

Forward Funding Scenario

Forward funding is an appropriation of budget authority that becomes available for obligation in the last quarter of the fiscal year for the financing of ongoing grant programs during the next fiscal year.¹ The budget authority for such programs is included in the budget totals for the year in which it is appropriated. This device is often used for education programs, so that grants can be made on a school year basis. The language providing forward funding for education programs will specify that amounts appropriated, in most but not all cases, will not be available until some time into the year of the appropriation (e.g. July 1, 2004) and in most cases will specify that such amounts will remain available until the end of the succeeding fiscal year. In other cases (e.g. Federal Pell grants), the funds become available on October 1st but are not normally obligated until July 1st or later and are available for obligation for an additional year.

Forward funding is also used in the training and employment area. Forward funding for youth training grant programs provides appropriations for a program year that starts on April 1st of the fiscal year of the appropriation. Financing extends through June 30th of the following fiscal year. For most other training and employment programs, forward funding provides appropriations for a program year that starts July 1st of the fiscal year of the appropriation. Financing extends through June 30th of the following fiscal year. Program years are authorized for training programs under the Workforce Investment Act and operation of the State Employment Service under section 6 of the Wagner-Peyser Act.²

In an Appropriation Act for 2004 (multi-year): ...\$2,000 shall become available on July 1, 2004 (Quarter 4) and shall remain available through September 30, 2005 for the academic year 2004 – 2005.

October 1, 2003 (FY 2004 – Quarter 1)

- To record the enactment of an appropriation and receipt of warrants

FY 2004 – QTR 1			
<u>Budgetary Entry</u>			TC A104
DR 4119 Other Appropriations Realized	2,000		
CR 4450 Unapportioned Authority		2,000	
<u>Proprietary Entry</u>			
DR 1010 Fund Balance With Treasury	2,000		
CR 3101 Unexpended Appropriations – Appropriations Received		2,000	

¹ OMB Circular No. A-11(2004) Section 20.3(c).

² Budget of the United States, Appendix, Fiscal Year 2005 (pgs. 1199, 1200).

Forward Funding Scenario

2. To record budgetary authority apportioned by OMB and available for allotment.

FY 2004 – QTR 1		
<u>Budgetary Entry</u>		TC
DR 4450 Unapportioned Authority	2,000	A116
CR 4510 Apportionments	2,000	
(Avail. Time : S) ³		
<u>Proprietary Entry</u>		
None		

Pre - Closing Adjusting Trial Balance FY 2004 – QTR 1

FY 2004 - QTR 1	Debit	Credit
Budgetary		
4119	2,000	
4510		2,000
4450	<u>0</u>	<u>0</u>
Total	<u>2,000</u>	<u>2,000</u>
Proprietary		
1010	2,000	
3101	<u>0</u>	<u>2,000</u>
Total	<u>2,000</u>	<u>2,000</u>

³ Availability_Time attribute "S" – indicates that the budgetary resource is available for new obligations in a subsequent period. (USSGL TFM Supplemental, September 2004, pg. IV-51)

Forward Funding Scenario

⁴Closing Entries for Quarter 1 Reporting

- To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations Received	2,000	
CR 3100 Unexpended Appropriations Cumulative	2,000	TC F233

Post- Closing Trial Balance FY 2004 – QTR 1

FY 2004 – QTR 1	Debit	Credit
Budgetary		
4119	1,000	
4510	<u>0</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
1010	2,000	
3100	<u>0</u>	<u>2,000</u>
Total	<u>2,000</u>	<u>2,000</u>

⁴ Closing Entries are for illustrative purposes only.

Forward Funding Scenario

SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES As of June 30, 2004 (FY 2004 – QTRs 1 – 3)

BUDGETARY RESOURCES

1. Budget Authority	
A. Appropriations (4119E)	<u>2,000</u>
7. Total Budgetary Resources	<u><u>2,000</u></u>

STATUS OF BUDGETARY RESOURCES

10. Unobligated Balance Not available	
A. Apportioned For Subsequent Periods (4510 – S) ⁵	<u>2,000</u>
11. Total Status of Budgetary Resources	<u><u>2,000</u></u>

⁵ Availability_Time attribute “S” – available in subsequent period (Crosswalk line 10A – Apportioned in Subsequent Period)
(USSGL TFM Supplemental, September 2004, pgs. IV-51, V-12)

