



**RIVERSIDE COUNTY
OFFICE OF THE
AUDITOR-CONTROLLER**

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802



**COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER**

**Robert E. Byrd, CGFM
AUDITOR-CONTROLLER**

**Bruce Kincaid, MBA
ASSISTANT
AUDITOR-CONTROLLER**

To: All Department Fiscal Managers and / or Administrative Managers
From: Hank Johnson, Audits and Specialized Accounting, Capital Assets
Subject: **Accounting and Financial Reporting for Intangible Assets (GASB No. 51)**
Date: April 1, 2010

Please give copies of this to others who may need this information.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Since the issuance of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and analysis – for State and Local Governments, questions have been raised regarding inclusion of intangible assets as capital assets for accounting and financial reporting purposes. Inconsistencies in the accounting and reporting for intangible assets, particularly in the areas of recognition, initial measurement, and amortization, have occurred in practice due to the absence of sufficiently specific authoritative guidance that addresses these questions. The objective of GASB Statement 51 is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. **Statement No. 51 is effective for financial statements for fiscal periods ending June 30, 2010.**

In order for the Auditor-Controller's office to capture this information for financial reporting, we are requesting that County departments inform us of any purchases that might involve intangible assets and any internally generated intangible asset activity. **Please fill out the questionnaire enclosed, and submit it to the Auditor-Controller's Office, mail stop 1051, no later than April 30, 2010.**

Please keep in mind that providing this information is essential for the County's financial reporting. Your immediate attention in providing this information is greatly appreciated.

If you have any questions, please contact Hank Johnson at Micro 5-8569, or Russell Dominski at Micro 5-8136.

Enclosed: GASB 51 Summary and Questionnaire