Governmental Accounting Standards Series

Statement No. 63 of the Governmental Accounting Standards Board

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

Governmental Accounting Standards Board of the Financial Accounting Foundation
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Summary

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged.

**How the Changes in This Statement Will Improve Financial Reporting**

The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 5 discusses the applicability of this Statement.
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June 2011

Governmental Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7, PO Box 5116, Norwalk, Connecticut 06856-5116
Statement No. 63 of the Governmental Accounting Standards Board

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June 2011

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INTRODUCTION

1. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

2. State and local governments enter into transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. Concepts Statement No. 4, *Elements of Financial Statements*, identifies those consumptions or acquisitions as deferred outflows of resources and deferred inflows of resources, respectively, and distinguishes them from assets and liabilities. This Statement provides guidance for reporting deferred outflows of resources and deferred inflows of resources balances.

3. Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.
STANDARDS OF GOVERNMENTAL ACCOUNTING AND
FINANCIAL REPORTING

Scope and Applicability of This Statement

4. This Statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position.

5. The requirements in this Statement apply to the financial statements of all state and local governments.

Financial Reporting for Deferred Outflows of Resources and Deferred Inflows of Resources

7. Amounts that are required to be reported as deferred outflows of resources should be reported in a statement of financial position in a separate section following assets. Similarly, amounts that are required to be reported as deferred inflows of resources should be reported in a separate section following liabilities. The total for deferred outflows of resources may be added to the total for assets, and the total for deferred inflows of resources may be added to the total for liabilities to provide subtotals.

Statement of Net Position

8. The statement of net position should report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Governments are encouraged to present the statement of net position in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, although a balance sheet format (assets plus deferred outflows of resources
equals liabilities plus deferred inflows of resources, plus net position) may be used. Regardless of the format used, the statement of net position should report the residual amount as *net position*, rather than net assets, proprietary or fiduciary fund balance, or equity. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components—*net investment in capital assets*; *restricted* (distinguishing between major categories of restrictions); and *unrestricted*.

**Net Investment in Capital Assets Component of Net Position**

9. The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

**Restricted Component of Net Position**

10. The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the
recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted Component of Net Position

11. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Financial Reporting for Governmental Funds

12. Deferred outflows of resources and deferred inflows of resources that are required to be reported in a governmental fund balance sheet should be presented in a format that displays assets plus deferred outflows of resources, equals liabilities plus deferred inflows of resources, plus fund balance.

Disclosures

13. Balances of deferred outflows of resources and deferred inflows of resources reported in a statement of net position or a governmental fund balance sheet may be aggregations of different types of deferred amounts. Governments should provide details of the different types of deferred amounts in the notes to the financial statements if significant components of the total deferred amounts are obscured by aggregation. Disclosure in the notes to the financial statements is required only if the information is not displayed on the face of the financial statements.

14. In some situations, the amount reported for a component of net position (net investment in capital assets, restricted, and unrestricted) may be significantly affected by a transaction that has resulted in recognition of a deferred outflow of resources or deferred
inflow of resources. If the difference between a deferred outflow of resources or deferred
inflow of resources and the balance of the related asset or liability is significant,
governments should provide an explanation of that effect on its net position in the notes to
the financial statements.

EFFECTIVE DATE AND TRANSITION

15. The provisions of this Statement are effective for financial statements for periods
beginning after December 15, 2011. Earlier application is encouraged. Accounting
changes adopted to conform to the provisions of this Statement should be applied
retroactively by reclassifying the statement of net position and balance sheet information,
if practical, for all prior periods presented. In the period this Statement is first applied, the
financial statements should disclose the nature of any reclassification and its effect. Also,
the reason for not reclassifying statement of net position and balance sheet information for
prior periods presented should be explained.

The provisions of this Statement need
not be applied to immaterial items.
This Statement was issued by unanimous vote of the seven members of the

Governmental Accounting Standards Board.

Robert H. Attmore, Chairman
Michael D. Belsky
Michael H. Granof
David E. Sundstrom
Jan I. Sylvis
Marcia L. Taylor
James M. Williams
Appendix A

BACKGROUND

16. Concepts Statement No. 4, *Elements of Financial Statements*, identifies five elements that make up a statement of financial position—assets, liabilities, deferred outflows of resources, deferred inflows of resources, and net position. That financial statement composition differs from the elements in a statement of financial position under the provisions of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. Statement 34, which was issued eight years before Concepts Statement 4 was released, requires the presentation of assets, liabilities, and net assets in a statement of financial position; thus, as these concepts are operationalized in standards, additional guidance is necessary to address the financial statement presentation of deferred outflows of resources, deferred inflows of resources, and net position.

17. Concepts Statement 4 defines *deferred outflows of resources* as a consumption of net assets by the government that is applicable to a future reporting period. Concepts Statement 4 defines *deferred inflows of resources* as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. Notwithstanding those similarities, Concepts Statement 4 clearly establishes that deferred outflows of resources are not assets and deferred inflows of resources are not liabilities and accordingly should not be included in those sections of a statement of financial position.
18. Concepts Statement 4 also provides for the reporting of net position, defined as the residual of all other elements presented in a statement of financial position. In other words, net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. The residual element in the Statement 34 model for financial statements prepared using the economic resources measurement focus is net assets, defined as the difference between a government’s assets and its liabilities. As a result, that Statement does not address the effects of deferred amounts on net assets.

19. Certain transactions that require the use of deferred outflows of resources or deferred inflows of resources have already been addressed in GASB pronouncements. For example, Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, provides for the reporting of deferred outflows of resources and deferred inflows of resources for the changes in fair value of qualified hedging derivatives. Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, also includes a requirement to report deferred inflows of resources in specific cases for consideration received in a service concession arrangement. The Board is deliberating other projects that may result in the recognition of deferred outflows of resources and deferred inflows of resources. The authoritative literature currently provides for the recognition of amounts as assets or liabilities that may appear to meet the definition of deferred outflows of resources or deferred inflows of resources in Concepts Statement 4. The Board is analyzing those existing requirements to ascertain whether amounts should be recognized as assets or liabilities, deferred outflows of resources or deferred inflows of resources, or inflows of resources or outflows of resources.
20. The implementation of standards that include requirements for reporting deferred outflows of resources and deferred inflows of resources underscores the need for guidance. A project prospectus was discussed by the Governmental Accounting Standards Advisory Council in April 2010, and a project was added to the Board’s current agenda later that month.

21. Prior to the Board’s deliberation of the issues, the GASB staff conducted a series of interviews with users of state and local government financial statements to obtain their views on alternative approaches for reporting deferred outflows of resources, deferred inflows of resources, and net position. The information gathered from those interviews helped the Board assess the advantages and disadvantages of the alternatives that were considered.

22. In November 2010, the Board issued an Exposure Draft, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The Board received 44 responses to the Exposure Draft. The comments and suggestions from the organizations and individuals that responded to the Exposure Draft contributed to the Board’s deliberations in finalizing the requirements of this Statement.
Appendix B

BASIS FOR CONCLUSIONS

23. This appendix discusses factors considered significant by Board members in reaching the conclusions in this Statement. It includes discussion of the alternatives considered and the Board’s reasons for accepting some and rejecting others. Individual Board members may have given greater weight to some factors than to others.

Scope

24. The background discussion in Appendix A describes the circumstances that underlie the need for the guidance provided in this Statement. The introduction of the deferred outflows of resources, deferred inflows of resources, and net position elements in Concepts Statement 4, and the integration of the deferral elements in Statements 53 and 60 create the need for guidance that operationalizes the concepts in an understandable and decision-useful manner. The Board believes that the financial reporting requirements proposed in the Exposure Draft and carried forward to this Statement meet that need.

25. Some respondents did not support the Exposure Draft because of their views relative to the financial reporting concepts and requirements that underlie the need to amend the financial reporting model as proposed in the Exposure Draft. Specifically, some suggested amending Concepts Statement 4 to either eliminate deferred outflows of resources and deferred inflows of resources altogether or redefine them as subcomponents of assets and liabilities. That approach, they argued, would naturally lead to reconsideration of the requirements in Statements 53 and 60 to report deferred outflows of resources and deferred inflows of resources. In response to those concerns, the Board looked back on the decisions reached in deliberating Concepts Statement 4 and Statements 53 and 60 and
concluded that all the arguments posed by respondents to the Exposure Draft were adequately considered and discussed during those deliberations, and that reexamining those issues would not be appropriate at this time.

26. During the Exposure Draft comment period, the Board began deliberations on a separate project that examines requirements in the current authoritative literature to report certain items as assets or liabilities that may appear to meet the definitions in Concepts Statement 4 for deferred outflows of resources or outflows of resources or deferred inflows of resources or inflows of resources. If the Board were to conclude that some of those items should be reclassified as deferred outflows of resources or deferred inflows of resources, they would be reported in accordance with the requirements of this Statement. Some respondents to the Exposure Draft expressed their belief that progress on this Statement should be delayed so that it could be developed and issued as part of, or in conjunction with, that separate project on deferrals. The Board considered the advantages and disadvantages of several different strategies to more closely align the timing of the two projects, but it ultimately agreed that the primary objective of limiting the scope of this Statement to display issues was to provide guidance as soon as possible for reporting the deferred outflows of resources and deferred inflows of resources as required by Statements 53 and 60. The Board was not persuaded that providing this guidance has become any less urgent. However, as noted below, the Board did conclude that a delay in the effective date of this Statement for an additional six months was necessary to respond to concerns expressed by some respondents that additional time would be needed to identify the balances to be reclassified and to redesign the statements of financial position to incorporate the new financial statement elements.
27. Paragraph 12 specifies the financial statement presentation requirements for deferred outflows of resources and deferred inflows of resources that are required to be recognized in governmental funds. It does not, however, require recognition of deferred outflows of resources and deferred inflows of resources not previously required by other GASB standards. For example, paragraph 5 in Statement 53 states that the recognition and measurement provisions in that Statement do not apply to financial statements prepared using the current financial resources measurement focus. Similarly, paragraph 6 in Statement 60 limits the applicability of that Statement to financial statements that are prepared using the economic resources measurement focus. This Statement does not change those applicability exemptions or similar exemptions that may appear in other standards. The applicability of the guidance in paragraph 12 of this Statement is limited to deferred amounts that are required to be reported in governmental funds by other pronouncements. Even though the need for display guidance of deferral elements in governmental funds was not considered to be as pressing, the Board concluded that it was appropriate from a consistency standpoint to address all display guidance associated with the deferral elements in one standard.