Forward Funding Scenario

Reversing Entries

- To reverse the entry to record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		TC F233
None		
<u>Proprietary Entry</u>		
DR 3100 Unexpended Appropriations Cumulative	2,000	
CR 3101 Unexpended Appropriations – Appropriations Received	2,000	

Beginning Trial Balance FY 2004 – QTR 4

FY 2004 – QTR 4	Debit	Credit
Budgetary		
4119	1,000	
4510	<u>0</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
1010	2,000	
3101	<u>0</u>	<u>2,000</u>
Total	<u>2,000</u>	<u>2,000</u>

Forward Funding Scenario

July 1, 2004 (FY 2004 – QTR 4)

1. To record allotment of authority.

FY 2004 – QTR 4			
<u>Budgetary Entry</u>			TC A120
DR 4510 Apportionments	2,000		
CR 4610 Allotments – Realized Resources	2,000		
<u>Proprietary Entry</u>			
None			

2. Purchase request for \$1,000, was approved. (Commitment)

FY 2004 – QTR 4			
<u>Budgetary Entry</u>			TC B202
DR 4610 Allotments – Realized Resources	1,000		
CR 4700 Commitments – Programs Subject to Apportionment	1,000		
<u>Proprietary Entry</u>			
None			

3. To record current-year undelivered orders.

FY 2004 – QTR 4			
<u>Budgetary Entry</u>			TC B204
DR 4700 Commitments– Programs Subject to Apportionment	1,000		
CR 4801 Undelivered Orders - Obligations, Unpaid	1,000		
<u>Proprietary Entry</u>			
None			

4. To record the delivery of goods and accrue a liability.

FY 2004 – QTR 4			
<u>Budgetary Entry</u>			TC B302
DR 4801 Undelivered Orders - Obligations, Unpaid	1,000		
CR 4901 Delivered Orders – Obligations, Unpaid	1,000		
<u>Proprietary Entry</u>			
DR 6100 Operating Expenses/Program Costs	1,000		
CR 2110 Accounts Payable	1,000		
DR 3107 Unexpended Appropriations - Used	1,000		B134
CR 5700 Expended Appropriations	1,000		

Forward Funding Scenario

5. Payment schedule certified and confirmed.

FY 2004 – QTR 4			
<u>Budgetary Entry</u>			TC B110
DR 4901	Delivered Orders – Obligations, Unpaid	1,000	
	CR 4902 Delivered Orders- Obligations, Paid	1,000	
<u>Proprietary Entry</u>			
DR 2110	Accounts Payable	1,000	
	CR 1010 Fund Balance With Treasury	1,000	

Pre - Closing Adjusted Trial Balance FY 2004

FY 2004	Debit	Credit
Budgetary		
4119	2,000	
4450		0
4510		0
4610		1,000
4700		0
4801		0
4901		0
4902	<u>0</u>	<u>1,000</u>
Total	<u>2,000</u>	<u>2,000</u>
Proprietary		
1010	1,000	
2110		0
3101		2,000
3107	1,000	
5700		1,000
6100	<u>1,000</u>	<u>0</u>
Total	<u>3,000</u>	<u>3,000</u>

Forward Funding Scenario

Closing Entries

- To record the closing of revenue, expense and other financing source accounts to cumulative results of operations.

<u>Budgetary Entry</u>		
None		
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	1,000	TC F228
CR 6100 Operating Expense/Program Costs	1,000	
AND		
DR 5700 Expended Appropriations	1,000	
CR 3310 Cumulative Results of Operations	1,000	

- To record the consolidation of actual net-funded resources.

<u>Budgetary Entry</u>		
DR 4201 Total Actual Resources - Collected	2,000	TC F204
CR 4119 Other Appropriations Realized	2,000	
<u>Proprietary Entry</u>		
None		

- To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		
DR 4902 Delivered Orders – Obligations, Paid	1,000	TC F214
CR 4201 Total Actual Resources - Collected	1,000	
<u>Proprietary Entry</u>		
None		

- To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		
None		TC F233
<u>Proprietary Entry</u>		
DR 3101 Unexpended Appropriations – Appropriations		
Received	2,000	
CR 3100 Unexpended Appropriations Cumulative	1,000	
CR 3107 Unexpended Appropriations - Used	1,000	

Forward Funding Scenario

5. To record the closing of unobligated balances to unapportioned authority for unexpired multi-year funds.

<u>Budgetary Entry</u>		TC
DR 4610 Allotments – Realized Resources	1,000	F210
CR 4450 Unapportioned Authority	1,000	
<u>Proprietary Entry</u>		
None		

