



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 10, 2021

CIRCULAR A-136
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS, AGENCIES, AND OTHER ENTITIES
SUBJECT TO THE CHIEF FINANCIAL OFFICERS ACT, THE ACCOUNTABILITY OF TAX
DOLLARS ACT, AND THE GOVERNMENT CORPORATION CONTROL ACT

SUBJECT: Financial Reporting Requirements

The Office of Management and Budget (OMB), with **input** from the financial management community, has updated OMB Circular A-136, Financial Reporting Requirements. This update clarifies and streamlines reporting requirements and reflects current Federal generally accepted accounting principles.

This revision of Circular A-136 is effective upon issuance, unless otherwise specified in this Circular. Questions about this Circular A-136 should be directed to the Office of Federal Financial Management's Financial Integrity and Risk Management Branch at (202) 395-3993.

A handwritten signature in black ink that reads "Shalanda D. Young".

Shalanda D. Young
Acting Director

Enclosure

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I. GENERAL INFORMATION

I.1. Guide to the Circular

This Circular provides guidance for Executive Branch entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports (PARs) or Agency Financial Reports (AFRs) under the Chief Financial Officers Act of 1990, as amended (CFO Act), the Government Management Reform Act of 1994 (GMRA), and the Accountability of Tax Dollars Act of 2002 (ATDA). This Circular also provides general guidance to Government corporations required to submit Annual Management Reports (AMRs) under Chapter 91 of title 31, United States Code.

Throughout the Circular the terms “must” and “will” denote a requirement that management must comply with in all cases; the term “should” denotes a presumptively mandatory requirement that applies except in circumstances where the requirement is not relevant for the agency; and “may” and “could” denote best practices that may be adopted at the discretion of management. In addition, “Government” refers to the United States Federal Government.

The words “disclose” and “disclosure” refer to information in the notes to the financial statements and “recognize” and “recognition” refer to information in the financial statements.

The term “significant entity” refers to those reporting entities identified in the Treasury Financial Manual (TFM), Volume 1, Part 2, Chapter 4700, Appendix 1a as significant entities and in this Circular’s Appendix A. The TFM is available at [Treasury Financial Manual \(TFM\): Bureau of the Fiscal Service](#).

In addition, the term “combined” refers to amounts that reflect all balances and transactions, including intra-entity and inter-entity transactions and transactions with the public. The term “consolidated” refers to amounts that reflect only inter-entity transactions and transactions with the public; intra-entity balances and transactions are not reflected in consolidated amounts.

A term or statute is generally referred to in its full form the first time it is used in this Circular; after that it is referred to by its acronym or short form. Similarly, standards, concepts statements, and other guidance promulgated by the Federal Accounting Standards Advisory Board (FASAB) are generally cited in full the first time they are used; after that they are cited by number.

FASAB documents cited in this Circular may be found at: fasab.gov. Office of Management and Budget (OMB) documents cited in this Circular, including OMB’s audit bulletin, *Audit Requirements for Federal Financial Statements*, may be found at: [Information and Guidance | The White House](#).

I.2. Superseded Guidance

This Circular supersedes OMB Circular A-136, “Financial Reporting Requirements,” dated August 27, 2020.

I.3. Entities Subject to this Circular

Each Executive Branch agency that is required to prepare audited financial statements under the CFO Act, GMRA, or the ATDA must comply with Sections I, II, and III of this Circular.

Government corporations required to prepare statements in accordance with standards promulgated by FASAB must also comply with sections I, II, III.

All agencies, including Government corporations, listed in Appendix A must comply with Section IV.

Government corporations not required to register with the Securities and Exchange Commission (SEC) must comply with Section I.5, Submission Deadlines and all Government corporations subject to standards promulgated by an entity other than FASAB are encouraged to comply with Sections I, II, III, and IV.

Significant entities subject to standards promulgated by an entity other than FASAB are required to provide the Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service) certain audited information that is necessary for the audit of the Government-wide financial statements using MAX (see Appendix B). This includes information for Note 5 (Investments), Note 20 (Dedicated Collections), Note 42 (COVID), and Note 45 (Reclassified Financial Statement Line Items). The information to be provided and the manner of obtaining audit coverage must be determined in consultation with Fiscal Service.

Components of Executive Branch Departments or agencies required by law to issue financial statements prepared in accordance with accounting standards other than those promulgated by FASAB will continue to comply with those standards. For further information, see Statement of Federal Financial Accounting Standard (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles (GAAP), Including the Application of Standards Issued by the Financial Accounting Standards Board (FASB)*.

The agencies covered by this Circular are "reporting entities" and "component reporting entities" under SFFAS 47, *Reporting Entity*. Reporting entities must prepare organization-wide financial reports (AFR or PAR). Entities that are consolidated in the Government-wide financial statements are referred to as component reporting entities.¹ In addition, reporting entities may be made up of component reporting entities.

Under SFFAS 47, inclusion in a reporting entity's financial statements may take the form of consolidation or disclosure. Each reporting entity is responsible for all entities "administratively assigned" to it under SFFAS 47, paragraphs 58-65. Agencies should review SFFAS 47 and consult with OMB and Fiscal Service if they have questions regarding which component entities to include in their financial statements.

I.4. Circular Effective Date

This Circular is effective in its entirety upon issuance unless otherwise specified.

¹ SFFAS 47, paragraph 68, states that SFFAS 34 recognized that some reporting entities prepare financial reports "pursuant to the accounting and reporting standards issued by FASB" and that such reports "may be regarded as in conformity with GAAP." Paragraph 68 goes on to say that "consolidation entities (that is, the consolidated government-wide financial reporting entity or a consolidated component reporting entity) may consolidate component or sub-component reporting entity financial statements prepared in accordance with SFFAS 34 without conversion for any differences in accounting policies among the organizations."

I.5. Submission Deadlines

Final AFRs, PARs, and AMRs are due to **OMB, Treasury, the Government Accountability Office (GAO), and the Congress** by 6 p.m. EST on November 15, 2021.

The final report should be posted to the agency website the same day the report is submitted to OMB, Treasury, GAO, and the Congress. A report that is compliant with Section 508 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. § 794d) must be posted no later than 15 calendar days after the final report is posted. The report's location must be clearly identified on the agency's homepage.

A **complete draft** of the AFR, PAR, or AMR is due to OMB's Office of Federal Financial Management (OFFM) and the appropriate OMB Resource Management Office 10 business days before the final AFR, PAR, or AMR is due using MAX (see Appendix B). Agencies should provide their draft audit report to OMB as soon as it is available.

Summary of Performance and Financial Information. Agencies may publish a Summary of Performance and Financial Information.

Interim Financial Statements. Agencies must submit unaudited interim (as of June 30th) financial statements 21 business days after the end of the third quarter of the fiscal year and unaudited interim notes 45 business days after the end of the third quarter. See Section III.

I.6. Submission Format

Interim Financial Statements and Draft Reports. Agencies are required to use MAX (see Appendix B) to submit Draft AFRs, PARs, and AMRs. OFFM will submit comments on Draft Reports using MAX. Agencies are encouraged to work directly with their OMB Resource Management Offices to establish the format in which those comments will be provided.

Final Reports. Agencies should submit final AFRs, PARs, and AMRs to **OMB and Treasury** using MAX (see Appendix B) and to **GAO** (using the contact information in Appendix B).

Agencies must also submit their final reports to Congress. Copies must be provided to the Speaker of the House of Representatives, the President and President pro tempore of the Senate, the chairmen and ranking minority members of the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Reform, the chairmen and ranking minority members of the Budget committees, and relevant authorization and oversight committees and appropriations subcommittees. Agencies should consult with their legislative or congressional affairs staff to obtain congressional contact information and to determine whether electronic copies are adequate. Searchable electronic copies and other cost-saving production measures are encouraged, recognizing that financial report users tend to prefer clear and concise text, tables, and graphics over glossy photos, videos, and other costly visual aids.

I.7. Inquiries

For information concerning this Circular, contact csjohnson@omb.eop.gov.

I.8. Copies of Circular

This Circular is available at: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>.

I.9. Summary of Changes

The following table summarizes changes made since the last revision of Circular A-136.

Section Number	Section Title	Change
I.1	Guide to Circular	Definition of “combined” and “consolidated” added.
I.3	Entities Subject to this Circular	Added a footnote and other information pertaining to FASB reporters.
I.5	Submission Deadlines	Updated to reflect a Nov. 15 th deadline for 2021.
II.1.1	Agency Head Transmittal Letter	Clarified Reports Consolidation Act requirements for performance and financial data.
Former II.2.1-II.2.5	MD&A Various Sections	Streamlined text. Clarified that, consistent with SFFAS 15, MD&A should include specified information, but the information need not be in sections with specified labels. The section titles are at management’s discretion.
II.2.5	MD&A Analysis of Systems, Control, and Legal Compliance	Clarified requirements, including requirements for FMFIA.
Former II.2.7	Other Management Initiatives	Deleted as unnecessary. A-136 specifies minimum requirements; management always has discretion to include additional information that is relevant to the AFR.
II.3.1	Instructions for the Annual Financial Statements	Streamlined text.
II.3.2.1	Balance Sheet - Introduction	Deleted references to Option A, Option C. Streamlined text.
II.3.2.2	Illustrative Statement – Balance Sheet	Updated to reflect the standardized Balance Sheet, formerly known as Option C
Former II.3.2.2A-C	Illustrative Statement – Balance Sheets	Reduced 3 options to 1 standardized statement.
II.3.2.2	Illustrative Statement - Balance Sheet C	Modified Balance Sheet template, which is required in FY 2021.
II.3.2.3	Assets	Clarified the treatment of confirmed deposits not yet recorded in CARS.
II.3.2.4	Liabilities	Noted change to Note 19. Liabilities.
II.3.3.4	SNC – Earned Revenue	Streamlined text.
II.3.4.2A and 2B.	Illustrative SCNP Options A and B	Eliminated the references to “budgetary” and “other” financing sources.
II.3.4.2C	Illustrative SCNP Option C	Added a new optional SCNP that includes the sources and disposition of custodial collections, eliminating the need for a separate SCA.
II.3.4.3	Funds from Dedicated Collections	Updated to recommend that amounts to be shown on a consolidated basis.
II.3.4.4.	Net Position – Beginning Balance	Clarified the definition of errors and adjustments.
II.3.4.5	Financing Sources	Eliminated the reference to “budgetary” financing sources and eliminated the “other budgetary financing sources” category.
Former II.3.4.6	Other Financing Sources	Eliminated the reference to “other” financing sources and combined budgetary and other financing sources into one category.

II.3.5.1	Statement of Budgetary Resources Introduction	Clarified requirement that changes to the budget database must be made regardless of whether the changes are material to the SBR.
II.3.5.3 and II.3.5.6	Format of the SBR and Status of Budgetary Resources	Streamlined text.
II.3.5.7	Outlays, Net	Added a definition of distributed offsetting receipts.
II.3.6.1	SCA Introduction	Added information about the consolidation of the SCA into the SCNP.
II.3.8.5	Note 5: Investments	Clarified requirements for Federal and non-Federal investments.
II.3.8.6	Note 6: Accounts Receivable, Net	Updated to remove requirement for disclosure of immaterial amounts for criminal restitution orders.
II.3.8.8	Note 8: Loans Receivable, Net and Loan Guarantee Liabilities	Updated requirements for Tables N and P, noting that the revised Table P is optional for FY 2021.
II.3.8.11	Note 11: Stewardship PP&E	Clarified to cite to SFFAS 29, paragraph 26 requirement pertaining to deferred maintenance and repairs in RSI.
II.3.8.19	Note 19: Commitments and Contingencies	Clarified definition of commitment. Deleted disclosure of estimated obligations associated with cancelled appropriations for which there is a contractual commitment.
II.3.8.20	Note 20: Funds from Dedicated Collections	Updated with new illustrative presentation and a requirement for both combined and consolidated amounts.
II.3.8.25	Note 25: Net Adjustments to Unobligated Balance Brought Forward, October 1	Clarified to require disclosure of adjustments made for budgetary purposes and to state that note should reconcile to line 1020 of SF-133 (in addition to the unobligated balance at the end of the prior year).
II.3.8.37	Note 37: Restatements	Added reference to section II.3.4.4, which clarifies definition of errors and adjustments.
II.3.8.38	Note 38: Reconciliation of Net Cost to Net Outlays	Updated text to replace reference to the illustrative statement in SFFAS 53 with the TFM.
II.3.8.39	Note 40: Public-Private Partnerships	Clarified that requirement applies to all reporting entities.
II.3.8.41	Note 41: Insurance	Clarified guidance for FASB reporting entities.
II.3.8.42	Note 42: COVID-19 Activity	Updated to include reference to comparative information
II.3.8.44	Note 44: Non-Custodial Non-Exchange Revenues	Added new note for non-custodial non-exchange revenues.
II.3.8.45	Note 45: Reclassification of Financial Statement Line Items	Clarified requirements for FASB reporters.
II.4.5	Payment Integrity	Clarified requirements pursuant to the Payment Integrity Information Act of 2019.
II.4.7	Real Property	Deleted.
II.4.11	Land Information	Deleted.
III	Interim Financial Statements, Variance Analyses, and Notes	Modified to apply to Significant Entities only.
Former III.	Summary of Performance and Financial Information	Section deleted and reference to optional summary included in section II.1.
IV.2.4.	Government-wide Financial Report Interim Submission	Streamlined and clarified text.

IV.3	Third Quarter Unaudited Interim Financial Notes and Supplemental Information	Streamlined text.
IV.4	Legal Representation Letter	Updated to include link to Management Schedule template and changes regarding treaties and international agreements.
IV.5	Subsequent Events	Added a new section regarding the subsequent events notification.

I.10. Abbreviations

AFR	Agency Financial Report
AICPA	American Institute of Certified Public Accountants
AMR	Annual Management Report
APR	Annual Performance Report
ATB	Adjusted Trial Balance
ATDA	Accountability of Tax Dollars Act of 2002 (Pub. L. No. 107-289)
AU-C	U.S. Auditing Standards (Clarified), as codified by the AICPA
CARS	Central Accounting Reporting System
CFO	Chief Financial Officer
CFO Act	Chief Financial Officers Act of 1990 (Pub. L. No. 101-576)
COVID-19	Coronavirus Disease 2019
CY	Current Year
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FBWT	Fund Balance with Treasury
FCRA	Federal Credit Reform Act (Pub. L. No. 101-508)
FFMIA	Federal Financial Management Improvement Act (Pub. L. No. 104-208)
Fiscal Service	Department of the Treasury Bureau of the Fiscal Service
FMFIA	Federal Managers' Financial Integrity Act (Pub. L. No. 97-255)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GASB	Governmental Accounting Standards Board
General Fund	General Fund of the United States Government
GMRA	Government Management Reform Act (Pub. L. No. 103-356)
GPR	Government Performance and Results Act (Pub. L. No. 103-62)
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
HI	Hospital Insurance
IG	Inspector General
MD&A	Management's Discussion and Analysis
OI	Other Information
OASDI	Old-Age, Survivors, and Disability Insurance
OFFM	OMB Office of Federal Financial Management
OMB	Office of Management and Budget
OPEB	Other Post-employment Benefits
OPM	U.S. Office of Personnel Management
ORB	Other Retirement Benefits
PAR	Performance and Accountability Report
PP&E	Property, Plant & Equipment
PY	Prior Year
RSI	Required Supplementary Information
SBR	Statement of Budgetary Resources
SCA	Statement of Custodial Activity
SCNP	Statement of Changes in Net Position
SCSIA	Statement of Changes in Social Insurance Amounts
SF	Standard Form
SFFAS	Statement of Federal Financial Accounting Standards
SMI	Supplementary Medical Insurance
SNC	Statement of Net Cost
SOSI	Statement of Social Insurance
TFM	Treasury Financial Manual
TR	Technical Release
Treasury	U.S. Department of the Treasury
UI	Unemployment Insurance
USSGL	U.S. Standard General Ledger

II. AGENCY FINANCIAL REPORT OR PERFORMANCE AND ACCOUNTABILITY REPORT

II.1. General

The CFO Act, as amended, and the ATDA require Executive Departments and agencies to prepare audited financial statements and chapter 91 of title 31, United States Code, requires Government Corporations to prepare AMRs.

Under the Reports Consolidation Act of 2000, with the concurrence of the OMB Director, agencies are permitted to submit combined statutorily required reports for financial, performance management, and other purposes where the consolidation of the reports will enhance the usefulness of the reported information. The PAR consists of the Annual Performance Report (APR) required by the Government Performance and Results Act (GPRA), as amended; annual financial statements; and other reports such as agencies' assurances on internal control, accountability reports by agency heads, and Inspectors General (IG) assessments of agencies' most serious management and performance challenges. The AFR consists of annual financial statements and other reports.

II.1.1. Required Contents of the AFR or PAR

Agency Head Transmittal Letter. Pursuant to the Reports Consolidation Act of 2000 (section 3516 United States Code), a transmittal letter from the Agency Head must be included in the AFR or PAR and:

- (1) must contain "an assessment by the agency head of the completeness and reliability of the performance and financial data used in the report" and
- (2) the assessment must "describe any material inadequacies in the completeness and reliability of the data, and the actions the agency can take and is taking to resolve such inadequacies."

In addition, the letter should describe any material weaknesses in internal control and actions the agency is taking to resolve the weaknesses.

Management's Discussion and Analysis (MD&A) (Section 1), which includes an assurance statement signed by the Agency Head. See Section II.2 below.

Performance Section (PAR Section 2). See OMB Circular A-11, Part 6.

Financial Section (AFR Section 2 or PAR Section 3). See Section II.3 below. This section must contain the auditor's signed report and may contain a CFO Letter, which may summarize plans (including time frames) for correcting audit weaknesses and instances of non-compliance, any impediments to such plans, and the progress made in addressing previously reported audit weaknesses and instances of non-compliance.

Other Information (OI) (AFR Section 3 or PAR Section 4). See Section II.4 below.

II.2. MD&A – AFR/PAR Section I

II.2.1. Purpose, Responsibility, and Scope

An AFR or a PAR must contain, as required supplementary information (RSI), an MD&A section in accordance with SFFAS 15, *Management's Discussion and Analysis*, paragraphs 1

through 8. The MD&A should focus on the information most likely to affect the judgment or decisions of users of the AFR or PAR.

SFFAS 15, paragraph 2, provides that MD&A should contain sections and should contain certain information, as noted below (but it does not require that the sections correspond to each type of required information). However, as noted in section II.2.5 below, a section entitled “Analysis of Systems, Controls, and Legal Compliance” is required.

MD&A information may be organized in any manner that management determines would be beneficial to financial report users and should be presented in an integrated manner; for example, performance information and financial statement information, if presented separately, could be organized in the same manner, such as by major program.

Pursuant to the GPRA Modernization Act, the Annual Performance Report is the primary document for comprehensive organizational performance reporting. Therefore, the discussion of performance goals, objectives, and results in the MD&A should include only summary non-financial performance information of the entity’s overall organizational performance that is needed to provide context for the financial information.

In addition, pursuant to SFFAS 15, information on risk, including both financial risk and risk to the agency’s achievement of its goals and objectives, could be discussed throughout the MD&A sections, as appropriate.

II.2.2. MD&A Mission and Organizational Structure

In accordance with SFFAS 15, the MD&A should describe the reporting entity (including any consolidated or disclosure entities under SFFAS 47) and the entity’s mission(s), major programs (as defined by management and shown on the Statement of Net Cost (SNC)), and organizational structure.

II.2.3. MD&A Performance Goals, Objectives, and Results

An agency’s Annual Performance Report compares actual performance results achieved against the goals, objectives, and outcomes established in the Agency Strategic Plan and Annual Performance Plans. It contains comprehensive, detailed performance reporting, and information required by OMB Circular A-11, Part 6.

To comply with SFFAS 15 and provide context for the financial information, the MD&A should discuss organizational performance results compared to broad organizational outcomes. The MD&A presentation should minimize duplicative reporting with the Annual Performance Report. In addition, the MD&A should link goals to cost categories or responsibility segments in the SNC and/or budgetary resources, as appropriate.

Because systems supporting performance data are generally more dispersed and less automated than financial systems, collecting and validating performance data (for use in a discussion of organizational performance) may take longer than collecting and validating financial data. In addition, the schedule for publishing Annual Performance Reports differs from the schedule for publishing AFRs. For these reasons, the MD&A should state when and where the Annual Performance Report will be available.

II.2.4. MD&A Analysis of Financial Statements and Stewardship Information

The MD&A should provide an integrated **summary** of the entity's financial results, position, condition, and performance, including:

- Key matters that caused major changes in the financial statements (i.e., changes typically in excess of 10 percent in types or amounts of assets, liabilities, net costs, revenues, obligations, outlays, or budgetary resources). For significant entities (which are defined in Treasury Financial Manual (TFM) Vol. 1, Part 2, Section 4703) major changes are generally changes in excess of 10 percent and \$1 billion.
- Purpose, source, and type of significant budgetary resources, including any significant supplemental appropriations, and the relationship between any significant fees collected and the cost of goods or services provided.
- Financial management issues arising during the reporting period and key entity-specific anticipated risks to financial performance, position or condition and actions taken or planned to mitigate those risks.

For FY 2021, the MD&A should continue the FY 2020 discussion of the financial impact, if significant, of the coronavirus disease 2019 (COVID-19 or COVID) on the entity. The discussion should focus on FY 2021, but information about FY 2020 should be included if significant amounts of FY 2020 COVID-related budgetary resources were expended in FY 2021 or remain at the end of FY 2021.

The COVID discussion should summarize the purpose and amount of significant COVID-related budgetary resources received in FY 2021, obligations incurred, the portion of the budgetary resources that remain available beyond FY 2021 (including a reference to the existence and purpose of any indefinite budgetary resources), and the financial and performance impact of the additional budgetary resources. Discussion and analysis of the financial impact should include the impact on assets, liabilities, costs, revenue, Funds from Dedicated Collections, net position, and other results, as appropriate. See also Note 42, COVID-19 Activity, for note disclosure requirements.

Also, for FY 2021, entities are encouraged to summarize efforts taken or planned to assess, measure, and mitigate risks related to climate change that could affect the entity's financial performance, position, or condition. The risks include risks to assets, such as property, plant, and equipment, and such as loan portfolios; risks to both recognized and contingent liabilities, including loan guarantee liabilities; and risks to program costs. For FY 2022, this reporting will be required.

Pursuant to SFFAS 57, *Omnibus Amendments 2019*, entities with significant stewardship activities may choose to discuss such activities in their MD&A.

Entities required to report a Statement of Social Insurance (SOSI) should discuss in one section of the MD&A critical measures pursuant to SFFAS 37, *Social Insurance: Additional Requirements for Management's Discussion and Analysis and Basic Financial Statements*, paragraphs 23 through 27, and present a table or other display of key measures, similar to the illustrative table below.

Illustrative Table of Key Measures

XYZ Agency Table of Key Measures				
Dollars in Billions	Current FY	Prior FY	Increase/(Decrease)	
			\$	%
COSTS				
Total Financing Sources	\$ XXX	\$ XXX	\$ (XXX)	XX.X%
Less: Net Cost	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%
Net Change of Cumulative Results of Operations	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%
NET POSITION				
Assets:				
Cash & Other Monetary Assets	\$ XXX	\$ XXX	\$ (XXX)	XX.X%
Loans Receivable and Investments, Net	\$ XXX	\$ XXX	\$ (XXX)	XX.X%
Property, Plant & Equipment, Net	\$ XXX	\$ XXX	\$ (XXX)	XX.X%
Other	\$ XXX	\$ XXX	\$ (XXX)	XX.X%
Total Assets	\$ X,XXX	\$ X,XXX	\$ (XXX)	XX.X%
Liabilities:				
Accounts Payable	\$ (XXX)	\$ XXX	\$ (XXX)	XX.X%
Federal Employee [& Veteran] Benefits Payable	\$ (XXX)	\$ XXX	\$ (XXX)	XX.X%
Other	\$ (XXX)	\$ XXX	\$ (XXX)	XX.X%
Total Liabilities	\$ (X,XXX)	\$ (X,XXX)	\$ (XXX)	XX.X%
Net Position (Assets minus Liabilities)	\$ (X,XXX)	\$ (X,XXX)	\$ (XXX)	XX.X%
SOCIAL INSURANCE				
Social Insurance Net Expenditures (Open Group):				
Program A	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%
Program B	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%
Other	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%
Total Social Insurance Net Expenditures	\$ (XXX)	\$ (XXX)	\$ (XXX)	XX.X%

The MD&A should state the limitations of the principal financial statements as follows:

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

II.2.5. MD&A Analysis of Systems, Controls, and Legal Compliance

The MD&A must summarize (1) the agency's financial management systems, including systems critical to financial reporting and financial control and (2) the agency's financial management systems improvement strategy.

In addition, the MD&A must summarize efforts to maintain compliance with applicable laws, e.g., the Antideficiency Act.

Also, the MD&A must contain Management Assurances related to the Federal Managers' Financial Integrity Act (FMFIA) and the Federal Financial Management Improvement Act (FFMIA) in either a single statement or two separate statements signed by the agency head. Under OMB Circular A-123 (Section VI, paragraph A), the FMFIA statement must be in a section labeled "Analysis of Systems, Control, and Legal Compliance." Also, under Circular A-123, this section must be in the

MD&A. In addition, Circular A-123 (Section VI, paragraph E) requires that “a detailed summary of management assurances” be included in Other Information.

Illustrative assurance statements for the FMFIA can be found in OMB Circular A-123 Exhibits 1, 2, and 3 and guidance on corrective action plans can also be found in Circular A-123.

FFMIA requirements can be found in OMB Circular A-123 Appendix D, “Compliance with the Federal Financial Management Improvement Act of 1996.” For areas of FFMIA non-compliance, the agency must identify remediation activities that are planned or underway, describing target dates and offices responsible for bringing systems into compliance.

Management should review the FMFIA and FFMIA assurance statement(s) for consistency with the findings specified in the annual financial statement audit report. The auditor must compare material weaknesses disclosed during the audit with those material weaknesses reported in the agency’s FMFIA reports and report any material weaknesses disclosed by the audit that were not reported by the agency. Management’s and the auditor’s conclusions could be different, but should not be in direct conflict. When management does not agree with the auditor, management may explain why it does not agree and must describe how the disagreement will be addressed.

For an error requiring a restatement where the agency previously asserted that it received an unmodified opinion, management should discuss the events that caused the restatement (including the error). The discussion may include the amount(s) of the material misstatement(s), the effect on the previously issued financial statements, and actions management took after discovering the misstatement. For further disclosure requirements, see Section II.3.8.37.

II.2.6. Forward-Looking Information

Forward-looking information should reflect entity-specific known and anticipated risks, uncertainties, future events or conditions, and trends that could significantly affect the entity’s future financial position, condition, or operating performance and entity actions that have been planned or taken to address those challenges.

II.3. Financial Section – AFR Section 2/PAR Section 3

II.3.1. Instructions for the Annual Financial Statements

Reporting entities must comply with GAAP for Federal entities and the requirements of this Circular. Additional guidance on recognition, measurement, and disclosure requirements can be found at fasab.gov.

Reporting entities must follow the hierarchy of accounting principles described in SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. Pursuant to SFFAS 47, a reporting entity may consolidate component or sub-component reporting entity financial statements prepared in accordance with SFFAS 34 **without conversion for any difference in accounting policies among the organizations.**

Comparative financial statements are required except for the SOSI, which has different requirements (as noted in Section II.3.7). Information for the current and prior years should be presented regardless of the type of audit opinion rendered by the auditor. Notes should contain

information necessary for full disclosure of the current year and for an understanding of changes between the current and prior years.

Requirements in the remainder of section II.3 that are not specified in SFFAS 34 categories A through C are considered level D of the Federal GAAP hierarchy. For example, level D GAAP is reflected in various areas including the following:

- Budgetary reporting requirements, including disclosures;
- Note 45: Reclassification of Financial Statement Line Items
- Non-federal investments reporting requirements, including recognition and disclosures, excluding entities that follow the Financial Accounting Standards Board (FASB) that are not converted to FASAB;
- Commitments.

Entities must use the same trial balance information submitted to the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) as the basis for the financial statements and notes.

When entities present disaggregated information for component organizations, the total column for the entity as a whole must reflect consolidated totals net of intra-entity transactions, except for the Statement of Budgetary Resources (SBR), which is presented on a combined basis, and except for Dedicated Collections, which can be presented on a combined or consolidated basis. Financial statements other than the SBR that use a multi-column format to present information on an entity's primary components, e.g., bureaus or major lines of business, and consolidated amounts are consolidating statements. Eliminations for intra-entity transactions needed to arrive at the consolidated amounts should be presented in a column on the face of the consolidating statements.

Currently, the SNC requires certain disaggregated statements to be presented in the notes. Entities may elect to include disaggregated statements for other primary financial statements, such as the Balance Sheet, SCNP, or Statement of Custodial Activity (SCA), and may include such disaggregated statements as OI.

