

# Net Position

Deferred Outflows and  
Deferred Inflows of  
Resources

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# GASB Statement 63

- Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Effective FY13
- Basically a financial reporting issue

# Elements of Financial Statements

- GASB Concept Statement No. 4
  - Assets
  - Deferred Outflow of Resources
  - Liabilities
  - Deferred Inflow of Resources
  - Net Position

# Assets

- Resources with present service capacity that the government presently controls
  - Cash (11XX)
  - Receivables (12XX)
  - Due from (13XX)
  - Other receivables (14XX)
  - Inter-entity loans (15XX)
  - Investments (16XX, excluding 1650)
  - Fixed assets (17XX)
  - Other assets (18XX)
  - Advances and prepayments (19XX)

# Deferred Outflow of Resources

- A consumption of net assets by the government that is applicable to a future reporting period
  - Derivative deferred asset (1650)

# Liabilities

- Present obligations to sacrifice resources that the government has little or no discretion to avoid
  - Accounts payable (21XX)
  - Advances (22XX)
  - Accrued expenditures (23XX)
  - Reserves and encumbrances (24XX)
  - Other (25XX, excluding 2544 and 2545)
  - Long-term obligations (26XX)

# Deferred Inflow of Resources

- An acquisition of net assets by the government that is applicable to a future reporting period
  - Derivative deferred liability (2545)
  - Service Concession Arrangement (SCA) deferred liability (2544)

# Net Position

- The residual of all other elements presented in a statement of financial position.....
- Formally known as (fka) Net Assets

# Net Position

- + Assets
- + Deferred Outflow of Resources
- Liabilities
- Deferred Inflow of Resources
  
- = Net Position

# What does this mean to Agencies...

- A few asset and liability account classification changes
- A few changes in terminology
- Basically a change for financial reporting only

# Deferred Outflows of Resources (fka Assets)

- Accumulated decrease in fair value of hedging derivatives
- Use SABHRS account 1650
- MSU is the only party effected

# Deferred Inflows of Resources (fka Liabilities)

- Accumulated increase in fair value of hedging derivatives
- Use SABHRS account 2545
- MSU is the only party effected

# Deferred Inflows of Resources (fka Liabilities)

- Deferred service concession arrangement receipts
- Use SABHRS account 2544
- Any fund type with a service concession arrangement in which revenue was received upfront

# Changes in Terminology Proprietary and Fiduciary Funds

## Old Terminology

- Invested in capital assets net of related debt
- Net Assets – Restricted
- Net Assets - Unrestricted

## New Terminology

- Net investment in capital assets
- Net Position – Restricted
- Net Position - Unrestricted

# FY14 More Change to Come...

- GASB Statement 65
- Increase the number of assets and liabilities reclassified as deferred outflows and inflows of resources
- Change some assets to outflows of resources....expenses
- Change in terminology – no longer “deferred revenue”

# FY14 Deferred Outflow of Resources

- Resources advanced to another government
  - Government-mandated or voluntary nonexchange transaction
  - All eligibility requirements have been met except time requirement

# FY14 Deferred Inflow of Resources

- Resources received in advance from another government
  - Government-mandated or voluntary nonexchange transaction
  - Only the eligibility requirement that has been met is the time requirement

# FY14 Deferred Inflow of Resources (cont.)

- Resources received in advance in relation to an imposed nonexchange transaction
  - Property taxes
- Unavailable revenue
  - Application of modified accrual basis of accounting

# FY14 Outflow of Resources (aka Expenses)

- Debt issuance costs – previously amortized will now be expensed when incurred

# OPEB and Net Position

- OPEB liabilities are beginning and will continue to create negative net position balances