10. Other Economic Flows

This chapter describes the flows other than transactions that are recorded in the GFS system. The two major categories of these other economic flows are holding gains and other changes in the volume of assets.

A. Introduction

10.1 This chapter describes the flows other than transactions, known as other economic flows, that change the values of assets, liabilities, and net worth. Most other economic flows change both the value of an asset or a liability and the value of net worth by the same or opposite amount. A few other economic flows do not affect net worth because they change the value of two assets or two liabilities by the same amount but with opposite signs, or they change one asset and one liability by the same amount.

10.2 There are two major categories of other economic flows: holding gains and losses and other changes in the volume of assets.

- A holding gain or loss is a change in the monetary value of an asset or liability resulting from changes in the level and structure of prices, assuming that the asset or liability has not changed qualitatively or quantitatively. Holding gains and losses can apply to all assets and liabilities and, in the case of assets and liabilities expressed in a foreign currency, include gains and losses resulting from changes in exchange rates.[1] For ease of expression, the term "holding gain" will be used as a shorthand reference for holding gain or loss.
- An other change in the volume of assets is any change in the value of an asset or liability that does not result from a transaction or a holding gain. Other changes in the volume of assets result from events that change the quantity or quality of an existing asset, events that add a new asset to the balance sheet or delete an existing asset from the balance sheet, and events that require a reclassification of existing assets.

10.3 Other economic flows are classified by the type of asset or liability affected. The classification of assets and liabilities given in Chapter 7 is used for this purpose. In addition, other economic flows can be classified by the type of event that caused the flow in as much detail as needed for the analysis being undertaken. In Table 10.1, other economic flows are classified only as being either holding gains or other changes in the volume of assets, but types of holding gains or specific types of other changes in the volume of assets could be introduced as an expansion of the table.

B. Holding Gains

1. Holding gains in general

10.4 Holding gains result from price changes and can accrue on all economic assets held for any length of time during an accounting period. It does not matter whether an asset is held the entire period, acquired during the period and held until the end of the period, held at the beginning of the period and disposed of during the period, or acquired and disposed of within the same period. In each case, a holding gain is possible and must be recorded for the entire difference between the opening and closing balance sheet to be explained correctly.

10.5 Holding gains are sometimes described as capital gains. The term holding gain is preferred because it

[1]A holding gain or loss always affects net worth. The words "gain" and "loss" are used in reference to the direction of the change in net worth. A flow that increases the value of an asset or decreases the value of a liability will increase net worth and is referred to as a holding gain. A flow that decreases the value of an asset or increases the value of a liability will decrease net worth and is a holding loss. References to financial assets can be assumed to refer also to liabilities.

emphasizes the facts that gains accrue purely as a result of holding assets and liabilities over time and the term applies equally to all types of assets and liabilities.[2]

10.6 Holding gains may be realized or unrealized. A holding gain is said to be realized when the asset in question is sold, redeemed, used, or otherwise disposed of. It is unrealized if the asset is still owned. In addition, a realized holding gain is usually understood as the gain received over the entire period that the asset is owned, but a holding gain is determined with reference to a specific accounting period.

10.7 Holding gains do not include a change in the value of an asset resulting from a change in the quantity or quality of the asset. In particular:

- The decline in the value of the fixed assets due to physical deterioration, normal rates of obsolescence, and normal accidental damage is recorded as consumption of fixed capital and not as a holding loss.
- Bills and bonds issued at a discount may increase in value progressively prior to redemption because of the accrual of interest. The increase in the market value of a bill or bond due to the accrual of interest is recorded as a transaction in the asset and is not a holding gain.

10.8 The precise calculation of holding gains requires records to be maintained of all individual transactions and other changes in the volume of assets plus the price of each asset at the time of the opening and closing balance sheets, each transaction, and each other change in the volume of an asset. In practice, it is unlikely that all of the requisite data will be available, and alternative estimation techniques using less information must be employed.

10.9 A commonly used alternative method is based on the identity that the ending balance sheet value for a category of assets must equal the beginning balance sheet value plus the net value of transactions, other changes in the volume of assets, and holding gains that affect that category of assets. If the information available on balance sheets, transactions, and other changes in the volume of assets is complete and accurate, then the net value of holding gains can be calculated as the residual value necessary to complete the identity. This formulation should not be

[2]"Revaluation" is also used in the *1993 SNA* with the same meaning as "holding gain." "Holding gain" is used exclusively in this manual.

