

## Implementation Checklist for GASB Statement No. 104, *Certain Capital Asset Disclosures*

<b>Checklist A: Capital Asset Roll-Forward Note</b>		
1	<input type="checkbox"/>	State agencies that report capital assets should disclose in a note to financial statements the roll-forward table in accordance with GASB Statement 34, paragraphs 116 and 117, as amended, and Statement 104, paragraph 4 (GASB Codification Section 2300, paragraphs 117–119) (see the paragraphs in <b>Appendix 1</b> and an example of the note in <b>Appendix 2</b> at the end of Checklist A)
2	<input type="checkbox"/>	Disclose the required information separately for governmental activities and business-type activities (if applicable) and disaggregated by major class of capital asset
3	<input type="checkbox"/>	Disclose right-to-use lease assets as a major class of capital asset and further disaggregate them by major class of underlying asset
4	<input type="checkbox"/>	Disclose right-to-use subscription assets resulting from subscription-based information technology arrangements (SBITAs) as a major class of capital assets in the aggregate
5	<input type="checkbox"/>	Disclose intangible assets other than right-to-use lease and subscription assets as a major class of capital asset and further disaggregate them by major class of intangible asset
6	<input type="checkbox"/>	Disclose intangible right-to-use assets separately from owned assets of the same major class

## Checklist A, Step 1, Appendix 1

### Required Note Disclosures about Capital Assets and Long-Term Liabilities

**.117** Governments should provide detail in the notes to the financial statements about capital assets and long-term liabilities of the primary government reported in the statement of net position. The information disclosed should be divided into major classes of capital assets and major classes of long-term liabilities, as well as between those associated with governmental activities and those associated with business-type activities. Capital assets that are not being depreciated should be disclosed separately from those that are being depreciated. (See Section 1400, [paragraph .115.](#)) [GASBS 34, ¶116, as amended by GASBS 63, ¶8]

**.118** Information presented about major classes of capital assets should include:

- a. Beginning- and end-of-year balances (regardless of whether beginning-of-year balances are presented on the face of the government-wide financial statements), with accumulated depreciation presented separately from historical cost
- b. Capital acquisitions
- c. Sales or other dispositions
- d. Current-period depreciation expense, with disclosure of the amounts charged to each of the functions in the statement of activities.

[GASBS 34, ¶117]

**.119** Within the note disclosures about capital assets required by paragraphs .117 and .118, information about the following capital assets and related amortization should be disclosed separately:

- a. Lease assets reported in accordance with [Section L20](#) by major class of underlying asset
- b. Intangible right-to-use assets recognized by an operator in accordance with [Section P90](#) by major class of underlying public-public partnership asset
- c. Subscription assets reported in accordance with [Section S80](#)
- d. Intangible assets other than those in subparagraphs (a), (b), and (c), by major class of asset.

Intangible assets that represent the right to use a type of underlying asset should not be disclosed in the same major class as any owned assets of that type. [GASBS 104, ¶4]

## Checklist A, Step 1, Appendix 2

Capital asset activity for the year ended June 30, 20X2, was as follows (in thousands):

