

CARR, RIGGS & INGRAM

GLOSSARY OF GOVERNMENTAL ACCOUNTING AND FINANCIAL REPORTING TERMS



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Most people who work in, around, or with state and local governments are not accountants. Nevertheless, they often need to understand accounting information to effectively do their jobs, make decisions, evaluate the efficiency and effectiveness of government services, and assess whether governments are publicly accountable, among other uses. These definitions of common governmental accounting and financial reporting terminology are not exhaustive, and they won't turn you into an experienced CPA, but they are a great starting point for understanding and using the information found in government financial statements.

Accrual Basis

The basis of accounting under which revenue is recorded when *earned* (or when qualifying requirements have been met) and *measurable* and expenses are recorded when *costs are incurred* (or when qualifying requirements have been met) and measurable, regardless of when cash is received or paid. Accrual is associated with the economic resources measurement focus and is used in all government financial statements except the governmental funds financial statements and the proprietary funds statement of cash flows. The accrual basis of accounting focuses on net position and changes in net position. See: ***Cash Basis***, ***Economic Resources***, and ***Modified Accrual Basis***

Accumulated Amortization

The total amortization expense that has amassed over the life of an intangible capital asset. See: ***Amortization***

Accumulated Depreciation

The total depreciation expense that has amassed over the life of a capital asset. See: ***Depreciation***

Additions

Inflows of resources into a fiduciary fund, increasing fiduciary net position. See: ***Statement of Changes in Fiduciary Net Position***

Amortization

The allocation of the cost of an intangible asset over the asset's estimated useful life. See: ***Intangible Asset***

Amortization Method

The method by which a government calculates the annual allocation of the cost of an intangible capital asset over the asset's estimated useful life; the most common method is straight-line amortization. See: ***Straight-Line Amortization***

Annual Comprehensive Financial Report (ACFR)

An expanded report in which a government voluntarily presents certain supplemental information or SI, such as background information and 10-year schedules, in addition to the financial statements, notes to financial statements, and RSI. An ACFR has three parts:

	CONTENTS	REQUIRED?
Introductory Section	Letter from management (also known as the transmittal letter); organizational chart; financial reporting award	In an ACFR
Financial Section	Auditor's report; MD&A; government-wide and fund financial statements; notes to financial statements; RSI	All governments
	Combining financial statements	In an ACFR
Statistical Section	10-year schedules of financial, economic, demographic, and operating information	In an ACFR

See: ***Combining Financial Statements***, ***Financial Section***, ***Introductory Section***, and ***Statistical Section***

Asset

A resource that a government owns, is owed, or currently controls that can be used to provide services, generate resources, or be sold to generate resources.

Assigned Fund Balance

The remaining resources in a governmental fund that a government intends to use for a particular purpose. Assigned fund balance differs from committed fund balance in that the constraint has no legal standing and is therefore more easily modified. All fund balance outside of the general fund is assigned, at a minimum. See: ***Committed Fund Balance*** and ***Fund Balance***

Audit*

An independent examination of a government's financial statements that seeks to determine whether there are any material misstatements and whether they conform to a specific set of accounting and financial reporting standards (such as GAAP). An audit provides reasonable assurance over the financial statements.

Auditor's* Opinion

A formal statement given by the auditor at the conclusion of an audit as to whether the financial statements are presented fairly, in all material respects, in accordance with the applicable accounting and financial reporting standards. There are four types of audit opinions:

Unmodified Opinion

The financial statements present fairly, in all material respects, the financial position and changes in financial position of the government; also known as a clean opinion.

Qualified Opinion

The financial statements contain a deviation from the applicable accounting and financial reporting standards or a limitation to the audit procedures performed, but the issues are not pervasive, and the financial statements are fairly presented, except for the specified area.

Disclaimer of Opinion

The auditor provides no opinion related to the financial statements.

Adverse Opinion

The financial statements do not fairly present the financial position and changes in financial position of the government.

