

GAAP/GFS Harmonisation for Not-for-Profit Entities within the GGS

Note disclosure of GAAP/GFS harmonised information about controlled and administered items

1. Introduction

1.1 The minutes relating to agenda item 15 of the April 2010 AASB meeting discussions about GAAP/GFS harmonisation for entities within the GGS record (emphasis added – to indicate the aspects most pertinent to this paper):

Specific proposals to be incorporated into a draft ED for consideration by the Board at a future meeting are:

...

- (b) in relation to classification and presentation – require the primary financial statements to continue to be prepared on a basis consistent with AASB 101 *Presentation of Financial Statements*, and not require GFS-based classifications to be presented on the face of the financial statements. This is on the basis that users' needs for on-the-face GFS information is not evident and, given the flexibility in AASB 101, it would not be appropriate for the AASB to limit GAAP in that way. Instead, **the ED should propose to require note disclosure of information (in addition to the requirements of AASB 1050 *Administered Items*) that combines controlled/departmental items and administered items, presented using GAAP/GFS harmonised classification principles (including the distinction between transactions and other economic flows and the disclosure of the net operating balance).** This note disclosure would provide a bridge between the general purpose financial statements of an entity within the GGS and the GGS/whole of government, and assist users in assessing the contribution of an individual entity within the GGS to the GGS/whole of government. **The Board directed staff to consider different ways in which such information might be required to be presented in the notes.** The results of that staff research might form the basis of proposed application guidance that could accompany the ED;

1.2 Consistent with these decisions, staff prepared for consideration by the Board at its July 2010 meeting, two alternative approaches for presenting the note, described as:

- Approach (A), which disclosed controlled and administered items and combined them after making and disclosing eliminations of intra-government transactions; and
- Approach (B), which disclosed controlled and administered items and combined them without making or disclosing eliminations of intra-government transactions.

Under the heading 'Agenda Paper 14.3' in Attachment B to the minutes from the July 2010 meeting, the minutes record that (emphasis added – to indicate the aspects most pertinent to this paper):

The Board:

- (a) directed staff to **develop additional alternative formats for consideration [including comparison with Approaches (A) and (B)]** at a future meeting. These alternatives should include a format that does not add controlled and administered items, and a format that makes, but does not disclose, eliminations of intra-government transactions. Each alternative [including Approaches (A) and (B)] should be **accompanied by a staff assessment of whether it would satisfy requirements for the format of the primary financial statements.** Furthermore, each alternative should be **accompanied by a rationale for the approach and an assessment of the implications of the approach for the requirements of AASB 1050 *Administered Items*;**

Accordingly, this paper outlines a range of approaches and considers their implications.

1.3 This paper repeats a significant amount of material that was in Agenda Paper 14.3 from the July 2010 Board meeting. In particular Table 1 below is primarily based on material that was included in Table 1 of Agenda Paper 14.3. Additional material is provided in response to the Board's July decisions.

1.4 The approaches described as Approaches (A) and (B) in July are particular variations of two broader types of approaches that differ in their treatment of intra-government transactions, and which form the framework for this paper. To help avoid confusion over labelling the approaches, for the purpose of this paper, we have labelled and described each of the two broad types of approaches as:

- (A) – being with eliminations of intra-government transactions; and
- (B) – being without eliminations of intra-government transactions.

Accordingly, Approach (A) considered in July is now labelled Approach (A1), to facilitate ready comparison with alternative approaches that, in relation to (A) eliminate intra-government transactions but:

- do not disclose eliminations; and/or
- do not aggregate controlled and administered items;

Approach (B) considered in July is now labelled approach (B1), to facilitate its comparison with an alternative that does not aggregate controlled and administered items.

1.5 Section 2 of this paper provides a comparison of the two broad types of approaches (A) and (B). Although section 2 concludes with a question asking the Board whether it prefers (A) or (B), for completeness, sections 3 and 4 go on to provide descriptions and analyses of particular approaches within (A) and (B). Examples of the format of each particular approach identified are also provided – in Appendices A and B respectively. We have limited the examples to presentations that correspond to a statement of comprehensive income – to reduce the volume of material and on the basis that such presentations best illustrate the potential disclosures given the significance of the transactions/other economic flows distinction under GAAP/GFS harmonisation.