Table 10.1: Classification of Other Economic Flows

	Holding gains	Other changes in the volume of assets
Nonfinancial assets	**41**	**51**
Fixed assets	411	511
Buildings and structures	4111	5111
Dwellings	41111	51111
Nonresidential buildings	41112	51112
Other structures	41113	51113
Machinery and equipment	4112	5112
Transport equipment	41121	51121
Other machinery and equipment	41122	51122
Other fixed assets	4113	5113
Cultivated assets	41131	51131
Intangible fixed assets	41132	51132
Inventories	412	512
Strategic stocks	4121	5121
Other inventories	4122	5122
Materials and supplies	41221	51221
Work in progress	41222	51222
Finished goods	41223	51223
Goods for resale [GFS]	41224	51224
Valuables	413	513
Nonproduced assets	414	514
Land	4141	5141
Subsoil assets	4142	5142
Other naturally occurring assets	4143	5143
Intangible nonproduced assets	4144	5144
Financial assets	**42**	**52**
Domestic	421	521
Currency and deposits	4212	5212
Securities other than shares	4213	5213
Loans	4214	5214
Shares and other equity	4215	5215
Insurance technical reserves	4216	5216
Financial derivatives	4217	5217
Other accounts receivable	4218	5218
Foreign	422	522
Currency and deposits	4222	5222
Securities other than shares	4223	5223
Loans	4224	5224
Shares and other equity	4225	5225
Insurance technical reserves	4226	5226
Financial derivatives	4227	5227
Other accounts receivable	4228	5228
Monetary gold and SDRs	423	523
Liabilities	**43**	**53**
Domestic	431	531
Currency and deposits	4312	5312
Securities other than shares	4313	5313
Loans	4314	5314
Shares and other equity (public corporations only)	4315	5315
Insurance technical reserves [GFS]	4316	5316
Financial derivatives	4317	5317
Other accounts payable	4318	5318
Foreign	432	532
Currency and deposits	4322	5322
Securities other than shares	4323	5323
Loans	4324	5324
Shares and other equity (public corporations only)	4325	5325
Insurance technical reserves [GFS]	4326	5326
Financial derivatives	4327	5327
Other accounts payable	4328	5328
Change in net worth resulting from other economic flows	***4***	***5***

interpreted, however, as implying that the value of holding gains is a residual item.

10.10 For some analytic purposes, it may be desirable to divide the total value of holding gains accruing on a category of assets into neutral and real holding gains. A neutral holding gain is the value of a holding gain that would accrue if the price of the asset changed in the same proportion as the general price level. It is the value needed to preserve the real value of the asset. A real holding gain is defined as the value accruing to an asset as a result of a change in its price relative to the prices of goods and services in general. An increase in the relative price of an asset leads to a positive real holding gain and a decrease in the relative price of an asset leads to a negative real gain.[3]

10.11 In concept, holding gains and losses occur continuously because prices change continuously. As a practical matter, holding gains for the entire accounting period are normally estimated at the end of the period.

2. Holding gains for particular types of assets

a. Financial assets with fixed monetary values

10.12 Not all assets have market prices in the ordinary sense of the term "price." The monetary values of some assets denominated in the domestic currency (including currency, deposits, most loans, advances, and trade credits) remain constant over time because the price of such assets is always unity. As a result, holding gains on these assets are always zero. Assets denominated in a foreign currency can change in value because of a change in the exchange rate.

b. Bonds and bills

10.13 When bonds and bills, especially deep-discount and zero-coupon bonds, are issued at a discount, then, in the absence of other changes, the price will gradually rise over the life of the bond until it reaches the maturity value. This increase in price is not a holding gain. Instead, the debtor is treated as having paid interest that the creditor has reinvested in an additional quantity of the bond or bill. The same treatment applies to bonds issued at a premium.

10.14 The values of bonds and bills also change, however, when the market rates of interest change. With the exception of index-linked securities, changes in the values of bonds and bills that are attributable to changes in market rates of interest are holding gains. An increase in interest rates causes a decrease in the value of the bond or bill, which is a holding gain for the debtor and a holding loss for the creditor, and conversely for a decrease in interest rates.

