

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

comment a Preliminary Views, Leases, which includes proposals to improve the accounting and financial reporting for leases for state and local governments from both a lessee ...

Nov. 26, 2014

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



The Governmental Accounting Standards Board (GASB) has issued for public comment a Preliminary Views, *Leases*, which includes proposals to improve the accounting and financial reporting for leases for state and local governments from both a lessee and lessor perspective.

Many governments use leasing to finance certain necessary items—including vehicles, heavy equipment, and buildings—without having to actually purchase them. Some governments also serve in a lessor capacity by leasing assets to other entities.

The purpose of the Preliminary Views is to obtain comments from stakeholders on the Board's views before developing more detailed proposals for changes to existing accounting and financial reporting standards. The Preliminary Views presents the

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- An intangible asset that represents the government’s right to use the leased asset
- A corresponding liability for lease payments
- Amortization expense related to the lease asset (recognizing the asset amount as an expense over the term of the lease)
- Interest expense related to the lease liability.

Government lessors would report the following in their financial statements for all leases except short-term leases:

- A receivable for the right to receive payments
- A corresponding deferred inflow of resources to reflect resources related to future periods
- Lease revenue (and a corresponding reduction in the deferred inflow) systematically over the term of the lease
- Interest revenue related to the receivable.

“The Preliminary Views more closely aligns the accounting and financial reporting for leases with the economic substance of those transactions,” said GASB Chair David A. Vaudt. “The Board has an opportunity to make changes to the current guidance on leases that would result in greater transparency, reduced complexity in application, and more meaningful information for financial statements users.”

The Preliminary Views is available on the GASB website, [www.gasb.org](http://www.gasb.org). Stakeholders are encouraged to review the proposals and provide comments by March 6, 2015.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us