

**CAPITAL TRANSFERS
(EFFECTIVE FOR FY 2013)**

Note: This guidance does not include special and non-revolving trust fund receipts returned to the General Fund of the U.S. Treasury for permanent reduction.

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Capital Transfers

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|-----------------------|-------------|--|--|
| 1.0 | 3/19/2009 | Initial version | S2 09-02 |
| 2.0 | 6/3/2010 | Updated | S2-09-02, Revised by Bulletin 2010-04 (Dec 2009), Part 2 |
| 3.0 | 5/3/2012 | Updated to include account title changes and to add Section II. Capital Transfers Scenario – Return of Capital Investments via a Capital Transfer to a General Fund Receipt Account from a No-Year, Non-Credit Revolving Fund. | S2 12-03 |

Capital Transfers

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Capital Transfers

1. Definition of a Capital Transfer

TFM Volume 1, Part 2, Chapter 2000, subsection 2030.20 states:

“Transfers to General Fund Receipts (previously titled “Capital Transfers”) - These transfers are credits to miscellaneous receipts. The credits repay the Government’s investment in or distribute the earnings of a revolving fund. These transfers also include special and nonrevolving trust fund receipts returned to the General Fund of the U.S. Treasury for permanent reduction. Agencies must use their two-digit department regular code in front of the miscellaneous receipt TAS for all transfers back to the General Fund of the U.S. Treasury.”

2. Processing and Recording a Capital Transfer with Treasury and OMB

Treasury transaction:

Fund managers must use the Governmentwide Accounting (GWA) System ATM Nonexpenditure Transfer (NET) Application at <http://www.gwa.fms.treas.gov> to process their NET transactions.

Initiate the NET as early in the month as possible to ensure that each agency involved on the transaction can process their transaction accordingly during the same accounting period.

Valid TAFS miscellaneous receipt accounts are in the following categories¹:

1. 1610 Category – Government-owned enterprise accounts
 - a. 1613 Dividends on capital stock
 - b. 1614 Other earnings from business operations and intragovernmental revolving funds
2. 2810 Repayment of Capital Investment accounts
 - a. 2813 Repayment of capital stock
 - b. 2814 Other repayments of investments and recoveries

For more information on the processing and recording of capital transfers, please refer to TFM Volume 1, Part 2, Chapter 2000, subsection 2030.20

¹ Transfer to general fund receipt accounts includes these four miscellaneous receipts accounts;
3230 Special and Trust Fund Proprietary Receipts Returned to the General Fund of the U.S. Treasury;
3231 Special and Trust Fund Governmental Receipts Returned to the General Fund of the U.S. Treasury;
3232 Special and Trust Fund Intrafund Receipts Returned to the General Fund of the U.S. Treasury
3233 Special and Trust Fund Offsetting Governmental Receipts Returned to General Fund of the U.S. Treasury

However, these accounts are not the traditional capital transfer accounts where capital investment is returned to the General Fund Receipt Accounts. They are used to move the funds from a special and trust expenditure account to the General Fund Receipt Account using the capital transfer mechanism. As a result, the four miscellaneous receipt TAS’s listed above will not be part of this capital transfer guidance.

Capital Transfers

3. Discussion of OMB Presentation of Capital Transfers and Debt Repayment Using the USSGL Budgetary Accounts

OMB Circular No. A-11 dated July 2012 requires that agencies report capital transfers on the following lines of the SF 132, the SF 133 and the P&F:

Line 1022 Capital transfer of unobligated balances to general fund

Discretionary:

Line 1720 Capital transfer of spending authority from offsetting collections to general fund

Mandatory:

Line 1820 Capital transfer of spending authority from offsetting collections to general fund

As a result, there will be no reporting differences between the three OMB documents. The capital transfers are now segregated from redemption of debt and are segregated by the type of resource being used to fund the transfer.

The P&F does not report anticipated amounts. However, for SF132 and SF133 reporting, the OMB does not require segregation of the anticipated capital transfer amounts from the anticipated repayment of debt. Therefore, USSGL account 4047, "Anticipated Transfers to the General Fund of the Treasury – Current Year Authority," is adequate to report on the following lines of the SF-132 and SF-133:

1042 Anticipated capital transfers and redemption of debt (unobligated balances)(-)

Discretionary:

1742 Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)

Mandatory:

1842 Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)

Capital Transfers

4. USSGL Modified Accounts Presented for FY 2013

Account Title: Contingent Liability for Capital Transfers

Account Number: 2923

Normal Balance: Credit

Definition: The amount recognized as a result of past events where a capital transfer to a General Fund Receipt Account is probable and measurable. **This account offsets USSGL account 1923, "Contingent Receivable for Capital Transfers."** This account does not close at yearend.

Justification: To reference the offset to USSGL account 1923 as the account definition for USSGL 1923 does.

Account Title: Liability for Capital Transfers ~~to the General Fund of the Treasury Account~~

Number: 2970

Normal Balance: Credit

Definition: The amount to be transferred to ~~the~~ a General Fund **Receipt Account** ~~of the Treasury via capital transfer~~. This includes excess amounts in liquidating funds. This account does not close at yearend.

Justification: To be more consistent with the other USSGL capital transfer account titles and definitions.

Account Title: Financing Sources To Be Transferred Out - Contingent Liability

Account Number: 5792

Normal Balance: Debit

Definition: The amount of future financing sources that will be transferred out as a capital transfer to ~~the~~ a General Fund **Receipt Account** ~~of the Treasury~~. This account should be recorded as a debit when a contingent liability is recorded. A contingent liability related to a capital transfer should not be associated with a cost but, instead, should be associated with a future nonexpenditure capital transfer to ~~the~~ a General Fund **Receipt Account** ~~of the Treasury~~. Transactions using this account will not have a budgetary impact.

Justification: For consistency with the use of a General Fund Receipt Account.

Capital Transfers

5. Financial Statement Presentation of Liabilities Associated with Appropriations to Revolving Funds (Capital Investments)

The following excerpts are from SFFAS No. 5 – *Accounting for Liabilities of the Federal Government*.

Executive Summary (d) “... - Contingencies – A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Contingent future outflows or other sacrifices of resources as a result of past transactions or events may be recognized, may be disclosed, or may not be reported at all depending on the circumstances. Contingencies should be recognized as a liability when a past transaction or event has occurred, a future outflow or other sacrifice of resources is probable, and the related future outflow or sacrifice of resources is measurable. A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is a reasonable possibility that a loss or an additional may have been incurred. Disclosure should include the nature of the contingency and an estimate of the possible liability, an estimate of the range of the possible liability, or a statement that such an estimate cannot be made.

Paragraph 35 “A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm a gain (i.e., acquisition of an asset or reduction of a liability) or a loss (i.e., loss or impairment of an asset or the incurrence of a liability).

Paragraph 36 “... When a loss contingency (i.e., contingent liability) exists, the likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from probable to remote. The probability classifications are as follows:

- Probable: The future confirming event or events are more likely than not to occur.
- Reasonably possible: The chance of the future confirming event or events occurring is more than remote but less than probable.
- Remote: the chance of the future event or events occurring is slight.”

Paragraph 38 “A contingent liability should be recognized when all of these three conditions are met...

- A past event or exchange transaction has occurred...
- A future outflow or other sacrifice of resources is probable...
- The future outflow or sacrifice of resources is measurable...”

Paragraph 40 “A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred...”

Capital Transfers

Paragraph 42 "...contingencies classified as remote need not be reported in general purpose federal financial reports..."

ALWAYS REVIEW SFFAS NO. 5 TO APPLY IT TO EACH FUND'S PARTICULAR CIRCUMSTANCES; THIS IS GENERAL GUIDANCE AND WILL NOT NECESSARILY APPLY TO A SPECIFIC FUND.

Relationships between SFFAS No. 5 and a revolving fund that received appropriated funds that must be repaid if the revolving fund meets criteria specified in related statutes.

Agencies should record a contingent liability or disclose contingent loss in the notes to the financial statement once appropriate criteria are met. For the purpose of illustration, this guide recognized and reported contingent liability related to the capital investment.

1. Contingent loss note disclosure or recording a contingent liability is required in the financial reporting for the year the appropriation is made to the revolving fund and should be reported in subsequent years prior to anticipating a capital transfer.

- Contingent loss disclosure assumes:
 - There is a reasonable possibility that the fund is expected at some point in the future to be financially able to repay (through capital transfer) the appropriation (capital investment).

- Contingent liability assumes:
 - A past event (the appropriation) occurred and the caveat existed that under certain conditions it would be repaid.
 - The amount to be repaid is known.
 - A future outflow of resources is probable. The fund is expected at some point in the future to be financially able to repay (through capital transfer) the appropriation (capital investment).

2. Reclassify "Contingent Liability" to a "Liability for Capital Transfers to the General Fund of the Treasury" in the financial reports only in the year when funds are expected to be sufficient to actually repay the appropriation or a portion of the appropriation by capital transfer. The amount reported in a "Liability for Capital Transfers to the General Fund of the Treasury" should be only the amount expected to be actually transferred in a current year. Remaining unpaid portions of the appropriation should continue to be reported as a contingent liability or as a contingent loss disclosure.

Review each fund's circumstances independently and in accordance with SFFAS No. 5.

