2019 Illinois GFOA Conference

GASB Update – Part 2

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The views expressed in this presentation are those of Dr. Caputo and Mr. Lantz.
Official positions of the GASB are reached only after extensive due process and deliberations.

FINANCIAL ACCOUNTING FOUNDATION · FINANCIAL ACCOUNTING STANDARDS BOARD · GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Presentation Overview

- Statement 87, Leases (Brian)
- Statement 89, Interest Costs (Brian)
- Statement 90, Majority Equity Interests (Fred)
- Statement 91, Conduit Debt Obligations (Fred)
- Implementation Guides 2018-1 and 2019-1 (Fred)

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Effective Dates—June 30

2019

- Statement 83—asset retirement obligations
- Statement 88—debt disclosures
- Implementation Guide 2018-1

2020

- Statement 84—fiduciary activities
- Statement 90—majority equity interests
- Implementation Guide 2019-1

2021

- Statement 87—leases
- Statement 89—interest cost

2022

- Statement 91—conduit debt

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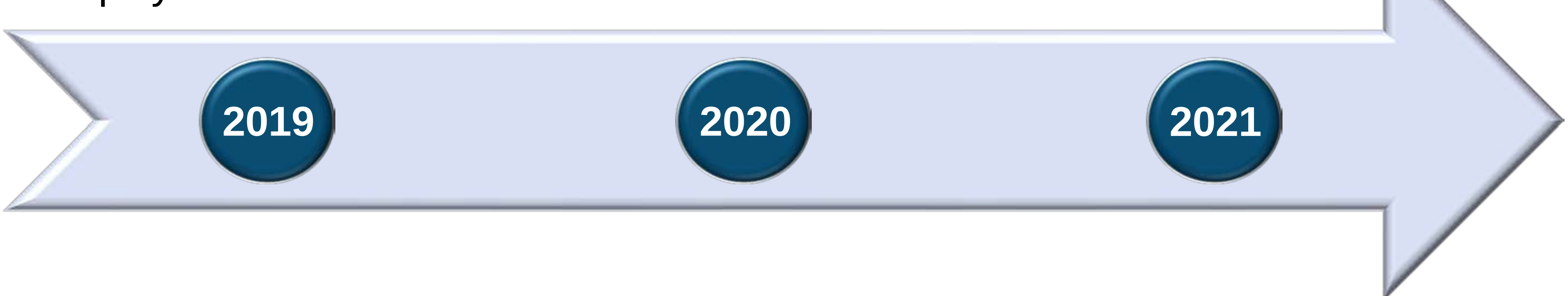
Effective Dates—December 31

- Statement 83—asset retirement obligations
- Statement 84—fiduciary activities
- Statement 88—debt disclosures
- IG2018-1
- Statement 90—majority equity interests

- Statement 91—conduit debt



- Statement 87—leases
- Statement 89—interest cost
- IG2019-1

Leases

Statement No. 87

Leases

What?

The Board issued Statement 87 to improve lease accounting and financial reporting

Why?

Existing standards in effect for decades without review in light of GASB's conceptual framework; FASB and IASB conducted a joint project to update their lease standards; opportunity to increase comparability and usefulness of information and reduce complexity for preparers

When?

Effective for periods beginning after December 15, 2019

Earlier application is encouraged

Scope and Approach

- Statement 87 applies to any contract that meets the definition of a lease:

> "A lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction."