Balance Sheet

A financial statement that presents the assets, liabilities, deferrals, and fund balances of the governmental funds as of a specific point in time (typically the last day of the fiscal year). Also used broadly to describe any statement of financial position.

Basis of Accounting

The rules governing the timing of when a government should record the financial statement elements (such as liabilities and expenses) specified by the applicable measurement focus. See: ***Accrual Basis***, ***Cash Basis***, ***Measurement Focus***, and ***Modified Accrual Basis***

Blended Presentation

A method of reporting component units within the activities and funds in the primary government's financial statements as if they were a department or program of the primary government. Component units are required to be blended if they meet criteria that demonstrate they are considerably intertwined with the primary government. See: ***Component Unit***, ***Discrete Presentation***, and ***Primary Government***

Budgetary Comparison

An RSI schedule that compares a government's original and final budgets with the actual results for the revenues and expenditures of the general fund and certain special revenue funds. See: ***Required Supplementary Information (RSI)***

Business-Type Activities

The activities in which a government provides goods and services for a fee, primarily to customers outside of the government itself. See: ***Governmental Activities***

Capital and Related Financing Cash Flows

Inflows and outflows of cash and cash equivalents related to the acquisition, construction, and sale of capital assets. See: ***Capital Asset*** and ***Statement of Cash Flows***

Capital Asset

An asset with an estimated useful life of more than one year, such as a building, vehicle, or office equipment.

Capital Projects Fund

A type of governmental fund used to account for resources that are restricted, committed, or assigned to acquiring or constructing capital assets associated with governmental activities (but not those associated with proprietary or fiduciary activities).

Cash Basis

The basis of accounting under which receipts are recorded when cash is received and disbursements are recorded when cash is paid. See: ***Accrual Basis*** and ***Modified Accrual Basis***

Cash Equivalents

Assets that can be converted into cash quickly, typically within 90 days, such as money market accounts, certificates of deposit (CDs), and U.S. Treasuries.

Change in Accounting Estimate

A change in the data, assumptions, and/or measurement methods a government uses to determine estimated amounts that are reported in financial statements. A government is required to disclose such changes in notes to financial statements.

Change in Accounting Principle

A change in the method used to account for a transaction or event either voluntarily, because the new method is preferable to the old method, or due to the implementation of new GASB standards. A government is required to restate the beginning balances of financial statement items (the ending balances of the preceding fiscal year) as if the new method had been in use throughout the year and to disclose the change in notes to financial statements.

Change to or within the Financial Reporting Entity

A change to the makeup of a government's financial reporting entity or a change in how parts of the financial reporting entity are presented in the financial statements; there are four types:

- Adding or removing a fund as a result of moving operations from one location in the financial statements to another
- Changing a fund from major to nonmajor or vice versa
- Adding or removing a component unit
- Changing a component unit from discrete presentation to blended or vice versa.

A government is required to adjust the beginning balances of financial statement items (the ending balances of the preceding fiscal year) as if the changed financial reporting entity had been in place throughout the year and to disclose the change in notes to financial statements. See: **Blended Presentation**, **Component Unit**, **Discrete Presentation**, **Financial Reporting Entity**, **Major Fund**, and **Nonmajor Fund**

Charges for Services

Fees charged to the users or recipients of a government's goods and services. See: **Program Revenue**

Chart of Accounts

An index of all the accounts and subaccounts in the general ledger. See: **General Ledger**

Combining Financial Statements

Financial statements presented as SI that report individually the funds and entities that are aggregated in the financial statements, such as nonmajor governmental funds and discretely presented component units. See: **Supporting Information (SI)**

Committed Fund Balance

The remaining resources in a governmental fund that a government has legally limited to a specific purpose using its highest level of decision-making authority. Committed fund balance can be used for a different purpose only by removing the constraints through the same formal action. See: **Fund Balance**

Compensated Absences

Sick leave, vacation, parental leave, paid time off, and other time off for which employees can be paid or otherwise compensated.