2 Comparison of (A) and (B)

2.1 The following table (Table 1) provides a comparison of the two broad types of approaches.

Table 1: Comparison of the two broad types of approaches		
Broad type of approach	(A)	(B)
Description	with elimination of intra-government transactions	without elimination of intra-government transactions
Objective	Provide information about the net contribution made by the entity (whether through controlled or administered activities) to the financial position/performance of the GGS/whole of government (WoG) and a clearer link to the GGS/WoG financial statements	Provide information on the activities (whether controlled or administered, intra- or ultra-government) of the entity, with an emphasis on discharging the accountability of the entity for all those activities
Bottom Line Operating Result	Compared with (B), likely to be highly: <ul style="list-style-type: none"> • positive for collecting agency (eg Australian Taxation Office) • negative for distributing agency (eg Department of Veterans Affairs) 	Compared with (A), likely to be much closer to zero
Transition Implications	A decision would need to be made as to whether to adopt the approach retrospectively or prospectively. If retrospective, for pragmatic reasons, there may need to be a limit to its application, such as to a limited number of periods or since the entity's last restructuring	No specific transitional issues are expected to arise
Rationale	<ul style="list-style-type: none"> • Consistent with consolidation adjustments made at the WoG/GGS level. Therefore, compared with (B), it provides a better 'bridge' to GGS/WoG • 'New' information is provided, rather than merely combining the information disclosed in the financial statements and administered items note • Removes instances where revenue is effectively double counted by being presented as both administered and controlled¹ • Allows the overall net contribution of an individual entity to be identified 	<ul style="list-style-type: none"> • Less time consuming/costly for preparers to implement than (B) as eliminations do not need to be identified (cost/benefit implications) • More recognisable/understandable for users because it is consistent with the entity's primary financial statements
Arguments Against	<ul style="list-style-type: none"> • Questions over the usefulness of providing this information, 'What information would the 'bottom line' convey?' • Requires extensive effort to prepare due to the difficulty in identifying and removing transactions with Government entities • Questions exist as to whether the note should only require eliminations of transactions between entities within the GGS, or whether the eliminations should also be made of transactions with other entities, outside the GGS, but within WoG. Depending on the choice made, there would potentially be inconsistent treatment of similar items (for example, capital asset charge for an entity within the GGS would be eliminated but a dividend paid by a PFC sector entity to an entity within the GGS, which is similar in nature to the charge, would not be eliminated) • Confusion might arise as it is unlikely that the total of the amounts provided in all entities within the GGS would equal the GGS amount for that item, because of: <ul style="list-style-type: none"> • one-sided eliminations, which means, for example, that there is no check as in a double-sided elimination exercise and therefore the potential for a high risk of errors • materiality thresholds for eliminations different at GGS and entity level 	<ul style="list-style-type: none"> • There would potentially be duplication of information, as this note arguably does not present 'new' information. Instead it merely presents the same information under a different format • Does not enable an assessment to be made of the entity's net contribution to GGS/WoG

2.2 *Staff View*

On balance, with regard to cost/benefit considerations, we prefer broad type of approach (B) – without eliminations of intra-government transactions, based on the arguments presented in Table 1 above.

Question 1 for Board

Do you agree with the staff recommendation to adopt broad type of approach (B)?

¹ For example, within Victoria, all revenue received is revenue to the State of Victoria and as such, if an entity within the GGS is the recipient of a grant, the grant received is initially recorded as administered income, which is transferred to the Consolidated Fund and then reappropriated to the entity, thus reporting the grant as both administered and controlled revenue.

3. Comparison of (A) Approaches

3.1 Table 2 outlines a number of possible particular approaches that eliminate intra-government transactions. These approaches are:

- Approach (A1): disclosing controlled and administered items, intra-government transactions and combined amounts after eliminations of intra-government transactions (which was labelled Approach (A) in July);
- Approach (A2): disclosing controlled and administered items after elimination of intra-government transactions and the combined amounts; and
- Approach (A3): disclosing controlled and administered items after elimination of intra-government transactions without the combined amounts.

An example of each of these approaches is provided in Appendix A.