- Leases are financings of the right to use an underlying asset

Single approach applied to accounting for leases with some exceptions, such as short-term leases

- Capital/operating distinction is eliminated

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Scope Exclusions

- Intangible assets (mineral rights, patents, software, copyrights), except for the sublease of an intangible right-to-use asset
- Biological assets (including timber, living plants, and living animals)
- Inventory
- Service concession arrangements (Statement 60)
- Arrangements associated with conduit debt obligations (Statement 91)
- Supply contracts (such as power purchase agreements that do not convey control of the right to use the underlying generating facility)

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Initial Reporting

	Assets	Liability	Deferred Inflow
Lessee	Intangible lease asset (right to use underlying asset)—value of lease liability plus prepayments and initial direct costs that are ancillary to place asset in use	Present value of future lease payments (incl. fixed payments, variable payments based on index or rate, reasonably certain residual guarantees, etc.)	NA
Lessor	• Lease receivable (generally includes same items as lessee's liability) • Continue to report the leased asset	NA	Equal to lease receivable plus any cash received up front that relates to a future period

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Subsequent Reporting

	Assets	Liability	Deferred Inflow
Lessee	Amortize the intangible lease asset over shorter of useful life or lease term	Reduce by lease payments (less amount for interest expense)	NA
Lessor	• Depreciate leased asset (unless indefinite life or required to be returned in its original or enhanced condition) • Reduce receivable by lease payments (less amount needed to cover accrued interest)	NA	Recognize revenue over the lease term in a systematic and rational manner

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Short-Term Leases

Definition	At beginning of lease, *maximum possible term* under the contract is 12 months or less
Lessee accounting	• Recognize expenses/expenditures based on the terms of the contract • Do not recognize assets or liabilities associated with the right to use the underlying asset
Lessor accounting	• Recognize lease payments as revenue based on the payment provisions of the contract • Do not recognize receivables or deferred inflows

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Other Topics Covered by Statement 87

- Disclosures
- Lease term
- Contracts with multiple components
- Contract combinations
- Lease modifications & terminations
- Lease incentives
- Subleases
- Sale-leasebacks
- Lease-leasebacks

Example: Equipment Lease

- Lease contract provisions:
  - Lease starts 1/01/21
  - \$1,000 monthly payment for equipment, due 1st of each month, plus \$5/hour for every hour used beyond 200 hours during prior month
  - \$80 monthly payment for repairs and maintenance, due 1st of each month
  - 60-month (5-year) lease, with a \$200 lessee option to extend for 24 additional months at the original price. At the end of the term (5 or 7 years) the lease becomes month-to-month and each monthly payment can be adjusted upward based on CPI with 30 days' notice
  - Stated interest rate of 4%
  - If equipment is destroyed, lessee will pay \$40,000 equipment value, at which time lessee will become the owner

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Example: Equipment Lease (continued)

- Other contract provisions
  - Lessee to pay lessor $1,000 to dismantle and remove equipment at end of lease
- There is a separate contract with the lessor for delivery and installation of the equipment (an initial direct cost):
  - $1,500 ($800 delivery and $700 installation)
- Other assumptions:
  - Lessee is not yet sure whether it will exercise its option to extend the lease

Example: Equipment Lease (continued)

- Determine the lease term:
  - Based on noncancelable period—60-month lease (5 years)
  - Lease extension option —
    - *Exclude* because not reasonably certain of being exercised
  - Potential month-to-month payments after 5 years —
    - *Exclude* because not enforceable (either party can cancel)

Example: Equipment Lease (continued)

- Determine lease payments for the lease term:
  - Monthly payments
    - Include $1,000/month fixed payment
    - *Exclude* $80/month repair and maintenance because it is a **service** (nonlease) component
    - *Exclude* $5/hour excess use charge because it is a **variable** charge not fixed in substance
  - One-time payments
    - Include $1,500 delivery and installation payment because it is a capitalizable lease payment
    - *Exclude* equipment loss penalty because it is a contingency

Example: Equipment Lease (continued)

- Calculate present value of lease payments:

PV of $1000 (due 1st of each month) for 60 months at 4%	**$54,480**
PV of delivery and installation payment	**1,500**
Total PV	**$55,980**

- Lease liability beginning balance = $55,980
- Lease asset beginning balance = $55,980
- Monthly amortization of lease asset
  - If using straight line, would be $933/month
- Accrue interest and record payments each month