**Approach**

28. In developing requirements for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position, the Board considered several presentation approaches. One approach considered was the presentation of subtotals for (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. The Board initially determined that, except for
presentation in a governmental fund balance sheet, such combinations should not be permitted. The Exposure Draft provided that those subtotals should not be displayed, based generally on the notion that reporting the deferred balances separate from assets and liabilities honors the distinction established by the separate definitions in Concepts Statement 4. Moreover, the Board was concerned that aggregating assets with deferred outflows of resources and liabilities with deferred inflows of resources might imply a relationship more substantive than simply that both are debit balances or both are credit balances. Several respondents to the Exposure Draft urged the Board to allow the use of subtotals suggesting that presenting deferred outflows of resources and deferred inflows of resources separately from assets and liabilities, respectively, provided a sufficient distinction to minimize the likelihood that the relationships would be overstated. Based on the feedback received, the Board reconsidered this proposal and modified the provisions in paragraph 7 to allow for the presentation of subtotals; however, the Board carried forward the encouragement to governments from Statement 34 to use what is now the net position format.

29. The Board also considered whether the deferred outflows of resources and deferred inflows of resources should be displayed (a) in separate sections of a statement of net position or (b) together in a single section that would not offset the amounts but would provide a net deferred outflows/inflows total. A provision that would allow either presentation also was considered. Some respondents to the Exposure Draft supported the reporting of deferred outflows of resources and deferred inflows of resources in a single financial statement section and suggested that requiring separate sections overly complicates the statement of position. When the Exposure Draft was issued, the only
deferrals required to be reported by GASB standards were deferrals for effective hedging derivatives. Consequently, the illustration in the Exposure Draft only depicted deferrals related to hedging derivatives. The Board acknowledges that in that limited context, a single section may have appeared to be a reasonable alternative because all deferrals would emanate from the same type of transaction where offsetting could be considered appropriate. However, as different types of deferrals were identified, there is no longer a common source for the deferred amounts, and netting the balances would not provide useful information. Therefore, the Board concluded that reporting deferred outflows of resources and deferred inflows of resources should not be presented within a single financial statement section because it could suggest that the deferral amounts are closely related and could imply an “offsetting” relationship that does not exist.

30. In deliberating the proposed approach for reporting net position, the Board considered alternatives that would either (a) report net asset information as a component (together with a net deferred outflows/inflows component) of total net position—the net asset approach or (b) replace the net asset presentation with a net position presentation—the net position approach. Some respondents supported the net position approach and other respondents supported the net asset approach. Some of the respondents that expressed a preference for the net asset approach argued that the net asset classifications defined in Statement 34 provide useful information and that the net position effect of deferred outflows of resources and deferred inflows of resources would be more effectively presented as a single additional component of net position.

31. After considering the respondent comments and redeliberating the strengths and weaknesses of both approaches, the Board reaffirmed its conclusion that the net position
One of the perceived advantages of the net assets approach that the Board considered was consistency in presentation. The Board discussed whether such consistency would be achieved by retaining the net asset classifications (and the methodology for determining their balances) from Statement 34. The Board concluded that the desired consistency likely would not be achieved because some items that previously had been reported as assets and liabilities would be reclassified as deferred outflows of resources and deferred inflows of resources, respectively. Under the net asset approach, the results of transactions that had previously been reported within restricted or unrestricted net assets may be reclassified to the deferral component of net position. The Board believes that the application of the net position approach allows the effects of those transactions to continue to be reported in the appropriate restricted and unrestricted components.

32. The Board also was concerned that the net assets approach would add complexity to financial reporting by presenting two measures of a government’s net position—net position with and without the deferred amounts. Paragraph 36 of Concepts Statement 4 provides that “Net position is the residual of all other elements presented in a statement of financial position.” When the Board established the two deferral elements, those elements were not viewed as subelements. The deferral elements have equal standing with the other financial statement elements, and the integrated nature introduced with the net position approach recognizes that standing by providing a single view of net position.

33. As noted earlier, the Board originally proposed a net position format for statements of position with a focus on economic resources that was an extension of the provision in
paragraph 30 in Statement 34, which encourages governments to use the net assets format. The Statement 34 option provided in that paragraph to use a balance sheet format was proposed to be eliminated in the interest of consistency and comparability. Several respondents to the Exposure Draft disagreed with the elimination of the balance sheet format option because of user familiarity with that format and because they believe its unavailability would impair comparability with certain private-sector counterparts. Based on the concerns of those respondents, the Board reconsidered the approach taken in the Exposure Draft and agreed to reinstate the Statement 34 option to use a balance sheet format in this Statement. The Board acknowledges that the “net position” format proposed in the Exposure Draft represents an appropriate application of the definitions in Concepts Statement 4. However, as stated in paragraph 64 of the Basis for Conclusions section of Concepts Statement 4, “no implications about the format and subtotals in a statement of position should be drawn from this definition of net position.”

34. Paragraph 83 in Statement 34 requires that governmental funds be presented in a balance sheet format. The Board does not believe that the extent to which deferred outflows of resources and deferred inflows of resources will be incorporated into the governmental fund reporting model necessitates the transition to a different display format. Consequently, this Statement does not modify that format requirement nor does it affect the fund balance reporting requirements for governmental funds.

35. Statement 53 provides for the recognition of deferred outflows of resources and deferred inflows of resources that arise from an effective hedging relationship. Statement 60 includes requirements to report deferred inflows of resources in specific cases for consideration received in a service concession arrangement. Other projects on the Board’s
current agenda also are expected to include provisions for recognizing deferred outflows of resources and deferred inflows of resources. The Board believes it is essential to a user’s understanding of the total deferred balances reported to identify the amounts of the major types of deferred outflows of resources and deferred inflows of resources included if those amounts are obscured by aggregation. Paragraph 13 establishes the requirement to disclose that level of detail in the notes to the financial statements if it is not provided on the face of the financial statements.

36. The Board recognizes that there will be circumstances when a deferred outflow of resources or deferred inflow of resources is significantly larger than the balance reported for its related asset or liability, and consequently, the effect on net position of that relationship may be significant. For example, the balance of a deferred inflow of resources from an up-front payment in a service concession arrangement may significantly exceed any unspent cash from that payment—especially after the first years of the arrangement. In that circumstance, disclosure of the effects of the deferral amount would be required. Conversely, if there is not a significant difference between the deferred outflow of resources or deferred inflow of resources and the balance of the related assets or liabilities, no disclosure is required. For example, a deferred outflows of resources or deferred inflows of resources related to a hedging derivative instrument will often be the same amount as the reported fair value of the derivative instrument itself. In this situation, there would be no significant effect on net position to disclose. Based on the provisions of Concepts Statement No. 3, Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements, the Board believes that an explanation of a significant effect on net position constitutes “more detail about or
explanations of amounts recognized in financial statements” and, therefore, would be an appropriate disclosure in the notes to financial statements. That disclosure requirement is established in paragraph 14.
Appendix C

ILLUSTRATIONS

37. The facts assumed in this example are illustrative only and are not intended to modify or limit the requirements of this Statement or to indicate the Board’s exclusive endorsement of the approach illustrated. Application of the provisions of this Statement may require assessment of facts and circumstances other than those illustrated here. Other standards may require disclosures in addition to those illustrated.

Facts for the illustrations:

a. The city is involved in an interest rate swap that qualifies under Statement 53 as a hedging derivative. The interest rate swap is reported in the city’s governmental activities. At the date of the financial statements, the fair value of that derivative is determined to be $1,040,482. The derivative instrument and a corresponding deferred inflow of resources are recognized in the governmental activities column in the government-wide statement of net position. The city has entered into a forward contract for the purchase of natural gas. The forward contract is reported in the city’s business-type activities. That contract qualifies as a hedging derivative under Statement 53 and has a negative fair value of $127,520 at the date of the financial statements. The derivative instrument and the corresponding deferred outflow of resources are recognized in the business-type activities and enterprise funds.

b. The city has 8 years remaining on a 15-year service concession arrangement with a nongovernmental operator to operate one of the city’s parking garages. The arrangement is reported in the city’s business-type activities. The terms of the agreement included a substantial up-front payment from the operator, a portion of which was transferred to the city’s governmental activities shortly after the agreement was finalized. The remainder of the payment was used to acquire new properties and improve other existing facilities that are reported within business-type activities. No provision in the agreement imposed an obligation on the city to sacrifice financial resources; therefore, the entire amount of the up-front payment was recognized as a deferred inflow of resources at the inception of the agreement.
Sample City  
Statement of Net Position  
December 31, 20X1