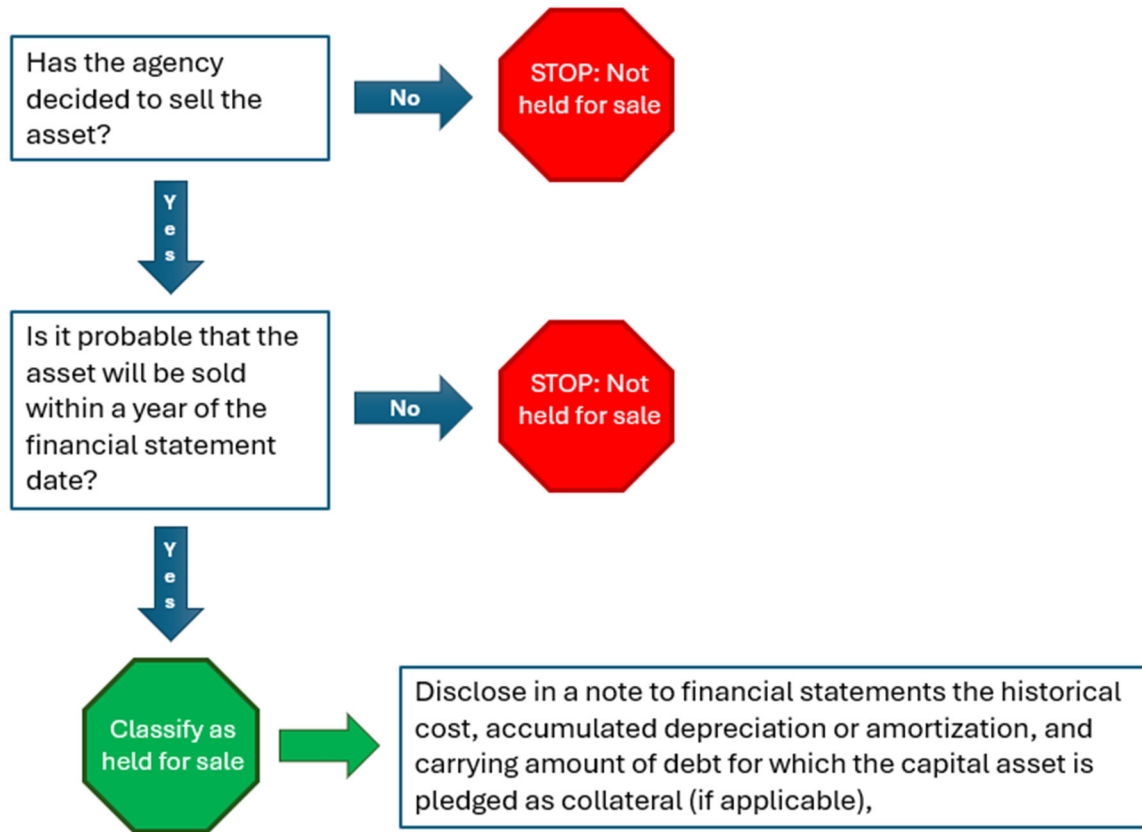
	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>2</b> Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 29,484	\$ 2,020	\$ (4,358)	\$ 27,146
Construction in progress	2,915	13,220	(14,846)	1,289
Total capital assets not being depreciated	32,399	15,240	(19,204)	28,435
Capital assets being depreciated:				
Buildings and improvements	40,861	334	-	41,195
<b>2</b> Equipment	32,110	1,544	(1,514)	32,140
Road network	72,885	10,219	-	83,104
Bridge network	18,775	4,627	-	23,402
Software <b>5</b>	2,100	548	(650)	1,998
<b>3</b> Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
<b>4</b> Subscription assets	5,490	687	(743)	5,434
Total capital assets being depreciated	218,431	20,480	(5,363)	233,548
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(2,896)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(7,456)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	(1,009)	(450)	209	(1,250)
Total accumulated depreciation	(49,778)	(7,325)	2,097	(55,006)
Governmental activities capital assets, net	<u>\$ 201,052</u>	<u>\$ 28,395</u>	<u>\$ (22,470)</u>	<u>\$ 206,977</u>

Note: This is a partial illustration of the note. The full disclosure also should include business-type activities (if applicable) and the amount of depreciation and amortization expense for the period associated with each program, function, or identifiable activity expense category reported in the government-wide financial statements.

<b>Checklist B: Capital Assets Held for Sale</b>		
1	<input type="checkbox"/>	State agencies that report capital assets should, on an annual basis, identify capital assets they have decided to sell (see the flow chart in <b>Appendix 1</b> at the end of Checklist B)
2	<input type="checkbox"/>	Annually evaluate each capital asset identified in step 1 (if any) to determine whether it is probable (likely to occur) that the capital asset will be sold within a year of the financial statement date, considering the factors listed in paragraph 6 of GASB 104 (see the paragraph in <b>Appendix 2</b> at the end of Checklist B)
3	<input type="checkbox"/>	Designate the capital assets identified in step 2 as “held for sale” and disclose in a note to financial statements their historical cost, accumulated depreciation or amortization, and the carrying amount of debt for which the capital assets are pledged as collateral (if applicable), such as in the illustration below this checklist (see an example of the note in <b>Appendix 3</b> at the end of Checklist B)

## Checklist B, Steps 1–3, Appendix 1

For each capital asset (per Checklist B, steps 1–3):



## Checklist B, Step 2, Appendix 2

6. Factors to consider when evaluating whether it is probable that the sale will be finalized within one year of the financial statement date include, but are not limited to, the following:

- a. Whether the asset is available for immediate sale in its present condition
- b. Whether an active program to locate a buyer has been initiated, which may include the asset being put out for bid
- c. Market conditions for selling that type of asset
- d. Regulatory approvals needed to sell the asset.

## Checklist B, Step 3, Appendix 3

### **Illustration 2—Capital Assets Held for Sale Disclosure**

Included in capital assets are buildings that are capital assets held for sale. Those buildings are reported in governmental activities. They have a total historical cost of \$8.0 million and an accumulated depreciation of \$5.0 million, and they are pledged as collateral for debt with a balance of \$1.5 million.