Post- Closing Trial Balance FY 2004

FY 2004	Debit	Credit
Budgetary		
4201	1,000	
4450	<u>0</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
1010	1,000	
3100	<u>0</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>

Forward Funding Scenario

SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES For the Year Ended September 30, 2004

BUDGETARY RESOURCES

1. Budget Authority	
A. Appropriations (4119E)	<u>2,000</u>
7. Total Budgetary Resources	<u>2,000</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations Incurred:	
A2. Direct, Category B ⁶ (4902E)	1,000
9. Unobligated Balance:	
A. Apportioned	
1. Balance, Currently Available (4610E)	<u>1,000</u>
11. Total Status of Budgetary Resources	<u>2,000</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

Outlays	
15A. Disbursements (4902E)	1,000

FMS 2108 Year-end Closing Statement FY 2004

Column 5 Post-closing Unexpended Balance (1010E)	1,000
Column 11 Unobligated Balance (4610E)	1,000

⁶ *B - Category B attribute* – A distribution made by the Office of Management and Budget of budgetary resources by other specified time periods, programs, activities, projects or combinations thereof. (OMB Circular No. A-11 (2004) Appendix F-17).

Forward Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, FY 2004
(in dollars/thousands/millions)

Assets (Note 2)

Intragovernmental:	
1. Fund Balance With Treasury (Note 3) (1010E)	<u>1,000</u>
6. Total Intragovernmental	<u>1,000</u>
15. Total Assets	<u>1,000</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

29. Unexpended Appropriations (Note 20) (3100E)	1,000
30. Cumulative Results of Operations (3310E)	<u>0</u>
31. Total Net Position	<u>1,000</u>
32. Total Liabilities and Net Position	<u>1,000</u>

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, FY 2004
(in dollars/thousands/millions)

Program Costs:

Program A:	
1. Intragovernmental Gross Costs (6100E)	<u>1,000</u>
3. Intragovernmental Net Costs	<u>1,000</u>
7. Net Program Costs	<u>1,000</u>
10. Net Cost of Operations	<u>1,000</u>

Forward Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, FY 2004
(in dollars/thousands/millions)

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
1. Beginning Balances	0	0
2. Prior Period Adjustments	0	0
3. Beginning Balances, As Adjusted	0	0
Budgetary Financing Sources:		
4. Appropriations Received (3101E)	0	2,000
7. Appropriations Used (5700/3107E)	1,000	(1,000)
Other Financing Sources:		
16. Total Financing Sources	1,000	1,000
17. Net Cost of Operations	<u>1,000</u>	<u>0</u>
18. Ending Balances	<u><u>0</u></u>	<u><u>1,000</u></u>

Forward Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF FINANCING
For the year ended September 30, FY 2004
(in dollars/thousands/millions)

Resources Used to Finance Activities:
Budgetary Resources Obligated

1. Obligations Incurred (4902 E)	<u>1,000</u>
5. Net Obligations (3-4)	<u>1,000</u>
11. Total Resources Used to Finance Activities (5+10)	1,000

Resources Used to Finance Items not Part of the Net Cost of Operations

17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	<u>0</u>
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>1,000</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>1,000</u>

Forward Funding Scenario

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR ACTUAL COLUMN FOR FY 2004 REPORTING

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total new obligations (4902E)	1,000
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BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2200 New budget authority (gross) (sum 4000...6962)	2,000
2395 Total new obligations (same as 1000, opposite sign)	(1,000)
2440 Unobligated balance carried forward, end of year (4610E)	1,000

NEW BUDGET AUTHORITY (GROSS), DETAIL

4000 Appropriation (4119E)	2,000
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CHANGE IN OBLIGATED BALANCES

7310 Total new obligations (same as 1000)	1,000
7320 Total outlays (gross) (4902E)	(1,000)

OUTLAYS (GROSS), DETAIL

8690 Outlays from new discretionary authority (4902E)	1,000
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NET BUDGET AUTHORITY AND OUTLAYS

8900 Budget authority (net) (sum 2200-(8800..8845), 8895, 8896)	2,000
9000 Outlays (net) (sum 8690..8698) - (8800..8845))	1,000

Forward Funding Scenario

Beginning Trial Balance FY 2005

FY 2005	Debit	Credit
Budgetary		
4201	1,000	
4450	<u>0</u>	1,000
Total	<u>1,000</u>	<u>1,000</u>
Proprietary		
1010	1,000	
3100	<u>0</u>	1,000
Total	<u>1,000</u>	<u>1,000</u>

October 1, 2004 (FY 2005)

- To record budgetary resources apportioned by OMB and available for allotment (Unobligated balance brought forward October 1).