10.15 An index-linked security is one in which the interest and/or principal payments are indexed to changes in prices.[4] All changes in the volume of the security arising from indexation are treated as interest that is reinvested in an additional quantity of the security, much like securities issued at a discount.

c. Shares and other equity (4215, 4225)[5]

10.16 General government units may own all or part of the equity of a public corporation or the equity of a quasi-corporation. As with any other asset, a change in the monetary value of these financial assets resulting from price changes is a holding gain.

10.17 As mentioned in paragraphs 5.85 to 5.89 of Chapter 5, dividends and withdrawals of income from quasi-corporations are distributions of profits by corporations and quasi-corporations. Such distributions also decrease the net worth of the corporations and quasi-corporations and, therefore, the value of shares and other equity held by the owners. These changes in the value of shares and other equity are treated as holding gains.

10.18 As noted in footnote 9 of Chapter 5, reinvested earnings on direct foreign investment is treated as a type of property income in the *1993 SNA* but not in the GFS system. As a result, the increase in the value of the equity of a direct foreign investment enterprise resulting from an increase in retained earnings is accounted for in the GFS system as a holding gain in the same way as it is for other equity holdings. In the *1993 SNA*, it is accounted for as a transaction reflecting the acquisition of additional shares and other equity.

10.19 If the shares of a public corporation are publicly traded, then the holding gain of the government unit that owns the shares is determined by reference to the market price per share. Quasi-corporations,

[3]Information on the calculation and interpretation of neutral and real holding gains is in Chapter XII of the *1993 SNA*.

[4]This treatment of index-linked securities also applies to deposits and loans.

[5]The numbers in parentheses after each classification category are the GFS classification codes. Appendix 4 provides all classification codes used in the GFS system.

however, do not issue shares, so there cannot be a market price. In addition, the shares of public corporations may not be traded, most likely because the controlling general government unit owns all of the shares. In these cases, the total value of the shares or implicit equity of the corporation or quasi-corporation is equal to the total value of its assets less the total value of its liabilities other than shares and other equity. As a result, the holding gain is equal to the change in the total value of this measure of the equity, taking into account additions to and withdrawals from equity that may have occurred.

d. Insurance technical reserves [GFS][6] (4216, 4226)

10.20 Liabilities for insurance technical reserves include liabilities for the future payment of pensions and other retirement benefits of defined-benefit retirement schemes. The value of these liabilities can change for several reasons, one of which is the passage of time. The liability is computed as the present value of the future benefits and it will increase each period because there is one fewer period over which it is discounted. In the GFS system, this increase is treated as a property expense. In the *1993 SNA*, the increase is treated as a property expense only to the extent of any property income received from the investment of the assets of an autonomous or nonautonomous pension fund. The remaining increase is treated as a holding gain.

10.21 In the GFS system, a holding gain is recorded with respect to the liability for a defined-benefit retirement scheme when there is a change in the value of the liability because of a change in the interest rate used to discount the future benefits. The liability should be reviewed periodically and revalued as necessary for changes in market interest rates. A holding gain is recorded with respect to the liability for a defined-contribution retirement scheme whenever a holding gain is recorded with respect to the assets of the fund.

e. Financial assets denominated in foreign currencies

10.22 The value of a financial asset denominated in a foreign currency is its current value in the foreign currency converted into the domestic currency at the current exchange rate. Holding gains may occur, therefore, not only because the price of the asset in the foreign currency changes but also because the exchange rate changes.

[6][GFS] indicates that this item has the same name but different coverage in the *1993 SNA*.

f. Fixed assets (411)

10.23 Estimating the holding gains on fixed assets is complicated by the fact that the value of a fixed asset changes as a result of consumption of fixed capital as well as price changes. Consumption of fixed capital, however, is valued in terms of the average prices prevailing during an accounting period. Thus, estimating the change in the price of a given fixed asset of a given age and condition is critical for estimating both consumption of fixed capital and holding gains.

10.24 When new assets of the same type are no longer being produced, the valuation of existing assets may pose difficult conceptual and practical problems. If broadly similar kinds of assets are still being produced, it may be reasonable to assume that the prices of the existing assets would have moved in the same way as those of new assets if they were still being produced. Such an assumption becomes questionable, however, when the characteristics of new assets are much improved by technical progress.

g. Inventories (412)

10.25 The estimation of holding gains on inventories may be difficult because of a lack of data on transactions or other changes in the volume of assets:

- Many transactions in inventories are internal transactions, and the prices prevailing at the time they occur may not be adequately recorded.
- Withdrawals from inventories include an allowance for recurrent losses that are part of the normal operations of a production process.
- Other changes in the volume of assets are likely to consist of goods destroyed by natural disasters, major fires, and other exceptional events. Estimating the prices and quantities involved in these events may be difficult.