Component Unit

A legally separate entity that a government includes in its financial statements because (1) it is financially accountable for the entity, (2) the entity exists for the benefit of the government and/or its constituents, or (3) leaving the entity out would make the financial statements misleading. See: **Financial Accountability** and **Financial Reporting Entity**

Correction of an Error

Changes made to resolve previously reported information that is later found to be incorrect. A government is required to restate the beginning balances of financial statement items (the ending balances of the preceding fiscal year) to reflect the correction and to disclose the correction in notes to financial statements.

Credit

One side of the recording of a transaction or event in double-entry accounting, opposite a debit, that indicates the flow of resources into or out of a government. See: ***Debit*** and ***Double-Entry Accounting***

Current Assets

Cash and assets that are expected to be converted to cash, used up, or sold within the next year, such as short-term investments and accounts receivable. See: ***Noncurrent Assets***

Current Financial Resources

A measurement focus under which financial statements primarily report resource inflows and outflows that occurred during the year or shortly thereafter and exclude capital assets and long-term liabilities. The current financial resources measurement focus is used exclusively in the governmental funds financial statements. See: ***Measurement Focus***

Current Liabilities

Liabilities such as salaries payable that are expected to be paid or otherwise satisfied using current assets, including the portion of long-term liabilities (such as debt) that is expected to be paid or otherwise satisfied within one year. See: ***Noncurrent Liabilities***

Custodial Fund

A type of fiduciary fund used to report the finances of fiduciary activities that are not administered through a trust, such as funds used to hold inmate monies during incarceration or to collect taxes on behalf of other governments.

Debit

One side of the recording of a transaction or event in double-entry accounting, opposite a credit, that indicates the flow of resources into or out of a government. See: ***Credit*** and ***Double-Entry Accounting***

ACCOUNT	Increase by	Decrease by
Assets	Debit	Credit
Deferred outflows of resources	Debit	Credit
Expenses/Expenditures	Debit	Credit
Liabilities	Credit	Debit
Deferred inflows of resources	Credit	Debit
Revenue	Credit	Debit

Debt Service

The payment of interest and principal on outstanding debt and other long-term financings.

Debt Service Fund

A type of governmental fund used to account for resources that are restricted, committed, or assigned to repaying debt and other long-term financings associated with governmental activities (but not those associated with proprietary or fiduciary activities).

Deductions

Outflows of resources from a fiduciary fund, decreasing fiduciary net position. See: ***Statement of Changes in Fiduciary Net Position***

Deferrals

See: ***Deferred Inflows of Resources*** and ***Deferred Outflows of Resources***

Deferred Inflows of Resources

Resources received by a government in the current or prior fiscal years that are related to a future fiscal year; they will be reported as revenue in that future fiscal year. See: ***“Demystifying Deferrals”***

Deferred Outflows of Resources

Resources provided by a government in the current or prior fiscal years that are related to a future fiscal year; they will be reported as expenses/expenditures in that future fiscal year. See: ***“Demystifying Deferrals”***

Depreciation

The allocation of the cost of a capital asset over the asset’s estimated useful life.

Depreciation Method

The method by which a government calculates the annual allocation of the cost of a capital asset over the asset’s estimated useful life; the most common method is straight-line depreciation. See: ***Straight-Line Depreciation***

Disclosure

Information that is essential to understanding the financial statements and is reported in notes that follow the financial statements. See: ***Notes to Financial Statements***

Discrete Presentation

The default method of reporting component units in a column outside the primary government in the financial statements. See: **Blended Presentation**, **Component Unit**, and **Primary Government**

Double-Entry Accounting

A method of bookkeeping used to record transactions and events, under which debits to one or more accounts (such as assets or liabilities) are balanced by simultaneous credits to one or more other accounts (such as revenues or expenses), such that the following equations are always maintained:

