



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

## **Quick Reaction Report**

# **Agreed-Upon Procedures on EPA's Fiscal Year 2008 Third Quarter Financial Statements**

**Report No. 08-2-0309**

**September 30, 2008**

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**Abbreviations**

EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GL	General Ledger
IFMS	Integrated Financial Management System
OIG	Office of Inspector General
RGLTS	Report of General Ledger Balance by Treasury Symbol
SFFAS	Statement of Federal Financial Accounting Standards
USSGL	United States Standard General Ledger
YACT	Year End Account Table



# At a Glance

*Catalyst for Improving the Environment*

## Why We Performed These Agreed-Upon Procedures

We performed agreed-upon procedures on the U.S. Environmental Protection Agency (EPA) Fiscal Year (FY) 2008 third quarter Financial Statements. We did so to assist EPA in evaluating whether its quarterly Financial Statements were compiled consistent with the Treasury Standard General Ledger Crosswalk, and to identify significant fluctuations in financial line item balances from the previous year.

## Background

Agencies submit unaudited interim Financial Statements to the Office of Management and Budget 21 days after the end of each of the first three quarters of the fiscal year. Agencies should include management's explanation of significant variances in types of assets, liabilities, costs, revenues, obligations, and outlays, along with the submitted statements.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:  
[www.epa.gov/oig/reports/2008/20080930-08-2-0309.pdf](http://www.epa.gov/oig/reports/2008/20080930-08-2-0309.pdf)

## Agreed-Upon Procedures on EPA's Fiscal Year 2008 Third Quarter Financial Statements

### What We Found

Below are the results of our performing the agreed-upon procedures:

- The financial statements generated by the Office of Inspector General agreed with EPA's FY 2008 third quarter Financial Statements for the Consolidated Balance Sheet, Consolidated Statements of Net Cost and Changes in Net Position, Combined Statement of Budgetary Resources and Statement of Custodial Activity, Statement of Changes in Net Position for Earmarked Funds, and Consolidated Statement of Net Cost by Goal.
- EPA's FY 2007 post-closing instructions do not agree with EPA's Year End Closing Table and Treasury's Closing Instructions.
- We found the first, second, and the third quarter FY 2008 Report of General Ledger Balance by Treasury Symbol beginning balances were different for seven budgetary accounts. The Agency stated these beginning balance changes were due to the child agencies. The adjustments in accounts 4221 and 4251 are for the differences we found in the first quarter stemming from the U.S. Department of Health and Human Services. The other adjustments were to move Child Trial Balances from reimbursable to direct. Therefore, Total Obligations Incurred shows no activity for unfilled customer orders. Other than line 3 (Budgetary Authority) on the Combined Statement of Budgetary Resources there is no financial statement impact.

The agreed-upon procedures do not constitute an audit of the quarterly Financial Statements or any part thereof, the objective of which would be the expression of an opinion on the quarterly Financial Statements or any part thereof.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
INSPECTOR GENERAL

September 30, 2008

**MEMORANDUM**

**SUBJECT:** Agreed-Upon Procedures on EPA's Fiscal Year 2008  
Third Quarter Financial Statements  
Report No. 08-2-0309

**FROM:** Paul C. Curtis   
Director, Financial Statement Audits

**TO:** Lyons Gray  
Chief Financial Officer

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) conducted these Agreed-Upon Procedures on EPA's Fiscal Year 2008 Third Quarter Financial Statements. This report is provided to you solely to assist you in evaluating whether the Fiscal Year 2008 third quarter Financial Statements were compiled consistent with the Treasury United States Standard General Ledger Crosswalk, and to identify significant fluctuations in financial line balances from the previous year.

Our report is intended solely for your information and use and should not be used by those who have not agreed to the procedures or taken responsibility for the sufficiency of the procedures for their purposes. No written response to this report is required.

If you have any questions, please do not hesitate to contact me at 202-566-2523 or [curtis.paul@epa.gov](mailto:curtis.paul@epa.gov), or Meg Bastin at 513-487-2366 or [bastin.margaret@epa.gov](mailto:bastin.margaret@epa.gov).