6. List of USSGL accounts used in Section I and Section II of the scenario

BUDGETARY

4060 Anticipated Collections From Non-Federal Sources
4047 Anticipated Transfers to the General Fund of the Treasury, Current-Year Authority
4119 Other Appropriations Realized
4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Authority
4201 Total Actual Resources – Collected
4252 Reimbursements and Other Income Earned – Collected
4262 Actual Collections of Loan Principal
4263 Actual Collections of Loan Interest
4450 Unapportioned Authority
4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment
4610 Allotments – Realized Resources
4901 Delivered Orders – Obligations, Unpaid
4902 Delivered Orders – Obligations, Paid

PROPRIETARY

1010 Fund Balance with Treasury
1341 Interest Receivable – Loans
1350 Loans Receivable
1511N Operating Materials and Supplies Held for Use
1750N Equipment
1759N Accumulated Depreciation on Equipment
1923(FXX) Contingent Receivable for Capital Transfers
2110 Accounts Payable
2923(FXX) Contingent Liabilities for Capital Transfers
2970(FXX) Liability for Capital Transfers
2985(F99) Liability for Non-Entity Assets Not reported on the Statement of Custodial Activity
3100 Unexpended Appropriations, Cumulative
3101 Unexpended Appropriations – Appropriations Received
3107 Unexpended Appropriations – Used
3310 Cumulative Results of Operations
5200 Revenue from Services Provided
5310(FXX) Interest Revenue - Other
5700 Expended Appropriations
5756(F99) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers
5766(F0XX) Nonexpenditure Financing Sources Transfers-Out- Capital Transfers
5792(F0XX) Financing Sources to be Transferred-Out – Contingent Liability
5993(F99) Offset to Non-Entity Collections – Statement of Changes in Net Position
5994(F99) Offset to Non-Entity Accrued Collections- Statement of Changes in Net Position
6100 Operating Expenses/Program Costs
6330(FXX) Other Interest Expenses
6710 Depreciation, Amortization, and Depletion
6790 Other Expenses Not Requiring Budgetary Resources

7. USSGL Section V Crosswalks for Accounts Presented for FY 2013

USSGL Proprietary Account Attributes Required for Reporting of Detailed Financial Information

| No. | Title | Norm Bal | Fed/ Non Fed | Trading Partner | Exch/ NonE | Bud Subf | Cust/ NonC | Entity/ NonE | Cov/ NotC | Prog | Bud Impct |
|------|--|----------|--------------|-----------------|------------|----------|------------|--------------|-----------|------|-----------|
| 2923 | Contingent Liabilities for Capital Transfer | C | F | Y | | | | | U | | |
| 2970 | Liability for Capital Transfers | C | F | Y | | | | | C | | |
| 5792 | Financing Sources to Be Transferred Out – Contingent Liability | D | F | Y | | | | | | | |

USSGL Proprietary Crosswalks

| USSGL Proprietary Crosswalks | | | | | | | | |
|------------------------------|--|-----------------|--------------------|--------------------------------------|---------------------------------|---------------------------------|---|--|
| USSGL Account Number | USSGL Account Title | Balance Sheet | Statem of Net Cost | Statement of Changes in Net Position | Statement of Custodial Activity | Reclassified Balance Sheet 2011 | Reclassified Statement of Net Cost 2011 | Reclassified Statement of Changes in Net Position 2011 |
| 2923 | Contingent Liabilities for Capital Transfer | Line 19 | N/A | N/A | N/A | Line 7.9 | N/A | N/A |
| 2970 | Liability for Capital Transfers | | | | | | | |
| 5792 | Financing Sources to Be Transferred Out – Contingent Liability | Line 32, and 33 | | Line 11 | | Line 9.1 and 9.2 | | Line 7.9 |

Section I.
Capital Transfer Scenario -
Return of Capital Investment via Capital Transfers to a General Fund Receipt
Account from a No-Year, Non-Credit Revolving Fund

This scenario addresses capital transfers from a no-year non-credit revolving fund TAFS to a General Fund Receipt Account in the 161000 and 281000 TAFS series. Specific transactions for capital transfers by liquidating accounts are presented in section II of this scenario.

YEAR 1

Note: A beginning trial balance is not applicable in this scenario.

| | |
|--|--|
| 1. Revolving fund receives an appropriation (sometimes referred to as a capital investment.) New budget authority is apportioned and allotted. Section III – Transactions A104, A116, and A120. | |
| Revolving Fund <u>Budgetary</u> 4119 Other Appropriations Realized 10,000 4450 Unapportioned Authority 10,000 4450 Unapportioned Authority 10,000 4510 Apportionments 10,000 4510 Apportionments 10,000 4610 Allotments – Realized Resources 10,000 <u>Proprietary</u> 1010 Fund Balance With Treasury 10,000 3101 Unexpended Appropriations – Appropriations Received 10,000 | General Fund Receipt Account <u>Budgetary</u> No entry <u>Proprietary</u> No entry |

2. The revolving fund managers determine that, at some point in the future, it is probable that the fund will be financially able to repay the appropriation.

SFFAS No. 5
 Paragraph 38 states: “A contingent liability should be recognized when all of these three conditions are met... A past event or exchange transaction has occurred.... A future outflow or other sacrifice of resources is probable...The future outflow or sacrifice of resources is measurable....”

Paragraph 40 states: “A contingent liability should be disclosed if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred....”

In this situation, the first condition for liability recognition (a past event has occurred) is met with the appropriation. The second condition is met because the fund managers determined the possibility of repayment is probable. The third condition is met since we know the total amount of the appropriation. Therefore, contingent liability should be reported on the financial statements.

| | |
|---|--|
| Record a contingent liability for capital investment. Assume it meets contingent liability requirements. Section III – Transaction B425; for GFRA E516 and C405. | |
| Revolving Fund <u>Budgetary</u> No entry <u>Proprietary</u> 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability 10,000 2923(FXX) Contingent Liabilities for Capital Transfers 10,000 | General Fund Receipt Account <u>Budgetary</u> No entry <u>Proprietary</u> 1923(FXX) Contingent Receivable for Capital Transfers 10,000 5756(FXX) Nonexpenditure Financing Sources – Transfers In - Capital Transfers 10,000 5994 (F99) Offset to Nonentity Accrued Collections o- Statement of Changes in Net Position 10,000 2985(F99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity 10,000 |

| 3. Record payment of payroll. Section III – Transactions B102 and B134. | | | |
|---|-------|------------------------------|----------|
| Revolving Fund | | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> | |
| 4610 Allotments – Realized Resources | 1,500 | | No entry |
| 4902 Delivered Orders – Obligations, Paid | | 1,500 | |
| <u>Proprietary</u> | | <u>Proprietary</u> | |
| 6100(N) Operating Expenses/Program Costs | 1,500 | | No entry |
| 1010 Fund Balance With Treasury | | 1,500 | |
| 3107 Unexpended Appropriations – Used | 1,500 | | |
| 5700 Expended Appropriations | | 1,500 | |

| 4. Record order for goods and services. Section III – Transaction B306. | | | |
|---|-------|------------------------------|----------|
| Revolving Fund | | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> | |
| 4610 Allotments – Realized Resources | 2,000 | | No entry |
| 4801 Undelivered Orders – Obligations, Unpaid | | 2,000 | |
| <u>Proprietary</u> | | <u>Proprietary</u> | |
| No entry | | No entry | |

| 5. Record delivery of goods and services and accrue a liability. Section III – Transactions B402 and B134. | | | |
|--|-------|------------------------------|----------|
| Revolving Fund | | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> | |
| 4801 Undelivered Orders – Obligations, Unpaid | 2,000 | | No entry |
| 4901 Delivered Orders – Obligations, Unpaid | | 2,000 | |
| <u>Proprietary</u> | | <u>Proprietary</u> | |
| 1511(N) Operating Materials and Supplies Held for Use | 300 | | No entry |
| 6100(FXX) Operating Expenses/Program Costs | 1,700 | | |
| 2110(FXX) Accounts Payable | | 2,000 | |
| 3107 Unexpended Appropriations – Used | 2,000 | | |
| 5700 Expended Appropriations | | 2,000 | |

| 6. Revolving fund purchases equipment with appropriated funds, that is, start-up cost to revolving fund. Section III – Transactions B306, B402, B110, and B134. | | |
|---|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4610 Allotments – Realized Resources | 6,000 | No entry |
| 4902 Delivered Orders – Obligations, Paid | 6,000 | |
| <u>Proprietary</u> | | <u>Proprietary</u> |
| 1750(N) Equipment | 6,000 | No entry |
| 1010 Fund Balance With Treasury | 6,000 | |
| 3107 Unexpended Appropriations – Used | 6,000 | |
| 5700 Expended Appropriations | 6,000 | |

| 7. The revolving fund anticipates reimbursements and OMB apportions the unavailable resources. Section III – Transactions A702 and A118. | | |
|--|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4210 Anticipated Reimbursements and Other Income | 2,500 | No entry |
| 4450 Unapportioned Authority | 2,500 | |
| 4450 Unapportioned Authority | 2,500 | <u>Proprietary</u> |
| 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment | 2,500 | No entry |
| <u>Proprietary</u> | | |
| No entry | | |