ACCRUAL	MODIFIED ACCRUAL
Assets	Assets
+ Deferred outflows of resources	+ Deferred outflows of resources
– Liabilities	= Liabilities
– Deferred inflows of resources	+ Deferred inflows of resources
= Net position	+ Fund balance

Economic Resources

A measurement focus under which financial statements report all types of resources, both financial and capital, current and noncurrent. The economic resources measurement focus is used in all financial statements except the governmental funds financial statements and the proprietary funds statement of cash flows. See: **Measurement Focus**

Enterprise Fund

A type of proprietary fund used to report the finances of activities for which a government charges a fee for goods or services primarily to external customers, such as a water utility or events center.

Exchange Transaction

A transaction in which equal value is exchanged between willing parties, such as providing electricity to a residence in return for payment to the government. See: **Exchange-Like Transaction** and **Nonexchange Transaction**

Exchange-Like Transaction

A transaction in which the value exchanged is not quite equal and/or one or more of the parties is not willing. See: **Exchange Transaction** and **Nonexchange Transaction**

Expenditures

Payments of cash and other outflows of current financial resources that decrease a government's fund balance and are reported under the modified accrual basis of accounting.

Expenses

Outflows of resources that decrease a government's net position, generally equivalent to costs incurred, and are reported under the accrual basis of accounting.

Extraordinary Items

Revenue and expenses/expenditures that are both unusual in nature and infrequent in occurrence. They are required to be reported separately from other revenue and expenses/expenditures in the statements of resource flows. See: ***Special Items***

Fair Value

The amount for which an asset could be sold (or a liability transferred) in an active market between a willing buyer and seller.

Fiduciary Funds

Funds used to report the finances of activities in which a government acts as a trustee or custodian for resources that belong to individuals or other entities. See: ***Custodial Fund, Investment Trust Fund, Pension (and Other Employee Benefit) Trust Fund, and Private-Purpose Trust Fund***

Fiduciary Funds Financial Statements

The two financial statements a government presents for its fiduciary funds, reporting economic resources on an accrual basis. See: ***Statement of Changes in Fiduciary Net Position*** and ***Statement of Fiduciary Net Position***

Financial Accountability

The principal reason why a government includes in its financial statements a legally separate entity, representing significant financial responsibility for or significant financial control over the entity. See: ***Component Unit*** and ***Financial Reporting Entity***

Financial Reporting Entity

A primary government and certain legally separate entities that are included in the government's financial statements. See: ***Component Unit*** and ***Primary Government***

Financial Section

The main part of an ACFR, containing MD&A, financial statements, notes to financial statements, RSI, and combining financial statements. See: ***Annual Comprehensive Financial Report (ACFR)***

Financial Statements

A set of reports that reflects a government's financial status and performance. Financial statements fall into two categories: statements of financial position and statements of resource flows. See: ***Statement of Financial Position*** and ***Statement of Resource Flows***

Fund Balance

The resources that remain in a governmental fund after liabilities and deferred inflows of resources are subtracted from assets and deferred outflows of resources. Fund balance is reported in as many as five categories: nonspendable, restricted, committed, assigned, and unassigned. See: ***Assigned Fund Balance***, ***Committed Fund Balance***, ***Nonspendable Fund Balance***, ***Restricted Fund Balance***, and ***Unassigned Fund Balance***

Fund Financial Statements

Financial statements that disaggregate a government's finances into individual funds based on the type of activity or source of funding. See: ***Fiduciary Funds Financial Statements***, ***Governmental Funds Financial Statements***, and ***Proprietary Funds Financial Statements***

Funds

Accounting constructs that a government creates to account for and report the finances of a particular type of activity or group of activities or the receipt and use of a specific revenue source or type of revenue source. See: ***Fiduciary Funds***, ***Governmental Funds***, and ***Proprietary Funds***

GAAP

See: ***Generally Accepted Accounting Principles (GAAP)***

GASB

See: ***Governmental Accounting Standards Board (GASB)***

Generally Accepted Accounting Principles (GAAP)

Commonly followed accounting and financial reporting standards for state and local governments, developed primarily by the GASB. The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one government to another.

