

**Governmental Accounting Standards Board (GASB) Statement No. 60 (GASB No. 60)
Accounting and Financial Reporting for Service Concession Arrangements**

Purpose: Purpose of this document is to identify Service Concession Arrangements (SCA) and to provide applicable financial reporting for the identified transactions.

Fund Name:	
Fund Number:	

GASB No. 60, Service Concession Arrangements Overview - An SCA is an arrangement between a Transferor (a State department or agency) and an Operator (another government or private entity) in which (1) the Transferor conveys to an Operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration, and (2) the operator collects and is compensated by fees from third parties.

Determination of Service Concession Arrangements

Criteria		Yes/ No
<p><i>To qualify as a Service Concession Arrangement, a transaction must meet all of the following criteria.</i></p> <p>To determine if the State agency has SCA transactions, answer the following questions:</p>		
A. Rights and Obligations		
1	<p>Does the Transferor convey to the Operator the right and related obligation to provide public services through the use and operation of a Capital Asset?</p> <p><i>If the answer is "NO", STOP. The arrangement does not have potential to be a service concession arrangement. Do not complete the rest of the checklist.</i></p>	
2	<p>Does the Operator provide significant consideration to the Transferor in exchange of Capital Assets?</p> <p><i>If the answer is "NO", STOP. The arrangement does not have potential to be a service concession arrangement. Do not complete the rest of the checklist.</i></p>	
	<p>If you answered "Yes" to question A2, check appropriate box(es) below to identify form of consideration provided by the Operator.</p>	State the amount of consideration received
	<p>a) Upfront payment in the form of cash or cash equivalents</p> <p align="center"><input type="checkbox"/></p>	
	<p>b) Commitment to make installment payments</p> <p align="center"><input type="checkbox"/></p>	
	<p>c) Construction of a new facility</p> <p align="center"><input type="checkbox"/></p>	
	<p>d) Improvement of the existing facility</p> <p align="center"><input type="checkbox"/></p>	
<p>If you answered "Yes" to both items A1 and A2, Proceed to section B "Fees".</p>		

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B. Fees	
1	Does the Operator collect fees and is compensated by the fees it collects from third parties? (Example: Public)
<p>If you answered "NO" to section B1, STOP. The transaction does not meet the second criteria of a SCA. Do not complete the rest of the checklist. If you answered "YES" to section B1, Proceed to section C "Control".</p>	

C. Control	
1	Does the Transferor determine or have the ability to modify or approve services provided by the Operator ?
2	Does the Transferor determine or have the ability to modify or approve to whom the services are to be provided?
3	Does the Transferor determine or have the ability to modify or approve the prices or the rates that can be charged for the services?
<p>If you answered "NO" to all C1, C2 and C3, STOP. The transaction does not meet the third criteria of a SCA. Do not complete the rest of the checklist. If you answered "YES" to all C1, C2 and C3, Proceed to section D "Residual Interest".</p>	

D. Residual Interest	
1	Is the Transferor entitled to significant residual interest in the facility at the end of the arrangement?
<p>If you answered "NO" to section D1, STOP. The transaction does not meet the fourth criteria of a SCA. If you answered "YES" to the section D1, Proceed to <u>"Financial Reporting of a SCA by Transferor and Operator-Illustrations"</u> for proper accounting and reporting of a SCA.</p>	

***If the arrangement has met Criteria A, B, C and D, you have an SCA. If you determined that your agency has a SCA, please provide the completed checklist along with the contracts to SCO-DAR State Policy at 3301 C Street, Suite 760, Sacramento, CA 95816.**

*** If you determined that your agency does not have an SCA, no information is needed from your agency unless requested by SCO.**