



Chapter 5

Notes to the Financial Statements

A. General Information

Notes (footnotes) to the financial statements are added to meet the requirements of full disclosure. They are used to help users of the financial statements interpret some of the more complex items and are considered an integral part of the financial statements. The notes are to be prepared in accordance with the guidance contained in OMB Circular A-136, "Financial Reporting Requirements. Comparative footnotes are required when the related primary financial statement is presenting comparative data. In general, to facilitate the prompt completion of the financial reports, footnote text and pro forma schedules should be drafted prior to the fiscal year end.

1. Types of Notes

a. *Accounting Policy*

- Summarizes the accounting principles and methods of applying those principles.
- Encompass important judgment as to valuation, recognition, and allocation of assets, liabilities, expenses, revenues and other financing sources.
- Discloses any significant changes in the composition of the reporting entity or significant changes in the manner in which the information is combined for financial reporting purposes.

Example: Property and equipment are recorded at cost. Depreciation and amortization are calculated using the straight-line method over the useful lives generally ranging from 5 to 20 years.

b. *Explanatory (Data)*

- Explains specific items presented in the main body of the financial statements.
- Can be partially or totally narrative.
- Describes details too voluminous for inclusion in the financial statements.

Example: Depreciation of equipment for the current fiscal year is \$6,000,000.



c. ***Supplemental Information***

- Discloses additional information not presented as policy or explanatory. For example: Information that fully displays an organization's structure and operations such as supporting schedules (i.e. Net Cost by Responsibility Segment).

2. **Footnote Data Application (FOOT_05)**

The Footnote Data Application was created in Hyperion Enterprise to capture memorandum account/non-trial balance data needed at the Consolidated Level in order to prepare footnote disclosures required by OMB Circular A-136. Information is collected by bureau and rolled up at a summary level for various footnotes.

Bureaus are required to prepare footnotes using the Hyperion FOOT_05 Application and the Department's standard footnote files located on the X Drive on the Citrix Server. Instructions regarding FOOT_05 are included in the file for each applicable footnote disclosure.

FOOT_05 accounts have been established for the following footnote disclosures:

- Fund Balance with Treasury
- Accounts Receivable and Interest Receivable, Net
- Intra-governmental Loans and Interest Receivable, Net
- Loans and Interest Receivable, Net
- Investments, Net
- Other Assets
- Property, Plant & Equipment
- Inventory and Related Property
- Asset Analysis
- Contingent Liabilities
- Capital Leases
- Liability Analysis
- NPS Pension Plan
- Indian Trust Funds
- MRM Royalty in Kind
- Deferred Maintenance

B. **Note Disclosures**

All accounting policy should be presented in Note 1: Summary of Significant Accounting Policy rather than throughout the notes.



Bureaus must use the agreed upon standard templates as a basis for preparing the footnotes for bureau reports. The templates are located on the X Drive of the Citrix server.

- The footnote files consist of the following tabs:
 - (1) Data/Hyp Data
 - (2) Draft
 - (3) Rounding
 - (4) Final

- Check the defaults on the Data tab. Ensure the application and entity are correct for your bureau.

- Make any necessary changes on the “draft” tab (i.e., move any lines with zero data to “Other” and provide additional detailed information for “Other” lines if the amounts are material).

- Check the Rounding tab and make any necessary changes to ensure that it foots properly.

1. Significant Accounting Policies

OMB Circular A-136 requires federal agencies to describe their reporting entity and identify major components. This note should summarize the accounting principles and the methods of applying these principles which the Department has decided are appropriate for fairly presenting assets, liabilities, net cost of operations, changes in net position, and budgetary resources. Disclosure of accounting policies should identify and describe the accounting principles followed by the Department and the methods of applying these principles. In general, the disclosure should encompass important judgments as to the valuation, recognition, and allocation of assets, liabilities, expenses, revenues, and other financing sources. Disclosures of accounting policies should not duplicate details presented elsewhere as part of the notes to the financial statements. The summary of significant accounting policies should include a description of changes in generally accepted accounting principles that impact the financial statements, and an explanation of concepts that are unique to the Department’s financial statements.