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,712,829</td>
<td>$10,516,820</td>
<td>$22,229,649</td>
<td>$303,935</td>
</tr>
<tr>
<td>Investments</td>
<td>29,250,291</td>
<td>64,575</td>
<td>29,314,866</td>
<td>7,426,952</td>
</tr>
<tr>
<td>Derivative instrument—rate swap</td>
<td>1,040,482</td>
<td>-</td>
<td>1,040,482</td>
<td>-</td>
</tr>
<tr>
<td>Receivables (net)</td>
<td>11,792,650</td>
<td>3,609,615</td>
<td>15,402,265</td>
<td>4,042,290</td>
</tr>
<tr>
<td>Internal balances</td>
<td>313,768</td>
<td>(313,768)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>322,149</td>
<td>126,674</td>
<td>448,823</td>
<td>83,697</td>
</tr>
<tr>
<td>Equity interest in joint venture</td>
<td>2,303,256</td>
<td>-</td>
<td>2,303,256</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, improvements, and construction in progress</td>
<td>28,435,025</td>
<td>6,408,150</td>
<td>34,843,175</td>
<td>751,239</td>
</tr>
<tr>
<td>Other capital assets, net of depreciation</td>
<td>141,587,735</td>
<td>150,980,601</td>
<td>292,568,336</td>
<td>36,993,547</td>
</tr>
<tr>
<td><strong>Total capital assets</strong></td>
<td>170,022,760</td>
<td>157,388,751</td>
<td>327,411,511</td>
<td>37,744,786</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>226,758,185</td>
<td>171,392,667</td>
<td>398,150,852</td>
<td>49,603,660</td>
</tr>
</tbody>
</table>

**DEFERRED OUTFLOWS OF RESOURCES**

Accumulated decrease in fair value of hedging derivatives | - | 127,520 | 127,520 | -

**LIABILITIES**

Accounts payable and accrued expenses | 7,538,543 | 659,592 | 8,198,135 | 1,803,332

Advances from grantors | 1,435,599 | - | 1,435,599 | 38,911

Forward contract | - | 127,520 | 127,520 | -

Long-term liabilities:

Due within 1 year | 9,236,000 | 4,426,286 | 13,662,286 | 1,426,639

Due in more than 1 year | 83,302,378 | 74,482,273 | 157,784,651 | 27,106,151

**Total liabilities** | 101,512,520 | 79,695,671 | 181,208,191 | 30,375,033

**DEFERRED INFLOWS OF RESOURCES**

Accumulated increase in fair value of hedging derivatives | 1,040,482 | - | 1,040,482 | -

Deferred service concession arrangement receipts | - | 4,467,536 | 4,467,536 | -

**Total deferred inflows of resources** | 1,040,482 | 4,467,536 | 5,508,018 | -

**NET POSITION**

Net investment in capital assets | 103,711,386 | 79,088,574 | 182,799,960 | 15,906,392

Restricted for:

Transportation and public works | 10,655,737 | - | 10,655,737 | -

Debt service | 3,076,829 | 1,451,996 | 4,528,825 | -

Housing and community redevelopment | 6,845,629 | - | 6,845,629 | -

Other purposes | 1,483,387 | - | 1,483,387 | 492,445

Unrestricted (deficit) | (1,567,785) | 6,816,410 | 5,248,625 | 2,829,790

**Total net position** | $124,205,183 | $87,356,980 | $211,562,163 | $19,228,627

23
Illustrative disclosure of the effect of deferred amounts on net position

Note X. For business-type activities, the unrestricted net position amount of $6,816,410 includes the effect of deferring the recognition of revenue from the up-front payment in the parking facilities service concession arrangement. The $4,467,536 balance of the deferred inflow of resources at [year-end] will be recognized as revenue and increase unrestricted net position over the remaining 8 years of the agreement.

[Note: In this illustration, the disclosure discussed in paragraph 13 of the Statement is not needed because none of the deferred outflows of resources or deferred inflows of resources balances are aggregations of different types of deferred amounts.]
Appendix D
CODIFICATION INSTRUCTIONS

38. The sections that follow update the June 30, 2010, Codification of Governmental Accounting and Financial Reporting Standards, for the effects of this Statement. Only the paragraph number of the Statement is listed if the paragraph will be cited in full in the Codification.

* * *

SUMMARY STATEMENT OF PRINCIPLES

SECTION 1100

[In paragraphs .105, .107, and .108, replace net assets with net position.]

.109 [In the first sentence, replace net assets with net position; replace the last two sentences with the following:] Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of Section N50.

[In paragraphs .110, .112, and .114, replace net assets with net position.]

[NCGAS 1, pp. 2–4, as amended by GASBS 6, ¶15 and ¶25, and GASBS 34, ¶15, ¶80, and ¶82; GASBS 14, ¶11, ¶12, ¶19, ¶43, ¶65, and ¶66; GASBS 34, ¶6, ¶14, ¶15, ¶18, ¶21, ¶22, ¶63, ¶75, ¶79, ¶88, and ¶89, and fn53; GASBS 34, ¶16, as amended by GASBS 63, ¶7 and ¶8; GASBS 34, ¶13, ¶30, ¶53, ¶80, ¶82, ¶92, ¶101, ¶106, ¶108, ¶112, and ¶125, as]
amended by GASBS 63, ¶8; GASBS 34, ¶100, as amended by GASBS 48, ¶21 and GASBS 63, ¶8; GASBS 34, ¶107, as amended by GASBS 43, ¶11 and ¶24; GASBS 34, ¶130, as amended by GASBS 41, ¶3; GASBS 37, ¶6 and ¶10; GASBS 42, ¶9; GASBS 51, ¶17]

***

FUND ACCOUNTING

SECTION 1300

.102 [Replace the fourth sentence of subparagraph a as follows:] Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is referred to as “Fund Balance.”

[In subparagraph b and subparagraph c, replace net assets with net position; in the last sentence of subparagraph b, delete the words or balance sheet and or fund equity.]

[NCGAS 1, ¶18; GASBS 34, ¶63, ¶64, ¶78, and ¶79; GASBS 34, ¶66, ¶69, ¶91, ¶92, and ¶106, as amended by GASBS 63, ¶11 and ¶24]

.102 [In footnote 1, replace net assets with net position; update sources of footnote as follows:] [GASBS 34, fn43, as amended by GASBS 43, ¶11 and GASBS 63, ¶8]

.120 [In footnote 10, replace net assets with net position; update sources of footnote as follows:] [GASBI 3, fn1, as amended by GASBS 34, ¶91 and ¶106 and GASBS 63, ¶9]

***
REPORTING CAPITAL ASSETS

[Revise the Statements of Principle as follows:]

[In the first paragraph, replace net assets with net position.] [NCGAS 1, ¶32, as amended by GASBS 34, ¶6 and ¶69 and GASBS 63, ¶8; GASBS 34, ¶30, ¶80, ¶92, and ¶108, as amended by GASBS 63, ¶8]

[In the last paragraph, replace net assets with net position.] [GASBS 34, ¶21, ¶22, and ¶107; GASBS 34, ¶92, as amended by GASBS 63, ¶8; GASBS 51, ¶17]

.101 [Replace net assets with net position.] [NCGAS 1, ¶32, as amended by GASBS 34, ¶6 and ¶69 and GASBS 63, ¶8; GASBS 34, ¶30, ¶80, ¶92, and ¶108, as amended by GASBS 63, ¶8]

[In paragraphs .112, .114–.116, and .123, and footnote 18, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.136 [Replace net assets with net position.] [GASBS 6, ¶23, as amended by GASBS 34, ¶6 and ¶18; GASBS 34, ¶50 and ¶52; GASBS 34, ¶103, as amended by GASBS 63, ¶8]

.137 [Replace net assets with net position.] [GASBS 33, ¶18; GASBS 34, ¶50 and ¶52; GASBS 34, ¶103, as amended by GASBS 63, ¶8]

[In paragraphs .142 and .173, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *
REPORTING LIABILITIES

[Revise the Statement of Principle as follows:] [Replace net assets with net position.]

[NCGAS 1, ¶32 and ¶42, as amended by GASBS 34, ¶69 and GASBS 63, ¶8; GASBS 34, ¶6; GASBS 34, ¶30, ¶82, ¶92, and ¶108, as amended by GASBS 63, ¶8]

.101 [Replace net assets with net position.] [NCGAS 1, ¶33, as amended by GASBS 34, ¶6; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

.102 [Replace net assets with net position.] [NCGAS 1, ¶42, as amended by NCGAS 4, ¶14, NCGAI 9, ¶12, GASBS 6, ¶13 and ¶23, GASBS 10, ¶53, GASBS 13, ¶7, GASBS 16, ¶6, GASBS 18, ¶7, GASBS 27, ¶17, GASBS 47, ¶3, GASBS 49, ¶9, GASBI 1, ¶13, and GASBS 63, ¶8; GASBS 34, ¶6 and ¶81; GASBS 34, ¶30, ¶82, ¶92, and ¶108, as amended by GASBS 63, ¶8]

.103 [Replace net assets with net position.] [NCGAS 1, ¶43, as amended by NCGAS 4, ¶14, NCGAI 9, ¶12, GASBS 6, ¶17, GASBS 13, ¶9, GASBS 16, ¶13, GASBS 17, ¶6, GASBS 18, ¶10, GASBS 27, ¶16, GASBS 47, ¶3, GASBS 49, ¶9 and ¶24, GASBI 1, ¶10 and ¶12, and GASBS 63, ¶8; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

.109 [Replace net assets with net position.] [GASBS 6, ¶17, as amended by GASBS 34, ¶30; GASBS 6, ¶23, as amended by GASBS 34, ¶98 and GASBS 63, ¶8; GASBS 34, ¶15; GASBS 34, ¶30, ¶82, and ¶92, as amended by GASBS 63, ¶8]

.110 [Replace net assets with net position.] [NCGAS 1, ¶107 and ¶108; GASBS 34, ¶82, as amended by GASBS 63, ¶8; GASBS 34, ¶88, as amended by GASBS 37, ¶16; GASBI 1, ¶10, as amended by GASBS 63, ¶8; GASBI 1, ¶12 and ¶13]
.114 [Replace net assets with net position.] [NCGAS 1, ¶46, as amended by NCGAS 4, GASBS 6, ¶13, GASBS 10, ¶58, GASBS 34, ¶13, and GASBS 63, ¶8]

.117 [Replace net assets with net position.]