See Section II.3.2.2 for a discussion of the Balance Sheet Template. All other statements with illustrative displays in this Circular may be modified by adding lines and using different words than those in the displays and should be modified to exclude lines, notes, and rows or columns that do not apply or are not informative. Schedule totals presented in the notes in support of amounts presented in financial statements must agree with the amounts presented in the financial statements.

Dollar amounts should be rounded to the nearest thousand dollar or million dollar based upon informative value and the rounding level maintained throughout the principal statements, notes, and RSI (including MD&A). Individual line items should sum to the column totals by adjusting the line items for differences created by rounding rather than adjusting column totals.

Line numbers should not be on statements; they are used for reference purposes only. Notes should be numbered sequentially without regard to the numbers in this document. If components of agencies prepare separate audited financial statements, the statements do not need to be

presented separately in consolidating entity-wide financial statements.

Agencies (other than shared service providers) with administrative and programmatic responsibility for accounts with an account identification code of 011 must include all such accounts in their AFR or PAR.

Parent-Child Reporting

An entity required by law to allocate budget authority to another Federal entity is referred to as a “parent” and the entity receiving the budget authority is referred to as the “child.” See OMB Circular A-11, Sections 20.4, 120.15, 120.29, and 130.18.

Generally, child entities report their costs to the parent for activities performed by the child and all costs are consolidated in the parent’s financial statements. However, where (1) the Executive Office of the President is the parent or (2) funds are transferred from the Judicial Branch to the Department of Justice U.S. Marshals Service for court security, the child is responsible for reporting all budgetary and proprietary activity in their financial statements and GTAS. Other than these two cases, child entities must not report any information for the allocation transfer account in their financial statements.

Except for the two cases noted above, the parent must report all budgetary and proprietary activity in its financial statements, whether material to the child or not. To do so, child entities must submit a full USSGL trial balance with attributes to the parent no later than 12 calendar days following the end of the reporting period or a date set by the parent to meet its reporting and auditing deadlines, whichever comes first.

Should a child entity need to make a change to a reported trial balance, the child must notify the parent as soon as possible. Before making any changes to the child’s trial balance, the parent must get the child’s approval.

For GTAS, the parent is responsible for determining whether the parent or child will report. Regardless of which entity reports to GTAS, budgetary information for each allocation must be reported only once.

Trading partner information must be posted to GTAS by the parent entity. When a child entity contracts with another Federal entity on behalf of the parent, the child reports the other Federal agency’s trading partner code to the parent and should communicate the parent trading partner information to the other entity.

Audit coordination between parent and child will be necessary, because the child will retain all transaction details, as discussed in OMB’s audit bulletin.

II.3.2. Balance Sheet

II.3.2.1. Introduction

For FY 2021, the Balance Sheet Template, as shown in Section II.3.2.2, will be used. Entities using the Balance Sheet Template for the first time in FY 2021 should provide a comparative Balance Sheet for FY 2020.

The Balance Sheet may be displayed as in Section II.3.2.2 with a two-column format showing the current and prior periods or using separate columns for entity components, e.g., bureaus or major lines of business.

Combine on the face of the Balance Sheet entity and non-entity assets except for non-entity assets meeting the definition of fiduciary assets and combine liabilities covered by budgetary resources, liabilities not covered by budgetary resources, and liabilities not requiring the use of budgetary resources. Disclose in the notes non-entity assets, if material; non-entity assets meeting the definition of fiduciary assets; and liabilities not covered by budgetary resources.

The portion of cumulative results of operations and unexpended appropriations attributable to Funds from Dedicated Collections must, if material, be shown separately on the Balance Sheet (Note 20). Entities may present combined or consolidated amounts and the presentation must be labeled accordingly.

For FY 2021, entities are encouraged to report components of net position (Funds from Dedicated Collections and Funds from Other than Dedicated Collections) on a consolidated basis. If an entity elects to present the components of net position on a combined basis, the entity will be required to prepare the reclassified crosswalk for the Balance Sheet in Note 45, which can be found here: [The U.S. Standard General Ledger \(treasury.gov\)](https://www.treasury.gov).

Beginning in FY 2022, entities will be required to present the components of net position on a consolidated basis.

SFFAS 31, *Accounting for Fiduciary Activities*, provides that deposit funds that meet the definition of fiduciary activities (and that are not excluded by paragraph 13 of SFFAS 31) should not be included on the face of the financial statements and should instead be disclosed; all other deposit funds should be reported on the Balance Sheet.

II.3.2.2. Balance Sheet Template

Entities must use the asset and liability line titles on the numbered lines shown in the template below. If a line title is not applicable to an entity, the line title should not be used. If a line title is immaterial to an entity, the entity must (1) use the numbered line title with the immaterial amount presented, (2) present the immaterial amount in the numbered line title as a discrete component under Other Assets or Other Liabilities, or (3) disclose the amount for the numbered line title under Other Assets or Other Liabilities.

An entity may disaggregate a required line title into two or more entity-specific line titles. The detail must sum to the total that would otherwise be required for the numbered line item. See the unnumbered line detail under Line 9, “Accounts receivable, net;” Line 17, “Other Assets;” and Line 37, “Other Liabilities;” as examples.

Subtotal lines for numbered lines may be added where detail lines are used and, if added, must be placed underneath the detail lines.

Line 37, Other Liabilities, includes amounts recognized as probable contingencies in accordance with SFFAS 5, paragraphs 38-39. Line 40, Commitments and Contingencies, should not contain balance amounts and is included only as a heading to direct readers to the applicable Note (Note

19) to find information required by paragraphs 39-41 of SFFAS 5, *Accounting for Liabilities of the Federal Government* and information about commitments not reported elsewhere.

Entities may use either “with the public” or “other than intragovernmental” to refer to amounts that are not intragovernmental.

Reporting Entity BALANCE SHEETS
As of September 30, 2xxx (CY) and 2xxx (PY) (\$ in Millions)

	2xxx/CY	2xxx/PY
Intragovernmental:		
1. Fund Balance with Treasury (Note 3)	\$ XXX	\$ XXX
2. Investments[, net] (Note 5)	XXX	XXX
3. Accounts receivable[, net] (Note 6)	XXX	XXX
4. Loans receivable, net	XXX	XXX
5. Advances and Prepayments	XXX	XXX
6. Other Assets (Note 12)	XXX	XXX
7. Total intragovernmental	<u>X,XXX</u>	<u>X,XXX</u>
Other than intragovernmental/With the public:		
8. Cash and other monetary assets (Note 4)	XXX	XXX
9. Accounts receivable[, net] (Notes 6 and 7)		
Taxes receivable, net [if applicable] (Note 7)	XXX	XXX
Other receivables [if applicable] (Note 6)	XXX	XXX
10. Loans receivable, net (Note 8)	XXX	XXX
11. Inventory and related property, net (Note 9)	XXX	XXX
12. General property[, plant,] and equipment, net (Note 10)	XXX	XXX
13. Advances and prepayments	XXX	XXX
14. Investments[, net] (Note 5)	XXX	XXX
15. Investments in special purpose vehicles	XXX	XXX
16. Investments in Government-sponsored enterprises	XXX	XXX
17. Other Assets (Note 12):		
Regulatory Assets [if applicable] (Note A)	XXX	XXX
Investments in Multilateral Development Banks [if applicable] (Note B)	XXX	XXX
Other [if applicable] (Note C)	XXX	XXX
18. Total other than intragovernmental/with the public	<u>X,XXX</u>	<u>X,XXX</u>
19. Total assets	<u>\$ X,XXX</u>	<u>\$ X,XXX</u>
20. Stewardship PP&E (Note 11)		
Liabilities (Note 13):		
Intragovernmental:		
21. [Liability for Fund Balance with Treasury [for General Fund only]]	\$ XXX	\$ XXX
22. Accounts payable (Note 17)	XXX	XXX
23. Federal debt and interest payable (Note 14)	XXX	XXX
24. Debt (Note 14)	XXX	XXX
25. Advances from others and deferred revenue		
26. Other Liabilities (Notes 15 and 17)	XXX	XXX
27. Total intragovernmental	<u>X,XXX</u>	<u>X,XXX</u>
Other than intragovernmental/With the public:		
28. Accounts payable	XXX	XXX
29. Federal debt and interest payable (Note 14)	XXX	XXX
30. Federal employee [and veteran] benefits payable (Note 15)	XXX	XXX
31. Environmental and disposal liabilities (Note 16)	XXX	XXX
32. Benefits due and payable	XXX	XXX
33. Loan guarantee liabilities (Note 8)	XXX	XXX
34. Liabilities to Government-sponsored enterprises	XXX	XXX
35. Insurance and guarantee program liabilities	XXX	XXX
36. Advances from others and deferred revenue	XXX	XXX
37. Other Liabilities (Notes 17, 18, and 19)		
Accrued grant liabilities [if applicable] [Optional Note X]	XXX	XXX
Deferred revenue [if applicable] [Optional Note Y]	XXX	XXX
Other [if applicable] [Optional Note Z]	XXX	XXX
38. Total other than intragovernmental/with the public	<u>X,XXX</u>	<u>X,XXX</u>
39. Total liabilities	<u>\$ X,XXX</u>	<u>\$ X,XXX</u>
40. Commitments and contingencies (Note 19)		
Net Position:		
41.1 Unexpended Appropriations-Funds from Dedicated Collections (Note 20)	\$ XXX	\$ XXX
41.2 Unexpended Appropriations-Funds from Other than Dedicated Collections	XXX	XXX
41. Total Unexpended Appropriations (Combined or Consolidated)	XXX	XXX
42.1 Cumulative Results of Operations-Funds from Dedicated Collections (Note 20)	XXX	XXX
42.2 Cumulative Results of Operations-Funds from other than Dedicated Collections	XXX	XXX
42. Total Cumulative Results of Operations (Combined or Consolidated)	<u>XXX</u>	<u>XXX</u>
43. Total net position	<u>X,XXX</u>	<u>X,XXX</u>
44. Total liabilities and net position	<u>\$ X,XXX</u>	<u>\$ X,XXX</u>

Entities may include the following note:

The format of the Balance Sheet has changed to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this Report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the *Financial Report of the United States Government*. The presentation of the fiscal year 2020 Balance Sheet was modified to be consistent with the fiscal year 2021 presentation.

II.3.2.3. Assets

General Categories.

Entity Assets are assets that the reporting entity has authority to use in its operations. Management may have authority to decide how funds are used or it may be legally obligated to use the funds a certain way, e.g., to repay loans from Treasury.

Non-Entity Assets are assets held by an entity that are not available to the entity, e.g., income tax receivables that the Internal Revenue Service collects but has no authority to spend.

Consolidate entity and non-entity assets, except for non-entity assets meeting the definition of fiduciary assets on the face of the Balance Sheet. Disclose non-entity assets (Note 2) and non-entity assets meeting the definition of fiduciary assets (Note 37).

Intragovernmental Assets arise from transactions between Federal entities and are claims of one Federal entity against another Federal entity. Report intragovernmental assets separately from assets associated with non-Federal entities, the Federal Reserve, and Government-sponsored enterprises. "Non-Federal entity" includes domestic and foreign persons and organizations outside the Government.

Fund Balance with Treasury (FBWT) is the amount in the entity's accounts with Treasury that is available for making expenditures and paying liabilities; it includes balances held by the entity on behalf of the Government or other entities (receipt accounts, which include clearing/suspense accounts). It includes general funds, revolving funds, special funds, trust funds, deposit funds, clearing accounts, miscellaneous receipt accounts, and the dollar equivalent of certain foreign currency account balances. See SFFAS 1, *Accounting for Selected Assets and Liabilities*, paragraph 31.

FBWT meeting the definition of fiduciary FBWT should not be recognized on the Balance Sheet, but should be disclosed in accordance with the provisions of SFFAS 31.

In most cases, non-fiduciary deposit funds should be reported as "intragovernmental." Examples include deposit funds that are used to hold unpaid payroll withholdings, unearned revenues, and certain collections that may be distributed to non-federal parties after further research or legal or agency judgment. Entities with non-fiduciary deposit funds that appear to be controlled by non-Federal entities should contact Fiscal Service and OMB for further reporting instructions. Balances held in non-fiduciary deposit funds that are held by the Government on behalf of non-

Federal entities or individuals should also be presented as a liability and disclosed as non-entity assets. See FASAB's Interpretation 10, *Clarification of Non-Entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31*.

The FBWT should match the sum of the balances reflected on the Central Accounting Reporting System (CARS) Account Statement for the entity's Treasury Account Symbols. An adjustment will need to be made for available receipts appropriated/credited to the related expenditure accounts since the balances will appear in both the receipt ledger and the expenditure account.

The FBWT includes amounts deposited in a Treasury Account System for which the entity has a confirmed deposit ticket. Deposits made but not confirmed and deposits that have been confirmed but not yet been recorded in CARS should be recorded as Undeposited Collections and reported on the Balance Sheet in Cash and Other Monetary assets. Disbursements not confirmed by the last day of the month should not reduce the FBWT or be considered an outlay until the payments are processed; they should be reported as Disbursements in Transit. For additional information, see TFM Vol. 1, Part 2, Chapter 3400.

The proper reporting of intragovernmental transactions at fiscal year-end can be found in TFM Volume I, Part 2, Chapter 4700.

Treasury requires that agencies reconcile their FBWT accounts monthly to ensure the integrity of Government-wide *Financial Report* data.

Cash and Other Monetary Assets consist of cash, which includes: (i) coins, paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (ii) amounts on demand deposit with banks or other financial institutions including non-confirmed collections and disbursements; (iii) investments held outside of Treasury; and, (iv) foreign currencies, which will be converted into U.S. dollars at the exchange rate on the financial statement date.

Other monetary assets include gold, special drawing rights, U.S. Reserves in the International Monetary Fund, deposits made but not confirmed, and confirmed deposits that have not yet been recorded in CARS. Cash and other monetary assets the reporting entity holds and is authorized to spend is entity cash. Cash and other monetary assets a Federal entity collects and holds on behalf of the Government or other entities are non-entity cash and other monetary assets. The components of cash and other monetary assets must be disclosed in the notes (Note 4).

Advances and Prepayments. Advances are cash outlays made by a Federal entity to its employees, contractors, grantees, or others to cover a part or all of the recipients' anticipated expenses or as advance payments for the costs of goods and services the entity receives. Prepayments are payments made by a Federal entity to cover certain periodic expenses before those expenses are incurred. Financing payments (such as progress payments, performance-based payments, etc.) on work in process are generally recognized as a cost for work performed and not included in advances and prepayments.

Investments, Net include investments in Federal and non-Federal securities; non-Federal securities must be reported separately from Federal securities.

Federal securities include non-marketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities (which can be exchanged on the open market), and securities issued by other Federal entities.

Federal securities are reported at acquisition cost or amortized acquisition cost (less an allowance for losses, if any), except when there is an intent to sell prior to maturity or there is a reduction in value that is more than temporary, in which case market value should be used (except for pension and retirement plans). See SFFAS 1, paragraphs 68-73. To derive market value, group investments by type of security (e.g., marketable or market-based securities) and multiply the market price as of the reporting date by the number of securities held as of the reporting date. Investments in Federal securities made through the secondary market are considered Federal securities.

Non-Federal securities include securities issued by State and local governments, and private corporations; investments in money market and mutual funds even if the fund assets consist entirely of Federal securities; and investments in equity securities.

Non-Federal investments may be trading, held-to-maturity, or available-for-sale securities. Trading securities are debt and equity securities purchased with the intent to sell in the near term and are reported at fair value. Held-to-maturity securities are debt securities purchased with the intent and ability to hold to maturity and are reported at amortized cost. Available-for-sale securities are debt and equity securities with readily determinable fair values and not classified as trading securities or as held-to-maturity securities, and are reported at fair value. Unrealized gains and losses for trading and available-for-sale securities are recognized in net cost.

Disclose the components of investments, including the market value of market-based and marketable Treasury securities, investments for Funds from Dedicated Collections, and other information required for non-Federal investments (Note 5).

For investments in non-Federal securities, consult Accounting Standards Codifications (ASC) 320, 321, 323, 325, and 820, but do not apply such guidance to non-federal securities that are accounted for under SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*.

Investments in Special Purpose Vehicles are Treasury's investments in special purpose vehicles established by the Federal Reserve Board through the Federal Reserve Bank of New York and the Federal Reserve Bank of Boston for the purpose of enhancing the liquidity of the U.S. financial system in response to the COVID-19 pandemic.

Investments in Government-Sponsored Enterprises are Treasury's investments the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Accounts Receivable, Net are Federal entity claims for payment from other (Federal or non-Federal) entities. Gross receivables must be reduced to net realizable value by an allowance for doubtful accounts in accordance with SFFAS 1 and Technical Bulletin 2020-1, *Loss Allowance for Intragovernmental Receivables*. Loss allowance recognition for intragovernmental receivables does not alter the statutory requirements for the debtor agency to make the payment

or for the collecting agency to seek and obtain payment. Entities should document their policies regarding allowances and criteria for assessing collectability and disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance (Note 6).

Taxes Receivable, Net are Federal entity claims for taxes owed by the public. Gross receivables must be reduced to net realizable value by an allowance for uncollectible taxes receivable. Disclose the method(s) of calculating the allowance for uncollectible taxes and the dollar amount of the allowance (Note 7).

Interest Receivable, Net is interest income earned but not received as of the reporting date. Report interest receivable as a component of the appropriate asset account. No interest will be recognized as revenue on accounts receivable or investments that are determined to be uncollectible until the interest is collected. Accrued interest on uncollectible accounts receivable, however, must be disclosed until the requirement to pay interest is waived by the Government or the related bad debt is written off.

Interest receivable related to pre-1992 and post-1991 direct loans and acquired defaulted guaranteed loans must be reported as a component of loans receivable and related foreclosed property.

Loans Receivable, Net are the net value of credit program receivables and related foreclosed property and are considered entity assets if the entity has the authority to determine the use of the funds collected or if the entity is obligated to use the funds to meet its obligations, e.g., loans payable to Treasury. Disclose the components of this line (Note 8).

Receivable from Borrowings. When a loan guarantee program that is generating negative subsidy guarantees a loan and the lender has not disbursed the loan as of the Balance Sheet date, a proprietary receivable from borrowings may not be reported. Report the undelivered order, which is recorded to obligate the funds, and the borrowing authority or unobligated balances to support the undelivered order.

Negative Subsidies and Downward Reestimates of Subsidy. Special fund receipt accounts for negative subsidies and downward subsidy reestimates are to be included in the reporting entity's financial statements. Any FBWT amounts in the accounts are non-entity assets and are offset by intragovernmental liabilities covered by budgetary resources.

Inventory and Related Property, Net. See SFFAS 3, *Accounting for Inventory and Related Property*, as amended; Federal Financial Accounting Standards Interpretation 7, *Items Held for Remanufacture*; and Federal Financial Accounting and Auditing Technical Release (TR) 4 *Reporting on Non-Valued Seized and Forfeited Property* for definitions and recognition requirements for inventory, operating materials and supplies, stockpile materials, seized property, forfeited property, goods held under price support and stabilization programs. For seized property, only monetary instruments will be recognized; real property and tangible personal property will not be recognized. Seized monetary instruments will be recognized as Seized Assets when seized and a liability will be recognized in Other Liabilities equal to the value of the seized monetary instrument. See Note 9 for disclosure requirements.

General Property[, Plant] and Equipment (PP&E), Net.

See SFFAS 6, *Accounting for PP&E*, paragraphs 17-19 and 23-34 and paragraphs 40-44 and SFFAS 29, *Heritage Assets and Stewardship Land*, paragraphs 15-24 for definitions and recognition requirements for PP&E and heritage assets and stewardship land, respectively. See SFFAS 6, paragraphs 35-39 for recognition requirements for accumulated depreciation and disposal, retirement, and removal of PP&E from service. See Notes 10 and 11 for disclosure requirements.

See SFFAS 10, *Accounting for Internal Use Software*, paragraphs 8-34 and 36 and FASAB Technical Release (TR) 16 *Implementation Guidance for Internal Use Software*, for definitions and recognition requirements (including impairment loss requirements) for internal use software.

See SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*, paragraphs 8-25 for definitions and recognition requirements for impairment losses for PP&E other than internal use software.

Stewardship PP&E. Entities must report on the existence of heritage assets and stewardship land.

Heritage Assets are PP&E that are unique because of (1) historical or natural significance, (2) cultural, educational, or artistic importance, or (3) significant architectural characteristics. Heritage assets consist of (1) collection type assets (e.g., objects gathered and maintained for exhibition) and (2) non-collection-type assets (e.g., parks, memorials, monuments, and buildings). Heritage assets are generally expected to be preserved indefinitely.

Stewardship Land includes land and land rights owned by the Government, but not acquired for or in connection with items of general PP&E (e.g., forests, parks, and land used for wildlife and grazing).

Under SFFAS 29, heritage asset and stewardship land information is classified as basic information, requiring the Balance Sheet to include a reference to a note that discloses non-financial information. See Note 11.

Other Assets. "Other" assets are assets not recognized in any previous category and may include assets described in previous categories that are immaterial to the entity. This may include general PP&E removed from service but not yet disposed. Reporting entities should disclose in the notes the amount and nature of categories of other assets (Note 12). Other assets, including immaterial amounts, must be reported in GTAS using the correct USSGL for the asset category.

II.3.2.4. Liabilities

General Categories. Financial statements must recognize probable and measurable future outflows or other sacrifices of resources arising from: (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) non-exchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. SFFAS 5, describes the general principles governing the recognition of a liability.

Liabilities must be recognized when they are incurred regardless of whether they are covered

by available budgetary resources, including liabilities related to canceled appropriations.

Liabilities are classified as liabilities covered by budgetary resources, liabilities not covered by budgetary resources, and liabilities not requiring budgetary resources.

Liabilities Covered by Budgetary Resources include liabilities incurred that are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources include: (1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections (credited to an appropriation or fund account), and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities are covered by budgetary resources if they are to be funded by permanent indefinite appropriations and may be apportioned by OMB without further action by the Congress and without a contingency having to be met first. See Treasury's USSGL Approved Scenarios at: <https://www.fiscal.treasury.gov/ussgl/resources-implementation.html>.

Liabilities Not Covered by Budgetary Resources are liabilities that will require budgetary resources.

Liabilities Not Requiring Budgetary Resources are liabilities that will not require the use of budgetary resources, e.g., liabilities for clearing accounts, non-fiduciary deposit funds, custodial collections, and unearned revenue.

Aggregate all liabilities of the same type on the face of the Balance Sheet, e.g., intragovernmental accounts payable covered by budgetary resources and intragovernmental accounts payable not covered by budgetary resources should be aggregated and reported as a single intragovernmental accounts payable line item on the face of the Balance Sheet. Disclose liabilities not covered by budgetary resources (Note 13).

Intragovernmental Liabilities arise from transactions among Federal entities and are claims against a Federal entity by other Federal entities. Report intragovernmental liabilities separately from claims against the entity by non-Federal entities, Government-sponsored enterprises, and the Federal Reserve.

Accounts Payable are amounts owed for goods and services received from other entities, progress in contract performance made by other entities, and rents due to other entities.

Federal Debt and Interest Payable include amounts borrowed from the Treasury, the Federal Financing Bank, other Federal agencies, and the public under general or special financing authority (e.g., Treasury bills, notes, bonds and Federal Housing Administration debentures). The components of debt must be disclosed (Note 14).

Debt is the amount borrowed by reporting entities from all intra-governmental entities for all programs.

Interest Payable is interest incurred but unpaid on liabilities and should be reported as a component of the appropriate liability accounts.

Federal Employee [and Veteran] Benefits Payable. Entities responsible for accounting for pensions, other retirement benefits (ORB) (e.g., health benefits for retirees), and other post-employment benefits (OPEB) should calculate and report these liabilities and related expenses in accordance with SFFAS 5. Liabilities for Federal employee and veteran benefits include the actuarial portion of these benefits, but do not include liabilities related to employees' accrued salary or accrued annual leave, which are reported in Other Liabilities. Disclose in the notes the actuarial liabilities, assumptions used to compute the actuarial liabilities, assets, and the components of expense for the period for pensions, ORB, and OPEB (Note 15).

Environmental and Disposal Liabilities. SFFAS 5 provides criteria for recognizing a contingent liability, which will be applied to determine if cleanup costs should be recognized or disclosed. SFFAS 6 provides guidance for recording cleanup costs related to general PP&E and stewardship PP&E used in Federal operations and applies to cleanup costs from Federal operations known to result in hazardous waste that the Federal Government is required by Federal, State or local statutes or regulations to clean up.

Depending on materiality, the liability for cleanup costs may be displayed separately or included with other liabilities. See SFFAS 6 for disclosures (Note 16).

Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, requires the recognition of a liability and expense for friable and non-friable asbestos cleanup costs when the amounts are probable and reasonably estimable, consistent with SFFAS 5, SFFAS 6, and TR 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*. Liabilities deemed probable, but not reasonably estimable, should be disclosed (Note 16).

TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, addresses implementation questions and clarifies requirements regarding the application of Technical Bulletin 2006-1. TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*, addresses when cleanup costs should be recognized as an environmental liability and when they should be expensed.

Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 and SFFAS 6*, clarifies guidance regarding cleanup cost liabilities when the component entity responsible for reporting an asset during its useful life is different from the component entity responsible for settling the liability for the cleanup cost of the asset.

Benefits Due and Payable are amounts owed to program recipients or medical service providers as of the Balance Sheet date that have not been paid and include payables for benefits, goods, or services under the terms of a benefits program (other than Federal employee and veteran benefits programs) whether or not such amounts have been reported to the Federal entity (e.g., estimated payments due to health providers for services that have been rendered but not yet reported to the Federal entity). Benefit programs reported on this line item include Federal Old-Age and Survivors Insurance, Federal Hospital Insurance (Medicare Part A), Federal Supplementary Medical Insurance (Medicare Parts B and D), Grants to States for Medicaid, Federal Disability Insurance, Supplemental Security Income, Railroad Retirement, Unemployment Insurance (UI), and Black Lung.

Loan Guarantee Liabilities. For post-1991 loan guarantees, this is the present value of the estimated net cash flows to be paid as a result of loan guarantees. For pre-1992 loan guarantees, this is the amount of known and estimated losses payable. Disclose the components of the line (Note 8).

Negative Loan Guarantee Liability. When the net loan guarantee liability for all credit programs of a reporting entity is negative, it should be reported as an asset. Disclose the components of the line (Note 8).

Liability to Government Sponsored Enterprises is the amount of future draws by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation deemed probable and reasonably estimable under the terms of the Senior Preferred Stock Purchase Agreements.

Insurance and Guarantee Program Liabilities exclude social insurance, loan guarantee programs, and life insurance.

SFFAS 51, *Insurance Programs*, identifies three categories of insurance programs: exchange transaction insurance programs other than life insurance, non-exchange transaction insurance programs, and life insurance programs. For exchange transaction programs other than life insurance, liabilities must be reported for unearned premiums, unpaid insurance claims, and losses on remaining coverage as specified in SFFAS 51, paragraphs 25-37. For non-exchange transactions, liabilities must be reported for unpaid insurance claims as specified in SFFAS 51, paragraphs 45-48. For life insurance, liabilities must be reported for unpaid insurance claims and future policy benefits as specified in SFFAS 51, paragraphs 55-64.

Insurance and guarantee program liabilities should be reported as a separate line item if material and as a component of other liabilities if immaterial. Disclose insurance and guarantee program liabilities (Note 42) and disclose life insurance liabilities in the Federal Employee and Veteran Benefits note (Note 15).

Advances from others and deferred revenue are amounts received for goods or services to be delivered or performed in the future and reflect amounts that have yet to be earned.

Other Liabilities are liabilities not recognized in any previous category and may include liabilities described in previous categories that are immaterial to the entity. This may include liabilities related to grants payable, capital leases, Treasury-managed benefit programs, probable contingencies, accrued liabilities related to ongoing continuous expenses (such as Federal employee salaries, accrued employee annual leave, accrued leave in a voluntary leave bank program), non-fiduciary deposit funds, undeposited collections, and the allocation of special drawing rights made by the International Monetary Fund. Other liabilities, including immaterial amounts, must be reported in GTAS using the correct USSGL for the liability category.

Separate line items for other liabilities is appropriate if the amounts are material to the Balance Sheet. Items not separately reported must be disclosed along with any additional information necessary to understand the liabilities (Note 17).

Lease Liabilities. SFFAS 5 and SFFAS 6 provide liability criteria and recognition guidance for

capital leases. Report the lease liability as a component of Other liabilities and disclose the components of and other information about the capital lease liability in the notes (Note 18).

SFFAS 58, *Deferral of the Effective Date of SFFAS 54, Leases*, defers until FY 2024 the effective date of SFFAS 54, *Leases*; earlier implementation is not permitted.