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## **Purpose**

We performed these agreed-upon procedures at the request of the Office of the Chief Financial Officer. We did so to assist the U.S. Environmental Protection Agency (EPA) in evaluating whether its Fiscal Year (FY) 2008 third quarter Financial Statements were compiled consistent with the Treasury United States Standard General Ledger (USSGL) Crosswalk, and to identify significant fluctuations in financial line item balances from the previous year.

## **Background**

According to Office of Management and Budget (OMB) Circular A-136, interim unaudited Financial Statements, without notes, are required on a quarterly basis. Agencies submit unaudited interim Financial Statements to OMB 21 days after the end of each of the first three quarters of the fiscal year. Agencies should include management's explanation of significant variances in types or amounts of assets, liabilities, costs, revenues, obligations, and outlays, along with the submitted statements.

## **Scope and Methodology**

We performed certain agreed-upon procedures, enumerated below, on EPA's unaudited consolidated FY 2008 third quarter Financial Statements, to assist the Office of the Chief Financial Officer in evaluating whether the quarterly Financial Statements were compiled consistent with Treasury's USSGL Crosswalk and to identify significant fluctuations in financial line item balances from the previous year.

The adequacy of these procedures is the Office of the Chief Financial Officer's responsibility. Consequently, we make no representation regarding the sufficiency of the procedures. The agreed-upon procedures do not constitute an audit of the quarterly Financial Statements or any part thereof, the objective of which would be the expression of an opinion on the quarterly Financial Statements or any part thereof. Accordingly, we do not express such an opinion. Were we to perform additional procedures, other matters might come to our attention that we would report to assist the Office of the Chief Financial Officer.

This agreed-upon procedures engagement was conducted using applicable generally accepted government auditing standards, which incorporate attestation standards issued by the American Institute of Certified Public Accountants. These standards provide guidance for performing and reporting the results of agreed-upon procedures.

We performed the agreed-upon procedures from July 24 to August 27, 2008. We based our procedures on EPA's third quarter Financial Statements and supporting schedules, general ledger balances, and manual on-top adjustments.

## Results of Agreed-Upon Procedures

### ***Procedure 1:***

Obtain EPA's quarterly Financial Statements, adjusted trial balance, on-top entries, and support for the statements (including Earmarked Funds). Import the Report of General Ledger Balance by Treasury Symbol (RGLTS) and enter the Agency's on-top entries into ProSystem and generate an adjusted trial balance, Consolidated Balance Sheet, and Consolidated Statements of Net Cost and Changes in Net Position.

### ***Results of Procedure 1***

We obtained the third quarter FY 2008 and FY 2007 RGLTS, and the Agency's third quarter Financial Statements, adjusted trial balance, on-top entries, and support for the statements (including Earmarked Funds). We imported the RGLTS and entered the Agency's on-top entries and adjustments to beginning balances into ProSystem to generate an adjusted trial balance, Consolidated Balance Sheet, and Consolidated Statements of Net Cost and Changes in Net Position.

### ***Procedure 1.a***

Compare the ProSystem adjusted trial balance to the Agency's adjusted trial balance and note any differences.

### ***Results of Procedure 1.a***

We compared the ProSystem adjusted trial balance to the Agency's adjusted trial balance; other than immaterial rounding differences, the amounts agreed.

### ***Procedure 1.b***

Compare the ProSystem generated Financial Statements to EPA's Financial Statements and note any differences.

### ***Results of Procedure 1.b***

We compared the ProSystem generated financial statements to EPA's financial statements (Consolidated Balance Sheet, and Consolidated Statements of Net Cost and Changes in Net Position); the amounts agreed.

### ***Procedure 1.c***

Enter the FY 2008 and 2007 general ledger balances and on-top entries into Excel spreadsheets. Prepare the Combined Statement of Budgetary Resources and Statement of Custodial Activity and compare to the Agency's statements and note any differences.