* * *

BASIS OF ACCOUNTING

SECTION 1600

[Revise the Statements of Principle as follows:] [In the first sentence, replace net assets with net position; replace the last two sentences with the following:] Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of Section N50. [GASBS 34, ¶16, as amended by GASBS 63, ¶7 and ¶8]

.101 [Replace the first sentence with the following:] “Basis of accounting” refers to when revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements. [NCGAS 1, ¶58, as amended by GASBS 63, ¶7]

.103 [In the first sentence, replace net assets with net position; replace the last two sentences with the following:] Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place.
Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of Section N50. [GASBS 34, ¶16, as amended by GASBS 63, ¶7 and ¶8]

.104 [In footnote 3, replace net assets with net position; delete fund equity; revise sources of footnote as follows:] [GASBS 34, fn13, as amended by GASBS 63, ¶8]

.129 [Replace net assets with net position.] [NCGAS 4, ¶16 and ¶17; GASBS 16, ¶13; GASBS 17, ¶6; GASBS 34, ¶82, as amended by GASBS 63, ¶8; GASBI 6, ¶14]

.130 [Replace net assets with net position.] [GASBS 34, ¶92, as amended by GASBS 63, ¶8]

* * *

CLASSIFICATION AND TERMINOLOGY

SECTION 1800

Sources: [Add the following:] GASB Statement 63

[Revise Statements of Principle as follows:] [Replace net assets with net position.] [NCGAS 1, ¶99; GASBS 34, ¶6, ¶88, and ¶89; GASBS 34, ¶53, ¶101, and ¶112, as amended by GASBS 63, ¶8; GASBS 34, ¶100, as amended by GASBS 48, ¶21 and GASBS 63, ¶8; GASBS 37, ¶10]

.102 [Replace net assets with net position.] [GASBS 34, ¶112, as amended by GASBS 63, ¶8]
.103 [Replace net assets with net position.] [GASBS 34, ¶58, as amended by GASBS 63, ¶8; GASBS 48, fn4]

.106 [Replace balance sheet with statement of financial position.] [GASBS 34, ¶61, as amended by GASBS 63, ¶8; GASBS 48, fn4]

.107 [In the first sentence, replace net assets with net position; replace the last sentence with the following:] If enterprise funds are the predominant or only participants in an internal service fund, however, the government should report that internal service fund’s residual assets, deferred outflows of resources, liabilities, and deferred inflows of resources within the business-type activities column in the statement of net position. [GASBS 34, ¶62, as amended by GASBS 63, ¶7 and ¶8]

.122 [Replace net assets with net position.] [NCGAS 1, ¶117; GASBS 20, ¶6; GASBS 34, ¶100, as amended by GASBS 63, ¶8]

.128 [Replace net assets with net position.] [GASBS 34, ¶53, as amended by GASBS 63, ¶8]

.131 [Replace net assets with net position.] [GASBS 34, ¶89; GASBS 34, ¶100, as amended by GASBS 63, ¶8]

[Replace paragraphs .132 and .133, including headings, with the following:]

**Reporting Net Position in Government-wide Financial Statements**

.132 Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components—net investment in capital


assets, restricted (distinguishing between major categories of restrictions), and unrestricted. [GASBS 63, ¶8]

Net Investment in Capital Assets Component of Net Position

.133 The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. [GASBS 63, ¶9]

6[Insert footnote 6.] [GASBS 51, ¶5; GASBS 63, fn1]

[Replace heading of paragraph .134 as follows:]
Restricted Component of Net Position

.134 [Replace net assets with net position; insert the following before the first sentence of the paragraph:] The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. [GASBS 34, ¶34 and GASBS 46, ¶6, as amended by GASBS 63, ¶8; GASBS 63, ¶10]

[In footnote 7, replace net assets with net position; revise sources as follows:] [GASBS 34, fn24, as amended by GASBS 54, ¶8 and GASBS 63, ¶8]

.137 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.138 [In the first sentence, replace restricted net assets with the restricted component of net position; in the second sentence, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[Replace paragraph .139, including heading, with the following:]

Unrestricted Component of Net Position

.139 The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. [GASBS 63, ¶11]
.140 [Replace net assets with net position.] [GASBS 34, ¶37, as amended by GASBS 54, ¶10–¶16 and GASBS 63, ¶8]

[Replace paragraph .141 with the following:] .141 Net position of proprietary funds should be displayed in three components—net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted. Paragraphs .133–.140 define these terms for purposes of determining the amount to be reported in the various components of net position. Capital contributions should not be displayed as a separate component of net position. Designated amounts of net position should not be reported on the face of the financial statements. [GASBS 34, ¶98, as amended by GASBS 63, ¶8]

.144 [Replace net assets with net position.] [GASBS 54, ¶7, as amended by GASBS 63, ¶8]

* * *

DEFINING THE FINANCIAL REPORTING ENTITY

SECTION 2100

.110 [Replace net assets with net position.] [GASBS 14, ¶11, as amended by GASBS 34, ¶80 and ¶82 and GASBS 63, ¶8; GASBS 34, ¶6, ¶14, and ¶75; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8]

.506 [Replace net assets with net position.] [GASBS 14, ¶131, as amended by GASBS 34, ¶6 and ¶126 and GASBS 63, ¶8; GASBS 34, ¶14]

* * *
Sources: [Add the following:] GASB Statement 63

[Revise the Statement of Principle as follows:] [Replace net assets with net position.]
[NCGAS 1, ¶128, as amended by GASBS 14, ¶11, ¶12, ¶19, ¶43, ¶65, and ¶66; GASBS 34, ¶6, ¶14, ¶15, ¶63, and ¶75; GASBS 34, ¶13, ¶80, ¶82, ¶106, and ¶125, as amended by GASBS 63, ¶8 and GASBS 44]

.105 [Replace net assets with net position.] [NCGAS 1, ¶139, as amended by GASBS 6, ¶25, GASBS 34, ¶80, ¶82, and ¶130, and GASBS 63, ¶8; GASBS 14, ¶19 and ¶50; GASBS 34, ¶6, ¶75, ¶78, and ¶96, and fn35, fn36, fn49, and fn50; GASBS 34, ¶12, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.109 [Insert new subparagraphs (2) and (4) under subparagraph b as follows and renumber subsequent subparagraphs:]

(2) Total deferred outflows of resources

(4) Total deferred inflows of resources

[Replace current subparagraphs (3), (13), and (14) as follows:]

(5) Total net position, distinguishing among the net investment in capital assets; restricted amounts; and unrestricted amounts

(15) Change in net position

(16) Ending net position.
In subparagraph d, replace fund net assets with fund net position; in subparagraph h, replace net assets with net position.

[GASBS 34, ¶11, as amended by GASBS 63, ¶8; GASBS 63, ¶7 and ¶8]

.110 [In the first sentence, replace net assets with net position; replace subparagraph e with the following:]

e. Measure and report all assets (both financial and capital), deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting.

[GASBS 34, ¶12, as amended by GASBS 63, ¶7 and ¶8]

.111 [Replace net assets with net position.] [GASBS 34, ¶13, as amended by GASBS 63, ¶8]

.116 [In footnote 13, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, fn23, as amended by GASBS 63, ¶8]

[Replace paragraphs .117 and .118, including headings and footnotes, with the following:]

.117 The difference between all other elements in a statement of financial position is net position. Net position should be displayed in three components—net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted. [GASBS 63, ¶8]
The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

[GASBS 63, ¶9]

\[14\] Insert footnote 14.

[Replace heading of paragraph .119 as follows:]

Restricted Component of Net Position

[Replace net assets with net position in the paragraph and in footnote 15; insert the following before the first sentence of the paragraph:]

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the
liability will be liquidated with the restricted assets reported. [GASBS 34, ¶34 and 
GASBS 46, ¶6, as amended by GASBS 63, ¶8; GASBS 63, ¶10]

[Revise the sources of footnote 15 as follows:] [GASBS 34, fn24, as amended by GASBS 
54, ¶8 and GASBS 63, ¶8]

.122  [Replace net assets with net position.] [GASBS 46, ¶5, as amended by GASBS 63, 
¶8]

.123  [In the first sentence, replace restricted net assets with the restricted component of 
net position; in the second sentence, replace net assets with net position.] [GASBS 34, 
¶35, as amended by GASBS 63, ¶8 and ¶10]

[Replace paragraph .124, including heading, with the following:]

Unrestricted Component of Net Position

.124  The unrestricted component of net position is the net amount of the assets, deferred 
outflows of resources, liabilities, and deferred inflows of resources that are not included in 
the determination of net investment in capital assets or the restricted components of net 
position. [GASBS 63, ¶11]

.125  [Replace net assets with net position.] [GASBS 34, ¶37, as amended by GASBS 54, 
¶10–¶16 and GASBS 63, ¶8]

.126  [Replace net assets with net position.] [GASBS 34, ¶38, as amended by GASBS 63, 
¶8; GASBS 37, ¶10]
[In paragraphs .141, .142, and .145, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.146 [In paragraph and heading, replace net assets with net position.] [GASBS 34, ¶58, as amended by GASBS 63, ¶8; GASBS 48, fn4]

.149 [Replace balance sheet with statement of financial position.] [GASBS 34, ¶61, as amended by GASBS 63, ¶8; GASBS 48, fn4]

.150 [In the first sentence, replace net assets with net position; replace the last sentence with the following:] If enterprise funds are the predominant or only participants in an internal service fund, however, the government should report that internal service fund’s residual assets, deferred outflows of resources, liabilities, and deferred inflows of resources within the business-type activities column in the statement of net position. [GASBS 34, ¶62, as amended by GASBS 63, ¶7 and ¶8]

[Replace paragraph .156 with the following:]

.156 The balance sheet should report information about the current financial resources (assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances) of each major governmental fund and for non-major governmental funds in the aggregate. A total column should be presented. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances of governmental funds should be displayed in a balance sheet format (assets plus deferred outflows of resources, equals liabilities plus deferred inflows of resources plus fund balance). [GASBS 34, ¶83, as amended by GASBS 63, ¶12]
[In paragraphs .158 and .163, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[Replace paragraph .164, including footnotes, with the following; renumber subsequent footnotes:]

.164  Required financial statements for proprietary funds are:

a.   Statement of net position

b.   Statement of revenues, expenses, and changes in fund net position

c.   Statement of cash flows.