Approach	(A1)	(A2)	(A3)
Number of Columns	4: <ul style="list-style-type: none"> • Controlled items • Administered items • Intra-government transactions • Combined 	3: <ul style="list-style-type: none"> • Ultra-government controlled items • Ultra-government administered items • Combined 	2: <ul style="list-style-type: none"> • Ultra-government controlled items • Ultra-government administered items
Rationale (relative to other (A) approaches)	<ul style="list-style-type: none"> • Provides greatest amount of information • Articulates to both the entity's and WoG/GGS primary financial statements • Treats the entity as both separate from government and as an arm of government 	<ul style="list-style-type: none"> • Most consistent with WoG/GGS eliminations on consolidation • Treats the entity most like an arm of government rather than a separate entity • Less cluttered than (A1) 	<ul style="list-style-type: none"> • Does not combine controlled and administered items (thus upholding the integrity of the distinction) • Least cluttered
Limitations (relative to other (A) approaches)	<ul style="list-style-type: none"> • Intra-government transaction eliminations column is unfamiliar and potentially confusing to users • Combined column is unfamiliar to users • Too many columns 	<ul style="list-style-type: none"> • Post-elimination controlled and administered items are unfamiliar and potentially confusing to users • Combined column is unfamiliar to users • Does not articulate to entity's primary financial statements 	<ul style="list-style-type: none"> • Post-elimination controlled and administered items are unfamiliar and potentially confusing to users • Does not articulate to entity's primary financial statements
Suitability as Primary Financial Statements	<ul style="list-style-type: none"> • Controlled column would satisfy AASB 101 requirements • There may not be enough room for comparative information in columns • Arguably the combined column would be inconsistent with the GAAP distinction between controlled and administered items 	<ul style="list-style-type: none"> • Controlled column would be unsuitable because it is post-eliminations • Arguably the combined column would be inconsistent with the GAAP distinction between controlled and administered items 	<ul style="list-style-type: none"> • Controlled column would be unsuitable because it is post-eliminations • Arguably the combined column is inconsistent with the GAAP distinction between controlled and administered items
Extent Approach satisfies AASB 1050² requirements	<ul style="list-style-type: none"> • Administered items are disclosed pre-eliminations and therefore could meet the requirements to show administered income, expenses, assets and liabilities (para 7), if they are 'reported on the same basis adopted for the recognition of the elements of the financial statements' (per para 24). • AASB 1050 also requires disclosure of: <ul style="list-style-type: none"> • each major class of income/expense (para 7) • for Tier 1 entities, the amounts reliably attributable to each activity (para 7) • details of the broad categories of recipients and the amounts transferred to those recipients (para 22) • Some might be concerned about the level of aggregation of administered items³ 	<ul style="list-style-type: none"> • Administered items are disclosed post-eliminations and therefore would not meet the requirements 	<ul style="list-style-type: none"> • Administered items are disclosed post-eliminations and therefore would not meet the requirements

2 It is relevant to note that, of the different types of not-for-profit entities within the GGS that are the subject of this paper, AASB 1050 only applies to government departments.

3 The disaggregation of elements and classifications used would be expected to be based on the controlled items and therefore may not be consistent with the major classes of administered items required to be disclosed by paragraph 7 of AASB 1050.

3.2 *Staff View*

Although we do not support any of the (A) approaches, of the approaches with eliminations, we prefer Approach (A1), particularly because it most closely satisfies AASB 101 and AASB 1050.

Question 2 for Board

If you determine that an approach with eliminations is preferred, do you agree with the staff view that Approach (A1) should be adopted?

4. Comparison of (B) Approaches

- 4.1 Table 3 compares two possible (B) approaches – without elimination of intra-government transactions. These approaches are:
- Approach (B1): disclosing the combined total of controlled and administered items; and
 - Approach (B2): not disclosing the combined total of controlled and administered items
- An example of each of these approaches is provided in Appendix (B).