### ***Results of Procedure 1.c***

We entered the FY 2008 and 2007 general ledger balances and on-top adjustment entries into Excel spreadsheets and prepared and compared the Combined Statement of Budgetary Resources and Statement of Custodial Activity to the Agency's statements.

#### **Statement of Custodial Activity:**

The Agency's balances for the third quarter FY 2007 and 2008 agreed with our amounts for this statement.

#### **Statement of Budgetary Resources:**

Third quarter FY 2007: During the second and third quarter agreed-upon procedures, we identified a difference with line item 4 of the Statement of Budgetary Resources. The crosswalk states that the ending balance of general ledger account 4168 must be used; however, the Agency used the difference between the ending and beginning balances. The difference is \$8,932,751. General ledger account 4384 has a credit amount of \$8,932,751, thus offsetting each other.

Third quarter FY 2008: The balances agreed.

Overall, the Agency complied with the financial statement cross walk.

### ***Procedure 1.d***

Extract general ledger ending balances for Earmarked Funds from the RGLTS using IDEA and enter into ProSystem. Enter on-top entries and generate a Consolidated Statement of Changes in Net Position for Earmarked Funds and compare to EPA's Consolidated Statement of Changes in Net Position for Earmarked Funds.

#### ***Results of Procedure 1.d***

We extracted the general ledger ending balances for Earmarked Funds from the RGLTS, generated a Consolidated Statement of Changes in Net Position for Earmarked Funds, and compared it to EPA's Statement of Changes in Net Position for Earmarked Funds. The balances agreed.

### ***Procedure 1.e***

Compare the Consolidated Statement of Net Cost by Goal to the Consolidated Statement of Net Cost and note any differences.

#### ***Results of Procedure 1.e***

We compared the Consolidated Statement of Net Cost by Goal to the Consolidated Statement of Net Cost; no differences were noted.



**Procedure 1.f**

Mathematically verify the Consolidated All Other column in the Agency's Financial Statements.

**Results of Procedure 1.f**

We mathematically verified the Consolidated All Other column in the Agency's Financial Statements. We noted one rounding difference (between second and third quarters) in the FY 2007 Earmark funds that caused the Transfers In/Out line on the Consolidating Statement of Changes in Net Position to have a cross footing difference of \$1,000. No other exceptions were noted.

**Procedure 1.g**

Identify significant fluctuations in balances by comparing current year balances to prior year balances. (Criteria - Percentage change of 10 percent or more and dollar change exceeding \$50 million.)

**Results of Procedure 1.g**

We verified that the Office of Inspector General (OIG) variances agreed with Agency identified fluctuations submitted to OMB. According to OMB Circular A-136 (*Financial Reporting Requirements*) management has discretion on what constitutes a significant variance. The guidance provides that management is requested to provide explanations only on the top three line items with significant fluctuations from the prior year.

The Agency reported the following explanation of significant variances:

**Statement of Budgetary Resources**

- (1) \$130 million increase in Change in Unfilled Customer Orders - Advance Received is primarily due to a prepayment i.e. "cashout" of \$87 million that EPA received from the W.R. Grace bankruptcy settlement in the FY 2008 Third Quarter.
- (2) \$494 million decrease in Unobligated Balances Not Available is primarily due to classifying all funds available for use in the FY 2008 3rd quarter compared to the FY 2007 3rd quarter.
- (3) \$647 million increase in Obligations Incurred is primarily due to an increase in Unliquidated Obligations in the State & Tribal Assistance Grant program.

**Balance Sheet**

- (1) Increase of \$167 million in Non-Federal Accounts Payable and Accrued Liabilities is primarily due to an increase in Grantee Liability Accruals as a result

of a higher statistical sample rate used in the FY 2008 3<sup>rd</sup> quarter compared to the rate used in the FY 2007 3<sup>rd</sup> quarter.