| 8. The revolving fund receives an order from a Federal entity without an advance. Section III – Transactions A706 and A122. | | |
|---|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4221 Unfilled Customer Orders Without Advance | 2,100 | No entry |
| 4210 Anticipated Reimbursements and Other Income | 2,100 | |
| 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment | 2,100 | <u>Proprietary</u> |
| 4610 Allotments – Realized Resources | 2,100 | No entry |
| <u>Proprietary</u> | | |
| No entry | | |

| 9. The revolving fund incurs expenses and receives invoices related to reimbursable agreements. Section III Transactions B306 and B402. | | |
|---|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4610 Allotments – Realized Resources | 1,900 | No entry |
| 4901 Delivered Orders – Obligations, Unpaid | 1,900 | |
| <u>Proprietary</u> | | <u>Proprietary</u> |
| 6100(FXX) Operating Expenses/Program Costs | 1,900 | No entry |
| 2110(FXX) Accounts Payable | 1,900 | |

| 10. The revolving fund performs work and bills requesting agency. Section III – Transaction A714. | | |
|---|------------------------------|----------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | <u>Budgetary</u> | |
| 4251 Reimbursements and Other Income Earned – Receivable | 2,100 | No entry |
| 4221 Unfilled Customer Orders Without Advance | 2,100 | |
| <u>Proprietary</u> | <u>Proprietary</u> | |
| 1310(FXX) Accounts Receivable | 2,100 | No entry |
| 5200(FXX) Revenue From Services Provided | 2,100 | |

| 11. The revolving fund collects receivable from transaction 10. Section III – Transaction C186. | | |
|---|------------------------------|----------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | <u>Budgetary</u> | |
| 4252 Reimbursements and Other Income Earned – Collected | 2,100 | No entry |
| 4251 Reimbursements and Other Income Earned – Receivable | 2,100 | |
| <u>Proprietary</u> | <u>Proprietary</u> | |
| 1010 Fund Balance With Treasury | 2,100 | No entry |
| 1310(FXX) Accounts Receivable | 2,100 | |

| 12. The revolving fund pays invoices from transaction 9. Section III – Transaction B110. | | |
|--|------------------------------|----------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | <u>Budgetary</u> | |
| 4901 Delivered Orders – Obligations, Unpaid | 1,900 | No entry |
| 4902 Delivered Orders – Obligations, Paid | 1,900 | |
| <u>Proprietary</u> | <u>Proprietary</u> | |
| 2110(FXX) Accounts Payable | 1,900 | No entry |
| 1010 Fund Balance With Treasury | 1,900 | |

| 13. Record use of operating material and supplies held for use. Section III – Transaction E406. | | |
|---|------------------------------|----------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | <u>Budgetary</u> | |
| No entry | | No entry |
| <u>Proprietary</u> | <u>Proprietary</u> | |
| 6790(N) Other Expenses Not Requiring Budgetary Resources | 250 | No entry |
| 1511(N) Operating Materials and Supplies Held for Use | 250 | |

| 14. The revolving fund records depreciation to equipment purchased in Transaction 6. Section III – Transaction E120. | | |
|--|------------------------------|----------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | <u>Budgetary</u> | |
| No entry | | No entry |
| <u>Proprietary</u> | <u>Proprietary</u> | |
| 6710(N) Depreciation, Amortization, and Depletion | 600 | No entry |
| 1759(N) Accumulated Depreciation on Equipment | 600 | |

PRE-CLOSING ADJUSTING ENTRIES

| A1. Revolving fund reduces anticipated accounts to actuals. Section III – Transaction F112. | | General Fund Receipt Account |
|---|-----|------------------------------|
| Revolving Fund | | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4590 Apportionments – Anticipated Resources – | | No entry |
| Programs Subject to Apportionment | 400 | |
| 4210 Anticipated Reimbursements and Other Income | 400 | |
| <u>Proprietary</u> | | <u>Proprietary</u> |
| No entry | | No entry |

**PRE-CLOSING ADJUSTED TRIAL BALANCE
YEAR 1**

| REVOLVING FUND | <u>DR</u> | <u>CR</u> | GENERAL FUND RECIPT | <u>DR</u> | <u>CR</u> |
|---|------------------|------------------|---|------------------|------------------|
| <u>BUDGETARY</u> | | | <u>BUDGETARY</u> | | |
| 4119 Other Appropriations Realized | 10,000 | | No entry | | |
| 4252 Reimbursements and Other Income Earned – Collected | 2,100 | | TOTALS | | |
| 4610 Allotments – Realized Resources | | 700 | | | |
| 4901 Delivered Orders – Obligations, Unpaid | | 2,000 | <u>PROPRIETARY</u> | | |
| 4902 Delivered Orders – Obligations, Paid | <u>0</u> | <u>9,400</u> | 1923(FXX) Contingent Receivable for Capital Transfers | 10,000 | |
| TOTALS | <u>12,100</u> | <u>12,100</u> | 5756 (FXX) Nonexpenditure Financing Sources – Transfers- In – Capital Transfers | | 10,000 |
| <u>PROPRIETARY</u> | | | 5994 (G99) Offset to Non-Entity Accrued Collections- Statement of Changes in Net Position | 10,000 | |
| 1010 Fund Balance With Treasury | 2,700 | | 2985 (G99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 10,000 |
| 1511(N) Operating Materials and Supplies Held for Use | 50 | | TOTALS | <u>20,000</u> | <u>20,000</u> |
| 1750(N) Equipment | 6,000 | | | | |
| 1759(N) Accumulated Depreciation on Equipment | | 600 | | | |
| 2110 Accounts Payable | | 2,000 | | | |
| 2923(FXX) Contingent Liabilities for Capital Transfers | | 10,000 | | | |
| 3101 Unexpended Appropriations – Appropriations Received | 9,500 | | | | |
| 3107 Unexpended Appropriations – Used | | 2,100 | | | |
| 5200 Revenue from Services Provided | | 9,500 | | | |
| 5700 Expended Appropriations | 10,000 | | | | |
| 5792(FXX) Financing Sources to be Transferred-O – Contingent Liability | 5,100 | | | | |
| 6100 Operating Expenses/Program Costs | 600 | | | | |
| 6710 Depreciation, Amortization, and Depletion | 250 | | | | |
| 6790 Other Expenses Not Requiring Budgetary Resources | <u>34,200</u> | <u>34,200</u> | | | |
| TOTALS | | | | | |

Working Paper for Consolidation, Year 1

| | | | Elimination | | Consolidated | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | DR | CR | DR | CR | DR | CR |
| BUDGETARY | | | | | | |
| 4119 Other Appropriations Realized | 10,000 | | | | 10,000 | |
| 4252 Reimbursements and Other Income Earned – Collected | 2,100 | | | | 2,100 | |
| 4610 Allotments – Realized Resources | | 700 | | | | 700 |
| 4901 Delivered Orders – Obligations, Unpaid | | 2,000 | | | | 2,000 |
| 4902 Delivered Orders – Obligations, Paid | | 9,400 | | | | 9,400 |
| TOTALS | 12,100 | 12,100 | | | 12,100 | 12,100 |
| | | | | | | |
| PROPRIETARY | | | | | | |
| 1010 Fund Balance With Treasury | 2,700 | | | | 2,700 | |
| 1511(N) Operating Materials and Supplies Held for Use | 50 | | | | 50 | |
| 1750(N) Equipment | 6,000 | | | | 6,000 | |
| 1759(N) Accumulated Depreciation on Equipment | | 600 | | | | 600 |
| 1923(FXX) Contingent Receivable for Capital Transfers | 10,000 | | | 10,000 | 0 | |
| 2110 Accounts Payable | | 2,000 | | | | 2,000 |
| 2923(FXX) Contingent Liabilities for Capital Transfers | | 10,000 | 10,000 | | | 0 |
| 2985(G99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 10,000 | | | | 10,000 |
| 3101 Unexpended Appropriations – Appropriations Received | | 10,000 | | | | 10,000 |
| 3107 Unexpended Appropriations – Used | 9,500 | | | | 9,500 | |
| 5200 Revenue from Services Provided | | 2,100 | | | | 2,100 |
| 5700 Expended Appropriations | | 9,500 | | | | 9,500 |
| 5756 (FXX) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers | | 10,000 | 10,000 | | | 0 |
| 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability | 10,000 | | | 10,000 | 0 | |
| 5994(G99) Offset to Non-Entity Accrued Collections- Statement of Changes in Net Position | 10,000 | | | | 10,000 | |
| 6100 Operating Expenses/Program Costs | 5,100 | | | | 5,100 | |
| 6710 Depreciation, Amortization, and Depletion | 600 | | | | 600 | |
| 6790 Other Expenses Not Requiring Budgetary Resources | 250 | | | | 250 | |
| TOTALS | 54,200 | 54,200 | 20,000 | 20,000 | 34,200 | 34,200 |
| | | | | | | |

CLOSING ENTRIES FOR END OF YEAR 1

| C1. To record the consolidation of net-funded resources, Section III – Transaction F302. | |
|--|---|
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4201 Total Actual Resources – Collected 12,100 4119 Other Appropriations Realized 10,000 4252 Reimbursements and Other Income Earned – Collected 2,100</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| C2. To record the closing of unobligated balances to unapportioned authority. Section III –Transaction F308. | |
|---|---|
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4610 Allotments – Realized Resources 700 4450 Unapportioned Authority 700</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| C3. To record the closing of expended authority – paid. Section III – Transaction F314. | |
|---|---|
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4902 Delivered Orders – Obligations, Paid 9,400 4201 Total Actual Resources – Collected 9,400</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| C4. To record the closing of fiscal year activities to unexpended appropriation. Section III – Transaction F342. | |
|--|---|
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> 3101 Unexpended Appropriations – Appropriations Received 10,000 3107 Unexpended Appropriations – Used 9,500 3100 Unexpended Appropriations – Cumulative 500</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