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Example: Equipment Lease (continued)

- First year's payment schedule

Date	Beginning Balance	Interest	Principal	Payment	Balance after Payment
1/1/2021	55980.07		2500.00	2500.00	53480.07
2/1/2021	53480.07	178.27	821.73	1000.00	52658.33
3/1/2021	52658.33	175.53	824.47	1000.00	51833.86
4/1/2021	51833.86	172.78	827.22	1000.00	51006.64
5/1/2021	51006.64	170.02	829.98	1000.00	50176.66
6/1/2021	50176.66	167.26	832.74	1000.00	49343.92
7/1/2021	49343.92	164.48	835.52	1000.00	48508.40
8/1/2021	48508.40	161.69	838.31	1000.00	47670.09
9/1/2021	47670.09	158.90	841.10	1000.00	46828.99
10/1/2021	46828.99	156.10	843.90	1000.00	45985.09
11/1/2021	45985.09	153.28	846.72	1000.00	45138.37
12/1/2021	45138.37	150.46	849.54	1000.00	44288.83
12/31/2021	44288.83	147.63			
		1956.40	11691.23		

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Journal Entries – January 1

Governmental funds

Debit Equipment rental expenditure	$55,980	
Credit Other financing sources		$55,980

To record capital expenditure and related financing from lease of equipment

Debit Redemption of Principal (OFU)	$1,500	
Credit Cash		$1,500

To record payment of set-up cost for leased equipment

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Total of First Twelve Monthly Payments

Set up an interest amortization schedule for each month

Divide the $1,000 monthly payment into interest and principal (Debit redemption of principal and interest expenditure and credit cash)

Total amounts for the first year:

Redemption of principal	$10,191
Interest	1,809
Total	$12,000

(excluding $1,500 set-up cost payment)

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Total of First Twelve Monthly Payments

Governmental funds

Debit Principal expenditure	$10,191	
Debit Interest expenditure	1,809	
Credit Cash		$12,000

To record 12 monthly lease payments for first year

Government-wide and proprietary funds

Debit Leases payable	$10,191	
Debit Interest expense	1,809	
Credit Cash		$12,000

To record 12 monthly lease payments for first year

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Journal Entries to Convert Governmental Funds to Government-wide

Debit Other financing sources	$55,980	
Credit Lease liability		$55,980
To reclassify equipment lease payable		
Debit Leased equipment	$55,980	
Credit Equipment rental expenditure		$55,980
To reclassify right to use leased equipment		
Debit Lease liability	$11,691	
Credit Redemption of principal		$11,691
To reclassify monthly lease payments and set-up cost		

Journal Entry – December 31

Government-wide and proprietary funds

Debit Amortization expense	$11,196	
Credit Accumulated amortization		$11,196

To record amortization of right to use leased equipment (55,980 / 5)

Debit Interest expense	$148	
Credit Interest payable		$148

To accrue December interest on leased equipment (due 1/1/22)

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Leases Implementation Guide

What?

GASB has issued a freestanding Implementation Guide to Statement 87

Why?

GASB issues separate implementation guides for complex pronouncements to assist preparers and auditors to apply the standards

When?

Board cleared the final guide in August 2019

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Question 4.5 (Easements)

Q—Do easements meet the definition of a lease?

A—An easement provides the right to use a tangible asset, for example, land. Some easements meet the definition of a lease, while other easements do not. Paragraph 4 of Statement 87 states that, among other things, a lease is “for a period of time in an exchange or exchange-like transaction” (footnote reference omitted). Permanent easements, which last indefinitely without cancellation options, do not meet the period-of-time criterion. In addition, easements obtained for an amount that does not meet the description of exchange or exchange-like transactions in Statement 33, as amended, do not meet the exchange or exchange-like criterion.

Question 4.8 (Cell Phone Tower)

Q—Are cell phone tower or antenna placement agreements leases?