- (2) Increase of \$70 million in Cashout Advances, Superfund, is primarily due to a prepayment i.e. “cashout” of \$87 million that EPA received from the W.R. Grace bankruptcy settlement in the FY 2008 Third Quarter.
- (3) Increase of \$228 million in Non-Federal Accounts Receivable is primarily due to EPA suspending its delinquent receivables policy in the FY 2007 Fourth Quarter and a residual account receivable of \$96M for a W.R. Grace bankruptcy settlement that occurred in the FY 2008 Third Quarter.

### Statement of Net Cost

Increase of \$107 million in Earned Revenue is primarily due to earned revenue associated with the W.R. Grace bankruptcy settlement in the FY 2008 Third Quarter.

In addition to the significant fluctuations reported by the Agency, we noted the following fluctuations that exceed the criteria above (See Appendix A for details on fluctuations):

- Balance Sheet - Net Position Line Items.
- Statement of Changes in Net Position - Net Cost of Operations.
- Statement of Budgetary Resources
  - Recoveries of Prior Year Unpaid Obligations
  - Collected
  - Change in Receivables from Federal Sources
  - Anticipated for Rest of Year, Without Advances
  - Change in Obligated Balance Brought Forward, October 1
  - Obligations Incurred, Net
  - Recoveries of Prior Year Unpaid Obligations, Actual
  - Change in Uncollected Customer Payments from Federal Sources
  - Offsetting Collections
  - Distributed Offsetting Receipts

### **Procedure 2**

Obtain and compare EPA’s Financial Statement Preparation Guide for the FY 2008 Financial Statements to OMB Circular A-136 for compliance and note any differences.

### **Results of Procedure 2**

We obtained and compared EPA’s Financial Statement Preparation Guide to OMB Circular A-136. The Agency updated the guide on May 12, 2008. We found the updated guide is in compliance.

### **Procedure 3**

Obtain and compare EPA's Financial Statement Crosswalk to Treasury's USSGL Crosswalk and note any differences.

#### **Results of Procedure 3**

We obtained and compared EPA's Financial Statement Crosswalk to Treasury's USSGL Crosswalk and found that they agree.

### **Procedure 4**

Obtain and compare EPA's FY 2007 post-closing instructions to EPA's Year End Account Table (YACT) and Treasury's Closing Instructions and note any differences.

#### **Results of Procedure 4**

Based on the third quarter comparison of EPA's FY 2007 post-closing instructions to EPA's YACT Table and Treasury's Closing Instructions, there were no changes from the first and second quarter results.

#### Results from the first and second quarters:

We obtained and compared EPA's FY 2007 post-closing instructions to EPA's YACT table and Treasury's Closing Instructions. We found:

- EPA's Year End Closing Instructions are not consistent with the EPA YACT table for accounts 4382, 4383, and 4384 (column 1 in Table 1 below).
- There are discrepancies between the EPA Closing Instructions and Treasury guidance for accounts 4123, 4124, 4168, 4382, 4383, and 4384 (column 2 in Table 1 below).
- There are discrepancies between the EPA YACT table and Treasury instructions for accounts 4123, 4124, 4168, 4382, 4383, and 4384 (column 3 in Table 1 below).

**Table 1: Comparison of EPA's FY 2007 Post-Closing Instructions to EPA's YACT Table and Treasury's Closing Instructions**

<b>EPA GL Account</b>	<b>Per EPA's 2007 Post Closing Instructions EPA's GL Account Should Close to: (1)</b>	<b>Per EPA's YACT Table EPA's GL Account Should Close to: (2)</b>	<b>Per Treasury EPA's GL Account Should Close to: (3)</b>
4123	4201	4201	4357, 4382, 4386
4124	4201	4201	4384
4168	4168	4168	4382, 4383, 4384
4382	4384	4168	4384, 4168, 4123
4383	4384	4168	4384, 4168, 4123
4384	4384	4201	Remains Open

Source: OIG analysis of EPA data and Treasury requirements.