C5. To record the closing of revenue, expense and other financing sources to cumulative results of operations. Section III – Transaction F336.

| Revolving Fund | | General Fund Receipt Account | |
|--|--------|--|--------|
| <u>Budgetary</u> | | <u>Budgetary</u> | |
| No entry | | No entry | |
| <u>Proprietary</u> | | <u>Proprietary</u> | |
| 3310 Cumulative Results of Operations | 4,350 | 5756(FXX) Nonexpenditure Financing Sources – | |
| 5200 Revenue from Services Provided | 2,100 | Transfers-In – Capital Transfers | 10,000 |
| 5700 Expended Appropriations | 9,500 | 331000 Cumulative Results of Operations | 10,000 |
| 5792(FXX) Financing Sources to be | | | |
| - Transferred-Out Contingent | | 3310 Cumulative Results of Operations | 10,000 |
| Liability | 10,000 | 5994 Offset to Non-Entity Accrued | |
| 6100 Operating Expenses/Program Costs | 5,100 | Collections – SCNP | 10,000 |
| 6710 Depreciation, Amortization, and Depletion | 600 | | |
| 6790 Other Expenses Not Requiring | | | |
| Budgetary Resources | 250 | | |

**POST-CLOSING TRIAL BALANCE
YEAR 1**

| Revolving Fund | | | General Fund Receipt Account | | |
|--|---------------|---------------|--|---------------|---------------|
| BUDGETARY | DR | CR | BUDGETARY | DR | CR |
| 4201 Total Actual Resources – Collected | 2,700 | | | | |
| 4450 Unapportioned Authority | | 700 | | | |
| 4901 Delivered Orders – Obligations, Unpaid | | 2,000 | | | |
| TOTALS | 2,700 | 2,700 | | 0 | 0 |
| | | | | | |
| | | | | | |
| PROPRIETARY | | | PROPRIETARY | | |
| 1010 Fund Balance With Treasury | 2,700 | | 1923(FXX) Contingent Receivable for Capital Transfers | 10,000 | |
| 1511(N) Operating Materials and Supplies Held for Use | 50 | | 2985(F99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 10,000 |
| 1750(N) Equipment | 6,000 | | 3310 Cumulative Results of Operations | | 0 |
| 1759(N) Accumulated Depreciation on Equipment | | 600 | | | |
| 2110 Accounts Payable | | 2,000 | | | |
| 2923(FXX) Contingent Liabilities for Capital Transfers | | 10,000 | | | |
| 3100 Unexpended Appropriations | | 500 | | | |
| 3310 Cumulative Results of Operations | 4,350 | | | | |
| | 13,100 | 13,100 | | 10,000 | 10,000 |

**COMBINED
STATEMENT OF BUDGETARY EXECUTIONS AND BUDGETARY RESOURCES (SF-133)
AND PROGRAM & FINANCING SCHEDULE (P&F)
YEAR 1**

| SCHEDULE OF BUDGETARY RESOURCES | SF-133 | P&F |
|--|---------------|----------------|
| Budget Authority | | |
| Appropriations: | | |
| 1100 Appropriation (4119E) | 10,000 | 10,000 |
| 1160 Appropriation (total) | 10,000 | 10,000 |
| Spending Authority from offsetting collections (disc): | | |
| 1700 Spending authority from offsetting collections (4252E) | 2,100 | 2,100 |
| 1750 Spending authority from offsetting collections (total) | 12,100 | 12,100 |
| 1910 Total budgetary resources (Calc. lines 1160 and 1750) | 12,100 | N/A |
| 1930 Total budgetary resources available (Calc. lines 1160 and 1750) | N/A | 12,100 |

STATUS OF BUDGETARY RESOURCES

| | | |
|---|--------|-----|
| Obligation Incurred: | | |
| Direct: | | |
| 2001 Category A, by quarter (4901E-B, 4902E) | 11,400 | N/A |
| Unobligated Balance | | |
| Apportioned: | | |
| 2201 Available in the current period (4610E) | 700 | N/A |
| 2500 Total Budgetary Resources (Calc. lines 2001-2403. Also equals line 1910) | 12,100 | N/A |

CHANGE IN OBLIGATED BALANCE

| | | |
|--|---------|---------|
| Unpaid obligations: | | |
| 3000 Unpaid obligations, brought forward, October 1 | | |
| 3010 Obligation incurred, unexpired accounts (4901E-B, 4902E) | 11,400 | 11,400 |
| 3020 Outlays (gross) (-) (4902E) | (9,400) | (9,400) |
| Obligated Balance, end of year (net): | | |
| 3050 Unpaid Obligations, end of the year (4901E) | 2,000 | 2,000 |
| 3200 Obligated Balance, end of year (Calc. detailed lines 3000-3081) | 2,000 | 2,000 |

BUDGET AUTHORITY AND OUTLAYS, NET

| | | |
|---|--------|--------|
| 4000 Budget authority, gross (sum of lines 1100-1152, 1170-1174, 1300-1330, 1500-1531, and 1700-1742. Also equals sum of lines 1160, 1180, 1340, 1540 and 1750) (Lines 1100 through 1139, 1170 through 1174, 1300 through 1320, 1500 through 1522, and 1700 through 1728 (P&F) | 12,100 | 12,100 |
| 4010 Outlays from new Discretionary Authority (4902E) | 9,400 | 9,400 |
| 4020 Total outlays, gross (calc, lines 4010-4011) | 9,400 | 9,400 |
| Offset against gross budget authority and outlays (disc): | | |
| Offsetting collections (collected) from: | | |
| 4033 Non Federal sources (-) (disc) (4252E) | 2,100 | 2,100 |
| 4040 Offsets against gross budget authority and outlays (total) (-) | 2,100 | 2,100 |
| 4070 Budget authority, net (dis) (Line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050, 4051 and 4053 (SF 133). Line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050 and 4052 (P&F) | 10,000 | 10,000 |
| 4080 Outlays, net (dis) (lines 4010-4011 offset by 4030-4034) | 7,300 | 7,300 |

**FMS 2108 Year-End Closing Statement
YEAR 1**

| | |
|-------------------|--------------|
| Column 2 (1010E) | 2,700 |
| (Calc. col. 2-8) | 2,700 |
| Column 10 (4901E) | 2,000 |
| Column 11 (4610E) | 700 |
| (Calc. col. 9-11) | 2,700 |

**BALANCE SHEET
YEAR 1**

Assets (Note 2)

Intragovernmental

1. Fund Balance with Treasury (Note 3) (1010E) 2,700

Assets With the Public

12. Inventory and Related Property, Net (Note 9) (1511E) 50

13. General Property, Plant and Equipment, Net (Note 10) (1750E, 1759E) 5,400

15. Total Assets (Cal. Line 6-14) 8,150

Liabilities (Note 13)

Intragovernmental

17. Accounts Payable (2110E) 2,000

19. Other (Notes 15, 16 and 17) (2985E) 10,000

Total Liabilities 12,000

Net Position

31. Unexpended Appropriation – Other Funds (3100E) 500

33. Cumulative Results of Operations-Other Funds (3310E) (4,350)

34. Total Net Position (Cal. Line 30-33) 3,850

35. Total Liabilities and Net Position (Cal. Line 28-34) 8,150

**STATEMENT OF NET COST
YEAR 1**

Gross Program Costs

Program A:

| | |
|---|--------------|
| 1. Gross Cost (Note 22) (6100E, 6710E, 6790E) | 5,950 |
| 2. Less: earned revenue (5200E) | 2,100 |
| 3. Net program costs (Calc. line 1 minus line 2) | <u>3,850</u> |
| 6. Costs Not Assigned to Programs | |
| 5. Less: earned revenues not attributable to programs | |
| 6. Net cost of operations (Calc. lines 5 and 6 minus 7) | <u>3,850</u> |

**STATEMENT OF CHANGES IN NET POSITION
YEAR 1**

Cumulative Results of Operations

| | |
|------------------------------------|---|
| 1. Beginning Balance | |
| 2. Adjustments | |
| 3. Beginning Balances, as Adjusted | 0 |

Budgetary Financing Sources

| | |
|---|-------|
| 4. Other Adjustments (Recissions, etc.) (+/-) | |
| 5. Appropriations Used (5700E) | 9,500 |
| 6. Nonexchange Revenue | |
| 7. Donations and Forfeitures of Cash and Cash Equivalents | |
| 8. Transfers In/Out Without Reimbursements (+/-) | 0 |
| 9. Other | |

Other Financing Sources (Non Exchange):

| | |
|---|-----------------|
| 10. Donated Revenue – Nonfinancial Resources | |
| 11. Transfers In/Out Without Reimbursements (+/-) | |
| 12. Imputed Financing | |
| 13. Other (+/-) (5994E) | <u>(10,000)</u> |
| 14. Total Financing Sources | (500) |
| 15. Net Cost of Operations (+/-) | <u>3,850</u> |
| 16. Net Change (Calc. lines 14 minus 15) | (4,350) |

| | |
|---|----------------|
| 17. Cumulative Results of Operations (Calc. lines 3 and 16) | <u>(4,350)</u> |
|---|----------------|

