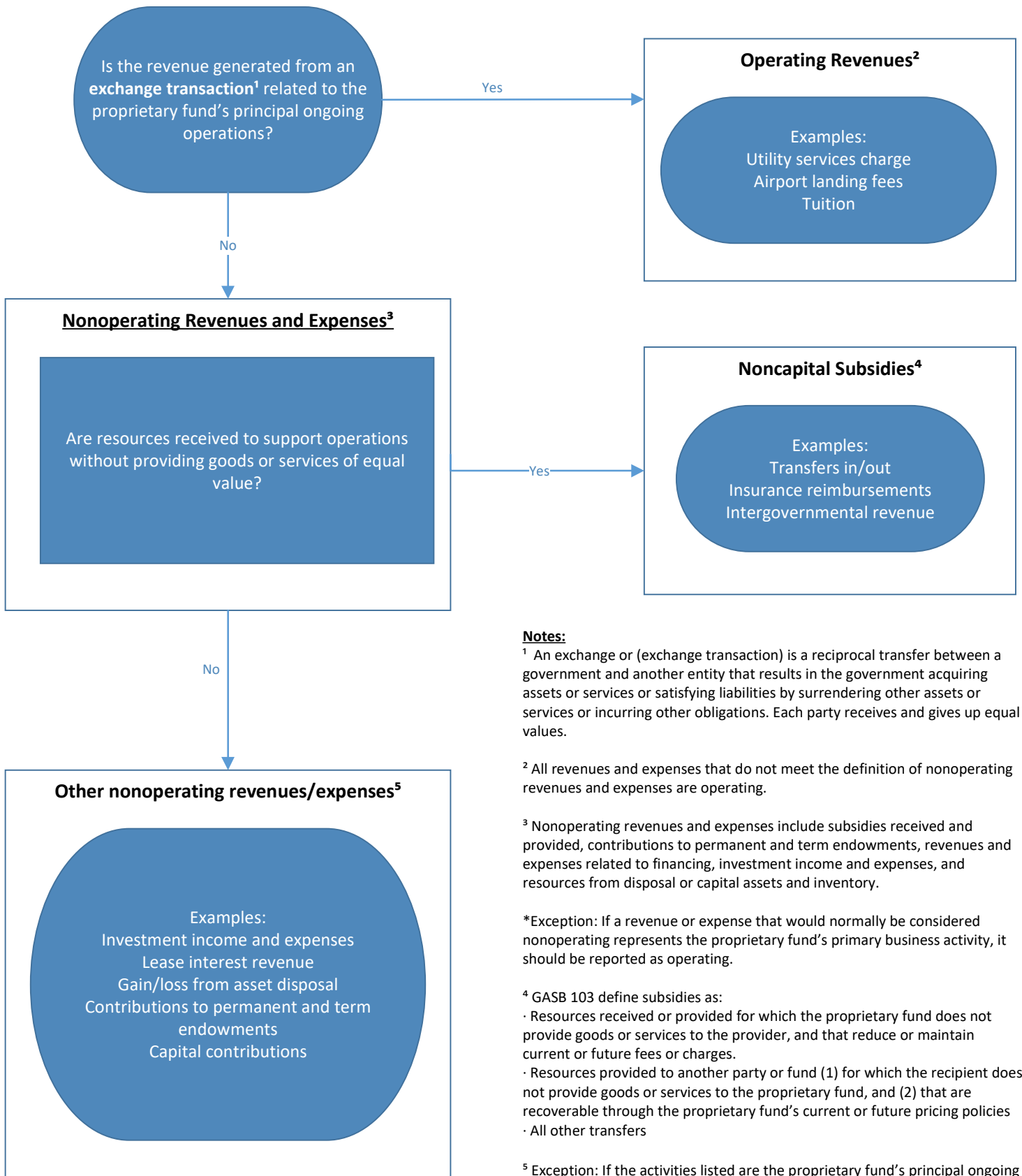


GASB 103 Revenue Classification Flowchart (Proprietary Funds)



Notes:

¹ An exchange or (exchange transaction) is a reciprocal transfer between a government and another entity that results in the government acquiring assets or services or satisfying liabilities by surrendering other assets or services or incurring other obligations. Each party receives and gives up equal values.

² All revenues and expenses that do not meet the definition of nonoperating revenues and expenses are operating.

³ Nonoperating revenues and expenses include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, investment income and expenses, and resources from disposal or capital assets and inventory.

*Exception: If a revenue or expense that would normally be considered nonoperating represents the proprietary fund's primary business activity, it should be reported as operating.

⁴ GASB 103 define subsidies as:

- Resources received or provided for which the proprietary fund does not provide goods or services to the provider, and that reduce or maintain current or future fees or charges.
- Resources provided to another party or fund (1) for which the recipient does not provide goods or services to the proprietary fund, and (2) that are recoverable through the proprietary fund's current or future pricing policies
- All other transfers

⁵ Exception: If the activities listed are the proprietary fund's principal ongoing operation, they should be classified as operating.