GASB CODIFICATION · FINANCIAL REPORTING

Section 2500

Segment Information

A narrow but specific disclosure: when an identifiable activity inside an enterprise fund has its own pledged-revenue debt outstanding, its condensed financial picture has to be shown separately in the notes. Plain-language reference only; not a substitute for the authoritative text.

GARS 2500

¶.101

What Triggers Segment Disclosure

Three conditions, all required.
The activity is identifiable (reported as or within an enterprise fund, or a stand-alone entity), it has bonds or other debt outstanding with a revenue stream pledged to support that debt, and its revenues, expenses, assets, and liabilities are required to be accounted for separately.

An exception exists.
Segment reporting isn't required when a fund both is a segment and is already reported as a major fund.

¶.101A – C

Three Condensed Statements Required

Condensed statement of net position.
Total assets (current, capital, other), deferred outflows, total liabilities (current, long-term), deferred inflows, and the three components of net position.

Condensed statement of revenues, expenses, and changes in net position.
Operating revenues and expenses, noncapital subsidies, other nonoperating items, and the beginning-to-ending net position roll-forward.

Condensed statement of cash flows.
Net cash from each of the four cash flow categories, plus beginning and ending cash balances.

¶.101 (LAST), .102

Judgment for Component Units

Component unit segment disclosure is a judgment call.
Whether to disclose segment information for a component unit that uses enterprise fund accounting depends on that unit's significance to the total of all discretely presented component units and its relationship with the primary government.

More detail is welcomed, not required.
Governments with multi-function enterprise funds are encouraged — as supplementary information — to present a full statement of activities disaggregating net program cost beyond the segment-reporting minimum.