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GASB Issues Guidance on Disclosure of Certain Capital Assets.

Norwalk, CT, October 17, 2024 — The Governmental Accounting Standards Board (GASB) issued guidance today that establishes requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures.

GASB Statement No. 104, [*Disclosure of Certain Capital Assets*](#), also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets.

Recent GASB pronouncements like Statement Nos. 87, *Leases*, 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and 96, *Subscription-Based Information Technology Arrangements*, created certain types of capital assets, which are described as “right-to-use” assets. In light of the recognition of those new types of assets, the Board decided to consider whether existing disclosure requirements for capital assets should be more prescriptive.

Based on input from financial statement users during the research phase of the project, Statement 104 requires certain types of assets be disclosed separately in the note disclosures about capital assets. This is designed to allow users to make informed decisions about these and to evaluate accountability.

Guidance Requires Separate Disclosure of Four Types of Capital Assets

Statement 104 addresses four types of capital assets that would be disclosed separately in the notes:

1. Lease assets reported under Statement 87, by major class of underlying asset
2. Intangible right-to-use assets recognized by an operator under Statement 94, by major class of underlying asset,
3. Subscription assets reported under Statement 96, and
4. Intangible assets other than those listed in items 1-3, by major class of asset.

Capital Assets Held for Sale

Statement 104 establishes requirements for capital assets held for sale. Under the guidance, a capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the asset, and (b) it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset.

The requirements of Statement 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement 104 is available on the GASB website, www.gasb.org.

