability—would be measured as of date no earlier than one year before their fiscal year-end. For practical reasons, this date—the measurement date—is likely to be earlier than the fiscal year-end. The measurement information would come from either:

- An actuarial valuation conducted as of the government’s measurement date, or
- An update that rolls forward information from an actuarial valuation conducted no more than 30 months prior to the government’s fiscal year-end.

**Alternative Measurement Method**

Under existing standards, certain governments in single-employer and agent multiple-employer plans may use simplified methods and assumptions to measure the OPEB liability in lieu of measurements from an actuarial valuation. To be eligible to use the alternative measurement method, a government’s own plan must have fewer than 100 members.

*The GASB is proposing that governments be allowed to use a similar alternative measurement method under the proposed standards if the plan through which they provide benefits has fewer than 100 plan members.*
MEASURING OPEB EXPENSE

The amount a government reports as OPEB expense in the financial statements is the product of a variety of factors, including the following:

1. Employees work and earn additional benefits
2. Interest on the outstanding liability
3. Changes in the measurement of the total OPEB liability due to:
   a. Actual economic and demographic changes differing from what was assumed (experience gains and losses, such as retirees living longer than projected)
   b. Changes in the assumptions about economic and demographic factors
   c. Changes in the terms of the OPEB benefits
4. Changes in the measurement of plan net position due to:
   a. Expected investment earnings
   b. The difference between actual investment earnings and what was expected.
   c. Effects other than investment earnings, if any.

At present, 1, 2, and 4a are normally incorporated into the calculation of OPEB expense immediately. All other inputs are introduced into expense over a period of up to 30 years.

The GASB is proposing that, in addition to 1, 2, and 4a, governments would immediately incorporate 3c and 4c into OPEB expense.

Governments would not incorporate all of 3a, 3b, and 4b into expense immediately:

- Beginning in the first year, governments would introduce the amount of 3a and 3b into OPEB expense systematically and rationally over the average of the remaining years of employment of active and inactive employees (inactive employees are usually retirees).
- Beginning in the first year, the amount of 4b would be introduced into OPEB expense over a closed five-year period.
- The portions of 3a, 3b, and 4b not yet recognized as expense would be reported as a deferred outflow of resources or deferred inflow of resources related to OPEB.

The Board believes that bringing these changes in the pension liability into pension expense over the period when employees continue to earn benefits reflects the Board’s view that OPEB results from a career-long transaction. The relevant assumptions are about events that will take place during the employees’ future years of service; recognizing this part of pension expense over that period is appropriate for assessing whether governments have lived within their means each year—whether they have achieved interperiod equity.

The Board believes that differences between projected and actual investment experience generally will offset over time—earnings in excess of projections in some periods will be offset by earnings shortfalls in other periods, and vice versa.
Incorporating of OPEB liability changes related to investment earnings experience into OPEB expense over five years provides an opportunity for short-term fluctuations to be offset and dampens the volatility of OPEB expense that would otherwise occur as a result of such fluctuations.

The implications of these proposals would be that most governments would recognize amounts as OPEB expense sooner than they do at present. For instance, the full impact of changes in OPEB benefits would be recognized as expense immediately, rather than recognized over as many as 30 years.

GOVERNMENTS IN COST-SHARING MULTIPLE-EMPLOYER OPEB PLANS

As their name indicates, single-employer plans involve only one government; multiple-employer plans include more than one government. Multiple-employer plans that are administered through trusts meeting the required criteria are further classified as either agent multiple-employer plans or cost-sharing multiple-employer plans.

In agent multiple-employer plans, separate accounts are maintained to ensure that each employer’s and employee’s contributions are used to provide benefits only for the employees of that government. Individual employers are responsible only for benefits of their own employees. It is like a collection of single-employer plans. However, to take advantage of economies of scale, the cost of administering the plan is shared by the participating governments, and the plan assets generally are combined for investment purposes.

The issues discussed to this point have related directly to governments participating in single-employer and agent multiple-employer OPEB plans.

In a cost-sharing multiple-employer plan, on the other hand, governments share (1) the costs and risks of providing benefits and administering the plan and (2) the assets accumulated to pay benefits. Generally, the assets in the plan may be used to pay any employee’s benefits, regardless of what participating government they worked for.

The present accounting and financial reporting requirements for governments participating in cost-sharing plans reflect the sharing of risks and assets by not requiring actuarial information to be presented for individual employers. Instead, this information is required to be presented in the cost-sharing OPEB plan’s own financial statements.

