



Course Synopsis

Overview – GASB 87 Leases will have a disproportionate impact on U.S. airports compared to other government organizations subject to the new standard. This classroom training course is intended to be a comprehensive analysis, application and how-to approach for implementing GASB 87 for U.S. airports, primarily focused on provisions of the statement that relate to lessor lease accounting. The course materials will include application of the standard to a variety of different airport leases, including concessions, terminal, airside and landside land and facility leases, regulated (aeronautical) leases and will be updated for the GASB 87 implementation guide. A GASB staff presentation will review recent developments and GASB actions and address the most frequent airport questions. In addition, it will include a review of electronic GASB 87 solution alternatives, incorporate the results and issues that have arisen from early implementation by airports as well as an auditor’s perspective on requirements for meeting the standard. The course will vary from recent industry presentations in its depth using real examples as well as class discussion and exercises. The course materials and classroom instruction will cover the following areas:

- Evaluating leases and lease components for inclusion under the standard
- Calculation of lease terms and evaluation of lease options
- Selecting and applying interest rates to lease payments
- Determining whether a lease meets requirements for treatment as a regulated lease
- Measurement of lease receivable, with consideration of variable payments, minimum annual guarantees, residual value guarantees and lease incentives
- Considerations, elements and requirements for re-measurement of leases
- Financial statement presentation and note disclosures for regulated and nonregulated leases
- Requirements for related-party and other specialized leasing arrangements

Course Outline

Wednesday, January 29, 2020

8:00am – 3:00pm <i>Vineyard Foyer</i>	Registration
8:00am – 8:30am <i>Lake Silverwood</i>	Networking Breakfast
8:30am – 5:15pm <i>Vineyard</i>	GASB 87 Training Workshop DAY 1 All workshop sessions take place in Vineyard room.
8:30 – 8:50am	Opening and Welcoming Remarks

Tracy Borda, Chief Financial Officer, Philadelphia International Airport
John Schubert, CFO, Ontario International Airport

8:50am – 10:00am

Session 1 Part A: GASB 87 Overview

This session will provide an overview of GASB 87 with an emphasis on lessor requirements: background leading to the standard, definition of a GASB 87 lease, renewal options, lease modifications and terminations, exemptions from lessor accounting, fixed vs variable payments, discount rates, financial statement presentation, note disclosures, and implementation guide issues.

Speaker: Deborah Beams, Supervising Project Manager, Government Accounting Standards Board

10:00am – 10:15am

Networking Break

Vineyard Foyer

10:15am – 12:00pm

Session 1 Part B: GASB 87 Overview (continued)

Speaker: Deborah Beams, Supervising Project Manager, Government Accounting Standards Board

12:00pm – 1:00pm

Lunch

Lake Silverwood

1:00pm – 2:00pm

Session 2: Regulated Leases

GASB accepted ACI-NA's request to grant an exemption of regulated leases (aviation related leases in the airport context) from the balance sheet presentation. The session will identify factors and consideration for determining whether a lease or lease components qualify for treatment as regulated leases. Did you know that ACI-NA developed a white paper that provides background and guidance to help airports understand and apply the standards contained in GASB 87 paragraphs 42 and 43? The White Paper explored the range of airport leases that would meet GASB 87 standards for exemption. You might want to download the white paper [here](#) prior to the workshop.

Moderator: Max Underwood, Vice President Finance, Dallas Fort Worth International Airport

Speaker: Tom Devine, General Counsel, ACI-NA

2:00pm - 3:00pm

Session 3 Part A: GASB 87 Audit and Implementation Q&A

Given the volume and diversity of airport arrangements that may meet the definition of a lease under GASB 87, there are issues that warrant contemplation from industry, the CPA profession, and the GASB itself. This session will seek to address these questions, scenarios, and other matters that airports will need to better understand in order to ensure a smooth implementation of GASB 87. At the end of the session, participants will have a better handle on how to think about some of the unique issues that may exist in their leasing arrangements and what sort of documentation or audit evidence they should be prepared to provide their external auditors to support their accounting conclusions.