10.26 If the records needed for a direct estimation of changes in inventories are not available, it will be necessary to estimate holding gains using assumptions about the timing of additions to and withdrawals from inventories and the prices prevailing at those times. High rates of inflation complicate the difficulty of estimating the value of changes in inventories, but also increase the importance of making accurate estimates.

h. Nonfinancial assets disposed of during the accounting period

10.27 When a nonfinancial asset is disposed of in a transaction, the amount of the transaction is the exchange value of the asset less any costs of ownership transfer incurred by the disposing unit. For example, when a general government unit sells a building, it may incur a commission if it engages a sales agent to help find a buyer. The value of the disposal would then be the exchange value of the building less the commission paid. The balance sheet value of the asset immediately before the disposal, however, was the exchange value of the asset plus any costs of ownership transfer that would have had to be incurred to acquire the asset at that time and in its existing condition. The difference between the balance sheet value and the disposal value is the sum of the two types of costs of ownership transfer. To bridge this difference, a holding loss of the same value must be recorded.

C. Other changes in the volume of assets

10.28 Other changes in the volume of assets cover a wide variety of events. For the purpose of description, these events are divided into three groups. The first group consists of events that involve the recognition or derecognition of existing entities as economic assets. The second group consists of all other changes in the quantity or quality of existing assets. The final group consists of changes in the classification of assets.

10.29 Many other volume changes occur at specific times and should be recorded when the event occurs. Some other volume changes occur continuously or at frequent intervals, such as the depletion of subsoil assets, environmental damage to assets, or the expiration of a patent. These changes should be recorded in the same manner as holding gains.

1. Recognition and derecognition of economic assets

10.30 For an entity to be an economic asset, ownership rights over it must be enforced and it must be capable of providing economic benefits. If an entity, which is known to exist but is not classified as an economic asset, becomes an economic asset because of a change in relative prices, technology, or some other event, then an other volume change is recorded to recognize the asset's value and add it to the balance sheet. Conversely, an economic asset may need to be removed from the balance sheet because it is no longer capable of supplying economic benefits or because the owner is no longer willing or capable of exercising ownership rights over the asset.

10.31 Several events may require a naturally occurring nonproduced asset to be recognized. For example:

- A deposit of subsoil minerals may become economically exploitable as a result of technological progress or relative price changes.

- General economic development in nearby areas may transform land from a wild or waste state to a state in which ownership rights can be enforced and the land can be put to economic use.

- Improved access or changes in relative prices may make large-scale harvesting of timber, commercial fishing, or a significant diversion of groundwater feasible, which would move the forest, fishstock, or aquifer inside the asset boundary.

10.32 It may be difficult to determine the exact time that a natural asset should be added to the balance sheet, the value that should be attributed to it at that time, or both. Often the first substantial commercial exploitation or the signing of a contract to permit commercial exploitation is used to establish the time of recording.

10.33 Produced entities also may exist that are not recorded on the balance sheet. For example:

- The acquisition of a durable good may have been recorded as an expense because of its small cost, but its value has since increased to the point that it should be classified as a fixed asset or valuable. This type of other volume change most likely occurs with antiques, art objects, jewelry, and similar items.

- A structure or site may acquire economic value because special archaeological, historic, or cultural significance is attributed to it and it is designated as a historic monument. It may not already be on the balance sheet because its acquisition predated the accounts or its original value had been written off through consumption of fixed capital.

10.34 Conversely, a nonfinancial asset that no longer has economic value because of a change in technology, relative prices, or other event must be removed from the balance sheet. For example, the commercial exploitation of mineral reserves, land, forests, fishstocks, aquifers, and other naturally occurring assets may become infeasible, or production facilities with long construction periods may cease to have an economic rationale before being completed or put into service. If so, then a negative other volume change would be recorded to remove the asset from the balance sheet.

10.35 Most intangible nonproduced assets are created by legal or accounting actions. These actions often recognize an existing entity as an economic asset.

- When a government grants patent protection to an invention, the value of the invention is captured as an economic asset.