Approach	(B1)	(B2)
Number of Columns	3: <ul style="list-style-type: none"> • Controlled items • Administered items • Combined 	2: <ul style="list-style-type: none"> • Controlled items • Administered items
Rationale (relative to the other (B) approach)	<ul style="list-style-type: none"> • Provides greater amount of information – by combining controlled and administered items 	<ul style="list-style-type: none"> • Does not combine controlled and administered items (thus upholding the integrity of the distinction) • Excluding the combined column provides a closer link to the entity’s primary financial statements
Limitations (relative to the other (B) approach)	<ul style="list-style-type: none"> • Combined column is unfamiliar and potentially confusing to users 	<ul style="list-style-type: none"> • Users that want combined information would need to perform the addition themselves
Suitability as Primary Financial Statements	<ul style="list-style-type: none"> • Controlled column would satisfy AASB 101 requirements • There may not be enough room for comparative information in columns • Arguably the combined column would be inconsistent with the GAAP distinction between controlled and administered items 	<ul style="list-style-type: none"> • Controlled column would satisfy AASB 101 requirements • Presentation of administered items column could satisfy para 25 of AASB 1050⁴
Extent Approach satisfies AASB 1050⁵ requirements	<ul style="list-style-type: none"> • Administered column could meet the requirements to show administered income, expenses, assets and liabilities (para 7), if they are ‘reported on the same basis adopted for the recognition of the elements of the financial statements’ (per para 24). • But AASB 1050 would also require disclosure of: <ul style="list-style-type: none"> • each major class of income/expense (para 7) • for Tier 1 entities, the amounts reliably attributable to each activity (para 7) • details of the broad categories of recipients and the amounts transferred to those recipients (para 22) • Some might be concerned about the level of aggregation of administered items⁶ 	<ul style="list-style-type: none"> • Administered column could meet the requirements to show administered income, expenses, assets and liabilities (para 7), if they are ‘reported on the same basis adopted for the recognition of the elements of the financial statements’ (per para 24). • But AASB 1050 would also require disclosure of: <ul style="list-style-type: none"> • each major class of income/expense (para 7) • for Tier 1 entities, the amounts reliably attributable to each activity (para 7) • details of the broad categories of recipients and the amounts transferred to those recipients (para 22) • Some might be concerned about the level of aggregation of administered items

4.2 Staff View

Of the approaches without eliminations, staff prefer Approach (B2), as it most closely satisfies AASB 101 and AASB 1050, and particularly in view of the fact that, subject to the outcome of agenda paper B12.2 of the joint AASB/FRSB 27-28 October 2010 meeting, the Board has a separate project addressing control in the public sector,

4 Paragraph 25 of AASB 1050 (emphasis added):

The manner in which administered transactions are displayed in the financial statements of a government department will depend on the administrative arrangements adopted by the controlling government, and may therefore vary from jurisdiction to jurisdiction. For example, in some jurisdictions it may be appropriate for administered transactions to be displayed as a separate schedule to the operating statement and/or the statement of financial position. In other jurisdictions, a government department’s accountability for administered transactions may mean that it is appropriate for **administered transactions to be displayed with, but clearly distinguishable from, the government department’s operating statement and/or statement of financial position.**

5 It is relevant to note that, of the different types of not-for-profit entities within the GGS that are the subject of this paper, AASB 1050 only applies to government departments.

6 The disaggregation of elements and classifications used would be expected to be based on the controlled items and therefore may not be consistent with the major classes of administered items required to be disclosed by paragraph 7 of AASB 1050.

including administered items. Staff do not think that Board decisions relating to GAAP/GFS harmonisation should pre-empt the outcomes of the separate project.

Question 3 for Board

If you choose to adopt an approach without eliminations, do you agree with the staff recommendation to adopt Approach (B2)?

5 Other potential approaches

5.1 Consideration could be given to merging (A) and (B), perhaps disclosing some or all of the following in separate columns:

- Controlled items
- Controlled intra-government transactions
- Controlled items post-elimination of intra-government transactions
- Administered items
- Administered intra-government transactions
- Administered items post-elimination of intra-government transactions
- Combined controlled and administered items
- Combined controlled and administered intra-government transactions
- Combined controlled and administered post-elimination of intra-government transactions

We have not explored this option, or variations of it, further, due to the number of potential columns and the potential for information over-load.

Question 4 for Board

Do you agree that other potential approaches do not need to be explored further?