Unexpended Appropriations

| | |
|------------------------------------|---|
| 18. Beginning Balances | 0 |
| 19. Adjustments (+/-) | 0 |
| 20. Beginning Balance, as Adjusted | 0 |

Budgetary Financing Sources

| | |
|---|------------|
| 21. Appropriations Received (3101E) | 10,000 |
| 22. Appropriations Transferred In/Out (+/-) | |
| 23. Other Adjustments (Recissions, etc.) (+/-) | |
| 24. Appropriations Used (3107E) | 9,500 |
| 25. Total Budgetary Financing Sources (Calc. lines 21 through 24) | <u>500</u> |

| | |
|---|----------------|
| 26. Total Unexpended Appropriations (Calc. lines 20 and 25) | <u>500</u> |
| 27. Net Position (Note 5) (Calc. lines 17 and 26) | <u>(3,850)</u> |

YEAR 2

| | | | |
|---|--------|------------------------------|--------|
| 16. The revolving fund anticipates reimbursements. Section III –Transaction A702. | | | |
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4210 Anticipated Reimbursements and Other Income | 15,000 | No entry | |
| 4450 Unapportioned Authority | | | 15,000 |
| Proprietary | | Proprietary | |
| No entry | | No entry | |

| | | | |
|--|-----|--|-----|
| 17. The fund managers anticipate making a capital transfer from current-year reimbursable collections to repay a portion of a capital investment (appropriation to the revolving fund.) Section III - Transaction A143, B425R. (This is a capital transfer transaction performed on a GWA Net Application; therefore, there is no obligation, just a reduction to resources.) For the GFRA column, Section III – Transaction D581. | | | |
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4450 Unapportioned Authority | 675 | No entry | |
| 4047 Anticipated Transfers to the General Fund of the Treasury | | | 675 |
| Proprietary | | Proprietary | |
| 57660(FXX) Nonexpenditure Financing Sources– Transfers-Out – Capital Transfers | 675 | 1925(FXX) Capital Transfers Receivable | 675 |
| 2970(FXX) Liability for Capital Transfers | 675 | 1923(FXX) Contingent Receivable for Capital Transfer | 675 |
| 2923(FXX) Contingent Liabilities for Capital Transfers | 675 | | |
| 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability | 675 | | |

| | | | |
|--|--------|------------------------------|--------|
| 18. The revolving fund apportionments and allots unobligated balances brought forward and anticipated offsetting collections, net of anticipated capital transfers. Section III – Transactions A118, A116, and A120. | | | |
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4450 Unapportioned Authority | 14,325 | No entry | |
| 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment | | | 14,325 |
| Proprietary | | Proprietary | |
| 4450 Unapportioned Authority | 700 | No entry | |
| 4510 Apportionments | | | 700 |
| 4510 Apportionments | 700 | | |
| 4610 Allotments – Realized Resources | | | 700 |
| Proprietary | | Proprietary | |
| No entry | | No entry | |

| 19. The revolving fund receives an order from a Federal entity with an advance. Section III – Transactions C182 and A122. | | |
|---|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4222 Unfilled Customer Orders With Advance | 15,000 | No entry |
| 4210 Anticipated Reimbursements and Other Income | 15,000 | |
| 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment | 14,325 | <u>Proprietary</u> |
| 4610 Allotments – Realized Resources | 14,325 | No entry |
| <u>Proprietary</u> | | |
| 1010 Fund Balance With Treasury | 15,000 | |
| 2310(FXX) Liability for Advances and Prepayments | 15,000 | |

| 20. Revolving fund purchases equipment with remaining appropriated funds – startup cost to revolving fund. Section III – Transactions B306, B402, B110, and B134. | | |
|---|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4610 Allotments – Realized Resources | 500 | No entry |
| 4902 Delivered Orders – Obligations, Paid | 500 | |
| <u>Proprietary</u> | | <u>Proprietary</u> |
| 1750(N) Equipment | 500 | No entry |
| 1010 Fund Balance With Treasury | 500 | |
| 3107 Unexpended Appropriations – Used | 500 | |
| 5700 Expended Appropriations | 500 | |

| 21. Record payment of payroll. Section III – Transaction B102. | | |
|--|------------------------------|---------------------------|
| Revolving Fund | General Fund Receipt Account | |
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4610 Allotments – Realized Resources | 1,500 | No entry |
| 4902 Delivered Orders – Obligations, Paid | 1,500 | |
| <u>Proprietary</u> | | <u>Proprietary</u> |
| 6100(N) Operating Expenses/Program Costs | 1,500 | No entry |
| 1010 Fund Balance With Treasury | 1,500 | |

| 22. Revolving fund incurs obligations to complete reimbursable orders. Section III – Transaction B306. | | General Fund Receipt Account | |
|--|--------|------------------------------|--|
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4610 Allotments – Realized Resources | 11,000 | No entry | |
| 4801 Undelivered Orders – Obligations, Unpaid | 11,000 | | |
| Proprietary | | Proprietary | |
| No entry | | No entry | |

| 23. Record receipt of goods and services and accrue a liability (reimbursable funds used). Section III –Transaction B402. | | General Fund Receipt Account | |
|---|--------|------------------------------|--|
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4801 Undelivered Orders – Obligations, Unpaid | 11,000 | No entry | |
| 4901 Delivered Orders – Obligations, Unpaid | 11,000 | | |
| Proprietary | | Proprietary | |
| 1511(N) Operating Materials and Supplies | | No entry | |
| Held for Use | 1,300 | | |
| 6100(F0XX) Operating Expenses/Program Costs | 9,700 | | |
| 2110(F0XX) Accounts Payable | 11,000 | | |

| 24. The revolving fund completes order and records revenue. Section III – Transaction A710. | | General Fund Receipt Account | |
|---|--------|------------------------------|--|
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4252 Reimbursements and Other Income | | No entry | |
| Earned – Collected | 15,000 | | |
| 4222 Unfilled Customers Orders With Advance | 15,000 | | |
| Proprietary | | Proprietary | |
| 2310(FXX) Liability for Advances and Prepayments | 15,000 | No entry | |
| 5200(FXX) Revenue From Services Provided | 15,000 | | |

| 25. The revolving fund pays invoices from Transactions 5 and 23. Section III – Transaction B110. | | General Fund Receipt Account | |
|--|--------|------------------------------|--|
| Revolving Fund | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4901 Delivered Orders – Obligations, Unpaid | 13,000 | No entry | |
| 4902 Delivered Orders – Obligations, Paid | 13,000 | | |
| Proprietary | | Proprietary | |
| 2110(FXX) Accounts Payable | 13,000 | No entry | |
| 1010 Fund Balance With Treasury | 13,000 | | |

| 26. Record use of operating material and supplies held for use. Section III – Transaction E406. | |
|--|---------------------------------------|
| Revolving Fund | General Fund Receipt Account |
| <u>Budgetary</u> No entry | <u>Budgetary</u> No entry |
| <u>Proprietary</u> 6790(N) Other Expenses Not Requiring Budgetary Resources 1,250 1511(N) Operating Materials and Supplies Held for Use 1,250 | <u>Proprietary</u> No entry |

| 27. The revolving fund records depreciation to equipment purchased in Transactions 6 and 20. Section III – Transaction E120. | |
|---|---------------------------------------|
| Revolving Fund | General Fund Receipt Account |
| <u>Budgetary</u> No entry | <u>Budgetary</u> No entry |
| <u>Proprietary</u> 6710(N) Depreciation, Amortization, and Depletion 650 1759(N) Accumulated Depreciation on Equipment 650 | <u>Proprietary</u> No entry |

| 28. The revolving fund makes a capital transfer for \$675 – the amount anticipated in transaction 17. Record the following entry and disclose the balance remaining unpaid (\$10,000 – \$675) as a contingent liability in the Balance. Section III - Transaction B119; for GFRA - Transactions C196 and D585. | |
|--|--|
| Revolving Fund | General Fund Receipt Account |
| <u>Budgetary</u> 4047 Anticipated Transfers to the General Fund of the Treasury 675 4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year 675 | <u>Budgetary</u> No entry |
| <u>Proprietary</u> 2970(FXX) Liability for Capital Transfers 675 1010 Fund Balance With Treasury 675 | <u>Proprietary</u> 1010 Fund Balance With Treasury 675 1925(FXX) Capital Transfers Receivable 675 5993(F99) Offset to Non-Entity Collections – Statement of Changes in Net Position 675 5994(F99) Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position 675 |

29. The revolving fund pays interest to the General Fund of the Treasury (for the purpose of illustration, assume the governing statute states that interest must be paid on the capital investment). This is truly an interest payment and should be recorded as an obligation and expenditure to the Revolving Fund. This is not a capital transfer transaction.

Note: Although the appropriation from transaction number 1 is not a loan, the governing statutes may sometimes require that interest be paid on amounts outstanding as "capital investments."

