



FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

Since 1937

P.O. Box 10270 • 301 South Bronough Street, Suite 300 • Tallahassee, Florida 32302-2270

Telephone: (850) 222-9684 • Fax: (850) 222-3806 • Web Page: www.fgfoa.org

2024-2025
OFFICERS

President

ALTON “RIP” COLVIN, CPA, CGFO, CPM

Executive Director
Justice Administrative Commission
(850) 488-2415
rip.colvin@justiceadmin.org

President – Elect

NICOLE GASPARRI, CGFO, PHR

Director of Strategic Management & Professional
Development
Clerk of the Circuit Court & Comptroller
Palm Beach County
(561) 355-3429
ngasparri@mypalmbeachclerk.com

Secretary – Treasurer

KELLY STRICKLAND, CPA, CGFO

Director of Financial Administration
City of Sarasota
(941) 954-4124
kelly.strickland@sarasotagov.com

DIRECTORS

SHARON ALMEIDA

Finance Director
Royal Palm Beach
(561) 790-5112
salmeida@royalpalmbeachfl.gov

LORRIE BRINSON, CPA, CGFO, MBA/PA

Business Manager, Affordable Housing Services
Hillsborough County
(813) 274-6666
brinsonla@hillsboroughcounty.org

MELISSA BURNS

Fiscal Director,
State Attorney’s Office, 4th Circuit
(904) 255-2947
mburns@coj.net

NICOLE JOVANOVSKI, CPA

Director of Finance
Sarasota County
(941) 861-5184
njovanov@sarasotaclerkandcomptroller.com

MELISSA LICOURT

Budget Director
St. Johns River Water Mgmt. District
(386) 312-2332
mlicourt@sjrwm.com

ANNA OTINIANO

Financial Services Director
City of Plantation
(954) 797-2163
AOTiniano@plantation.org

REBECCA SCHNIRMAN

Director of Financial & Support Services
Palm Beach County
(561) 966-6650
rschnirman@pbcgov.org

ALLISON TESLIA

Management & Budget Director
Lake County
(352) 343-9491
allison.teslia@lakecountyfl.gov

PAUL SHAMOUN

Executive Director

February 14, 2025

EMAIL

Project No. 32-2

Alan Skelton

Director of Research and Technical Activities

Governmental Accounting Standards Board

801 Main Avenue

P.O. Box 5116

Norwalk, CT 06856-5116

director@gasb.org

Re: Proposed Statement of the Governmental Accounting Standards Board –
Subsequent Events.

Dear Mr. Skelton:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Government Accounting Standard Board’s (GASB) Request for Written Comments on the Exposure Draft, *Subsequent Events*. The comments provided in our response were prepared based on a review by members of the FGFOA Technical and Legislative Resources Committee and the Board of Directors.

We generally agree with the proposed standards and believe they will help to address the inconsistency in applying the existing guidance. We have, however, identified some items we believe would benefit from additional clarifications and made some recommendations for your consideration (see the enclosed Exhibit A of our response).

We thank the GASB for its efforts in preparing the Exposure Draft and for providing an opportunity to respond. Please feel free to contact me at (850) 488-2415 or rip.colvin@justiceadmin.org regarding the comments above.

Sincerely,

Alton L. “Rip” Colvin, Jr., CPA, CGFO, CPM
President

Enclosure

Exhibit A: Comments on GASB’s Exposure Draft, *Subsequent Events* (Project No. 32-2)