APPENDIX A – approaches with eliminations of intra-government transactions

Example of Approach A1

GAAP/GFS Harmonisation Information About Controlled and Administered Income and Expenses for Department ABC for the year ended 30 June 20XX

	Notes	Controlled \$'000	Administered \$'000	Intra- government transactions \$'000	Combined \$'000
Continuing Operations – Transactions					
Revenue from Transactions					
Output appropriations		107,621	11,079	-118,700	0
Standing/Special appropriations		8,976	940	-9,916	0
Interest, other than swap interest		1,556	0	0	1,556
Dividends		623	0	0	623
Sales of goods and services		2,113	11,615	-686	13,042
Grants		0	3,585	0	3,585
Taxation Income		0	5,176	0	5,176
Fines		0	6,213	0	6,213
Other current revenues		153	0	0	153
		121,042	38,608	-129,302	30,348
Expenses from Transactions					
Employee benefits expense					
Wages, salaries and supplements		-4,409	0	0	-4,409
Superannuation		-521	0	0	-521
Use of goods and services		-12,529	-5,365	0	-17,894
Depreciation		-18,347	0	0	-18,347
Capital asset charge		-1,202	0	1,202	0
Interest, other than swap interest		-59	-139	0	-198
Grants		-77,515	-5,053	0	-82,568
Other operating expenses		-4,362	-1,462	0	-5,824
Transfers made into the consolidated fund		0	-26,589	26,589	0
		-118,944	-38,608	27,791	-129,761
Net Result from Continuing Operations – Transactions		2,098	0	-101,511	-99,413
Net Result from Discontinued Operations – Transactions	X	1,741	0	-3,386	-1,645
NET RESULT FROM TRANSACTIONS – NET OPERATING BALANCE		3,839	0	-104,897	-101,058
Continuing Operations – Other Economic Flows – Included in Operating Result					
Other revenue					
Net swap interest revenue		390	0	0	390
Net gain/(loss) on financial assets or liabilities at fair value through operating result		10	253	0	263
Net gain/(loss) on non-financial assets or liabilities		0	548	0	548
Amortisation of non-produced assets		-2	0	0	-2
Impairment of non-financial assets		-202	0	0	-202
Doubtful debts		-4	-895	0	-899
Other gains/(losses) from other economic flows		0	1,120	0	1,120
		192	1,026	0	1,218
Discontinued Operations – Other Economic Flows – Included in Operating Result	X	150	0	0	150
Operating Result from Continuing Operations		2,290	1,026	-101,511	-98,195
Operating Result from Discontinued Operations	X	1,891	0	-3,386	-1,495
OPERATING RESULT		4,181	1,026	-104,897	-99,690
Other Economic Flows – Other Non-owner Changes in Equity					
Revaluations		1,050	0	0	1,050
Net gain on financial assets measured at fair value		1,502	0	0	1,502
		2,552	0	0	2,552
COMPREHENSIVE RESULT		6,733	1,026	-104,897	-97,138

Example of Approach A2

GAAP/GFS Harmonisation Information About Controlled and Administered Income and Expenses for Department ABC for the year ended 30 June 20XX

	Notes	<i>Controlled</i> \$'000	<i>Administered</i> \$'000	<i>Combined</i> \$'000
Continuing Operations – Transactions				
Revenue from Transactions				
Interest, other than swap interest		1,556	0	1,556
Dividends		623	0	623
Sales of goods and services		1,818	11,224	13,042
Grants		0	3,585	3,585
Taxation Income		0	5,176	5,176
Fines		0	6,213	6,213
Other current revenues		153	0	153
		<u>4,150</u>	<u>26,198</u>	<u>30,348</u>
Expenses from Transactions				
Employee benefits expense				
Wages, salaries and supplements		-4,409	0	-4,409
Superannuation		-521	0	-521
Use of goods and services		-12,529	-5,365	-17,894
Depreciation		-18,347	0	-18,347
Capital asset charge		0	0	0
Interest, other than swap interest		-59	-139	-198
Grants		-77,515	-5,053	-82,568
Other operating expenses		-4,362	-1,462	-5,824
Transfers made into the consolidated fund		0	0	0
		<u>-117,742</u>	<u>-12,019</u>	<u>-129,761</u>
Net Result from Continuing Operations – Transactions		<u>-113,592</u>	<u>14,179</u>	<u>-99,413</u>
Net Result from Discontinued Operations – Transactions	X	-1,645	0	-1,645
NET RESULT FROM TRANSACTIONS – NET OPERATING BALANCE		<u>-115,237</u>	<u>14,179</u>	<u>-101,058</u>
Continuing Operations – Other Economic Flows – Included in Operating Result				
Other revenue				
Net swap interest revenue		390	0	390
Net gain/(loss) on financial assets or liabilities at fair value through operating result		10	253	263
Net gain/(loss) on non-financial assets or liabilities		0	548	548
Amortisation of non-produced assets		-2	0	-2
Impairment of non-financial assets		-202	0	-202
Doubtful debts		-4	-895	-899
Other gains/(losses) from other economic flows		0	1,120	1,120
		<u>192</u>	<u>1,026</u>	<u>1,218</u>
Discontinued Operations – Other Economic Flows – Included in Operating Result	X	150	0	150
Operating Result from Continuing Operations		-113,400	15,205	-98,195
Operating Result from Discontinued Operations	X	-1,495	0	-1,495
OPERATING RESULT		<u>-114,895</u>	<u>15,205</u>	<u>-99,690</u>
Other Economic Flows – Other Non-owner Changes in Equity				
Revaluations		1,050	0	1,050
Net gain on financial assets measured at fair value		1,502	0	1,502
		<u>2,552</u>	<u>0</u>	<u>2,552</u>
COMPREHENSIVE RESULT		<u><u>-112,343</u></u>	<u><u>15,205</u></u>	<u><u>-97,138</u></u>