In addition, the summary of significant accounting policies should disclose any significant changes in the composition of the Department or significant changes in the manner in which the Department aggregates information for financial reporting purposes.

2. Fund Balance with Treasury

This is the aggregate amount of the entity’s accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. To the extent that the reporting entity maintains fund balances in deposit, suspense, and clearing accounts that are not



available to finance the entity's activities, those balances should be disclosed as non-entity assets. The fund balance which the entity is authorized to use shall be disclosed by fund type in the notes to the financial statement.

Fund Balance with Treasury (FBWT): The total of all undisbursed account balances with the U.S. Treasury, as reflected in the entity's records and summarized by fund type. The fund types are described as follows:

- a. General Funds (0100-2900) – the accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these moneys (e.g., appropriations, customs duties, and miscellaneous receipts.)
- b. Special Funds (5000-5999) – the accounts for receipts and/or offsetting receipts earmarked for specific purposes and an account for the expenditure of these receipts and are not designated as a trust fund receipt (i.e., appropriations and expenditures of special fund receipts, and the Land and Water Conservation Fund).
- c. Revolving Funds (4000-4999) – funds that conduct continuing cycles of business-like activity, in which the fund charges for the sale of products or services and uses the proceeds to finance its spending, usually without requirement for annual appropriations. There are two types of revolving funds: (1) Public enterprise funds, which conduct business-like operations mainly with the public, and (2) Intra-governmental revolving funds, which conduct business-like operations mainly within and between Government agencies.
- d. Trust Funds (8000-8999) – funds that are both a receipt account and one or more expenditure accounts that are designated by law as a trust fund. Like a special fund, the trust fund receipt accounts collect earmarked receipts for specific purposes and the associated trust fund expenditure accounts spend the receipts. Some revolving funds are designated as trust funds and these are called trust revolving funds. Trust revolving funds have no receipt account and the collections are credited directly to the expenditure account.
- e. Other Fund Types – Other fund types should include balances in deposit accounts, such as for collections pending litigation, awaiting determination of the proper accounting disposition, or being held by the entity in the capacity of a banker or agent for others. If any of the balances under other fund types are material, list them separately. Other fund types are listed as:
 - Deposit Fund (6000-6999)
 - Clearing Accounts (F3800-F3885)
 - Miscellaneous Receipt Accounts



- Credit Reform – Program Account
- Credit Reform – Financing Account
- Loan – Liquidating Account

Status of Fund Balance with Treasury: The purpose of the status of FBWT basically is to reconcile the budgetary amounts with the proprietary amounts (FBWT). The total of the entity's fund balance with Treasury, as reflected in the entity's general ledger and represented by unobligated and obligated balances. Unobligated balances shall be segregated to show available and unavailable amounts. Certain unobligated balances may be restricted to future use and are not apportioned for current use. Explain such restrictions.

Bureaus are required to prepare the Status of Fund Balance with Treasury chart using the Hyperion FOOT_05 application and the Department's standard FBWT format file located on the X Drive of the Citrix Server.

- a. Unobligated, Available – the cumulative amounts of budget authority that are not obligated and that remain available for obligation under the law.
- b. Unobligated, Unavailable – the cumulative amounts of budget authority that are not obligated and (1) are apportioned by time periods, thereby making the funding available in a subsequent reporting period, (2) are deferred, thereby setting aside funding for a later use, or (3) are unavailable pending rescission.
- c. Obligated Not Yet Disbursed – the amounts designated for payment of goods and services ordered by not yet received or goods and services received but for which payment has not yet been made.
- d. FBWT Not Covered by Budgetary Resources – the amount or unavailable receipt accounts, clearing accounts, etc. that do not have budget authority and non-entity amounts.