A—If the agreements meet the definition of a lease in paragraph 4 of Statement 87, including the control criterion, then such agreements would be leases. The control criterion generally is met if a cell phone tower or antenna placement agreement conveys control of the right to use the land on which the tower is placed or the connection point to which the antenna is affixed.

Question 4.12 (Lease Term)

Q—A developer builds and leases a building to a government. The government is required to make payments during the three-year construction period. The government does not have access to the building until a certificate of occupancy is issued at the end of the construction period. When does the lease term begin?

A—The lease term begins when the certificate of occupancy is issued because that is when the government gains access to the building. Paragraph 12 of Statement 87 states that the lease commences when the lessee has a noncancelleable right to use the underlying asset. Paragraph 5 of Statement 87 further explains that control of the right to use the underlying asset is the right to obtain the present service capacity from its use and the right to determine the nature and manner of its use. Thus, the lease term commences when the lessee gains physical possession of the asset or attains access to use the underlying asset. (See also Question 4.32.)

Question 4.13 (Lease Term)

Q—A lease contract has a noncancellable period of five years and specifies that at the end of the five years, both the lessor and lessee have the right to cancel the lease or may continue the lease, using the same terms on a month-to-month basis. Is the month-to-month holdover period included in the initial assessment of the lease term?

A—No. During the holdover period, the lessee has not contracted for a noncancellable right to use an underlying asset, and the lessor is not required to continue providing the asset. That is, the holdover period is cancellable by either party and, therefore, is excluded from the lease term, as defined in paragraph 12 of Statement 87.

Question 4.17 (Short-Term Leases)

Q—A government enters into a 12-month noncancellable lease in which the lessee has options to renew for 12 months at a time, up to 49 times. Is this agreement a short-term lease under Statement 87?

A—No. According to paragraph 16 of Statement 87, the maximum possible term of a short-term lease is required to be 12 months or less, including any options to extend. The presence of lessee renewal options, regardless of their probability of being exercised, means this lease does not meet the definition of a short-term lease.

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Question 4.23 (Lease Liability)

Q—A government adopts a capitalization threshold and expenses acquisitions, including lease assets, that fall below that threshold. Can the government apply a similar threshold to lease liabilities?

A—Lease liabilities that are significant, either individually or in the aggregate, should be recognized. Authoritative pronouncements do not provide specific guidance related to a determination of capitalization threshold amounts. However, governments often establish capitalization thresholds. (See Question 7.9.8 of *Implementation Guide No. 2015-1*.) When applying a capitalization threshold to leases, lessees should consider the quantitative and qualitative significance of the lease liability, in addition to the significance of the lease asset in accordance with the guidance provided in Question 7.4.1 of *Implementation Guide No. 2015-1,* as amended.

Question 4.26 (Lease Liability)

Q—Lease payments for a five-year lease are indexed to the Consumer Price Index (CPI). The lease payments for the first year are $5,000 per month, which is the market rate based on the current CPI, and payments for subsequent years will increase or decrease based on the change in CPI during the preceding year. The CPI at the commencement of the lease is 251. How should the lease liability be calculated?

A—Paragraph 21b of Statement 87 requires that variable payments that depend on an index or rate initially be measured using the index or rate as of the commencement of the lease term. If lease payments are indexed to the CPI, the payments to be included in the initial measurement of the lease liability should be based on the CPI at the commencement of the lease. If the CPI is 251 at the commencement of the lease, a government would assume it will stay at 251 throughout the lease, which would result in consistent lease payments for the initial measurement of the lease liability because the subsequent years' payments are based on the change in CPI. Therefore, the lease liability should be measured at the present value of $5,000 per month for 60 months. Any variation from $5,000 paid in future periods will be recognized as outflows or reductions of outflows of those periods. (See Illustration B3 in nonauthoritative Appendix B.)