Par.	Excerpt from Exposure Draft	Comment
5-6	<p>5. A recognized event is a subsequent event [...]</p> <p>6. Identifying recognized events [...]</p>	<p>We recommend that the standards refer to “recognized subsequent events” throughout and not just “recognized events.” <i>Recognized events</i> encompass a vast range of transactions and other events, whereas the proposed standards address a limited number of events that meet the definition of a <i>subsequent event</i> in paragraph 4.</p>
6	<p>6. [...] Therefore, in that circumstance, the measurement of the water utility’s uncollectible accounts receivable as of the financial statement date should not incorporate the effects of that event.</p>	<p>It would be helpful if the guidance indicated whether, in this circumstance, the event should be evaluated as a potential nonrecognized subsequent event.</p>
7	<p>7. A nonrecognized event is a subsequent event that has a significant effect (favorable or unfavorable) on the basic financial statements in the reporting period in which the event occurs and is one of the following: [...]</p>	<p>As with recognized subsequent events, we recommend that the standards refer to “nonrecognized subsequent events” throughout and not just “nonrecognized events.” <i>Nonrecognized events</i> encompass a much larger category of transactions and other events than the events that meet the definition of a subsequent event in paragraph 4.</p> <p>Given that a nonrecognized subsequent event affects the next period’s financial statements, it seems that this sentence should say it “will have” a significant effect on the basic financial statements rather than “has.”</p> <p>Paragraph B9 states, “The Board also believes that certain subsequent events, such as a natural disaster, generally will be considered of such a nature that information about them is essential to a user’s analysis for making decisions or assessing accountability and, therefore, do not need explicit identification.” We disagree with this reasoning. Governments are accustomed to examples in GASB pronouncements addressing the most common instances or those that the GASB intends to include but which governments might not otherwise identify. The absence of the type of event that many governments will consider a prototypical subsequent event potentially will negatively affect application of these standards. We recommend explicitly adding natural disasters to paragraph 7.</p>
7d	<p>d. The application of an enacted tax rate that is different from the tax rate previously in effect</p>	<p>We believe some indication of magnitude is necessary with respect to what is considered “different” to limit the events disclosed to those that are most pertinent to the reader. Paragraph B9 states, “With respect to changes in tax rates, the Board noted that the disclosure is applicable only if the change is significant...” That intent should be clear in paragraph 7d by referring to “significantly different,” rather than in a nonauthoritative section of the document.</p> <p>The explicit focus on rates in this example may not lead to disclosure of the significant subsequent events that the Board intends. For example, if a property tax rate is increased to compensate for a decline in assessed values, resulting in no change in revenue, it would be disclosed despite not having “a significant effect (favorable or unfavorable) on the basic financial statements.” Conversely, if a sales tax rate remains unchanged but the sales tax base is broadened to include professional services, it would <i>not</i> be disclosed despite having a significant favorable effect on the financial statements.</p>

Exhibit A: Comments on GASB’s Exposure Draft, *Subsequent Events* (Project No. 32-2) (Continued)

Par.	Excerpt from Exposure Draft	Comment
7d	d. The application of an enacted tax rate that is different from the tax rate previously in effect	Additionally, this example could be improved if it addressed own-source revenues in general, including those that result from fees and charges, rather than only taxes. Doing so would more clearly indicate that this type of subsequent event could be relevant to all types of governments, not merely those with tax revenues.
7e	e. A transaction or other event that is of such a nature that the information items in paragraph 9 are essential to a user’s analysis for making decisions or assessing accountability.	To avoid the implication that the items in 7a–d are not essential, we recommend rewording this provision to make clear it addresses <i>other</i> items that are essential; for example, “Any other transaction or other event...”
9–10	9. The following information should be disclosed about a nonrecognized event: [...] 10. The note disclosures required by paragraph 9 [...]	We recommend adding to this section on notes to financial statements a paragraph similar to paragraph 8b of Statement No. 102, <i>Certain Risk Disclosures</i> : “Certain disclosures required by paragraph 9 may supplement note disclosures required by other authoritative guidance. In those circumstances, the information required to be disclosed by this Statement should be combined with those note disclosures in a manner that avoids unnecessary duplication.” Subsequent events are among the authoritative guidance to which Statement 102 referred, and based on paragraph 7, these proposed standards overlap with Statement No. 100, <i>Accounting Changes and Error Corrections</i> and Statement No. 69, <i>Government Combinations and Disposals of Government Operations</i> .
10	10. The note disclosures required by paragraph 9 should correspond to the reporting units in the financial statements, subject to the requirements in paragraph 63 of Statement No. 14, <i>The Financial Reporting Entity</i> , as amended. Information that is the same for more than one reporting unit should be combined in a manner that avoids unnecessary duplication.	In the event that the composition of a government’s reporting units change in the period of the subsequent event (e.g., by the addition or removal of a component unit, or a change in fund presentation from major to nonmajor or vice versa), it may not be clear to the government which period’s reporting units the disclosures apply to—those of the financial statement period or those of the subsequent period. Although we presume it to be the former, it is not evident as written.
11	11. The requirements of this Statement are effective for subsequent events associated with fiscal years beginning after June 15, 2026, and all reporting periods thereafter, and should be applied prospectively at transition. Earlier application is encouraged.	We believe the effective date requires clarification. It is unclear whether, for instance, a nonrecognized subsequent event occurring in November 2027 is “associated with” the fiscal year ended September 30, 2027, or September 30, 2028. Although we presume it to be the former, it is not evident from the proposed wording. A solution could be to remove “subsequent events associated with.”