Commitments and Contingencies. Commitments reflect binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet and should be disclosed (Note 19).

A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity. The uncertainty should ultimately be resolved when a future event occurs or fails to occur. A contingent liability should be recorded when a past event or exchange transaction has occurred, a future outflow or other sacrifice of resources is probable, and the future outflow or sacrifice of resources is measurable.

Contingencies that do not meet all of the conditions for liability recognition, but for which there is at least a reasonable possibility that a loss or an additional loss may have been incurred, should be disclosed (Note 19).

Additional information related to contingencies:

- The contingent liability for pending or threatened litigation and unasserted claims is recognized when the future outflow or other sacrifice of resources is “likely to occur” (as provided in SFFAS 12, *Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5*); the other criteria for recording a contingent liability are consistent with criteria for other contingencies.
- If a contingency exists for cleanup costs related to stewardship PP&E, probable and measurable liabilities will be recognized when the stewardship PP&E is placed in service. (See SFFAS 5; SFFAS 6; and TR 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*.)
- Examples of claims or other contingencies include: (1) indemnity agreements (reimbursements due to licensees or contractors for losses incurred in support of Federal activities), (2) claims against the Federal Government that are in judicial proceedings, (3) the unfunded portion of total liabilities to international organizations, (4) litigation addressing claims for equity relief or non-monetary judgments (lawsuits where claimants are seeking specific actions by a Federal agency), and (5) other legal claims that may derive from treaties or international agreements.

II.3.2.5. Net Position

The components of net position are classified as follows:

Unexpended Appropriations include the portion of the entity's appropriations represented by undelivered orders and unobligated balances. Unexpended appropriations on the Balance Sheet must equal unexpended appropriations on the SCNP. Unexpended appropriations attributable to Funds from Dedicated Collections, if material, should be shown separately on the face of the Balance Sheet and should equal unexpended appropriations in the notes (Note 20).

Cumulative Results of Operations reflect the net results of operations since inception plus the cumulative amount of prior-period adjustments. This includes the cumulative amount of donations and transfers of assets in and out without reimbursement. Cumulative results of operations on the Balance Sheet should equal cumulative results of operations on the SCNP. Cumulative results of operations attributable to Funds from Dedicated Collections, if material, should be shown separately on the face of the Balance Sheet and should equal the cumulative results of operations in the Funds from Dedicated Collections Note, in accordance with SFFAS 27, *Identifying and Reporting Funds from Dedicated Collections*, as amended (Note 20).

II.3.3. Statement of Net Cost

II.3.3.1. Introduction

Major Programs

The SNC should show the net cost of operations as a whole and by major programs. Major program definition is at the entity's discretion. Programs not deemed "major" should be grouped together.

If required, supporting schedules should be disclosed in the notes and displayed by suborganizations and corresponding programs. The program structure should report "full costs," defined below, and related exchange revenue for each program as defined by the entity (Note 21).

See SFFAS 33, *Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation*, paragraphs 19-25, for reporting requirements for gains and losses associated with changes in long-term assumptions for employee pensions, ORB, and OPEB, including veterans' compensation.

Components of Net Cost of Operations

The SNC should include: (1) gross program costs, (2) related exchange revenue, (3) the excess of costs over exchange revenues (net program costs), (4) gain/loss on pension, ORB, or OPEB assumption changes, (5) any costs that cannot be assigned to specific programs or outputs, and (6) exchange revenues that cannot be attributed to specific programs and outputs.

Inter-Entity Cost

"Full cost" includes costs of goods and services provided by other entities whether or not the providing entity is fully reimbursed. The provider of goods or services is responsible for providing receiving entities its full cost information. Recognition of inter-entity costs (as defined by FASAB's Appendix E: Consolidated Glossary) not fully reimbursed is limited to material items that: (1) are significant to the receiving entity, (2) form an integral or necessary part of the receiving entity's output, and (3) can be identified or matched to the receiving entity with reasonable precision. Broad and general support services provided by an entity to all or most other entities generally are not recognized unless the services are a vital and integral part of the operations or output of the receiving entity. See SFFAS 4, *Managerial Cost Accounting Standards and Concepts*, paragraph 89 and the preamble to paragraph 105.

Under SFFAS 4, as amended, reporting entities are to recognize the full cost of goods and services received from other entities for business type activities. In addition, for non-business type activities, reporting entities must recognize imputed inter-entity costs for personnel benefits,

Treasury Judgment Fund settlements, and any other costs specified by OMB.

II.3.3.2. Illustrative Statement - Statement of Net Cost

Department/Agency/Reporting Entity		
STATEMENTS OF NET COST		
For the Years Ended September 30, 2xxx (CY) and 2xxx (PY)		
(in dollars/thousands/millions)		
	2xxx (CY)	2xxx (PY)
Gross Program Costs (Note 21)		
Program A:		
Gross costs	\$ xxx	\$ xxx
Less: earned revenue	<u>-xxx</u>	<u>-xxx</u>
Net program costs:	\$ <u>xxx</u>	\$ <u>xxx</u>
Other Programs:		
Program B:	xxx	xxx
Program C:	xxx	xxx
Program D:	xxx	xxx
Program E	xxx	xxx
Other programs:	xxx	xxx
Less: earned revenue	<u>-xxx</u>	<u>-xxx</u>
Net other program costs:	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
(Gain)/Loss on pension, ORB, or OPEB		
Assumption changes (Note 15):	\$ <u>-xxx</u>	\$ <u>-xxx</u>
Net program costs including		
Assumption changes:	\$ <u>xxx</u>	\$ <u>xxx</u>
Cost not assigned to programs	xxx	xxx
Less: earned revenues not attributed to programs	<u>-xxx</u>	<u>-xxx</u>
Net cost of operations	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>

The accompanying notes are an integral part of these statements.

II.3.3.3. Gross Program Costs

Full cost should be reported and consists of: (a) direct and indirect costs, and (b) the costs of identifiable supporting services provided by other programs within the entity and by other entities. The entity should accumulate and assign costs in accordance with the costing methodology in SFFAS 4, as amended. Costs should include any non-production costs that can be assigned to the program.

Program costs include the costs of services provided by other entities whether or not the providing entity is fully reimbursed. See the discussion of “full cost” in section II.3.3.1; program cost reporting should be consistent with cost recognition.

Unreimbursed costs that entities are required to recognize include: (1) employees’ pension and post-retirement health and life insurance benefits, (2) OPEB for retired, terminated, and inactive employees, which include unemployment and workers compensation under the Federal Employees’ Compensation Act, and (3) losses in litigation proceedings (addressed in FASAB Interpretation 2, *Accounting for Treasury Judgment Fund Transactions*). For employee benefits,

the imputed cost is the difference between employer and employee contributions and the total cost of the benefit.

In accounting for partially or completely unreimbursed inter- or intra-entity costs, entities should refer to SFFAS 4, SFFAS 5, SFFAS 55, Interpretation 2, and/or the USSGL. For inter-entity costs, reporting entities should also consult with the funding and administering agencies, such as the Office of Personnel Management (OPM).

Costs related to the production of outputs are reported separately from non-production costs. In addition, the costs of stewardship PP&E, listed below, are reported separately from other non-production costs:

- The cost of acquiring, constructing, improving, reconstructing, or renovating heritage assets other than multi-use heritage assets and
- The cost of acquiring stewardship land.

Entities should consider differentiating other significant (i.e., large or unique) costs if doing so improves the usefulness of the statements. For example, when reporting on a program that makes transfer payments, it may be useful to differentiate between the transfer payments and administrative costs.

II.3.3.4. Earned Revenues

Earned or exchange revenues arise when an entity provides goods or services to the public or another Government entity for a price. The full amount of exchange revenue is reported on the SNC, regardless of whether the entity is permitted to retain the revenues in whole or in part. Any portion of exchange revenue that cannot be retained by the agency is reported as a transfer out on the SCNP. See SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*.

Earned revenues should be deducted from gross cost to determine net cost of each program. The attribution of earned revenues requires the exercise of managerial judgment. The SNC should show whether earned revenues are sufficient to cover the costs incurred to produce the goods or services provided.

Earned revenues for insurance programs must be reported pursuant to SFFAS 51. Exchange transaction insurance programs other than life insurance must recognize premiums as revenue when earned; life insurance programs must report earned revenue for premiums when due from policyholders. Non-exchange transaction insurance programs should apply general revenue recognition standards as found in SFFAS 7, as amended.

II.3.3.5. Net Program Costs

This is the difference between a program's gross costs and its related earned revenues. If a program does not have earned revenue, gross and net program costs are the same and can be referred to as "total" program costs.

II.3.3.6. (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes

Entities reporting liabilities for Federal civilian and military employee pensions, ORB, and OPEB, including veterans' compensation, should report on a separate line gains and losses from

changes in long-term assumptions used to measure program liabilities. For further guidance, see SFFAS 33.

II.3.3.7. Costs Not Assigned to Programs

An entity and its suborganizations may incur: (a) high-level general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to a program and (b) non-production costs that cannot be assigned to a particular program. These costs are part of the entity and suborganization costs and should be reported on the SNC as "costs not assigned to programs."

II.3.3.8. Earned Revenues Not Attributed to Programs

Earned revenue that is immaterial or cannot or should not be attributed to particular programs should be reported separately as a deduction in arriving at net cost of operations of the suborganization or entity as a whole.

II.3.3.9. Net Cost of Operations

This is gross cost less any earned revenue.

II.3.4. Statement of Changes in Net Position

II.3.4.1. Introduction

The SCNP reports the change in net position during the reporting period, which results from changes to Unexpended Appropriations and Cumulative Results of Operations. See Note 20 and SFFAS 43, *Funds from Dedicated Collections: Amending SFFAS 27*, for details on Funds from Dedicated Collections. Non-exchange revenue, other financing sources (as used in SFFAS 7), appropriations and net cost of operations for Funds from Dedicated Collections should be shown separately on the SCNP if the Funds from Dedicated Collections are:

- the predominant source of revenue and other financing sources or
- if one (or more) of the entity's Fund(s) from Dedicated Collections is (are) of immediate concern to the constituents of the fund, politically sensitive, controversial, or accumulating large balances or if the information provided in the financial statements would be a primary source of financial information for the public.

Agencies are encouraged to present Funds from Dedicated Collections on a consolidated basis in the SCNP and on a combined basis in the notes, as discussed in Note 20. Agencies have the option to use separate lines or columns to display information on Funds from Dedicated Collections on the face of the SCNP (Illustrative SCNP Option A) or to use an alternative format with parenthetical amounts within line item titles (Illustrative SCNP Option B).

II.3.4.2A. Illustrative Statement of Changes in Net Position Option A

Statement of Changes in Net Position for the Year Ended September 30, 20XX (In dollars/thousands/millions)				
	FY 20XX (CY)			
	Funds from Dedicated Collections (Combined or Consolidated Totals) (Note 20)	Funds from Other than Dedicated Collections (Combined or Consolidated Totals)	Eliminations	Consolidated Total
Unexpended Appropriations:				
1. Beginning Balance	xxx	xxx	xxx	xxx
2. Adjustments:				
2A. Changes in accounting principles	xxx	xxx	xxx	xxx
2B. Corrections of errors	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
3. Beginning Balance, as adjusted	xxx	xxx	xxx	xxx
4. Appropriations received	xxx	xxx	xxx	xxx
5. Appropriations transferred in/out	xxx	xxx	xxx	xxx
6. Other Adjustments	xxx	xxx	xxx	xxx
7. Appropriations used	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
8. Net Change in Unexpended Appropriations	xxx	xxx	xxx	xxx
9. Total Unexpended Appropriations: Ending	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Cumulative Results of Operations:				
10. Beginning Balances	xxx	xxx	xxx	xxx
11. Adjustments:				
11A. Changes in accounting principles	xxx	xxx	xxx	xxx
11B. Corrections of errors	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
12. Beginning Balance, as adjusted	xxx	xxx	xxx	xxx
13. Other adjustments	xxx	xxx	xxx	xxx
14. Appropriations used	xxx	xxx	xxx	xxx
15. Non-exchange revenue (Note 44)	xxx	xxx	xxx	xxx
16. Donations and forfeitures of cash and cash equivalents	xxx	xxx	xxx	xxx
17. Transfers in/out without reimbursement	xxx	xxx	xxx	xxx
18. Donations and forfeitures of property	xxx	xxx	xxx	xxx
19. Imputed financing	xxx	xxx	xxx	xxx
20. Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
21. Net Cost of Operations	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
22. Net Change in Cumulative Results of Operations	xxx	xxx	xxx	xxx
23. Cumulative Results of Operations: Ending	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
24. Net Position	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>

The accompanying notes are an integral part of these statements.

Illustrative Statement of Changes in Net Position Option A (Continued)

Statement of Changes in Net Position for the Year Ended September 30, 20XX (In dollars/thousands/millions)				
	FY 20XX (PY)			
	Funds from Dedicated Collections (Combined or Consolidated Totals) (Note 20)	Funds from Other than Dedicated Collections (Combined or Consolidated Totals)	Eliminations	Consolidated Total
Unexpended Appropriations:				
1. Beginning Balance	xxx	xxx	xxx	xxx
2. Adjustments:				
2A. Changes in accounting principles	xxx	xxx	xxx	xxx
2B. Corrections of errors	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
3. Beginning Balance, as adjusted	xxx	xxx	xxx	xxx
4. Appropriations received	xxx	xxx	xxx	xxx
5. Appropriations transferred in/out	xxx	xxx	xxx	xxx
6. Other Adjustments	xxx	xxx	xxx	xxx
7. Appropriations used	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
8. Change in Unexpended Appropriations	xxx	xxx	xxx	xxx
9. Total Unexpended Appropriations: Ending Balance	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Cumulative Results from Operations:				
10. Beginning Balances	xxx	xxx	xxx	xxx
11. Adjustments:				
11A. Changes in accounting principles	xxx	xxx	xxx	xxx
11B. Corrections of errors	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
12. Beginning Balance, as adjusted	xxx	xxx	xxx	xxx
13. Other adjustments	xxx	xxx	xxx	xxx
14. Appropriations used	xxx	xxx	xxx	xxx
15. Non-exchange revenue (Note 44)	xxx	xxx	xxx	xxx
16. Donations and forfeitures of cash and cash equivalents	xxx	xxx	xxx	xxx
17. Transfers in/out without reimbursement	xxx	xxx	xxx	xxx
18. Donations and forfeitures of property	xxx	xxx	xxx	xxx
19. Imputed financing	xxx	xxx	xxx	xxx
20. Other	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
21. Net Cost of Operations	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
22. Net Change in Cumulative Results of Operations	xxx	xxx	xxx	xxx
23. Cumulative Results of Operations: Ending	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
24. Net Position	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>	<u>\$xxx</u>

II.3.4.2B. Illustrative Statement of Changes in Net Position Option B

Statements of Changes in Net Position For the Years Ended September 30, 20XX (In dollars/thousands/millions)		
	<u>FY 2XXX(CY)</u>	<u>FY 2XXX (PY)</u>
1. Unexpended Appropriations (includes Funds from Dedicated Collections of \$XX in FY2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals)-(Note 20)	xxx	xxx
2. Appropriations received	xxx	xxx
3. Appropriations transferred in/out	xxx	xxx
4. Other adjustments	xxx	xxx
5. Appropriations used	<u>xxx</u>	<u>xxx</u>
6. Change in Unexpended Appropriations (includes Funds from Dedicated Collections of \$XX in FY2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals)-(Note 20)	<u>xxx</u>	<u>xxx</u>
7. Total Unexpended Appropriations (includes Funds from Dedicated Collections of \$XX in FY2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals)-(Note 20)	<u>xxx</u>	<u>xxx</u>
Cumulative Results of Operations:		
8. Beginning balance, as adjusted (includes Funds from Dedicated Collections of \$XX in FY2XXX (PY)) (Combined or Consolidated	\$ xxx	\$ xxx
9. Other Adjustments	xxx	xxx
10. Appropriations used	xxx	xxx
11. Non-exchange revenue (Note 44)	xxx	xxx
12. Donations and forfeitures of cash and cash equivalents	xxx	xxx
13. Transfers in/out without reimbursement	xxx	xxx
14. Donations and forfeitures of property	xxx	xxx
15. Imputed financing	xxx	xxx
16. Other	<u>xxx</u>	<u>xxx</u>
17. Net Cost of Operations (includes Funds from Dedicated Collections of \$XX in FY2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals)-(Note 20)	xxx	xxx
18. Change in Cumulative Results of Operations (includes Funds from Dedicated Collections of \$XX in FY2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals)-(Note 20)	<u>xxx</u>	<u>xxx</u>
19. Cumulative Results of Operations (includes Funds from Dedicated Collections of \$XX in FY 2XXX (CY) and \$XX in FY2XXX (PY)) (Combined or Consolidated Totals) (Note 20)		
20. Net Position	\$ <u>xxx</u>	\$ <u>xxx</u>

The accompanying notes are an integral part of these statements.

II.3.4.2C. Illustrative Statement of Changes in Net Position Option C

For FY 2021, SCNP/SCA Option C is optional for entities with (incidental) non-exchange custodial collections. Non-exchange custodial collections include non-exchange revenue collected by an entity for the General Fund, a trust fund, or other recipient entities (e.g., taxes and duties collected by the Internal Revenue Service or Customs and Border Protection Agency). Exchange custodial collections include exchange revenues such as oil and gas revenues, as specified in SFFAS 7 and are reported on the SNC.

Collecting entities do not recognize revenue collections that have been or should be transferred to others as revenues; rather, the sources of the collections are reported as custodial revenue on the SCNP/SCA and the disposition of the custodial amounts are reported the same way. Custodial revenues may be presented with subcategory line titles or USSGL crosswalk line titles.

When collecting entities have custodial collections that are incidental to their primary mission, the sources and disposition of the collections may be reported in the SCA or the new SCNP/SCA or disclosed in the notes. Paragraph 45 of SFFAS 7 identifies certain exceptional circumstances in which the entity recognizes virtually no costs in connection with earning the revenue that it collects.

Statement of Changes in Net Position and Custodial Activity				
FY 20XX	Funds from Dedicated Collections Consolidated	Funds from Other than Dedicated Collections Consolidated	Eliminations	Consolidated Totals
Unexpended Appropriations:				
Beginning balance				
Adjustments				
Changes in accounting principles				
Corrections of errors				
Beginning balance, as adjusted				
Appropriations received				
Appropriations transferred in/out				
Other adjustments				
Appropriations used				
Ending balance				
Cumulative Results of Operations:				
Beginning balance				
Adjustments				
Change in accounting principles				
Correction of errors				
Beginning balance, adjusted				
Appropriations used				
Other than intragovernmental (IGT) non-exchange revenue				
[Other than IGT source/Miscellaneous taxes and receipts]				
Total other than intragovernmental non-exchange revenue				
Intragovernmental non-exchange revenue				
Transfers-in/out w/o reimbursement				
Other				
Net Cost of Operations				
Net Change in Net Position				
Net Position				
Net Custodial Activities:				
Custodial Revenue:				
[Revenue source #1/Individual income tax and tax withholdings]				
[Revenue source #2/Corporate income taxes]				
[Revenue source #3/Miscellaneous taxes and receipts]				
Other cash collections				
Total cash collections				
Accrual adjustments				
[Less refunds and other payments [Treasury only]]				
Net custodial revenue				
Distribution of Collections:				
Amounts transferred to non-federal entities				
Amounts transferred to Federal entities				
Non-cash accrual adjustment				
Retained by reporting entity				
Total distribution of collections				
Net custodial activity				

The transactions and balances between Funds from Dedicated Collections are eliminated to reflect the consolidated Funds from Dedicated Collections column, but balances and transactions

between Funds from Dedicated Collections and Funds from Other than Dedicated Collections are not eliminated. The transactions and balances between Funds from Other than Dedicated Collections are eliminated to reflect the consolidated Funds from Other than Dedicated Collections, but balances and transactions between Funds from Dedicated Collections and Funds from Other than Dedicated Collections are not eliminated. The Eliminations column reflects transactions between Funds from Dedicated Collections and Funds from Other than Dedicated Collections.

II.3.4.3. Funds from Dedicated Collections

Non-exchange revenue, other financing sources (as defined in SFFAS 7), appropriations, and net cost of operations for Funds from Dedicated Collections should be shown separately on the SCNP if certain criteria are met as described in SFFAS 27. SFFAS 27, as amended, lists categories of funds that are excluded from the reporting requirements and provides guidance for cases in which more than one component entity is responsible for carrying out a program financed with revenues and financing sources that are Funds from Dedicated Collections.

The combined Dedicated Collections presentation does not eliminate intra-entity balances or transactions between Funds from Dedicated Collections held by the entity. The consolidated Dedicated Collections presentation eliminates balances and transactions between Funds from Dedicated Collections held by the entity, but does not eliminate balances or transactions between Funds from Dedicated Collections and Funds from Other than Dedicated Collections.

Agencies are encouraged to use the columnar presentation in II.3.4.2 for the SCNP and report Dedicated Collections on a consolidated basis. For FY 2021, if the columns on the SCNP or in the Funds from Dedicated Collections Note are consolidated within fund type, the eliminations column will only display eliminations between Funds from Dedicated Collections and other funds. For the combined fund type column presentation, the eliminations column will display all SCNP eliminations, including: (1) eliminations between Funds from Dedicated Collections and other funds, (2) eliminations within Funds from Dedicated Collections, and (3) eliminations within other funds. For FY 2022, entities will be required to report consolidated balances within fund type.

If a reporting entity chooses to use a linear presentation, then the entity must display the SCNP in the columnar format in a note. Linear presentation for the statement must also display the elimination amount for each affected statement line. Both presentations are subject to the note disclosure requirements (Note 20) in accordance with the provisions of SFFAS 27, as amended.

Mixed or Commingled Funds

Resources from Funds from Dedicated Collections derived from trust or special fund receipts are often commingled or mixed with resources from the General Fund of the U.S. Government (General Fund). See OMB Circular A-11, Section 130.21 for further information on mixed funds.

Whether a mixed fund is reported as Funds from Dedicated Collections depends upon the predominant use of the fund and whether the fund as a whole meets the definition of Funds from Dedicated Collections in SFFAS 27, as amended. If the predominant source of a mixed fund is Funds from Dedicated Collections, the entire fund may be reported in the financial statements as Funds from Dedicated Collections. See SFFAS 27, paragraph 13, for further guidance.

II.3.4.4. Net Position - Beginning Balances

If material, the net position balances attributable to Funds from Dedicated Collections are reported separately from Funds from Other than Dedicated Collections. (For FY 2022, net position balances attributable to Funds from Dedicated Collections must be reported separately Funds from Other than Dedicated Collections even if immaterial (for *Financial Report* consolidation purposes). This change in accounting presentation is to be applied prospectively only.) Beginning balances must agree with amounts on the prior year's Balance Sheet. Adjustments for corrections of errors and changes in accounting principles should be reported in accordance with SFFAS 21, *Reporting Corrections of Errors and Changes in Accounting Principles*.

Correction of Errors

As stated in SFFAS 21, paragraph 10, errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, and oversight or misuse of facts that existed at the time the statements were prepared.

When errors are discovered after the issuance of financial statements and if the financial statements would be materially misstated absent correction, corrections should be made as specified in SFFAS 21, paragraph 10.

Prior period financial statements **should only be restated for corrections of errors** that would have caused any statements to be materially misstated. The SCNP's current year's unadjusted beginning balances must agree with the restated ending balances on the reporting entity's prior year's SCNP.

Management Actions Related to Correction of Errors

Communications Requirements

Management is responsible for providing complete and reliable information and for correcting on a timely basis any false, misleading, or incomplete information. As soon as possible after **material** errors are detected, management must notify their auditors and the primary users of their financial statements of the error and plans for correction.

Management must communicate to those relying on the financial information:

- The nature and cause(s) of the known or likely material misstatement(s);
- The amount(s) of known or likely material misstatement(s) and the related effect(s) on the previously issued financial statement(s); and
- A notice that a previously issued financial statement(s) will or may be restated.

The notification must be given to original recipients of the AFR or PAR including:

- The Congress, OMB, Treasury and GAO in writing;
- The public on the website where previously issued financial statements were published; and
- OMB in the next interim and subsequent financial statements until related effects are known and reported.

Financial Reporting Requirements

Promptly determine the financial statement effects of the known or potential material misstatement(s) on previously issued financial statement(s)		
A. Correct the Error and Republish	B. Correct the Error with Next Issuance	C. Effects Unknown or Later Determined
Specific amount(s) of the material misstatement(s) and the related effect(s) of such on a previously issued financial statement(s) are known and the subsequent period audited financial statements will not be issued within 90 days.	Specific amount(s) of the material misstatement(s) and the related effect(s) of such on a previously issued financial statement(s) are known and the subsequent period audited financial statements will be issued within 90 days.	Specific amount(s) of the misstatement(s) and the related effect(s) of such on a previously issued financial statement(s) remain unknown when the current year’s financial statements are issued.
Reissue the most recently issued fiscal year financial statements before issuing the current fiscal year’s financial statements. Communicate the reissuance to those charged with governance, oversight bodies, funding agencies, and others who are relying on or are likely to rely on the financial statement(s).	Restate financial statement(s) as part of the current year’s comparative financial statements and label the prior year comparative column as “Restated” for each statement and note affected by the correction.	Make the required notifications, including an estimate of the magnitude of the misstatement or potential misstatement and the estimated effects on the related financial statements. This should include recognition that the specific amounts are not known and cannot be determined without further investigation. Once effects <i>are</i> known, follow the guidance provided in A or B as applicable.
Refer to Note 37 Restatements for disclosure requirements	Refer to Note 37 Restatements for disclosure requirements	Refer to Note 37 Restatements for disclosure requirements

II.3.4.5. Financing Sources

This section shows financing sources and non-exchange revenue.

Appropriations received include amounts appropriated and will not necessarily agree with the “appropriations received” amount reported on the SBR because of differences between proprietary and budgetary accounting concepts and reporting requirements. For example, certain dedicated and earmarked receipts are recorded as “appropriations received” on the SBR, but are recognized as exchange or non-exchange revenue (i.e., typically in special and non-revolving trust funds) and reported on the SCNP in accordance with SFFAS 7.

Appropriations transferred-in/out are the amount of appropriations received in the current or prior year(s) that have been transferred in or out during the current year.

Other adjustments include adjustments to unexpended appropriations and cumulative results of operations. Examples include reductions of appropriations (SBR line 1290, Appropriations (discretionary and mandatory)) and cancellations of expired appropriation/expenditure accounts (SBR line 1051, Unobligated balance from prior year budget authority, net).

Appropriations used are considered a financing source when goods and services are received or benefits are provided regardless of whether the goods, services, or benefits are payable or paid as of the reporting date and regardless of whether the appropriations were used for items that are expensed or capitalized. This does not include undelivered orders or unobligated appropriations and does not increase net position; it is subtracted from Unexpended Appropriations and added to

Cumulative Results of Operations for no net effect on net position.

Non-exchange revenue includes revenues the Government obtains through the use of its sovereign powers. See SFFAS 7 for recognition and measurement criteria. If Federal securities investment revenue is material, report it as a separate line item on the SCNP.

Donations and forfeitures of cash and cash equivalents include voluntary gifts (of cash or securities) and involuntary forfeitures of resources (cash or cash equivalents) by non-Federal entities.

Transfers-in/out without reimbursement include intragovernmental non-appropriated balance transfers in or out during the current year. Non-appropriated balances include financing sources and revenue not reported as unexpended appropriations. Exchange revenue (used to calculate an entity's net cost of operations and reported as distributed offsetting receipts in the SBR) required to be transferred to the Treasury or another Federal entity must be recognized as a transfer out. Transfers-in/out without reimbursement also include intragovernmental transfers of capitalized assets. The amount of the transfer is the book value of the transferring entity and if the book value is not known, the amount should be the estimated fair value at the date of transfer.

Donations and forfeitures of property include voluntary gifts and (involuntary) forfeitures of resources to the Government by non-Federal entities, which may be land or buildings. Revenue arising from donations/involuntary forfeitures of non-financial resources must be recognized in accordance with SFFAS 6.

Imputed financing from costs absorbed by others includes financing of certain costs by one Federal entity on behalf of another Federal entity (e.g., the payment of unreimbursed employee benefit costs by OPM). Imputed financing must equal the amount of imputed costs on the SNC.

Other includes other financing sources that are not otherwise classified above.

II.3.4.6. Net Cost of Operations

This amount must agree with the net cost of operations on the SNC. The Net Cost of Operations is subtracted from total financing sources and beginning balance, as adjusted, to yield Cumulative Results of Operations.

II.3.4.7. Net Change

This is the difference between Total Financing Sources and Net Cost of Operations.