Question 4.31 (Lease Liability)

Q—A government leases a fleet of vehicles for half of the vehicles' estimated useful lives. The lease term is 30 months. The lease does not specify the discount rate. Total monthly lease payments over the term of the lease are $1.1 million, and the fair value of the vehicles at the commencement of the lease is $2 million. May the fair value of the vehicles be used in determining the implicit discount rate of the lease?

A—Yes. Discounting the lease payments at the rate the lessor charges the lessee, explicitly or implicitly, arrives at the fair value of the right to use the vehicles, which is not necessarily equivalent to the fair value of the vehicles. Using the $2 million fair value of the vehicles at the commencement of the lease to determine the implicit discount rate in a lease may be appropriate if the government has determined that, considering the facts and circumstances of the agreement, the fair value of the vehicles approximates the fair value of the lessee's right to use the vehicles at that time. If those values differ because the lease term is less than the entire useful life of the vehicles, the fair value of the right to use the vehicles for the lease term may be estimated using professional judgment, maximizing the use of observable information. In this example, the government has estimated that the fair value of the right to use the vehicles is $1 million because the length of the lease term is half of the vehicles' estimated useful lives. The government assumes the fair value of the *right to use the vehicles* decreases ratably over the lease term because the service capacity of the vehicles remains the same throughout the lease term, even though the fair value of the *vehicles* decreases faster at the beginning of the lease term. Therefore, the interest associated with the lease is $100,000, and the discount rate is approximately 7.5 percent.

Question 4.49 (Lease Asset)

Q—Can methodologies other than the interest method, such as straight-line amortization, be used to amortize the discount on lease receivables?

A—No. Lease receivables should be amortized using the interest method. Paragraph 185 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, describes the "interest method" of amortization as a method that amortizes a discount "as interest . . . revenue over the life of the note in such a way as to result in a constant rate of interest when applied to the amount outstanding at the beginning of any given period." Paragraph 47 of Statement 87 states that lessors are not required to apply the guidance for imputation of interest in paragraphs 173–187 of Statement 62, as amended, but may do so, however, that option applies to the imputation of the interest rate, not to the method of amortizing the discount.

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Question 4.56 (Lease Incentives)

Q—Lease incentive payments provided by a lessor before the commencement of a lease term are included in the initial measurement of the lease asset. How are such payments reported by the lessee until the lease asset is recognized at the time the lease term commences?

A—Lease incentives received by a lessee before the commencement of the lease term would reduce any lease prepayments made by the lessee and be reclassified to the lease asset at the commencement of the lease. If there are no lease prepayments, the advance incentives would result in a liability until the commencement of the lease term. At that time, the lease incentives should reduce the lease asset. (See Illustration B2 in nonauthoritative Appendix B for an example of an incentive provided *after* the lease term begins.)

Question 4.60 (Multiple Components)

Q—A government leases two floors of an eight-floor building. A part of the lease payments covers the government's share of utilities and janitorial costs for maintaining a lobby that all tenants share. Should the utilities and janitorial costs for the lobby be included in the government's lease liability?

A—Based on paragraph 64 of Statement 87, if it is practicable for the government to separate and estimate the costs for those services, the costs should not be included in the government's lease liability. For example, if the lease contract itself does not specify the amount (in dollars or percentage), the government could request that information from the landlord. Additionally, local real estate professionals may have statistics such as average charges per square footage. However, if it is not practicable for the government to separate the costs and estimate them, based upon the provisions of paragraph 67 of Statement 87, the janitorial services and utility costs for the lobby should be included in the government's lease liability.

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Question 4.62 (Multiple Components)

Q—If a lease contract with multiple components meets the exception in paragraph 67 of Statement 87 to be accounted for as a single lease unit, paragraph 68 of that Statement requires that "the accounting for that unit should be based on the primary lease component within that unit." What factors may be useful in determining the primary lease component?

