GASB CODIFICATION · GENERAL PRINCIPLES

Section 1500

Reporting Liabilities

The liability counterpart to Section 1400 — where bonds, pensions, compensated absences, and other long-term obligations get reported, and why the same debt can show up in one place for a proprietary fund and in a totally different place for the general government. Plain-language reference only; not a substitute for the authoritative text.

GARS 1500

GENERAL PRINCIPLES

Specific Fund Liabilities

Directly tied to proprietary or fiduciary funds.

Bonds, notes, and other long-term liabilities — leases, pensions, claims and judgments, compensated absences, termination benefits, landfill closure — expected to be repaid from those funds are reported there, and also at the government-wide level.

Even with full faith and credit pledged.

A liability tied to an enterprise fund stays a fund liability even if the government's general credit backs it up secondarily.

GENERAL PRINCIPLES

General Long-Term Liabilities

Everything else the government owes long-term.

Reported only in the governmental activities column of the government-wide statement of net position — never as a liability of a governmental fund.

GENERAL PRINCIPLES

Matured vs. Unmatured

Only the matured portion hits a governmental fund.

The amount due and payable now (plus anything expected to be paid with available resources) is a fund liability; the unmatured remainder lives only at the government-wide level.

GENERAL PRINCIPLES

What Counts as Long-Term

Formal debt.

Bonds, notes, and warrants — the classic long-term debt instruments.

Everything else counts too.

Leases, pensions, claims and judgments, compensated absences, termination benefits, landfill closure and postclosure care and other asset retirement obligations, pollution remediation obligations, and similar commitments are treated the same way as formal debt for purposes of this section.

Paraphrased for plain-language reference from GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 1500, “Reporting Liabilities.” Principal sources: NCGA Statement 1; GASB Statements 6, 34, 42, 62; GASB Interpretation 6. This summary is not authoritative — consult the current Codification (GARS-Online) or your auditor for application to a specific district.