FY 2005		
<u>Budgetary Entry</u>		TC
DR 4450 Unapportioned Authority	1,000	A116
CR 4510 Apportionments	1,000	
<u>Proprietary Entry</u>		
None		

- To record allotment of authority.

FY 2005		
<u>Budgetary Entry</u>		TC
DR 4510 Apportionments	1,000	A120
CR 4610 Allotments – Realized Resources	1,000	
<u>Proprietary Entry</u>		
None		

- Purchase request for \$1,000, was approved. (Commitment)

FY 2005		
<u>Budgetary Entry</u>		TC
DR 4610 Allotments – Realized Resources	1,000	B202
CR 4700 Commitments - Programs Subject to Apportionment	1,000	
<u>Proprietary Entry</u>		
None		

Forward Funding Scenario

4. To record current-year undelivered orders without an advance.

FY 2005		
<u>Budgetary Entry</u>		TC B204
DR 4700 Commitments- Programs Subject to Apportionment	1,000	
CR 4801 Undelivered Orders - Obligations, Unpaid	1,000	
<u>Proprietary Entry</u>		
None		

5. To record the delivery of goods and accrue a liability.

FY 2005		
<u>Budgetary Entry</u>		TC B302
DR 4801 Undelivered Orders - Obligations, Unpaid	1,000	
CR 4901 Delivered Orders – Obligations, Unpaid	1,000	
<u>Proprietary Entry</u>		
DR 6100 Operating Expenses/Program Costs	1,000	
CR 2110 Accounts Payable	1,000	
DR 3107 Unexpended Appropriations - Used	1,000	B134
CR 5700 Expended Appropriations	1,000	

6. Payment schedule certified and confirmed.

FY 2005		
<u>Budgetary Entry</u>		TC B110
DR 4901 Delivered Orders – Obligations, Unpaid	1,000	
CR 4902 Delivered Orders - Obligations, Paid.	1,000	
<u>Proprietary Entry</u>		
DR 2110 Accounts Payable	1,000	
CR 1010 Fund Balance With Treasury	1,000	

Forward Funding Scenario

Pre - Closing Adjusted Trial Balance FY 2005

FY 2003	Debit	Credit
Budgetary		
4201	1,000	
4450		0
4510		0
4610		0
4700		0
4801		0
4901	<u>0</u>	<u>1,000</u>
4902	<u>1,000</u>	<u>1,000</u>
Total		
Proprietary		
1010	0	
2110		0
3100		1,000
3107	1,000	
5700		1,000
6100	<u>1,000</u>	<u>0</u>
Total	<u>2,000</u>	<u>2,000</u>

Closing Entries

- To record the closing of revenue, expense and other financing source accounts to cumulative results of operations.

<u>Budgetary Entry</u>		TC
None		F228
<u>Proprietary Entry</u>		
DR 3310 Cumulative Results of Operations	1,000	
CR 6100 Operating Expenses/Program Costs		1,000
AND		
DR 5700 Expended Appropriations	1,000	
CR 3310 Cumulative Results of Operations		1,000

- To record the closing of Expended Authority - Paid.

<u>Budgetary Entry</u>		TC
DR 4902 Delivered Orders – Obligations, Paid	1,000	F214
CR 4201 Total Actual Resources - Collected	1,000	
<u>Proprietary Entry</u>		
None		

Forward Funding Scenario

3. To record closing of fiscal year activity that increases unexpended appropriations.

<u>Budgetary Entry</u>		
None		TC
<u>Proprietary Entry</u>		F233
DR 3101 Unexpended Appropriations – Appropriations		
Received	1,000	
CR 3100 Unexpended Appropriations – Cumulative	1000	
AND		
DR 3100 Unexpended Appropriations – Cumulative	1000	
CR 3107 Unexpended Appropriations - Used	1,000	

Post - Closing Trial Balance FY 2005

FY 2003	Debit	Credit
Budgetary		
None		
Proprietary		
None		

Forward Funding Scenario

SF133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES (YEAR-END) FY 2005

BUDGETARY RESOURCES

1. Budget authority	
A. Appropriations received	0
2. Unobligated balance	
A. Brought forward, October 1 (4201B)	<u>1,000</u>
7. Total Budgetary Resources	<u>1,000</u>