A—The determination of which component is the primary lease component in a contract with multiple components requires professional judgment, maximizing the use of observable information. The following characteristics, among others, may be indicative of a primary component:

a. The component performs a function that is the government's primary objective in entering into the contract.
b. The component's fair value is substantial relative to the fair values of the other components.
c. The lease term of the component is longer than the lease terms of the other components.
d. The component's benefit to the government is substantial relative to the benefits of the other components.

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Question 4.64 (Contract Combinations)

Q—A state enters into a master vendor agreement that specifies models, prices, and contract terms for computers. State agencies and departments subsequently contact the vendor for individual contracts to lease the computers as needed. Should all the computers leased under a master vendor agreement be considered one contract for the purpose of applying the requirements in paragraph 69 of Statement 87?

A—The use of a master vendor agreement does not require that the underlying individual contracts (which are all with the same counterparty) be accounted for as part of the same contract unless the contracts are entered into at or near the same time and at least one of the criteria in paragraphs 69a and 69b of Statement 87 is met.

Accounting for Interest Cost Incurred before the End of a Construction Period

Statement No. 89

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Interest Cost

What?

The Board issued Statement 89 to enhance the relevance of capital asset information and simplify financial reporting

Why?

Accounting guidance has been based on FASB Statements 34 and 62, which were incorporated into the GASB literature by GASB Statement 62 but were not reconsidered in light of GASB's Concepts Statements

When?

Effective for periods beginning after December 15, 2019

Earlier application is encouraged

Recognizing Interest Cost

Financial statements prepared using the economic resources measurement focus:

- Interest cost incurred before the end of a construction period should be recognized as an expense in the period incurred.

Financial statements prepared using the current financial resources measurement focus:

- Interest cost incurred before the end of a construction period should be recognized as an expenditure consistent with governmental fund accounting principles.

Prospective application at transition

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Accounting and Financial Reporting for Majority Equity Interests

Statement No. 90

Majority Equity Interests

What?

The Board issued Statement 90 to clarify whether a majority equity interest should be reported as an investment or as a component unit and to provide consistent measurement of elements of acquired organizations and 100% equity interests in component units

Why?

Stakeholders requested that the GASB examine diversity in practice and potential conflicts in the existing guidance

When?

Effective for periods beginning after December 15, 2018

Earlier application is encouraged

Does the Majority Equity Interest Meet the Definition of an Investment?

YES	NO
Report as an investment	Report as a component unit
Measure the investment by applying the equity method prescribed in Statement 62, paragraphs 205–209 *Exception:* the following should apply fair value in accordance with Statement 72, paragraph 64: • Special-purpose governments engaged only in fiduciary activities • Fiduciary funds • Endowments (including permanent and term endowments) and permanent funds	Recognize an asset for the majority equity interest and measure by applying the equity method prescribed in Statement 62, paragraphs 205–209
Applied prospectively only	

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100% Equity Interest That *Does Not* Meet the Definition of an Investment

If a government acquires a 100% equity interest in a legally-separate entity that *does not* meet the definition of an investment

Component unit should remeasure assets, liabilities, and deferrals by applying acquisition value as described in Statement 69

Government holding the 100% equity interest would recognize an asset and measure by using acquisition value

These provisions would be applied prospectively only

Conduit Debt Obligations

Statement No. 91

Conduit Debt

What?

The Board improved the existing standards related to conduit debt obligations by providing a single reporting method for government issuers

Why?

Interpretation 2 had been in effect for 20 years before its effectiveness was evaluated; based on GASB research, improvements were needed to eliminate diversity in practice

When?

Effective for periods beginning after December 15, 2020

Earlier application is encouraged

Definition of Conduit Debt

1. There are at least three parties involved: the government-issuer, the third-party obligor (borrower), and the debt holder or trustee.
2. The issuer and the third-party obligor are *not* within the same financial reporting entity.
3. The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
4. The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
5. The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation.

Limited, Additional & Voluntary Commitments Extended by Issuers

Generally, issuers' commitments are **limited** to the resources provided by the third-party obligor.