Example of Approach A3

GAAP/GFS Harmonisation Information About Controlled and Administered Income and Expenses for Department ABC for the year ended 30 June 20XX

	Notes	<i>Controlled</i> \$'000	<i>Administered</i> \$'000
Continuing Operations – Transactions			
Revenue from Transactions			
Interest, other than swap interest		1,556	0
Dividends		623	0
Sales of goods and services		1,818	11,224
Grants		0	3,585
Taxation Income		0	5,176
Fines		0	6,213
Other current revenues		153	0
		4,150	26,198
Expenses from Transactions			
Employee benefits expense			
Wages, salaries and supplements		-4,409	0
Superannuation		-521	0
Use of goods and services		-12,529	-5,365
Depreciation		-18,347	0
Capital asset charge		0	0
Interest, other than swap interest		-59	-139
Grants		-77,515	-5,053
Other operating expenses		-4,362	-1,462
Transfers made into the consolidated fund		0	0
		-117,742	-12,019
Net Result from Continuing Operations – Transactions		-113,592	14,179
Net Result from Discontinued Operations – Transactions	X	-1,645	0
NET RESULT FROM TRANSACTIONS – NET OPERATING BALANCE		-115,237	14,179
Continuing Operations – Other Economic Flows – Included in Operating Result			
Other revenue			
Net swap interest revenue		390	0
Net gain/(loss) on financial assets or liabilities at fair value through operating result		10	253
Net gain/(loss) on non-financial assets or liabilities		0	548
Amortisation of non-produced assets		-2	0
Impairment of non-financial assets		-202	0
Doubtful debts		-4	-895
Other gains/(losses) from other economic flows		0	1,120
		192	1,026
Discontinued Operations – Other Economic Flows – Included in Operating Result	X	150	0
Operating Result from Continuing Operations		-113,400	15,205
Operating Result from Discontinued Operations	X	-1,495	0
OPERATING RESULT		-114,895	15,205
Other Economic Flows – Other Non-owner Changes in Equity			
Revaluations		1,050	0
Net gain on financial assets measured at fair value		1,502	0
		2,552	0
COMPREHENSIVE RESULT		-112,343	15,205

APPENDIX B – approaches without elimination of intra-government transactions

Example of Approach B1

GAAP/GFS Harmonisation Information About Controlled and Administered Income and Expenses for Department ABC for the year ended 30 June 20XX

