TABLE 3

REVENUE

Under GASB 34 revenue needs to be identified as “General Revenue” or “Program Revenue” for presentation in the Statement of Activities. All revenues are general revenues unless they are required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues. All other non-tax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues. Program revenues derive directly from the program itself or from parties outside the reporting government’s taxpayers, as a whole; they reduce the net cost of the function to be financed from the government’s general revenues. The Statement of Activities should separately report three categories of program revenues as a) charges for services, b) program-specific operating grants and contributions, and c) program-specific capital grants and contribution. The following revenue accounts are identified by a “G” for general revenue or “P” for program specific revenue to aid in preparing the Statement of Activities. Some revenue sources may not be easily identifiable, such as federal grants, without obtaining specific revenue restrictions from the grant agreements and therefore will be identified with a “G or P” reference.

GASB 33 establishes accounting and financial reporting standards for shared nonexchange revenues. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. This is different from abn exchange transaction in which each part receives and gives up essentially equal values. The principal issued addressed in GASB 33 is the timing of recognition of nonexchange transactions in the financial statements.

There are four classes of nonexchange transactions based on shared characteristics that affect the timing of recognition:

1. Derived Tax Revenues – result from assessments imposed on exchange transactions (for example, income taxes, sales taxes and other assessments on earnings or consumption.)
2. Imposed Nonexchange Revenues – result from assessments imposed on nongovernmental entities, including individuals other than assessments on exchange transactions (for example, property taxes, fines and penalties, property forfeitures such as seizures and escheats)
3. Government-Mandated Nonexchange Transactions- occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform)
4. Voluntary Nonexchange Transactions – result from legislative or contractual agreement, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations)