
Section IV Statement of Net Cost

The questions related to the Statement of Net Cost are presented under three general captions and 12 line items. The question numbers related to each caption and line item follow.

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Cost Accounting in General Overall Requirements (1 - 16)	Yes, No, or N/A	Explanation
<p><i>The Statement of Net Cost is designed to show separately the components of the net cost of the reporting entity's operations for the period. The statement and any related supporting schedules classify revenue and cost information by suborganization or responsibility segment. (OMB Bull. 97-01 as amended (Jan.7, 2000) , p. 27)</i></p> <p><i>Information presented in the Statement of Net Costs mostly depends on the agency properly implementing SFFAS No. 4, Managerial Cost Accounting Standards for the Federal Government. SFFAS No. 4 essentially defines how costs are determined and provides guidance for defining and structuring responsibility segments. (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 27)</i></p> <p><i>Managerial cost accounting is the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives. (SFFAS 4, par. 42)</i></p> <p><i>A cost accounting "system" is a continual and systematic cost accounting process that may be designed to accumulate and assign costs to a variety of objects routinely or as desired by management. (SFFAS 4, par. 74)</i></p> <p><i>Cost finding is a method for determining the cost of producing goods or services using appropriate procedures, for example, special cost studies or analyses. (SFFAS 4, par. 76)</i></p>		
<p>1. Is the classification of suborganization and major programs for which costs are reported consistent with the entity's mission and outputs? (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 27)</p>		
<p>2. Are net costs reported for the entity as a whole and for specific suborganizations and major programs? (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 27)</p>		

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Cost Accounting in General Overall Requirements (1 - 16)	Yes, No, or N/A	Explanation
<p>3. Does the Statement of Net Costs include a combined total column? (OMB Bull. 97-01 as amended (Jan.7, 2000), pp. 26 & 28)</p>		
<p>4. Does the combined total column include a note alerting readers that the combined statement of financing or equivalent schedules do not include intra-agency eliminations? (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 28)</p>		
<p>5. Are the costs related to the production of goods and services provided to other programs reported separately from the costs of goods, services, transfers, and grants provided to the public? (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 28)</p>		
<p>6. Are costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to segments and their outputs and programs reported on the Statement of Net Cost as “Costs not assigned to programs?” (OMB 97-01, pp. 26 & 29; SFFAS 7 Imple. Guide, par. 32)</p>		
<p>7. Is earned revenue that is insignificant or cannot be attributed to particular outputs or programs reported separately as a deduction in arriving at the net cost of operations of the suborganization or reporting entity as a whole? (OMB 97-01 as amended (Jan.7, 2000), pp. 26 & 29)</p>		
<p>8. Does the reporting entity regularly accumulate and report the costs of its activities either by means of cost accounting systems or cost finding techniques? (SFFAS 4, par. 70)</p>		

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<p>Cost Accounting in General Overall Requirements (1 - 16)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>9. Has the entity established appropriate procedures and practices to enable the consistent and regular collection, measurement, accumulation, analysis, interpretation, and communication of cost information? (SFFAS 4, par. 68 & 70)</p>		
<p>10. Does the cost accounting data collected by the entity provide information needed to determine and report service efforts, accomplishments, and information required by the Government Performance and Results Act of 1993 (GPRA)? (SFFAS 4, par. 69)</p>		
<p>11. In general, does the reporting entity use a cost accounting system or cost finding technique that can perform at least a certain minimum level of cost accounting as well as provide basic cost information necessary to accomplish the objectives associated with planning, decision-making, control, and reporting? (SFFAS 4, par. 71)</p>		

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<p>Cost Accounting in General Overall Requirements (1 - 16)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>12. Specifically, does the reporting entity's cost accounting system or cost finding technique, at a minimum, do the following?</p> <ul style="list-style-type: none"> a. Collect cost information by responsibility segments, which have been identified by management. b. Define outputs for each responsibility segment. c. Measure the full cost (including the cost of goods or services provided by other entities) of outputs so that total operational costs and total unit costs of outputs can be determined. d. Use a costing methodology (e.g., activity-based, job order, and standard costing) that is appropriate for management's needs and the operating environment. e. Provide information needed to determine and report service efforts, accomplishments, and information necessary to meet the requirements of GPRA (or interface with a system that provides such information). f. Rely on the Standard General Ledger as a basis for integrating its cost information with its general financial accounting capability. g. Supply cost data precise enough to provide reliable and useful information to internal and external users in making evaluations or decisions. h. Accommodate management's special cost information needs. (SFFAS 4, par. 71) 		
<p>13. Are all cost accounting activities, processes, and procedures documented? (SFFAS 4, par. 71)</p>		

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<p>Cost Accounting in General Overall Requirements (1 - 16)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>14. In determining the appropriate detail for its cost accounting processes and procedures, has the reporting entity considered the following?</p> <ul style="list-style-type: none"> a. nature of its operations b. the precision desired and needed in cost information c. the practicality of data collection and processing d. the availability of electronic data-handling facilities e. the cost of installing, operating, and maintaining the cost accounting processes f. any specific information needs of management (SFFAS 4, par. 72) 		
<p>15. Has the entity used similar or compatible cost accounting processes throughout its component units? (SFFAS 4, par. 73)</p>		
<p>16. Does the entity provide appropriate variations of the Statement of Net Cost based on the types of programs that it carries out and OMB guidance? (SFFAS 7 Imple. Guide, par. 33; OMB Bull. 97-01 as amended (Jan.7, 2000), pp. 28 & 30)</p>		

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Cost Accounting in General Responsibility Segments (17 – 21)	Yes, No, or N/A	Explanation
<p><i>A responsibility segment is a component of a reporting entity that is responsible for carrying out a mission, conducting a major line of activity, or producing one or a group of related products or services. (SFFAS 4, par. 78)</i></p>		
<p>17. Has the management of the reporting entity defined and established, as needed, responsibility segments to perform managerial cost accounting functions? (SFFAS 4, par. 77)</p>		
<p>18. Does management designate or establish responsibility segments based on the following?</p> <ul style="list-style-type: none"> a. the entity's organization structure b. its lines of responsibility and missions c. its output of goods and services d. budget accounts and funding authorities (SFFAS 4, par. 86) 		
<p>19. For each responsibility segment, can the entity do the following?</p> <ul style="list-style-type: none"> a. Define and accumulate outputs and, if feasible, quantify each type of output in units. b. Accumulate costs and quantitative units of resources consumed in producing the outputs. c. Assign costs to outputs and calculate the cost per unit of each type of output, if possible. d. Establish lower level cost centers, as needed. (SFFAS 4, par. 79 & 88) 		

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Cost Accounting in General Responsibility Segments (17 - 21)	Yes, No, or N/A	Explanation
20. Does the reporting entity include supporting schedules in the Notes to the Financial Statements if the suborganization’s summary information provided in the Statement of Net Cost does not fully display the suborganization’s major programs and activities? (OMB Bull. 97-01 as amended (Jan.7, 2000), pp. 71 & 72)		
21. Does the reporting entity disclose gross cost and earned revenue ¹ , by budget functional classification? (OMB Bull. 97-01 as amended (Jan.7, 2000), p. 73)		

¹ Gross cost and earned revenue is net of intra-agency transactions (consolidated).

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Cost Accounting in General Full Cost (22 - 30)	Yes, No, or N/A	Explanation
<p><i>Full cost is the sum of all costs required by a cost object including the costs of activities performed by other entities regardless of funding sources. (SFFAS 4, app. B)</i></p> <p><i>Cost object (or cost objective) is an activity, output, or item whose cost is to be measured — or in a broad sense, an organizational division, function, task, product, service, or customer. (SFFAS 4, app. B)</i></p> <p><i>Direct costs are costs that can be specifically identified with an output. (SFFAS 4, par. 89)</i></p> <p><i>Indirect costs are costs of resources that are jointly or commonly used to produce two or more types of outputs but are not specifically identifiable with any of the outputs. (SFFAS 4, par. 91)</i></p> <p><i>Output is any product or service generated from the consumption of resources. (SFFAS 4, par. 89)</i></p>		
<p>22. Does the reporting entity report include all direct costs in the full cost of outputs? (SFFAS 4, par. 89 & 90)</p>		
<p>23. Does the reporting entity also include the following?</p> <ul style="list-style-type: none"> a. indirect costs incurred within a responsibility segment b. the costs of support services that a responsibility segment receives from other segments and entities (SFFAS 4, par. 91, 122, & 123) 		

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Cost Accounting in General Full Cost (22 - 30)	Yes, No, or N/A	Explanation
24. Are those general management and administrative support costs that cannot be traced, assigned, or allocated to responsibility segments and outputs identified and reported as costs not assigned to programs? (SFFAS 4, par. 92)		
25. Are the costs of employee benefits ² included as part of the cost of outputs? (SFFAS 4, par. 93 - 96)		
26. Are other postemployment benefits reported as expenses for the period during which a future outflow or other sacrifice of resources is probable and measurable on the basis of an event occurring on or before the accounting date? (SFFAS 4, par. 96 - 97)		
27. Are the costs of transfer payments for welfare, insurance, grants, and other public assistance programs and the costs of operating those programs separately identified? (SFFAS 4, par. 98 - 101; OMB Bull. 97-01 as amended (Jan.7, 2000), pp. 28 & 72)		
28. Are incurred depreciation expenses included in the full costs of outputs that the segment produces? (SFFAS 4, par. 102)		
29. Are the costs of acquiring or constructing national defense PP&E and heritage PP&E treated as a program cost or period expense but excluded from the full cost of outputs? (SFFAS 4, par. 103; SFFAS 11, par. 7)		

² These include insurance, pensions, and other retirement benefits but not other postemployment benefits.

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Cost Accounting in General Full Cost (22 - 30)	Yes, No, or N/A	Explanation
30. Are other nonproduction costs, such as reorganization costs and nonrecurring clean-up costs resulting from facility abandonment, also excluded from the full cost of outputs and treated as current-period expenses? (SFFAS 4, par. 104)		

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Cost Accounting in General Interentity Costs (31 - 36)	Yes, No, or NA	Explanation
<p><i>Within the federal government, some reporting entities rely on other federal entities to help them achieve their missions. Often, this involves providing goods or services, with or without reimbursement. The reporting entity generally must account for the full cost of goods or services provided to or received from other federal entities. (SFFAS 4, par. 105 - 106)</i></p>		
<p>31. Does the reporting entity include in its Statement of Net Cost the full costs of goods and services received from other federal entities? (SFFAS 4, par. 105)</p>		
<p>32. Does the entity providing goods or services to another reporting entity recognize in its accounting records, as well as disclose to the receiving entity, the full cost of goods and services provided? (SFFAS 4, par. 108; OMB Bull. 97-01 as amended (Jan. 7, 2000) , pp. 26 & 28)</p>		
<p>33. Is recognition of interentity costs that are not fully reimbursed limited to material items that have the following attributes?</p> <ul style="list-style-type: none"> a. are significant to the receiving entity b. form an integral or necessary part of the receiving entity's output c. can be identified or matched to the receiving entity with reasonable precision (SFFAS 4, par. 105 & 112) 		

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<p>Cost Accounting in General Interentity Costs (31 - 36)</p>	<p>Yes, No, or NA</p>	<p>Explanation</p>
<p>34. Are the costs of broad, general support services provided by a federal entity to other federal entities excluded from the costs of the recipient entity unless such services are integral to the receiving entity (e.g., Treasury check-writing services provided for the Social Security Administration)? (SFFAS 4, par. 112)</p>		
<p>35. If the receiving entity can not get complete information on the full cost of goods or services provided by another reporting entity, does one of the following apply?</p> <p>a. The receiving entity uses a reasonable estimate of the cost.</p> <p>b. If an estimate of the cost cannot be made, the estimated market value of the received goods or services is used. (SFFAS 4, par. 109)</p>		
<p>36. Are interentity and intra-entity expenses and financing sources eliminated for any consolidated financial statements covering both entities? (SFFAS 4, par. 109)</p>		

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<p>Cost Accounting in General Costing Methodology (37 - 45)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
		<p><i>Entities are not required to use a particular costing system or costing methodology, but the costing system or methodology used should be appropriate to the entity's operating environment and used consistently. Four examples of acceptable (but not necessarily mutually exclusive) costing methodologies are activity-based costing, job order costing, process costing, and standard costing. (SFFAS 4, par. 144 - 162)</i></p> <p><i>Cost accumulation is the process of collecting cost data in an organized way by responsibility segment. (SFFAS 4, par. 117)</i></p> <p><i>Cost assignment is a process that identifies accumulated costs with reporting periods and cost objects. Three methods of cost assignment are direct tracing, cause and effect, and allocation that is reasonable and consistent. (SFFAS 4, par. 120, 124 - 137, & app. E)</i></p> <p><i>Cost object or cost objective is an activity, output, or item the cost of which is to be measured. (SFFAS 4, par. 121 & app. E)</i></p>
<p>37. Is the entity's accounting system capable of identifying costs with responsibility segments? (SFFAS 4, par. 118)</p>		
<p>38. Are costs related to the production of goods and services provided to other programs (governmental) reported separately from the costs of goods, services, transfers, and grants provided to the public? (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 26 & 28)</p>		
<p>39. Are costs related to the production of outputs reported separately from costs that are not related to the production outputs (i.e., nonproduction costs)? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 26 & 28)</p>		

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Cost Accounting in General Costing Methodology (37 - 45)	Yes, No, or N/A	Explanation
40. Are the costs of resources consumed by responsibility segments classified by type of resource, such as costs of employees, materials, capital, utilities, rent? (SFFAS 4, par. 119)		
41. Are data on the quantity of units (e.g., staff days, gallons of gasoline consumed) related to the various cost categories maintained, when appropriate and feasible? (SFFAS 4, par. 119)		
42. Are costs assigned to outputs using the methods in the following order of preference? a. directly tracing costs used in the production of an output, wherever feasible and economically practicable b. assigning costs on a cause-and-effect basis to, for example, cost pools c. allocating costs on a reasonable and consistent basis (SFFAS 4, par. 124)		
43. For cost allocation purposes, do indirect costs assigned to a given cost pool have similar characteristics? (SFFAS 4, par. 136)		
44. Are common costs assigned to activities either on a cause-and-effect basis, if feasible, or through reasonable allocations? (SFFAS 4, par. 139, 140, 142, & 143)		
45. Are the full costing methodologies that are most appropriate to a segment's operating environment used and followed consistently, and if improvements or refinements are made, are they documented and explained? (SFFAS 4, par. 145 & 146)		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
<p><i>Revenues are inflows of resources that the government demands, earns, or receives by donation. Revenue comes from two sources: exchange transactions and nonexchange transactions. (SFFAS 7, par. 30)</i></p> <p><i>Nonexchange revenues are inflows of resources that the government demands or receives by donation. Nonexchange revenues are primarily derived from the government’s power to demand payments from the public (e.g., taxes, duties, fines). (SFFAS 7, par. 30 & 48)</i></p> <p><i>Exchange revenues and gains are inflows of resources to a government entity that the entity has earned. They are earned when each party to the transaction sacrifices value and receives value in return. (SFFAS 7, par. 30, 33 & app. C)</i></p> <p><i>The gross cost of a program consists of the full cost of the outputs produced by a program plus any nonproduction costs that can be assigned to the program (nonproduction costs are costs linked to events other than the production of goods and services). (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 27)</i></p> <p><i>The net cost of operations consists of gross cost less related exchange revenues (or in this context, the cost of the entity to the taxpayer). (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 27)</i></p>		
<p>46. Are earned revenues deducted from the gross costs of suborganizations and programs if practical and possible and, if not, from the costs of the entity as a whole? (OMB Bull. 97-04 as amended (Jan. 7, 2000), p. 29)</p>		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
<p>47. In its Statement of Net Costs, does the entity show the following?</p> <ul style="list-style-type: none"> a. the gross cost of providing goods or services that earned exchange revenue b. exchange revenue earned c. the resulting difference between a and b to determine net costs (SFFAS 7, par. 43 & 120 - 125; SFFAS 7 Imple. Guide, par. 7, 8 & 42 - 47; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 26 & 27, 5th par.) 		
<p>48. Does the entity also break out the gross costs of providing goods, services, benefit payments, or grants that did not earn exchange revenue? (SFFAS 7, par. 43 & 120; SFFAS 7 Imple. Guide, par. 32, 33, & 41; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 27)</p>		
<p>49. Is the net amount of gains (or losses) subtracted from (or added to) the gross cost to determine net cost? (SFFAS 7, par. 44)</p>		
<p>50. If exchange (or earned) revenue is immaterial or cannot be associated with a particular output or program, is it reported separately, as appropriate, as a deduction in arriving at net cost of the program, suborganization, or reporting entity as a whole? (SFFAS 7, par. 44, SFFAS 7 Imple. Guide, par. 45.6; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 29)</p>		
<p>51. Are nonexchange revenues and other financing sources excluded from calculating net cost? (SFFAS 7, par. 44)</p>		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
<p>52. If the entity incurs virtually no cost in connection with earning exchange revenue, is such revenue not recognized in the Statement of Net Cost, but shown as a financing source on the Statement of Changes in Net Position or (if appropriate) Statement of Custodial Activity? (SFFAS 7, par. 45.A & 140 – 146; SFFAS 7 Imple. Guide, par. 50 - 58)</p>		
<p>53. If the collecting entity transfers exchange revenue to a second entity, does the second entity follow similar revenue recognition (i.e., match revenues against actual costs unless no costs are incurred)? (SFFAS 7, par. 45.B)</p>		
<p>54. Is the full amount of exchange revenues reported regardless of whether the entity is permitted to retain the revenues? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 29, 1st par.)</p>		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
<p>55. Does a reporting entity that provides goods or services to the public or other government entity disclose the following in a note or narrative?</p> <ul style="list-style-type: none"> a. a pricing policy that differs from the full cost or market pricing guidance set forth in OMB Circular No. A-25 and the possible effect on demand and revenue if prices were raised to reflect the market or full cost b. prices set by law or executive order that are not based on full cost or market price and the possible effect on demand and revenue if prices were raised to reflect the market or full cost c. the nature of intragovernmental exchange transactions in which goods or services are provided free or at less than full cost and the reasons for disparities between billing and full cost d. the full amount of any expected loss when specific goods or services are provided or made to order under a contract and a loss is both probable and measurable (SFFAS 7, par. 46, 47, & 163 - 167) 		
<p>56. Is custodial collected nonexchange revenue, that is legally retained by the collecting entity as reimbursement for the cost of collection, recognized as exchange revenue in determining the collecting entity's net cost of operations? (SFFAS 7, par. 60.3)</p>		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
<p>57. Is revenue received from the public or other government entity in return for providing goods or services recognized and reported in the Statement of Net Cost as earned or exchange revenue? (SFFAS 7, par. 34, 35, 36 (a) & (c), 270, & 271; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 29)</p>		
<p>58. Is exchange revenue broken out by major category and linked, where possible, to the net costs of related outputs, programs, organizations, or suborganizations in the Statement of Net Cost? (SFFAS 7, par. 43; SFFAS 7 Imple. Guide, par. 42 – 47; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 29)</p>		
<p>59. If an exchange transaction is likely to be unusual or nonrecurring for a particular entity, is a gain or loss recognized rather than a revenue or expense? (SFFAS 7, par. 35, 133, 238, 329 & 330)</p>		
<p>60. If specific goods or services are made to order under terms of a contract, is exchange revenue (and any probable loss or gain) recognized in proportion to costs of goods and services acquired to fulfill the contract? (SFFAS 7, par. 36(b))</p>		
<p>61. When goods are kept in inventory so that they are available to customers when ordered, is exchange revenue recognized when the goods are delivered to the customer? (SFFAS 7, par. 36(c))</p>		
<p>62. If services are rendered continually or the right to use an asset extends continually over time, is exchange revenue recognized in proportion to the passage of time or the use of the asset? (SFFAS 7, par. 36(d))</p>		

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Revenues (46 - 69)	Yes, No, or N/A	Explanation
63. Is interest received on intragovernmental loans recognized as exchange revenue if the source of borrowed funds is predominately exchange revenue? (SFFAS 7, par. 36(d) & 154 - 161)		
64. When an asset other than inventory is sold, is any gain (or loss) recognized when the asset is delivered to the purchaser? (SFFAS 7, par. 36(e))		
65. When advance fees or payments are received, such as for large-scale, long-term projects, is revenue recognized only as the cost of providing the corresponding goods and services? (SFFAS 7, par. 37 & 113 - 119)		
66. Is the measurement for revenue from exchange transactions based on the actual price received or receivable under established pricing arrangements? (SFFAS 7, par. 38)		
67. If the realization of the full amount of exchange revenue is not probable due to credit losses, is an expense recognized and is the allowance for bad debts increased? (SFFAS 7, par. 40)		
68. If recognized exchange revenue is not likely to be realized for reasons apart from credit losses (e.g., returns and allowances), is the probable amount recognized as a revenue adjustment? (SFFAS 7, par. 41 & 129)		
69. Is exchange revenue recognized regardless of whether the entity retains the revenue for its own use or transfers it to other entities? (SFFAS 7, par. 43)		

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Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
		<p><i>Pension benefits include all retirement, disability, and survivor benefits financed through a pension plan, including unfunded pension plans. Required federal payments to social insurance plans (i.e., Social Security and Medicare) and matching federal payments to defined contribution pension plans are also considered to be plan expenses. (SFFAS 5, par. 61)</i></p> <p><i>Costs of pensions and other retirement benefits (ORB), whether they are paid for in part or in total by other governmental entities, are included in the costs of program outputs. (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 28)</i></p> <p><i>Recognition of other postemployment benefits (OPEB) is linked to the occurrence of an OPEB event rather than the production of an output. OPEB costs are generally treated as period expenses. Special-purpose cost studies may distribute OPEB costs over a number of prior years to determine the cost of outputs OPEB recipients helped produce. (SFFAS 4, par. 96 & 97)</i></p> <p><i>In accounting for pensions, (ORB), and OPEB, the “administrative entity” typically manages and accounts for the related assets and liabilities. The “employer entity” accounts for the related costs of pensions, ORB and OPEB. For these costs the employer entity receives a salary and expense appropriation, imputes a financing source, or both. (SFFAS 5, par. 57, footnote 38, & par. 78 & 93)</i></p> <p><i>The “aggregate entry age normal” actuarial cost method is one under which the expenses or liabilities arising from the actuarial present value of projected pension benefits is allocated on a level basis over the earnings or the service of the group between entry age and assumed exit ages. The portion of the actuarial present value of pension plan and benefits and expenses that is allocated to a valuation year is called “normal cost” (SFFAS 5, par. 64 & app. E)</i></p>
<p>70. Are pensions and ORB recognized as expenses at the time of employment? (SFFAS 5, par. 59)</p>		

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Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
71. Is the "aggregate entry age normal" actuarial cost method (or other actuarial cost method, if the results are not materially different and an explanation is provided) used to calculate pension expense, the liability for the administrative entity financial statements, and the expense for the employer entity financial statements? (SFFAS 5, par. 64)		
72. When using the "aggregate entry age normal" actuarial cost method, does the entity allocate pension expenses on the basis of a level percentage of earnings? (SFFAS 5, par. 64)		
73. Does the administrative entity base its actuarial assumptions for pension plans on the experience of the covered groups, long-term trends, and guidance of the American Academy of Actuaries? (SFFAS 5, par. 65)		
74. Does the administrative entity base its interest rate assumptions on the estimated long-term investment yield for a pension plan or, if the plan is not being funded, on some other appropriate long-term assumption (e.g., the federal long-term borrowing rate)? (SFFAS 5, par. 66)		
75. Does the administrative entity disclose the assumptions used to calculate pension benefit expenses? (SFFAS 5, par. 67)		
76. When a new pension plan is initiated or current one amended, does the administrative entity immediately recognize all past service costs or gains as well as all actuarial gains and losses, without amortization? (SFFAS 5, par. 69 & 70)		

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Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
<i>Normal cost or service cost is the actuarial present value of benefits attributed by the pension plan's benefit formula to services rendered by employees during an accounting period. (SFFAS 5, par. 74, footnote 45)</i>		
<p>77. Does the administrative entity disclose the following components of reported pension benefit expenses?</p> <ul style="list-style-type: none"> a. normal cost b. interest on pension liability during the period c. prior service cost from plan amendments (or the initiation of a new plan) during the period, if any d. actuarial gains or losses during the period, if any (SFFAS 5, par. 71 & 72; OMB Bull. 97-01 as amended (Jan. 7, 2000), note 13, p. 70) 		
<p>78. Does the administrative entity report pension plan revenue for the sum of contributions from the following entities?</p> <ul style="list-style-type: none"> a. the employer b. its employees c. financing from the general fund to cover prior service or other costs for which contributions were not provided by the employer or employee d. interest on the plan's investments (SFFAS 5, par. 73 & 78) 		
<p>79. In the financial report, does the employer entity recognize a pension expense report that equals the service cost for its employees for the accounting period, less the amount contributed by the employees, if any? (SFFAS 5, par. 74, 77, & 78)</p>		

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Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
<p>80. Is the employer entity's pension expense balanced by either of the following?</p> <ul style="list-style-type: none"> a. a decrease to its “fund balance with Treasury” for the amount of its contribution to the pension plan, if any b. an increase to an account representing an intragovernmental imputed financing source (e.g., "imputed financing - expenses paid by other agencies") (SFFAS 5, par. 75) 		
<p>81. If the employer entity is also the administrative entity, does it also report the liability³ and recognize the expense for all components of the pension plan's cost? (SFFAS 5, par. 71 & 76)</p>		
<p><i>ORB includes all retirement benefits other than pension benefits. The predominant ORB in the federal government is retirement health benefits. (SFFAS 5, par. 58 & 79)</i></p>		
<p>82. Is the "aggregate entry age normal" actuarial cost method (or other actuarial cost method, if the results are not materially different and an explanation is provided) used to calculate the ORB expense and liability for the administrative entity financial statements and the expense for the employer entity financial statements? (SFFAS 5, par. 82 & 88)</p>		
<p>83. Are expenses and other liabilities attributable to ORB expenses allocated based on the service rendered by each employee? (SFFAS 5, par. 82 & 83)</p>		

³ This is the actuarial present value of all future benefits, based on projected salaries and total projected service, less the actuarial present value of future normal cost contributions that would be made for and by the employees under the plan.

Section IV Statement of Net Cost

Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
<p>84. Do the amounts calculated for financial reports prepared for ORB plans reflect the following?</p> <ul style="list-style-type: none"> a. general actuarial and economic assumptions that are consistent with those used for pensions b. a health care cost trend assumption that is consistent with Medicare projections or other authoritative sources appropriate for the population covered by the plan (SFFAS 5, par. 83) 		
<p>85. Does the administrative entity discount the projected ORB costs at the rate of expected return of plan assets, if the plan is being funded, or on some other long-term assumptions (e.g., the long-term federal government borrowing rate) for unfunded plans? (SFFAS 5, par. 84)</p>		
<p>86. Does the administrative entity disclose the assumptions used to calculate projected ORB costs? (SFFAS 5, par. 83)</p>		
<p>87. Is the accrual period for ORB based on the expected retirement age rather than the age when the employee becomes eligible for pension benefits? (SFFAS 5, par. 84)</p>		
<p>88. When a new ORB plan is initiated or current one amended, does the administrative entity immediately recognize all past and prior service costs or gains as well as all actuarial gains and losses, without amortization? (SFFAS 5, par. 86 & 87)</p>		

Section IV Statement of Net Cost

Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
<p>89. Does the administrative entity disclose the following components of reported ORB (e.g., health insurance) expenses?</p> <ul style="list-style-type: none"> a. normal cost b. interest on the ORB liability during the period c. prior (and past) service cost from plan amendments (or the initiation of a new plan) during the period, if any d. any gains/losses due to a change in the medical inflation rate assumption e. other actuarial gains or losses during the period, if any (SFFAS 5, par. 88; OMB Bull. 97-01 as amended (Jan. 7, 2000), note 13, p. 70) 		
<p>90. Does the administrative entity report ORB revenue for the sum of contributions from the employer entity and its employees? (SFFAS 5, par. 89)</p>		
<p>91. Does the employer entity recognize ORB expenses on a per employee basis in its financial report as the net of normal cost and employee contributions? (SFFAS 5, par. 90 & 93)</p>		
<p>92. If the employer entity is also the administrative entity, does it also report the liability⁴ and recognize the expense for all components of the pension plan's cost? (SFFAS 5, par. 88 & 92)</p>		

⁴ This is the actuarial present value of all future benefits less the actuarial present value of future normal cost contributions that would be made for and by the employees under the plan.

Section IV Statement of Net Cost

Costs Pensions and Other Retirement and Postemployment Benefits (70 – 94)	Yes, No, or N/A	Explanation
<p><i>OPEB are provided to former or inactive employees, beneficiaries, and covered dependents outside pension or ORB plans. Postemployment benefits can include salary continuation, severance benefits, counseling and training, continuation of health care or other benefits, unemployment workers' compensation, and veterans' disability compensation benefits paid by the employer. (SFFAS 4, par. 96; SFFAS 5, par. 57)</i></p>		
<p>93. Are OPEB expenses recognized as an expense at the time the benefit is provided? (SFFAS 5, par. 59)</p>		
<p>94. Does the employer recognize an expense and a liability for OPEB - such as severance pay, training, and health care - when a future outflow or other sacrifice of resources is probable (i.e., more likely than not) and measurable? (SFFAS 5, par. 94 & 95)</p>		

Section IV Statement of Net Cost

Costs Inventory, Material, Supplies, and Commodities (95 - 103)	Yes, No, or N/A	Explanation
<p>95. Upon sale or use, is the cost of inventory expensed and removed from the inventory asset account? (SFFAS 3, par. 19)</p>		
<p>96. To arrive at the historical cost of ending inventory and cost of goods sold, is one of the following cost flow assumptions used?</p> <ul style="list-style-type: none"> a. first-in, first-out b. weighted average c. moving average d. any other valuation method (such as a standard cost system) whose results reasonably approximate a, b, or c (SFFAS 3, par. 22) 		
<p>97. Are operating materials and supplies expensed using the consumption method (i.e., reported as an operating expense as they are issued to the end user for current operations)? (SFFAS 3, par. 38 & 39)</p>		

Section IV Statement of Net Cost

Costs Inventory, Material, Supplies, and Commodities (95 – 103)	Yes, No, or N/A	Explanation
<p>98. Are operating materials and supplies expensed upon purchase if they meet one of the following attributes?</p> <ul style="list-style-type: none"> a. they are of insignificant amounts b. they are in the hands of the end user for use in normal operations c. it is cost effective to immediately expense rather than to capitalize (i.e., apply the purchase method rather than the consumption method of accounting) (SFFAS 3, par. 40 & 41) 		
<p>99. Are inventory and operating materials acquired through a nonmonetary exchange valued at the fair value of the items received at the time of the exchange, and is the difference between the fair value of the acquired items and the recorded amount surrendered reported as a gain or loss? (SFFAS 3, par. 21 & 43)</p>		
<p>100. Are abnormal costs associated with inventory and operating materials and supplies, such as excessive handling or rework costs, charged to operations of the period? (SFFAS 3, par. 21 & 43)</p>		
<p>101. Are any unrealized gains or losses, which are reflected in periodic inventory or operating materials and supplies revaluations, captured in a designated allowance account? (SFFAS 3, par. 17, 23 & 24)</p>		

Section IV Statement of Net Cost

Costs Inventory, Material, Supplies, and Commodities (95 – 103)	Yes, No, or N/A	Explanation
102. Is the cost of stockpile materials removed from the corresponding asset account and reported as an operating expense when issued for use or sale? (SFFAS 3, par. 52)		
103. Are abnormal costs of stockpile materials, such as excessive handling and rework costs, expensed in current operations? (SFFAS 3, par. 53)		

Section IV Statement of Net Cost

Costs Property, Plant, and Equipment (104 - 118)	Yes, No, or N/A	Explanation
		<p><i>A common expense related to PP&E that is included in the Statement of Net Cost is depreciation. Other current expenses related to PP&E are all costs of acquiring and maintaining federal mission and heritage PP&E and stewardship land. (SFFAS 6, par. 35, 53, 61, & 69)</i></p> <p><i>Depreciation expense is calculated through systematic and rational allocation of the cost of general PP&E, less its estimated salvage or residual value, over its estimated useful life. (GAO/AIMD-21.1.1 SFFAS 6, par. 35)</i></p>
<p>104. Is depreciation of general PP&E recognized as an expense of the period? (SFFAS 6, par. 35)</p>		
<p>105. If historical cost information has not been maintained for existing general PP&E, does the entity depreciate or amortize the estimated residual values over its remaining useful life in a systematic and rational manner? (SFFAS 6, par. 35, 40, & 41)</p>		
<p>106. In an exchange transaction with a nonfederal entity, is the difference between the book value (i.e., cost less accumulated depreciation) of general PP&E surrendered and the cost of PP&E acquired recognized as either a gain or a loss? (SFFAS 6, par. 32)</p>		
<p>107. In the event that cash consideration is included in the exchange, is the cost of general PP&E either increased by the amount of cash consideration surrendered or decreased by the amount of cash consideration received? (SFFAS 6, par. 32)</p>		

Section IV Statement of Net Cost

Costs Property, Plant, and Equipment (104 - 118)	Yes, No, or N/A	Explanation
<p>108. Is the expected net realizable value of a general PP&E asset that has been prematurely removed from service adjusted at the end of each accounting period, and is any adjustment made recognized as either a gain or loss? (SFFAS 6, par. 39)</p>		
<p>109. When assets have been removed from general PP&E in anticipation of disposal, retirement, or removal from service, has the entity stopped recording depreciation and amortization expenses for such assets? (SFFAS 6, par. 38)</p>		
<p>110. Is the cost of acquiring, constructing, improving, reconstructing, or renovating — as well as the cost incurred to bring national defense PP&E to its current condition and location — recognized as an expense on the Statement of Net Cost when incurred, and is this disclosed in the notes as a “cost of national defense PP&E?” (SFFAS 6, par. 53 & SFFAS 8, par. 65-67, & 119; SFFAS 11, par. 7 & 16; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 28 & 73, 1st par.)</p>		
<p>111. Are costs to acquire, improve, reconstruct, or renovate heritage assets, other than multiuse heritage assets, recognized on the Statement of Net Cost for the period in which the costs are incurred? (SFFAS 16, par. 8; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 28 & 73)</p>		
<p>112. Do the recognized costs of heritage assets also include all costs incurred during the period to bring the items to their current condition? (SFFAS 16, par. 8)</p>		

Section IV Statement of Net Cost

Costs Property, Plant, and Equipment (104 – 118)	Yes, No, or N/A	Explanation
113. If the fair value of donated or bequeathed heritage assets is not known or reasonably estimable, is information as to the type and quantity of assets received disclosed? (SFFAS 16, par. 10; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 73, 2 nd par.)		
114. Are costs to acquire, as well as costs incurred to bring the stewardship land to its current condition or intended use, recognized as a cost of the period incurred and disclosed as “Cost of Stewardship Land?” (SFFAS 6, par. 69 & 73; SFFAS 8, par. 77 & 119; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 29, 4 th par. & 73, 1 st par.)		
115. Is the fair value, if known and material, of stewardship land acquired through donation or devise disclosed in notes to the Statement of Net Cost? (SFFAS 6, par. 71; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 73, 2 nd par.)		
116. If the fair value of donated or willed stewardship land is not estimable, is information as to the type and quantity of assets received disclosed in notes to the Statement of Net Cost, if material? (SFFAS 6, par. 71; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 73, 2 nd par.)		
117. If land included in general PP&E is transferred to another federal entity to be used as stewardship land, is the cost to the receiving entity of the transferred land recognized at the book value on the transferring entity’s books? (SFFAS 6, par. 72)		
118. If the receiving entity does not know the book value of the transferred land, is the transfer disclosed in the notes to the Statement of Net Cost, if material? (SFFAS 6, par. 72)		

Section IV Statement of Net Cost

Costs Clean-up Costs (119 – 127)	Yes, No, or N/A	Explanation
<p><i>Clean-up costs are the costs of removing, containing, or disposing of (1) hazardous waste from property or (2) material or property that consists of hazardous waste upon permanent or temporary closure or shutdown of associated PP&E. Clean-up costs may include, but are not limited to, decontamination, decommissioning, site restoration, site monitoring, closure, and postclosure costs (SFFAS 6, par. 85 & 87)</i></p>		
<p>119. When general PP&E is placed into service, does the entity estimate the associated clean-up costs? (SFFAS 6, par. 94)</p>		
<p>120. In estimating clean-up costs and liability, has the entity considered the following?</p> <ul style="list-style-type: none"> a. the level of restoration to be performed b. current legal and regulatory requirements c. current technology d. current costs (i.e., the costs of acquiring during the current period all goods and services included in the clean-up estimate) (SFFAS 6, par. 95) 		
<p>121. Are estimated clean-up costs periodically revised to account for material changes due to inflation or deflation and changes in regulations, plans, or technology? (SFFAS 6, par. 96 & 189)</p>		

Section IV Statement of Net Cost

<p>Costs Clean-up Costs (119 – 127)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>122. When general PP&E is placed into service, does the entity do the following?</p> <ul style="list-style-type: none"> a. estimate and disclose total clean-up costs b. apportion clean-up costs over the useful life of the asset in a rational and systematic manner, based on the physical capacity of the PP&E or, if physical capacity is not useful or estimable, on the estimated useful life c. begin expensing and accumulating a liability on a pro rata basis for unfunded clean-up expenses (SFFAS 6, par. 97-98, 186, 188, & 234-239) 		
<p>123. If clean-up costs are reestimated, are the cumulative changes related to current and past operations of general PP&E immediately recognized as an expense and is the corresponding liability adjusted? (SFFAS 6, par. 99 & 190)</p>		
<p>124. When stewardship PP&E is placed into service, does the entity expense the total estimated clean-up costs and establish a liability in the period the asset is placed into service? (SFFAS 6, par. 101)</p>		
<p>125. If clean-up costs for stewardship PP&E are reestimated, are any adjustments to the liability associated with clean-up costs expensed in the period of the change in estimate? (SFFAS 6, par. 102)</p>		
<p>126. Are payments for clean-up costs for stewardship PP&E recognized as a reduction in the liability for clean-up costs? (SFFAS 6, par. 103)</p>		

Section IV Statement of Net Cost

Costs Clean-up Costs (119 – 127)	Yes, No, or N/A	Explanation
<p>127. Does the entity disclose the following?</p> <ul style="list-style-type: none"> a. the applicable laws and regulations covering clean-up requirements b. the method for assigning estimated total clean-up costs to current operating periods (e.g., physical capacity versus passage of time) c. the unrecognized portion of estimated total clean-up costs for clean-up costs associated with general PP&E d. material changes in total estimated clean-up costs due to changes in laws, technology, or plans, as well as the portion of the change in clean-up cost estimates that relate to prior-period operations e. the nature of estimates and information regarding possible changes due to inflation, deflation, technology, or applicable laws and regulations (SFFAS 6, par. 107 – 111: OMB Bull. 97-01 as amended (Jan. 7, 2000), p . 71, note 17) 		

Section IV Statement of Net Cost

Costs Interest (128 -129)	Yes, No, or N/A	Explanation
<p><i>Interest costs are generally related to securities and other debt instruments issued by the U.S. Treasury or other federal agencies. (SFFAS 5, par. 47 - 48)</i></p>		
<p>128. Does the related interest cost of federal debt include the following?</p> <ul style="list-style-type: none"> a. the accrued (prorated) share of the nominal interest incurred during the accounting period b. the amortized discounts or premiums for each accounting period for fixed value securities c. the amount of change in the current value for the accounting period for variable value securities (SFFAS 5, par. 53) 		
<p>129. If securities are retired before maturity, is the difference between the reacquisition price and net carrying value recognized as a gain or loss? (SFFAS 5, par. 54)</p>		

Section IV Statement of Net Cost

Costs Insurance and Subsidies (130 -133)	Yes, No, or N/A	Explanation
<p><i>Federal insurance and guarantee programs are established to subsidize providing insurance to achieve social objectives or assume risks that private sector entities are unwilling or unable to assume. For life insurance, a premium deficiency occurs if the liability for future policy benefits using current conditions exceeds the liability for future policy benefits using contract conditions. (SFFAS 5, par. 97, 102, & 120)</i></p>		
<p>130. If an insured event has occurred as of the financial statement reporting date, has the federal entity recognized an expense and, if the claim has not been paid, a liability? (SFFAS 5, par. 104 & 109)</p>		
<p>131. Are changes in estimates of claims resulting from: (1) the present value calculations, (2) the continual review process, and (3) differences between the estimates and actual payments for claims, recognized as charges against operations of the period in which the estimates are changed or payments are made? (SFFAS 5, par. 109)</p>		
<p>132. If the liability for future [life insurance] policy benefits using current conditions exceeds the liability for future policy benefits under contract conditions (resulting in a premium deficiency), is the difference recognized as a change to operations in the current period? (SFFAS 5, par. 120)</p>		
<p>133. Does the entity recognize an expense for social insurance benefits paid during the reporting period plus any increase (or less any decrease) in the liability for social insurance from the end of the prior-period to the end of the current period? (SFFAS 17, par. 22 & 59)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p><i>In accordance with the Credit Reform Act of 1990, a subsidy expense is recognized for direct or guaranteed loans disbursed during the fiscal year. The amount of the subsidy expense equals the present value of estimated cash outflows over the life of the loans minus the present value of the estimated cash inflows. The discount rate used to calculate the present value is the average interest rate on marketable Treasury securities of similar maturity to the cash flows of the direct loan or loan guarantee for which the estimate is being made (SFFAS 2, par. 6, 7, 24, 30 & 31; SFFAS 19, par. 6, 7 (a) & (b))</i></p>		
<p>134. Are the following true of the present values of estimated net cash outflows resulting from the post-1991 direct or loan guarantee programs?</p> <ul style="list-style-type: none"> a. They are discounted at the interest rate of marketable Treasury securities with similar maturities. b. They are recognized as expenses in the year the loan is disbursed. (SFFAS 2, par. 24 & app. B, part I A; SFFAS 19, par 6) 		
<p>135. Are the following components of estimated subsidy costs (and offsetting receipts) of post-1991 loans and guarantees separately recognized and disclosed?</p> <ul style="list-style-type: none"> a. the interest subsidy costs⁵ b. default costs⁶ c. the present value of fees and other collections c. other subsidy costs (SFFAS 2, par. 25 – 29, & app. B, part I A & III A; OMB Bull. 97-01 as amended (Jan. 7, 2000), items H & I, pp. 53, 54, 57, & 58) 		

⁵ The interest subsidy cost of direct loans is the excess of the amount of the loans disbursed over the present value of the interest and principal payments required by loan contracts discounted at the applicable Treasury rate; for loan guarantees it is the present value of estimated interest supplement payments.

Section IV Statement of Net Cost

Costs Credit Programs (134 – 182)	Yes, No, or N/A	Explanation
136. Is the subsidy cost allowance for post-1991 direct loans amortized using the interest method? ⁷ (SFFAS 2, par. 30, app. B, part I B(2); SFFAS 19, par. 7(a))		
137. If the effective interest for post-1991 direct loans is less than the nominal interest, is the subsidy cost allowance increased by the difference and recognized as a reduction in interest income? (SFFAS 2, par. 30 & app. B, part I B(2); SFFAS 19, par. 7(a))		
138. If the effective interest for post-1991 direct loans is greater than the nominal interest, is the subsidy cost allowance decreased by the difference and recognized as an increase in interest income? (SFFAS 2, par. 30 & app. B, part I B(2); SFFAS 19, par. 7(a))		
139. Is interest accrued and compounded on the liabilities of post-1991 loan guarantees at the interest rate that was originally used to calculate the present value of the loan guarantee liabilities when the guaranteed loans were disbursed? (SFFAS 2, par. 31 & app. B, part III B(2))		
140. Is the interest accrued and compounded on the liabilities of post-1991 direct loan guarantees recognized as an interest expense? (SFFAS 2, par. 31 & app. B, part III B(2))		

⁶ The default cost of direct loans or loan guarantees is measured at the present value of projected payment delinquencies and omissions minus projected net recoveries.

⁷ Under the interest method, the amortized amount is the difference between the nominal interest (face amount of loan times stated interest) and effective interest (present value of loan times discount rate). The effective interest rate is the average interest rate of marketable Treasury securities with similar maturity that was used to calculate the present value of the direct loans when the direct loans were disbursed, after adjusting for the interest rate reestimate. (SFFAS 2, app. C glossary; SFFAS 19, par. 7(a)).

