

Government Accounting Standards Board (GASB)
Statement No. 103, *Financial Reporting Model Improvements*
Unusual or Infrequent Items Q&A

Q – What are Unusual or Infrequent items?

A – Transactions or other events that are either “unusual in nature” or “infrequent in occurrence” (GASB 103 para. 9). GASB 62 para. 46 (a.) and (b.) further clarifies these terms as follows:

“Unusual in nature” – the event or transaction has a high degree of abnormality and is clearly unrelated to ordinary or typical government activities, considering the normal environment in which the government operates.

“Infrequent in occurrence” – the event or transaction is not reasonably expected to recur in the foreseeable future while considering the normal environment in which the government operates.

Note: Although rare, there may be circumstances in which an event or transaction is both unusual in nature and infrequent in occurrence.

Q – How do unusual or infrequent items relate to special and extraordinary items?

A – GASB 103 removed the “special” and “extraordinary” verbiage and replaced it with “unusual” or “infrequent.” Even though the specific terms differ, the underlying concepts are the same. Previously, under GASB 34 para. 55, an item was considered “special” if it was 1) either unusual or infrequent and 2) within the control of management. “Extraordinary” was 1) either unusual or infrequent and 2) outside the control of management.

Q – What are the financial statement presentation and disclosure requirements?

A – In the government-wide, governmental fund, and proprietary fund statements of resource flows, unusual or infrequent items should be the last presented flow of resources prior to the net change in resource flows. See example below:

Operating revenues (detailed)

Total operating revenues
Operating expenses (detailed)

Total operating expenses
Operating income (loss)
Noncapital subsidies (detailed)

Total noncapital subsidies
Operating income (loss) and noncapital subsidies
Other nonoperating revenues and expenses (detailed)

Total other nonoperating revenues and expenses
Income (loss) before unusual or infrequent items
Unusual or infrequent items (detailed)

Increase (decrease) in fund net position
Fund net position - beginning of period

Fund net position - end of period

In the footnotes to the financial statements, disclose for each unusual or infrequent item, the program, function, or identifiable activity to which the unusual or infrequent item relates, if applicable, and whether that item is within the control of management.