3. Cash

OMB Circular A-136 requires federal agencies to disclose total cash under the control of the reporting entity, which includes coin, paper currency, purchased foreign currency, negotiable instruments, other monetary assets, and amounts on deposit in banks and other financial institutions. Cash available for agency use should include petty cash and cash held in revolving funds which will not be transferred to the general fund.

Bureaus are required to prepare this footnote using the CFS_06 application and the Department's standard format located on the X Drive of the Citrix Server.



Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of the asset types, such as restricted cash, which includes non-entity cash and cash in escrow.

4. Investments

Securities are normally recognized at cost or amortized cost on the Balance Sheet. However, market value is used for balance sheet purposes when (a) there is intent to sell the securities prior to maturity and (b) there is a reduction in value that is more than temporary. The federal government securities include marketable Treasury securities, non-marketable par value and non-marketable market-based.

Marketable Federal Securities: These securities can be bought and sold on the open market.

Non-marketable par value Federal Securities: These are Treasury securities that are issued by the Bureau of Public Debt to Federal accounts and are purchased and redeemed at par exclusively through Treasury's Federal Investment Branch.

Non-marketable market-based Federal Securities: These are Treasury securities that are issued by the Bureau of Public Debt to Federal accounts. They are not traded on any securities exchange but mirror the prices of particular treasury Securities trading in the government securities market.

Public Securities: These are marketable securities issued by other federal agencies and government-sponsored entities and consist mainly of various mortgage instruments, bonds and bank notes.

Accrued Interest: Interest income earned but not received as of the reporting date. Interests receivable should be reported as a component of the appropriate asset account.

Bureaus are required to prepare this footnote using the Hyperion FOOT_05 application and the Department's standard Investments format file located on the X Drive of the Citrix Server.

Each bureau is responsible for contacting the Bureau of Public Debt for outstanding investments information to determine market value of all marketable and non-marketable market-based securities.

Market value is determined by multiplying the total number of shares/par by the market price as stated on the last working day of the fiscal year.

Even if investment activity is immaterial to a bureau, data still needs to be collected to ensure that department-wide disclosure is complete.



5. Accounts Receivable

This asset account represents the amounts due from others when the right to receive funds accrues. This may result from the performance of services, the delivery of goods or court-ordered assessment.

Bureaus should use a combination of data from the CFS_06 and FOOT_05 applications in conjunction with the Department's standard template for the Accounts and Interest Receivable footnote. This template is maintained on the Citrix server X Drive and indicates the source of each data element.

The standard template contains certain data elements that are retrieved through CFS_06 including, Unbilled Accounts and Interest Receivables and Allowance for Doubtful Accounts. Aging, Additions, and Deletions will be obtained from the Foot_05 application. In addition, consider the following items when preparing this footnote:

Bureaus should disclose data for accounts receivable due from the Public and Federal Agencies separately.

Each bureau must present the aging (past due) of accounts receivable.

Bureaus should provide other information as necessary in the text of the footnote to assist the reader in better understanding this particular asset type.

6. Allowances for Doubtful Accounts

Losses on receivables should be recognized when it is more likely than not that the receivables will not be totally collected. An allowance for estimated uncollectible amounts should be recognized to reduce the amount of receivables to its net realizable value. The allowance for uncollectible amounts should be re-estimated at least quarterly.

Each bureau should establish a method of computing the allowance. There are myriad ways to compute the allowances. However, the computation should be systematic, reasonable and applied consistently.

Analytic procedures should be performed to ensure that the allowance is reasonable in relation to total billed accounts receivable balances, past due accounts receivable balances and historical bad debt experience. In general, there should be no uncollectible unbilled receivables, as this would indicate that revenue was never earned. While there is no credit risk related to receivables from other Federal agencies, an allowance may be appropriate in the case of billing disputes and similar situations.

Disclose the method for computing allowances either in Note 1 or in the Accounts Receivable Note.

