

Appendix B

AMENDMENTS TO AND SUPERSESSION OF PREVIOUSLY ISSUED QUESTIONS AND ANSWERS—MARKED FOR CHANGES

B1. This appendix presents in marked form the substantive amendments to previously issued questions and answers that are proposed in paragraph 5 of this Implementation Guide and the supersessions that are proposed in paragraph 3. Text that is proposed to be added is underlined, and text that is proposed to be deleted is ~~struck out~~. Editorial modifications are not marked.

Basic Financial Statements and Management's Discussion and Analysis

Question 7.9.8 in Implementation Guide 2015-1

5.1. Q—Should a government's capitalization policy be applied only to individual assets or can it be applied to a group of assets acquired together? Consider a government that has established a capitalization threshold of \$5,000 for equipment. If the government purchases 100 computers costing \$1,500 each, should the computers be capitalized?

~~A—Authoritative pronouncements do not address the manner in which a capitalization policy should be established and applied. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. It may be appropriate for a~~ A government should ~~to~~ establish a capitalization policy that would require capitalization of ~~certain types of assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant.~~ Computers, classroom furniture, and library books are examples of asset types assets that may not meet the capitalization policy on an individual basis, yet might could be considered significant material collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers.

Question 7.33.5 in Implementation Guide 2015-1

5.2. Q—~~In some communities, revenues from fines can be substantial and may even be one of the most significant revenues in the general fund.~~ finances may be one of the largest sources of revenue reported in governmental activities. Because these communities rely on fines to provide resources to support ~~as an important source~~