Section III – Transaction B109; for GFRA column - Transactions C145 and C147

| Revolving Fund | General Fund Receipt Account |
|--|---|
| <p><u>Budgetary</u></p> <p>4610 Allotments – Realized Resources 75</p> <p style="padding-left: 20px;">4902 Delivered Orders – Obligations, Paid 75</p> <p><u>Proprietary</u></p> <p>6330(FXX) Other Interest Expenses 75</p> <p style="padding-left: 20px;">1010 Fund Balance With Treasury 75</p> | <p><u>Budgetary</u></p> <p>No entry</p> <p><u>Proprietary</u></p> <p>1010 Fund Balance With Treasury 75</p> <p style="padding-left: 20px;">5310(FXX) Interest Revenue – Not Otherwise Classified 75</p> <p>5993(F99) Offset to Non-Entity Collections – Statement of Changes in Net Position 75</p> <p style="padding-left: 20px;">2985(F99) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity 75</p> |

**PRE-CLOSING TRIAL BALANCE
YEAR 2**

| Revolving Fund | | | General Fund Receipt Account | | |
|--|---------------|---------------|--|---------------|---------------|
| BUDGETARY | DR | CR | BUDGETARY | DR | CR |
| 4201 Total Actual Resources – Collected | 2,700 | | | | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Balances | | 675 | | | |
| 4252 Reimbursements and Other Income Earned – Collected | 15,000 | | | | |
| 4610 Allotments – Realized Resources | | 1,950 | | | |
| 4902 Delivered Orders – Obligations, Paid | | 15,075 | | | |
| TOTALS | 17,700 | 17,700 | | 0 | 0 |
| | | | | | |
| | | | | | |
| PROPRIETARY | | | PROPRIETARY | | |
| 1010 Fund Balance With Treasury | 1,950 | | 1010 Fund Balance With Treasury | 750 | |
| 1511(N) Operating Materials and Supplies Held for Use | 100 | | 1923(FXX) Contingent Receivable for Capital Transfer | 9,325 | |
| 1750(N) Equipment | 6,500 | | 2985(F99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 10,075 |
| 1759(N) Accumulated Depreciation on Equipment | | 1,250 | 5310(FXX) Interest Revenue - Not Otherwise Classified | | 75 |
| 2110Accounts Payable | | 0 | 5993(F99) Offset to Non-Entity Collections _ SCNP | 750 | |
| 2923(FXX) Contingent Liabilities for Capital Transfers | | 9,325 | 5994(F99) Offset to Non-Entity Accrued Collections -SCNP | | 675 |
| 3100 Unexpended Appropriations | | 500 | | | |
| 3107 Unexpended Appropriations – Used | 500 | | | | |
| 3310 Cumulative Results of Operations | 4,350 | | | | |
| 5200 Revenue From Services Provided | | 15,000 | | | |
| 5700 Expended Appropriations | | 500 | | | |
| 5766(FXX) Nonexpenditure Financing Sources Transfers-Out- Capital Transfers | 675 | | | | |
| 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability | | 675 | | | |
| 6100 Operating Expenses/Program Costs | 11,200 | | | | |
| 6330(FXX) Other Interest Expenses | 75 | | | | |
| 6710 Depreciation, Amortization, and Depletion | 650 | | | | |
| 6790 Other Expense Not Requiring Budgetary Resources | 1,250 | | | | |
| TOTALS | 27,250 | 27,250 | | 10,825 | 10,825 |

PRE-CLOSING ADJUSTING ENTRIES

| | |
|---|--|
| A1. To record the closing of Fund Balance With Treasury collected in a General Fund Receipt Account at yearend. Section III – Transaction F124. | |
| <u>Revolving Fund</u> | <u>General Fund Receipt Account</u> |
| <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> 2985(F99) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity 750 1010 Fund Balance With Treasury 750</p> |

**PRE-CLOSING ADJUSTED TRIAL BALANCE
YEAR 2**

| Revolving Fund | | | General Fund Receipt Account | | |
|--|---------------|---------------|--|---------------|---------------|
| BUDGETARY | DR | CR | BUDGETARY | DR | CR |
| 4201 Total Actual Resources – Collected | 2,700 | | | | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Balances | | 675 | | | |
| 4252 Reimbursements and Other Income Earned – Collected | 15,000 | | | | |
| 4610 Allotments – Realized Resources | | 1,950 | | | |
| 4902 Delivered Orders – Obligations, Paid | | 15,075 | | | |
| TOTALS | 17,700 | 17,700 | | 0 | 0 |
| | | | | | |
| | | | | | |
| PROPRIETARY | | | PROPRIETARY | | |
| 1010 Fund Balance With Treasury | 1,950 | | 1010 Fund Balance With Treasury | 0 | |
| 1511(N) Operating Materials and Supplies Held for Use | 100 | | 1923(FXX) Contingent Receivable for Capital Transfer | 9,325 | |
| 1750(N) Equipment | 6,500 | | 2985(F99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 9,325 |
| 1759(N) Accumulated Depreciation on Equipment | | 1,250 | 5310(FXX) Interest Revenue - Not Otherwise Classified | | 75 |
| 2110 Accounts Payable | | 0 | 5993(F99) Offset to Non-Entity Collections - SCNP | 750 | |
| 2923(F0XX) Contingent Liabilities for Capital Transfers | | 9,325 | 5994(F99) Offset to Non-Entity Accrued Collections -SCNP | | 675 |
| 3100 Unexpended Appropriations | | 500 | | | |
| 3107 Unexpended Appropriations – Used | 500 | | | | |
| 3310 Cumulative Results of Operations | 4,350 | | | | |
| 5200 Revenue From Services Provided | | 15,000 | | | |
| 5700 Expended Appropriations | | 500 | | | |
| 5766(FXX) Nonexpenditure Financing Sources Transfers-Out- Capital Transfers | 675 | | | | |
| 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability | | 675 | | | |
| 6100 Operating Expenses/Program Costs | 11,200 | | | | |
| 6330(FXX) Other Interest Expenses | 75 | | | | |
| 6710 Depreciation, Amortization, and Depletion | 650 | | | | |
| 6790 Other Expense Not Requiring Budgetary Resources | 1,250 | | | | |
| TOTALS | 27,250 | 27,250 | | 10,075 | 10,075 |

Working Paper for Consolidation, Year 2

| | | | Elimination | | Consolidated | |
|--|---------------|---------------|--------------|--------------|---------------|---------------|
| | DR | CR | DR | CR | DR | CR |
| BUDGETARY | | | | | | |
| 4201 Total Actual Resources – Collected | 2,700 | | | | 2,700 | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Balances | | 675 | | | | 675 |
| 4252 Reimbursements and Other Income Earned – Collected | 15,000 | | | | 15,000 | |
| 4610 Allotments – Realized Resources | | 1,950 | | | | 1,950 |
| 4902 Delivered Orders – Obligations, Paid | | 15,075 | | | | 15,075 |
| TOTALS | 17,700 | 17,700 | | | 17,700 | 17,700 |
| | | | | | | |
| | | | | | | |
| PROPRIETARY | | | | | | |
| 1010 Fund Balance With Treasury | 1,950 | | | | 1,950 | |
| 1511(N) Operating Materials and Supplies Held for Use | 100 | | | | 100 | |
| 1750(N) Equipment | 6,500 | | | | 6,500 | |
| 1759(N) Accumulated Depreciation on Equipment | | 1,250 | | | | 1,250 |
| 1923(FXX) Contingent Receivable for Capital Transfer | 9,325 | | | 9,325 | 0 | |
| 211000 Accounts Payable | | 0 | | | | 0 |
| 2923(FXX) Contingent Liabilities for Capital Transfers | | 9,325 | 9,325 | | | 0 |
| 2985(F99) Liability for Nonentity Assets Not reported on the Statement of Custodial Activity | | 9,325 | | | | 9,325 |
| 3100 Unexpended Appropriations | | 500 | | | | 500 |
| 3107 Unexpended Appropriations – Used | 500 | | | | 500 | |
| 3310 Cumulative Results of Operations | 4,350 | | | | 4,350 | |
| 5200 Revenue From Services Provided | | 15,000 | | | | 15,000 |
| 5310(FXX) Interest Revenue - Not Otherwise Classified | | 75 | 75 | | | 0 |
| 5700 Expended Appropriations | | 500 | | | | 500 |
| 5766(FXX) Nonexpenditure Financing Sources Transfers-Out- Capital Transfers | 675 | | | | 675 | |
| 5792(FXX) Financing Sources to be Transferred-Out – Contingent Liability | | 675 | | | | 675 |
| 5993(F99) Offset to Non-Entity Collections – Statement of Changes in Net Position | 750 | | | | 750 | |
| 5994(F99) Offset to Non-Entity Accrued Collections -SCNP | | 675 | | | | 675 |
| 6100 Operating Expenses/Program Costs | 11,200 | | | | 11,200 | |
| 6330(FXX) Other Interest Expenses | 75 | | | 75 | 0 | |
| 6710 Depreciation, Amortization, and Depletion | 650 | | | | 650 | |
| 6790 Other Expense Not Requiring Budgetary Resources | 1,250 | | | | 1,250 | |
| TOTALS | 37,325 | 37,325 | 9,400 | 9,400 | 27,925 | 27,925 |
| | | | | | | |
| | | | | | | |