Occasionally, an issuer may extend an **additional commitment** to support debt service in the event of the third-party obligor's default.

For example:
- Extending a moral obligation pledge
- Extending an appropriation pledge
- Extending a financial guarantee
- Pledging its own property, revenue, or other assets as security

Under a **voluntary commitment**, issuer voluntarily decides to make a debt service payment or request an appropriation for a payment in the event that the third-party is, or will be, unable to pay.

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Recognition by the Issuer

- Do *not* recognize a conduit debt obligation as a liability
- May have a related liability arising out of an additional or voluntary commitment
- **Additional commitment**: report a liability when qualitative factors indicate it is *more likely than not* that the issuer will support debt service payments for a conduit debt obligation
- **Voluntary commitment**: if a certain event or circumstance has occurred, evaluate likelihood, then report a liability if it is *more likely than not* that the issuer will support debt service payments
- Voluntary commitments for which a liability is recognized and all additional commitments: At least annually reevaluate whether recognition criteria are met while conduit debt is outstanding

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Arrangements and Capital Assets

Some conduit debt obligations include arrangements* that involve capital assets to be used by the third-party obligor but owned by the issuer.

- Capital asset is built or acquired with proceeds of the conduit debt obligation.
- Issuer retains title to the capital asset from the beginning of the arrangement.
- Payments from the third-party obligor are to cover debt service payments.
- Payment schedule of the arrangement coincides with the debt service repayment schedule.

*Often characterized as "leases"

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Arrangements and Capital Assets (continued)

Accounting by the issuer:

- Do *not* report those arrangements as leases
- Do *not* recognize a liability for the related conduit debt obligations
- Do *not* recognize a receivable for the payments related to those arrangements
- If the arrangement meets the definition of a service concession arrangement, follow Statement 60

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Arrangements and Capital Assets (continued)

Does title pass to third-party obligor at end of arrangement?	Does the issuer recognize a capital asset?	Does the issuer recognize a deferred inflow of resources?
Yes	No	No
No, and third party has exclusive use of *entire* capital asset	Yes, when the arrangement ends	No
No, and third party has exclusive use of only *portions* of the capital asset	Yes, at the inception of the arrangement	Yes, at the inception of the arrangement; deferred inflow recognized as revenue over the term of the arrangement

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Disclosures by Type of Commitment

A general description of the issuer's conduit debt obligations

- Description of limited commitments
- Description of additional commitments (legal authority and limits; length; arrangements for recovering payments from third-party obligors, if any)
- Aggregate outstanding principal amount

If the issuer recognizes a related liability

- Description of timing of recognition and measurement of the liability
- Beginning balances, increases, decreases, ending balances
- Cumulative payments that have been made
- Amounts expected to be recovered, if any, for those payments

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Implementation Guidance Updates

2018-1 and 2019-1

Implementation Guidance Updates

What?

The GASB annually updates its Q&A implementation guidance

Why?

New guidance is added as new pronouncements are issued and new issues arise

When?

2018-1 is effective for periods beginning after June 15, 2018

2019-1 is effective for periods beginning after June 15, 2019

Implementation Guide 2018-1

Adds new questions on standards regarding

- OPEB
- Pensions
- Regulated operations
- Statistical section
- Tax abatement disclosures

Updates existing Q&A guidance related to

- Capital assets
- Cash flows reporting
- Investment disclosures
- Net position
- Pensions
- Statistical section
- Tax abatement disclosures

Implementation Guide 2019-1

Adds new questions on standards regarding

- Cash flows reporting
- Derivative instruments
- Fund balance
- Insurance recoveries
- Irrevocable split-interest agreements
- Intra-entity transfers of assets
- Nonexchange transactions
- Pensions and OPEB
- Tax abatement disclosures

Updates existing Q&A guidance related to

- Derivative instruments
- Financial reporting entity
- Pension and OPEB plan reporting

Questions?

Visit www.gasb.org