However, the needs of the users of financial reports of governments that provide OPEB through cost-sharing plans are substantially the same as the needs of users of financial reports of governments that provide OPEB through single-employer and agent multiple-employer OPEB plans. For instance, users want to know if a government in a cost-sharing plan, like other government employers, incurred an obligation to provide OPEB to employees as they have worked.
The GASB is proposing that a government participating in a cost-sharing OPEB plan report an OPEB liability for its proportionate share of the collective net OPEB liability of all of the governments participating. The GASB is encouraging that governments base the proportion on their long-term expected contributions to the plan divided by those of all governments in the plan. However, governments would be allowed to use a simpler method of determining the proportion.

A government that participates in a cost-sharing OPEB plan also would report OPEB expense and pension-related deferred outflows and inflows of resources based on its proportionate shares of collective OPEB expense and collective deferral balances.

NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION

The GASB’s proposed standards contain requirements for disclosing information in the notes to the financial statements and presenting required supplementary information (RSI) following the notes. Some of the requirements differ based on the type of OPEB plan a government participates in.

Notes to the Financial Statements

All governments participating in a defined benefit OPEB plan would include the following information in their note disclosures:

- Descriptions of the plan, the benefits provided, and the authority establishing the plan and requiring contributions to it (if applicable)
- Significant assumptions employed in the measurement of the total OPEB liability
- Descriptions of benefit changes and changes of assumptions
- With regard to the discount rate:
  - Assumptions about contributions and other projected cash flows (if applicable)
  - The rate(s) selected and the basis for selecting the long-term expected rate of return on plan investments and the municipal bond index rate (if applicable)
  - The projection periods to which each rate was applied
  - A sensitivity analysis that shows the combined effects on the OPEB liability of (1) a 1-percentage-point increase and a 1-percentage-point decrease in the discount rate and (2) a 1-percentage-point increase and a 1-percentage-point decrease in the assumed healthcare cost trend rate
- OPEB expense and the balances of deferred outflows and inflows by source, including the portion of the balances resulting from:
  - Experience gains and losses
  - Changes of assumptions
  - Differences between projected and actual investment earnings
  - Contributions or direct payments of benefits made by the government after the measurement date
- The amounts of the deferrals that will be incorporated into OPEB expense in each of the next five years and in the aggregate for all years beyond that.
For governments in cost-sharing OPEB plans, the disclosure of OPEB expense and the balances of deferred outflows and inflows by source also would include, if applicable, balances resulting from (1) changes of proportion and (2) differences between the proportionate share of contributions and actual contributions.

Governments participating in (1) single-employer or agent multiple-employer OPEB plans or (2) OPEB plans that are not administered through trusts meeting the required criteria also would disclose:

- Numbers of inactive employees or their beneficiaries currently receiving benefits, inactive employees entitled to benefits but not yet receiving them, and active employees covered by the plan
- For the current period, the beginning and ending balances of (a) the total OPEB liability, (b) the plan’s fiduciary net position (if applicable), and (c) the net OPEB liability (if applicable), and the effects on those amounts of items such as service costs, benefit changes, changes of assumptions, benefits paid, contributions, and net investment income (if applicable).

**Required Supplementary Information**

Governments participating in single-employer or agent multiple-employer OPEB plans that are administered through trusts meeting the required criteria would present RSI schedules with the following information for each of the past 10 years.

- The beginning and ending balances of the total OPEB liability, the plan’s fiduciary net position, the net OPEB liability, and the effects on those amounts of items such as service costs, benefit changes, changes of assumptions, contributions, net investment income, and benefits paid (essentially the same information as the current-period note disclosure described above, but for 10 years)
- (a) The total OPEB liability, (b) the plan’s fiduciary net position, (c) the net OPEB liability [(a) minus (b)], (d) ratio of plan fiduciary net position divided by total OPEB liability, (e) covered-employee payroll, and (f) ratio of net OPEB liability divided by covered-employee payroll
- If an actuarially determined OPEB contribution is calculated for any purpose: (a) the actuarially determined employer contribution, (b) amount of employer contributions made, (c) the difference between the contributions made and the actuarially determined contribution, (d) covered-employee payroll, and (e) ratio of the contributions made divided by covered-employee payroll.
- If an actuarially determined OPEB contribution is not calculated: (a) the statutorily or contractually established required employer contribution, (b) amount of employer contributions made, (c) the difference between the contributions made and the required contribution, (d) covered-employee payroll, and (e) ratio of the contributions made divided by covered-employee payroll.