CLOSING ENTRIES FOR END OF YEAR 2

| | |
|---|---|
| C1. To record the consolidation of net-funded resources. Section III – Transaction F302. | |
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Balances 675 4201 Total Actual Resources - Collected 14,325 4252 Reimbursements and Other Income Earned – Collected 15,000</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| | |
|---|---|
| C2. To record the closing of unobligated balances to unapportioned authority. Section III – Transaction F308. | |
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4610 Allotments – Realized Resources 1,950 4450 Unapportioned Authority 1,950</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| | |
|---|---|
| C3. To record the closing of expended authority – paid. Section III – Transaction F314. | |
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> 4902 Delivered Orders – Obligations, Paid 15,075 4201 Total Actual Resources – Collected 15,075</p> <p><u>Proprietary</u> No entry</p> | <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> No entry</p> |

| | |
|--|------------------------------|
| C4. To record the closing of fiscal year activities to unexpended appropriation. Section III – Transaction F342. | |
| Revolving Fund | General Fund Receipt Account |
| <p><u>Budgetary</u> No entry</p> <p><u>Proprietary</u> 3100 Unexpended Appropriations – Cumulative 500 3107 Unexpended Appropriation – Used 500</p> | |

C5. To record the closing of revenue, expense and other financing sources to cumulative results of operations. Section III – Transaction F336.

| Revolving Fund | General Fund Receipt Account |
|--|--|
| <u>Budgetary</u> | <u>Budgetary</u> |
| No entry | No entry |
| <u>Proprietary</u> | <u>Proprietary</u> |
| 5200 Revenue From Services Provided 15,000 | 5310 Interest Income – Not |
| 5700 Expended Appropriations 500 | Otherwise Classified 75 |
| 5792 Financing Sources to be Transferred Out – | 5994(F99) Offset to Non-Entity Accrued |
| Contingent Liability 675 | Collections – Statement of |
| 5766 Nonexpenditure Financing Sources | Changes in Net Position 675 |
| Transfers Out Capital Transfers 675 | 3310 Cumulative Results of |
| 6100 Operating Expenses/Program Costs 11,200 | Operations 750 |
| 6330 Other Interest Expenses 75 | |
| 6710 Depreciation, Amortization, and Depletion 650 | |
| 6790 Other Expenses Not Requiring Budgetary | 3310 Cumulative Results of Operations 750 |
| Resources 1,250 | 5993(F99) Offset to Non-Entity Collections – |
| 3310 Cumulative Results of Operations 2,325 | Statement of Changes in |
| | Net Position 750 |

**POST-CLOSING TRIAL BALANCE
YEAR 2**

| REVOLVING FUND | <u>DR</u> | <u>CR</u> | GENERAL FUND RECEIPT | <u>DR</u> | <u>CR</u> |
|--|------------------|------------------|---------------------------------|------------------|------------------|
| <u>BUDGETARY</u> | | | <u>BUDGETARY</u> | | |
| 4201 Total Actual Resources – Collected | 1,950 | | No entry | | |
| 4450 Unapportioned Authority | <u>0</u> | <u>1,950</u> | TOTALS | | |
| TOTALS | <u>1,950</u> | <u>1,950</u> | | | |
| <u>PROPRIETARY</u> | | | <u>PROPRIETARY</u> | | |
| 1010 Fund Balance With Treasury | 1,950 | | 1923 (FXX) Contingent | | |
| 1511 Operating Materials and Supplies Held for Use | 100 | | Receivable for | | |
| 1750 Equipment | 6,500 | | Capital Transfer | 9,325 | |
| 1759 Accumulated Depreciation on Equipment | | 1,250 | 2985(F99) Liability for Non- | | |
| 2923 (FXX) Contingent Liabilities for Capital | | | Entity Assets Not Reported | | |
| Transfers | | 9,325 | on the Statement of | | |
| 3100 Unexpended Appropriations – Cumulative | 0 | | Custodial Activity | | 9,325 |
| 3310 Cumulative Results of Operations | <u>2,025</u> | <u>0</u> | 3310 Cumulative Results of | | |
| TOTALS | <u>10,575</u> | <u>10,575</u> | Operations | | 0 |
| | | | TOTALS | <u>9,325</u> | <u>9,325</u> |

**COMBINED
STATEMENT OF BUDGETARY EXECUTIONS AND BUDGETARY RESOURCES (SF-133)
AND PROGRAM & FINANCING SCHEDULE (P&F)
YEAR 2**

| SCHEDULE OF BUDGETARY RESOURCES | | SF-133 | P&F |
|--|---|---------------|----------------|
| Budget Authority | | | |
| Unobligated balance: | | | |
| 1000 | Unobligated balance brought forward, October 1 (4201B+4901B) | 700 | 700 |
| Spending authority from offsetting collections (disc): | | | |
| 1700 | Collected (4252E) | 15,000 | 15,000 |
| Adjustments : | | | |
| 1720 | Capital transfers of spending authority from offsetting collections to general fund (4151 E) | (675) | (675) |
| 1910 | Total budgetary resources (Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1042, 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, 1800 through 1842, and 1901 (SF 133)].) | 15,025 | N/A |
| 1930 | Total budgetary resources available (Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1031, 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1700 through 1728, 1800 through 1827, and 1901 (P&F)]. | N/A | 1622, |
| | N/A | 15,025 | |

STATUS OF BUDGETARY RESOURCES

| | | | |
|----------------------|--|--------|-----|
| Obligation Incurred: | | | |
| Direct: | | | |
| 2001 | Category A, by quarter (4901E-B, 4902E) | 13,075 | N/A |
| Unobligated Balance | | | |
| Apportioned: | | | |
| 2201 | Available in current period (4610E) | 1,950 | N/A |
| 2500 | Total Budgetary Resources (Calc. lines 2001-2403. Also equals line 1910) | 15,025 | N/A |

CHANGE IN OBLIGATED BALANCE

| | | | |
|--|---|----------|--------|
| Unpaid obligations: | | | |
| 3000 | Unpaid obligations brought forward, October 1 (4901B) | 2,000 | 2,000 |
| 3010 | Obligation incurred, unexpired accounts (4901E-B, 4902E) | 13,075 | 13,075 |
| 3020 | Outlays (gross) (-) 4902E) | (15,075) | |
| Obligated Balance , end of year (net): | | | |
| 3050 | Unpaid obligations, end of the year (4901E) | 0 | 0 |
| 3200 | Obligated balance, end of year (Equals the sum of detailed lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3041, 3060, 3061, 3070, 3071, 3080, and 3081. Also equals the sum of lines 3050 and 3090.) | 0 | 0 |

BUDGET AUTHORITY AND OUTLAYS, NET

| | | | |
|---|--|---------------|---------------|
| 4000 | Budget authority, gross (Equals the sum of discretionary budget authority [Lines 1100 through 1152, 1170 through 1174, 1300 through 1330, 1500 through 1531, and 1700 through 1742 (SF 133). Lines 1100 through 1139, 1170 through 1174, 1300 through 1320, 1500 through 1522, and 1700 through 1728 (P&F)]. | 14,325 | 14,325 |
| 4010 | Outlays from new discretionary authority (4902E) | 15,075 | 15,075 |
| 4020 | Total outlays, gross (calc, lines 4010-4011) | 15,075 | 15,075 |
| Offset against gross budget authority and outlays (disc): | | | |
| Offsetting collections (collected) from: | | | |

**COMBINED
STATEMENT OF BUDGETARY EXECUTIONS AND BUDGETARY RESOURCES (SF-133)
AND PROGRAM & FINANCING SCHEDULE (P&F) (Continued)
YEAR 2**

| | SF-133 | P&F |
|--|---------------|----------------|
| 4033 Non Federal sources (-) (disc) (4252E) | 15,000 | 15,000 |
| 4070 Budget authority, net (dis) Equals the total new budget authority (gross) on line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050, 4051 and 4053 (SF 133). Line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050 and 4052 (P&F). | (675) | (675) |
| 4080 Outlays, net (dis) (lines 4010-4011 offset by 4030-4034) | 75 | 75 |

**FMS 2108: Year-End Closing Statement
YEAR 2**

| | |
|-------------------|--------------|
| Column 2 (1010E) | 1,950 |
| (Calc. col. 2-8) | 1,950 |
| Column 11 (4610E) | 1,950 |
| (Calc. col. 9-11) | 1,950 |

**BALANCE SHEET
YEAR 2**

Assets (Note 2)

Intragovernmental

1. Fund Balance with Treasury (Note 3)(1010E) 1,950

Assets With the Public

12. Inventory and Related Property, Net (Note 9) (1511E) 100

13. General Property, Plant, and Equipment, (Net) (Note 10)
(1750E+1759E) 5,250

15. Total Assets (Calc. lines 6-14) 7,300

Liabilities (Note 13)

Intragovernmental

17. Accounts Payable (2110E) 0

Liabilities With the Public

27. Other (Notes 15, 16 and 17) (2985E) 9,325

Total Liabilities 9,325

Net Position

31. Unexpended Appropriation – Other Funds (3100E) 0

33. Cumulative Results of Operations-Other Funds (3310E) (2,025)

34. Total Net Position (Calc. lines 30-33) (2,025)

35. Total Liabilities and Net Position (Calc. lines 28-34) 7,300

**STATEMENT OF NET COST
YEAR 2**

Gross Program Costs

Program A:

| | |
|---|----------------|
| 1. Gross Cost (Note 22) (6100E, 6710E, 6790E) | 13,100 |
| 2. Less: earned revenue (5200E) | 15,000 |
| 3. Net Program Costs (Calc. line 1 minus 2) | <u>(1,900)</u> |
| 4. Costs Not Assigned to Programs | |
| 5. Less Earned Revenues Not Attributable to Programs | |
| 6. Net Cost of Operations (Calc. lines 5 and 6 minus 7) | <u>(1,900)</u> |