Disclose Allowances for both Intergovernmental and Public.



Write-offs must go through the allowance account and may not be posted directly to expense.

Non-Exchange Accounts Receivable allowance is posted to Contra Revenue not Bad Debt Expense

Authority is not needed for writing off debt to the “currently not collectible line”, but is required for “close out”.

7. Intragovernmental Loans

Due to its materiality, the Department discloses in a footnote intragovernmental loan activity.

Bureaus are required to prepare this footnote using the Hyperion FOOT_05 application and the Department’s standard intragovernmental loans format file located on the X Drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of the asset types.

8. Direct Loans and Loan Guarantees

This footnote provides an analysis of the reporting entities’ direct loan and loan guarantee portfolios. In preparing the footnote, Bureaus should make certain to:

Present the Loans Note (Credit Reform and Non-Credit Reform) in accordance with the disclosure format in OMB Circular A-136, *Financial Reporting Requirements*. (Present relevant sections only – omit sections with no data.)

Collect data pertaining to all loan activity even if it is immaterial to ensure that department-wide disclosure is complete.

Ensure Calculated Total Loan Receivable equals Hyperion Check Totals.

Bureaus should prepare this footnote using CFS_06 and FOOT_05 Hyperion applications. The Loan Receivable template is maintained on the Citrix server X Drive and indicates the source of each data element.

Bureaus should provide other information as necessary in the text of the footnote to assist the reader in better understanding this particular asset type.



9. Inventory and Related Property

OMB Circular A-136 requires Federal agencies to separately disclose, in a footnote, inventory and related property. Seized and forfeited property that cannot be sold due to legal restrictions, but which may either be donated or destroyed, shall be subject to the disclosure requirements; no financial value shall be recognized for these items.

Inventory and related property includes:

- Inventories
- Operating materials and supplies
- Stockpile materials
- Forfeited property
- Goods held under price support and stabilization programs

Bureaus are required to prepare this footnote using the CFS_06 application and the Department's standard inventory and related property standard format file located on the X drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of types of inventory.

10. Asset Analysis

OMB Circular A-136 requires federal agencies to separately disclose, in a footnote, entity assets and non-entity assets. Federal agencies are also required to segregate Other Assets, shown as one line item on the balance sheet, into major components in a footnote. The Department accomplishes both of these requirements through the Asset Analysis footnote.

Bureaus are required to prepare this footnote using the Hyperion FOOT_05 application and the Department's standard asset analysis format file located on the X Drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of the asset types.

11. Liabilities Analysis

OMB Circular A-136 requires Federal agencies to separately disclose, in a footnote, information concerning intragovernmental liabilities not covered by budgetary resources separately from other liabilities not covered by budgetary resources. Liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. OMB Circular A-136 also requires a separately disclosed footnote for other liabilities not disclosed elsewhere and divided into



the current and non-current portions. The Liabilities Analysis footnote provides an analysis of the liabilities on the Balance Sheet by incorporating both A-136 requirements into one footnote.

Bureaus are required to prepare this footnote using the Hyperion FOOT_05 application and the Department's standard format for operating leases file located on the X Drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of their liabilities.

12. Contingent Liabilities and Environmental and Disposal Liabilities

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 one or more future events occur or fail to occur. The likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from *probable to remote*. While estimates (most likely amount or low end of range) are accrued for each *probable* loss, a disclosure is required if there is additional potential loss applicable to *probable* and *reasonably possible* losses.

OMB Circular A-136 requires federal agencies to disclose contingent liabilities in accordance with SFFAS Number 5, as amended by SFFAS Number 12, and environmental and disposal liabilities in accordance with SFFAS Numbers 5 and 6. Bureaus are required to prepare this footnote using the Hyperion CFS_06 and the FOOT 05 application and the Department's standard format. Note that the footnote presents the entire ranges (including accruals) applicable to *probable* and to *reasonably possible* loss cases / sites, not just the range of potential loss above accrued amounts.