Changes in Accounting Principles

Changes in accounting principles include those resulting from the adoption of new FASAB standards and changes from one generally accepted accounting principle to another one that can be justified as preferable. In addition, under this Circular, changes in budgetary accounting, including the effects of certain statutory changes on budgetary accounting, would generally be considered changes in accounting principles.²

² Changes that are limited to changes in the presentation format of the Statement of Budgetary Resources generally

Depending on the specified accounting change, the implementation may be prospective or retrospective. FASAB (SFFAS 21, paragraphs 13) establishes that all changes in FASAB standards must be applied prospectively unless otherwise specified in the transition instructions.³ Changes in budgetary accounting must be implemented either prospectively or retrospectively, depending on the specific guidance related to the change.

For prospective changes in accounting principles, agencies should:

- Report the change by recording and presenting an adjustment to the beginning balance of cumulative results of operations in the SCNP for the period that the change is made;
- Present prior period financial statements presented for comparative purposes as previously reported; and
- Disclose the nature of the change and its effect on relevant balances.

For retrospective changes in accounting principles, agencies should:

- Report the cumulative effect of the change as a prior period adjustment if only current period statements are presented. The adjustment should be made, as applicable, to the beginning balance of cumulative results of operations and/or unexpended appropriations in the SCNP and to the beginning unobligated balance from prior year budget authority in the SBR.
- Modify individual amounts on the financial statements in the earliest affected period presented. If the earliest period presented is not the period in which the change in accounting principle is retrospectively applied and the cumulative effect is attributable to prior periods, then the cumulative effect should be reported as a prior period adjustment as stated in the previous bullet.
- Disclose the nature of the change in accounting principle and its effect on previously issued financial statements and relevant balances.

Beginning balances, as adjusted, are the sum of the beginning balances of net position as reported on the prior year's Balance Sheet and adjustments in beginning net position.

II.3.4.8. Net Position - Ending Balances

Ending balances must agree with net position on the Balance Sheet.

II.3.5. Statement of Budgetary Resources

II.3.5.1. Introduction

The SBR and related disclosures provide information about how budgetary resources were made available during the period and their status at the end of the period. The SBR is derived entirely from the budgetary USSGL accounts except for distributed offsetting receipts (which are provided by Fiscal, as noted in section II.3.5.7) and should be based on guidance in OMB Circular A-11, Appendix F.

would not be considered to be a change in accounting principle and would instead generally be deemed to be a change in presentation.

³ Changes in accounting principles by an agency's component entity using FASB standards that is not converted to FASAB standards in consolidation should be recognized by the agency, as it relates to the component entity, as a change in accounting standard consistent with the requirements of FASB standards.

The information used to prepare the SBR should be prepared in coordination with the agency budget office and should be consistent with the budgetary information reported to GTAS during the 4th quarter reporting window (which includes the revision window). GTAS information is used to produce the 4th quarter SF 133, *Report on Budget Execution and Budgetary Resources*, and the prior-year column of the Program and Financing Schedule of the Budget.

The primary purpose of the GTAS revision window is to ensure that the amounts in GTAS are consistent with the amounts in the prior-year column of the Program and Financing Schedule. Corrections to the budget data underlying the SBR, whether material or immaterial, must be entered in OMB's MAX A-11 Data Entry system (during the time frame provided by OMB) and made to GTAS during the 4th quarter revision window (November time frame) and should be coordinated with the agency's budget office. The issuance of an audit report does not have any bearing on the requirement to make corrections to the MAX A-11 database and corresponding changes to GTAS.

Consistent with the guidance in II.3.4.4. *Net Position - Beginning Balances*, and with SFFAS 21, errors relating to the Statement of Budgetary Resources of previously issued financial statements result from mathematical mistakes, mistakes in the application of accounting principles, and oversight or misuse of facts that existed at the time the statements were prepared. Prior period financial statements, including the Statement of Budgetary Resources, should only be restated for corrections of errors that caused such statements to be materially misstated. Changes in budgetary accounting principles should be accounted for as discussed in section II.3.4.4 under change in accounting principles.

Budgetary information aggregated for the SBR should be disaggregated for each of the reporting entity's major budget accounts and presented as RSI pursuant to SFFAS 7, paragraph 78. (See Section II.3.10.6.)

II.3.5.2. Combined Statement

The information in this statement must be presented on a combined basis. To remain consistent with the aggregate of the account-level information on the SF 133, *Report on Budget Execution and Budgetary Resources*, consolidation of this statement is not appropriate and line-by-line consolidation is not permitted.

II.3.5.3. Format of the Statement of Budgetary Resources

The format of the SBR is based on the SF 133. The line numbering in the illustrative statement below is for reference to Circular A-11 and should not be shown on the reporting entity SBR.

Detail lines from the SF 133 are aggregated to the major categories deemed most significant in the SBR and must be used. Reporting entity management should determine whether additional detail lines reported in the SF 133 process are warranted. Because the SBR presentation is highly summarized, if management determines that further aggregation of lines is warranted, such aggregation should not be less detailed than the major categories displayed below. Similarly, if major categories are further disaggregated, subtotal lines should be presented to display the major category total.

The total amounts reported for each major category should normally agree with the comparable amounts reported for the aggregate of all budget accounts on the SF 133. Reconciliations of any differences in major categories (from, for example, timing differences or materiality) should be maintained.

In addition to budgetary information, the SBR should include a separate column for non-budgetary credit reform financing accounts, which record cash flows from post-1991 direct loans and loan guarantees.

II.3.5.4. Illustrative Statement of Budgetary Resources

Department/Agency/Reporting Entity STATEMENTS OF BUDGETARY RESOURCES					
For the Years Ended September 30, 2xxx (CY) and 2xxx (PY)					
		2xxx (CY) <u>Budgetary</u>	2xxx (CY) Non- Budgetary Credit Reform Financing <u>Account</u>	2xxx (PY) <u>Budgetary</u>	2xxx (PY) Non- Budgetary Credit Reform Financing <u>Account</u>
Budgetary Resources					
1071*	Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 25)	xxx	xxx	xxx	xxx
1290*	Appropriations (discretionary and mandatory)	xxx	xxx	xxx	xxx
1490*	Borrowing authority (discretionary and mandatory)	xxx	xxx	xxx	xxx
1690*	Contract authority (discretionary and mandatory)	xxx		xxx	
1890*	Spending authority from offsetting collections (discretionary and mandatory)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
1910	Total budgetary resources	\$ <u>xxx</u>	\$ <u>xxx</u>	\$ <u>xxx</u>	\$ <u>xxx</u>
Status of Budgetary Resources					
2190	New obligations and upward adjustments (total)	\$ xxx	\$ xxx	\$ xxx	\$ xxx
	Unobligated balance, end of year				
2204*	Apportioned, unexpired accounts	xxx	xxx	xxx	xxx
2304*	Exempt from apportionment, unexpired accounts	xxx	xxx	xxx	xxx
2404*	Unapportioned, unexpired accounts	xxx	xxx	xxx	xxx
2412	Unexpired unobligated balance, end of year	xxx	xxx	xxx	xxx
2413	Expired unobligated balance, end of year	<u>xxx</u>		<u>xxx</u>	
2490	Unobligated balance, end of year (total)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
2500	Total budgetary resources	\$ <u>xxx</u>	\$ <u>xxx</u>	\$ <u>xxx</u>	\$ <u>xxx</u>
Outlays, Net, and Disbursements, Net					
4190	Outlays, net (total) (discretionary and mandatory)	xxx		xxx	
4200*	Distributed offsetting receipts (-)	(xxx)		(xxx)	
4210*	Agency outlays, net (discretionary and mandatory)	\$ xxx		xxx	
4220*	Disbursements, net (total) (mandatory)		\$ xxx		\$ xxx

* Represents a line number that is unique to the SBR. Further information on the description and composition of these lines can be found in OMB Circular A-11, Appendix F.

The accompanying notes are an integral part of these statements.

II.3.5.5. Budgetary Resources

This section presents total available budgetary resources. Budgetary resources transferred or exchanged between components within a reporting entity should not be eliminated.

II.3.5.6. Status of Budgetary Resources

The total amount shown for the status of budgetary resources must equal total budgetary resources in the section above. The amount of direct and reimbursable new obligations and upward adjustments against amounts apportioned under Category A, B, or AB, and exempt from apportionment may be disclosed in a note to the SBR. The nature of permanent indefinite appropriations and legal arrangements affecting the use of unobligated balances must be disclosed either in Note 1 or a separate note to the SBR.

II.3.5.7. Outlays, Net

Outlays. Net outlays are derived by reducing gross outlays by actual offsetting collections. Net outlays must agree with the disbursements and collections reported to Treasury for the fiscal year to date within the CARS Classifications Transaction Accountability Module. Net outlays do not include gross disbursements or offsetting collections from credit financing accounts.

Distributed Offsetting Receipts. Distributed offsetting receipts are collections credited to general fund, special fund, or trust fund receipt accounts that offset gross outlays of an agency, typically the agency that conducts the activity generating the receipts. Offsetting receipts are composed of proprietary receipts from the public, receipts from intragovernmental transactions, and offsetting governmental receipts. This line item on the SBR should include all distributed offsetting receipts for the agency and deducted from gross outlays to yield net agency outlays.

The Quarterly Distributed Offsetting Receipts by Department Report can be found here: [Monthly Treasury Statement](#). Agencies should include in the SBR the receipt accounts in this report classified as:

- Proprietary Receipts from the Public;
- Intra-budgetary Receipts Deducted by Agencies; and
- Offsetting Governmental Receipts.

The amount of distributed offsetting receipts reported in this statement should be the aggregate of cash collected in these receipt accounts and reported to Treasury monthly within the CARS Classifications Transaction Accountability Module.

At management's discretion, the following description of distributed offsetting receipts may be included in a description of the SBR or a note to the SBR.

Distributed offsetting receipts are amounts that an agency collects from the public or from other Government agencies that are used to offset or reduce an agency's budget outlays. Agency outlays are measured on both a gross and net basis, with net outlays being reduced by offsetting receipts (and other amounts).

Undistributed offsetting receipts should not be included in the SBR.

Disbursements, Net are derived by reducing gross disbursements by actual offsetting collections and must agree with the disbursements and collections reported to Treasury for the fiscal year to date within the CARS Classifications Transaction Accountability Module. This line applies only to credit financing accounts.

II.3.6. Statement of Custodial Activity

II.3.6.1. Introduction

The SCA is required for entities that collect non-exchange revenue for the General Fund, a trust fund, or other recipient entity, e.g., taxes and duties collected by the Internal Revenue Service or Customs and Border Protection Agency. The SCA is also required for entities that collect exchange revenues, including oil and gas revenues, as specified in SFFAS 7. Collecting entities do not recognize as revenue collections that have been or should be transferred to others as revenues; rather, the sources and disposition of the collections are reported on the SCA.

Because a reporting entity's custodial activity does not affect the entity's net position, for FY 2021, entities with (incidental) custodial collections (non-exchange and/or exchange) may use the separate SCA and SCNP or the combined SCNP/SCA. See section II.3.4.2C.

When collecting entities have custodial collections that are incidental to their primary mission, the sources and disposition of the collections may be disclosed in the notes, the SCA, or the combined SCNP/SCA. Paragraph 45 of SFFAS 7 identified certain exceptional circumstances in which the entity recognizes virtually no costs in connection with earning the revenue that it collects.

II.3.6.2. Illustrative Statement of Custodial Activity

Department/Agency/Reporting Activity STATEMENT OF CUSTODIAL ACTIVITY For the Years ended September 30, 2xxx (CY) and 2xxx (PY) (in dollars/thousands/millions)		
	2xxx (CY)	2xxx (PY)
Total Custodial Revenue:		
Sources of Cash Collections:		
1. Individual Income and FICA/SECA Taxes	\$ xxx	\$ xxx
2. Corporate Income Taxes	xxx	xxx
3. Excise Taxes	xxx	xxx
4. Estate and Gift Taxes	xxx	xxx
5. Federal Unemployment Taxes	xxx	xxx
6. Customs Duties	xxx	xxx
7. Miscellaneous	<u>xxx</u>	<u>xxx</u>
8. Total Cash Collections	x,xxx	x,xxx
9. Accrual Adjustments (+/-)	<u>xxx</u>	<u>xxx</u>
10. Total Custodial Revenue	x,xxx	x,xxx
Disposition of Collections:		
11. Transferred to Others (by Recipient):		
Recipient A	xxx	xxx
Recipient B	xxx	xxx
Recipient C	xxx	xxx
12. (Increase)/Decrease in Amounts Yet to be Transferred (+/-)	xxx	xxx
13. Increase/(Decrease) in Refunds Payable & Other Custodial Liabilities (+/-)	xxx	xxx
14. Retained by Reporting Entity	<u>xxx</u>	<u>xxx</u>
15. Total Disposition of Collections	x,xxx	x,xxx
16. Net Custodial Activity	<u>\$ xxx</u>	<u>\$ xxx</u>

The accompanying notes are an integral part of these statements.

II.3.6.3. Sources of Collections

Report components of the collections (e.g., the type of tax or duty), any collection of past-due receivables for others, or other information about the source and nature of the collections. If refunds of taxes or other non-exchange revenues are material in relation to the gross collections made, consider disclosing them by component.

Additionally, report separately the non-exchange revenue accrual adjustment, which should be calculated as specified in SFFAS 7 and the related implementation guide. If the accrual adjustments are material in relation to the gross collections, consider disclosing them separately in a note. The accrual adjustment is not applicable to exchange revenues.

II.3.6.4. Disposition of Collections

This is for the disposition of the revenue reported in the preceding section.

Amounts Transferred to Others. Identify agencies to which collections were transferred and amounts transferred.

Amounts Yet to be Transferred. Report the change in revenue yet to be transferred, reflecting revenue accrued but not collected or collections made but not transferred.

Amounts of Refunds and Other Payments. This line is normally not applicable to exchange revenue.

Amounts Retained by the Collecting Entity. Where collecting entities are permitted to retain a portion of amounts collected, retained amounts must be reported by the collecting entity as a disposition of collections.

II.3.6.5. Net Custodial Activity

Total Custodial Revenue must equal the Total Disposition of Collections so net custodial activity equals zero.

II.3.7. Statement of Social Insurance & Statement of Changes in Social Insurance Amounts

II.3.7.1. Introduction

A SOSI is required for the following social insurance programs:

- Old-Age, Survivors, and Disability Insurance (OASDI or Social Security);
- Hospital Insurance (HI) and Supplementary Medical Insurance (SMI), collectively known as Medicare;
- Railroad Retirement benefits; and
- Black Lung benefits.

Under SFFAS 25, *Reclassification of Stewardship Responsibilities and Eliminating the Current Services Assessment*, as amended, the SOSI, accompanying notes, and significant assumptions are basic information and the remaining social insurance information required by SFFAS 17, *Accounting for Social Insurance*, is RSI. A SOSI preparer can elect to include some or all of the RSI in the notes. Unemployment insurance is social insurance and must report social insurance information as RSI, but a SOSI is not required for unemployment insurance under SFFAS 17, paragraphs 27(3) and 32(3).

The SOSI should present for the projection period for all current and future participants the actuarial present value of all future: (1) contributions and tax income (excluding interest income), (2) scheduled expenditures, and (3) the difference between these two present values. Projections are required for the current year and for each of the preceding four years. Detailed guidance on the requirements for the SOSI is in SFFAS 17, paragraphs 27(3) and 32(3).

SFFAS 26, *Statement of Social Insurance: Amending SFFAS 25*, requires the disclosure of significant assumptions (Note 35). Other information required by SFFAS 17 is to be presented as RSI (as discussed below), except to the extent the preparer elects to disclose some or all of that

information.

The SOSI should include a summary section at the end that presents the closed and open group measures. The open group measure line items should be the same as the beginning-of-year and end-of-year lines on the SCSIA. (See below and the illustrative presentation at II.3.8.2.) The summary section should also include assets held by the programs, if any, and the totals for the open group unfunded obligation.

Entities that prepare a SOSI should also prepare a SCSIA pursuant to SFFAS 37 that reconciles beginning and ending open group measures and presents the significant components of the changes in the open group measure for two years, for example, the:

- Change in the valuation period;
- Changes in demographic data, assumptions, and methods;
- Changes in economic data, assumptions, and methods;
- Changes in health care data, assumptions, and methods;
- Other changes in methodology or programmatic data;
- Changes in law, regulation, and policy; and
- Changes in projection base.

The reasons for the significant changes should be disclosed on the statement's face, in the notes to the financial statements (Note 35), or both. See Section II.2 for additional reporting requirements for these changes. All projections and estimates required by SFFAS 37 should be as of the valuation date, which is "as close to the end of the fiscal year being reported on ('current year') as possible and no more than one year prior to the end of the current year." See SFFAS 37 for requirements regarding the valuation date and Note 1 requirements for disclosing that SOSI amounts are estimates.

II.3.7.2. Illustrative Statements

The illustration from SFFAS 17 below is a partial display featuring Social Security and Medicare; it is not the consolidated display required by SFFAS 17, paragraph 32. The SOSI may present subtotals by age cohort. Illustrations for entity statements are in SFFAS 17, Appendix B. Below is an illustrative SOSI with a summary section, which is based on SFFAS 37, Appendix C. An illustrative statement for a SCSIA is also presented below.

Illustrative Statement of Social Insurance
75-Year Projection as of January 1, 20x5
(dollars in xxx)

1

	20x5	20x4	20x3	20x2	20x1
<i>Actuarial present value of future benefits payments paid during the 75-year projection period to or on behalf of:</i>					
1. Current participants who have not yet attained retirement age	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
1A. OASDI	xxx	xxx	xxx	xxx	xxx
1B. HI	xxx	xxx	xxx	xxx	xxx
1C. SMI	xxx	xxx	xxx	xxx	xxx
1D. Other	xxx	xxx	xxx	xxx	xxx
2. Current participants who have attained retirement age	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
2A. OASDI	xxx	xxx	xxx	xxx	xxx
2B. HI	xxx	xxx	xxx	xxx	xxx
2C. SMI	xxx	xxx	xxx	xxx	xxx
2D. Other	xxx	xxx	xxx	xxx	xxx
3. Those expected to become participants (i.e.: new entrants)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
3A. OASDI	xxx	xxx	xxx	xxx	xxx
3B. HI	xxx	xxx	xxx	xxx	xxx
3C. SMI	xxx	xxx	xxx	xxx	xxx
3D. Other	xxx	xxx	xxx	xxx	xxx
4. Subtotal – benefit payments for the 75-year projection period	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
<i>Less the actuarial present value of future contributions and tax income received during the 75-year projection period from or on behalf of:</i>					
5. Current participants who have not yet attained retirement age	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
5A. OASDI	xxx	xxx	xxx	xxx	xxx
5B. HI	xxx	xxx	xxx	xxx	xxx
5C. SMI	xxx	xxx	xxx	xxx	xxx
5D. Other	xxx	xxx	xxx	xxx	xxx
6. Current participants who have attained retirement age	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
6A. OASDI	xxx	xxx	xxx	xxx	xxx
6B. HI	xxx	xxx	xxx	xxx	xxx
6C. SMI	xxx	xxx	xxx	xxx	xxx
6D. Other	xxx	xxx	xxx	xxx	xxx

Illustrative Statement of Social Insurance (Cont.)
75-Year Projection as of January 1, 20x5
(dollars in xxx)

	20x5	20x4	20x3	20x2	20x1
Actuarial present value of future contributions payments paid during the 75-year projection period to or on behalf of:					
7. Those expected to become participants (i.e.: new entrants)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
7A. OASDI	xxx	xxx	xxx	xxx	xxx
7B. HI	xxx	xxx	xxx	xxx	xxx
7C. SMI	xxx	xxx	xxx	xxx	xxx
7D. Other	xxx	xxx	xxx	xxx	xxx
8. Subtotal – contributions and tax income for the 75-year period	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
9. Excess of actuarial present values of future benefit payments over future contributions and tax income for the 75-year projection period	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
<i>Participants who have attained eligibility age:</i>					
Contributions and dedicated taxes	xxx	xxx	xxx	xxx	xxx
Expenditures for scheduled future benefits	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
PV of future expenditures in excess of future revenue	xxx	xxx	xxx	xxx	xxx
<i>Participants who have attained age 15 up to eligibility age:</i>					
Contributions and earmarked taxes	xxx	xxx	xxx	xxx	xxx
Expenditures for scheduled future benefits	xxx	xxx	xxx	xxx	xxx
PV of future expenditures in excess of future revenue	xxx	xxx	xxx	xxx	xxx
NPV of future revenue less future expenditures for current participants (closed group measure)	xxx	xxx	xxx	xxx	xxx
Less: Treasury securities and assets held by programs	xxx	xxx	xxx	xxx	xxx
Closed group unfunded obligation	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
<i>Future participants (those under age 15 and to be born and to immigrate during the period):</i>					
Contributions and dedicated taxes	xxx	xxx	xxx	xxx	xxx
Expenditures for scheduled future benefits	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
PV of future expenditures in excess of future revenue	xxx	xxx	xxx	xxx	xxx
NPV of future revenue less future expenditures for current and future participants (open group measure)	xxx	xxx	xxx	xxx	xxx
Less: Treasury securities and assets held by programs	xxx	xxx	xxx	xxx	xxx
Open group unfunded obligation	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

The accompanying notes are an integral part of these statements.

Illustrative Statement of Changes in Social Insurance Amounts Open Group Measures For the Two-Year Period Ended September 30, 20XY (dollars in xxx)			
	Social Insurance		
	Open Group Measure		
	Program A	Program B	Program C
Net Present Value beginning of year 20xx	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Reasons for changes in the NPV during 20xx			
Change in valuation period	xxx	xxx	xxx
Changes in demographic data, assumptions & methods	xxx	xxx	xxx
Changes in economic data, assumptions & methods	xxx	xxx	xxx
Changes in laws or policy	xxx	xxx	xxx
Change in methodology & programmatic data	xxx	xxx	xxx
Net change during 20XX	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net Present Value end of year 20XX/beginning of year 20XY:	xxx	xxx	xxx
Reasons for changes in the NPV during 20XY			
Change in valuation period	xxx	xxx	xxx
Changes in demographic data, assumptions & methods	xxx	xxx	xxx
Changes in economic data, assumptions & methods	xxx	xxx	xxx
Changes in laws or policy	xxx	xxx	xxx
Change in methodology & programmatic data	xxx	xxx	xxx
Net change during 20XY	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net Present Value end of year 20XY:	xxx	xxx	xxx

The accompanying notes are an integral part of these statements.

II.3.8. Notes to the Financial Statements

Unless otherwise specified in a FASAB standard or in A-136, when Note information is presented for the first time, it need not be reported for the prior year. When A-136 no longer requires Note information for the current year that was required by A-136 for the prior year and when such information is not required by FASAB standards, it need not be reported for the prior year. As stated in Section II.3.1, notes should be numbered sequentially without regard to the note number in this document.

II.3.8.1. Note 1: Summary of Significant Accounting Policies

Information in Note 1 should not be duplicated elsewhere. For example, the existence, purpose, and availability of permanent indefinite appropriations may be disclosed in Note 1 or Note 29 and cross-references to relevant notes may be made, but the information should not be duplicated. In some cases, it may be necessary to include a more detailed discussion of an accounting policy in a specific note.

Reporting Entity

At management's discretion, an entity may include the following or similar language:

The reporting entity is a component of the U.S Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government.

Describe the reporting entity and identify its major components if not fully described in the MD&A. Also, describe any consolidated entities and disclosure entities in accordance with SFFAS 47 and explain that disclosure entities are not consolidated entities. Agencies with a large number of disclosure entities or balances resulting from transactions with disclosure entities may provide this information in a separate note and include a reference to that note in Note 1. See Note 40 below.

Accounting Principles

Summarize the accounting principles and methods of applying those principles that management has concluded are appropriate for presenting fairly the entity's assets, liabilities, revenues, net cost of operations, changes in net position, and budgetary resources. Disclose the basis for the valuation, recognition, and allocation of assets, liabilities, expenses, revenues and other financing sources. Describe changes in GAAP affecting the financial statements.

Fund Balance with Treasury and Funds from Dedicated Collections

Explain concepts such as FBWT and Funds from Dedicated Collections, which are unique to Federal financial statements.

At management's discretion, an entity may include the following or similar language:

FBWT is an asset of a reporting entity and a liability of the General Fund. Similarly, investments in Federal Government securities that are held by Dedicated Collections accounts are assets of the reporting entity responsible for the Dedicated Collections and liabilities of the General Fund. In both cases, the amounts represent commitments by the Government to provide resources for particular programs, but they do not represent net assets to the Government as a whole.

When the reporting entity seeks to use FBWT or investments in Government securities to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Revenue and Other Financing Sources

At management's discretion, an entity may include the following or similar language:

As a component of the Government-wide reporting entity, the entity is subject to the Federal budget process, which involves appropriations that are provided annually and

appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in entity and the Government-wide financial reports.

The reporting entity's budgetary resources reflect past congressional action and enable the entity to incur budgetary obligations, but they do not reflect assets to the Government as a whole. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions (e.g., Social Security benefits). After budgetary obligations are incurred, Treasury will make disbursements to liquidate the budgetary obligations and finance those disbursements in the same way it finances all disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Changes in Entity or Financial Reporting

Disclose significant changes in the composition of the reporting entity or significant changes in the manner in which the reporting entity aggregates information for financial reporting purposes.

Classified Activities

To protect classified information, including which agencies report classified information, all federal reporting entities must include the following in the summary of significant accounting policies:

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Reporting entities must not disclose application of SFFAS 56, *Classified Activities*, including any interpretations of SFFAS 56.

Fiduciary Activities

Disclose that fiduciary cash and other assets are not assets of the Federal Government. See SFFAS 31.

Parent-Child Reporting

Each "parent" or transferring entity involved in an allocation transfer with another Federal entity must explain that there are amounts reported in its net cost of operations, changes in net position, and budgetary resources that reflect activity performed by another Federal entity. Each Federal entity with "child" or receiving accounts involved in an allocation transfer must explain that the child account performed an activity that is being reported in the parent's financial statements. Both the parent and child must disclose the names of the other Federal entities involved in the transfers; amounts need not be included in the note. Below is an illustrative example.

The [*Reporting Entity*] is a party to allocation transfers with other Federal agencies as both a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one entity of its authority to obligate budget authority and outlay funds to another entity. A separate fund account (allocation account) is created in the U.S. Treasury as a subset of the parent fund account for tracking and reporting purposes. All

allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity are charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity from which the underlying legislative authority, appropriations and budget apportionments are derived. Exceptions to this general rule affecting the *[Reporting Entity]* include the Executive Office of the President and Funds transferred from the Judicial Branch to the Department of Justice U.S. Marshals Service, for whom the *[Reporting Entity]* is the child in the allocation transfer but, per OMB guidance, will report all activity relative to these allocation transfers in the *[Reporting Entity's]* financial statements. In addition to these funds, the *[Reporting Entity]* allocates funds, as the parent, to the *[List other Federal agencies]*. The *[Reporting Entity]* receives allocation transfers, as the child, from the *[List other Federal agencies]*.

Pension, ORB, and OPEB Reporting

Entities that report liabilities for Federal employee pensions, ORB, and OPEB, including veterans' compensation, should disclose the entity's policy regarding consistency in the number of historical rates used to calculate the average historical Treasury rates from one reporting period to the next. See SFFAS 33, paragraph 31, and SFFAS 5, paragraph 66, as amended.

SOSI Reporting

Entities that prepare a SOSI should explain that SOSI amounts are estimates based on current conditions, that such conditions may change in the future, and that actual cost may vary, sometimes greatly, from estimates per SFFAS 37. Below is an example that entities could include in Note 1.

The financial statements are based on the selection of accounting policies and the application of significant accounting estimates, some of which require management to make significant assumptions. Further, the estimates are based on current conditions that may change in the future. Actual results could differ materially from the estimated amounts. The financial statements include information to assist in understanding the effect of changes in assumptions to the related information.

Note Disclosures Related to the Balance Sheet

II.3.8.2. Note 2: Non-entity Assets

	2XXX (CY)	2XXX (PY)
Intragovernmental:		
Fund Balance with Treasury	\$ xxx	\$ xxx
Investments	xxx	xxx
Accounts Receivable	xxx	xxx
Loans Receivable	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>
Total Intragovernmental	xxx	xxx
Cash and other monetary assets	xxx	xxx
Accounts Receivable	xxx	xxx
Taxes Receivable	xxx	xxx
Loans Receivable, Net	xxx	xxx
Inventory and Related Property	xxx	xxx
Other	<u>xxx</u>	<u>xxx</u>
Total Non-Entity Assets	x,xxx	x,xxx
Total Entity Assets	<u>x,xxx</u>	<u>x,xxx</u>
Total Assets	<u>\$ x,xxx</u>	<u>\$ x,xxx</u>

Disclose intragovernmental non-entity assets separately from other non-entity assets. Provide other information needed to understand the nature of the non-entity assets. See SFFAS 1 for further information.