**Procedure 5**

Obtain and compare EPA's identified Earmark Treasury Symbols to Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards (SFFAS) 27 *Identifying and Reporting Earmarked Funds* for compliance.

**Results of Procedure 5**

We obtained and compared EPA's identified Earmark Treasury Symbols to SFFAS 27 for compliance. We found EPA's treasury symbols to be in compliance with SFFAS 27.

**Procedure 6**

Obtain and compare FY 2008 and 2007 Child Trial Balances to the Child on-top entry.

**Results of Procedure 6**

We obtained and compared EPA's Child on-top entries to the trial balances provided by the child Agencies. We found that the FY 2008 and FY 2007 third quarter Child Trial Balances support agrees with the FY 2008 and FY 2007 third quarter Child on-top entry, respectively.

**Procedure 7**

Compare the FY 2008 reversal to the FY 2007 on-top adjustments and EPA's Closing Instructions to assess if EPA followed their guidance.

**Results of Procedure 7**

Based on our comparison of the third quarter on-top adjustments, there were no changes from the first and second quarter results.

Results from first and second quarters:

We compared the FY 2008 reversals to the FY 2007 on-top adjustments and to EPA's closing instructions to assess if EPA followed its guidance. We found that 89 of the 130 on-top adjustments recorded in FY 2007 were reversed appropriately in FY 2008 following the closing instructions. However, 41 of the FY 2007 on-top adjustments were not reversed according to the closing instructions based on type description. We did not make an independent evaluation of the on-top adjustments. We relied upon the Agency's designation that identified the 41 FY 2007 on-top adjustments as type A, B, or D. Of the 41 FY 2007 on-top adjustments that were not reversed, the Agency identified:

Thirty-six as Type A.  
One as Type B.  
Four as Type D.

The Agency's Financial Statement Preparation Guide states: "Reverse all Type A (corrections) and B (nominal statement adjustments) entries." It also states: "Reverse Type D (statement adjustments only) entries except for revenue/expense eliminations (e.g., 522F/61FN) and reclassification of expense entries that will not be posted in IFMS [Integrated Financial Management System] (e.g., reclassification of benefit expenses to 6400 accounts)." See Appendix B.

### **Procedure 8**

Compare the RGLTS FY 2008 beginning balances to the FY 2007 ending balances and note any differences.

### **Results of Procedure 8**

We found the first, second, and third quarter FY 2008 RGLTS beginning balances were different for seven budgetary accounts. We did not find any unresolved differences in the comparison of the RGLTS FY 2008 beginning balances to FY 2007 ending balances. We noted the following differences in the October 1, 2007, balances when comparing the amounts provided for those balances on the Agency's first and third quarter Agency Trial Balance beginning balances:

**Table 2: Difference in First Quarter and Third Quarter Beginning Balances for Fiscal Year 2008 Beginning 10/01/07**

<b>GL Account</b>	<b>1<sup>st</sup> Quarter Financial Statement 10/01/07 Adjusted Beginning Balance</b>	<b>3<sup>rd</sup> Quarter Financial Statement 10/01/07 Adjusted Beginning Balance</b>	<b>Difference</b>
4221	\$570,995,150.74	\$570,768,927.33	\$226,243.41
4251	30,846,362.11	31,072,605.52	(226,243.41)
4801	(9,418,506,994.43)	(9,422,587,094.44)	4,080,100.01
4803	952,280,701.49	956,376,800.07	(4,096,098.58)
4821	(337,021,293.72)	(337,037,291.89)	15,998.17
4903	(929,955,048.78)	(930,098,676.28)	143,627.50
4921	(3,171,765.50)	(3,028,138.00)	(143,627.50)

Source: OIG analysis of third quarter beginning balances.

The Agency stated these beginning balance changes were due to the child agencies. The adjustments in accounts 4221 and 4251 are for the differences we found in the first quarter stemming from the U.S. Department of Health and Human Services. The other adjustments were to move Child Trial Balances from reimbursable to direct. Therefore, Total Obligations Incurred would show no activity for unfilled customer orders. Other than line 3 (Budgetary Authority), which comprises accounts 4221, Unfilled Customer Orders and 4251 Reimbursable Earned - Uncollected on the Combined Statement of Budgetary Resources, there is no financial statement impact.