Section IV Statement of Net Cost

<p>Costs Credit Programs (134 - 182)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p><i>Two kinds of reestimates for the subsidy cost allowance for outstanding direct loans and the liability for outstanding loan guarantees are (1) interest rate reestimates and (2) technical/default reestimates. An interest rate reestimate results from changing the interest rates from those that were assumed in budget preparation and used in calculating the subsidy expense to the interest rates that are prevailing during the periods in which the direct or guaranteed loans are disbursed. A technical/default reestimate results from changes in projected cash flows of outstanding direct loans and loan guarantees after reevaluating the underlying assumptions and other factors (except for interest rate reestimates) that affect cash flow projections as of the financial statement date. (SFFAS 18, par. 9)</i></p> <p><i>Cohort, as it is used here, is a budget term that refers to all direct loans or loan guarantees of a program for which a subsidy appropriation is provided for a given fiscal year, even if disbursements occur in subsequent years. For direct loans and loan guarantees for which a subsidy appropriation is provided for one fiscal year, the cohort will be defined for that fiscal year. For direct loans and loan guarantees for which multiple year or no-year appropriations are provided, the cohort is defined by the year of obligation. (SFFAS 18, glossary)</i></p>		
<p>141. Does the entity measure and disclose reestimates of allowances for subsidy costs of post-1991 loans and liabilities for guarantees in two components separately, specifically: the interest rate reestimate and the technical/default reestimate? (SFFAS 18, par. 9)</p>		
<p>142. Is any increase (or decrease) in the subsidy cost allowance of post-1991 direct loans or loan guarantee liabilities resulting from the reestimates recognized as a subsidy expense (or a reduction in subsidy expense)? (SFFAS 2, par. 32 & app. B, parts I B(1) & III B(I); SFFAS 18, par. 9; OMB Bull. 97-01 OMB Bull. 97-01 as amended (Jan. 7, 2000), item H.2, pp. 52 & 57 & item I.2, pp. 54 & 58)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p>143. If the assumed interest rates used in calculating the subsidy expenses for cohorts from which direct or guaranteed loans are disbursed differs from the rates prevailing at the time of the loan disbursement, is an interest rate reestimate for those cohorts made as of the date of the financial statements? (SFFAS 18, par. 9 (A))</p>		
<p>144. Do technical/default reestimates take into consideration all factors that may have affected various components of projected cash flows, including defaults, delinquencies, recoveries, and prepayments? (SFFAS 18, par. 9 (B))</p>		
<p>145. Are technical/default reestimates for each cohort made each year as of the date of the financial statements? (SFFAS 18, par. 9 (B))</p>		
<p>146. In a note to the financial statement, does the entity display reconciliation between the beginning and ending balances of the following?</p> <ul style="list-style-type: none"> a. the subsidy cost allowances for outstanding direct loans b. the liability for outstanding loan guarantees reported in the entity's balance sheet (SFFAS 18, par. 10, 18 - 30, & app. B) 		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p>147. Does the reconciliation of beginning and ending subsidy cost allowances and loan guarantee liability balances include changes in the following?</p> <ul style="list-style-type: none"> a. interest subsidy costs, default costs, fees and other collections, and other subsidy costs b. interest rate and technical/default restimates c. other adjustments (SFFAS 2, par. 25 – 29; SFFAS 18, par. 10 & app. B) 		
<p>148. For direct loans, do other adjustments include loan modifications, fees received, loans written off, foreclosed property or other recoveries acquired, and subsidy allowance amortization? (SFFAS 18, par. 10 & app. B, schedule A)</p>		
<p>149. For loan guarantees, do other adjustments include loan guarantee modifications, fees received, interest supplements paid, claim payments made to lenders, foreclosed property or other recoveries acquired, and interest accumulated on the loan guarantee liability? (SFFAS 18, par. 10 & app. B, schedule B)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 – 182)	Yes, No, or N/A	Explanation
<p>150. In its notes to the financial statements, does the entity include a description of the characteristics of the program it administers, including the following?</p> <ul style="list-style-type: none"> a. the total amount of direct or guaranteed loans disbursed for the current and preceding reporting years b. interest subsidy costs, default costs, fees and other collections, and other subsidy costs c. interest rate and technical/default restimates (SFFAS 2, par. 25 – 29; SFFAS 18, par. 10 & 11 (A)) 		
<p>151. Does the reporting entity disclose, at the program level, the subsidy rates⁸ for the following?</p> <ul style="list-style-type: none"> a. interest subsidy costs b. default costs (net of recoveries) c. fees and other collections d. other costs estimated for direct loans and loan guarantees in the current year’s budget for the current year’s cohorts (SFFAS 18, par. 11 (B), 31 & 33 – 38) 		
<p>152. If the entity uses trend data to display significant fluctuations in subsidy rates, are these data accompanied by an analysis that explains the underlying causes for the fluctuations? (SFFAS 18, par. 11 (B) & 32)</p>		

⁸ The subsidy rate is the dollar amount of the subsidy component as a percentage of the direct loans or loan guarantees obligated in the cohort.

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p>153. Does the reporting entity disclose, discuss, and explain events and changes in economic conditions, other risk factors, legislation, credit policies, and subsidy estimation methodologies and assumptions that have had a significant and measurable effect on subsidy rates, subsidy expenses, and subsidy reestimates? (SFFAS 18, par. 11 (C), 39, 41, & 43 - 49)</p>		
<p>154. Do changes in legislation or credit policies include, for example, changes in borrowers' eligibility, the levels of fees or interest rates charged to borrowers, the maturity of loan terms, and the percentage of a private loan that is guaranteed? (SFFAS 18, par. 11 (C) & 42)</p>		
<p>155. Does the disclosure and discussion also include events and changes that have occurred and are more likely than not to have a significant impact, but whose effects are not measurable at the reporting date? (SFFAS 18, par. 11 (C) & 41)</p>		
<p>156. Are default costs estimated and periodically reestimated for each post-1991 loan and loan guarantee program on the basis of separate cohorts and risk categories? (SFFAS 2, par. 33)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p>157. In estimating default costs, has the entity considered the following factors?</p> <ul style="list-style-type: none"> a. loan performance experience b. the current and forecasted international, national, or regional economic conditions that may effect the performance of the loans c. financial and other relevant characteristics of borrowers d. the value of collateral to loan balance e. changes in recoverable value of collateral f. newly developed events that could affect the loans' performance g. improvements in methods to reestimate defaults (SFFAS 2, par. 34) 		
<p>158. In estimating and reestimating current and projected future default costs for each group, cohort, and risk category of loan and guarantee, has the agency used a consistent and systematic methodology? (SFFAS 2, par. 35 & 36)</p>		
<p>159. Are unbudgeted subsidy expenses resulting from reestimates disclosed in a note to the financial statements? (OMB Bull. 97-01 OMB Bull. 97-01 as amended (Jan. 7, 2000), item K, p. 58)</p>		
<p>160. Is interest (at the discount rate in effect when the loans were first disbursed) accrued on post-1991 direct loans, including amortized interest, recognized as interest income? (SFFAS 2, par. 37 & app. B, part I B(2) & C)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
161. Is interest (at the original discount rate) accrued on debt to the Treasury arising from post-1991 direct loans recognized as interest expense? (SFFAS 2, par. 37 & app. B, part I B(2) & C)		
162. Is interest (at the discount rate in effect when the loans were first disbursed) accrued on liability of post-1991 loan guarantees recognized as interest expense? (SFFAS 2, par. 37 & app. B, part III B(2) & C)		
163. Is interest (at the original discount rate) due from the Treasury on uninvested funds associated with post-1991 loan guarantee liabilities recognized as interest income? (SFFAS 2, par. 37 & app. B, part III B(2) & C)		
164. Are costs for administering credit activities (such as salaries, legal fees, and servicing) incurred in support of direct loan and guaranteed loan programs recognized as administrative expenses and not included in direct loan and loan guarantee subsidy costs? (SFFAS 2, par. 38 & app. B, part I C)		
165. Are administrative expenses for loans and guarantees broken out and disclosed by program, if material? (OMB Bull. 97-01 OMB Bull. 97-01 as amended (Jan. 7, 2000), note 7, item J, pp. 54 & 58)		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
<p>166. Are losses (as well as valuation allowances and corresponding liabilities) of direct loans obligated and loan guarantees committed before October 1, 1992, recognized when it is likely that the direct loans will not be totally collected or that the loan guarantees will require a future cash outflow to pay default claims? (SFFAS 2, par. 39)</p>		
<p>167. If, at the time of the foreclosure, the expected net realizable value of pre-1992 foreclosed property is less than the cost (i.e., the carrying amount of the loan), is the loss charged to operations and tracked in a valuation allowance account? (SFFAS 3, par. 86)</p>		
<p>168. If the pre-1992 foreclosed asset's net realizable value subsequently increases or decreases, does the entity credit or charge this amount to results of operations and adjust the valuation allowance? (SFFAS 3, par. 86)</p>		
<p>169. Upon sale, is any difference between the net carrying amount of foreclosed property and the net proceeds of the sale recognized as a component of operating results? (SFFAS 3, par. 89)</p>		
<p>170. For post-1991 foreclosed property, is interest income accrued from the previous periodic adjustment in the carrying amount up to the sale date? (SFFAS 3, par. 89)</p>		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
171. Is the resulting difference between the adjusted carrying amount of the post-1991 foreclosed property and the net sales proceeds recognized as a reestimate of “subsidy expense?” (SFFAS 3, par. 89)		
172. For pre-1992 foreclosed property, is the difference between the carrying amount and net sales proceeds recognized as a gain or a loss on the sale of foreclosed property? (SFFAS 3, par. 89)		

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
		<p><i>The cost of the modification is the excess of the premodification value of a direct loan (or postmodification liability of loan guarantees) over the postmodification value of a direct loan (or premodification liability of loan guarantees), both of which have been discounted at the Treasury rate in effect when the modification occurred. (SFFAS 2, par. 45, notes 3 & 4 & par. 49, notes 6 & 7; SFFAS 19, par. 6)</i></p> <p><i>When a loan or loan guarantee is modified, the book value of a direct loan will generally decrease, while the liability for a loan guarantee will typically increase. The book value of the loan or guarantee is discounted at the Treasury rate originally used to calculate the present value of the direct loan or loan guarantee liability when the loan was originally disbursed. (SFFAS 2, par. 48 & 50, app. B parts I D (4 & 5), II B (4), III B (4), & IV B (4))</i></p> <p><i>A gain from a modification occurs when the cost of a modification is greater than the decrease in book value of a direct loan (or increase in the liability of a loan guarantee). (SFFAS 2, par. 46, par. 48 note 5, par. 50 & par. 52 footnote 8; SFFAS 19, par. 7)</i></p> <p><i>Conversely, a loss from a modification occurs when the cost of a modification is less than the decrease in book value of a direct loan (or increase in the liability of a loan guarantee) that was discounted at the Treasury rate in effect when the loan was made. (SFFAS 2, par. 46, par. 48 note 5, par. 50 & par. 52 note 8; SFFAS 19, par. 7)</i></p> <p><i>A sale of a post-1991 loan and pre-1992 direct loan is treated as a direct modification of the loans sold. The cost of modification is determined on the basis of the premodification value of the loans sold. (SFFAS 2, par. 53 & 54)</i></p>
<p>173. If pre-1992 or post-1991 loans are modified, is the excess of the premodification value⁹ over the post-modification value¹⁰ recognized as a modification expense or cost? (SFFAS 2, par. 45 & app. B, parts I D(1 - 3) & II B(1 - 3))</p>		

⁹ This is the present value of the net cash flows under *premodification* terms discounted at the *current* Treasury rate.
¹⁰ This is the present value of the net cash flows under *postmodification* terms discounted at the *current* Treasury rate.

Section IV Statement of Net Cost

Costs Credit Programs (134 – 182)	Yes, No, or N/A	Explanation
174. If the cost of modifying pre-1992 or post-1991 loans is greater than the decrease in the loans' book value ¹¹ , is the difference recognized as a gain? (SFFAS 2, par. 48 & app. B, parts I D(4 & 5) & II B (4 & 5))		
175. If the cost of modifying pre-1992 or post-1991 loans is less than the decrease in the loans' book value, is the difference recognized as a loss? (SFFAS 2, par. 48 & app. B, parts I D(4 & 5), & part II B(4 & 5))		
176. If pre-1992 or post-1991 loan guarantees are modified, is the excess of the postmodification liability ¹² over the premodification liability ¹³ recognized as a modification expense? (SFFAS 2, par. 49 & app. B, parts III D(1 - 3), & IV B (1 - 3))		
177. If the premodification value of post-1991 and pre-1992 loans sold ¹⁴ exceeds the net proceeds from the sale, is the excess treated as the cost of modification and recognized as a modification expense? (SFFAS 2, par. 45 & 53 & app. B, part I F(1))		
178. If a loan is sold with recourse, are estimated losses recognized as a subsidy expense and loan guarantee liability? (SFFAS 2, par. 54)		

¹¹ This is the difference between the *premodification* and the *postmodification* values discounted at the *original* (premodification) discount rate.

¹² This is the present value of the net cash flows under *postmodification* terms discounted at the *current* Treasury rate.

¹³ This is the present value of then net cash flows under *premodification* terms discounted at the *current* Treasury rate.

¹⁴ This is the present value of the loans' net cash inflows discounted at the *current* discount rate.

Section IV Statement of Net Cost

Costs Credit Programs (134 - 182)	Yes, No, or N/A	Explanation
179. If the cost of modifying pre-1992 or post-1991 loan guarantees is greater than the increase in the book value of the related loan guarantee liabilities, ¹⁵ is the difference recognized as a gain? (SFFAS 2, par. 52 & app. B, parts III D (4 & 5) & IV B (5))		
180. If the cost of modifying pre-1992 or post-1991 loan guarantees is less than the increase of the related loan guarantee liabilities, is the difference recognized as a loss? (SFFAS 2, par. 52 & app. B, parts III D(4 & 5) & IV B (5))		
181. If the modification expense arising from a loan sale is greater than the book value loss, is the difference recognized as a gain? (SFFAS 2, par. 55 & app. B, part I F(2))		
182. If the modification expense arising from a loan sale is less than the book value loss, is the difference recognized as a loss? (SFFAS 2, par. 55 & app. B, part I F (2))		

¹⁵ This is the difference between the *premodification* and the *postmodification* values discounted at the original discount rate.

Section IV Statement of Net Cost

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Section V Statement of Changes in Net Position

The 37 questions in this section are related to the Statement of Changes in Net Position

	<u>Question Numbers</u>
1. Net Cost of Operations	1 - 2
2. Appropriations Used	3 - 4
3. Taxes and Other Nonexchange Revenues	5 - 12
4. Donations	13
5. Imputed Financing	14
6. Transfers	15 - 18
7. Modifications	19 - 24
8. Prior-period Adjustments	25 - 31
9. Unexpended Appropriations	32 - 33
10. Net Position	34 - 37

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p><i>The Statement of Changes in Net Position reports the beginning net position, the items that caused net position to change during the reporting period, and the ending net position. (SFFAS 7 Imple. Guide, par. 63; OMB 97-01 as amended (Jan. 7, 2000), p. 32)</i></p>		
<p>1. Does the amount reported for "net cost of operations" correspond to the amount reported on the current year's Statement of Net Cost? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 32)</p>		
<p>2. Is nonexchange revenue recognized as a financing source in calculating the net results of operations (and not as a deduction in determining the net cost of operations)? (SFFAS 7, par. 60)</p>		
<p>3. Are "appropriations used" recognized as a financing source in determining the net results of operations when, under authority of the appropriation, goods and services are received or benefits or grants are provided? (SFFAS 7, par. 72, 212, 214, 331, & 332; OMB 97-01 as amended (Jan. 7, 2000), p. 32)</p>		
<p>4. Do appropriations used exclude the following appropriations?</p> <ul style="list-style-type: none"> a. appropriations of dedicated tax receipts and donations b. appropriations used by collecting entities to provide refunds of monies deposited to Treasury or trust funds c. appropriations used for repayment of debt (SFFAS 7, par. 332; OMB 97-01 as amended (Jan. 7, 2000), p. 32) 		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>5. Does the entity recognize taxes and other nonexchange revenues to which it is legally entitled and which it does not transfer to other entities? (SFFAS 7, par. 48, 49, & 176; SFFAS 7 Imple.Guide, par. 65 & 95)</p>		
<p>6. Is nonexchange revenue recognized when the government's claim to resources can be characterized as follows?</p> <ul style="list-style-type: none"> a. specifically identifiable b. legally enforceable c. reasonably measurable d. more likely than not collectable (SFFAS 7, par. 48) 		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>7. Are the following transactions recognized as taxes and other nonexchange revenues from the public?</p> <ul style="list-style-type: none"> a. individual and corporate income taxes, social insurance taxes and contributions, excise taxes, estate and gift taxes, and customs duties b. social insurance taxes and contributions paid by federal employees c. deposits by states for unemployment trust funds d. user fees and harbor maintenance trust fund payments d. customs service fees f. deposits of earnings from the Federal Reserve System g. donations h. fines and penalties i. penalties due to delinquent taxes in connection with custodial activity j. forfeitures (SFFAS 7, par. 49, 61 - 63, 242 - 257, 260 - 269, & 305; SFFAS 7 Imple. Guide, par. 99 - 103) 		
<p>8. Is seignorage¹ recognized as an “other” financing source when coins are delivered to the Federal Reserve banks in return for deposits? (SFFAS 7, par. 305)</p>		

¹ This is the difference between the face value of newly minted coins less the cost of manufacture.

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>9. Are the following transactions recognized as nonexchange revenue from other federal government entities?</p> <ul style="list-style-type: none"> a. interest on Treasury securities held by trust funds and special funds (except revolving trust funds) when the predominant source of funds is from nonexchange revenue b. interest received by one fund from another c. employer contributions to social insurance programs (SFFAS 7, par. 306 – 310) 		
<p>10. Does the general fund recognize all nonexchange revenue not recognized by trust funds and other recipient entities? (SFFAS 7, par. 60.4)</p>		
<p>11. Does the general fund recognize, in succeeding periods, revenue that is determined, after the books have been closed for the period, to have been properly transferable (or improperly transferred) to other recipient entities? (SFFAS 7, par. 60.4)</p>		
<p>12. Are the following transactions recognized as nonexchange gains or losses from other federal government entities?</p> <ul style="list-style-type: none"> a. retirement of debt securities prior to maturity held by trust funds and special funds b. cancellation of debt (SFFAS 7, par. 311 – 313) 		
<p>13. Is revenue arising from donations of nonfinancial resources measured at the estimated fair value of the contribution at the time of the donation? (SFFAS 3, par. 43; SFFAS 6, par. 30; SFFAS 7, par. 62, 258, 259, & 361; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 32)</p>		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>14. Does the reporting entity recognize an imputed financing source for costs funded through other federal entities as well as nonreimbursed costs of goods and services provided by other federal entities? (SFFAS 4, par. 109; SFFAS 5, par. 75, 77, 78, 91, & 93; SFFAS 7, par. 70, 73, 220, & 333 - 337; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 32)</p>		
<p>15. When assets are transferred among governmental entities without reimbursement:</p> <ul style="list-style-type: none"> a. Does the receiving entity recognize the transfer-in as an increase in financing sources in its statement of net position? b. Does the transferring entity recognize the transfer-out as a decrease in financing sources in its statement of net position? (SFFAS 7, par. 74, 220(b), par. 344 - 346; SFFAS 7 Imple. Guide, par. 65; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 32 & 33) 		
<p>16. Are transferred assets recorded at the book value of the transferring entity, or, if the receiving entity does not know the book value, is the asset recorded at its estimated fair value as of the date of the transfer? (SFFAS 7, par. 74; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 32 & 33)</p>		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>17. Is revenue recognized by the recipient entities as the sum of the following?</p> <ul style="list-style-type: none"> a. cash or cash equivalents transferred to them by the collecting entities b. the net change in any related interentity balances between the collecting and the receiving entities (i.e., the amount to be transferred to the recipient entities from the collecting entity or vice versa) (SFFAS 7, par. 60) 		
<p>18. Is noncustodial exchange revenue transferred to another government entity or to the Treasury recognized as a "transfer-out" in determining the net results of operations? (SFFAS 7, par. 75 & note 18)</p>		
<p><i>A modification means a federal government action, including new legislation or administration action, that directly or indirectly alters the estimated subsidy cost and present value of outstanding loans or the liability of loan guarantees. (SFFAS 2, par. 41)</i></p>		
<p>19. Is a gain² from the modification of post-1991 loans reported as a reduction in financing source and paid to the Treasury as a "modification adjustment transfer?" (SFFAS 2, par. 48, & app. B, part I D(5))</p>		
<p>20. Is a loss³ from the modification of post-1991 loans reported as a financing source when the reporting entity receives from the Treasury a "modification adjustment transfer?" (SFFAS 2, par. 48 & app. B, part I D(5))</p>		

² The excess of the cost of the modification over the decrease in loan book value discounted at the Treasury rate.

³ The excess of the decrease in loan book value, discounted at the Treasury rate, over the cost of the modification.

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
21. Is a gain ⁴ resulting from a modification of post-1991 loan guarantees reported as a reduction in financing source and paid to the Treasury as a "modification adjustment transfer?" (SFFAS 2, par. 52 & app. B, part III D(5))		
22. Is a loss ⁵ resulting from a modification of post-1991 loan guarantees reported as a financing source when the reporting entity receives from the Treasury a "modification adjustment transfer" to offset the difference? (SFFAS 2, par. 52 & app. B, part III D(5))		
23. Is a gain on the sale of a post-1991 loan reported as a reduction in financing source and paid to the Treasury as a "modification adjustment transfer?" (SFFAS 2, par. 55 & app. B, part I F(2))		
24. Is a loss on the sale of a post-1991 loan reported as a financing source when the reporting entity receives from the Treasury a "modification adjustment transfer?" (SFFAS 2, par. 55 & app. B, part I F(2))		
25. Are prior-period adjustments limited to corrections of errors and accounting changes with retroactive effect, including changes caused by the adoption of new federal financial accounting standards? (SFFAS 7, par. 76; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 33)		

⁴ The excess of the cost of the modification over the increase in liability discounted at the Treasury rate.
⁵ The excess of the increase in liability, discounted at the Treasury rate, over the cost of the modification.

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>26. Are prior-period adjustments recognized as changes in cumulative results of operations (rather than as an element of net results of operations for the period)? (SFFAS 7, par. 76; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 33)</p>		
<p>27. If cost information for existing general PP&E has not been maintained, are the estimated values recorded in the appropriate asset and contra-asset accounts and the difference shown as a "prior-period adjustment" in the statement of changes in net position? (SFFAS 6, par. 40 & 43)</p>		
<p>28. If national defense, heritage PP&E, and stewardship land had been previously recognized as assets and contra-assets for balance sheet reporting, has the entity performed the following operations?</p> <ul style="list-style-type: none"> a. netted out these accounts, charged the residual to "net position" b. shown the net change as a "prior-period adjustment" in the statement of changes in net position (SFFAS 6, par. 55; SFFAS 11, par. 7; SFFAS 16, par. 14) 		
<p>29. Conversely, if multiuse heritage assets are capitalized, is the asset fair value added to the balance sheet and reported as a "prior-period adjustment"? (SFFAS 16, par. 15)</p>		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
<p>30. If stewardship PP&E has been placed into service as of September 30, 1997, is a liability recognized, disclosed, and an adjustment made to net position as a "prior-period adjustment" for the following amounts?</p> <ul style="list-style-type: none"> a. the portion of estimated clean-up costs incurred to date b. the estimated total clean-up costs as a liability if costs are not intended to be recovered primarily through user charges (SFFAS 6, par. 16 & 104 - 106; OMB 97-01 as amended (Jan. 7, 2000), p. 74) 		
<p>31. If prior-period adjustments are made to the current year's assets and liabilities and offset against net position:</p> <ul style="list-style-type: none"> a. Are the amounts and circumstances disclosed in the notes? b. Are the published financial statements presenting prior-year financial information left unchanged? (SFFAS 6, par. 55, 56, 63, 65, 75, 76, 105, & 106) 		
<p>32. Are unexpended appropriations reduced as appropriations are used? (SFFAS 7, par. 71)</p>		
<p>33. Are unexpended appropriations adjusted for other changes in budgetary resources, such as rescissions and transfers? (SFFAS 7, par. 71)</p>		
<p>34. Is the "Net Position - Beginning Period" consistent with "Net Position - End of Period" on the prior-year's balance sheet? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 33)</p>		

Section V Statement of Changes in Net Position

Changes in Net Position (1 - 37)	Yes, No, or N/A	Explanation
35. Is "Net Position - End of Period" reported in the Statement of Changes in Net Position consistent with "Total Net Position" reported in the current year's Balance Sheet? (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 16 & 33)		
36. Is the sum of the net increase or decrease in unexpended appropriations and the net change in the cumulative results of operations recognized as the "Change in Net Position?" (SFFAS 7, par. 71; SFFAS 7 Imple. Guide, par. 65 & 121, figure 3 & 4; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 31 & 33)		
37. Is the difference between "Net Position - Beginning of Period" and "Net Position - End of Period" equal to the "Change in Net Position?" (SFFAS 7, par. 71; SFFAS 7 Imple. Guide, par. 121, figures 3; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 31 & 33)		

Section V Statement of Changes in Net Position

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Section VI Statement of Budgetary Resources

The four questions in this section concern the Statement of Budgetary Resources

Statement of Budgetary Resources (1 - 4)	Yes, No, or N/A	Explanation
<p><i>The budget is the primary financial planning and control tool of the government. The Statement of Budgetary Resources and the related disclosures provide information about how budgetary resources were made available as well as their status at the end of the period. (SFFAS 7, par. 77; SFFAS 7 Imple. Guide, par. 68; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 36)</i></p>		
<p>1. If the reporting entity’s financing comes either wholly or partially from budgetary resources, does the entity present in a “Statement of Budgetary Resources” the following disclosures?</p> <ul style="list-style-type: none"> a. total budgetary resources available during the period including, if applicable <ul style="list-style-type: none"> i. new budget authority ii. direct spending authority iii. unobligated balances at the beginning of the period or transferred in during the period iv. spending authority from offsetting collections v. adjustments to budgetary authority b. the status of budgetary resources consisting, when applicable, of <ul style="list-style-type: none"> i. obligations incurred ii. unobligated balances that remain available at the end of the period 		

Section VI Statement of Budgetary Resources

Statement of Budgetary Resources (1 - 4)	Yes, No, or N/A	Explanation
<p>Question 1 continued</p> <ul style="list-style-type: none"> b. the status of budgetary resources consisting, when applicable, of <ul style="list-style-type: none"> iii. unobligated balances that are unavailable at the end of period, except to adjust or liquidate obligations chargeable to prior-period appropriations c. a statement of outlays during the period that displays <ul style="list-style-type: none"> i. obligations incurred less spending authority from offsetting collections and adjustments ii. obligated balances at the beginning of the period iii. obligated balances transferred iv. obligated balances net at end of extra period (SFFAS 7, par. 77; & SFFAS 7, Imple. Guide, par. 68 – 69; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 35 & 36) 		
<p>2. Is the recognition and measurement of budgetary information reported on the Statement of Budgetary Resources based on budget terminology, definitions, and guidance in OMB Circular A-34, <i>Instructions on Budget Execution</i>, dated December 26, 1995? (SFFAS 7, par. 78; SFFAS 7, Imple. Guide, par. 69; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 36, 2nd par.)</p>		

Section VI Statement of Budgetary Resources

Statement of Budgetary Resources (1 - 4)	Yes, No, or N/A	Explanation
3. Is the information for each of the entity's major budget accounts presented as required supplementary information? (SFFAS 7, par. 78; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 80)		

Section VI Statement of Budgetary Resources

Statement of Budgetary Resources (1 - 4)	Yes, No, or N/A	Explanation
<p>4. Does the entity disclose the following information about the status of its budgetary assets?</p> <ul style="list-style-type: none"> a. the amount of budgetary resources obligated for undelivered orders at the end of the period b. available borrowing and contract authority at the end of the period c. repayment requirements, financing sources for repayment, and other terms of borrowing authority used d. material adjustments during the reporting period to budgetary resources available at the beginning of the year and an explanation thereof e. existence, purpose, and availability of permanent indefinite appropriations f. information about legal arrangements affecting the use of unobligated balances of budget authority, such as time limits, purpose, and obligation limitations g. explanations of any material differences between the budgetary resources reported in the Statement of Budgetary Resources and "actual" amounts in the Budget of the U.S. government h. the amount of unfunded liabilities, and an explanation that includes identification of balance sheet components, when unfunded liabilities do not equal the total financing sources yet to be provided i. the amount of any capital infusion received during the reporting period (SFFAS 7, par. 79 & 209 – 212; SFFAS 7 Imple. Guide, par. 70-71; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 74 & 75) 		

Section VII Statement of Financing

The ten questions in this section are related to the Statement of Financing.

	<u>Question Numbers</u>
1. General	1
2. Obligations and Nonbudgetary Resources	2 - 3
3. Resources That Do Not Fund Net Cost of Operations	4 - 5
4. Costs That Do Not Require Resources	6 - 7
5. Financing Sources Yet to be Provided	8
6. Net Cost of Operations	9
7. Disclosures	10

Section VII Statement of Financing

Statement of Financing (1 - 10)	Yes, No, or N/A	Explanation
<p><i>Accrual-based measures used in the Statement of Net Cost differ from the obligation-based measures used in the Statement of Budgetary Resources. The Statement of Financing is designed to report those differences and facilitate the reconciliation between the two statements. (SFFAS 7, par. 80; SFFAS 7 Imple. Guide, par. 72 - 73; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 38)</i></p>		
<p>1. Does the reconciliation between the budgetary and financial accounting information explain the relationship between budgetary resources obligated by the entity during the period and the net cost of operations? (SFFAS 7; par. 80, 91 - 94, & 217; SFFAS 7 Imple. Guide, par. 74 - 75)</p>		
<p>2. To arrive at "total adjusted obligations and nonbudgetary resources," are "obligations incurred" reduced by such adjustments as the following?</p> <ul style="list-style-type: none"> a. offsetting collections to expenditure accounts (e.g., receipts from the sale of capitalized assets, collections of loan principle, and related interest and reimbursements for services provided) b. exchange revenues not in the budget c. transfers-out of assets in the amount of their book value (SFFAS 7, par. 80; SFFAS 7 Imple. Guide, par. 77 - 81, 121 (figure 11), 140 - 152, 155, & 168 - 170; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37 & 38) 		

Section VII Statement of Financing

Statement of Financing (1 - 10)	Yes, No, or N/A	Explanation
<p>3. To arrive at “total obligations as adjusted and nonbudgetary resources,” are “obligations incurred” increased by such adjustments as the following?</p> <ul style="list-style-type: none"> a. imputed financing for cost subsidies b. transfers-in of assets in the amount of the book value, if known, or for the fair market value, if not known c. financing sources other than exchange revenues that are not in the budget d. donations not accounted for in the budget (SFFAS 7, par. 80; SFFAS 7 Imple. Guide, par. 77 - 81, 121 (figure 16), 140 - 141, & 146 - 152; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37 & 38) 		

Section VII Statement of Financing

Statement of Financing (1 - 10)	Yes, No, or N/A	Explanation
<p>4. Are adjusted obligations and nonbudgetary resources reduced by certain changes in resources that do not fund net costs of operations, including the following?</p> <ul style="list-style-type: none"> a. the amount of net increases in undelivered but obligated orders for goods, services, and benefits b. the cost of any capitalized good or service acquired during the year c. loans made (less subsidy expense) d. financing sources that fund costs of prior periods (e.g., appropriations for credit subsidies expensed in prior periods or decreases in unfunded liabilities, such as reductions in accrued annual leave liabilities) e. other resources that do not fund net costs of operations (SFFAS 7, par. 81; SFFAS 7 Imple. Guide, par. 82 - 85, 121 (figures 11 & 16), 127 - 139, & 153 -167; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37 & 38) 		

