
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

CHANGE RESULTING FROM ADOPTION OF NEW ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2007, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans. The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, with modifications to reflect differences between pension plans and other postemployment benefit plans.

The financial reporting framework for defined benefit OPEB plans that are administered as trusts or equivalent arrangements include two financial statements and two multiyear schedules that are required to be presented as required supplementary information (RSI) immediately following the notes to the financial statements. The financial statements focus on reporting current financial information about plan net assets held in trust for OPEB and financial activities related to the administration of the trust. Required notes to the financial statements include a brief plan description, a summary of significant accounting policies, and information about contributions. In addition, OPEB plans are required to disclose information about the current funded status of the plan as of the most recent actuarial valuation date, and actuarial methods and assumptions used in the valuation. The RSI provides actuarially determined historical trend information from a long-term perspective about a) the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due and b) employer contributions to the plan.