

Question 4.45–Answer

I believe that the answer should be modified (bold – added, strikethrough – removed) as follows:

“... Nevertheless, additional information about the subtypes in paragraph 37e of Statement 87 may be provided. **Further, the initial recognition of a deferred outflow or inflow which significantly effects a component to net position, as defined by GASB No. Statement 63 paragraph 14, would also require disclosure in the notes to the financial statements.**”

Question 4.63–Answer

Clarification between paragraphs and circumstances. Would the concept of fixed in substance apply to this question and paragraphs 21 and 22? In the event that the costs for maintenance, upkeep, janitorial or otherwise, is a fixed costs or fixed percentage that is separately identifiable and reasonable, and would not be based on the usage of the underlying asset, (negating the criteria of paragraph 22), the costs for this component of the contract would seem to be included in the lease liability when reading paragraph 21a and 21c and potentially 21h. Paragraph 64 of the standard states they should be separate contracts.

My responses and comments do not represent the opinions/positions/comments of my firm. If you have any other questions or comments or wish us to provide further clarification of my responses contained in this summary, please contact me jlaforge@satty.com.

Sincerely,



Jessica LaForge, CPA, MBA