Section VII Statement of Financing

<p>Statement of Financing (1 - 10)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>5. Are adjusted obligations and nonbudgetary resources increased by certain changes in resources that do not fund net costs of operations, including the following?</p> <ul style="list-style-type: none"> a. the amount of net decreases in undelivered and obligated orders for goods, services, and benefits b. Collections of loan principal and related subsidy expenses c. removal of undepreciated portions of capitalized assets disposed of during the year d. other offsetting adjustments (SFFAS 7, par. 81; SFFAS 7 Imple. Guide, par. 82 - 85, 142 - 145, 146 - 152, & 153 - 167; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37 & 38) 		
<p>6. Are certain costs that do not require financing by either budgetary or nonbudgetary resources (e.g., depreciation and losses or expenses arising from revaluation of assets) added to adjusted obligations and nonbudgetary resources to arrive at net costs of operations? (SFFAS 7, par. 81; SFFAS 7 Imple. Guide, par. 86 - 89 & 121 (figures 11 & 16); OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37, 38, & 39)</p>		
<p>7. If the reimbursement for goods or services provided by one federal entity to another federal entity is less than the full cost, does the recipient entity recognize the difference in its accounting records as a financing source? (SFFAS 4, par. 109, 114, & 115)</p>		

Section VII Statement of Financing

<p>Statement of Financing (1 - 10)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p>8. Are costs that are recognized in the current period but are to be financed in future periods (e.g., accrued expenses such as increases in annual leave, subsidy reestimates, and increases in postretirement benefit liabilities) reported as "financing sources yet to be provided?" (SFFAS 7, par. 81; SFFAS 7 Imple. Guide, par. 90 - 93 & 121 (figures 6 & 11); OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 37 & 39)</p>		
<p>9. Does the net cost of operations on the Statement of Financing agree with the net cost of operations on the Statement of Net Cost? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 39)</p>		
<p>10. Are adjustments to the total of obligations and nonbudgetary resources presented and explained in a manner that clarifies the relationship between the obligation basis used in the budget and the accrual basis used in financial accounting? (SFFAS 7, par. 80 - 82)</p>		

Section VIII Statement of Custodial Activity

The 26 questions in this section are related to the Statement of Custodial Activity

	<u>Question Numbers</u>
1. General	1 - 2
2. Sources of Collections	3 - 8
3. Disposition of Collections	9 - 12
4. Disclosures	13 - 17
5. Dedicated Collections and Other Accompanying Information	18 - 26

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p><i>Entities that collect nonexchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities account for the collection and disposition of these revenues in a Statement of Custodial Activity. (SFFAS 7 Imple. Guide, par. 58; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)</i></p>		
<p>1. If the entity collects <i>exchange</i> revenue on behalf of other entities and recognizes little or no costs in earning that revenue, does the entity account for it as a custodial activity? (SFFAS 7, par. 45, 140 - 145, & 270 - 279; SFFAS 7 Imple. Guide, par. 51 - 57; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)</p>		
<p>2. If the collecting entity is not legally entitled to retain a portion or all of the collected <i>nonexchange</i> revenue, is the receipt and disposition of that revenue reported in the Statement of Custodial Activity? (SFFAS 7, par. 48, 49, & 176; SFFAS 7 Imple. Guide, par. 58 - 62 & 95; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)</p>		
<p>3. Does the collecting entity measure taxes and duties on a cash basis and then modify that with an accrual adjustment to determine the amount of revenue to be recognized? (SFFAS 7, par. 49 & 52)</p>		
<p>4. Except for deposits,¹ are cash collections based on amounts actually received² during the period? (SFFAS 7, par. 50 & 59)</p>		
<p>5. Are the components of cash collections classified by source and nature of collection, such as by type of tax or duty? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)</p>		

¹ Deposits are amounts voluntarily paid to reporting entities, such as those made pending settlements and judgments.

² These would include withholdings, estimated payments, final payments, collections of receivables, and prepayments.

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 – 26)	Yes, No, or N/A	Explanation
6. Are cash refunds of nonexchange revenue based on refunds of taxes and duties during the period? (SFFAS 7, par. 51)		
7. Do cash refunds of nonexchange revenue for taxes and duties include "refund offsets" ³ and "drawbacks?" ⁴ (SFFAS 7, par. 51)		
8. Are accrual adjustments separately reported in a footnote ⁵ (SFFAS 7, par. 52; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)		
9. Is the disposition of collections, including amounts transferred to others, amounts yet to be transferred, and amounts retained by the collecting entity reported and broken out by recipient? (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 40, 41, & 42)		
10. Does the collecting entity report the change in liability for accrued and collected revenue yet to be transferred? (SFFAS 7 Imple. Guide, par. 61; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 41)		
11. Are collections retained by the entity separately reported and treated as a disposition of collections revenue? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 42)		

³ These are amounts withheld from refunds on behalf of other agencies and paid to such agencies.

⁴ These are refunds of duties paid on imported goods that are subsequently exported or destroyed.

⁵ Accrual adjustments are the net increases or decreases during the reporting period in accounts receivable, allowance for uncollectable accounts, and accounts payable for refunds.

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p>12. In the statement of custodial activity, do total sources of collections equal total disposition of collections (revenue) so that the net custodial activity is zero? (SFFAS 7 Imple. Guide, par. 61; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 40 & 42)</p>		
<p>13. If custodial revenues are immaterial and incidental to the entity's primary mission and are not reported separately, are the sources and amounts of the collections and the amounts distributed to others disclosed in the accompanying footnotes? (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 41 & 75)</p>		
<p>14. Does the collecting entity disclose and explain the following information?</p> <ul style="list-style-type: none"> a. the basis of accounting when application of the general rule for recognizing nonexchange revenue (i.e., specifically identifiable, legally enforceable, and reasonably estimable) results in a modified cash basis of accounting b. the specific potential accruals that are not made as a result of using the modified cash basis accounting c. the practical and inherent limitations affecting the accrual of taxes and duties d. the use of accrual-based accounting, if applicable (SFFAS 7, par.48 & 64; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75) 		

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p>15. Do entities that collect taxes and duties disclose the following information in a note or narrative?</p> <ul style="list-style-type: none"> a. basis of accounting b. factors affecting the collectability and timing of taxes and other nonexchange revenues c. cash collections and refunds by tax year and type of tax for the reporting period (SFFAS 7, par. 65.1 & 65.3; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75) 		
<p>16. If trust fund revenues are not recorded in accordance with applicable law, do the collecting and recipient entities disclose the reasons? (SFFAS 7, par. 66)</p>		
<p>17. If refunds are material in relation to gross collections, are they separately disclosed by components? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 39)</p>		
<p><i>Dedicated collections are funds held with the expectation that they will be held for and applied to the purposes for which the funds were dedicated. Such funds include all 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. (SFFAS 7, par. 83; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75)</i></p>		
<p>18. Does the management of a reporting entity identify, track, and disclose the receipts and expenditures of dedicated trust funds, "special funds," and fiduciary or deposit funds (both inside and outside the budget) that are under its purview? (SFFAS 7, par. 83, 226, 230 - 233, & 370; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75)</p>		

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p>19. Does management provide separate financial information about these dedicated funds if they are material to the reporting entity, the beneficiary, or the contributors? (SFFAS 7, par. 84, 226, 230 - 233, & 370)</p>		
<p>20. If a separate report is made to beneficiaries of or contributors to dedicated collections and the funds are not material to the reporting entity, are those immaterial funds combined for disclosure purposes? (SFFAS 7, par. 84 & 85)</p>		

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 – 26)	Yes, No, or N/A	Explanation
<p>21. Is the following information reported for individual funds that account for dedicated collections?</p> <ul style="list-style-type: none"> a. a description of each fund’s purposes, and how the administrative entity accounts for and reports the fund and its authority to use those collections b. 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 intragovernmental flows c. condensed information about assets and liabilities showing investments in Treasury securities, other assets, liabilities due and payable to beneficiaries, other liabilities, and fund balance d. condensed information on net cost and changes to fund balance showing revenues by type (exchange or nonexchange), program expenses, other expenses, other financing sources, and other changes in fund balance e. the amounts of any revenues — other financing sources or costs attributable to the fund under accounting standards — that are not legally allowable as credits or charges to the fund (SFFAS 7, par. 85) 		
<p>22. If revenues, other financing sources, or costs (such as item "e" of the previous question) are associated with but not legally allowable to a fund, does the larger reporting entity of which the fund is a component recognize them? (SFFAS 7, par. 86; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75)</p>		

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p>23. If more than one reporting entity is responsible for carrying out a program financed with dedicated collections, does the entity with the largest share of the activity take responsibility for reporting all revenues, other financing sources, assets, liabilities, and costs of the fund? (SFFAS 7, par. 87; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 75)</p>		
<p>24. Are trust funds allowed to recognize revenue from excise taxes on the basis of assessments if information on actual collections is not currently available from the collecting entity? (SFFAS 7, par. 60.1)</p>		
<p>25. Is the amount of revenue accrued and recognized by the social security trust fund based on the best available information (i.e., on the basis of the higher of the amount of Internal Revenue Service (IRS) assessments or the amounts actually reported by employers to Social Security)? (SFFAS 7, par. 60.2 & 177)</p>		

Section VIII Statement of Custodial Activity

Statement of Custodial Activity (1 - 26)	Yes, No, or N/A	Explanation
<p>26. Does the collecting entity report the following as other accompanying information?</p> <ul style="list-style-type: none"> a. income tax burden borne by different classes of taxpayers and the effects of tax rates, deductions, credits, etc. (required of IRS) b. applicable information on the size of the tax gap, including <ul style="list-style-type: none"> i. explicit definitions of the estimated amounts reported (e.g., whether the tax gap includes estimates on illegally earned income) ii. appropriate explanations of the limited reliability of the estimates iii. cross references to portions of the tax gap due from identified noncompliant taxpayers and importers c. appropriate explanations and qualifications, if information about tax expenditures related to entity programs is present d. a description of the basis for the estimates and appropriate cautionary language about reliability, if information about estimated directed flows of resources related to an entity's programs is presented (SFFAS 7, par. 69.1 - 69.4, 108, & 192 - 202; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 82) 		

Section VIII Statement of Custodial Activity

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Section IX Notes to Financial Statements

The four questions in this section concern the disclosure of significant accounting policies

Notes to Financial Statements (1 - 4)	Yes, No, Or N/A	Explanation
<p>1. Does the entity identify and describe accounting principles and applications it follows in a note to the financial statements? (OMB Bull. 97-01 as amended (Jan. 7, 2000) , p. 43, note 1)</p>		
<p>2. Does the entity's disclosure of its accounting policies include its rationale for the valuation, recognition, and allocation of assets, liabilities, expenses, revenues, and other financing sources? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 43, note 1)</p>		
<p>3. Does the entity disclose any significant changes in its composition or manner in which it aggregates information for financial reporting purposes? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 43, note 1)</p>		
<p>4. If the changes have resulted in a new reporting entity, has the entity restated prior-period financial statements to correspond to the changes? (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 43, note 1)</p>		

Section IX Notes to Financial Statements

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Section X Supplementary Information

The questions related to the Supplementary Information are organized in the following nine categories.

	<u>Question Numbers</u>
1. Required Supplementary Stewardship Information: Property, Plant and Equipment	1 – 19
2. Required Supplementary Stewardship Information: Stewardship Investments	20 – 41
3. Required Supplementary Stewardship Information: Risk Assumed Information	42 – 46
4. Required Supplementary Information: Custodial Activity	47 – 48
5. Required Supplementary Information: Segment Information	49 – 50
6. Required Supplementary Information: Deferred Maintenance	51 – 54
7. Required Supplementary Information: Intragovernmental Amounts	55 – 67
8. Required Supplementary Stewardship Information: Social Insurance Programs	68 – 94
9. Required Supplementary Information: Management Discussion and Analysis	95 – 101

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
		<p><i>The standards for reporting on the federal government’s stewardship cover (1) certain resources entrusted to it that are identified as stewardship property, plant, and equipment (PP&E) and stewardship investments and (2) certain responsibilities assumed by it, identified as the current services assessment, that cannot be measured in traditional financial reports.</i></p> <p><i>PP&E consists of items whose characteristics resemble those of general PP&E traditionally capitalized in financial statements. However, because of the nature of these assets, valuation may be difficult, and matching costs with specific periods would not be meaningful.</i></p> <p><i>Stewardship PP&E includes:</i></p> <ul style="list-style-type: none"> - <i>heritage assets, such as federal monuments and memorials, that are of historical, natural, cultural, educational, architectural, or artistic significance;</i> - <i>national defense PP&E such as military weapons systems; and</i> - <i>stewardship land, such as national forests and parks, that have not been acquired for or in connection with general PP&E. (SFFAS 8, par. 9, 10, 11, & 17; SFFAS 11, par. 3, 4 & 7; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 76)</i>
<p>1. Are heritage assets reported as Required Supplementary Stewardship Information (RSSI) accompanying the financial statements rather than as asset amounts on the balance sheet? (SFFAS 8, par.17, 19,21, & 46; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 76)</p>		
<p>2. Are heritage assets reported in RSSI in terms of physical units rather than in terms of cost, fair value, or other monetary values? (SFFAS 8, par. 46; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 76)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>3. Does the reporting entity provide relevant RSSI in the financial statements, such as the following information about its heritage assets?</p> <ul style="list-style-type: none"> a. a description of each major category of heritage asset b. a breakout by type of heritage asset of the number of physical units added, withdrawn, and on hand at the end of the reporting year c. a description of the methods of acquisition and withdrawal of heritage assets d. a description of the condition of the assets if not already disclosed in a note to the financial statements e. a reference to the Required Supplementary Information, if deferred maintenance has been reported for the assets (SFFAS 8, par. 50; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77) 		
<p style="text-align: center;"><i>National defense PP&E are (1) the PP&E components of weapons systems and support PP&E owned by the Department of Defense or its component entities for use in the performance of military missions and (2) vessels held in a preservation status by the Maritime Administration's National Defense Reserve Fleet. (SFFAS 11, par. 8)</i></p>		
<p>4. Is National defense PP&E reported as RSSI? (SFFAS 8, par. 68; SFFAS 11, par. 16 & 22 – 24; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>5. Do national defense PP&E components include the following items?</p> <ul style="list-style-type: none"> a. weapons systems PP&E (e.g., aircraft, ships, and tanks) b. weapons systems supporting principal end items (e.g., radars, guidance systems, engines) c. weapons systems supporting real property (e.g., ammunition bunkers, missile silos) d. mission support PP&E (e.g., nontactical vehicles such as fuel tankers, combat operations centers, crypto systems, and field security systems) (SFFAS 11, par. 9 & 14) 		
<p>6. Does national defense PP&E also include PP&E items in the possession of contractors? (SFFAS 11, par. 10 & 11)</p>		
<p>7. Does national defense PP&E exclude the following items?</p> <ul style="list-style-type: none"> a. manufacturing and testing equipment b. operating materials and supplies c. stockpiled materials (SFFAS 11, par. 12 & 13) 		

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>8. Is national defense PP&E valued and reported in RSSI using either of the following methods?</p> <p>a. the total cost method¹</p> <p>b. the latest acquisition cost method² (SFFAS 8, par. 60, 62, 63, & 121; SFFAS 11, par. 22 – 24; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77)</p>		
<p>9. Is the valuation method chosen used on a consistent basis and, if any change in method is made, is it justified? (SFFAS 8, par. 61; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77)</p>		
<p>10. Do the costs assigned to an item of national defense PP&E also include all costs incurred to bring PP&E to a form and location suitable for its intended use? (SFFAS 8, par. 64)</p>		
<p>11. Does the reporting entity include in its RSSI the acquisition-in-process costs of its national defense PP&E? (SFFAS 8, par. 67; SFFAS 11, par. 16 & 22 - 24)</p>		

¹ This is historical cost plus costs of additions, improvements, alterations, rehabilitation, or replacements that extend useful life.
² This is the latest invoice price of the most recent like item purchased.