### **Procedure 9**

Examine elimination and consolidation entries prepared by the Reporting and Analysis Staff for reasonableness and completeness.

***Results of Procedure 9***

We examined the elimination and consolidation entries prepared by the Reporting and Analysis Staff and found that the FY 2008 on-top adjustments relating to elimination and consolidation entries were reasonable and complete.

## ***Status of Recommendations and Potential Monetary Benefits***

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
No recommendations							

<sup>1</sup> O = recommendation is open with agreed-to corrective actions pending  
 C = recommendation is closed with all agreed-to actions completed  
 U = recommendation is undecided with resolution efforts in progress

## Appendix A

## **Significant Fluctuations between 6/30/08 and 6/30/07**

*(Dollars in Thousands)*

**Consolidated Balance Sheet:**

<b>ASSETS</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>Difference</b>	<b>%</b>
Accounts Receivable, Net	\$441,680	\$213,028	\$228,652	107.33%
<b>LIABILITIES</b>				
Accounts Payable & Accrued Liabilities	\$867,056	\$699,794	\$167,262	23.90%
Cashout Advances, Superfund	\$268,238	\$198,677	\$69,561	35.01%
<b>NET POSITION</b>				
Unexpended Appropriations - Other Funds	\$10,272,712	\$11,369,379	(\$1,096,667)	-9.65%
Cumulative Results of Operations - Earmarked Funds	\$6,432,884	\$4,808,520	\$1,624,364	33.78%
Cumulative Results of Operations - Other Funds	\$568,244	\$1,659,634	(\$1,091,390)	-65.76%

Source: FY 2008 Financial Statements provided by EPA

**Consolidated Statement of Net Cost:**

<b>COSTS</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>Difference</b>	<b>%</b>
Earned Revenue	\$490,400	\$383,948	\$106,452	27.73%

Source: FY 2008 Financial Statements provided by EPA

**Consolidated Statement of Changes in Net Position:**

	<b>FY 2008 Consolidated Total</b>	<b>FY 2007 Consolidated Total</b>	<b>Difference</b>	<b>%</b>
<b>CUMULATIVE RESULTS OF OPERATIONS:</b>				
Appropriations Used	\$6,150,431	\$6,352,896	(\$202,465)	-3.19%
<b>Other Financing Sources (Non-Exchange)</b>				
Net Cost of Operations	(\$6,070,958)	(\$6,823,914)	\$752,956	-11.03%

Source: FY 2008 Financial Statements provided by EPA

**Consolidated Statement of Changes in Net Position - All Other Funds:**

	<b>FY 2008 Consolidated All Other Funds</b>	<b>FY 2007 Consolidated All Other Funds</b>	<b>Difference</b>	<b>%</b>
<b>CUMULATIVE RESULTS OF OPERATIONS:</b>				
Appropriations Used	\$6,150,431	\$6,352,896	(\$202,465)	-3.19%
Trust Fund Appropriations	(\$984,974)	(\$1,040,371)	\$55,397	-5.32%

Source: FY 2008 Financial Statements provided by EPA



**Consolidated Statement of Changes in Net Position - Earmarked Funds:**

	FY 2008 Consolidated Earmarked Funds	FY 2007 Consolidated Earmarked Funds	Difference	%
<b>CUMULATIVE RESULTS OF OPERATIONS:</b>				
Trust Fund Appropriations	\$984,974	\$1,040,371	(\$55,397)	-5.32%

