

Financial Statement Glossary of Terms

Term	Definition
Accumulated Surplus	Represents the net assets of a government. It is calculated as the sum of the net financial assets of the government and its non-financial assets. It also represents the accumulation of the government's annual surplus (deficit) since incorporation.
Annual Surplus	The difference between a government's revenues other than remeasurements gains, and the cost of government services provided in a period, in which total revenues exceed total expenses.
Asset	A present economic resource controlled by an entity as a result of a past event(s) and from which future economic benefit is expected to be obtained.
Expense	A decrease in assets or an increase in liabilities in the accounting period that results in a decrease in net assets or an increase in net liabilities. An expense, can arise, for example, from the provision of services; the production of goods; amortization of tangible capital assets; the use of others' economic resources resulting in rent, interest or other financing costs; the transfer of resources, such as through grants or other contributions; or a loss.
Financial Assets	Assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations (i.e. cash and future cash receipts).
Liabilities	A present economic obligation of an entity to others as a result of a past event(s), the settlement of which is expected to result in a future sacrifice of economic benefit.

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Net Financial Assets	An indicator of a government's financial position in which the government's financial assets exceeds its liabilities.
Non-financial assets	Assets that are acquired, constructed or developed that do not normally provide resources to discharge existing liabilities, but instead: are normally employed to deliver government services; may be consumed in the normal course of operations; and are not for sale in the normal course of operations (i.e. longer term resources that cannot readily be converted into cash).
Revenue	An increase in assets or a decrease in liabilities in the accounting period that results in an increase in net assets or a decrease in net liabilities. Revenue can arise, for example, from taxation; fines; penalties; the sale of goods; the rendering of services; income from investments; the use by others of the entity's economic resources yielding rent, interest, royalties or dividends; the receipt of contributions of resources such as grants and donations; or a gain.