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>12. Does the reporting entity include, at a minimum, in its RSSI the following information about its national defense PP&E?</p> <ul style="list-style-type: none"> a. a description of major types of national defense PP&E including assigned values and valuation method b. a description of the methods of acquisition and withdrawal at the major program or category level c. beginning value d. value added e. value withdrawn f. revaluations g. ending value h. the overall condition of the assets (unless this is already reported elsewhere in the report, in which case a note will suffice) i. a reference to the applicable information if deferred maintenance is reported for the assets (SFFAS 8, par. 17 & 68; SFFAS 11, par. 16 & 22 – 24; SFFAS 14, par. 10; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77) 		
<p>13. Are federal land and land rights not acquired for or in connection to items of general PP&E reported as stewardship land in the RSSI of the financial statements? (SFFAS 8, par. 73 - 74)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>14. Is stewardship land quantified and reported in terms of physical units (e.g., acres) in the RSSI rather than as monetary amounts? (SFFAS 8, par. 75 - 76, 125, & 126; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77)</p>		
<p>15. If a structure acquired with stewardship land has a significant operating use (e.g., a recently constructed hotel or employee-housing block), is its cost capitalized and treated as general PP&E? (SFFAS 8, par. 78)</p>		
<p>16. If the fair value of stewardship land acquired through donation or devise is known and material, is it disclosed in the notes to the financial statements? (SFFAS 8, par. 79)</p>		
<p>17. If the fair value of the stewardship land acquired through donation or devise is not estimable, is information as to the type and quantity of the assets disclosed? (SFFAS 8, par. 79)</p>		
<p>18. Are costs incurred to prepare stewardship land for its intended use expensed as a part of the cost of stewardship land? (SFFAS 8, par. 80)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Property, Plant, and Equipment (1 - 19)	Yes, No, or N/A	Explanation
<p>19. With regard to stewardship land, does the reporting entity include in its RSSI the following information?</p> <ul style="list-style-type: none"> a. the number of physical units of stewardship land broken out by principal organization and category of major use b. acquisitions, withdrawals, and ending balances broken out by major categories c. methods of acquisition and withdrawal of stewardship land d. the condition of the stewardship land, unless it is already reported elsewhere in the report (in which case a reference to the information will suffice) e. a reference to the applicable information if deferred maintenance is reported for the assets. (SFFAS 8, par. 81; SFFAS 14, par. 10; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77) 		

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 – 41)	Yes, No, or N/A	Explanation
		<p><i>Stewardship investments are made by the federal government for the benefit of the nation. When incurred, they are treated as expenses in calculating net cost, but they are also separately reported as RSSI to highlight their long-term benefit. (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 76 & 77)</i></p> <p><i>Stewardship investment includes:</i></p> <ul style="list-style-type: none"> - <i>federally financed purchases, construction, or major renovation or physical property, including major equipment owned by state and local governments (i.e., grants for nonfederal physical property)</i> - <i>expenses incurred for education and training programs (except those for federal civilian and military personnel) that are intended to increase or maintain national productive capacity (i.e., human capital costs)</i> - <i>expenses incurred to support the search for new or refined knowledge and ideas and their application in order to increase or maintain national productive capacity or yield other future benefits (i.e., research and development costs). (SFFAS 8, par. 83, 89, 90, & 96; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 78)</i>
<p>20. Are nonfederal physical property investments reported in nominal dollars on the basis of "expenses incurred" and measured on the same basis of accounting used for financial statement purposes? (SFFAS 8, par. 84)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 – 41)	Yes, No, or N/A	Explanation
<p>21. Are investments in nonfederal physical property and related cash grants recognized and reported as expenses in arriving at the net cost of operations? (SFFAS 8, par. 85; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 78)</p>		
<p>22. Does the reporting entity provide in its RSSI a narrative description and nominal dollar breakout by meaningful category of expenses incurred for programs that fund the purchase, renovation, and replacement of PP&E owned by state and local governments for the year being reported on as well as at least the preceding 4 years?³ (SFFAS 8, par. 84 - 87 & 122; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79)</p>		
<p>23. Does the reporting entity also include in its RSSI a description of federally owned physical property transferred to state and local governments for the year being reported on as well as at least the preceding 4 years?⁴ (SFFAS 8, par. 87 & 128; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79)</p>		

³ This 4-year rule goes into full effect beginning with the fiscal year 2002 financial statements. Until then entities need only report prior-year data that are available. (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77)

⁴ OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77.

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 – 41)	Yes, No, or N/A	Explanation
<p>24. If expense data for the purchase of PP&E for state and local governments for the year being reported and for the preceding 4 years⁵ are not available, does the entity report outlay data, if available? (SFFAS 8, par. 87)</p>		
<p>25. If neither historical expense nor outlay data are available for the year being reported on and the preceding 4 years,⁶ has the entity begun to report expense data for the current year? (SFFAS 8, par. 87)</p>		
<p>26. Are expenses incurred for program costs, contracts, or grants with split purposes⁷ reported in RSSI on the basis of a logical allocation? (SFFAS 8, par. 86, 92, & 98)</p>		
<p>27. If an allocation of costs is not feasible, are the total expenses reported on the basis of the predominant application of the costs incurred for investments in nonfederal physical property, human capital, and research and development? (SFFAS 8, par. 86, 92, & 98)</p>		

⁵ OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77.

⁶ OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 77.

⁷ These are grants split among investments in nonfederal physical property, human capital, and research and development.

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 – 41)	Yes, No, or N/A	Explanation
<p>28. Does the entity report in its RSSI the amounts of significant contributions from state, local, private, and other sources to its investments in nonfederal physical property, human capital, and research and development? (This is not required, but encouraged.) (SFFAS 8, par. 88, 95, & 101)</p>		
<p>29. Is the investment in human capital based on expenses incurred, measured, and accounted for in accordance with SFFAS 4? (SFFAS 8, par. 91)</p>		
<p>30. Does the reporting entity include in its RSSI the dollar amount and a narrative description of its "investment in human capital" for the year being reported on as well as the preceding 4 years?⁸ (SFFAS 8, par. 91 & 94; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79)</p>		
<p>31. Does the entity link its investments in human capital to outcomes that can be described in financial, economic, or quantitative terms? (SFFAS 8, par. 93; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 76)</p>		
<p>32. If outcome data are not available, does the reporting entity report output data that best provide indications of the intended program outcomes? (SFFAS 8, par. 93)</p>		

⁸ This 4-year rule goes into full effect beginning with the fiscal year 2002 financial statements. Until then entities need only report prior-year data that are available. (OMB Bull. 97-01, p. 79)

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 - 41)	Yes, No, or N/A	Explanation
<p>33. If expense data for the investments in human capital for the year being reported and for the preceding 4 years are not available, does the entity report outlay data, if available? (SFFAS 8, par. 94)</p>		
<p>34. If neither historical expense nor outlay data for the investments in human capital are available for the year being reported on and the preceding 4 years, has the entity begun to report expense data for the current year? (SFFAS 8, par. 94)</p>		
<p>35. Is expense or outlay data for investments in human capital reported at a meaningful category or level (e.g., by major program or department)? (SFFAS 8, par. 94)</p>		
<p>36. Is the investment in research and development based on expenses incurred, measured, and accounted for in accordance with SFFAS 4? (SFFAS 8, par. 97)</p>		
<p>37. Does the entity link its investments in research and development to program outcome data (e.g., narrative discussions of major discoveries and applications) that can be described in financial, economic, or quantitative terms? (SFFAS 8, par. 93 & 99; OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 78 & 79)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Stewardship Investments (20 – 41)	Yes, No, or N/A	Explanation
<p>38. If outcome data are not available, does the reporting entity use output (e.g., number of publications, patents, scientific and engineering personnel funded) data that best provide indications of the intended program outcomes? (SFFAS 8, par. 99)</p>		
<p>39. Does the reporting entity include in its RSSI the dollar amount and a narrative description of its investment in major research and development programs for the year being reported on as well as the preceding 4 years?⁹ (SFFAS 8, par. 100; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79)</p>		
<p>40. If expense data for the investments in research and development for the year being reported and for the preceding 4 years are not available, does the entity report outlays, if available? (SFFAS 8, par. 100)</p>		
<p>41. If neither historical expense nor outlay data are available for the year being reported on and the preceding 4 years, has the entity begun to report expense data for the current year? (SFFAS 8, par. 100)</p>		

⁹ This 4-year rule goes into full effect beginning with the fiscal year 2002 financial statements. Until then entities need only report prior-year data that are available. (OMB Bull. 97-01, p. 79)

Section X Supplementary Information

Required Supplementary Stewardship Information: Risk Assumed Information (42 - 46)	Yes, No, or N/A	Explanation
		<p><i>An assessment of stewardship responsibilities has two major components:</i></p> <ul style="list-style-type: none"> - <i>risk-assumed information, which is generally measured by the present value of unpaid expected losses net of associated premiums (but not yet recognized as a contingent liability) based on the risk inherent in the insurance or guarantee coverage in force (SFFAS 5, par. 105 & 106; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79) and</i> - <i>current services assessments, which provide receipt and outlay data on the basis of projections of future activities. Data on current service assessments would be presented as RSSI accompanying the consolidated financial statements of the federal government. (SFFAS 8, par. 101, 102, & 105)</i>
<p>42. Does the entity include in RSSI the current amount and periodic changes of "risk assumed" arising from insurance and guarantee programs? (SFFAS 5, par. 105, 106, 110; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 79)</p>		
<p>43. Does the current service assessment provide a summary of projected outlays for the current base year and at least 6 years subsequent to the base year for defense, Social Security, Medicare, net interest functions, etc.? (SFFAS 8, par. 103)</p>		
<p>44. Does the current service assessment identify estimated receipts by major source (e.g., income taxes, social insurance taxes) that will be used to fund projected outlays for the current base year and 6 subsequent years? (SFFAS 8, par. 103)</p>		

Section X Supplementary Information

Required Supplementary Stewardship Information: Risk Assumed Information (42 - 46)	Yes, No, or N/A	Explanation
45. Does the current service assessment also provide an estimate of the current and projected (over the subsequent 6 years) deficit or surplus of receipts? (SFFAS 8, par. 103)		
46. Are current service assessment data included in the consolidated financial report of the U.S. government identical to the projected data published in the President's Budget for the same period (i.e., the base year [or last completed fiscal year] and 6 years subsequent to the base year)? (SFFAS 8, par. 104)		

Section X Supplementary Information

Required Supplementary Information: Custodial Activity (47 – 48)	Yes, No, or N/A	Explanation
<p>47. Do entities that collect taxes and duties provide the following supplementary information?</p> <ul style="list-style-type: none"> a. a discussion of the factors affecting the collectability of compliance assessments recognized as taxes receivable b. if reasonably estimable, claims for refunds not yet accrued but likely to be paid when administrative action is complete c. management's best estimates of unasserted claims for refunds d. amount of assessments defined as written-off (i.e., no further collection potential) that continues to be statutorily collectable e. amounts by which related trust funds may be overfunded or underfunded in comparison with the requirements of the law, if reasonably estimable (SFFAS 7, par. 67.1 - 67.4, 106, & 177; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 80) 		
<p>48. If the entity receiving funds from the collecting entity is itself a trust fund, does it provide as supplementary information amounts by which related trust funds may be overfunded or underfunded in comparison with the requirements of the law, if reasonably estimable? (SFFAS 7, par. 67.4, 68, & 177; OMB Bull. 97-01 as amended (Jan.7, 2000), p. 80)</p>		

Section X Supplementary Information

Required Supplementary Information: Segment Information (49 - 50)	Yes, No, or N/A	Explanation
<p>49. Do all franchise and other intragovernmental support revolving funds report the following supplementary information?</p> <ul style="list-style-type: none"> a. a brief description of the services provided by the fund and the identity of the fund's major customers (i.e., organizations that account for more than 15 percent of the fund's revenues) b. a summary for the reporting period, by product or line of business, including the following items <ul style="list-style-type: none"> i. the full cost of goods and services provided ii the related exchange revenues iii the excess of costs over exchange revenues (OMB Bull. 97-01 as amended (Jan. 7, 2000), pp. 80 & 81) 		

Section X Supplementary Information

Required Supplementary Information: Segment Information (49 - 50)	Yes, No, or N/A	Explanation
<p>50. If a franchise fund or other intragovernmental support revolving fund is not separately reported on the entity's principal statements, does the entity report as Required Supplementary Information a summary of the fund's assets, liabilities, and net position that includes the following items as of the reporting date?</p> <ul style="list-style-type: none"> a. fund balance b. accounts receivable c. property, plant, and equipment d. other assets e. liabilities due and payable for goods and services received f. deferred revenues g. other liabilities and cumulative results of operations (OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 80) 		

Section X Supplementary Information

<p>Required Supplementary Information Deferred Maintenance (51 - 54)</p>	<p>Yes, No, or N/A</p>	<p>Explanation</p>
<p><i>Maintenance is the act of keeping fixed assets in acceptable condition. Maintenance includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life.</i></p> <p><i>Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, originally intended. (SFFAS 6, par. 78)</i></p> <p><i>Deferred maintenance is maintenance that was not performed when it should have been, or was scheduled to be, and that, therefore, is put off or delayed for a future period. (SFFAS 6, par. 77)</i></p>		
<p>51. Does the entity report under required supplementary information the following information for each major category of its PP&E (i.e., general, national defense, heritage, and stewardship)?</p> <ul style="list-style-type: none"> a. the identity (e.g., building, equipment, land) of each major class of asset for which maintenance was deferred b. the method of measuring deferred maintenance (SFFAS 6, par. 21, 83, & 171 -178; SFFAS 11, par. 7; SFFAS 14, par. 1; OMB Bull. 97-01 as amended (Jan. 7, 2000), p. 73) 		

Section X Supplementary Information

Condition assessment surveys are periodic inspections of PP&E - based on generally accepted and consistently applied method - to determine PP & E's current condition and the estimated cost to correct any deficiencies. (SFFAS 6, par. 81)

52. If the condition assessment survey method is used to measure deferred maintenance, is the following information presented for each major class of PP&E?
- a. a description of requirements or standards for acceptable operating condition
 - b. any changes in the condition requirements or standards
 - c. asset condition and a range estimate of the dollar amount of maintenance needed to return it to its acceptable operating condition (SFFAS 6, par. 80, 83, & 233)

Section X Supplementary Information

Life-cycle costing is an acquisition or procurement technique that considers operating, maintenance, and other costs in addition to the acquisition cost of assets. (SFFAS 6, par. 82)

