

# 20CY GASB 102 Certain Risk Disclosures Questionnaire – Preview

## Introduction

Thank you for taking time to complete this questionnaire pertaining to the following Government Accounting Standards Board (GASB) statement:

### **GASB Statement No. 102, *Certain Risk Disclosures***

This statement requires reporting and disclosures in Note 17, *Risk Management*, when an agency has risks related to vulnerabilities due to certain concentrations or constraints which may limit an agency's ability to obtain resources or control spending.

Agency management is responsible for ensuring proper accounting and reporting under [GASB 102](#). Each agency must analyze its risks at least annually. For more information, see [Concentrations or Constraints](#) and Note 17's [Sample](#).

Submission of this questionnaire serves as an *Acknowledgement of Review* of the agency's vulnerabilities from concentrations or constraints.

Submit responses to this questionnaire by **Aug. 15, 20CY**. If you have any questions, contact your agency's [financial reporting analyst](#).

## Agency Information

Agency Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_

Agency Contact Name: \_\_\_\_\_

Contact's Email: \_\_\_\_\_ Contact's Phone Number: \_\_\_\_\_

## GASB 102 Certain Risk Disclosure – Concentrations or Constraints

According to GASB 102, disclosure is required when a combination of a condition (concentration or constraint) plus an event may result in a substantially negative impact on the agency. Disclosure is not required just because a concentration or constraint exists.

A **concentration** is a lack of diversity related to an aspect of a significant inflow or outflow of resources, such as a tax or grant revenue that comprises a large portion of an agency's overall revenue or a lack of diversity in potential suppliers of labor, goods or other services necessary for the agency's operations. For example, a special purpose government receives most of its revenue from a single federal agency or a workforce covered by a collective bargaining agreement.

A **constraint** is a limitation that is imposed by an external party, or by formal action of the *Texas Legislature* or by the *Texas Constitution*. Examples include a spending budget that can't be exceeded without external approval, a debt ceiling or a new federal environmental standard that requires capital outlays to comply.

An **event** is an occurrence associated with a concentration or constraint that could cause a substantial impact. GASB 102 states that *substantial* is a higher threshold than significant. Like materiality, it is used to describe any item that would affect the judgement of a reasonable user of the financial statements.

Responsible agency officials are already aware of significant concentrations or constraints or may have an operating concentration or constraint placed on them. Responsible officials must also be aware of when an event could cause substantial impact on the agency's operations.

Mitigating actions can be taken by the agency. However, GASB 102 limits an agency's consideration of mitigating actions in assessing the disclosure criteria only to actions that have occurred prior to the issuance of the annual financial report. If the mitigating action has removed the risk, no disclosure is needed.

\*=required

1. \*Does the agency have a concentration or constraint known to the agency prior to the issuance of its annual financial report?
  - ☐ Yes — Continue to the next question.
  - ☐ No — No disclosure; end of questionnaire.
2. Does the agency report a liability for revenue-backed debt, such as an enterprise fund or a business-type discretely presented component unit?
  - ☐ Yes — Continue to the next question.
  - ☐ No — Continue to the next question.
3. \*Does the concentration or constraint make the agency vulnerable to a risk of a substantial impact?
  - ☐ Yes — Continue to the next question.
  - ☐ No — No disclosure; end of questionnaire.
4. \*Has an event or events related to the concentration or constraint:
  - a. Occurred
  - b. Begun to occur
  - c. Is more likely than not to occur within one year of the date the annual financial report is issued
  - ☐ Yes—continue to the next question.
  - ☐ No— No disclosure - end of questionnaire.
5. Has the agency taken any mitigating actions (prior to the issuance of its annual financial report) that now result in the event no longer meeting the criteria for disclosure?
  - ☐ Yes — No disclosure - end of questionnaire.
  - ☐ No — Disclose the risks and events by including them in the agency's Note 17 through the [Other Notes and Disclosures Submission System \(ONDSS\)](#) web application.

Thank You for Your Time

Please click **Done**.

**Note:** This questionnaire is not marked complete unless you click the **Done** button below.

Remember to submit your agency's **Note 17** through the **ONDSS** web application.