For environmental hazards from ongoing operations, the footnotes should include:

- a. Sources of cleanup requirements
- b. Method for assigning estimated total cleanup costs to current operating periods
- c. Unrecognized portion of estimated total cleanup cost associated with general PP&E
- d. Material changes in total estimated cleanup costs due to changes laws, technology, or plans, and the portion of the change in estimate that relates to prior period operations
- e. Nature of estimates and the disclosure of information regarding possible changes due to inflation, deflations, technology, or applicable laws and regulations.



13. Operating Leases

OMB Circular A-136 requires Federal agencies to separately disclose, in a footnote, information concerning capital and operating leases. For both real and personal property, future operating lease payments should be calculated based on the terms of the lease or based on an OMB inflation factor when the lease is non-specific. Inflation factors should be applied against the current fiscal year's actual rental expense to determine the future payments. For operating leases that have an indefinite period of performance, future lease payments should only be calculated for the next five years.

The current inflationary rates are issued annually by the Office of Finance and posted on their website.

Bureaus are required to prepare this footnote using the Hyperion FOOT_05 and Enterprise applications and the Department's standard format for operating leases file located on the X Drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of operating leases.

14. Statement of Budgetary Resources

OMB Circular A-136, *Form and Content*, requires several note disclosures supporting the SBR. These disclosures require a combination of tables and textual information. To facilitate preparation, review and summarization of data at the Consolidated Level, the SBR footnote must be prepared according to a standard format, using headings noted below. Sections may be omitted only when the topic is not applicable to the Bureau.

The standard disclosure categories are listed below.

Apportionment Categories of Obligations Incurred:

- Disclose the amount of direct and reimbursable obligations incurred against amounts apportioned and exempt from apportionment.
- This disclosure should agree with the aggregate of the related information reported on the agency's year-end SF 133s, Report on Budget Execution, and lines 8A and 8B in the Statement of Budgetary Resources. Apportionment categories are determined in accordance with the guidance provided in OMB Circular A-11, Preparation, Submission, and Execution of the Budget (as amended).
- A table of Obligations by Apportionment Category should be included in this disclosure.

Borrowing and Contract Authority:

- Disclose the amount of available borrowing authority at the end of the period.



- Disclose the terms of borrowing authority used, including repayment requirements, financing sources for repayment, and other terms of borrowing authority used.
- Disclose the amount of available contract authority at the end of the period. (Change section heading to exclude “Contract” if topic is not applicable.)

Adjustments to the Beginning Balance of Budgetary Resources: Disclose amounts adjusted, during the reporting period, of budgetary resources available at the beginning of the year.

Permanent Indefinite Appropriations: Disclose the existence, purpose and availability of permanent indefinite appropriations.

Appropriations Received: Disclose the fact that Appropriations Received on the SBR differ from those reported on the Statement of Changes in Net Position, because the Appropriations Received amount on Statement of Changes in Net Position excludes dedicated collections and earmarked receipts.

Legal Arrangements Affecting Use of Unobligated Balances: Disclose information about legal arrangements affecting the use of unobligated balances of budget authority, such as time limits, purpose, and obligation limits. In addition, a table of Unobligated Unavailable Balances should be presented in this disclosure.

Explanation of Differences Between the Combined Statement of Budgetary Resources and the Budget of the United States Government:

- Identify and explain differences between amounts reported Statement of Budgetary Resources and the actual amounts reported in the Budget of the United States Government for the corresponding year, including differences in reported amounts for Budgetary Authority, Receipts and Outlays. Due to issuance of the budget document after November 15, this comparison will only be performed for the prior year column of the SBR.
- Differences may or may not indicate a reporting error. Several legitimate reasons for differences exist, including the fact that expired unobligated balances are reported in the Statement of Budgetary Resources and SF-133 but not in the President’s Budget. In addition, the President’s budget is in millions and the Statement of Budgetary Resources is reported in thousands and the SF-133 is in pennies.
- A table summarizing data for expired accounts should be included as part of this disclosure. Summarized data for expired accounts is available from OMB’s website under Reports / SF133s.