Source: FY 2008 Financial Statements provided by EPA

**Combined Statement of Budgetary Resources:**

BUDGETARY RESOURCES:	FY 2008	FY 2007	Difference	%
Recoveries of Prior Year Unpaid Obligations	\$177,714	\$270,669	(\$92,955)	-34.34%
Collected	\$403,522	\$465,192	(\$61,670)	-13.26%
Change in Receivables from Federal Sources	(\$4,634)	(\$58,387)	\$53,753	-92.06%
Advance Received	\$143,536	\$13,059	\$130,477	999.13%
Anticipated for Rest of Year, Without Advances	\$119,309	\$212,196	(\$92,887)	-43.77%
<b>STATUS OF BUDGETARY RESOURCES:</b>				
Direct	\$5,724,936	\$5,077,799	\$647,137	12.74%
Unobligated Balances Not Available	\$373,594	\$867,851	(\$494,257)	-56.95%
<b>CHANGE IN OBLIGATED BALANCE</b>				
Brought Forward, October 1	(\$632,790)	(\$712,239)	\$79,449	-11.15%
Obligations Incurred, Net	\$6,111,701	\$5,422,432	\$689,269	12.71%
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(\$177,765)	(\$270,669)	\$92,904	-34.32%
Change in Uncollected Customer Payments from Federal Sources	(\$12,460)	\$80,193	(\$92,653)	-115.54%
<b>NET OUTLAYS</b>				
Less: Offsetting Collections	(\$578,417)	(\$513,509)	(\$64,908)	12.64%
Less: Distributed Offsetting Receipts	(\$1,045,003)	(\$1,229,439)	\$184,436	-15.00%

Source: FY 2008 Financial Statements provided by EPA

## Appendix B

***FY 2007 On-Top Entries Not Reversed in 2008  
in Accordance with EPA Policy***

No.	Entry No.	Type	Fund	Explanation
1	57	A. Correction	103	To reverse IFMS closing error from FY 2005.
2	58	A. Correction	107	To reverse correction of IFMS FY 2005 closing error.
3	59	A. Correction	108	To reverse correction of IFMS FY 2005 closing error.
4	60	A. Correction	5374	To reverse correction of IFMS FY 2005 closing error.
5	61	A. Correction	8145	To reverse correction of IFMS FY 2005 closing error.
6	62	A. Correction	4322	To reverse correction of IFMS FY 2005 closing error.
7	63	A. Correction	4310	To reclassify closing accounts which net to zero.
8	64	B. Normal Statement Adj.	8221	To reclassify closing accounts which net to zero.
9	65	D. Statement only adj.	8153	To reclassify balances in 33CD to 3310.
10	66	D. Statement only adj.	8153	To correct error from FY 2005 in 20X8153.3.
11	67	A. Correction	8145	To reverse balance for IFMS closing error, incorrect posting to 2980 instead of 3310.
12	68	A. Correction	108	To clear remaining anticipated balances for FY 2007 4th Quarter FACTS II reporting.

13	69	A. Correction	8145	To clear remaining anticipated balances for FY 2007 4th Quarter FACTS II reporting.
14	70	A. Correction	4311	To clear remaining anticipated balances for FY 2007 4th Quarter FACTS II reporting.
15	71	A. Correction	107	To clear remaining anticipated balances for FY 2007 4th Quarter FACTS II reporting.
16	73	A. Correction	8221	To clear account 4384 in the Oil Spill program for FY 2007 4th Quarter FACTS II reporting.
17	76	A. Correction	5555	To move funds in 682753.3 to account that is part of "offsetting receipts" line on Statement of Budgetary Resources and Statement of Financing. For Statement purposes only.
18	79	A. Correction	108	To correct differences between budgetary and proprietary accounts for cancelled treasury symbol 689/00108.
19	80	A. Correction	5555	To close out miscellaneous receipts at year-end. Funds are returned to Treasury. Miscellaneous receipts are closed as part of the IFMS Post-Closing process (see YACT Table).
20	82	A. Correction	5374	To clear remaining anticipated account.
21	85	A. Correction	5374	To clear balances in anticipated account 4120. This corrects adjustment #82.
22	92	A. Correction	4322	To clear the remaining anticipated Treasury Symbol 68X4322 for 4th Quarter FACTS II reporting.
23	93	A. Correction	112	To reclassify balances to recoveries for accounts in cancelled Treasury Symbols. During FY 2007, EPA deobligated MO documents which recorded a debit in 4801/4803 and 465N or 465E. These balances should be recorded in SGL 4871 as recoveries, also other reductions in obligations should be recoveries.