- When a production unit is sold at a price that exceeds its net worth, where net worth includes the value of shares and other equity in the case of a public corporation, then the excess of the purchase price over the net worth is the economic asset known as purchased goodwill. It can represent many types of assets that are not separately recognized as economic assets, such as trademarks, superior management skills, or unpatented inventions. The purchased goodwill would be recognized through an other volume change so that the revised net worth exactly equals the purchase price. The goodwill would then be sold immediately along with the production unit's other assets and liabilities.

- A contract that is a binding agreement to provide some economic benefit may change in value because of changes in prices or other events.

10.36 With regard to financial assets, a creditor may determine that a financial claim can no longer be collected because of the debtor's bankruptcy or other factors. If so, the creditor should remove the claim from its balance sheet by means of an other volume change.[7]

2. Other changes in the quantity or quality of assets

10.37 Changes in the quantities or qualities of assets other than from transactions or from the recognition or derecognition of assets may result from several types of events. Some of these events change the quantity of existing economic assets. Other events add or delete assets that have been discovered, created, cancelled, destroyed, or seized by one unit from another unit. Finally, some events change the quality of existing economic assets.

a. Changes in the quantity of existing economic assets

10.38 A catastrophic loss is the partial or complete destruction of an asset resulting from a large-scale, discrete, and recognizable event, such as a major earthquake, a volcanic eruption, a hurricane, or a major toxic spill. An other volume change is recorded to reduce or eliminate the value of any asset damaged or destroyed.

10.39 Although produced assets are the most likely candidates to be damaged or destroyed by a catastrophic loss, nonproduced assets and financial assets are also subject to damage or destruction. For example, major decreases in the value of land and other natural assets caused by abnormal flooding or wind damage and the accidental destruction of currency or bearer securities as a result of natural catastrophes or abnormal political events would be included.

10.40 Many tangible nonproduced assets, such as forests and fishstocks, will increase in volume on their own accord. Although these resources are economic assets, growth of this kind is not under the direct control, responsibility, and management of a unit. Accordingly, the increase in the value of the asset is treated as an other volume change rather than a result of productive activity.

10.41 Depletion is an other volume change that recognizes the reduction in the volume of subsoil assets, natural forests, fishstocks in the open seas, water resources, and other noncultivated biological resources as a result of the physical removal, harvesting, forest clearance, or other use of the assets.

10.42 Intangible nonproduced assets normally have a finite service life. For example, patent protection of an invention usually ceases after a fixed number of years, or the value of the invention may decline because of newer inventions. Similarly, a contract usually expires after a fixed period. The amortization of intangible nonproduced assets measures these decreases in value and is recorded as an other volume change.

10.43 In defined-benefit retirement schemes, the level of benefits promised to participating employees is determined by a formula that is usually based on participants' length of service and salary. A change in

[7]As described in Appendix 2, a reduction in a financial claim by mutual agreement between the creditor and debtor is a transaction in financial assets rather than an other economic flow.

the liability of a retirement scheme resulting from a change in the benefit structure is treated as an other volume change because it is assumed to be a unilateral change by the employer rather than a capital transfer negotiated by mutual agreement.

10.44 Consumption of fixed capital includes an allowance for a normal, expected amount of damage, and changes in inventories includes an allowance for a normal rate of shrinkage. Damage to these assets that differs from the amount covered by these allowances and that is not a catastrophic loss is considered unforeseen damage and treated as an other volume change. For example, substantial inventory losses from fire, robbery, and insect and vermin infestation of grain stores are included here. The adjustment for unforeseen damage could be an increase in assets if the actual damage falls short of the amount covered by the allowances.

b. Creation, discovery, cancellation, or seizure of economic assets

10.45 A government unit can create an economic asset by exerting ownership rights over a naturally occurring asset, such as the electromagnetic spectrum or fishstocks in exclusive economic zones. When it does so, the asset enters the balance sheet as an other volume change.

10.46 Normally the amount of land is fixed. In some cases, however, land can be created by reclaiming it from the sea with the use of dikes or other sea barriers. Such a creation would be recognized as an other volume change.

10.47 New allocations of SDRs and cancellations of existing SDRs are treated as changes in financial assets resulting from other volume changes. In most cases, SDRs are allocated to central banks, but they could be recorded on the balance sheet of a government unit when it undertakes some of the functions of the monetary authority.