[GASBS 34, ¶91, as amended by GASBS 63, ¶8]

30 Governments are encouraged to use a net position format, although a balance sheet format may be used. [GASBS 34, fn39, as amended by GASBS 63, ¶8]

[Replace paragraph .167 with the following:]  

.167  Net position of proprietary funds should be displayed in three components—net investment in capital assets; restricted (distinguishing between major categories of restrictions); and unrestricted. Paragraphs .118–.125 define these terms for purposes of determining the amount to be reported in the various components of net position. Capital contributions should not be displayed as a separate component of net position. Designated amounts of net position should not be reported on the face of the financial statements. (See paragraph .125.) [GASBS 34, ¶98, as amended by GASBS 63, ¶8]

.168  [Replace net assets with net position.] [GASBS 34, ¶99, as amended by GASBS 63, ¶8]
.169 [In paragraph and heading, replace net assets with net position.] [GASBS 34, ¶100, as amended by GASBS 48, ¶21 and GASBS 63, ¶8]

.170 [Replace net assets with net position.] [GASBS 34, ¶101, as amended by GASBS 63, ¶8]

.172 [In the first sentence, replace net assets with net position; replace the last two sentences with the following:] Net position resulting from certain capital contributions may be required to be reported as net investment in capital assets, as discussed in paragraph .118. Paragraph .123 of that section provides that the restricted component of net position should be separated into expendable and nonexpendable subcategories when net position arises from additions to permanent endowments. [GASBS 34, ¶103, as amended by GASBS 63, ¶8 and ¶9]

.173 [Replace net assets with net position.] [GASBS 34, ¶104, as amended by GASBS 63, ¶8]

.175 [In paragraph and in footnote 34, replace net assets with net position; revise sources of paragraph as follows:] [GASBS 34, ¶106, as amended by GASBS 43, ¶15 and GASBS 63, ¶8]

[Revise sources of footnote 34 as follows:] [GASBS 34, fn43, as amended by GASBS 43, ¶11 and GASBS 63, ¶8]

[Replace paragraph .176, including heading, with the following:]
Statement of Fiduciary Net Position

.176 The statement of fiduciary net position should include information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for each fiduciary fund type. The detailed display requirements of Sections Pe5 and Po50 apply to the statements of plan net position of pension and other employee benefit trust funds. Section I50, “Investments,” provides detailed guidance for investment trust funds. The components of net position, discussed in paragraphs .117–.125, are not required to be presented in the statement of fiduciary net position. [GASBS 34, ¶108, as amended by GASBS 43, ¶11 and GASBS 63, ¶7 and ¶8]

.177 [In paragraph and heading, replace net assets with net position.] [GASBS 34, ¶109, as amended by GASBS 43, ¶11 and GASBS 63, ¶8]

.178 [Replace net assets with net position.] [GASBS 34, ¶110, as amended by GASBS 63, ¶8]

.184 [Replace net assets with net position.] [NCGAS 1, ¶143 and ¶147, as amended by GASBS 34, ¶12, ¶78, ¶80, ¶82, ¶86, ¶91, ¶106, ¶107, ¶112, and ¶130 and GASBS 63, ¶8; GASBS 9, ¶6; GASBS 34, ¶75 and ¶96, and fn35 and fn36]

.185 [In paragraph and in footnote 43, replace net assets with net position; revise sources of paragraph as follows:] [GASBS 14, ¶50; GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 37, ¶18]

[In footnote 43, revise source as follows:] [GASBS 34, fn51, as amended by GASBS 63, ¶8]
.190 [Replace net assets with net position.] [GASBS 34, ¶125, as amended by GASBS 63, ¶8]

.191 [In paragraph and in footnote 46, replace net assets with net position; revise sources of paragraph as follows:] [GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 37, ¶18]

[In footnote 46, revise sources as follows:] [GASBS 34, fn51, as amended by GASBS 63, ¶8]

.192 [Replace subparagraph a with the following; in subparagraphs (8)–(10) of subparagraph b, replace net assets with net position:]

a. Condensed statement of net position:
   (1) Total assets—distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or component units should be reported separately.
   (2) Total deferred outflows of resources.
   (3) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to other funds or component units should be reported separately.
   (4) Total deferred inflows of resources.
   (5) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 34, ¶127, as amended by GASBS 63, ¶7 and ¶8]
ADDITIONAL FINANCIAL REPORTING CONSIDERATIONS

[In paragraphs .106−.109 and footnote 3, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

NOTES TO FINANCIAL STATEMENTS

Sources: [Add the following:] GASB Statement 63

.106 [Replace net assets with net position.] [NCGAS1, ¶158; NCGAI 6, ¶4, as amended; GASBS 34, ¶113, ¶114, ¶117−¶120, and ¶123; GASBS 34, ¶115, ¶116, ¶121, and ¶122, as amended by GASBS 63, ¶8; GASBS 38, ¶6, ¶7, ¶9, ¶10, ¶14, and ¶15; GASBS 45, ¶24 and ¶25; GASBS 54, ¶23 and ¶24; GASBS 56, ¶8−¶11, as amended by GASBS 63, ¶8; GASBS 56, ¶12−¶14]

[In paragraphs .111, .117, and .119, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

[Insert new paragraphs .124 and .125, including heading, as follows:]

Deferred Outflows of Resources and Deferred Inflows of Resources

.124 [GASBS 63, ¶13]

.125 [GASBS 63, ¶14]

* * *
CASH FLOWS STATEMENTS

.113 [In footnote 5, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶100, as amended by GASBS 63, ¶8; GASBS 34, ¶102]

* * *

SEGMENT INFORMATION

.101 [Replace subparagraph a with the following; in subparagraphs (8)–(10) of subparagraph b, replace net assets with net position:]

a. Condensed statement of net position:
   (1) Total assets—distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or component units should be reported separately.
   (2) Total deferred outflows of resources.
   (3) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to other funds or component units should be reported separately.
   (4) Total deferred inflows of resources.
   (5) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

   [GASBS 34, ¶127, as amended by GASBS 63, ¶7 and ¶8]

* * *

REPORTING ENTITY AND COMPONENT UNIT

PRESENTATION AND DISCLOSURE

[Revise Statement of Principle as follows:] [Replace net assets with net position.]

[NCGAS 1, ¶128, as amended by GASBS 14, ¶11, ¶12, ¶19, ¶43, ¶65, and ¶66; GASBS 34, ¶6, ¶14, and ¶15; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8; GASBS 44]
.101 [Replace net assets with net position.] [GASBS 14, ¶1, ¶9, and ¶11; GASBS 34, ¶6, ¶14, and ¶15; GASBS 34, ¶13 and ¶125, as amended by GASBS 63, ¶8]

.107 [Replace net assets with net position.] [GASBS 14, ¶44, as amended by GASBS 35, ¶5; GASBS 34, ¶14 and ¶107; GASBS 34, ¶106, ¶125, and ¶126, as amended by GASBS 63, ¶8]

.108 [Replace net assets with net position.] [GASBS 14, ¶51, as amended by GASBS 34, ¶127 and fn50 and GASBS 63, ¶8; GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 34, fn49]

.109 [Replace subparagraph a with the following; in subparagraphs (8)–(10) of subparagraph b, replace net assets with net position:]

a. Condensed statement of net position:
   (1) Total assets—distinguishing between current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (2) Total deferred outflows of resources.
   (3) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately
   (4) Total deferred inflows of resources.
   (5) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 34, ¶127, as amended by GASBS 63, ¶7 and ¶8]

.111 [Replace net assets with net position.] [GASBS 14, ¶50; GASBS 34, ¶126 and fn51, as amended by GASBS 63, ¶8; GASBS 37, ¶18]
.116 [Replace \textit{balance sheet} with \textit{statement of financial position}.] [GASBS 34, ¶61, as amended by GASBS 63, ¶8; GASBS 48, fn4]

* * *

\textbf{STATISTICAL SECTION}

\textbf{SECTION 2800}

.107 [Replace \textit{net assets} and \textit{fund equity} with \textit{net position}.] [GASBS 44, ¶8, as amended by GASBS 63, ¶8]

[In footnote 4, replace \textit{net assets} and \textit{fund equity} with \textit{net position}.] [GASBS 44, fn4, as amended by GASBS 63, ¶8]

[Replace paragraph .108, including heading, with the following:]

\textbf{Information about Net Position}

.108 The three components of net position—net investment in capital assets, restricted, and unrestricted—should be shown separately for governmental activities, business-type activities, and the total primary government. [GASBS 44, ¶9, as amended by GASBS 63, ¶8]

[In paragraphs .109 and .110, replace \textit{net assets} with \textit{net position}; add, as amended by GASBS 63, ¶8 to sources.]