Moderator: Ali Hijazi, Senior Manager, Assurance, Plante Moran

Panelists: Deborah Beams, Supervising Project Manager, Government Accounting Standards Board
Danny Martinez, Managing Director, BKD
Blake Rodgers, Partner | Audit & Assurance, Deloitte & Touche LLP
John Schubert, CFO, Ontario International Airport

3:00pm – 3:15pm

Networking Break

Vineyard Foyer

3:15pm – 4:15pm **Session 3 Part B: GASB 87 Audit and Implementation Q&A (continued)**

4:15pm – 5:15pm **Session 4: GASB 87 Impact on Airport Finance**
 Among other impacts, implementing GASB 87 will result in higher non-operating interest earnings and lower non-airline revenues, which could be misleading. This session will discuss the impact of implementing GASB 87 on airline rates and charges, rate covenant compliance, financial metrics and benchmarking, and investor educations.

Speaker: Dafang Wu, Associate Director, DWU Consulting

5:30pm – 7:00pm **Welcome Reception**
Lake Silverwood

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Thursday, January 30, 2020

7:30am – 1:00pm **Registration**
Vineyard Foyer

7:30am – 8:00am **Breakfast**
Lake Silverwood

8:00am – 4:00pm **GASB 87 Training Workshop Day 2**
 All workshop sessions are taking place in Vineyard room.

8:00am – 10:00am **Session 5: Airport GASB 87 Implementation in Progress**
 This session will provide practical information on the implementation of GASB 87 at other airports. It will address the airports' approaches, decision points and issues encountered. It will discuss the complications involved in the documentation gathering, lease classification, review and on-going compliance after year one (1).

Moderator: John Schubert, CFO, Ontario International Airport

Speakers: Anne Field, Controller, Metropolitan Washington Airports Authority
 Wallace Tang, Airport Controller, Business and Finance, San Francisco International Airport

10:00am – 10:15am **Networking Break**
Vineyard Foyer

10:15am – 12:00 pm **Session 6 Part A: Working through practical examples**
 A series of case studies of sample airport scenarios facilitated by industry and accounting professionals intended to address GASB 87 issues relevant airports.

12:00pm – 1:00pm **Lunch**
Lake Silverwood

- 1:00pm – 2:30pm **Session 6 Part B: Working through practical examples (continued)**
A series of case studies of sample airport scenarios facilitated by industry and accounting professionals intended to address GASB 87 issues relevant airports.
- 2:30pm – 2:45pm **Networking Break**
Vineyard Foyer
- 2:45pm – 4:00pm **Session 7: Software Solutions for GASB 87**
This session will address what the available alternatives are and how to integrate software solutions to meet the requirements of the standards, e.g. discount calculations, accounting entries and note disclosures.
- Moderator: Max Underwood, Vice President Finance, Dallas Fort Worth International Airport
- Speakers: Anne Field, Controller, Metropolitan Washington Airports Authority
Carol Harried, Financial Planning Manager, Dallas Fort Worth International Airport

Continuing Professional Education (CPE) Information

Conference workshops are all Group-Live.

Conference Learning Objectives:

Participants will be able to:

- Identify the impact of GASB 87 lease accounting rule changes and implications to financial reporting at airports.
- Determine whether a lease meets requirements for treatment as a regulated lease, and evaluate leases and lease components for inclusion under the standard.
- Learn calculation of lease terms and evaluation of lease options.
- Learn financial statement presentation and note disclosures for regulated and nonregulated leases.

Course Level: The course level is intermediate. Conference workshops are designed for individuals with a basic understanding of airport accounting practices.

Prerequisite: Basic knowledge about airport accounting practices.

Advance Preparation: None

Conference participants are eligible to receive up to 16 hours of Accounting (Governmental) CPE credits.



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