The Department’s standard format tables, instructions, and reconciliation processes are posted in a file located on the X Drive of the Citrix Server for the



following disclosure categories:

- Apportionment Categories of Obligations Incurred
- Legal Arrangements Affecting Use of Unobligated Balances
- Explanation of Differences Between the Combined Statement of Budgetary Resources and the Budget of the United States Government:

15. Statement of Financing

OMB Circular A-136, *Form and Content*, requires two note disclosures supporting the SOF. These disclosures require a combination of tables and textual information. To facilitate preparation, review and summarization of data at the Consolidated Level, the SOF footnote must be prepared according to a standard format, using headings noted below. Sections may be omitted only when the topic is not applicable to the Bureau.

The standard disclosure categories are listed below:

Allocation Transfers:

Bureaus should disclose “Parent” and “Child” Allocation Transfers. This disclosure should include:

- A table with the trading partner, the nature and purpose of the transfer, the current year and prior year reconciling difference, and subtotals for “child,” “parent,” and net allocation transfers.
- A brief explanation of allocation transfers.
- The footnotes to the Consolidated SOF may be used as an example.
- The Department’s standard format tables, instructions, and reconciliation processes are posted in a file on the X Drive of the Citrix Server.

Change in Unfunded Liabilities:

The bureau should disclose the general nature of differences between the change in unfunded liabilities reported on the SOF and the year to year change disclosed on the Balance Sheet and in the Liabilities Analysis footnote. The reasons for this difference may include SOF requirements regarding the placement of certain changes based on whether the change represents a net increase or net decrease, and the omission of certain liabilities with no budgetary impact from the SOF.



16. Intragovernmental Debt.

Report as intragovernmental debt all debt owed to Treasury, the Federal Financing Bank or other Federal agencies or accounts. This mount shall equal the intragovernmental debt amount reported on the balance sheet. Provide the names of the agencies, other than Treasury or the Federal Financing Bank, to which intragovernmental debt is owed and the amounts. Provide other information relative to debt (for example, write-offs of debts owed to Treasury or the Federal Financing Bank, etc.)

Bureaus are required to prepare this footnote using the Hyperion Enterprise application and the Department's standard format for intragovernmental debt file located on the X Drive of the Citrix Server.

Bureaus should provide other information as necessary in the text of the footnote to provide the reader an understanding of operating leases.

17. Restatements

Documentation of Prior Period Adjustments (SGL Accounts 7400 and 7401)

Prior Period Adjustments are used to correct errors in prior year published financial statements. In addition, prior period adjustments are used to reflect the impact of newly adopted accounting standards when the implementing guidance for those standards indicates that the standard should be adopted retroactively. Prior period adjustments are rare.

Several types of events are specifically **excluded** from being reported as prior period adjustments, including:

1. Normal, recurring corrections & adjustments
2. Changes in useful lives of PP&E
3. Adjustments related to realizability of inventories
4. Settlement of litigation
5. Matters not in error at the prior year end

In general, if information was estimated or accrued during the previous financial period, based on the best information available at that time, the revision of that estimate is treated prospectively and is not a prior period adjustment. This includes explicit or implied accruals of receivables, payables, revenues and expenses; valuation of assets; and percentage of completion of construction in progress.

By recognizing a prior period adjustment (other than those related to the adoption of new accounting standards), the bureau and the Department assert that the prior year financial statements are materially misstated. This is a serious issue. In the event situations arise that may result in the recognition of a prior period adjustment, the issue should be written



up in the form of an issue paper and forwarded to the Office of Financial Management for discussion and approval. PFM will be involved with all discussions with the auditors. This discussion can take place via email.