II.3.8.3. Note 3: Fund Balance with Treasury

	2xx2 (CY)	2xx1 (PY)
1. Status of Fund Balance with Treasury		
(1) Unobligated Balance		
(a) Available	\$ xxx	\$ xxx
(b) Unavailable	xxx	xxx
(2) Obligated Balance not yet Disbursed	xxx	xxx
(3) Non-Budgetary FBWT	<u>xxx</u>	<u>xxx</u>
Total	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
2. Other Information:		

A. Status of Fund Balance. Disclose the total of the entity's FBWT, as reflected in the entity's general ledger and represented by unobligated and obligated balances. Unobligated and obligated balances presented in this section may not equal related amounts reported on the Combined Statements of Budgetary Resources because unobligated and obligated balances reported on the Combining Statements of Budgetary Resources are supported by both FBWT and other budgetary resources that do not affect FBWT (e.g., contract and borrowing authority and budgetary receivables).

Include in Non-Budgetary FBWT both FBWT in unavailable receipt accounts, clearing accounts, etc., that do not have budget authority and non-budgetary FBWT recognized on the Balance Sheet (e.g., non-fiduciary deposit funds). Separate FBWT that represents unobligated balances into available and unavailable amounts. Certain unobligated balances may be

apportioned for future use and any such amounts must be explained.

B. Other Information. Explain any discrepancies between FBWT as reflected in the entity's general ledger and the Balance in Treasury accounts. Disclose any other information necessary for understanding the nature of the Fund Balance. For example, as stated in Note 1, a reporting entity may disclose, at management's discretion, that FBWT is an asset to the reporting entity, but not to the Government as a whole (because it is a liability of the General Fund). In addition, the reporting entity may disclose factors that increase FBWT (e.g., appropriations) and decrease FBWT (e.g., disbursements). Also, the entity may explain that when disbursements are made, Treasury finances those disbursements in the same way it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

II.3.8.4. Note 4: Cash and Other Monetary Assets

	2xxx (CY)	2xxx (PY)
A. Cash	\$ xxx	\$ xxx
B. Foreign Currency	xxx	xxx
C. Other Monetary Assets		
(1) Gold	xxx	xxx
(2) Special Drawing Rights	xxx	xxx
(3) U.S. Reserves in the International Monetary Fund	xxx	xxx
(4) Other	<u>xxx</u>	<u>xxx</u>
Total Other Monetary Assets	<u>xxx</u>	<u>xxx</u>
Total Cash and Other Monetary Assets	\$ <u>x,xxx</u>	\$ <u>x,xxx</u>
D. Additional Information		

Disclose the nature and reasons for any restrictions on cash and other monetary assets in accordance with SFFAS 1, paragraphs 27 to 30, and SFFAS 3, paragraphs 59 to 61 and 65 to 66. Note that non-entity cash is cash that a reporting entity collects and holds in a custodial capacity for the U.S. Treasury or other Federal entity. Non-entity cash is always restricted cash. In addition, disclose bid deposits held in commercial banks and any restrictions on the use or conversion of cash denominated in foreign currencies and the significant effects, if any, on net position of changes in the exchange rate that occur after the end of the reporting period, but before the issuance of financial statements. Provide other information, as appropriate, such as the valuation rate of gold.

II.3.8.5. Note 5: Investments

Investments							
20XX							
(Dollars in XXXXX)	Cost/ Acquisition Value	Amortization method	Amortized (Premium) Discount	Interest Receivable	Net Investments	Unrealized Gain/(Loss)	Market/ Fair Value
Intragovernmental Securities and Investments:							
Marketable							
Non-Marketable: Par Value							
Non-Marketable: Market Based							
Market-Based: Held-to-Maturity							
Total Intragovernmental Securities and Investments							
Other Securities and Investments:							
Held-to-Maturity							
Debt Securities							
Equity Securities							
Total Held-to-Maturity Securities							
Available-for-Sale							
Debt Securities							
Equity Securities							
Total Available-for-Sale Securities							
Trading Securities							
Debt Securities							
Equity Securities							
All Other Equity Securities							
Total Trading Securities							
Total Other Securities and Investments							

For investments in marketable Treasury securities held to maturity, non-marketable par value Treasury securities, and market-based Treasury securities held to maturity, disclose market value and acquisition cost in accordance with SFFAS 1, paragraphs 62-73. Specifically, group investments by type of security (marketable or market-based) and multiply the security market price as of the reporting date by the number of securities held as of the reporting date. For investments in intragovernmental securities for Funds from Dedicated Collections, disclose information in accordance with SFFAS 27, paragraphs 27 and 28.

For investments in non-Federal securities not accounted for in a manner comparable to the accounting treatment in SFFAS 2, disclose whether the investment is available-for-sale, held-to-maturity, or a trading security and whether the investment is in debt, equity, or other securities. In addition, significant entities should disclose fair value information as shown below.

Fair Value Measurement Illustrative Table

Fair Value Measurement of Securities and Investments as of September 30, 20X1 (CY)					
(Dollars in XXXXX)	Level 1	Level 2	Level 3	Other	Total
Non-federal Securities listed by Investment Type					
Total Fair Value Measurements					
Fair Value Measurement of Securities and Investments as of September 30, 20X0 (PY)					
(Dollars in XXXXX)	Level 1	Level 2	Level 3	Other	Total
Non-federal Securities listed by Investment Type					
Total Fair Value Measurements					

For non-Federal securities, disclose the fair value measurements hierarchy classification (Levels 1, 2, 3 or Other) by investment type.

- Level 1 reflects the unadjusted quoted prices in active markets for identical assets that the reporting entity can access at the measurement date.
- Level 2 reflects inputs other than quoted prices in Level 1 that are directly or indirectly observable for the asset.
- Level 3 reflects unobservable inputs for the asset.
- “Other” includes investments that are measured at fair value using the net asset value per share of the investment and have not been categorized in the fair value hierarchy; for these amounts, provide a description of securities.

Significant entities should also disclose a reconciliation of investment activity for non-Federal securities, as shown below. For FY 2021, comparative information is not required.

Beginning Balance	
Valuation Adjustments	
Gain/Losses on Sales/Dispositions	
Acquisition of Investments	
Sale/Repayment of Investments	
Change in Accrued Dividend/Interest Income	
Other	
Ending Balance	

Significant entities required to prepare financial statements in accordance with accounting standards other than those promulgated by FASAB will be contacted by Fiscal Service for securities and investment information (including fair value information) necessary for the audit of the Government-wide statements.

II.3.8.6. Note 6: Accounts Receivable, Net

Disclose gross receivables, the method used to estimate the allowance for uncollectible accounts, and the net amount due. Include accounts receivables (e.g., premiums or fees) related to the administration of direct or guaranteed loans programs; do not include loan, interest, or foreclosed property receivables related to direct or guaranteed loans, which are reported in Note 8.

As noted in section II.3.2.3, Assets, gross receivables must be reduced to net realizable value by an allowance for doubtful accounts in accordance with SFFAS 1 and Technical Bulletin 2020-1, *Loss Allowance for Intragovernmental Receivables*. Loss allowance recognition for intragovernmental receivables does not alter the statutory requirements for the debtor agency to make the payment or for the collecting agency to seek and obtain payment. Entities should document their policies regarding allowances and criteria for assessing collectability.

Disclose separately criminal restitution that is included in accounts receivable if the amount is material to the entity, including the gross amount of receivables related to criminal restitution orders monitored by the entity and the estimate of net realizable value determined to be collectible.

II.3.8.7. Note 7: Taxes Receivable, Net

Disclose gross taxes receivable, the allowance for uncollectible taxes receivable, net taxes receivable, and the method used to compute the allowance for uncollectible taxes.

II.3.8.8. Note 8: Loans Receivable, Net and Loan Guarantee Liabilities

Loans receivable include direct loans, loans purchased, and loans acquired through subrogation resulting from loan guarantees.

Tables A through P illustrate the required financial disclosures for loans receivable, net and loan guarantee liabilities and must be supplemented by narrative.

Credit program activities subject to section 506(a) of Federal Credit Reform Act of 1990 (FCRA) are subject to the requirements below. FCRA exempts the credit activities of certain agencies, such as Federal Deposit Insurance Corporation and Tennessee Valley Authority, from FCRA requirements; these credit activities are not subject to the requirements below.

A. Direct Loan and Loan Guarantee Programs:

List the direct loan and/or loan guarantee programs administered by the reporting entity:

- (1) _____
- (2) _____
- (3) _____

Disclose that direct loan obligations and loan guarantee commitments made after FY 1991 and the resulting direct loans or loan guarantees are governed by FCRA, as amended. SFFAS 2 requires that the present value of the subsidy costs, which arises from interest rate differentials, interest

supplements, and defaults (net of recoveries, fee offsets, and other cash flows) associated with direct loans and loan guarantees, be recognized as a cost in the year the direct or guaranteed loan is disbursed.

Direct loans are reported net of an allowance for subsidy at present value and loan guarantee liabilities are reported at present value.

Disclose whether pre-1992 direct loans and loan guarantees are reported on a present value basis or under the allowance-for-loss method. Under the allowance-for-loss method, the nominal amount of the direct loans is reduced by an allowance for uncollectible amounts and the liability for loan guarantees is the amount the entity estimates will more likely than not require a future cash outflow to pay default claims.

Under the present value method, the nominal amount of direct loans is reduced by an allowance equal to the difference between the nominal amount and the present value of the expected net cash flows from the loans. The liability for loan guarantees is the present value of expected net cash outflows due to the loan guarantees.

Depending on the reporting method selected by management for pre-1992 direct loans and loan guarantees, agencies should choose the appropriate format from the alternatives shown in Sections B, H, and K below. Agencies should follow either the net present value method or the allowance-for-loss method, but not both, and may not change from one method to the other without the advance approval of OMB.

Disclose that the net loans receivable or the value of assets related to direct loans is not the same as expected proceeds from selling the loans.

When the reporting entity has made payments on behalf of borrowers that should be collected from the borrowers, the resulting receivables must be reported in the same column as loans receivable for either direct loans or defaulted guaranteed loans.

Receivables related to administrative costs of operating these programs must be reported as accounts receivable in Note 6, not as credit program receivables in Note 8.

Narrative. Provide other information related to direct loan and loan guarantee programs, as appropriate, including a description of the characteristics of the loan programs, any commitments to guarantee, management's method for accruing interest revenue and recording interest receivable, and management's policy for accruing interest on non-performing loans.

Disclose events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy reestimates. Include events and changes that have occurred and are more likely than not to have a significant impact even if the effects are not measurable at the reporting date. Changes in legislation or credit policies include changes in borrowers' eligibility, the levels of fees or interest rates charged to borrowers, the maturity terms of loans, and the percentage of a private loan that is guaranteed.

Explain the nature of any modifications made, the discount rate used in calculating the

modification cost, and the basis for recognizing a gain or loss related to the modification. If appropriate, disclose the subsidy expense resulting from reestimates that is included in the financial statements, but not reported in the budget until the following year.

With respect to the foreclosed property reported in Sections B, C, H, and I, disclose:

- Changes from prior year's accounting methods, if any;
- Restrictions on the use/disposal of the property;
- Number of properties held and average holding period by type or category; and
- Number of properties for which foreclosure proceedings were in process at the end of the period.

B. Direct Loans Obligated Prior to FY 1992 [specify Present Value or Allowance for Loss Method and change column header (5) accordingly]:

(1) Direct Loans <u>Programs</u>	(2) Loans Receivable, <u>Gross</u>	(3) Interest <u>Receivable</u>	(4) <u>Foreclosed</u> <u>Property</u>	(5) Present Value <u>Allowance/</u> <u>Allowance for</u> <u>Loan Losses</u>	(6) Direct <u>Loans, Net</u>
(1) _____	xxx	xxx	xxx	Xxx	xxx
(2) _____	xxx	xxx	xxx	Xxx	xxx
Total	xxx	xxx	xxx	Xxx	xxx

For each program with pre-1992 direct loans, report the information shown above and, specify in column 5 whether the present value method or the allowance-for-loss method is used. Report in column 4 the estimated net realizable value of related foreclosed property and report in column 5 the present value allowance or the allowance for loan losses. The sum of columns 2 through 4 less column 5 is reported as the value of assets related to direct loans (column 6).

C. Direct Loans Obligated After FY 1991:

(1)	(2)	(3)	(4)	(5)	(6)
Direct Loans <u>Programs</u>	Loans Receivable, <u>Gross</u>	Interest and Fees <u>Receivable</u>	Foreclosed <u>Property</u>	Allowance for Subsidy Cost <u>(Present Value)</u>	Direct Loans, <u>Net</u>
(1) _____	xxx	xxx	xxx	xxx	xxx
(2) _____	xxx	xxx	xxx	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

For each program with post-1991 direct loans, report loans receivable, gross; interest and fees receivable; and the estimated value of related foreclosed property in columns 2, 3, and 4, respectively. Fees receivable (here and in Tables H and I) are for fees associated with loans receivable and foreclosed property; fees receivable do not include fees related to the administration of direct loan or loan guarantee programs, which should be reflected in Note 6.

Foreclosed property associated with post-1991 direct and acquired defaulted guaranteed loans will be valued at the net present value of the projected cash flows associated with the property. For more information, refer to SFFAS 2, paragraphs 57-60, and SFFAS 3, paragraphs 79-91.

Report the related allowance for subsidy cost in contra account in column 5 and report the sum of

columns 2 through 5 as the value of assets related to direct loans (column 6).

D. Total Amount of Direct Loans Disbursed (Post-1991):

<u>Direct Loans Programs</u>	<u>Current Year</u>	<u>Prior Year</u>
(1) _____	xxx	xxx
(2) _____	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>

Report the total amount of direct loans disbursed for each program.

E. Subsidy Expense for Direct Loan Programs by Component:

E1. Subsidy Expense for New Direct Loans Disbursed (Current reporting year):

(1)	(2)	(3)	(4)	(5)	(6)
Direct Loan Programs	Interest Differential	Defaults	Fees and Others Collections	Other	Total
(1) _____	xxx	xxx	xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	xxx	xxx	xxx	xxx	xxx

Subsidy Expense for New Direct Loans Disbursed (Prior reporting year):

Direct Loan Programs	Interest Differential	Defaults	Fees and Others Collections	Other	Total
(1) _____	xxx	xxx	xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	xxx	xxx	xxx	xxx	xxx

E2. Modification and Reestimates (Current reporting year):

(1)	(2)	(3)	(4)	(5)
Direct Loan Programs	Total Modifications	Interest Rate Reestimates	Technical Reestimates	Total Reestimates
(1) _____	xxx	xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	xxx	xxx	xxx	xxx

E3. Total Direct Loan Subsidy Expense

Direct Loan Programs	Current Year	Prior Year
(1) _____	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>
Total	xxx	xxx

Disclose for each program the information shown above.

E1. Subsidy Expense for New Direct Loans Disbursed: Disclose the information shown above. The interest rate differential is the difference between the interest rate charged to the borrowers and the discount rate used to calculate the present value of the direct loans and the subsidy costs. Estimated defaults are calculated net of recoveries. Column 5

should include the present value of other cash flows such as prepayments.

E2. Direct Loan Modifications and Reestimates: Column 2 should reflect the subsidy expense for all modifications of direct loans previously disbursed, whether pre-1992 or post 1991. Column 5 should reflect the sum of columns 3 and 4.

E3. Total Direct Loan Subsidy Expense: This is the total subsidy expense for direct loans, modifications, and reestimates.

F. Subsidy Rates for Direct Loans by Program and Component:

Budget Subsidy Rates for Direct Loans for the Current Year's Cohorts					
<u>Direct Loan Programs</u>	<u>Interest Differential</u>	<u>Defaults</u>	<u>Fees and Other Collections</u>	<u>Other</u>	<u>Total</u>
(1)	xx%	xx%	xx%	xx%	xx%
(2)	xx%	xx%	xx%	xx%	xx%

Disclose for each program the information shown above, with defaults estimated net of recoveries. The subsidy rate is the dollar amount of the total subsidy or a subsidy component as a percentage of the direct loans obligated in the cohort and should be consistent with the rates published in the Federal Credit Supplement to the current year Budget. Use trend data to show significant fluctuations in subsidy rates and explain the underlying causes for the fluctuations.

The reporting entity should disclose the following:

The subsidy rates disclosed pertain only to the current year's cohorts. These rates cannot be applied to the direct loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loans reported in the current year could result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates.

G. Schedule for Reconciling Subsidy Cost Allowance Balances (Post -1991 Direct Loans):

	FY 2xxx (CY)	FY 2xxx (PY)
Beginning balance of the subsidy cost allowance	\$	\$
Add total subsidy expense for direct loans disbursed during the reporting years as shown in E1		
Adjustments:		
(a) Loan modifications		
(b) Fees received		
(c) Foreclosed property acquired		
(d) Loans written off		
(e) Subsidy allowance amortization		
(f) Other		
Ending balance of the subsidy cost allowance before reestimates		
Add or subtract total subsidy reestimates as shown in E2		
Ending balance of the subsidy cost allowance	\$	\$

Display the information shown above for outstanding direct loans reported in the Balance Sheet for direct loans obligated on or after October 1, 1991. Reporting entities are encouraged but not

required to display reconciliations for direct loans obligated prior to October 1, 1991, in schedules separate from the direct loans obligated after September 30, 1991.

H. Defaulted Guaranteed Loans from Pre-1992 Guarantees [specify Present Value or Allowance-for-Loss Method and change column header (5) accordingly]:

(1) Loan Guarantee Programs	(2) Defaulted Guaranteed Loans Receivable, Gross	(3) Interest and Fees Receivable	(4) Foreclosed Property	(5) Present Value Allowance/ Allowance for Loan Losses	(6) Value of Assets Related to Defaulted Guaranteed Loans Receivable, Net
(1)	xxx	xxx	xxx	xxx	xxx
(2)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

Disclose the information shown above and specify in column 5 whether the present value method or the allowance-for-loss method is used. Report the estimated net realizable value of related foreclosed property in column 4 and the present value allowance or allowance for loan losses in column 5. The sum of columns 2 through 4 less column 5 is reported as value of assets related to defaulted guaranteed loans receivable, net (column 6).

I. Defaulted Guaranteed Loans from Post 1991 Guarantees:

(1) Loan Guarantee Programs	(2) Defaulted Guaranteed Loans Receivable, Gross	(3) Interest and Fees Receivable	(4) Foreclosed Property	(5) Allowance for Subsidy Cost (Present Value)	(6) Value of Assets Related to Defaulted Guaranteed Loans Receivable, Net
(1) _____	xxx	xxx	xxx	-xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>

For each program with post-1991 loan guarantees, report the information shown above. Report the related allowance for subsidy cost in the contra account in column 5. Report the sum of columns 2 through 5 as the value of assets related to defaulted guaranteed loans receivable, net (column 6). For foreclosed property, see the instructions for Section C. The sum of the amounts reported in column 6 of Sections B, C, H, and I above, must equal the amount reported on the Balance Sheet as loans receivables and related foreclosed property, net.

J. Guaranteed Loans Outstanding:

J1. Guaranteed Loans Outstanding:		
(1)	(2)	(3)
<u>Loan Guarantee Programs</u>	<u>Outstanding Principal of Guaranteed Loans, Face Value</u>	<u>Amount of Outstanding Principal Guaranteed</u>
(1) _____	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>
J2. New Guaranteed Loans Disbursed (Current reporting year):		
<u>Loan Guarantee Programs</u>	<u>Principal of Guaranteed Loans, Face Value</u>	<u>Amount of Principal Guaranteed</u>
(1) _____	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>
J3. New Guaranteed Loans Disbursed (Prior reporting year):		
<u>Loan Guarantee Programs</u>	<u>Principal of Guaranteed Loans, Face Value</u>	<u>Amount of Principal Guaranteed</u>
(1) _____	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>

For each loan guarantee program, disclose the information shown above.

K. Liability for Loan Guarantees [specify Present Value or Estimated Future Default Claims Method and change column (2) header accordingly]:

(1)	(2)	(3)	(4)
<u>Total Loan Guarantee Programs</u>	<u>Liabilities for Losses on Pre-1992 Guarantees, Present Value/ Estimated Future</u>	<u>Liabilities for Post-1991 Guarantees, Present Value</u>	<u>Loan Guarantees Liabilities for Loan Guarantees</u>
(1) _____	xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

For each program with pre-1992 loan guarantees, disclose the information shown above and if the present value method is used to calculate the liability, report in column 2 the present value of liabilities for losses on pre-1992 loan guarantees.

If the estimated future default claims method is used, report in column 2 the estimated future default claims.

For each program with post-1991 loan guarantees, report in column 3 the present value of the estimated net cash flows (outflows less inflows) to be paid as a result of the guarantees. Report the total of columns 2 and 3 as total guarantee liabilities (column 4).

L. Subsidy Expense for Loan Guarantees by Program and Component:

L1. Subsidy Expense for New Loan Guarantees (Current reporting year):					
(1)	(2)	(3)	(4)	(5)	(6)
Loan Guarantee Programs	Interest Supplements	Defaults	Fees and Other Collections	Other	Total
(1) _____	xxx	xxx	-xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>	<u>xxx</u>
Subsidy Expense for New Loan Guarantees (Prior reporting year):					
Loan Guarantee Programs	Interest Supplements	Defaults	Fees and Other Collections	Other	Total
(1) _____	xxx	xxx	-xxx	xxx	xxx
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>xxx</u>	<u>xxx</u>	<u>-xxx</u>	<u>xxx</u>	<u>xxx</u>
L2. Modifications and Reestimates (Current reporting year):					
(1)	(2)	(3)	(4)	(5)	
Loan Guarantee Programs	Total Modifications	Interest Rate Reestimates	Technical Reestimates	Total Reestimates	
(1) _____	xxx	xxx	xxx	xxx	
(2) _____	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	
L3. Total Loan Guarantee Subsidy Expense:					
Loan Guarantee Programs	Current Year	Prior Year			
(1) _____	xxx	xxx			
(2) _____	<u>xxx</u>	<u>xxx</u>			
Total	<u>xxx</u>	<u>xxx</u>			

Disclose for each program the total subsidy expense and its components, and the subsidy expense for modifications and reestimates, as shown above.

L1. Subsidy Expense for New Loan Guarantees: Disclose for each program the total subsidy expense and its components: interest supplement costs, default costs net of recoveries, fees and other collections (offsetting expense), and other costs. Column 6 is the sum of columns 2 through 5.

L2. Loan Guarantee Modifications and Reestimates: Disclose for each program the subsidy expense for modifications of loan guarantees in guaranteed loans whether pre-1992 or post-1991, reestimates of the subsidy expense for previous loan guarantees by component (interest rate and technical/default), and the sum of the reestimates (column 5).

L3. Total Loan Guarantee Subsidy Expense: Disclose the total subsidy expense for the current and prior year's loan guarantees, modifications, and reestimates.

M. Subsidy Rates for Loan Guarantees by Program and Component:

Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts:					
<u>Loan Guarantee Programs</u>	<u>Interest Supplements</u>	<u>Defaults</u>	<u>Fees and Other Collections</u>	<u>Other</u>	<u>Total</u>
(1) _____	xx%	xx%	xx%	xx%	xx%
(2) _____	xx%	xx%	xx%	xx%	xx%

Disclose for each program the subsidy rates for interest supplement costs, default costs net of recoveries, fees and other collections, and other costs estimated for loan guarantees in the current year's Budget for the current year's cohorts. The subsidy rate is the dollar amount of the total subsidy or subsidy component expressed as a percentage of guarantees committed for the cohort and should be consistent with the rates published in the Federal Credit Supplement to the Budget. Entities may use trend data to show significant fluctuations in rates and should explain the underlying causes for the fluctuations.

Also disclose the following:

The subsidy rates disclosed pertain only to the current year's cohorts. These rates cannot be applied to the guarantees of loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loan guarantees reported in the current year could result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates.

N. Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees):

	FY 2xxx (CY)	FY 2xxx (PY)
Beginning balance of the loan guarantee liabilities	\$	\$
Less claim payments to lenders		
Add fees received		
Less interest supplements paid		
Add foreclosed property and loans acquired		
Less interest revenue on uninvested funds		
Add interest expense on entity borrowings		
Add subsidy expense reestimates		
Less negative subsidy payments		
Add upward reestimate		
Less downward reestimates		
Loan guarantee modifications		
Other		
Ending balance of the loan guarantee liabilities		

Show a reconciliation between the beginning and ending balances of the liability for outstanding loan guarantees reported in the Balance Sheet for loan guarantees using the illustrative schedule above. Reporting entities are encouraged but not required to display reconciliations for loan guarantees committed prior to October 1, 1991, in schedules separate from the loan guarantees committed after September 30, 1991.

O. Administrative Expense:

<u>Direct Loan Programs</u>		<u>Loan Guarantee Programs</u>	
(1) _____	\$ xxx	(1) _____	\$ xxx
(2) _____	xxx	(2) _____	xxx
Total	xxx	Total	xxx

Report the portions of salaries and other administrative expenses that have been accounted for in support of the direct loan programs and loan guarantee programs. Report the expenses for the individual programs, if material.

P. Loans Receivable:

To assist in the compilation of the *Financial Report*, significant entities with loans receivable and defaulted guaranteed loans receivable should report a summary table that shows the change in gross receivables, as shown in the illustration below.

For FY 2021, this table is optional. **Beginning in FY 2022**, this table will be required. Comparative information is not required in the first year of implementation.

	FY 2xxx (CY)	FY 2xxx (PY)
Beginning balance of loans receivable, net	\$	\$
Add direct loans disbursed payments		
Less principal and interest payments received		
Less fees received		
Add foreclosed property acquired		
Less rent received		
Less sale of foreclosed property		
Less loans written off		
Less interest revenue on uninvested funds		
Add interest expense on entity borrowings		
Add subsidy expense		
Less negative subsidy payments		
Add upward reestimate		
Less downward reestimates		
Less subsidy allowance amortization		
Loan modifications		
Ending balance of loans receivable, net	\$	\$

Display the information shown above for loans receivable, net, reported on the Balance Sheet for all direct loans and defaulted guaranteed loans receivable. Reporting entities are encouraged but not required to display reconciliations for direct loans obligated prior to October 1, 1991, in schedules separate from the FCRA direct loans.

II.3.8.9. Note 9: Inventory and Related Property, Net

Disclose information about each category of inventory and related property, in accordance with SFFAS 3, as amended, and Federal Financial Accounting and Auditing Technical Release (TR) 4, *Reporting on Non-Valued Seized and Forfeited Property*, as noted below.

Inventories: Refer to SFFAS 3, paragraphs 26(a)v, 27, 29, 30, and 35.

Operating materials and supplies: Refer to SFFAS 3, paragraphs 26(a)v, 45, 47 and 50.

Stockpile materials: Refer to SFFAS 3, paragraphs 26(a)v, 55, and 56.

Seized property: Refer to SFFAS 3, paragraph 66, and TR 4.

Forfeited property: Refer to SFFAS 3, paragraph 78, and TR 4.

Foreclosed Property: Refer to SFFAS 3, paragraph 91.

Goods held under price support and stabilization programs: Refer to SFFAS 3, paragraph 109.

II.3.8.10. Note 10: General Property, Plant and Equipment, Net

Disclose information about the major classes of general PP&E (e.g., buildings and structures, furniture and fixtures, equipment, vehicles, internal use software, and land) in accordance with SFFAS 6, paragraph 45; SFFAS 10, paragraph 35 (and 36(f), if applicable); and SFFAS 44, paragraphs 21 and 25.

The following are the minimum disclosures required for each major class of general PP&E:

- Cost, associated accumulated depreciation, and book value
- Use and general basis of any estimates used
- Estimated useful life
- Method(s) of depreciation
- Capitalization threshold(s), including any changes in threshold(s) during the period
- Restrictions on the use or convertibility of general PP&E

Alternative methods for establishing opening balances for general PP&E are provided in SFFAS 50, Establishing Opening Balances for General Property, Plant, and Equipment: Amending SFFAS 6, SFFAS 10, SFFAS 23 and Rescinding SFFAS 35. These methods include “deemed cost” for opening balances of general PP&E (excluding land and land rights from opening balances if acreage information is disclosed and future acquisitions are expensed) and choosing between deemed cost and prospective capitalization for opening balances of internal use software.

To support the *Financial Report* compilation process, significant entities should disclose the illustrative reconciliation below. In addition, the components of the changes in PP&E, Net, should be reflected in the Net Cost to Net Outlays reconciliation, as appropriate.