Governments participating in cost-sharing multiple-employer plans would present RSI schedules with the following information for each of the past 10 years:
• (a) The employer’s proportion (percentage) of the collective net OPEB liability, (b) the employer’s proportionate share (amount) of the collective net OPEB liability, (c) the employer’s covered-employee payroll, (d) ratio of the employer’s proportionate share (amount) of the collective net OPEB liability divided by covered-employee payroll, and (e) ratio of the plan’s fiduciary net position divided by the (collective) total OPEB liability.

• If they have a statutorily or contractually established required employer contribution: (a) the statutorily or contractually established required employer contribution, (b) amount of employer contributions made, (c) the difference between the contributions made and the required contribution, (d) covered-employee payroll, and (e) ratio of the contributions made divided by covered-employee payroll.

Governments participating in OPEB plans that are not administered through trusts meeting the required criteria would present RSI schedules with the following information for each of the past 10 years: The beginning and ending balances of the total OPEB liability and the effects on those amounts of items such as service costs, benefit changes, changes of assumptions, and benefits paid.

All governments presenting RSI schedules also would present notes to the schedules regarding:

• Significant assumptions underlying the actuarially calculated contributions (if applicable and if not disclosed elsewhere)
• Certain factors that significantly affect the trends in the schedules, such as changes in benefits.

The information necessary for some of these schedules will not be available for the years prior to implementation of the proposed standards. Therefore, governments would build those 10-year schedules prospectively over time. The information regarding contributions, however, may be available for past years dating back to the implementation of the existing OPEB standards.

SPECIAL FUNDING SITUATIONS

In some OPEB plans, an entity other than the employer government (usually another government) is legally responsible for making direct contributions to the plan, including payments for OPEB as the benefits come due. Furthermore, either the amount for which the nonemployer entity legally is responsible is not dependent upon one or more events unrelated to the OPEB or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to an OPEB plan. For instance, some state governments are legally bound to make contributions to the teacher OPEB plans of independent school districts for some or all of the annual required contribution. Such circumstances are called special funding situations.

Under the GASB’s proposal, a nonemployer entity would report an OPEB liability (and OPEB expense and deferrals) equal to its proportionate share of the employer’s
OPEB liability. This liability would be reported separately from the OPEB liability for the nonemployer entity’s own employees.

The employer benefiting from the special funding situation would report an OPEB liability (and deferrals) that excludes the proportionate share belonging to the nonemployer entity. It would report a revenue equal to the nonemployer entity’s OPEB expense, as it would for an intergovernmental grant.

The GASB would require an employer that has a special funding situation to disclose in notes to financial statements information about the amount of support provided by nonemployer contributing entities and to present similar information about the involvement of those entities in 10-year RSI schedules.

The information that would be required to be disclosed by nonemployer entities in notes to financial statements and presented in RSI would depend on the proportion of the employer’s OPEB liability that it recognizes. If the nonemployer entity recognizes a substantial proportion of the employer’s OPEB liability, it would be required to disclose in notes to financial statements a description of the OPEB, including the types of benefits provided and the employees covered, and the discount rate and assumptions made in the measurement of the OPEB liability. It also would be required to present schedules of required supplementary information similar to those required of a cost-sharing employer. Reduced note disclosures and required supplementary information would be required for nonemployer entities that recognize a less-than-substantial portion of the employer’s OPEB liability.

WHAT COMES NEXT?

When the GASB sets standards, a crucial part of its “due process” activities is the publication of documents for public discussion and comment. As a user of governmental financial information, you can help the GASB to complete this project by reviewing the proposals and letting the GASB know if the information that governments would provide under the proposed standards would be valuable to the work you do, the decisions you make, or the analyses that you perform.

If you would like to submit written comments to the GASB, there are two ways you may do so:

- By email—send your comments to director@gasb.org
- By traditional mail—include your comments in a letter and mail to:
  
  Director of Research and Technical Activities  
  Project No. 34-1E  
  Governmental Accounting Standards Board  
  401 Merritt 7, PO Box 5116  
  Norwalk, CT 06856-5116

Comments are requested by August 29, 2014.
The GASB conducted a webinar for users of governmental financial information like you on Friday, August 8. A recording of the webinar is available to be viewed at any time. The webinar is followed by a brief survey to obtain your feedback on the value to you of the information that would result from this proposal.

The GASB also is holding public hearings on September 10, 2014 (New York), September 11, 2014 (Chicago), and September 12, 2014 (San Francisco). All of the public hearings are scheduled to begin at 8:30 a.m. local time.

If you wish to speak at a hearing, you should notify the GASB of your intent in writing and submit a copy of your comments, using the email or postal address above, no later than August 29. You can testify at a hearing in person or via telephone.