24	94	A. Correction	108	To reclassify balances to recoveries for accounts in cancelled Treasury Symbols. During FY 2007, EPA deobligated MO documents which recorded a debit in 4801/4803 and 465N or 465E. These balances should be recorded in SGL 4871 as recoveries, also other reductions in obligations should be recoveries.
25	95	A. Correction	107	To reclassify balances to recoveries for accounts in cancelled Treasury Symbols. During FY 2007, EPA deobligated MO documents which recorded a debit in 4801/4803 and 465N or 465E. These balances should be recorded in SGL 4871 as recoveries, also other reductions in obligations should be recoveries.
26	96	A. Correction	OTHR	To eliminate interagency transfers in and out between Superfund (Earmarked) and 68X0250 (Other Funds) on the Statement of Net Position.
27	98	A. Correction	OTHR	To eliminate interagency expenditure transfers between Superfund (Earmarked) and Appropriated Funds.
	99	A. Correction	EARM	To eliminate interagency expenditure transfers between Superfund (Earmarked) and Appropriated Funds.
28	100	A. Correction	ELIM	To eliminate transfer balances between 68X5374 and 68X5374.1.
29	106	A. Correction	8145	Entry to correct FY 2006 balances received from BPD for Superfund.
30	109	A. Correction	8145	To reclassify entries made in FY 2007 for the reduction in allowances for CNC receivables in FY 2006. Original entry was to 7401 but with the FY 2006 restatement these balances will be reclassified to Beginning Balance, Cumulative Results (SGL 3310).
31	110	A. Correction	103	To reclassify entries made in FY 2007 for the reduction in allowances for CNC receivables in FY 2006. Original entry was to 7401 but with the FY 2006 restatement these balances will be reclassified to Beginning Balance, Cumulative Results (SGL 3310).

32	111	A. Correction	107	To reclassify entries made in FY 2007 for the reduction in allowances for CNC receivables in FY 2006. Original entry was to 7401 but with the FY 2006 restatement these balances will be reclassified to Beginning Balance, Cumulative Results (SGL 3310).
33	112	A. Correction	108	To reclassify entries made in FY 2007 for the reduction in allowances for CNC receivables in FY 2006. Original entry was to 7401 but with the FY 2006 restatement these balances will be reclassified to Beginning Balance, Cumulative Results (SGL 3310).
34	113	A. Correction	8145	This entry is to reclassify the fines and penalties which were manually calculated for FY 2006 CNC receivables. These CNC receivables had been closed in IFMS during FY 2007. If these fines and penalties had been brought forward to FY 2007 the 672E would have been used to adjust allowance.
35	114	A. Correction	5555	To adjust FY 2007 year-end G/L balances to agree with the final SF224 reporting (FBWT) for FY 2007. Fourteenth month (14/2007) entry was processed by AP99 that was not reported on their Sept. 2007 SF224 report.
36	115	A. Correction	5555	Adjustment to close out of miscellaneous receipts at year-end. Funds are returned to Treasury. Miscellaneous receipts are closed as part of the IFMS Post Closing process (see YACT Table). Adjustment was made to 680895 see entry #114
37	116	A. Correction	ELIM	To eliminate revenue and expenses between WCF and Non Earmarked Funds.
38	117	A. Correction	OTHR	To eliminate revenue and expenses between WCF (Other Funds) and Earmarked Funds.
39	148	D. Statement only adj.	8145	To eliminate 4384 effect on the financial statements
40	149	D. Statement only adj.	8153	To eliminate the effect of 4384 on the financial statements
41	155	A. Correction	8145	To clear anticipated balance in SGL 4165

**Appendix C**

***Distribution***

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