.111 [In paragraph and in footnote 5, replace \textit{net assets} with \textit{net position}.] [GASBS 44, ¶12, as amended by GASBS 54, ¶5 and GASBS 63, ¶8]

[Revise sources of footnote 5 as follows:] [GASBS 44, fn5, as amended by GASBS 63, ¶8]
**BOND, TAX, AND REVENUE SECTION B50**

**ANTICIPATION NOTES**

.102 [Replace *net assets* with *net position*.] [NCGAI 9, ¶12; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

.103 [Replace *net assets* with *net position*.] [GASBS 34, ¶15; GASBS 34, ¶16, as amended by GASBS 63, ¶8; GASBS 34, ¶31]

**CASH DEPOSITS WITH FINANCIAL INSTITUTIONS SECTION C20**

.103 [In footnote 2, replace *net assets* with *net position*; revise sources of footnote as follows:] [GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

**CLAIMS AND JUDGMENTS SECTION C50**

.122 [In the first sentence, replace *net assets* with *net position*; replace the last sentence with the following:] If enterprise funds are the predominant or only participants in a risk financing internal service fund, however, the government should report that internal service fund’s residual assets, deferred outflows of resources, liabilities, and deferred inflows of resources within the business-type activities column in the statement of net position. [GASBS 34, ¶62, as amended by GASBS 63, ¶7 and ¶8]

.129 [Replace *net assets* with *net position*; replace *fund balance* with *net position*.] [GASBS 10, ¶67, as amended by GASBS 63, ¶8; GASBS 34, ¶98, as amended by GASBS 63, ¶8]
.130 [Replace fund balance with net position.] [GASBS 10, ¶68, as amended by GASBS 34, ¶112 and GASBS 63, ¶8]

.131 [Replace net assets with net position.] [GASBS 17, ¶6, as amended by GASBS 34, ¶82 and ¶98 and GASBS 63, ¶8]

.149 [Replace net assets with net position.] [GASBS 10, ¶80, as amended by GASBS 34, ¶12 and GASBS 63, ¶8]

* * *

COMPENSATED ABSENCES

SECTION C60

.107 [In footnote 5, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.109 [Replace net assets with net position.] [GASBS 34, ¶16, ¶31, and ¶92, as amended by GASBS 63, ¶8]

* * *

DEBT REFUNDINGS

SECTION D20

.107 [Replace net assets with net position.] [GASBS 7, ¶10; GASBS 34, ¶6; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

.108 [Replace net assets with net position.] [GASBS 23, ¶4, as amended by GASBS 34, ¶15 and ¶91 and GASBS 63, ¶8]

.110 [Replace net assets with net position.] [GASBS 34, ¶16 and ¶82, as amended by GASBS 63, ¶8]
**DEFERRED COMPENSATION PLANS**  
(IRC SECTION 457)

.101 [Replace net assets with net position.] [GASBS 32, ¶4; GASBS 34, ¶70; GASBS 34, ¶106, as amended by GASBS 63, ¶8]

**DEMAND BONDS**

.108 [Replace net assets with net position.] [GASBI 1, ¶10, as amended by GASBS 63, ¶8; GASBS 34, ¶12, ¶82, ¶91, and ¶97, as amended by GASBS 63, ¶8]

.109 [Replace net assets with net position.] [GASBI 1, ¶13; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

[In paragraph .110 and footnote 4, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

**DERIVATIVE INSTRUMENTS**

[In paragraphs .115 and .116, and in footnotes 6 and 7 replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.160 [Replace net assets with net position.] [GASBS 53, ¶64, as amended by GASBS 59, ¶10 and GASBS 63, ¶8]
.112 [In footnote 9, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.117 [Replace the penultimate sentence with the following:] The difference between the external pool assets, deferred outflows of resources, liabilities, and deferred inflows of resources should be captioned net position—amounts held in trust for pool participants. [GASBS 31, ¶18, as amended by GASBS 63, ¶8; GASBS 34, ¶71 and ¶107; GASBS 34, ¶106, as amended by GASBS 63, ¶7 and ¶8]

.118 [Replace net assets with net position.] [GASBS 31, ¶19, as amended by GASBS 34, ¶106 and GASBS 63, ¶8]

.121 [In footnote 14, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

* * *

**INVESTMENTS—REVERSE**

**REPURCHASE AGREEMENTS**

.106 [In footnote 4, replace net assets with net position; revise sources of footnote as follows:] [GASBI 3, fn1, as amended by GASBS 63, ¶8; GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.113 [In footnote 5, replace net assets with net position; revise sources of footnote as follows:] [GASBI 3, ¶5; GASBI 3, fn2, as amended by GASBS 63, ¶8; GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

* * *
.103 [In footnote 3, replace net assets with net position; revise sources of footnote as follows:] [GASBS 28, fn3, as amended by GASBS 63, ¶8; GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.106 [Revise footnotes 6 and 7 as follows:]

[In footnote 6, replace net assets with net position; revise sources of footnote as follows:] [GASBS 28, fn6, as amended by GASBS 63, ¶8; GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

[In footnote 7, replace net assets with net position.] [GASBS 28, fn7, as amended by GASBS 63, ¶8]

[In paragraph .114 and footnote 13, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

ACCOUNTING FOR PARTICIPATION IN JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

.106 [Replace net assets with net position.] [GASBS 14, ¶73, as amended by GASBS 63, ¶8; GASBS 34, ¶91 and ¶103, as amended by GASBS 63, ¶8]

.107 [Replace net assets with net position.] [GASBS 14, ¶74, as amended by GASBS 34, ¶6; GASBS 34, ¶78 and ¶79; GASBS 34, ¶80 and ¶82, as amended by GASBS 63, ¶8]

.112 [Replace net assets with net position.] [GASBS 14, ¶78, as amended by GASBS 34, ¶32 and ¶98 and GASBS 63, ¶8]
LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

.104 [In footnote 5, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶13 and ¶91, as amended by GASBS 63, ¶8]

.109 [In the fourth sentence replace net assets with assets and in the penultimate sentence, replace net assets with net position.] [GASBS 18, ¶10 and ¶11, as amended by GASBS 34, ¶18 and ¶119; GASBS 34, ¶82, as amended by GASBS 63, ¶8; GASBI 6, ¶14; GASBI 6, ¶16]

[Replace paragraph .110 with the following:]

.110 Assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses related to MSWLFs should be reported in the government-wide financial statements using the requirements in paragraphs .106–.108 for proprietary funds. [GASBS 34, ¶16, as amended by GASBS 63, ¶7]

NONEXCHANGE TRANSACTIONS

.111 [In the second sentence, replace net assets with net position and delete or equity.] [GASBS 33, ¶14, as amended by GASBS 63, ¶8]

.119 [In the last sentence, replace net assets with net position and delete or equity.] [GASBS 33, ¶22, as amended by GASBS 63, ¶8]

.136 [Replace net assets with net position.]
PENSION ACTIVITIES—EMPLOYER REPORTING

SECTION P20

.106 [In footnote 6, replace net assets with net position; revise sources of footnote as follows:] [GASBS 34, ¶13, ¶91, and ¶106, as amended by GASBS 63, ¶8]

.112 [Replace net assets with net position.] [GASBS 27, ¶15, as amended by GASBS 34; GASBS 34, ¶6 and ¶82, as amended by GASBS 63, ¶8]

.113 [Replace net assets with net position.] [GASBS 27, ¶16, as amended by GASBS 34, ¶69 and GASBS 63, ¶8; GASBS 34, ¶16 and ¶82, as amended by GASBS 63, ¶8]

[In footnote 15, replace net assets with net position.] [GASBS 27, fn14; GASBS 34, ¶82, as amended by GASBS 63, ¶8]

* * *

POLLUTION REMEDIATION OBLIGATIONS

SECTION P40

.121 [Replace net assets with net position.] [GASBS 49, ¶23, as amended by GASBS 63, ¶8]

* * *

POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS—EMPLOYER REPORTING

SECTION P50

.108 [In footnote 6, replace net assets with net position; revise sources of footnote as follows:] [GASBS 45, fn6, as amended by GASBS 63, ¶8]

.114 [Replace net assets with net position.] [GASBS 45, ¶18, as amended by GASBS 63, ¶8]
Required financial statements for proprietary funds are:

a. Statement of net position³
b. Statement of revenues, expenses, and changes in fund net position
c. Statement of cash flows.