General Fund

A government's primary operating fund, used to account for activities not reported in another fund. See: ***Governmental Funds***

General Ledger

A comprehensive record of a government's individual financial transactions. General ledgers show the details behind the financial statements.

General Purpose Government

A state, county, city, or other local government that provides a variety of services. See: ***Special-Purpose Government***

General Revenue

Taxes and other revenues that are not program revenue. See: ***Program Revenue***

Governmental Accounting Standards Board (GASB)

The private, not-for-profit organization recognized by the accounting industry as the setter of accounting and financial reporting standards for U.S. state and local governments.

Governmental Activities

The most basic services and operations of a general purpose government or special district, typically financed with taxes and grants from other governments. See: ***Business-Type Activities***, ***General Purpose Government***, and ***Special District***

Governmental Funds

Funds used to report activities that generally are the same as governmental activities in the government-wide financial statements (except for internal service fund activities). See: ***Capital Projects Fund***, ***Debt Service Fund***, ***General Fund***, ***Governmental Activities***, ***Permanent Fund***, and ***Special Revenue Fund***

Governmental Funds Financial Statements

The two financial statements a government presents for its governmental funds, reporting current financial resources on a modified accrual basis. See: ***Balance Sheet*** and ***Statement of Revenues, Expenditures, and Changes in Fund Balances***

Government-Wide Financial Statements

Financial statements that encompass the entire government and its component units (excluding fiduciary activities) and report economic resources on an accrual basis of accounting. See: ***Statement of Net Position*** and ***Statement of Activities***

Historical Cost

The original cost to acquire or construct a capital asset.

Income Statement

See: ***Statement of Resource Flows***

Intangible Asset

A capital asset that does not have a physical form, such as right-to-use lease assets, patents and copyrights, easements, and computer software.

Interfund Balance

An amount owed from one fund to another.

Internal Service Fund

A type of proprietary fund used to report the finances of activities for which a government charges a fee primarily to other funds and departments of the primary government and its component units on a cost-reimbursement basis, such as a central publishing function or self-insurance fund.

Introductory Section

The first part of an ACFR, containing a transmittal letter from the government's management, organizational chart, financial reporting award, and other background information about the government. See: ***Annual Comprehensive Financial Report (ACFR)***

Investing Cash Flows

Inflows and outflows of cash and cash equivalents related to the purchase and sale of investments and earnings from them. See: ***Investments*** and ***Statement of Cash Flows***

Investments

Assets that a government holds primarily for the purpose of profit or income and whose service capacity is based solely on their ability to generate cash or be sold for cash.

Investment Trust Fund

When a government operates an investment pool through a trust, the share of the investments that belongs to other governments is reported in this type of fiduciary fund.

Journal Entries

Records in the general ledger that represent the effects of a transaction or event on a government's accounts. Journal entries generally include the transaction date, account numbers, account names, and debit and credit amounts.

Liability

An amount a government owes to an external party.

Major Fund

A governmental fund or enterprise fund that a government is required to report in its own column in the financial statements because of the size of its assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses relative to its other governmental and enterprise funds. A government also may voluntarily report as major a governmental or enterprise fund that does not meet the size criteria. See: ***Nonmajor Fund***

Management's Discussion and Analysis (MD&A)

A narrative RSI section preceding the financial statements that summarizes and explains the most significant changes in a government's finances during the year covered by the financial statements. The purpose of MD&A is to assist readers in understanding the information in the financial statements, notes to financial statements, and RSI.

Material

Information that is so important (often because of the size of the dollar amount) that it influences decisions made by the people who rely on it.