STATUS OF BUDGETARY RESOURCES

8. Obligations incurred:	
A2. Direct, Category B (4902E)	1,000
9. Unobligated balance:	
A1. Apportioned	<u>0</u>
11. Total Status of Budgetary Resources	<u>1,000</u>

RELATIONSHIP OF OBLIGATIONS TO OUTLAYS

15. Outlays	
15A. Disbursements (4902E)	1,000

FMS 2108 Year-end Closing Statement FY 2005

Column 5 Post-closing Unexpended Balance (1010E)	0
Column 11 Unobligated Balance (4610E)	0

Forward Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED BALANCE SHEET
As of September 30, FY 2005
(in dollars/thousands/millions)

Assets (Note 2)

Intragovernmental:	
1. Fund Balance with Treasury (1010E)	0
6. Total Intragovernmental	<u>0</u>
15. Total Assets	<u>0</u>

Liabilities (Note 12)

27. Total Liabilities	<u>0</u>
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Net position:

29. Unexpended Appropriations (Note 20) (3100E)	0
30. Cumulative Results of Operations (3310E)	<u>0</u>
31. Total Net Position	<u>0</u>
32. Total Liabilities and Net Position	<u>0</u>

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF NET COST
For the year ended September 30, FY 2005
(in dollars/thousands/millions)

Program Costs:

Program A:	
1. Intragovernmental Gross Costs (6100E)	<u>1,000</u>
3. Intragovernmental Net Costs	1,000
7. Net Program Costs	<u>1,000</u>
10. Net Cost of Operations	<u>1,000</u>

Forward Funding Scenario

Department/Agency/Reporting Entity
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the year ended September 30, FY 2005
(in dollars/thousands/millions)

	<u>Cumulative Results of Operations</u>	<u>Unexpended Appropriations</u>
1. Beginning Balances (3100 B)	0	1,000
2. Prior Period Adjustments	0	0
3. Beginning Balances, As Adjusted	<u>0</u>	<u>1,000</u>
Budgetary Financing Sources:		
4. Appropriations Received (3101 E)	0	0
7. Appropriations Used (5700E/3107E)	1,000	(1,000)
Other Financing Sources:		
16. Total Financing Sources	1,000	(1,000)
17. Net Cost of Operations	<u>(1,000)</u>	<u>0</u>
18. Ending Balances	<u>0</u>	<u>0</u>

Forward Funding Scenario

Department/Agency/Reporting Entity
COMBINED STATEMENT OF FINANCING
For the year ended September 30, FY 2005
(in dollars/thousands/millions)

Resources Used to Finance Activities:
Budgetary Resources Obligated

1. Obligations Incurred (4902 E)	<u>1,000</u>
5. Net Obligations (3-4)	<u>1,000</u>
11. Total Resources Used to Finance Activities (5+10)	1,000

Resources Used to Finance Items not Part of the Net Cost of Operations

15. Resources that Finance the Acquisition of Assets	0
17. Total Resources Used to Finance Items Not Part of the Net Cost of Operations (12..16)	0
18. Total Resources Used to Finance the Net Cost of Operations (11-17)	<u>1,000</u>

**Components of the Net Cost of Operations That Will Not Require
Or Generate Resources in the Current Period:**

29. Total Components of the Net Cost of Operations That Will Not Require Or Generate Resources in the Current Period	<u>0</u>
30. Net Cost of Operations (18+29)	<u>1,000</u>

Forward Funding Scenario

BUDGET PROGRAM AND FINANCING (P&F) SCHEDULE PRIOR-YEAR ACTUAL COLUMN FOR FY 2005 REPORTING

OBLIGATIONS BY PROGRAM ACTIVITY

1000 Total new obligations (4902E)	1,000
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BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

2140 Unobligated balance carried forward, start of year (4201B)	1,000
2395 Total new obligations (same as 1000, opposite sign)	(1,000)

CHANGE IN OBLIGATED BALANCES

7310 Total new obligations (same as 1000)	1,000
7320 Total outlays (gross) (4902E)	(1,000)

OUTLAYS (GROSS), DETAIL

8693 Outlays from discretionary balances (4902E)	1,000
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NET BUDGET AUTHORITY AND OUTLAYS

8900 Budgetary authority (net) (sum 2200-(8800..8845), 8895, 8896)	0
9000 Outlays (net) (sum (8690..8698) – (8800..8845))	1,000