10.48 Although the total volume of subsoil resources does not increase, only discovered resources can be recorded as assets. Thus, the discovery of a new deposit, whether as a result of systematic scientific explorations or by chance, that is commercially exploitable is recorded as an other volume change.

10.49 Government units may take possession of the assets of other institutional units without full compensation for reasons other than the failure to pay taxes, fines, or similar levies. Such seizures of assets, legal or illegal, are not capital transfers because they do not take place by mutual agreement of the units involved. The excess of the value of the assets seized over the value of any compensation paid is recorded as an other volume change. Foreclosures and repossessions of assets by creditors are transactions because the contractual agreement between debtor and creditor provides this avenue of recourse.

c. Changes in the quality of existing economic assets

10.50 In general, differences in quality are treated as differences in volume because different qualities reflect different use values. Such changes may occur because of a change in the permitted use of the asset, environmental damage, unforeseen obsolescence, or a fixed asset lasting longer than expected. The difference between a quality change and a price change is a matter of degree, and it may not always be clear whether an other volume change or a holding gain is most appropriate.

10.51 A change in the permitted or designated use of an asset may represent a different quality of asset. For example, a change of land use, such as from cultivated land to land underlying buildings, may increase or decrease its value, especially if such a change results from a change in a zoning classification or other administrative procedure. An other volume change of this nature would be recorded together with a reclassification, as described in the following section. An increase in the value of an existing structure or site that has been designated as a historic monument because of its special archaeological, historic, or cultural significance would also be treated as a quality change.

10.52 The quality of nonproduced assets such as land, water resources, and wildlife can be degraded by economic activity. Typical damages caused are erosion to land from deforestation or improper agricultural practices and the harmful effects on fishstocks and water resources from acid rain or excess nutrients from agricultural runoff. Another type of quality damage is the unforeseen environmental degradation of fixed assets from the effects of acidity in air and rain on building surfaces or vehicle bodies.

10.53 Improved technology embodied in new models of fixed assets or new production processes may cause obsolescence at a rate exceeding the amount allowed for in consumption of fixed capital. Decreases in the value of fixed assets from this source are recorded as other volume changes. Conversely, a fixed asset may last longer than expected. When the increased service life is determined, an other volume change is used to record the higher quality of the asset.

3. Changes in classification

10.54 The composition of the general government sector's assets may change because there has been a reclassification of an entire institutional unit or of a group of assets and liabilities. A reclassification rearranges assets and liabilities without changing the net worth of the unit or sector involved.

a. Changes in sector classification and structure

10.55 An entire unit may be reclassified from the general government sector to another sector or to the general government sector from another sector without a change of ownership or control, normally because the unit either begins or ceases to sell its output for economically significant prices. When a unit is reclassified out of the general government sector, all of the unit's assets and liabilities are removed from the general government sector and the net value of those assets and liabilities is replaced by a financial asset, shares and other equity, to reflect the continued ownership or control of the unit by a general government unit. The reverse will be true when a unit is reclassified into the general government sector.

10.56 A change in the structure of units is also recorded as a classification change. For example, two general government units may be merged into a single unit, or a single unit may be split into two units. When two units are merged, all financial claims and liabilities that existed between them are eliminated. Symmetrically, when a unit is split into two or more units, new financial claims and liabilities may appear between the new units.

b. Changes in classification of assets

10.57 Depending on the degree of detail of the classifications of assets, there may be reclassifications of existing assets and liabilities from one category to another, usually when there is a change in the purpose for which an asset is used. The change in classification is recorded as an other volume change with the same value for both entries. If the change in the use also means a change in its value, then a second other volume change is recorded as a change in quality rather than a holding gain.

10.58 Nonmonetary gold is treated as a commodity, and holdings of it are classified as an inventory or a valuable. Monetization of nonmonetary gold occurs when a unit of the monetary authority reclassifies nonmonetary gold to be monetary gold. Conversely, it might demonetize gold by reclassifying monetary gold to be nonmonetary gold. Such a change in the status of gold is treated as a reclassification.

10.59 The use of a structure may be changed from a dwelling to a government office building or vice versa. If these types of structures are classified separately, then an other volume change is recorded. The positive change in one asset category is balanced by a negative change in the other asset category.

10.60 The use of land may change, such as from cultivation to building lots or recreational use. If these types of land uses are classified separately, then an other volume change is recorded.