<p>53. If the total life-cycle cost method is used to measure deferred maintenance, is the following information presented for each major class of PP&E?</p> <ul style="list-style-type: none"> a. the original date of the maintenance forecast and an explanation for any changes to the forecast b. prior-year balance of the cumulative deferred maintenance amount c. the dollar amount of maintenance that was defined by the professionals who designed, built, or managed the PP&E as required maintenance for the reporting period d. the dollar amount of maintenance actually performed during the period e. the difference between the forecast and actual maintenance f. any adjustments to the scheduled amounts deemed necessary by the managers of the PP&E g. the ending cumulative balance for the reporting period for each major class of asset experiencing deferred maintenance (SFFAS 6, par. 83) 		
<p>54. If management elects to break out deferred maintenance by critical and noncritical amounts needed to bring each class of asset to its acceptable operating condition, does it also include its definition of these categories? (SFFAS 6, par. 84)</p>		

Section X Supplementary Information

Required Supplementary Information: Intragovernmental Amounts (55 – 67)	Yes, No, or N/A	Explanation
<p><i>Intragovernmental amounts represent transactions between federal entities included in the Financial Report of the United States Government. These transactions include activity (consolidated or net of intra-entity transactions) with federal CFO Act and non-CFO Act entries as identified in the Treasury Financial Manual. The intragovernmental supplementary information may be limited to the consolidated agencywide financial statements of the 24 executive departments and agencies covered by appendix A of OMB Bulletin No. 98-08. (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, Technical Amendments to OMB Bull. 97-01, pp. 3 & 4</i></p>		
<p>55. Does the entity report as required supplementary information and intragovernmental amounts for the following items?</p> <ul style="list-style-type: none"> a. assets b. liabilities c. nonexchange revenue d. for certain reporting entities, earned revenue from trade (buy/sell) transactions along with the gross cost to generate such revenue (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 3, 5th par.) 		
<p>56. Does the entity report intragovernmental assets, liabilities, and earned revenue from trade transactions and nonexchange revenue by trading partner (reciprocal federal entity)? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 3)</p>		

Section X Supplementary Information

Required Supplementary Information: Intragovernmental Amounts (55 – 67)	Yes, No, or N/A	Explanation
<p>57. Does the entity report intragovernmental gross cost to generate earned revenue from trade transactions by budget functional classification? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 3)</p>		
<p>58. Do intragovernmental asset and liability categories reported as requiring supplementary information agree with the intragovernmental asset and line items reported on the balance sheet? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 3)</p>		
<p>59. Are transactions with components of federal departments and agencies (e.g., Forest Service of the USDA) included in the activity reported for the federal department or agency? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 4)</p>		

Section X Supplementary Information

Required Supplementary Information: Intragovernmental Amounts (55 – 67)	Yes, No, or N/A	Explanation
<p>60. Does the entity reconcile the following amounts with its trading partners?</p> <ul style="list-style-type: none"> a. investments in federal securities issued by the Department of the Treasury, Bureau of the Public Debt b. borrowings from Treasury and the Federal Financing Bank c. transactions with the Department of Labor relating to the Federal Employees Compensation Act d. transactions with the Office of Personnel Management relating to employee benefit programs (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 4, 3rd par.) 		
<p>61. Does the entity also reconcile intragovernmental asset, liability, and revenue amounts¹⁰ with its trading partners at least annually as of the fiscal year end? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 4, 4th par.)</p>		

¹⁰ Balances reported for other asset or liability categories and individual transactions that collectively comprise less than 20 percent of the total asset and liability categories may be excluded from reconciliation.

Section X Supplementary Information

Required Supplementary Information: Intragovernmental Amounts (55 – 67)	Yes, No, or N/A	Explanation
<p>62. Do intragovernmental assets and liabilities reported as required supplementary information agree with the intragovernmental asset and liability line items and totals on the reporting entity’s consolidated agencywide balance sheet? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, pp. 5 & 6)</p>		
<p>63. For each intragovernmental asset and liability line item on the consolidated agencywide balance sheet, does the entity identify in the supplementary information the trading partner balances that make up the line item?¹¹ (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, pp. 5 & 6)</p>		
<p>64. If intragovernmental transactions with a trading partner are material in one asset or liability category but immaterial in another category, does the entity report transactions with the trading partner for each category? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000 <i>Technical Amendments to OMB Bull. 97-01</i>, 2000, pp. 5 & 6)</p>		

¹¹Reporting entities may aggregate trading partners whose individual totals for a particular asset category collectively comprise less than 20 percent of the total line item category.

Section X Supplementary Information

Required Supplementary Information: Intragovernmental Amounts (55 – 67)	Yes, No, or N/A	Explanation
<p>65. If the entity has total intragovernmental earned revenues from trade transactions (net of intra-entity activity) of greater than \$500 million, does it report such intragovernmental revenues by trading partner? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 7)</p>		
<p>66. If the entity reports intragovernmental earned revenues, does it also report, by budget functional classification, the gross cost of goods, services, and other transactions that generated the intragovernmental earned revenues? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 7)</p>		
<p>67. Does the entity report, by trading partner, intragovernmental nonexchange revenues transferred in and out? (Attachment to OMB Memo M-00-05, of Jan. 7, 2000, <i>Technical Amendments to OMB Bull. 97-01</i>, p. 7)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
		<p><i>Social insurance programs covered by SFFAS 17, Accounting for Social Insurance, have five common characteristics. They are</i></p> <ul style="list-style-type: none"> <i>a. financing from participants or their employers;</i> <i>b. eligibility from taxes and fees paid and time worked in covered employment;</i> <i>c. benefits not directly related to taxes and fees paid;</i> <i>d. benefits prescribed in law; and</i> <i>e. programs intended for the general public.</i> <p><i>The social insurance programs specifically covered by SFFAS 17 are</i></p> <ul style="list-style-type: none"> <i>a. Old-Age, Survivors, and Disability Insurance (OASDI - i.e., Social Security);</i> <i>b. Hospital Insurance (HI or Medicare Part A) and Supplementary Medical Insurance (SMI or Medicare Part B);</i> <i>c. Railroad Retirement Benefits (RRB);</i> <i>d. Black Lung Benefits; and</i> <i>e. Unemployment Insurance (UI).</i> <p><i>The standard for consolidated governmentwide accounting and reporting for social insurance programs is the same as that for component entities unless otherwise indicated (SFFAS 17, par. 14, 15, 29, 44, 45, & app. D - glossary)</i></p>
<p>68. In general, does the entity responsible for a given social insurance program provide a clear and concise description of the program including its financing, calculation of benefits, and actuarial status? (SFFAS 17, par. 24, 110 - 112, & 131 - 149)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>69. Does this description include the following information?</p> <ul style="list-style-type: none"> a. discussion of the long-term sustainability and financial condition of the program b. an illustration and explanation of the long-term trends revealed in the data (SFFAS 17, par. 24 & 80 - 85) 		
<p>70. Does the consolidated governmentwide financial report explain the relationship of the social insurance program(s) to governmentwide financing, including the intragovernmental nature of trust fund assets and government debt? (SFFAS 17, par. 31)</p>		
<p>71. Does the reporting entity describe statutory or other material changes, and implications thereof, affecting the program after the current fiscal year? (SFFAS 17, par. 24)</p>		
<p>72. Are projections and estimates based on the entity's best estimates of demographic and economic assumptions? (SFFAS 17, par. 25)</p>		
<p>73. Does the entity disclose significant assumptions used in making estimates and projections? (SFFAS 17, par. 25)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
74. Are all projections and estimates made as of a date (i.e., the valuation date) as close to the end of the fiscal year (i.e., current year) being reported on as possible and no more than one year prior to the end of the current year? (SFFAS 17, par. 26)		
75. Does the entity consistently follow this valuation date from year to year? (SFFAS 17, par. 26)		
76. Does information on the financial and actuarial status of the social insurance programs include actuarial projections that are indicative of long-term sustainability and show the annual cash flows in nominal dollars for current and future participants? (SFFAS 17, par. 27 (1))		
77. Are the actuarial projections of cash flow amounts reported for at least every fifth year in the projection period? (SFFAS 17, par. 17 (1) (a))		
78. Does the cash flow information show the following amounts? a. total cash inflow from all sources (i.e., by and on behalf of participants) less net interest on intragovernmental borrowing and lending b. total cash outflow (SFFAS 17, par. 27 (1) (a))		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>79. When cash flow projections are made for the consolidated governmentwide entity, is interest on intragovernmental borrowing and lending excluded? (SFFAS 17, par. 32)</p>		
<p>80. Does the narrative accompanying the cash flow data include identification of any year or years during the projection period when cash outflow exceeds cash inflow, with and without interest, on intragovernmental borrowing or lending? (SFFAS 17, par. 27 (1) (a), 87, 88, 116, & 117)</p>		
<p>81. Does the narrative provide an explanation of the significance of the cash flow “cross-over points” where cash outflows begin exceeding cash inflows? (SFFAS 17, par. 27 (1) (a) & 32 (1) (a))</p>		
<p>82. Do the cash flow projections (net of interest on intragovernmental borrowing/lending) for Medicare Part A (HI) and Social Security (OASDI) include an estimate of cash flows as a percentage of taxable payroll? (SFFAS 17, par. 27 (1) (b), 89, 118 - 120, & app. D - glossary)</p>		
<p>83. Do the cash flow projections (net of interest on intragovernmental borrowing/lending) for HI, OASDI, and Medicare Part B (SMI) include an estimate of cash flows as a percentage of gross domestic product? (SFFAS 17, par. 27 (1) (b), 46, 47, 89, & 121 - 122 & app. D - glossary)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>84. Does the entity disclose its estimate of the ratio of the number of contributors to the number of beneficiaries during the same projection period as for cash flow projections (e.g., 75 years)? (SFFAS 17, par. 27 (2), 90, & 130)</p>		
<p>85. At a minimum, is the ratio of contributors to beneficiaries reported for the beginning and end of the projection period? (SFFAS 17, par. 27 (2))</p>		
<p>86. For all enumerated social insurance programs except Unemployment Insurance (UI), does the responsible entity present a statement of actuarial present values of the following items?</p> <ul style="list-style-type: none"> a. all future expenditures during the projection period related to benefit payments <ul style="list-style-type: none"> i. to or on behalf of current participants who have not yet attained retirement age ii. to or on behalf of current participants who have attained retirement age iii. to or on behalf of those who are expected to become plan participants b. all future contributions and tax income from or on behalf of current and future participants described in “a” c. cash flow derived from subtracting “b” from “a” <p>(SFFAS 17, par. 27 (3) (a) - (g), 40 - 42, 91 - 103, & 115)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>87. With the exception of Unemployment Insurance (UI), does the entity disclose in the notes of the fund balance, as of the valuation date, the accumulated excess of all past cash receipts, including interest on investments over all cash disbursements? (SFFAS 17, par. 27 (2) (a) & (3) (h), 42, & 113)</p>		
<p>88. Does the entity also disclose how it calculated the actuarial net present value of future benefits and contributions from or on behalf of current participants of all social insurance programs but UI? (SFFAS 17, par. 27 (2) (a) & (3) (i))</p>		
<p>89. If available, does the entity provide estimates of the actuarial present values and fund balances of the social insurance programs (except UI) under its purview for each of the 4 preceding years? (SFFAS 17, par. 27 (3) (j) & 28)</p>		
<p>90. For all social insurance programs except UI, does the responsible entity illustrate the sensitivity of the projections of cash flows and actuarial present values to changes in the most significant individual assumptions? (SFFAS 17, par. 27 (4) (a), 48, 49, & 123 - 129)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>91. At a minimum, do the Social Security and Medicare programs analyze assumptions regarding the following factors?</p> <ul style="list-style-type: none"> a. birth and death rates b. net immigration c. real wage differential d. real interest rate <p>(SFFAS 17, par. 27 (4) (a) & 123 - 129)</p>		
<p>92. Does the sensitivity analysis for UI programs show the effects of increasing the unemployment rate as follows?</p> <ul style="list-style-type: none"> a. by approximately 1 percentage point b. to a level that puts significant stress on the system (e.g., to simulate the largest recession occurring within the last 25 years) <p>(SFFAS 17, par. 27 (4) (b) & 159 - 160)</p>		
<p>93. Does information on the UI program provide a state-by-state analysis of the relative solvency of individual state programs, including the ratio of each state's current accumulated fund balance to the highest level of annual benefit payments experienced by that state over the last 20 years? (SFFAS 17, par. 27 (5) & 159 - 160)</p>		

Section X Supplementary Information

Required Supplementary Information Social Insurance Programs (68 - 94)	Yes, No, or N/A	Explanation
<p>94. Does the consolidating entity break out and separately identify, at a minimum, the following information on social insurance programs?</p> <ul style="list-style-type: none"> a. cash flow projections net of intragovernmental borrowing and lending for, at a minimum, the OASDI, HI, and SMI programs b. net cash flows as a percentage of taxable payroll for OASDI and HI c. net cash flows as a percentage of gross domestic product (GDP) for the Social Security and Medicare programs d. the ratio of contributors to beneficiaries for OASDI and HI e. the actuarial present values for all covered social insurance programs (except UI) for the current and preceding 4 years f. sensitivity analyses for all social insurance programs including OASDI, HI, SMI, and UI g. a state-by-state analysis of the UI program (SFFAS 17, par. 32) 		

Section X Supplementary Information

Required Supplementary Information: Management Discussion and Analysis (95 - 101)	Yes, No, or N/A	Explanation
<p>95. Does the entity include as required supplementary information management discussion and analysis (MD&A) of the financial statements and related information? (SFFAS 15, par. 1, 12, & 13; SFFAC 3, par. 1 & 2)</p>		
<p>96. Does the MD&A provide a clear and concise description of the reporting entity and its mission, activities, program and financial performance, systems controls, legal compliance, financial position, and financial condition? (SFFAS 15, par. 2; SFFAC 3, par. 1)</p>		
<p>97. Is the MD&A balanced, providing both positive and negative information? (SFFAS 15, par. 1; SFFAC 3, par. 29)</p>		
<p>98. Does the MD&A contain sections that discuss the following information about the entity?</p> <ul style="list-style-type: none"> a. mission and organizational structure b. performance goals, objectives, and results c. financial statements and d. systems, controls and legal compliance (SFFAS 15, par. 2; SFFAC 3, par. 9, 11, 13, 15 - 17, 25 - 27, & 42 - 49) 		

Section X Supplementary Information

Required Supplementary Information: Management Discussion and Analysis (95 - 101)	Yes, No, or N/A	Explanation
<p>99. Does the MD&A include forward-looking information regarding the possible future effects of the most important currently known demands, risks, uncertainties, events, conditions, and trends? (SFFAS 15, par. 3 & 21; SFFAC 3, par. 6, 9, 14, & 30 - 36)</p>		
<p>100. Does the MD&A discuss important problems that need to be addressed as well as actions that have been taken or planned? (SFFAS 15, par. 4; SFFAC 3, 40 & 41)</p>		
<p>101. Does the MD&A limit itself to the most important matters that could, for example, contribute the following results?</p> <ul style="list-style-type: none"> a. lead to significant actions or proposals by top management of the reporting unit b. be significant to the managing, budgeting, and oversight functions of Congress and the administration c. significantly affect the judgment of citizens about the efficiency and effectiveness of their federal government (SFFAS 15, par. 5 & 6; SFFAC 3, par. 28 & 29) 		

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