

Governmental Accounting Standards Board Statement No. 60
Accounting and Financial Reporting for Service Concession Arrangements (SCA)

GASB Statement No. 60 - Glossary

The definitions provided below are for the purpose GASB Statement No. 60 only:

Transferor: State department/agency or non-government (private) entity transferring to an Operator the right and related obligation to provide services through the use of infrastructure or another public asset in exchange for consideration.

Operator: State department/agency or non-governmental (private) entity that accepts the right and related obligation to provide services and is compensated by collection of fees from third parties.

Deferred Inflow of Resources: Acquisition of net assets that is applicable to a future reporting period. Has a negative effect on net position, similar to a liability. Example: A Service concession arrangement involving a public toll road wherein the government receives an up-front payment from the operator.

Deferred Outflow of Resources: Consumption of net assets by the government that is applicable to a future reporting period. Has a positive effect on the net position, similar to assets.

Outflow of Resources: Consumption of net position by the government that is applicable to the reporting period (i.e., expenditure).

Inflows of Resources: Acquisition of net position by the government that is applicable to the reporting period (i.e., revenue).

Liabilities: Present obligation to sacrifice resources that the government has little or no discretion to avoid.

Capital Assets: For the purpose of GASB No. 60, this only includes infrastructure, equipment and intangible assets.

Improvements : Increase the capacity or efficiency of the facility rather than to maintain/preserve its useful life.

Significant Residual : Circumstances in which the facility is expected to possess significant service utility at the end of SCA, the facility would have future service potential or economic benefit, and therefore, would likely have a significant residual value. The assessment of whether the residual value is significant should be based on the service utility of the facility at the end of the arrangement rather than using a fair value notion.