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how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government.

Feb. 29, 2016

The Governmental Accounting Standards Board (GASB) has a new statement about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government.

GASB Statement No. 80, *Blending Requirements for Certain Component Units* clarifies the display requirements in GASB Statement No. 14, *The Financial Reporting Entity*, by requiring these component units to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member.

While this Statement applies to a limited number of governmental units, such as public hospitals, it is meant to enhance the comparability of financial statements among those units and improve the value of this information for users of state and local government financial statements.

The requirements of the Statement are effective for reporting periods beginning after June 15, 2016, with earlier application encouraged.

The full text of Statement 80 is available at www.gasb.org.

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