However, items that definitely will be prior period adjustments or that may potentially be prior period adjustments can be posted to USSGL Account 7400 *Prior Period Adjustments*, during the year for tracking. The amounts will be presented as Prior Period Adjustments if they accumulate to a large enough number or deemed material by yearend. If at yearend, the amounts are immaterial, then the items will be removed from USSGL Account 7400 *Prior Period Adjustments*. This decision should be made in consultation with PFM.

18. Dedicated Collections

Dedicated Collections are defined as any fund primarily financed by earmarked receipts, usually non-exchange revenue. The government has promised to use the funds for a specific purpose. Such funds include funds within the budget classified as trust funds, those funds within the budget that are classified as "special funds" but that are similar in nature to trust funds, and those funds within the Federal universe (inside or outside the budget) that are fiduciary in nature.

This definition is very subjective. Accordingly, within Interior, we have reviewed all significant activities that could be considered Dedicated Collections, with the following conclusions:

Reported as Dedicated Collections:

- Land and Water Conservation Fund
- Historic Preservation Fund
- Abandoned Mine Land Fund
- Environmental Improvement and Restoration Fund
- Southern Nevada Public Land Management Act
- Aquatic Resource Trust Fund
- Sportfish Restoration
- Wildlife Restoration
- Tribal Trust Funds (fed and non-federal is existing disclosure for non-fed)
- Central Utah Project Completion Act
- Natural Resource Damage Assessment and Restoration Fund
- Donations
- Priority Land Acquisition
- Reclamation Trust Funds
- Everglades
- Construction Trust Fund
- National Indian Gaming Commission
- Birthplace of Abraham Lincoln



Reporting Requirements: The following information, at a minimum, should be reported for individual funds that account for dedicated collections.

1. A description of each trust and special fund's purpose
2. How the administrative entity accounts for and reports the fund, and its authority to use those collections.
3. The sources of revenue or other financing for the period and an explanation of the extent to which they are inflows of resources to the Government or the result of intra-governmental flows.

Bureaus are required to prepare this footnote using the Enterprise application and the Department's standard format for operating leases file located on the X Drive of the Citrix Server.

19. Property, Plant and Equipment

SFFAS No. 6 provides guidance for determining the cost of general PP&E acquired by purchase, capital lease, donation, devise, judicial process, exchange, forfeiture, or transfer from other Federal entities.

General PP&E has one or more of the following characteristics:

- It is primarily used to produce goods or services, or to support the mission of the entity. But it may be used for alternative purposes (e.g., by other Federal programs, State or local governments, or non-governmental entities), or
- It is used in a significantly self-sustaining activity which finances its continuing cycle of operations through the collection of revenue (business-type activities), or
- It is used by entities in activities whose costs can be compared to other entities performing similar activities.

For entities operating as business-type activities, all PP&E shall be categorized as general PP&E whether or not it meets the definition of other PP&E categories (e.g., heritage assets).

The major classes of general PP&E should be determined by the reporting entity. Examples of major classes of general PP&E may include, but are not limited to, buildings and structures, furniture and fixtures, equipment, vehicles, and land. The following are the minimum disclosures required for each major class of general PP&E:



- Cost, associated accumulated depreciation, and book value.
- 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.

Recognition and measurement criteria for general PP&E are in SFFAS No. 6, as amended by SFFAS Nos. 11, 16 and 23. If adjustments are required to existing PP&E in the period that the standards are implemented, in order to comply with the recognition and measurement criteria, the adjustments should be made and disclosed by major class in accordance with the standard.

Additional information that is not available in Hyperion Enterprise is required for external reporting to Treasury for GRRS reporting.

Bureaus are required to prepare this footnote using the Hyperion Enterprise application and the Department's standard PP&E format file located on the X Drive of the Citrix Server.