MD&A

See: ***Management's Discussion and Analysis (MD&A)***

Measurement Focus

The types of financial statement items that should be reported in a particular financial statement. All government financial statements focus on economic resources except the governmental funds financial statements, which focus on current financial resources. See: ***Current Financial Resources*** and ***Economic Resources***

Modified Accrual Basis

The basis of accounting under which revenue is reported when current financial resources are earned (or when qualifying requirements have been met), measurable, and available (received during the year or soon enough thereafter to be used to pay the current year's liabilities) and expenditures are reported when current financial resources flow out of a government or are used up (or when qualifying requirements have been met) and measurable. Long-term liabilities are reported only when due, not when incurred, and only the expenditure for capital assets is reported, not the capital assets themselves. Modified accrual is used only in the governmental funds financial statements. See: ***Accrual Basis***, ***Cash Basis***, and ***Current Financial Resources***

Net Expense

As reported in the government-wide statement of activities, the amount by which expenses exceeded program revenues, which is financed with taxes and other general revenues. See: ***General Revenue***, ***Net Revenue***, ***Program Revenue***, and ***Statement of Activities***

Net Investment in Capital Assets

The first component of net position, calculated as: historical cost of capital assets less accumulated depreciation/amortization minus outstanding debt and other borrowings that financed those capital assets. See: ***Net Position***

Net Position

The resources that remain in accrual-basis financial statements after liabilities and deferred inflows of resources are subtracted from assets and deferred outflows of resources. Net position has three components: net investment in capital assets, restricted, and unrestricted. See: ***Net Investment in Capital Assets***, ***Restricted Net Position***, and ***Unrestricted Net Position***

Net Revenue

As reported in the government-wide statement of activities, the amount by which program revenues exceed expenses. See: ***Net Expense***, ***Program Revenue***, and ***Statement of Activities***

Noncapital Financing Cash Flows

Inflows and outflows of cash and cash equivalents for financing purposes not related to capital assets, such as unrestricted grants received from other governments and issuing and repaying revenue anticipation notes. See: ***Statement of Cash Flows***

Noncurrent Assets

Assets that are expected to be converted to cash beyond the next year, such as loans receivable, or that have expected useful lives greater than one year, such as capital assets. See: ***Current Assets***

Noncurrent Liabilities

Liabilities that are expected to be paid or otherwise satisfied beyond the next year, such as outstanding bonds and compensated absences. See: ***Current Liabilities***

Nonexchange Transaction

A transaction in which the values exchanged are not equal and the parties often are not willing, such as taxes and grants. See: ***Exchange Transaction*** and ***Exchange-Like Transaction***

Nonmajor Fund

A governmental fund or enterprise fund that does not meet the criteria that would require it to be reported in its own column in the financial statements and that a government does not choose to voluntarily report as major. Nonmajor governmental funds and nonmajor enterprise funds are aggregated in a single column in their respective financial statements. See: ***Major Fund***

Nonoperating Expenses

Expenses of a government's proprietary funds not related to the provision of goods and services, such as interest on outstanding debt. See: ***Operating Expenses*** and ***Statement of Revenues, Expenses, and Changes in Fund Net Position***

Nonoperating Revenue

Revenue of a government's proprietary funds not related to the provision of goods and services, such as investment income. See: ***Operating Revenue*** and ***Statement of Revenues, Expenses, and Changes in Fund Net Position***

Nonspendable Fund Balance

The resources in a governmental fund that cannot be spent because they are not in a spendable form—such as inventory or a receivable due beyond one year—or are legally prohibited from being spent—such as the principal of a permanent fund. See: ***Fund Balance***

Notes to Financial Statements

Information that follows and is essential to fairly presenting the financial statements, for the purpose of explaining or providing greater detail for information displayed in the financial statements.