	CY	PY
Balance beginning of year	\$ xxx	\$ xxx
Capitalized acquisitions	xxx	xxx
Dispositions	xxx	xxx
Transfers in/out w/o reimbursement	xxx	xxx
Revaluations	xxx	xxx
Depreciation expense	xxx	xxx
Donations	<u>xxx</u>	<u>xxx</u>
Other		
Balance at end of year	\$ xxx	\$ xxx

II.3.8.11. Note 11: Stewardship PP&E

Disclose information about heritage assets and stewardship land in accordance with SFFAS 29, paragraphs 25 through 27 and paragraph 40, respectively. The following are the minimum disclosures under paragraph 25:

- A statement explaining how they relate to the mission of the entity;
- A description of the entity’s stewardship policies;
- A description of major categories;
- Physical unit information for the end of the reporting period;
- Physical units added and withdrawn during the year; and
- A description of the methods of acquisition and withdrawal.

II.3.8.12. Note 12: Other Assets

	2xxx (CY)	2xxx (PY)
Intragovernmental		
1. _____	\$ xxx	\$ xxx
2. _____	xxx	xxx
3. _____	<u>xxx</u>	<u>xxx</u>
Total Intragovernmental	xxx	xxx
Other than Intragovernmental/With the Public		
1. _____	xxx	xxx
2. _____	xxx	xxx
3. _____	<u>xxx</u>	<u>xxx</u>
Total Other than Intragovernmental/With the Public	\$ x,xxx	\$ x,xxx
Total Other Assets		

Disclose intragovernmental other assets separately from other assets. If numbered line title amounts from the Balance Sheet Template are included in Other Assets because they are immaterial, the proper numbered line title must be disclosed. Other Assets, both material and immaterial amounts, must be reported in GTAS using the proper USSGL code.

II.3.8.13. Note 13: Liabilities Not Covered by Budgetary Resources

	2xxx (CY)	2xxx (PY)
A. Intragovernmental:		
(1) Accounts payable	\$ xxx	\$ xxx
(2) Debt	xxx	xxx
(3) Other	xxx	xxx
Total Intragovernmental	xxx	xxx
	xxx	xxx
B. Accounts payable	xxx	xxx
C. Debt held by the public	xxx	xxx
D. Federal employee [and veteran] benefits payable	xxx	xxx
E. Environmental and disposal liabilities	xxx	xxx
F. Benefits due and payable	xxx	xxx
G. Other	<u>xxx</u>	<u>xxx</u>
Total liabilities not covered by budgetary resources	\$ x,xxx	\$ x,xxx
Total liabilities covered by budgetary resources	\$ x,xxx	\$ x,xxx
Total liabilities not requiring budgetary resources	\$ x,xxx	\$ x,xxx
Total liabilities	<u>\$ x,xxx</u>	<u>\$ x,xxx</u>
H. Other Information _____		

Disclose intragovernmental liabilities not covered by budgetary resources separately from other liabilities not covered by budgetary resources and provide other information needed to understand the nature of liabilities not covered by budgetary resources. In addition, as stated in Note 1, and at management’s discretion, entities may include the following or similar language:

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Liabilities that do not require the use of budgetary resources are covered by monetary assets that are not budgetary resources to the entity. Entities with material amounts of liabilities in this category, such as liabilities for non-fiduciary deposit funds, should provide a brief description of those liabilities.

See the Liabilities section above for definitions of the three types of liabilities.

II.3.8.14. Note 14: Federal Debt and Interest Payable

	2xxx (PY) Beginning Balance	2xxx (PY) Net Borrowing	2xxx (PY) Ending Balance	2xxx (CY) Net Borrowing	2xxx (CY) Ending Balance
A. Treasury Debt					
(1) Intragovernmental	xxx	Xxx	xxx	xxx	xxx
(2) Held by the Public	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Treasury Debt	xxx	Xxx	xxx	xxx	xxx
B. Agency Debt:					
(1) Intragovernmental	xxx	Xxx	xxx	Xxx	xxx
(2) Held by the Public	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>
Total Agency Debt	xxx	Xxx	xxx	xxx	xxx
C. Other Debt:					
(1) Debt to the Treasury	xxx	Xxx	xxx	xxx	xxx
(2) Debt to the Federal Financing Bank	xxx	Xxx	xxx	xxx	xxx
(3) Debt to Other Federal Agencies	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total Other Debt	xxx	Xxx	xxx	xxx	xxx
Total Debt	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>
D. Classification of Debt:				2xxx (CY)	2xxx (PY)
(1) Intragovernmental Debt				x,xxx	x,xxx
(2) Debt held by the Public				<u>x,xxx</u>	<u>x,xxx</u>
Total Debt				<u>x,xxx</u>	<u>x,xxx</u>
E. Other Information: _____					

Generally, debt is classified as not covered by budgetary resources; however, direct loan and guaranteed loan financing account debt to Treasury and any portion of other debt covered by budgetary resources as of the Balance Sheet date are exceptions to this general rule.

Lines A(1) and A(2), Treasury Debt, should be reported by the Treasury Department only. Line B should be agency debt issued under special financing authorities (e.g., Federal Housing Administration debentures and Tennessee Valley Authority bonds), with agency debt held by Government agencies reported separately from agency debt held by the public. Line C should be debt owed to Federal agencies: Line C(1) should be debt owed to the Treasury, including direct loan and guaranteed loan financing account debt to Treasury and other debt owed to Treasury; Line C(2) should be debt owed to the Federal Financing Bank; and Line C(3) should be debt owed to other Federal agencies. Net borrowing and repayment should not include amounts that result from refinancing.

Classification of Debt. Intragovernmental debt is all debt owed to Treasury, the Federal Financing Bank, or other Federal agencies (Lines A(1), B(1), and C (Total)) and must equal intragovernmental debt reported on the Balance Sheet. All debt held by the public should be on lines A(2) and B(2) and must equal debt held by the public on the Balance Sheet.

Other Information should include (1) the names of the agencies other than Treasury or the Federal Financing Bank to which intragovernmental debt is owed, (2) the amounts owed, and (3) any other information relevant to debt (e.g., redemption or call of debts owed to the public before maturity dates, write-offs of debts owed Treasury or the Federal Financing Bank, etc.).

II.3.8.15. Note 15: Federal Employee [and Veteran] Benefits Payable

In accordance with SFFAS 5 and SFFAS 33, entities responsible for administering pensions, ORB, and OPEB (including post-retirement health, life insurance, veterans’ compensation and burial, and veteran education benefits) should disclose a reconciliation of beginning and ending pension, ORB, and OPEB liability balances, broken out by program, as shown in the illustrative reconciliation below:

Beginning liability balance	\$ xxx
Expense:	
Normal Cost:	xxx
Interest on the liability balance	xxx
Actuarial (gain)/loss:	
From experience:	xxx
From assumption changes:	xxx
Prior service costs from plan changes	xxx
Other:	xxx
Total expense	<u>xxx</u>
Less amounts paid:	<u>xxx</u>
Ending liability balance	\$ xxx

Significant pension, ORB, and OPEB programs should be presented individually in separate columns along with an “all other” column, if applicable, and a “total” column for each line item. To support the preparation of the *Financial Report*, all amounts for pension, post-retirement health, and life insurance must be disclosed separately even if immaterial.

Entities responsible for administering pensions, ORB, and OPEB should also disclose information related to assets (see SFFAS 33, paragraph 25, and SFFAS 5, paragraphs 68 and 85).

In addition, these entities should disclose information about discount rates (see SFFAS 33, paragraphs 28 and 31) and other assumptions (see SFFAS 33, paragraph 35, and SFFAS 5, paragraphs 67, and 83).

To support the preparation of the *Financial Report*, entities responsible for administering pensions must disclose the rates of interest and inflation, projected salary increases, and the cost-of-living adjustment used to determine the pension liability and related expense. Separate rates must be disclosed for the Federal Employees’ Retirement System (FERS), the Civil Service Retirement System (CSRS), and the military retirement system. If a pension plan uses assumptions that differ from those used by the Civil Service Retirement System, the Federal Employees' Retirement System, and the Military Retirement System, the plan should disclose how and why its assumptions differ.

Also, to support the preparation of the *Financial Report*, entities responsible for administering

post-retirement health benefits must disclose the rate of interest, the single equivalent medical cost trend rate, and the ultimate medical trend rate used to determine the health benefits liability and related expense.

Entities responsible for administering civilian life insurance benefits must disclose the rates of interest and salary increases used to determine the life insurance benefits liability and related expense.

Entities responsible for workers compensation benefits should disclose the cost-of living adjustments and the consumer price index-medical used to determine the benefits liability and related expense.

Entities responsible for veterans' compensation and burial benefits should disclose the rates of interest and inflation used to determine the benefits liability and related expense.

II.3.8.16. Note 16: Environmental and Disposal Liabilities

Disclose environmental and disposal liabilities in accordance with SFFAS 5 paragraphs 39-42; SFFAS 6, paragraphs 107-111; and TR 2, *Determining Probable and Reasonably Possible for Environmental Liabilities in the Federal Government* and disclose environmental and disposal liabilities involving multiple component entities in accordance with Interpretation 9 (cited in section II.3.2.4 above).

Disclose liabilities related to friable and non-friable asbestos cleanup costs deemed probable but not reasonably estimable in accordance with Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*. See the Commitments and Contingencies Note below for an illustrative format for the required disclosures.

II.3.8.17. Note 17: Other Liabilities

Disclose intragovernmental and non-intragovernmental other liabilities separately and provide other information necessary to understand the nature of Other liabilities. Other liabilities, both material and immaterial amounts, must be reported in GTAS using the proper USSGL account. To support the preparation of the Government-wide statements, the other liabilities shown below must be disclosed and any immaterial amounts for the numbered line titles in the Balance Sheet Template must also be disclosed. Also, pursuant to SFFAS 1, paragraph 86, disclose the amount of other current liabilities (i.e., liabilities required to be paid within a year) that are not covered by budgetary resources.

	Current Year	Prior Year
	Total	Total
Intragovernmental		
1.		
2.		
3.		
Total Intragovernmental		
Other than Intragovernmental/With the Public		
1. Accrued Funded Payroll and Leave		
2. Contingent Liabilities		
3. Allocation of Special Drawing Rights		
4. Actuarial Liabilities for Treasury-Managed Benefit Programs		
5. Other Liabilities w/o Related Budgetary Obligations		
6. Other Liabilities w/ Related Budgetary Obligations		
7.		
8.		
Total Other than Intragovernmental/With the Public		
Total Other Liabilities		

Legal liabilities reported in this note must be consistent with accrued probable contingencies reported in the Commitments and Contingencies note and the total probable legal matters reported on the agency management schedule.

II.3.8.18. Note 18: Leases

Entity as Lessee:

Disclose the following information, as shown in the illustrative table below.

Capital Leases:

Summary of Assets Under Capital Lease

Land and Buildings

Machinery and Equipment

Accumulated Amortization

Descriptions of Lease Arrangements: _____

Current Year

Prior Year

Future Payments Due:

	<i>Asset Category 1</i>	<i>Asset Category 2</i>	<i>Asset Category 3</i>	<i>Federal Total</i>	<i>Non-Federal Total</i>
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
After 5 Years					
<i>Total Future Payments</i>					
Less Imputed Interest					
Less Executory Costs (e.g., taxes)					
<i>Net Capital Lease Liability</i>					

Disclose total capital lease liabilities covered by budgetary resources and not covered by budgetary resources.

Operating Leases:

Description of Lease Arrangements: _____

Future Payments Due for Non-Cancelable Operating Leases

<i>Fiscal Year</i>	<u><i>Asset Category</i></u>			<u><i>Totals</i></u>	
	<i>Category 1</i>	<i>Category 2</i>	<i>Category 3</i>	<i>Federal</i>	<i>Non-Federal</i>
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
After 5 Years					
<i>Total Future Lease Payments</i>					

Optional: Disclose separately, with narrative, future lease payments due for cancellable operating leases.

Entity as Lessor:

Capital Leases:

Descriptions of Lease Arrangements: _____

Future Projected Receipts:

	<i>Asset Category 1</i>	<i>Asset Category 2</i>	<i>Asset Category 3</i>	<i>Total Federal</i>	<i>Total Non-Federal</i>
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
After 5 Years					

Total Future Projected Receipts for Capital Leases

Operating Leases:

Description of Lease Arrangements: _____

Future Projected Receipts:

	<i>Asset Category 1</i>	<i>Asset Category 2</i>	<i>Asset Category 3</i>	<i>Total Federal</i>	<i>Total Non-Federal</i>
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
After 5 Years					

Total Future Projected Receipts for Operating Leases

Other Information:

Optional: Disclose separately, with narrative, future projected receipts due from cancellable operating leases.

Federal reporting entities reporting under FASAB standards should continue their current lease accounting practices until SFFAS 54 becomes effective in FY 2024; they should not follow the FASB’s new lease standards (Accounting Standards Codification – Leases – Topic 842) nor should they follow the Governmental Accounting Standards Board’s (GASB) new lease standards (GASB Statement No. 87, Leases). Rather, reporting entities should continue to follow the current FASAB guidance that addresses lease transactions.

Current FASAB guidance is in paragraphs 43 through 46 of SFFAS 5 and paragraphs 20 and 29 of SFFAS 6. These paragraphs are not rescinded by SFFAS 54 until it becomes effective. Previously existing FASB guidance under Accounting Standards Codification – Leases – Topic 840 should continue to be used when the accounting treatment for a lease transaction or event is not specified by paragraphs 43-46 of SFFAS 5 or paragraphs 20 and 29 of SFFAS 6.

A. Entity as Lessee.

Capital Leases: Disclose Federal and non-Federal leases separately.

Summary of Assets Under Capital Lease: Enter the gross assets under capital lease by major asset category and the related total accumulated amortization.

Description of Lease Arrangements: Provide information that describes the nature of the leases, such as major asset categories and/or the number of locations where building space is leased, the range of dates when lease terms expire, and, if applicable, the accounting treatment of rent holidays and leasehold improvements.

Future Payments Due: Enter future lease payments by major asset category for all capital leases with terms longer than one year.

Show deductions for imputed interest and executory costs. Separately disclose the portions of the capital lease liability covered by budgetary resources and not covered by budgetary resources. See Appendix B, Budgetary Treatment of Lease-Purchases and Leases of Capital Assets of OMB Circular A-11 for additional guidance, but note a difference in terminology; the term capital leases as used in Note 18 includes both capital leases and lease purchases as those terms are used in Circular A-11. Under Circular A-11, capital leases entered into in FY 1992 and later are required to be fully funded in the first year of the lease.

Operating Leases: Disclose Federal and non-Federal leases separately.

Description of Lease Arrangements: Provide information that describes the nature of the leases, such as major asset categories and the range of dates when lease terms expire.

Future Payments Due: Disclose future lease payments by major asset category for all non-cancelable leases with terms longer than one year. Disclosure of future payments for cancellable leases is optional, but if disclosed, future payments for cancellable leases should be separate from future payments for non-cancelable leases.

B. Entity as Lessor.

Description of Lease Arrangements: Disclose the commitment of the entity's assets, including the major asset category and lease terms.

Future Projected Receipts: Enter projected future lease revenues by major asset category for all capital and non-cancelable operating leases with terms longer than one year. Disclosure of future receipts for cancelable leases is optional, but if disclosed, projected future receipts for cancelable leases should be separate from projected future receipts for non-cancelable leases.

C. Other Information.

Provide other information necessary for understanding leases that is not disclosed in the above categories.

II.3.8.19. Note 19: Commitments and Contingencies

Commitments may include, for example, long-term leases (Note 18), undelivered orders (Note 28), public-private partnerships (Note 40), international or other agreements in support of international economic development, or agreements in support of financial market stability. Disclose as commitments in this note any material commitment that is not disclosed elsewhere.

Disclose contingent liabilities, including those arising from treaties or other international agreements, in accordance with SFFAS 5 paragraphs 39 through 42. See the illustrative table below; each type of contingency (legal, environmental, and other) must be provided separately. See also Table 1: Accounting for Contingent Losses, in Section 1002 (“Inquiries of Legal Counsel”) of GAO’s Financial Audit Manual Volume 2 (GAO-18-625G, updated March 2021) for a guide to contingency loss reporting.

Illustrative Contingent Loss Table

	Accrued Liabilities	Estimated Range of Loss	
		Lower End	Upper End
Current FY			
Legal Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX
Environmental Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX
Other Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX
Prior FY			
Legal Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX
Environmental Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX
Other Contingencies:			
Probable	\$ XX	\$ XX	\$ XX
Reasonably Possible		\$ XX	\$ XX

Where the amount of the contingent loss is known, report it under both the lower and upper end columns. For probable contingent losses where the amount is known, also report it under accrued liabilities. For probable contingent losses where the amount is a range, report the lower end of the range if no other amount within the range is a better estimate under the accrued liabilities column.

If the amount or a range of loss cannot be estimated, disclose that an estimate cannot be made.

Accrued probable contingencies disclosed in this note must also be reported in the Other Liabilities note. In addition, the amounts in the Legal Contingencies section of the table must be consistent with the information summarized on the agency's management schedule and legal representation letter.

II.3.8.20. Note 20: Funds from Dedicated Collections

Entities are encouraged to report Funds from Dedicated Collections on both a combined and consolidated basis as shown below. The combined presentation does not eliminate intra-entity balances or transactions between Funds from Dedicated Collections held by the entity. (For FY 2022, the presentation shown below will be required.)

Eliminations reflect intra-entity balances and transactions between the entity's dedicated collections funds. For the balance sheet, federal and non-federal amounts must be disclosed separately and the line titles that are used on the principal financial statements must be used.

Significant entities required to prepare financial statements in accordance with accounting standards other than those promulgated by FASAB will be contacted by Fiscal Service for Dedicated Collections information necessary for the audit of the Government-wide statements.

The reclassified crosswalks in Note 45 are used to reconcile entity data when reporting entities are not using the Balance Sheet template in Section II.3.2.2 and the Statement of Changes in Net Position Option C in Section II.3.4.2C. Additionally, the reclassified crosswalks in Note 45 are needed to reconcile the revenue presented on an entity's SCNP to the amount reflected for the entity on the Government-wide Statement of Operations and Changes in Net Position.

For FY 2021 if a significant entity elects not to implement the illustrative statements below, the reclassified crosswalk for the Balance Sheet in Note 45 is required. Beginning in FY 2022 the illustrative statements shown below will be required and the reclassified crosswalk for the Balance Sheet in Note 45 will be eliminated.

Balance Sheet

	ABC Fund	Other Funds from Dedicated Collections	Total Funds from Dedicated Collections (Combined)	Eliminations between Dedicated Collection Funds	Total Funds from Dedicated Collections (Consolidated)
Intragovernmental					
Fund Balance with Treasury	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Investments, net*	xxx	xxx	xxx	xxx	xxx
Accounts receivable, net	xxx	xxx	xxx	xxx	xxx
Loans receivable, net	xxx	xxx	xxx	xxx	xxx
Advances to other and prepayments					
Other intragovernmental assets	xxx	xxx	xxx	xxx	xxx
Total intragovernmental assets	xxx	xxx	xxx	xxx	xxx
Other than intragovernmental					
Cash and other monetary assets*	xxx	xxx	xxx	xxx	xxx
Accounts receivable, net*	xxx	xxx	xxx	xxx	xxx
Loans receivable, net*	xxx	xxx	xxx	xxx	xxx
Inventory and related property, net*	xxx	xxx	xxx	xxx	xxx
General property, plant, and equipment, net*	xxx	xxx	xxx	xxx	xxx
Investments*	xxx	xxx	xxx	xxx	xxx
Investments in Government-sponsored enterprises	xxx	xxx	xxx	xxx	xxx
Advances to others and prepayments					
Other assets	xxx	xxx	xxx	xxx	xxx
Total other than intragovernmental	xxx	xxx	xxx	xxx	xxx
Total assets*	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Intragovernmental					
Liability for Fund balance with Treasury	xxx	xxx	xxx	xxx	xxx
Accounts payable	xxx	xxx	xxx	xxx	xxx
Federal debt and interest payable	xxx	xxx	xxx	xxx	xxx
Debt associated with loans	xxx	xxx	xxx	xxx	xxx
Other liabilities	xxx	xxx	xxx	xxx	xxx
Total intragovernmental liabilities*	xxx	xxx	xxx	xxx	xxx
Other than intragovernmental					
Accounts payable*	xxx	xxx	xxx	xxx	xxx
Federal debt and interest payable	xxx	xxx	xxx	xxx	xxx
Federal employee [& veteran] benefits payable*	xxx	xxx	xxx	xxx	xxx
Environmental & disposal liabilities*	xxx	xxx	xxx	xxx	xxx
Benefits due and payable*	xxx	xxx	xxx	xxx	xxx
Loan guarantee liabilities	xxx	xxx	xxx	xxx	xxx
Liabilities to Government-sponsored enterprises	xxx	xxx	xxx	xxx	xxx
Insurance & guarantee program liabilities*	xxx	xxx	xxx	xxx	xxx
Advances from others and deferred revenue	xxx	xxx	xxx	xxx	xxx
Other liabilities	xxx	xxx	xxx	xxx	xxx
Total other than intragovernmental	xxx	xxx	xxx	xxx	xxx
Total liabilities*	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Unexpended appropriations	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Cumulative results of operations	xxx	xxx	xxx	xxx	xxx
Total liabilities and net position	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Statement of Net Cost					
Gross program costs	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Less: Earned revenues	xxx	xxx	xxx	xxx	xxx
Net program costs	xxx	xxx	xxx	xxx	xxx
Costs not attributable to program costs	xxx	xxx	xxx	xxx	xxx
Less: Earned revenues not attributable to program costs	xxx	xxx	xxx	xxx	xxx
Net cost of operations	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx

Statement of Changes in Net Position	ABC Fund	Other Funds from Dedicated Collections	Total Funds from Dedicated Collections (Combined)	Eliminations between Dedicated Collections	Total Funds from Dedicated Collections (Consolidated)
Unexpended Appropriations					
Beginning balance*	xxx	xxx	xxx	xxx	xxx
Changes in accounting principles*	xxx	xxx	xxx	xxx	xxx
Corrections of errors*	xxx	xxx	xxx	xxx	xxx
Beginning balance, as adjusted*	xxx	xxx	xxx	xxx	xxx
Appropriations received	xxx	xxx	xxx	xxx	xxx
Appropriations transferred in/out	xxx	xxx	xxx	xxx	xxx
Other adjustments	xxx	xxx	xxx	xxx	xxx
Appropriations used	xxx	xxx	xxx	xxx	xxx
Total unexpended appropriations	xxx	xxx	xxx	xxx	xxx
Cumulative Results of Operations:					
Beginning balance*	xxx	xxx	xxx	xxx	xxx
Changes in accounting principles*	xxx	xxx	xxx	xxx	xxx
Corrections of errors*	xxx	xxx	xxx	xxx	xxx
Beginning balance, as adjusted*	xxx	xxx	xxx	xxx	xxx
Appropriations used	xxx	xxx	xxx	xxx	xxx
Other than intragovernmental non-exchange revenue:					
Miscellaneous taxes and receipts*	xxx	xxx	xxx	xxx	xxx
Total other than intragovernmental non-exchange revenue	xxx	xxx	xxx	xxx	xxx
Intragovernmental non-exchange revenue*	xxx	xxx	xxx	xxx	xxx
Donations and forfeitures of cash & property					
Transfers-in/out without reimbursement	xxx	xxx	xxx	xxx	xxx
Imputed financing					
Other	xxx	xxx	xxx	xxx	xxx
Net cost of operations	xxx	xxx	xxx	xxx	xxx
Net Change in Cumulative Results of Operations *	xxx	xxx	xxx	xxx	xxx
Cumulative Results of Operations: Ending Net Position, end of period*	xxx	xxx	xxx	xxx	xxx
	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx

Lines marked with an asterisk are required to support the Government-wide *Financial Report* lines with the same title.

In addition to the illustrative statements above, disclose, in accordance with SFFAS 27, paragraphs 21 and 24, all Funds from Dedicated Collections (as defined by SFFAS 27, paragraphs 13 and 14) for which the reporting entity has program management responsibility and information in SFFAS 27, paragraphs 22 through 23, and 25 through 28.

Entities may, at management's discretion, supplement the SFFAS 27 paragraph 28 disclosure with the following language:

Treasury securities reflect a Government commitment to the program and allow the program to continue to provide benefits required by law. When the benefits are paid, the way the Government finances the benefits is similar to the way it finances other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Note Disclosures Related to the Statement of Net Cost

II.3.8.21. Note 21: Suborganization Program Costs

If the reporting entity's organizational structure and operations are complex or if the SNC displays highly aggregated program information, disclose costs and revenues to support the SNC, as shown

in the illustrative statement below.

Note 21 Suborganization Program Costs						
Reporting Entity Supporting Schedule by Suborganization For the year ended September 30, 2xxx (CY/PY) (in dollars/thousands/millions)						
	Suborg. A	Suborg. B	Suborg. C	Combined Total	Intra-entity Eliminations	Consolidated Total
Crosscutting programs						
Program A						
Gross Costs (Note 21)	xxx	--	xxx	xxx	xxx	xxx
Less: Earned revenues	<u>xxx</u>	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net program costs	x,xxx	--	x,xxx	x,xxx	x,xxx	x,xxx
Other programs						
Program B:	--	xxx	--	xxx	xxx	xxx
Program C:	xxx	xxx	--	xxx	xxx	xxx
Program D:	--	--	xxx	xxx	xxx	xxx
Program E:	--	--	xxx	xxx	xxx	xxx
Program F:	--	--	xxx	xxx	xxx	xxx
Other programs	--	--	xxx	xxx	xxx	xxx
Less: Earned revenues	<u>xxx</u>	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net other program costs	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
(Gain)/loss on pension, ORB, or OPEB assumption changes (Note 15):						
Net program expenses including assumption changes:	--	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Cost not assigned to programs	xxx	xxx	xxx	xxx	xxx	xxx
Less: Earned revenues not attributed to programs	<u>xxx</u>	<u>xxx</u>	xxx	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net cost of operations	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>

Note 21 Suborganization Program Costs (Continued)

Reporting Entity Supporting Schedule by Suborganization For the year ended September 30, 2xxx (CY/PY) (in dollars/thousands/millions)						
	Suborg. A	Suborg. B	Suborg. C	Combined Total	Intra-entity Elimination s	Consolidated Total
Crosscutting programs						
Program A:						
Gross Costs (Note 21)	xxx	--	xxx	xxx	xxx	xxx
Less: Earned revenues	<u>xxx</u>	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net program costs	x,xxx	--	x,xxx	x,xxx	x,xxx	x,xxx
Other programs						
Program B:	--	xxx	--	xxx	xxx	xxx
Program C:	xxx	xxx	--	xxx	xxx	xxx
Program D:	--	--	xxx	xxx	xxx	xxx
Program E:	--	--	xxx	xxx	xxx	xxx
Program F:	--	--	xxx	xxx	xxx	xxx
Other programs	--	--	xxx	xxx	xxx	xxx
Less: Earned revenues	<u>xxx</u>	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net other program costs	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
(Gain)/loss on pension, ORB, or OPEB assumption changes (Note 15):						
Net program expenses incl. assumption changes:	--	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Cost not assigned to programs	xxx	xxx	xxx	--	xxx	xxx
Less: Earned revenues not	<u>xxx</u>	<u>xxx</u>	--	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Net cost of operations	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>	<u>x,xxx</u>

II.3.8.22. Note 22: Stewardship PP&E Obtained Through Transfer, Donation or Devise

Disclose (1) transfers of heritage assets and stewardship land between Federal entities (by the number of physical units by major category) and (2) the fair value and number of physical units by major category of heritage assets and stewardship land acquired through donation or devise in accordance with SFFAS 29.

II.3.8.23. Note 23: Exchange Revenues

Disclose exchange revenue pricing and loss information in accordance with SFFAS 7, paragraph 46.

II.3.8.24. Note 24: Inter-Entity Costs

Pursuant to SFFAS 4, as amended, paragraph 113A, reporting entities should disclose that only certain inter-entity costs are recognized for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. An illustrative disclosure that reflects unreimbursed costs that are required to be imputed by GAAP is shown below. Entities should also disclose the general nature of other imputed costs recognized in their financial statements in

addition to the information shown below.

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed [by the component reporting entity] are recognized as imputed costs [in the Statement of Net Cost], and are offset by imputed revenue [in the Statement of Changes in Net Position]. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

Note Disclosures Related to the Statement of Budgetary Resources

II.3.8.25. Note 25: Net Adjustments to Unobligated Balance, Brought Forward, October 1

Disclose material adjustments during the reporting period to budgetary resources available at the beginning of the year that are necessary to reconcile the beginning balance to the prior year's ending balance and explain the adjustments in accordance with SFFAS 7, paragraph 79. For corrections of errors, this may include the amount of the errors and the period in which the errors occurred.

Also disclose all adjustments made to the prior year's ending balance (i.e., the current year's beginning balances) and reported on line 1020 of the SF-133, Report on Budget Execution and Budgetary Resources.

II.3.8.26. Note 26: Terms of Borrowing Authority Used

Disclose the repayment requirements, financing sources for repayment, and other terms of borrowing authority used in accordance with SFFAS 7, paragraph 79.