[GASBS 34, ¶91, as amended by GASBS 63, ¶8]

³Governments are encouraged to use a net position format, although a balance sheet format may be used. [GASBS 34, fn39, as amended by GASBS 63, ¶8]

.110 [Replace net assets with net position.] [GASBS 34, ¶104, as amended by GASBS 63, ¶8]

[Replace paragraph .113 with the following:]

.113 Governments are encouraged to present their proprietary funds in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, although a balance sheet format (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources, plus net position) may be used. Regardless of the format used, the proprietary funds should report the residual amount as net position, rather than net assets, proprietary fund balance, or equity. Net position of proprietary funds should be displayed in three components—net investment in capital assets, restricted (distinguishing between major categories of
restrictions), and unrestricted. Section 2200, paragraphs .118–.125 define these terms for purposes of determining the amount to be reported in the various components of net position. Capital contributions should not be displayed as a separate component of net position. Designated amounts of net position should not be reported on the face of the financial statements. (See paragraph .125.) [GASBS 34, ¶98, as amended by GASBS 63, ¶8]

.114 [Replace *net assets* with *net position.*] [GASBS 34, ¶99, as amended by GASBS 63, ¶8]

[Replace heading for paragraphs .115 and .116 with *Statement of Revenues, Expenses, and Changes in Fund Net Position.*]

.115 [Replace *net assets* with *net position.*] [GASBS 34, ¶100, as amended by GASBS 48, ¶21 and GASBS 63, ¶8]

.116 [Replace *net assets* with *net position.*] [GASBS 34, ¶101, as amended by GASBS 63, ¶8]

.119 [In the first sentence, replace *net assets* with *net position*; replace the last two sentences with the following:] Net assets resulting from certain capital contributions may be required to be reported as investment in capital assets, as discussed in Section 2200, paragraph .118. Paragraph .123 of that section provides that the restricted amount of net position should be separated into expendable and nonexpendable components when net
position arises from additions to permanent endowments. [GASBS 34, ¶100 and ¶103, as amended by GASBS 63, ¶8]

* * *

SALES AND PLEDGES OF RECEIVABLES AND FUTURE REVENUES AND INTRA-ENTITY TRANSFERS OF ASSETS AND FUTURE REVENUES

[In paragraphs .108 and .109, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

SPECIAL ASSESSMENTS

.116 [Replace net assets with net position.] [GASBS 6, ¶17 and ¶23; GASBS 34, ¶15 and ¶18; GASBS 34, ¶30 and ¶82, as amended by GASBS 63, ¶8]

.118 [Replace net assets with net position.] [GASBS 6, ¶15, as amended by GASBS 33, ¶12, ¶13, ¶17, and ¶18; GASBS 34, ¶80 and ¶82, as amended by GASBS 63, ¶8]

.119 [Replace net assets with net position.] [GASBS 6, ¶19; GASBS 34, ¶80 and ¶106, as amended by GASBS 63, ¶8]

.122 [Replace net assets with net position; replace balance sheet with statement of financial position.] [GASBS 6, ¶23; GASBS 34, ¶92 and ¶100, as amended by GASBS 63, ¶8]

.123 [Replace net assets with net position.] [GASBS 6, ¶23, as amended by GASBS 34, ¶98 and GASBS 63, ¶8]
.124  [Replace net assets with net position.] [GASBS 6, ¶15; GASBS 34, ¶15; GASBS 34, ¶16, as amended by GASBS 63, ¶8]

* * *

COLLEGES AND UNIVERSITIES  SECTION Co5

.104  [Replace net assets with net position.] [GASBS 34, ¶136, as amended by GASBS 63, ¶8]

.106  [Replace net assets with net position; in subparagraph b(1), delete or balance sheet.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8]

* * *

HOSPITALS AND OTHER HEALTHCARE PROVIDERS  SECTION Ho5

.104  [Replace net assets with net position; in subparagraph b(1), delete or balance sheet.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8]

.106  [Replace net assets with net position.] [GASBS 34, ¶136, as amended by GASBS 63, ¶8]

* * *

INVESTMENT POOLS (EXTERNAL)  SECTION In5

.103  [Replace net assets with net position.] [GASBS 31, ¶17; GASBS 34, ¶139, as amended by GASBS 63, ¶8]

* * *
PENSION PLANS—DEFINED BENEFIT  

.105  [Replace net assets with net position.] [GASBS 25, ¶13, as amended by GASBS 34, ¶106 and GASBS 63, ¶8]

.111  [Replace net assets with net position.] [GASBS 25, ¶19, as amended by GASBS 63, ¶8]

[Replace footnote 5 with the following:]  

5 The financial statements should not include assets, deferred outflows of resources, liabilities, deferred inflows of resources, or changes in net position held for postemployment healthcare benefits. Standards for reporting those amounts are included in Section Po50. [GASBS 25, fn5, as amended by GASBS 43, ¶11 and GASBS 63, ¶7 and ¶8]

.112  [In paragraph and heading, replace net assets with net position.] [GASBS 25, ¶20, as amended by GASBS 43, ¶24 and GASBS 63, ¶8]

[Replace paragraph .119, including heading, with the following:]  

Net Position Restricted for Pension Benefits

.119  The difference between total plan assets, deferred outflows of resources, total plan liabilities, and deferred inflows of resources at the reporting date should be captioned net position—restricted for pension benefits. [GASBS 25, ¶27, as amended by GASBS 34, ¶13, GASBS 50, fn2, and GASBS 63, ¶7 and ¶8]

.120  [In paragraph and heading, replace net assets with net position.] [GASBS 25, ¶28, as amended by GASBS 63, ¶8]

[In paragraphs .121 and .122, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]
.124 [Replace net assets with net position.] [GASBS 25, ¶32, as amended by GASBS 63, ¶8; GASBS 40, ¶12, as amended by GASBS 63, ¶8; GASBS 50, ¶4]

.130 [Replace net assets with net position.] [GASBS 25, ¶38, as amended by GASBS 63, ¶8]

.553 [Replace net assets with net position.] [GASBS 25, ¶44 and GASBS 43, ¶46, as amended by GASBS 63, ¶8]

* * *

PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS—DEFINED CONTRIBUTION

.104 [Replace net assets with net position.] [GASBS 25, ¶41; GASBS 40, ¶13, as amended by GASBS 63, ¶8; GASBS 50, ¶5]

* * *

PUBLIC ENTITY RISK POOLS

.114 [Replace net assets with net position; in subparagraph b(1) of paragraph .114, delete or balance sheet.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8]

.118 [Replace net assets with net position.] [GASBS 10, ¶21; GASBS 34, ¶34, as amended by GASBS 63, ¶8]

* * *

POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS—DEFINED BENEFIT

.101 [Replace the last sentence with the following:] For such plans, this section provides standards for (a) financial reporting of the plan assets, deferred outflows of resources,
liabilities, deferred inflows of resources, and net position, and changes in net position—restricted for payment of benefits and (b) disclosure of actuarial information about the funded status and funding progress of the plan (the extent to which resources have been accumulated in comparison to actuarially accrued liabilities for benefits) and the contributions made to the plan by participating employers in comparison to annual required contributions of the employer(s) (ARC). [GASBS 43, ¶4, as amended by GASBS 63, ¶7 and ¶8]

[In paragraphs .102 and .105, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.113 [Replace subparagraph a as follows; in subparagraph b, replace net assets with net position:] a. A statement of plan net position that includes information about the plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of the end of the plan’s fiscal year (reporting date). The statement of plan net position should provide information about the fair value and composition of net position. [GASBS 43, ¶17, as amended by GASBS 63, ¶7 and ¶8]

.114 [In paragraph and heading, replace net assets with net position.] [GASBS 43, ¶18, as amended by GASBS 63, ¶8]

[Replace paragraph .121, including heading, with the following:]
Net position—restricted for OPEB

.121 The difference between total plan assets, deferred outflows of resources, total plan liabilities, and deferred inflows of resources at the reporting date should be captioned net position—restricted for OPEB. [GASBS 43, ¶25, as amended by GASBS 63, ¶7 and ¶8]

[In paragraphs .122, including heading, .123, .124, .126, .134, and .139, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

SPECIAL-PURPOSE GOVERNMENTS

SECTION Sp20

.105 [Replace net assets with net position.] [GASBS 34, ¶136, as amended by GASBS 63, ¶8]

.107 [Replace net assets with net position; delete or balance sheet.] [GASBS 34, ¶136, as amended by GASBS 63, ¶8]

.108 [Replace net assets with net position.] [GASBS 34, ¶129; GASBS 34, ¶139, as amended by GASBS 63, ¶8]

.109 [Replace net assets with net position.] [GASBS 34, ¶140, as amended by GASBS 43, ¶11 and GASBS 63, ¶8]

* * *

UTILITIES

SECTION Ut5

.104 [Replace net assets with net position; in subparagraph b(1), delete or balance sheet.] [GASBS 34, ¶138, as amended by GASBS 63, ¶8]
.106 [Replace net assets with net position.] [GASBS 34, ¶136, as amended by GASBS 63, ¶8]

* * *

39. The section that follows updates the Codification Instructions of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, for the effects of this Statement. The requirements of Statement 62 are effective for periods beginning after December 15, 2011.