OPEB

See: ***Other Postemployment Benefits (OPEB)***

Operating Cash Flows

Inflows and outflows of cash and cash equivalents related to a government's provision of goods and services, such as employee salaries, rent payments, and user fees. See: ***Statement of Cash Flows***

Operating Expenses

Expenses of a government's proprietary funds related to the provision of goods and services, such as employee salaries and rent payments. See: ***Nonoperating Expenses*** and ***Statement of Revenues, Expenses, and Changes in Fund Net Position***

Operating Revenue

Revenue of a government's proprietary funds related to the provision of goods and services, such as customer charges. See: ***Nonoperating Revenue*** and ***Statement of Revenues, Expenses, and Changes in Fund Net Position***

Other Financing Sources

Increases in fund balance other than revenue, such as the proceeds from issuing bonds and transfers from other funds. See: ***Statement of Revenues, Expenditures, and Changes in Fund Balance***

Other Financing Uses

Decreases in fund balance other than expenditures, such as transfers to other funds. See: ***Statement of Revenues, Expenditures, and Changes in Fund Balance***

Other Postemployment Benefits (OPEB)

Retirement benefits provided to employees other than pensions, such as retiree health insurance.

Pension (and Other Employee Benefit) Trust Fund

A type of fiduciary fund used to report the finances of pension and OPEB plans that are administered through a trust. See: ***Other Postemployment Benefits (OPEB)***

Permanent Fund

A type of governmental fund used to account for resources that are restricted such that the principal cannot be spent; instead, it can be invested and the earnings spent for purposes that support the government's own programs and services.

Primary Government

A general purpose government, or a special-purpose government that has a separately elected governing body and is legally separate from and fiscally independent of other state and local governments. See: ***Financial Reporting Entity***, ***General Purpose Government***, and ***Special-Purpose Government***

Private-Purpose Trust Fund

A type of fiduciary fund used to report the finances of fiduciary activities—other than pension and OPEB plans and investment pools—that are administered through a trust.

Program Revenue

Revenue generated by a government's provision of goods and services—charges for services and grants for capital and operating purposes—reported in the government-wide statement of activities. See: ***Statement of Activities***

Proprietary Funds

Funds used to report the finances of activities for which a government charges a fee in exchange for goods or services. See: ***Enterprise Fund*** and ***Internal Service Fund***

Proprietary Funds Financial Statements

The three financial statements a government presents for its proprietary funds, reporting economic resources on an accrual basis. See: ***Statement of Net Position***; ***Statement of Revenues, Expenses, and Changes in Fund Net Position***; and ***Statement of Cash Flows***

Required Supplementary Information (RSI)

Supporting and explanatory information presented in schedules following notes to financial statements (except for MD&A) that the GASB considers *essential* to helping readers to understand the information in financial statements and notes by placing it in an historical, economic, or operational context.

Restricted Fund Balance

The remaining resources in a governmental fund that are legally limited to a particular purpose by an external party, such as the resource provider or a higher level of government. See: ***Fund Balance***

Restricted Net Position

The remaining resources in accrual-basis financial statements that are legally limited to a particular purpose by an external party, such as the resource provider or a higher level of government. See: ***Net Position***

Revenue

Inflows of resources that increase a government's net position or fund balance.

RSI

See: ***Required Supplementary Information (RSI)***

Salvage Value

The remaining value of a capital asset at the end of its estimated useful life.

SI

See: ***Supplementary Information (SI)***

Special District

A type of special-purpose government that is financed with tax revenue or a combination of tax revenue and user fees, as opposed to primarily with user fees. See: ***Special-Purpose Government***

Special Items

Revenue and expenses/expenditures that are either unusual in nature or infrequent in occurrence and are within the control of government. They are required to be reported separately from other revenue and expenses/expenditures in the statements of resource flows. See: ***Extraordinary Items***

Special-Purpose Government

A government that provides a single service or a few closely related services, such as a hospital, college, or electric utility. See: ***General Purpose Government***

Special Revenue Fund

A type of governmental fund used to account for resources that are restricted or committed to a specified purpose other than capital projects and debt service. See: ***Capital Projects Fund*** and ***Debt Service Fund***