II.3.8.27. Note 27: Available Borrowing/Contract Authority, End of the Period

Disclose the amount of available borrowing and contract authority at the end of the period in accordance with SFFAS 7, paragraph 79.

II.3.8.28. Note 28: Undelivered Orders at the End of the Period

Disclose the amount of budgetary resources obligated for undelivered orders at the end of the period, separately disclosing Federal, non-Federal, paid, and unpaid amounts.

II.3.8.29. Note 29: Permanent Indefinite Appropriations

Disclose the existence, purpose, and availability of permanent indefinite appropriations in accordance with SFFAS 7, paragraph 79, either in a note to the SBR or in Note 1.

II.3.8.30. Note 30: Legal Arrangements Affecting the Use of Unobligated Balances

Disclose, in accordance with SFFAS 7, paragraph 79, information about legal arrangements

affecting the use of unobligated balances of budget authority, such as time limits, purpose, and obligation limitations, e.g., (1) the portion of trust fund receipts collected in the current fiscal year that exceed the amount needed to pay benefits or other valid obligations and (2) the excess of receipts temporarily precluded from obligation by law due to a benefit formula or other limitation.

II.3.8.31. Note 31: Explanation of Differences between the SBR and the Budget of the U.S. Government

Agencies should explain material differences that exist between:

1. The budgetary resources, new obligations, upward adjustments (total), and net outlay amounts from the prior year (i.e., FY 2020) SBR and the actual amounts from “Detailed Budget Estimates by Agency” found in the *Appendix* of the Budget (i.e., the FY 2020 amounts in the FY 2022 Budget).
2. The distributed offsetting receipts amount from the prior year (i.e., FY 2020) SBR and the actual amount from the “Federal Budget by Agency and Account” in the Analytical Perspectives of the Budget (i.e., the FY 2020 amounts in the FY 2022 Budget).

Agencies should disclose that the Budget with the actual amounts for the current year (i.e., FY 2021) will be available at a later date at [President's Budget | The White House](#).

Below is an illustrative schedule.

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Difference #1	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Difference #2	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Budget of the U.S. Government	\$ xxx	\$ xxx	\$ xxx	\$ xxx

II.3.8.32. Note 32: Contributed Capital

Disclose capital infusion received during the reporting period in accordance with SFFAS 7, paragraph 79.

Note Disclosures Related to the Statement of Custodial Activity

II.3.8.33. Note 33: Incidental Custodial Collections

Entities collecting custodial revenues that are incidental to their primary mission may disclose the sources and amounts of the collections and the amounts distributed to others rather than having a separate Statement.

II.3.8.34. Note 34: Custodial Revenues

Entities with significant custodial collections may disclose a note, such as the following, that

explains custodial collections (the nature, purpose, and impact of the collections on agency financial statements):

[Reporting Entity’s] mission requires it to collect [non-exchange revenues from XXX for the General Fund, XX trust/special fund, or Entity X] **OR** [exchange revenues from YYY for YY trust/special fund, or Entity Y]. The custodial collections do not affect [Reporting Entity’s] net cost or net position. Instead, the collections are transferred to [Recipient Reporting Entity/ies] where the impact on financial statements is shown.

Disclose (as shown in the illustrative tables below) information about the collection of custodial non-exchange revenue in accordance with SFFAS 7, paragraphs 64-66, including: (1) basis of accounting, (2) for entities that collect taxes and duties, factors affecting the collectability and timing of accounts receivable, (3) for entities that collect taxes and duties, cash collections and refunds by tax year and type of tax during the current fiscal year and during the prior fiscal year(s), as appropriate, and (4) the reason(s), if any, for not recording trust fund revenues in accordance with applicable law.

Custodial Non-Exchange Revenue	Current Tax Year	Prior Tax Year	Prior Tax Year Minus 1	All Other Prior Tax Years	Current Year Collections
Individual income and tax withholdings	XXX	XXX	XXX	XXX	XXX
Corporate income tax	XXX	XXX	XXX	XXX	XXX
Unemployment tax	XXX	XXX	XXX	XXX	XXX
Excise taxes	XXX	XXX	XXX	XXX	XXX
Estate and gift taxes	XXX	XXX	XXX	XXX	XXX
Railroad retirement taxes	XXX	XXX	XXX	XXX	XXX
Fines, penalties, interest and other revenue	XXX	XXX	XXX	XXX	XXX
Custom duties	XXX	XXX	XXX	XXX	XXX
Subtotal	XXX	XXX	XXX	XXX	XXX
Less: amounts collected for non-federal entities	XXX	XXX	XXX	XXX	XXX
Total amount of federal revenues collected	XXX	XXX	XXX	XXX	XXX

Refunds/Payments	Current Tax Year	Prior Tax Year	Prior Tax Year Minus 1	All Other Prior Tax Years	Current Year Refunds
Individual income and tax withholdings	XXX	XXX	XXX	XXX	XXX
Corporate income tax	XXX	XXX	XXX	XXX	XXX
Unemployment tax	XXX	XXX	XXX	XXX	XXX
Excise taxes	XXX	XXX	XXX	XXX	XXX
Estate and gift taxes	XXX	XXX	XXX	XXX	XXX
Railroad retirement taxes	XXX	XXX	XXX	XXX	XXX
Fines, penalties, interest and other revenue	XXX	XXX	XXX	XXX	XXX
Custom duties	XXX	XXX	XXX	XXX	XXX
Total amount of refunds	XXX	XXX	XXX	XXX	XXX

Note Disclosures Related to the Statement of Social Insurance and the Statement of Changes in Social Insurance Amounts

II.3.8.35. Note 35: Statement of Social Insurance and Statement of Changes in Social Insurance Amounts

Disclose social insurance program information in accordance with SFFAS 17, paragraphs 27(3) (h) through (3)(j), SFFAS 26, paragraph 5, and SFFAS 37, paragraph 32.

See the RSI Section below for additional required social insurance information.

To support the preparation of the *Financial Report*, entities responsible for the Medicare program should disclose the general revenue contributions under Medicare Parts B and D for the current law and alternative scenarios. In addition, entities responsible for the Railroad Retirement program should disclose the financial interchange revenue received from the Social Security program.

Note Disclosures Not Pertaining to a Specific Statement

II.3.8.36. Note 36: Fiduciary Activities

Disclose information about fiduciary activities in accordance with SFFAS 31. Below are illustrative schedules. In addition to these disclosures, to support the preparation of the *Financial Report*, disclose the number of fiduciary funds for which the entity has management responsibility.

Department XYZ

Schedule of Fiduciary Activity

For the years ended September 30, 2XXX (CY) and 2XXX (PY)

	2XXX (CY)	2XXX (CY)	2XXX (CY)	2XXX (PY)	2XXX (PY)	2XXX (PY)
	Fiduciary Fund A	Other Fiduciary Funds	Total Fiduciary Funds	Fiduciary Fund A	Other Fiduciary Funds	Total Fiduciary Funds
Fiduciary net assets, beginning of year	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Fiduciary Revenues	xxx	xxx	xxx	xxx	xxx	xxx
Contributions	xxx	xxx	xxx	xxx	xxx	xxx
Investment earnings	xxx	xxx	xxx	xxx	xxx	xxx
Gain (Loss) on disposition of investments, net	xxx	xxx	xxx	xxx	xxx	xxx
Administrative and other expenses	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Disbursements to and on behalf of beneficiaries	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Increase/(Decrease) in fiduciary net assets	xxx	xxx	xxx	xxx	xxx	xxx
Fiduciary net assets, end of year	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx

[Fiduciary Fund A] was authorized by *[legislation]*, which authorized *[component entity]* to collect *[type of collections]* on behalf of *[beneficiaries]*. Other fiduciary activities by *[component entity]* include *[fiduciary activities included in "other"]*.

**Fiduciary
Net Assets**

As of September 30, 2XXX (CY) and
2XXX (PY)

	2XXX (CY)	2XXX (CY)	2XXX (CY)	2XXX (PY)	2XXX (PY)	2XXX (PY)
	Fiduciary Fund A	Other Fiduciary Funds	Total Fiduciary Funds	Fiduciary Fund A	Other Fiduciary Funds	Total Fiduciary Funds
FIDUCIARY ASSETS						
Fund Balance w/ Treasury	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx	\$ xxx
Cash and cash equivalents	xxx	xxx	xxx	xxx	xxx	xxx
Investments						
Investments in Treasury Securities	xxx	xxx	xxx	xxx	xxx	xxx
Investments in non-Treasury securities	xxx	xxx	xxx	xxx	xxx	xxx
Other assets	xxx	xxx	xxx	xxx	xxx	xxx
Less: Liabilities	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Total Fiduciary net assets	\$ xxx	\$ xxx	\$ xxx	\$xxx	\$xxx	\$xxx

Description of non-monetary fiduciary assets (composition of the assets, method(s) of valuation, and changes from prior period):

Department
of XYZ

**Schedule of Changes in Non-Valued
Fiduciary Assets**

As of September 30, 2XXX (CY) and
2XXX (PY)

	<u>2XXX(CY)</u>	<u>2XXX(PY)</u>
Beginning Quantity	xxx	xxx
Additions	xxx	xxx
Dispositions	xxx	xxx
Net Increase/Decrease	<u>xxx</u>	<u>xxx</u>
Ending Quantity	<u>xxx</u>	<u>xxx</u>

Description of non-valued fiduciary assets: _____

II.3.8.37. Note 37: Restatements

If material misstatements are identified in the prior period financial statements, the entity must explain the material misstatements.

If the amount of the misstatement is known, disclose restatement information in accordance with SFFAS 21, paragraph 10, and the actions management took after discovering the error in accordance with the procedures provided in the “Management Actions Related to Corrections of Errors” subsection in II.3.4.4. above (i.e., whether the subsequent period audited financial statements were “imminent” or not imminent and when the entity restated). Under OMB’s current audit bulletin, “imminent” means “within 90 calendar days of the subsequent period financial statements planned issue date.”

If the amount of the misstatement is unknown, disclose:

1. A statement that a material misstatement or potential material misstatement affects a previously issued financial statements, but the specific amount of the misstatement and the related effect of such are not known,
2. The nature and cause of the misstatement or potential misstatement,
3. An estimate of the magnitude of the misstatement or potential misstatement and the related effect of such on previously issued financial statements (e.g., the specific statement and line items affected) that are known and a statement that the specific amount and related effect of such cannot be determined without further investigation, and
4. A statement disclosing that a restatement to a previously issued financial statement will or may occur.

II.3.8.38. Note 38: Reconciliation of Net Cost to Net Outlays

Disclose a reconciliation of net cost to net outlays as required by SFFAS 7, as amended by SFFAS 53, *Budget and Accrual Reconciliation*, **following the guidance in the TFM to the extent possible**. Entities should ensure that the note explains the purpose, nature, and significant line items in the reconciliation and are strongly encouraged to use the TFM crosswalk, but should be advised that it is not all inclusive and presents only the most common scenarios. Management discretion and professional judgment must be used when preparing this reconciliation; the FY 2020 reconciliation may be presented as it was in FY 2020 or modified to conform with the FY 2021 presentation.

When submitting notes using MAX, significant entities must also submit the crosswalk used to prepare Note 38 and reconcile the information in Note 38 with the new investment information in Note 5, the new information required for loans and loan guarantees in Tables N and P in Note 8, and the components of the changes in PP&E, Net in Note 10.

In addition, the following guidance applies to entities with loans receivables under FCRA.

- Net cost should be reconciled to net outlays, which should exclude financing account activity. As shown on the SBR, net outlays represent net budgetary outlays and do not include net disbursements of credit financing accounts.
- To account for timing differences between SFFAS 2 and the budget with respect to the subsidy cost, (1) the current year accrual subsidy cost should be included in the current year’s “components of net cost that are not part of net outlays” section of the reconciliation and (2) the current year budget subsidy cost should be included in the “components of net outlays that are not part of net cost” section of the reconciliation.

- The change in FCRA loan receivables should not be reflected as a reconciling item (because credit programs affect net cost and net outlays via the subsidy cost).

II.3.8.39. Note 39: Public-Private Partnerships

SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, paragraph 16 defines public-private partnerships as “risk-sharing arrangements or transactions with expected lives greater than five years between public and private sector entities.” Arrangements or transactions that are not excluded by SFFAS 49 paragraph 15 and meet the definition in paragraphs 16 through 18 should be assessed against the risk-based characteristics in paragraphs 20 and 21.

“Risk” refers to financial risk. Risk of loss relates to losses beyond the types of costs anticipated in the normal course of the agreement, assuming the agreement is carried out over its expected life (i.e., it is risk not fully reflected in the consideration exchanged in executing the agreements or in the terms and conditions of the agreements). Such risks of loss may relate, for example, to termination, default, or noncompliance with the agreement. As such, loan, loan guarantee, insurance, and grant programs are not public-private partnerships.

See SFFAS 49, paragraph 24, for the required disclosures. Such disclosures should state in plain language the nature and magnitude of risk of loss. The magnitude of potential risk of loss should be considered in determining whether a P3 is material to the reporting entity’s financial statements. Remote risks of loss should only be disclosed if they are included in the terms of the agreement and should be accompanied by an explanation that the risk of loss is remote.

Entities should disclose the amounts received and paid by the Government during the current and prior reporting periods and amounts to be received and paid in the aggregate over the expected life of the P3, as shown in the illustrative table below. Similar agreements or contracts may be combined.

Public-Private Partnerships Agreements/Contracts	Fiscal Year [Current Year or Prior Year]			
	Actual Amount Received in FY	Actual Amount Paid in FY	Estimated Amount to be Received in Future Years	Estimated Amount to be Paid in Future Years
Agreement/Contract Group 1	XXX	XXX	XXX	XXX
Agreement/Contract Group 2	XXX	XXX	XXX	XXX
Agreement/Contract Group 3	XXX	XXX	XXX	XXX
Estimated Total	XXX	XXX	XXX	XXX

For FY 2021, comparative information is required.

II.3.8.40. Note 40: Disclosure Entities and Related Parties

Disclose information about disclosure entities and related parties in accordance with SFFAS 47.

For each significant disclosure entity and aggregation of disclosure entities (as defined in SFFAS 47, paragraphs 43-46), disclosure requirements can be found in paragraphs 71-78.

Agencies with a small number of disclosure entities or no balances from transactions with disclosure entities may report this information in Note 1. Agencies reporting information about future exposures may include this information in their existing note on commitments or contingencies rather than duplicating that information here, but should disclose the disclosure entity in this note.

For a related party (as defined in SFFAS 47, paragraphs 80-87), disclosure requirements can be found in paragraphs 88-89.

II.3.8.41. Note 41: Insurance Programs

Exchange transaction insurance programs other than life insurance need to make disclosures as specified in SFFAS 51 paragraphs 38-41.

Non-exchange transaction insurance programs need to make disclosures as specified in SFFAS 51 paragraphs 49-52.

Life insurance programs need to make disclosures as specified in SFFAS 51 paragraphs 65-68 in the Federal employee and veteran benefits payable note (Note 15).

II.3.8.42. Note 42: COVID-19 Activity

Entities with a significant amount of budgetary activity in FY 2021 associated with responding to COVID-19 (and the economic consequences of it) should include a separate COVID-19 note. The note should specify:

- the source and amount of budgetary resources used, the programs or activities funded, obligations incurred, any budgetary resources remaining available beyond FY 2021, and
- the impact on the entity's assets, liabilities, costs, revenues, net position, and other results, and any other information management thinks would be useful to the reader of the AFR/PAR.

If the entity disclosed a COVID-19 activity note for FY 2020, the FY 2021 note should be comparative and unobligated balances carried over from FY 2020 should be disclosed.

The note should also identify all other notes that discuss COVID-19 impacts. For examples of COVID notes, see Note 24 in the Department of Transportation's 2020 AFR [2020 at Agency Financial Report - U.S. Department of Transportation](#) and also see Note 26 in the Department of Veterans Affairs 2020 AFR at [FY 2020 Agency Financial Report \(va.gov\)](#).

Significant entities required to prepare financial statements in accordance with accounting standards other than those promulgated by FASAB will be contacted by Fiscal Service for reclassified statement information necessary for the audit of the Government-wide statements.

II.3.8.43. Note 43: Subsequent Events

Disclose in this note or other applicable note(s) any significant events or transactions that occurred after the date of the Balance Sheet but before the issuance of the entity's audited financial statements that have a material effect on the financial statements and, therefore, require adjustments to or disclosure in the statements. If such disclosure is made elsewhere in the notes, this note should include references to the applicable note(s).

II.3.8.44. Note 44: Non-Custodial Non-Exchange Revenues

Disclose (as shown in the illustrative tables below) information about the collection of non-custodial non-exchange revenue in accordance with SFFAS 7, paragraphs 64-66, including: (1) basis of accounting; (2) for entities that collect taxes and duties, factors affecting the collectability and timing of accounts receivable; (3) for entities that collect taxes and duties, cash collections and refunds by tax year and type of tax during the current fiscal year and during the prior fiscal year(s) as appropriate; and (4) the reason(s), if any, for not recording trust fund revenues in accordance with applicable law.

	Current Tax Year	Prior Tax Year	Prior Tax Year Minus 1	All Other Prior Tax Years	Current Year Collections
Non-Exchange Revenue					
Revenue Source #1	XXX	XXX	XXX	XXX	XXX
Revenue Source #2	XXX	XXX	XXX	XXX	XXX
Other Revenue	XXX	XXX	XXX	XXX	XXX
[Subtotal]/[Total]	XXX	XXX	XXX	XXX	XXX
[Less: amounts collected for non-federal entities]	XXX	XXX	XXX	XXX	XXX
[Total amount of federal revenues collected]	XXX	XXX	XXX	XXX	XXX

	Current Tax Year	Prior Tax Year	Prior Tax Year Minus 1	All Other Prior Tax Years	Current Year Refunds
Refunds/Payments					
Revenue Source #1					
Revenue Source #2	XXX	XXX	XXX	XXX	XXX
Other revenue	XXX	XXX	XXX	XXX	XXX
Total amount of refunds	XXX	XXX	XXX	XXX	XXX

Note Disclosure Related to the Balance Sheet, SNC, and SCNP

II.3.8.45. Note 45: Reclassification of Financial Statement Line Items for Financial Report Compilation Process

This note shows how line items in the statements of **significant entities** relate to line items that can be used to compile the *Financial Report* statements and is broken out between Funds from Dedicated Collections and other funds.

Significant entities using the Balance Sheet Template in section II.3.2.2 do not need to disclose any Balance Sheet information in this Note. However, significant entities not using the Illustrative Statement for Note 20 in section II.3.8.20 must disclose a reclassification of the Balance Sheet using the crosswalk found here: [The U.S. Standard General Ledger \(treasury.gov\)](http://www.treasury.gov).

All significant entities must disclose a reclassification of the entity’s SNC and SCNP using the crosswalks found here: [The U.S. Standard General Ledger \(treasury.gov\)](http://www.treasury.gov).

Significant entities required to prepare financial statements in accordance with accounting standards other than those promulgated by FASAB will be contacted by Fiscal Service for reclassified statement information necessary for the audit of the Government-wide statements.

Below is an explanatory note for significant entities to use to explain the reclassification note.

To prepare the *Financial Report of the U.S. Government (Financial Report)*, the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a [Reclassified Balance Sheet [for agencies not using the Balance Sheet Template]], Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the *Financial Report* statements. This note shows the [Entity]'s financial statements and the [Entity's] reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated *Financial Report* line items. A copy of the 2020 *Financial Report* can be found here: [Bureau of the Fiscal Service - Reports, Statements & Publications \(treasury.gov\)](https://www.treasury.gov/budget/financial-reports) and a copy of the 2021 *Financial Report* will be posted to this site as soon as it is released.

The term “intragovernmental” is used in this note to refer to amounts that result from other components of the Federal Government.

The term “non-Federal” is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments.

Below are illustrative tables that show how agency statements are reclassified for the *Financial Report*. **Significant entities should modify the illustrative statements below to show in the two “Entity” columns the line items from their financial statements** and to show in the six Government-wide columns line items from their reclassified financial statements (broken out between Funds from Dedicated Collections and other funds).

The “Dedicated Collections Combined” column should reflect all transactions that involve Funds from Dedicated Collections, including intra-entity and inter-entity transactions. The consolidated presentation must include all inter-entity transactions that involve Funds from Dedicated Collections.

The “Dedicated Collections Eliminations” column should reflect intra-entity transactions that involve only Funds from Dedicated Collections.

The “All Other Amounts (with Eliminations)” column should reflect inter-entity transactions that involve only non-dedicated collections. It should not reflect transactions that are intra-entity (except transaction with Funds from Dedicated Collections) or transactions that are included in the Funds from Dedicated Collections Combined column.

The “Eliminations between Dedicated and All Other” column should reflect intra-entity transactions between Funds from Dedicated Collections and other funds, i.e., intra-entity transactions that involve Funds from Dedicated Collections on one side of the transaction and funds from non-dedicated collections on the other side.

The “total” column should reflect inter-entity transactions involving Funds from Dedicated Collections, inter-entity transactions not involving any Funds from Dedicated Collections, and intra-entity eliminations between Funds from Dedicated Collections and Funds from Other than Dedicated Collections.

Significant entities are not expected to use all of the lines shown below and may use additional lines that are not shown below (for amounts that are aggregated in the entity statements and disaggregated in the *Financial Report*).

When submitting financial statement notes using MAX, agencies must also submit the crosswalk used to prepare Note 45. The crosswalk must show the adjustments made to reclassify the balances, a comparison of the reclassified balances to the agency’s GTAS submission, and an explanation of any differences. The reclassified statements presented in this note should agree with the reclassified statements in GTAS and agencies should be able to support amounts reflected in GTAS, including amounts associated with Funds from Dedicated Collections.

Illustrative Reclassification of Balance Sheet to Line Items Used for the Government-wide Balance Sheet as of September 30, 2021

FY 2021 [Entity] Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
ASSETS							ASSETS
Intragovernmental Assets							Intragovernmental Assets
FBWT							FBWT
Federal Investments							Federal Investments
Interest Receivable - Investments							Interest Receivable - Investments
<i>Total Investments</i>							<i>Total Reclassified Investments</i>
Assets for Agency Custodial and Non-Entity Liabilities – Other than the General Fund							Assets for Agency Custodial and Non-Entity Liabilities – Other than the General Fund
Accounts Receivable, capital transfers							Accounts Receivable, capital transfers
Benefit Program Contributions Receivable							Benefit Program Contributions Receivable
Accounts Receivable, Net							Accounts Receivable, Net
Transfers Receivable							Transfers Receivable
<i>Total Accounts Receivable, Net</i>							<i>Total Reclassified A/R, Net</i>
Interest Receivable – Loans and Not Otherwise Classified							Interest Receivable – Loans and Not Otherwise Classified
Loans Receivable							Loans Receivable
<i>Total Loans Receivable</i>							<i>Total Reclassified Loans Receivable</i>
Advances to Others and Prepayments							Advances to Others and Prepayments
Other Assets							Other Assets
Assets for Agency’s Custodial and Non-Entity Liability							Assets for Agency’s Custodial and Non-Entity Liability
<i>Total Other Assets</i>							<i>Total Reclassified Other Assets</i>
Total Intragovernmental Assets							Total Intragovernmental Assets
Cash and Other Monetary Assets							Cash and Other Monetary Assets
Accounts Receivable, Net							Accounts Receivable, Net
Loans Receivable, Net							Loans Receivable, Net
Inventory and Related Property, Net							Inventory and Related Property, Net
General PP&E, Net							General PP&E, Net
Investments							Investments
Investments in GSEs							Investments in GSEs
Advances to Others and Prepayments							Advances to Others and Prepayments

Other Assets							Other Assets
Total Assets							Total Assets
LIABILITIES							LIABILITIES
Intragovernmental Liabilities							Intragovernmental Liabilities
Liability for FBWT							Liability for FBWT
Accounts Payable, capital transfers							Accounts Payable, capital transfers
Benefit Program Contributions Payable							Benefit Program Contributions Payable
Accounts Payable							Accounts Payable
Transfers Payable							Transfers Payable
<i>Total Accounts Payable</i>							<i>Total Reclassified Accounts Payable</i>
Federal Debt							Federal Debt
Interest Payable – Debt							Interest Payable – Debt
<i>Total Federal Debt and Interest Payable</i>							<i>Total Reclassified Federal Debt and Interest Payable</i>
Interest Payable – Loans and Not Otherwise Classified							Interest Payable – Loans and Not Otherwise Classified
Loans Payable							Loans Payable
<i>Total Debt Associated with Loans</i>							<i>Total Reclassified Debt Associated with Loans</i>
Advances from Others & Deferred Revenue							Advances from Others and Deferred Revenue
Other Liabilities (w/o reciprocals)							Other Liabilities (w/o Reciprocals)
Total Other Liabilities							Total Reclassified Other Liabilities
Liability to GF of the USG for Custodial and Other Non-Entity Assets							Liability to GF of the USG for Custodial and Other Non-Entity Assets
Liability to Agency other than GF for Custodial and Other Non-Entity Assets							Liability to Agency other than GF for Custodial and Other Non-Entity Assets
<i>Total Other</i>							<i>Total Reclassified Other</i>
Total Intragovernmental Liabilities							Total Intragovernmental Liabilities
Accounts Payable							Accounts Payable
Federal Debt and Interest Payable							Federal Debt and Interest Payable
Federal Employee [and Veteran Benefits] Payable							Federal Employee [and Veteran Benefits] Payable
Environmental and Disposal Liabilities							Environmental and Disposal Liabilities
Benefits Due and Payable							Benefits Due and Payable
Loan Guarantee Liabilities							Loan Guarantee Liabilities
Liabilities to GSEs							Liabilities to GSEs
Insurance and Guarantee Program Liabilities							Insurance and Guarantee Program Liabilities
Advances from Others & Deferred Revenue							Advances from Others & Deferred Revenue
Other Liabilities							Other Liabilities

Total Liabilities							Total Liabilities
NET POSITION							NET POSITION
Unexpended Appropriations – Funds from Dedicated Collections							Unexpended Appropriations – Funds from Dedicated Collections
Unexpended Appropriations – Funds from Other than Dedicated Collections							Unexpended Appropriations – Funds from Other than Dedicated Collections
Total Unexpended Appropriations							Total Unexpended Appropriations
Cumulative Results of Operations – Funds from Dedicated Collections							Cumulative Results of Operations – Funds from Dedicated Collections
Cumulative Results of Operations – Funds other than those from Dedicated Collections							Cumulative Results of Operations – Funds other than those from Dedicated Collections
Total Cumulative Results of Operations							Total Cumulative Results of Operations
Total Net Position							Total Net Position
Total Liabilities & Net Position							Total Liabilities & Net Position

Illustrative Reclassification of Statement of Net Cost to Line Items Used for the Government-wide Statement of Net Cost for the Year Ending September 30, 2021

FY 2021 [Entity] SNC		Line Items Used to Prepare FY 2021 Government-wide SNC					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Gross Costs							<i>Non-Federal Costs</i>
							Non-Federal Gross Cost
							Interest on Debt Held by the Public
							General PP&E Partial Impairment Loss
							<i>Total Non-Federal Costs</i>
							<i>Intragovernmental Costs</i>
							Benefit Program Costs
							Imputed Costs
							Buy/Sell Costs
							Purchase of Assets
							Federal Securities Interest Expense
							Borrowing and Other Interest Expense
							Borrowing Losses
							Other Expenses (w/o Reciprocals)
						Purchase of Assets Offset	
						<i>Total Intragovernmental Costs</i>	
<i>Total Gross Costs</i>							<i>Total Reclassified Gross Costs</i>
Earned Revenue							Non-Federal Earned Revenue
							<i>Intragovernmental Revenue</i>
							Buy/Sell Revenue
							Benefit Program Revenue
							Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
							Borrowing and Other Interest Revenue
							Borrowing Gains
							Custodial Collections Transferred to a TAS Other than the General Fund - Exchange
							Collections Transferred in to a TAS Other than the General Fund – Exchange
							Accrual of Custodial Collections Yet to be Transferred to a TAS Other than the General Fund – Exchange
							Accrual for Agency Amounts to be Collected in TAS Other than the General Fund – Exchange
						<i>Total Intragovernmental Earned Revenue</i>	
<i>Total Earned Revenue</i>							<i>Total Reclassified Earned Revenue</i>
Gain/Loss-Pension/ORB/OPEB Assumptions							Gain/Loss on Changes in Actuarial Assumptions (Non-Federal)
Net Cost							Net Cost
Exchange Statement of Custodial Activity							
Exchange Custodial Collections from SCA							Non-Federal Earned Revenue
							Buy/Sell Revenue (Federal)
<i>Total Exchange Custodial Collections</i>							<i>Total Reclassified Exchange Custodial Collections</i>
Disposition of Exchange Custodial Collections from SCA							<i>Intragovernmental Earned Revenue</i>
							Custodial Collections Transferred to a TAS Other than the General Fund

							Accrual of Custodial Collections Yet to be Transferred to a TAS Other than the General Fund
							Accrual for Agency Amounts to be Collected in a TAS Other than the General Fund
							Total Intragovernmental Earned Revenue
<i>Total Disposition of Exchange Custodial Collection</i>							<i>Total Reclassified Disposition of Custodial Collections</i>

**Illustrative Reclassification of Statement of Changes in Net Position to Line Items Used for Government-wide
Statement of Operations and Changes in Net Position for the Year Ending September 30, 2021**

FY 2021 [Entity] SCNP		Line Items Used to Prepare FY 2021 Government-wide SCNP					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
UNEXPENDED APPROPRIATIONS							
Unexpended Appropriations, Beginning Balance							Unexpended Appropriations, Beginning Balance
Changes in Accounting Principles							Changes in Accounting Principles*
Corrections of Errors							Corrections of Errors*
<i>Total Corrections of Errors</i>							<i>Total Reclassified Corrections of Errors</i>
Appropriations Received							Appropriations Received
Other Adjustments							Other Adjustments
Appropriations Transferred In/Out							Appropriations Transferred In/Out
Appropriations Used							Appropriations Used
Total Unexpended Appropriations							Total Unexpended Appropriations
CUMULATIVE RESULTS OF OPERATIONS							
Cumulative Results, Beginning Balance							Cumulative Results, Beginning Balance, as adjusted
Changes in Accounting Principles							Changes in Accounting Principles*
Correction of Errors							Corrections of Errors*
Other Adjustments							Other Adjustments
Non-Exchange Revenues							Non-Federal Non-Exchange Revenues
							Individual Income Tax and Tax Withholdings
							Corporate Income Taxes
							Miscellaneous Taxes and Receipts
							Total Non-Federal Non-Exchange Revenues
							Federal Non-Exchange Revenue
							Total Federal Non-Exchange Revenue
<i>Total Non-Exchange Revenues</i>							<i>Total Non-Exchange Revenues</i>
Donations and Forfeitures of Property							Donations and Forfeitures of Property
Transfers In/Out w/o Reimbursement – Budgetary							Transfers In/Out w/o Reimbursement-Budgetary
Other							Other
Donations and Forfeitures of Cash and Cash Equivalents							Donations and Forfeitures of Cash and Cash Equivalents
Imputed Financing							Imputed Financing Sources
Total Financing Sources							Total Financing Sources
Net Cost of Operations							Net Cost of Operations
Ending Balance – Cumulative Results of Operations							Cumulative Results of Operations
Total Net Position							Net Position
Non-Exchange Statement of Custodial Activity							
Non-Exchange Custodial Collections from the SCA							Individual Income Tax and Tax Withholdings
							Corporate Income Taxes
							Miscellaneous Taxes and Receipts
							Other Cash Collections
							Accrual Adjustments

							Less Refunds and Other Payments
<i>Total Non-Exchange Custodial Collections</i>							Net Custodial Revenue
Disposition of Non-Exchange Custodial Collections from the SCA							Amounts Provided to Fund Non-Federal Entities
							Amounts Provided to Fund the Federal Government
							Non-Cash Accrual Adjustment
							Retained by Reporting Entity.
<i>Total Disposition of Non-Exchange Custodial Collections</i>						<i>Total Distribution of Collections</i>	
						<i>Net Custodial Activity</i>	

Note: Specify whether asterisked (*) items include intragovernmental activity.