20. Federal Employee and Veteran Benefits

Entities that are responsible for administering pensions, other retirement benefits (e.g., health benefits for retirees), and other post-employment benefits should calculate and report these liabilities and related expenses in accordance with SFFAS No. 5. Liabilities for Federal employee and veteran benefits include the actuarial portion of these benefits. They do not include liabilities related to ongoing continuous expenses such as employees' accrued salary and accrued annual leave, which are reported in the Other liabilities line item.

Disclose in the notes to the financial statements the actuarial liabilities, assumptions used to compute the actuarial liabilities, and the components of expense for the period for pensions, other retirement benefits, and other post-employment benefits.

A bureau is required to prepare this footnote using the Hyperion Enterprise and FOOT_05 applications and the Department's standard Federal Employee and Veteran Benefits format file located on the X Drive of the Citrix Server.



21. Footnote vs. Required Supplemental Information

- a. The consolidating Statement of Net Cost should be presented in the Notes.
- b. The combining Statement of Budgetary Resources should be presented as Required Supplemental Information.
- c. The consolidating Balance Sheet and Statement of Changes in Net Position are optional. However, if Bureaus choose to prepare a consolidating Balance Sheet and Statement of Changes in Net Position, they must be presented as supplemental information.

C. Footnote Data Collection for External Reporting Federal Agencies' Centralized Trial Balance (FACTS) Reporting

The Closing Package - Government Financial Reporting System (GFRS)

The Closing Package is a prescribed format of financial statements needed to prepare the Financial Report of the United States Government (FR). Treasury requires the 35 CFO Agencies (verifying agencies) and Non-CFO Agencies (non-verifying agencies) report published comparative, audited consolidated, department-level financial statements, footnotes, and required supplemental information provided in the Performance and Accountability Report via the GFRS System. Treasury captures each agency's Closing Package information and links it to the FR. In addition, Treasury utilizes agencies' Closing Package information to resolve material deficiencies identified by the Government Accountability Office (GAO).

The Chief Financial Officer (CFO) of each verifying agency must prepare and submit the Closing Package data for the current and prior fiscal year via GFRS. The Inspector General (IG) of each verifying agency, must provide an opinion on the Closing Package data, entered by the CFO into GFRS, as to its consistency with the comparative, audited consolidated, department-level financial statements.

As a part of the Closing Package requirements, each agency must submit their Adjusted Trial Balance (ATBs) via the FACTS I system. ATBs are a list of USSGL accounts with attributes and pre-closing adjusted balances prepared at yearend. Agencies submit ATBs by fund group and must include USSGL accounts listed in numeric order. The USSGL account balances should reflect pre-closing entries. The total sum of the debit balances must equal the total sum of the credit balances in the ATB. Treasury uses the Master Appropriation File (MAF) as a control tool during the ATBs submission process.

The MAF consists of records (one record for each Treasury appropriation/fund group) identified by an 8-digit code. The 8-digit code combines a 2-digit department code, a 2-digit bureau code, and a 4-digit fund group code. The code is referred to as the ATB Code. The MAF record also contains a BSF ID that represents the budget sub function of



the ATB and a Fund Type ID. Verifying and Non-verifying agencies must maintain the MAF on the FACTS I system and submit changes to the MAF data annually.

The Department reports the comparative, audited consolidated department- level financial statement information for the Closing Package submission in accordance with guidance provided in the Treasury Financial Manual, Volume I, Part 2, Chapter 4700: Agency Reporting Requirements for the Financial Report of the United States Government.

Bureau Requirements:

The Closing Package requires additional information regarding Property, Plant & Equipment, Capitalized Purchases, and Inventory & Related Property that is not required disclosure for the Performance and Accountability Report which is prepared in accordance with OMB Circular A-136. The Department has developed additional standard footnote tables and established accounts in the FOOT_05 Application to capture this information. Bureaus are required to key information into FOOT_05 and prepare the GFRS Footnote tables which are located in a file on the X Drive on the Citrix Server. Specific guidance and instructions are located in the files.