

## GASB\_92\_Information\_Summary

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In February 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, *Omnibus 2020* (GASB 92). This pronouncement addresses accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements.

The new guidance provided in paragraph 10 of GASB 92 explains how governments should measure the liabilities related to asset retirement obligations that are acquired as part of a government acquisition between two or more governments or are acquired by one government from another. The acquisition guidance also applies to transactions involving a government and a non-government entity, such as a not-for-profit organization or a business.

Paragraph 10 of GASB 92 is effective for reporting periods beginning after June 15, 2021 and should be applied on a prospective basis.

GASB 92 addresses the following:

### **Measurement of Liabilities in Government Acquisitions**

- **Exception to Acquisition Value** – GASB 92 paragraph 10 clarifies that while GASB 69 generally requires acquisition value to be used, the measurement of an asset retirement obligation assumed through an acquisition should be measured according to GASB 83 paragraphs 14 – 16 using the current value.
- **Current Value** – GASB 83 provides that the measurement of the liability assumed should be prepared using the facts and circumstances relating to the liability and the current costs that are estimated to be necessary to satisfy those obligations. The estimated liability should be developed using relevant information available at the time of measurement about the specific circumstances. The current value of the asset retirement obligation would be the amount paid if all equipment, facilities, and services included in the estimate were acquired at the end of the current reporting period.

Please contact the State Controller's Office, State Accounting and Reporting Division, State Government Reporting, Policy Section for guidance if your agency has assumed an asset retirement obligation through a government acquisition. We may be contacted at [SARDStatePolicy@sco.ca.gov](mailto:SARDStatePolicy@sco.ca.gov).

Additional resources include:

GASB Statement No. 69, [\*Government Combinations and Disposals of Government Operations\*](#)

GASB Statement No. 83, [\*Certain Asset Retirement Obligations\*](#)

GASB Statement No. 92, [\*Omnibus 2020\*](#)