II.3.9. Required Supplementary Information

II.3.9.1. Management's Discussion and Analysis

See also Section II.2. All RSI should be presented on a comparative basis when meaningful. When information is required for the first time, it need not be reported for the prior year.

II.3.9.2. Federal Oil and Gas Resources

SFFAS 38, *Accounting for Federal Oil and Gas Resources* requires that the value of the Government's estimated petroleum royalties from the production of Federal oil and gas proved reserves to be reported in a schedule. A schedule of estimated Federal oil and gas petroleum royalties to be distributed to others must be reported for the value of estimated petroleum royalty revenue designated for others.

II.3.9.3. Other Federal Natural Resources

FASAB Technical Bulletin 2011-1, *Accounting for Federal Natural Resources Other than Oil and Gas*, clarifies that entities should report as RSI the value of the Government's estimated royalties and other revenue for other Federal natural resources that are: (1) under long-term lease, long-term contract, or other long-term agreement and (2) reasonably estimable as of the reporting date, consistent with SFFAS 38.

Resources may be divided by subtype of commodity and calculated separately if material differences would result. Each of the individual calculations should be reported separately and then aggregated to show the reporting entity's total estimated natural resources under lease, contract, or other long-term agreement. If a majority of the reporting entity's estimated revenue from natural resources under lease, contract or other long-term agreement is to be distributed to others, the value of the revenue to be distributed should be estimated and reported in a schedule.

II.3.9.4. Deferred Maintenance and Repairs

In accordance with SFFAS 42, *Deferred Maintenance and Repairs: Amending SFFASs 6, 14, 29, and 32*, entities must: (1) describe their maintenance and repairs policies and how they are applied, (2) discuss how they rank and prioritize maintenance and repair activities among other activities, (3) identify factors considered in determining acceptable condition standards, (4) state whether deferred maintenance and repairs relate solely to capitalized general PP&E and stewardship PP&E or also to non-capitalized or fully depreciated general PP&E, (5) identify PP&E for which management does not measure and/or report deferred maintenance and repairs and the rationale for the exclusion of other than non-capitalized or fully depreciated general PP&E, (6) provide beginning and ending deferred maintenance and repairs balances by category of PP&E, and (7) explain significant changes from the prior year.

In addition, condition standards, related assessment methods, and reporting must be consistently applied unless management determines that changes are necessary.

II.3.9.5. Social Insurance

RSI disclosure requirements for social insurance programs identified in II.3.7.1 and the Unemployment Insurance (UI) program are summarized below. Preparers and auditors should refer to SFFAS 17 for more details.

The following is required as RSI unless the preparer elects to include some or all of the

information in the notes (Note 35).

- Long-range cash flow projections.
- Long-range projections of the ratio of contributors to beneficiaries (dependency ratio).
- Sensitivity analysis illustrating the effect of the changes in the most significant assumptions on the projections and present values.
- State-by-state solvency analysis for the UI program.

Financial and actuarial disclosures should be accompanied by a description of the program, including how it is financed, how benefits are calculated, and an analysis of trends. Additional information on definitions, measurement, minimum reporting, implementation guidance and illustrative disclosure formats are in SFFAS 17.

All programs should provide sensitivity analyses appropriate for their particular circumstances. SFFAS 37 requires the Social Security, Medicare, and Railroad Retirement programs to provide a sensitivity analysis of the open group measure in the SOSI summary. See Section 11.3.7 for more information on the SOSI summary. Per SFFAS 37, the reporting entity should state that the amounts of the open and closed group measures depend on the assumptions used and that actual experience is likely to differ from the estimate. See SFFAS 37 for additional guidance regarding sensitivity analysis reporting requirements.

II.3.9.6. Combining Statement of Budgetary Resources

Budgetary information aggregated for the SBR should be disaggregated for each of the entity's major budget accounts and presented as RSI; small budget accounts may be aggregated. The total on this combining statement should equal the amount reported on the face of the SBR.

II.3.9.7. Custodial Activity

Entities collecting taxes and duties should provide the following RSI related to potential collections and custodial responsibilities (per SFFAS 7):

- A discussion of the factors affecting the collectability of compliance assessments recognized as taxes receivable;
- If reasonably estimable, claims for refunds that are not yet accrued but are likely to be paid when administrative action is complete;
- The amount of assessments that the entity still has statutory authority to collect at the end of the period, but that have no future collection potential and are therefore defined as write-offs; and
- If reasonably estimable, the amounts by which trust funds may be over- or under-funded in comparison with requirements of law. This information should also be presented by recipient entities that are trust funds.

These disclosures are not applicable to exchange revenue presented on the SCA.

II.4. Other Information – AFR Section 3/PAR Section 4

II.4.1. Revenue Forgone

If the entity discloses differences between the price it charges in exchange transactions and the full cost or market price, it should consider providing an estimate of the amount of revenue forgone and explaining to what extent the quantity demanded was assumed to change as a result of a difference in price.

II.4.2. Tax Burden, Tax Gap, and Tax Expenditures

Entities that collect taxes may consider presenting (1) a perspective on the income tax burden and (2) information on the size of the tax gap in accordance with SFFAS 7, paragraph 69.

Entities with information on tax expenditures may present such information in accordance with SFFAS 7, paragraph 69.3.

II.4.3. Management and Performance Challenges

As required by the Reports Consolidation Act of 2000, the AFR or PAR must include as OI a statement by the agency's IG summarizing what the IG considers to be the most serious management and performance challenges facing the agency and assessing the agency's progress in addressing those challenges. The statement must be provided to the agency head at least 30 days before the AFR or PAR due date and comments by the agency head, if made, should follow the IG's statement and address each IG challenge. The agency head may comment on, but may not modify, the IG statement.

II.4.4. Summary of Financial Statement Audit and Management Assurances

Tables 1 and 2 below are required. Each material weakness should be listed using a unique, short name. As discussed in Section II.2.5, management should review its FMFIA assurance statements for consistency with the findings specified in the annual financial statement audit report.

Management's and the auditor's conclusions could be different, but they should not be in direct conflict. When management does not agree with the auditor, management should explain why it does not agree and describe how the disagreement will be addressed. To the extent possible, material weakness names should be kept constant from year to year.

Significant deficiencies are not required to be reported.

Beginning balances should be included in the table when the draft AFR or PAR is submitted to OMB for review even if auditor-reported material weaknesses have not yet been identified.

Table 1. Summary of Financial Statement Audit

Audit Opinion	Unmodified or modified (qualified, disclaimer, or adverse)				
Restatement	Yes or No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
[Name of weakness]					
[Name of weakness]					
[Name of weakness]					
<i>Total Material Weaknesses</i>	##	##	##	##	##

Table 2. Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified, Modified, or No Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of weakness]						
[Name of weakness]						
[Name of weakness]						
<i>Total Material Weaknesses</i>	##	##	##	##	##	##
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified, Modified, or No Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of weakness]						
[Name of weakness]						
[Name of weakness]						
<i>Total Material Weaknesses</i>	##	##	##	##	##	##
Conformance with Federal Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems conform, except for instances of non-conformance, or do not conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of non-conformance]						
[Name of non-conformance]						
[Name of non-conformance]						
<i>Total non-conformances</i>	##	##	##	##	##	##
Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
1. Federal Financial Management System Requirements	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		
2. Applicable Federal Accounting Standards	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		
3. USSGL at Transaction Level	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		

- Beginning Balance:** The beginning balance must agree with the ending balance from the prior year.
- New:** The total number of material weaknesses/non-conformances identified during the current year.
- Resolved:** The total number of material weaknesses/non-conformances that dropped below the level of materiality in the current year.
- Consolidated:** The combining of two or more findings.
- Reassessed:** The removal of any finding not attributable to corrective actions (e.g., management has re-evaluated and determined that a finding does not meet the criteria for materiality or is redefined as more correctly classified under another heading).
- Ending Balance:** The year-end balance that will be the beginning balance next year.

II.4.5. Payment Integrity Information Act Reporting

Information previously contained in this section that is not explicitly required below will be collected by OMB through the Annual Data Call and published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov). Agencies should consult the Annual Data Call guidance (<https://community.max.gov/x/HsVHg>) to determine which requirements apply to them. If an agency provides information to OMB through the Annual Data Call, then the agency must include the website hyperlink for [PaymentAccuracy.gov](https://www.paymentaccuracy.gov) in their AFR or PAR.

The Payment Integrity Information Act of 2019 (Pub. L. No. 116-117, 31 U.S.C. § 3352) requires that actions taken to address recovery auditor recommendations should be addressed in the AFR or PAR. If an agency has a recovery audit program and has received recommendations from their recovery auditors regarding actions that can be taken to prevent overpayments, the agency should report on actions taken.

II.4.6. Other Agency-specific Statutorily Required Reports

Any statutorily required reports not addressed in this Circular that pertain to financial or performance management may be included in the AFR or PAR after consultation with OMB and Congress. The head of the agency must determine if inclusion of an agency-specific report will make the reported information more useful to decision makers. Consultation with Congress includes the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Oversight and Reform of the House of Representatives, and any other committee of Congress having jurisdiction over the report being proposed for consolidation.

II.4.7. Civil Monetary Penalty Adjustment for Inflation

Under the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, agencies must make annual inflation adjustments to civil monetary penalties and report on these adjustments in their AFR or PAR.

Agencies must include, as OI, information about civil monetary penalties within their jurisdiction and the annual inflation adjustments made under the Act and are encouraged to include a table providing this information, as suggested below.

Statutory Authority	Penalty Name & Description	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
XX U.S.C. XXX; XX CFR XXX.XXX [Insert statutory and regulatory citations.]	XYZ Act: Violation of [Specify statutory requirements that are subject to		2020	Minimum: \$X Maximum: \$XX		[Insert Federal Register citation(s) and hyperlink(s).]

II.4.8. Biennial Review of User Fees

Under 31 U.S.C. § 902, CFOs are required to review on a biennial basis fees, royalties, rents and other charges imposed by the agency for services and things of value it provides and to make recommendations on revising those charges. The results of this review may be included in the AFR or PAR. See OMB Circular A-25, *User Charges*, for more information.

II.4.9. Grants Programs

The Grants Oversight and New Efficiency (GONE) Act (P.L. 114-117) reporting requirements have expired. Nevertheless, to promote the efficient administration of grants programs, all reporting entities with Federal grants programs must submit a brief high-level summary of expired, but not closed, Federal grants and cooperative agreements (awards), including:

1. A summary table (as shown below) of the total number of awards and balances for which closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2021 (i.e., on or before September 30, 2019).

CATEGORY	2-3 Years	3-5 Years	More than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances			
Number of Grants/Cooperative Agreements with Undisbursed Balances			
Total Amount of Undisbursed Balances			

2. A brief narrative of the progress made over the past year compared to the previous year's report, challenges preventing closeout of awards reported, and actions to be taken to close awards reported.

III. INTERIM STATEMENTS AND NOTES, AND VARIANCE ANALYSES FOR INTERIM AND YEAR-END STATEMENTS

III.1. Interim Statements

Significant entities must submit unaudited interim, as of June 30th, financial statements (Balance Sheet, SNC, and SCNP) **21 business days after the end of the third quarter** using MAX.

III.2. Statement Variances Required

Significant entities must provide comparative interim and year-end financial statement variance analyses for the Balance Sheet, SNC, SCNP in a spreadsheet or a PDF format.

- The variance analyses for the three financial statements should be in a file or attachment separate from the statements; a separate variance file is not required for each statement.
- The analyses should reflect variances between the third quarter and the same quarter from the prior year and between year-end and the prior year-end that exceed \$1 billion and 10 percent of the prior year amount.
- If a financial statement does not have variances between the comparative periods, then that should be noted.
- The analyses should include management's explanation for variances in types or amounts of assets, liabilities, costs, revenues, unexpended appropriations, and financing sources.

The analyses are due **45 business days after the end of the third quarter and fiscal year-end.**

III.3. Interim Notes and Supplemental Information

Significant entities must submit unaudited interim notes using MAX **45 business days after the end of the third quarter**. In addition, Fiscal Service will contact selected agencies using MAX notifications that the significant disclosure templates are available.

IV. GOVERNMENT-WIDE FINANCIAL REPORT

IV.1. Introduction

The Secretary of the Treasury, in coordination with the Director of OMB, prepares Government-wide financial statements and the Comptroller General audits the statements.

IV.2. Submission of Agency Data for Financial Report Compilation

IV.2.1. Significant Reporting Entities

All significant reporting entities must provide Fiscal Service with the required fiscal year-end data that is used to prepare the *Financial Report* using GTAS. Note 45 links the entities' audited consolidated department-level financial statements to the *Financial Report*.

Note 45 Requirements

- All significant entities must provide Note 45 information for all statements other than the Balance Sheet.
- Significant entities that do not use the Balance Sheet Template (from Section II.3.2.2) or do not use the Dedicated Collections Template in Note 20 must also provide Fiscal Service Note 45 information for the Balance Sheet.

Entities required to prepare statements in accordance with accounting standards other than those promulgated by FASAB will be contacted by Fiscal Service for Note 45 information necessary for the audit of the Government-wide statements.

As noted below, significant entities are required to reconcile intragovernmental balances with trading partners and resolve any identified differences throughout the reporting period and must submit intragovernmental balance information by trading partner.

Significant entities with a year-end other than September 30 are limited to audit assurance on material line items and note disclosures to which the significant entities contribute.

The Office of the CFO must provide a copy of the management representation letter (see Section IV.5) for the preparation of the Government-wide management representation letter and for the compilation of the *Financial Report*. The Office of the IG must provide a copy of the legal representation letter and related schedules for the compilation of the *Financial Report*. (See IV.4 and IV.5 for additional guidance).

IV.2.2. All Entities

All Executive Branch entities, including entities required to prepare statements in accordance with accounting standards other than FASAB, must submit their pre-closing adjusted trial balances (ATBs) through GTAS for the compilation of the *Financial Report*. (Reporting entities from the Legislative and Judicial Branches of the United States Government may

submit their ATBs.) The section pertaining to GTAS reporting can be found in the TFM, Volume 1, Part 2, Chapter 4700, Section 4755. The list of entities that are required to comply with this reporting requirement is provided in the TFM, Volume 1, Part 2, Chapter 4700, Appendix 1a.

IV.2.3. Reporting Under a Fiscal Year Other than the Federal Fiscal Year

Certain entities have fiscal year-ends other than September 30 and are referred to as “calendar-year entities.” Calendar-year entities must: (1) report to GTAS the September 30th balances in their adjusted trial balance, (2) obtain audit assurance on line items or note disclosures that contribute to the top 95 percent of the total line item data that are reported by Treasury, and (3) provide Fiscal Service a copy of the independent audit report that includes the results of the audit performed on the material line items and note disclosures identified by Fiscal Service. (See the TFM Volume 1, Part 2, Chapter 4700, Section 4735.40, Special Basis of Accounting, for additional guidance.) See section IV.5 for management representation requirements.

IV.2.4. Submission of Interim Data

Fiscal Service will use entities’ unaudited financial statements, notes, and other information as of June 30th for preliminary analysis for the *Financial Report*. As stated in Section III, significant entities must provide unaudited interim financial statements, notes, and supplemental information using MAX.

In addition, Fiscal Service will contact selected agencies, including entities required to prepare statements in accordance with accounting standards other than those promulgated by FASAB), to gather information needed for certain *Financial Report* notes and supplemental information. This includes investment information (Note 5), Dedicated Collections information (Note 20), COVID information (Note 42), and reclassified statement information (Note 45).

Agencies should prepare their year-end GTAS data entries as early as possible and notify Fiscal Service when the agency’s final year-end GTAS information has been submitted to the agency auditor and is available for review by Fiscal Service.

IV.3. Reconciling and Resolving Differences in Intragovernmental Balances and Transactions

Intragovernmental balances and transactions are integral to the consolidation of the financial information and the compilation process for the *Financial Report*. Transactions between and among Federal entities that can generate intragovernmental balances include:

- services or goods bought/sold, (i.e., buy/sell transactions),
- transfers of assets or budget authority,
- custodial and non-entity transactions with Federal entities other than the General Fund,
- transactions with the General Fund,
- investments or borrowings with the Treasury (Fiscal Service and the Federal Financing Bank), and
- benefits-related transactions with the Department of Labor and OPM.

Throughout the fiscal year and at year end, entities are required to reconcile intragovernmental balances and transactions with trading partners and resolve any identified differences, with the goal of resolving all differences prior to final submission of

data for the *Financial Report*.

See TFM 2-4700 for further guidance.

IV.4. Legal Representation Letter

Significant entity IGs must submit an interim and a final Legal Representation Letter prepared by the entity General Counsel summarizing and evaluating legal actions against the entity.

The entity General Counsel should (1) refer to OMB’s audit bulletin and (2) report pending and threatened litigation and unasserted claims above material dollar thresholds, which were agreed upon by the entity management and the IG. The General Counsel should provide the Legal Representation Letter in PDF format using the applicable forms (according to the type of case or group of cases reported) found at [Documents and Forms \(justice.gov\)](#).

Significant entity management should prepare a Management Schedule that summarizes the content of the Legal Representation Letters as disclosed in the entity’s financial statements using the template found at [Governmentwide Treasury Account Symbol](#).

Significant entity IGs must submit the Legal Representation Letters (combined and in PDF format) and Management Schedules (spreadsheet format only) to Fiscal Service, DOJ, and GAO via email.

The IG must notify GAO, DOJ, and Fiscal Service (see Appendix B for contact information) whether there were “no changes” or “changes” due to subsequent events that resulted in a change in the likelihood of loss or the amount of loss, or both, after the effective date of the final Legal Representation Letter but before the date of the audit report on the *Financial Report*. See TFM Volume I, Part 2, Chapter 4700, Section 4745, for additional guidance and TFM 2-4700, Figure 2 for applicable due dates.

IV.5. Written Representations from Management

Significant entity management representations, including those from calendar-year entities, must include all representations that are required by generally accepted auditing standards, OMB’s audit bulletin (Section 8, Written Representations from Management, and Appendix E), and TFM, Volume I, Part 2 Chapter 4700 (TFM-4700), *Agency Reporting Requirements for the Financial Report of the United States Government*.

U.S. Auditing Standards (Clarified) (AU-C) Section 580, *Written Representations*, provides specific representations that should be included in the written representations from management and states that one or more additional written representations from management may be necessary to support other audit evidence relevant to the financial statements or one or more specific assertions in the statements. The representations will depend on the circumstances of the engagement and the nature and basis of presentation of the financial statements. See AU-C Section 725, *Supplementary Information in Relation to the Financial Statements as a Whole*, and AU-C Section 730, *Required Supplementary Information*, for representations that should be obtained from management for RSI. General representations must be modified to be consistent with auditor-reported findings.

Under AU-C Section 580, management’s representations may be limited to matters that are

considered either individually or collectively material to the financial statements if management and the auditor have reached an understanding on materiality for this purpose. Materiality may be different for different representations. Management will specify materiality threshold(s) (as agreed upon with the auditor) in the written representations. Materiality considerations only apply to those representations that are directly related to amounts included in the financial statements. Because of the possible effects of fraud on other aspects of the audit, materiality does not apply to management's acknowledgment regarding its responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

Also, in accordance with AU-C Section 580, the written representations from management should be signed by those members of management with overall responsibility for financial and operating matters and who the auditor believes are responsible for and knowledgeable about, directly or through others in the organization, the matters covered by the representations. Such members of management generally include the head of the agency, the CFO, and any others deemed responsible for matters presented in the written representations.

As required by AU-C Section 580, the written representations from management should include a representation regarding the materiality of uncorrected financial statement misstatements identified by the auditor. A list of any uncorrected misstatements, using the "iron curtain" and rollover methods, should be attached to the written representations from management (see FAM Section 595C). If there are no uncorrected misstatements, a representation to this effect should be included in the management representation letter. In addition, the adjusting entries to correct the misstatements must be provided in the **standardized spreadsheet format** as shown in the FAM Section 595C along with the items listed below.

- The effect of the current-year's uncorrected misstatements and the carry-forward effect of the prior-year's uncorrected misstatements.
- USSGL account number and account description.
- Federal (F), General Fund (G), Non-reciprocating (Z), or Non-Federal (N) attribute for each USSGL account affected.
- A reference to an adjustment number or documentation reference.
- An indication as to whether management has agreed to record the adjustment in its financial statements.
- A statement as to whether the uncorrected misstatement is factual, judgmental, or projected.
- A description of the adjustment.
- The amount of the debit or credit.
- The line items affected in the entity's financial statements.

The Office of the CFO of significant entities should submit the signed written representations from management electronically in PDF format to OFFM, Fiscal Service, and Treasury (Main) using MAX and to GAO using the contact information provided in Appendix B. The written representations from management should be submitted as soon as they are available but no later than when the audited financial statements are due (see TFM 2-4700, Figure 2, *Reporting and Submission Dates*).

IV.6. Subsequent Events and Written Representations Update

Subsequent events, for the purposes of this section, are events occurring after the date the significant entity's management representations have been signed and financial statements have been issued and before the date specified by Treasury. These events may include, for example, the enactment of significant legislation, the occurrence of events affecting the realization of assets (such as receivables), or the settlement of estimated liabilities or contingencies (under SFFAS 39) that would have materially affected the significant entity's financial statements had the significant entity's report date been the date specified by Treasury.

The significant entity head, CFO, or others deemed responsible for management representations must email a subsequent events update to OFFM, Fiscal Service, Treasury (Main), and GAO (see Appendix B for contact information and TFM 2-4700, Figure 2, *Reporting and Submission Dates*). The notification should include: (1) the purpose of the update, (2) the subsequent events update, (3) the management representation update, and (4) a representation regarding the use of the update.

Below is an illustrative statement regarding the purpose of the update:

The purpose of this notification is to inform you whether (i) any subsequent events have occurred since the date of our AFR through [today/date specified by Treasury] that would have materially affected the amounts reported in our financial statements or would warrant additional disclosure had our report date been the date specified by Treasury and (ii) whether anything has come to our attention that would require us to modify our written management representations furnished to our auditors and sent to you on [insert date].

Subsequent Events Update:

If significant subsequent events occurred that would have required changes to amounts reported or additional disclosures, entities must describe the events. Below are illustrative statements of such updates:

After the issuance of our financial statements on November 15, 2021, Hurricane ABC occurred, which caused us to incur costs of \$XX billion in disaster relief, \$X billion of which was provided in Public Law 1XX-XX and \$X billion of which was available from unobligated carryover balances in the Disaster Relief Fund.

OR

After the issuance of our financial statements on November 15, 2021, a contingency existing as of September 30, 2021, was resolved, which caused us to pay \$XX billion. Our financial statements as of September 30, 2021, reflected a contingent liability related to such matter of \$YY billion.

If there are "no changes" to report, the following illustrative statement may be used:

Nothing has come to our attention that would materially affect amounts reported in our financial statements for the fiscal years ended September 30, 20xy and 20xx or require additional disclosures to these financial statements.

Management Representation Update:

If subsequent events occurred through the date specified by Treasury or circumstances have changed that affect the management representations, the significant entity will need to identify which representations need to be changed and how those representations need to be changed.

If no subsequent events occurred, then the following illustrative representation may be used:

Nothing has come to our attention that would require modification to the written representations from management furnished to our auditors and sent to you on [November XX, 202X].

Representation Regarding Use of Update:

Regardless of whether a significant entity reports a subsequent event, the subsequent events notification must state that the entity understands how the subsequent events update will be used by Treasury and OMB. The following illustrative paragraph may be used:

We understand that these representations will be relied upon by the Treasury and OMB in preparing the Government-wide written representations from management provided to the Government Accountability Office as part of its audit of the United States Government consolidated financial statements for the fiscal years ended September 30, 20xy and 20xx.

IV.7. Due Dates and Requirements

The due dates and requirements in the TFM, Volume 1, Part 2, Chapter 4700 (Figure 2), and Section I.5 of this Circular are “no later than” dates; earlier submissions are encouraged.

V. APPENDIX

V.1. Appendix A

Agencies Required to Submit Management and Legal Representation Letters

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
U.S. Agency for International Development
U.S. International Development Finance Corporation
Environmental Protection Agency
General Services Administration
Millennium Challenge Corporation
National Aeronautics and Space Administration
U.S. Nuclear Regulatory Commission
National Science Foundation
Office of Personnel Management
Small Business Administration
Social Security Administration
Export-Import Bank of the United States
Farm Credit System Insurance Corporation
Federal Communications Commission
Federal Deposit Insurance Corporation
General Fund of the U.S. Government
National Credit Union Administration
Pension Benefit Guaranty Corporation
Railroad Retirement Board
Securities and Exchange Commission
Security Assistance Accounts
Smithsonian Institution
Tennessee Valley Authority
U.S. Postal Service

V.2. Appendix B

MAX Submission: [Agency Financial Reporting - Financial Management Community - MAX Federal Community](#)

Contact Information

Office of Management and Budget

Email: csjohnson@omb.eop.gov

Telephone: (202) 395-7509

Department of the Treasury (Main)

E-mail: scott.bell@treasury.gov

Telephone: (202) 622-1797

Department of the Treasury

Bureau of Fiscal Service

E-mail: Financial.Reports@fiscal.treasury.gov

Telephone: (304) 480-6485

Government Accountability Office

E-mail: USCFS@gao.gov

Telephone: (202) 512-9613

Department of Justice

Office of the Assistant Attorney General

E-mail: Legal.letters@usdoj.gov

Telephone: (202) 307-5906

Department of Justice

Civil Division Communications Office

E-mail: Legal.letters@usdoj.gov

Telephone: (202) 307-5745