* * *

REPORTING CAPITAL ASSETS

SECTION 1400

.121 [In footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.191 [In the revised first sentence, replace net assets with net position.] [GASBS 42, ¶17, as amended by GASBS 62, ¶45–¶49 and GASBS 63, ¶8]

* * *

REPORTING LIABILITIES

SECTION 1500

[In paragraphs .105 and .106, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]
CLASSIFICATION AND TERMINOLOGY

.108 [In revised heading and text of paragraph, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

[In paragraphs .113, .123, and .138, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.147 [In footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

[In paragraphs .153 and .154, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

COMPREHENSIVE ANNUAL FINANCIAL REPORT

[Replace paragraph .115, including heading, with the following:]

Required Financial Statements—Statement of Net Position

.115 The statement of net position should report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Assets and liabilities should not be offset except where a right of offset exists. Governments are encouraged to present the statement of net position in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, although a balance sheet format (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources, plus net position) may be used. Regardless of the format used, however, the statement of net position should report the residual amount as net
position, rather than net assets, proprietary or fiduciary fund balance, or equity. [GASBS 34, ¶30, as amended by GASBS 63, ¶8; GASBS 62, ¶501 and fn232, as amended by GASBS 63, ¶8]

.145 [In footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

[Replace paragraph .172, including heading, with the following:]

Statement of Net Position

.172 The statement of net position should be presented in a classified format to distinguish between current and long-term assets and liabilities as discussed in paragraphs .174–.178 and paragraphs .180–.189. Assets and liabilities should not be offset except where a right of offset exists. [GASBS 34, ¶97, as amended by GASBS 62, ¶29–¶43 and GASBS 63, ¶7; GASBS 62, ¶501 and fn232, as amended by GASBS 63, ¶8]

[In paragraphs .174, .180, and .201, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.202 [In text of paragraph and footnotes, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

ADDITIONAL FINANCIAL REPORTING SECTION 2250 CONSIDERATIONS

.107 [In text of paragraph and second footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]
.122 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.123 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.124 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[In paragraphs .125 and .138, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[Replace current paragraph .139, including footnote, with the following:]

.139 Changes in accounting should be recognized by adjusting the beginning net position/fund net position in the period of the change for the cumulative effect of changing to a new accounting principle (paragraphs 77–82),11 but a change in reporting entity should be reported by restating the financial statements of prior periods (paragraphs 86 and 87). [GASBS 62, ¶76, as amended by GASBS 63, ¶8]

11Changes in accounting principles should not be reported as a separately identified cumulative effect in the current-period statement of activities or proprietary fund statement of revenues, expenses, and changes in fund net position. [GASBS 34, fn13, as amended by GASBS 62, ¶76–¶82 and GASBS 63, ¶8]

.140 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[In paragraphs .141–.144, .148, .150, and .152, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]
NOTES TO FINANCIAL STATEMENTS

SECTION 2300

.107 [In subparagraphs gg and tt replace net assets with net position.]

[Add subparagraph eee at the end of the paragraph as follows:]

eee. Information about deferred outflows and deferred inflows of resources and the effect on net position. (See paragraphs .130 and .131.)

[Revise sources as follows:] [NCGAI 6, ¶5, as amended; GASBS 34, ¶46, ¶56, ¶77, ¶89, and fn41; GASBS 38, ¶13, as amended by GASBS 63, ¶8; GASBS 42, ¶17, as amended by GASBS 62, ¶45−¶49 and GASBS 63, ¶8; GASBS 43, ¶30; GASBS 46, ¶6, as amended by GASBS 63, ¶8; GASBS 54, ¶23−¶27 and ¶32; GASBS 56, ¶4−¶7 and ¶16 −¶19; GASBS 62, ¶33, ¶44, ¶50, ¶52, ¶75, ¶85, ¶87, ¶89, ¶116, ¶170, ¶171, ¶187, ¶210, ¶280, ¶330, ¶384, ¶429, ¶446, ¶473, ¶474, ¶493, ¶494, and ¶500; GASBS 62, ¶62, as amended by GASBS 63, ¶8; GASBS 63, ¶13 and ¶14]

.116 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

CLAIMS AND JUDGMENTS

SECTION C50

.151 [In footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.163 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]
.165 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

CONSTRUCTION-TYPE CONTRACTS— SECTION C75
LONG-TERM

.110 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

DEBT EXTINGUISHMENTS AND SECTION D20
TROUBLED DEBT RESTRUCTURING

.103 [In second footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.122 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.130 [In second footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.143 [In second footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.153 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *
INTEREST COSTS—IMPUTATION

SECTION I30

.115 [In text of paragraph and footnotes, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

INVENTORY

SECTION I40

.113 [In footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

INVESTMENTS

SECTION I50

.127 [In subparagraph c and the first and second footnotes, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *

LEASES

SECTION L20

.101 [Replace net assets with net position.] [NCGAS 5, ¶5, as amended by GASBS 34, ¶6, ¶80, and ¶82 and GASBS 63, ¶8]

.102 [Replace net assets with net position.] [NCGAS 5, ¶6, as amended by GASBS 63, ¶8]

.113 [In third footnote, replace net assets with net position.] [NCGAS 5, ¶11, as amended by GASBS 13, ¶5 and ¶6 and GASBS 34, ¶69; GASBS 62, fn95, as amended by GASBS 63, ¶8]
.120 [Replace net assets with net position.] [NCGAS 5, ¶14; GASBS 34, ¶80 and ¶82, as amended by GASBS 63, ¶8]

[In paragraphs .129, .131, and .133, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.150 [Replace net assets with net position.]
[NCGAS 5, ¶24, as amended by GASBS 62, ¶211-¶271; GASBS 14, ¶58, as amended by GASBS 34, ¶67; GASBS 34, ¶80 and ¶82, as amended by GASBS 63, ¶8]

* * *

LENDING ACTIVITIES

SECTION L30

.103 [In text of paragraph and footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.114 [In footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.119 [Replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

.122 [In footnote, replace net assets with net position; add, as amended by GASBS 63, ¶8 to sources.]

* * *
.101 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[Replace paragraph .110, including heading, with the following:]

Statement of Net Position

.110 Assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds should be presented in a classified format to distinguish between current and long-term assets and liabilities as discussed in paragraphs .108–.122 of Section 1800, “Classification and Terminology.” [GASBS 34, ¶97, as amended by GASBS 62, ¶29–¶43 and GASBS 63, ¶7]

* * *

REAL ESTATE

.156 [In footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.160 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *

CABLE TELEVISION SYSTEMS

[In paragraphs .104 and .106, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]
INSURANCE ENTITIES—OTHER THAN PUBLIC ENTITY RISK POOLS

[In paragraphs .104 and .106, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.119 [In text of paragraph and footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.128 [In footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

[In paragraphs .138 and .507, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

REGULATED OPERATIONS

.110 [In text of paragraph and second footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.121 [Replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

.126 [In text of paragraph and first footnote, replace net assets with net position; add , as amended by GASBS 63, ¶8 to sources.]

* * *
The section that follows updates the Codification Instructions of Statement No. 61, *The Financial Reporting Entity: Omnibus*, for the effects of this Statement. The requirements of Statement 61 are effective for periods beginning after June 15, 2012.

* * *

CLASSIFICATION AND TERMINOLOGY 
SECTION 1800

.138 [In the first sentence, replace *restricted net assets* with *the restricted component of net position*; in the second sentence, replace *net assets* with *net position*.] [GASBS 34, ¶35, as amended by GASBS 61, ¶12 and GASBS 63, ¶8]

* * *

COMPREHENSIVE ANNUAL FINANCIAL REPORT 
SECTION 2200

.123 [In the first sentence, replace *restricted net assets* with *the restricted component of net position*; in the second sentence, replace *net assets* with *net position*.] [GASBS 34, ¶35, as amended by GASBS 61, ¶12 and GASBS 63, ¶8]

* * *

REPORTING ENTITY AND COMPONENT UNIT PRESENTATION AND DISCLOSURE 
SECTION 2600

.108 [Replace *net assets* with *net position*.] [GASBS 14, ¶51, as amended by GASBS 34, ¶127 and fn50, GASBS 61, ¶7, and GASBS 63, ¶8; GASBS 34, ¶126, as amended by GASBS 63, ¶8; GASBS 34, fn49]

.115 [Replace subparagraph (1) with the following; in subparagraphs (h)–(j) of subparagraph (2), replace *net assets* with *net position*:]
(1) Condensed statement of net position:
   (a) Total assets—distinguishing among current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (b) Total deferred outflows of resources.
   (c) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately.
   (d) Total deferred inflows of resources.
   (e) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 61, ¶ 9, as amended by GASBS 63, ¶ 7 and ¶ 8]

* * *

ACCOUNTING FOR PARTICIPATION IN JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

.112 [Replace net assets with net position.] [GASBS 14, ¶ 78, as amended by GASBS 34, ¶ 32 and ¶ 98, GASBS 61, ¶ 12, and GASBS 63, ¶ 8]

* * *

COLLEGES AND UNIVERSITIES

.110 [Replace subparagraph (1) with the following; in subparagraphs (h)–(j) of subparagraph (2), replace net assets with net position:]

(1) Condensed statement of net position:
   (a) Total assets—distinguishing among current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (b) Total deferred outflows of resources.
   (c) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately.
   (d) Total deferred inflows of resources.
(e) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 61, ¶ 9, as amended by GASBS 63, ¶7 and ¶8]

* * *

HOSPITALS AND OTHER HEALTHCARE PROVIDERS

.111 [Replace subparagraph (1) with the following; in subparagraphs (h)–(j) of subparagraph (2), replace net assets with net position:]

(1) Condensed statement of net position:
   (a) Total assets—distinguishing among current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (b) Total deferred outflows of resources.
   (c) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately.
   (d) Total deferred inflows of resources.
   (e) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 61, ¶ 9, as amended by GASBS 63, ¶7 and ¶8]

* * *

SPECIAL-PURPOSE GOVERNMENTS

.115 [Replace subparagraph (1) with the following; in subparagraphs (h)–(j) of subparagraph (2), replace net assets with net position:]

(1) Condensed statement of net position:
   (a) Total assets—distinguishing among current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (b) Total deferred outflows of resources.
(c) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately.
(d) Total deferred inflows of resources.
(e) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 61, ¶ 9, as amended by GASBS 63, ¶7 and ¶8]

* * *

UTILITIES

SECTION Ut5

.111 [Replace subparagraph (1) with the following; in subparagraphs (h)–(j) of subparagraph (2), replace net assets with net position:]

(1) Condensed statement of net position:
   (a) Total assets—distinguishing among current assets, capital assets, and other assets. Amounts receivable from the primary government or other component units should be reported separately.
   (b) Total deferred outflows of resources.
   (c) Total liabilities—distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or other component units should be reported separately.
   (d) Total deferred inflows of resources.
   (e) Total net position—distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.

[GASBS 61, ¶ 9, as amended by GASBS 63, ¶7 and ¶8]

* * *