	Notes	<i>Controlled</i> \$'000	<i>Administered</i> \$'000	<i>Combined</i> \$'000
Continuing Operations – Transactions				
Revenue from Transactions				
Output appropriations		107,621	11,079	118,700
Standing/Special appropriations		8,976	940	9,916
Interest, other than swap interest		1,556	0	1,556
Dividends		623	0	623
Sales of goods and services		2,113	11,615	13,728
Grants		0	3,585	3,585
Taxation Income		0	5,176	5,176
Fines		0	6,213	6,213
Other current revenues		153	0	153
		<u>121,042</u>	<u>38,608</u>	<u>159,650</u>
Expenses from Transactions				
Employee benefits expense				
Wages, salaries and supplements		-4,409	0	-4,409
Superannuation		-521	0	-521
Use of goods and services		-12,529	-5,365	-17,894
Depreciation		-18,347	0	-18,347
Capital asset charge		-1,202	0	-1,202
Interest, other than swap interest		-59	-139	-198
Grants		-77,515	-5,053	-82,568
Other operating expenses		-4,362	-1,462	-5,824
Transfers made into the consolidated fund		0	-26,589	-26,589
		<u>-118,944</u>	<u>-38,608</u>	<u>-157,552</u>
Net Result from Continuing Operations – Transactions		2,098	0	2,098
Net Result from Discontinued Operations – Transactions	X	1,741	0	1,741
NET RESULT FROM TRANSACTIONS – NET OPERATING BALANCE		3,839	0	3,839
Continuing Operations – Other Economic Flows – Included in Operating Result				
Other revenue				
Net swap interest revenue		390	0	390
Net gain/(loss) on financial assets or liabilities at fair value through operating result		10	253	263
Net gain/(loss) on non-financial assets or liabilities		0	548	548
Amortisation of non-produced assets		-2	0	-2
Impairment of non-financial assets		-202	0	-202
Doubtful debts		-4	-895	-899
Other gains/(losses) from other economic flows		0	1,120	1,120
		<u>192</u>	<u>1,026</u>	<u>1,218</u>
Discontinued Operations – Other Economic Flows – Included in Operating Result	X	150	0	150
Operating Result from Continuing Operations		2,290	1,026	3,316
Operating Result from Discontinued Operations	X	1,891	0	1,891
OPERATING RESULT		4,181	1,026	5,207
Other Economic Flows – Other Non-owner Changes in Equity				
Revaluations		1,050	0	1,050
Net gain on financial assets measured at fair value		1,502	0	1,502
		<u>2,552</u>	<u>0</u>	<u>2,552</u>
COMPREHENSIVE RESULT		6,733	1,026	7,759

Example of Approach B2

**GAAP/GFS Harmonisation Information About Controlled and Administered Income and Expenses
for Department ABC for the year ended 30 June 20XX**

	<i>Notes</i>	<i>Controlled</i> \$'000	<i>Administered</i> \$'000
Continuing Operations – Transactions			
Revenue from Transactions			
Output appropriations		107,621	11,079
Standing/Special appropriations		8,976	940
Interest, other than swap interest		1,556	0
Dividends		623	0
Sales of goods and services		2,113	11,615
Grants		0	3,585
Taxation Income		0	5,176
Fines		0	6,213
Other current revenues		153	0
		121,042	38,608
Expenses from Transactions			
Employee benefits expense			
Wages, salaries and supplements		-4,409	0
Superannuation		-521	0
Use of goods and services		-12,529	-5,365
Depreciation		-18,347	0
Capital asset charge		-1,202	0
Interest, other than swap interest		-59	-139
Grants		-77,515	-5,053
Other operating expenses		-4,362	-1,462
Transfers made into the consolidated fund		0	-26,589
		-118,944	-38,608
Net Result from Continuing Operations – Transactions		2,098	0
Net Result from Discontinued Operations – Transactions	X	1,741	0
NET RESULT FROM TRANSACTIONS – NET OPERATING BALANCE		3,839	0
Continuing Operations – Other Economic Flows – Included in Operating Result			
Other revenue			
Net swap interest revenue		390	0
Net gain/(loss) on financial assets or liabilities at fair value through operating result		10	253
Net gain/(loss) on non-financial assets or liabilities		0	548
Amortisation of non-produced assets		-2	0
Impairment of non-financial assets		-202	0
Doubtful debts		-4	-895
Other gains/(losses) from other economic flows		0	1,120
		192	1,026
Discontinued Operations – Other Economic Flows – Included in Operating Result	X	150	0
Operating Result from Continuing Operations		2,290	1,026
Operating Result from Discontinued Operations	X	1,891	0
OPERATING RESULT		4,181	1,026
Other Economic Flows – Other Non-owner Changes in Equity			
Revaluations		1,050	0
Net gain on financial assets measured at fair value		1,502	0
		2,552	0
COMPREHENSIVE RESULT		6,733	1,026