Statement of Activities

The statement of resource flows that encompasses the entire government and its component units, except for fiduciary activities, and uses the accrual basis of accounting. See: ***Government-Wide Financial Statements***

Statement of Cash Flows

A summary of the flows of cash and cash equivalents into and out of a government's proprietary funds. Also known as a cash flow statement. The four types of cash flows are operating, capital and related financing, noncapital financing, and investing. See: ***Capital and Related Financing Cash Flows***, ***Cash Equivalents***, ***Investing Cash Flows***, ***Noncapital Financing Cash Flows***, and ***Operating Cash Flows***

Statement of Changes in Fiduciary Net Position

A statement of resource flows that a government presents for its fiduciary funds using the accrual basis of accounting. See: ***Fiduciary Funds Financial Statements***

Statement of Fiduciary Net Position

A statement of financial position that a government presents for its fiduciary funds using the accrual basis of accounting. See: ***Fiduciary Funds Financial Statements***

Statement of Financial Position

A type of financial statement that reports on a government's balances of assets, liabilities, deferrals, and net position or fund balance as of a specific date, typically the last day of the fiscal year. See: ***Balance Sheet*** and ***Statement of Net Position***

Statement of Net Position

A statement of financial position that uses the accrual basis of accounting and encompasses either (1) the entire government and its component units, except for fiduciary activities, or (2) the proprietary funds. See: ***Fund Financial Statements***, ***Government-Wide Financial Statements***, and ***Statement of Financial Position***

Statement of Resource Flows

A type of financial statement that reports on a government's inflows and outflows of resources during a specific period, typically a fiscal year. See: ***Statement of Activities***; ***Statement of Cash Flows***; ***Statement of Changes in Fiduciary Net Position***; ***Statement of Revenues, Expenditures, and Changes in Fund Balances***; and ***Statement of Revenues, Expenses, and Changes in Fund Net Position***

Statement of Revenues, Expenditures, and Changes in Fund Balances

The statement of resource flows for the governmental funds that uses the modified accrual basis of accounting. See: ***Governmental Funds Financial Statements***

Statement of Revenues, Expenses, and Changes in Fund Net Position

The statement of resource flows for the proprietary funds that uses the accrual basis of accounting. See: ***Proprietary Funds Financial Statements***

Statistical Section

The concluding part of an ACFR, containing schedules of financial, economic, demographic, and operating information for the past 10 years. See: ***Annual Comprehensive Financial Report (ACFR)***

Straight-Line Amortization

The method by which annual amortization expense is calculated by dividing an intangible capital asset's historical cost (less salvage value, if any) equally over each year of the asset's estimated useful life. It is calculated as follows: $(\text{historical cost} - \text{salvage value}) \div \text{total years of estimated useful life}$. See: ***Historical Cost*** and ***Salvage Value***

Straight-Line Depreciation

The method by which annual depreciation expense is calculated by dividing a capital asset's historical cost (less salvage value, if any) equally over each year of the asset's estimated useful life. It is calculated as follows: $(\text{historical cost} - \text{salvage value}) \div \text{total years of estimated useful life}$. See: ***Historical Cost*** and ***Salvage Value***

Supplementary Information (SI)

Supporting and explanatory information that the GASB considers *useful* for understanding the information in financial statements and notes by placing it in an historical, economic, or operational context.

Transfer

Resources provided by one fund to another or from the primary government to a discretely presented component unit (or vice versa) for which no goods or services are received in return.

Trial Balance

A preliminary financial report that reflects the debit and credit balances in each individual account at the individual fund level.

Unassigned Fund Balance

The remaining resources in a governmental fund that are not constrained to being used for specified purposes. Positive unassigned fund balance is found only in the general fund. See: ***Fund Balance***

Unrestricted Net Position

The remaining resources in accrual-basis financial statements that are not constrained to being used for specified purposes. See: ***Net Position***