**STATEMENT OF CHANGES IN NET POSITION
YEAR 2**

Cumulative Results of Operations

| | |
|------------------------------------|---------|
| 1. Beginning Balance (3310B) | (4,350) |
| 2. Adjustments | |
| 3. Beginning Balances, as Adjusted | (4,350) |

Budgetary Financing Sources

| | |
|---|-------|
| 4. Other Adjustments (Recissions, etc.) (+/-) | |
| 5. Appropriations Used (5700E) | 500 |
| 6. Nonexchange Revenue | |
| 7. Donations and Forfeitures of Cash and Cash Equivalents | |
| 8. Transfers In/Out Without Reimbursements (5766E) | (675) |
| 9. Other | |

Other Financing Sources:

| | |
|--|-----------------------|
| 10. Donated Revenue – Nonfinancial Resources | |
| 11. Transfers In/Out Without Reimbursements (+/-) (5792E) | 675 |
| 12. Imputed Financing | |
| 13. Other (+/-) (5993E, 5994E) | (75) |
| 14. Total Financing Sources | 425 |
| 15. Net Cost of Operations (+/-) | <u>(1,900)</u> |
| 16. Net Change (Calc. lines 14 minus 15) | 2,325 |
| 17. Cumulative Results of Operations (Calc. Lines 3 and 16) | <u>(2,025)</u> |

Unexpended Appropriations

| | |
|------------------------------------|-----|
| 18. Beginning Balance | 500 |
| 19. Adjustments (+/-) | 0 |
| 20. Beginning Balance, as adjusted | 500 |

Budgetary Financing Sources

| | |
|--|-----------------------|
| 21. Appropriations Received (3101E) | 0 |
| 22. Appropriations Transferred in/out | |
| 23. Other Adjustments (Recissions, etc.) (+/-) | |
| 24. Appropriations Used (3107E) | (500) |
| 25. Total Budgetary Financing Sources (Calc lines 21 through 24) | (500) |
| 26. Total Unexpended Appropriations (Calc lines 20 and 25) | 0 |
| 27. Net Position (Note 5) (Calc. lines 17 and 26) | <u>(2,025)</u> |

Section II.
Capital Transfer Scenario –
Return of Capital Investments via a Capital Transfer to a General
Fund Receipt Account from a No-Year, Non-Credit Revolving Fund.

The goal of this section is to record in a liquidating account the movement of any remaining unobligated balances at yearend to a General Fund Receipt Account. The Pre-Credit Reform transactions illustrated in this scenario are limited. For more detailed Pre-Credit Reform accounting and reporting instructions, refer to the Credit Reform Case Study “Federal Credit Program Basic Accounting and Reporting Guide for Direct Loan and Loan Guarantee Programs Without Collateral (Pre-Credit Reform)” at www.fms.treas.gov/ussgl/creditreform.

BEGINNING TRIAL BALANCES

| Budgetary | Debit | Credit |
|---------------------------------------|--------------|---------------|
| None | | |
| | | |
| Proprietary | | |
| 1341 Interest Receivable – Loans | 400 | |
| 1350 Loans Receivable | 3,250 | |
| 3310 Cumulative Results of Operations | | 3,650 |
| Total | 3,650 | 3,650 |

ASSUMPTIONS:

1. Transactions are presented over a 1-year period with a single direct loan obligated prior to October 1, 1991, funded by a no-year authority from offsetting collections.
2. During the year, the agency expects to receive \$1,000 in collections.
3. The agency expects to make \$275 in disbursements.
4. The agency expects to return \$725 to Treasury, computed as follows:

| | |
|---|---------------|
| Beginning balance of cash | \$ 0 |
| Anticipated cash receipts | 1,000 |
| Anticipated cash disbursements | <u>(275)</u> |
| Expected cash balance at yearend | \$ 725 |
| Anticipated cash to be returned to Treasury | <u>\$ 725</u> |

ILLUSTRATIVE TRANSACTIONS

1. The agency prepares the budget formulation. (Anticipates the collection from non-federal sources and the transfer to the General Fund Receipt Account.)

| Liquidating Fund (TC A143) | | General Fund Receipt Account (TC E516 MOD and C405) | |
|--|-------|---|-----|
| Budgetary | | Budgetary | |
| 4060 Anticipated Collections From Non-Federal Sources | 1,000 | No entry | |
| 4450 Unapportioned Authority | 1000 | Proprietary | |
| 4450 Unapportioned Authority | 725 | 1925(FXX) Capital Transfers Receivable | 725 |
| 4047 Anticipated Transfers to the General Fund of the Treasury | 725 | 5756(FXX) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers | 725 |
| Proprietary | | 5994(F99) Offset to Nonentity Accrued Collections – Statement of Changes in Net Position | |
| 5766(FXX) Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers | 725 | 2985(F99) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity | 725 |
| 2970(FXX) Liability for Capital Transfers | 725 | | 725 |

2. OMB approves the agency request for apportionment

| Liquidating Fund (TC A118) | | General Fund Receipt Account | |
|--|-----|------------------------------|--|
| Budgetary | | Budgetary | |
| 4450 Unapportioned | 275 | No entry | |
| 4590 Apportionments - Anticipated Resources – Subject to Apportionment | 275 | Proprietary | |
| Proprietary | | No entry | |
| No entry | | | |

3. Agency receives \$1,100 from a non-Federal entity (\$950 for principal on direct loans receivable and \$150 for interest on direct loans receivable). The agency records the collection. (Note that it is \$100 more than anticipated in transaction 1. In accordance with A-11 Section 185.20, “capital transfers, including unobligated balances in liquidating accounts to the general fund...are not obligations and therefore do not need to be apportioned.”)

| Liquidating Fund (TC C109) | | General Fund Receipt Account | |
|---|-------|------------------------------|--|
| Budgetary | | Budgetary | |
| 4262 Actual Collections of Loan Principal | 950 | No entry | |
| 4263 Actual Collections of Loan Interest | 150 | Proprietary | |
| 4060 Anticipated Collections From Non-Federal Sources | 1,000 | No entry | |
| 4450 Unapportioned Authority | 100 | | |
| Proprietary | | | |
| 1010 Fund Balance With Treasury | 1,100 | | |
| 1341 Interest Receivable - Loans | 150 | | |
| 1350 Loans Receivable | 950 | | |

ILLUSTRATIVE TRANSACTIONS CONTINUED

4. Agency allots the authority from the collection.

| Liquidating Fund (TC A122) | | General Fund Receipt Account |
|--|-----|------------------------------|
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment | 275 | No entry |
| 4610 Allotments – Realized Resources | 275 | <u>Proprietary</u> |
| <u>Proprietary</u> | | No entry |
| No entry | | |

5. The agency records disbursements for administrative expenses.

| Liquidating Fund (TC B102) | | General Fund Receipt Account |
|---|-----|------------------------------|
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4610 Allotments – Realized Resources | 275 | No entry |
| 4902 Delivered Orders, Obligations Paid | 275 | <u>Proprietary</u> |
| <u>Proprietary</u> | | No entry |
| 6100 Operating Expenses/Program Costs | 275 | |
| 1010 Fund Balance With Treasury | 275 | |

6. Per OMB Circular A-11, Section 185.3(L), any remaining unobligated balances at the end of the year are unavailable for obligation in subsequent fiscal years and must be returned to the general fund at the end of the fiscal year unless an extension has been approved. The agency makes a capital transfer to the General Fund Receipt Account.

| Liquidating Fund (TC B136, B139) | | General Fund Receipt Account (TC C196, TC C147, C196 MOD and D585) |
|--|-----|---|
| <u>Budgetary</u> | | <u>Budgetary</u> |
| 4047 Anticipated Transfers to the General Fund of the Treasury – Current Year Authority | 725 | No entry |
| 4450 Unapportioned Authority | 100 | <u>Proprietary</u> |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current Year Authority | 825 | 1010 Fund Balance With Treasury |
| <u>Proprietary</u> | | 1925(FXX) Capital Transfers Receivable |
| 2970(FXX) Liability for Capital Transfers | 725 | 5756(FXX) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers |
| 1010 Fund Balance With Treasury | 725 | 5993(F99) Offset to Non-Entity Collections - Statement of Changes in Net Position |
| 5766(FXX) Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers | 100 | 5994(F99) Offset to Non-Entity Accrued Collections – Statement of Changes |
| 1010 Fund Balance With Treasury | 100 | In Net Position |
| | | 2985(F99) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity |
| | | 100 |

PRE-CLOSING ADJUSTING ENTRIES

A1. To record the closing of Fund Balance With Treasury collected in a General Fund Receipt Account at yearend. Section III – Transaction F124.

| Liquidating Account | General Fund Receipt Account |
|--|--|
| <u>Budgetary</u> No entry <u>Proprietary</u> No entry | <u>Budgetary</u> No entry <u>Proprietary</u> 2985(F99) Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity 825 1010 Fund Balance With Treasury 825 |

PRE-CLOSING ADJUSTED TRIAL BALANCE

| LIQUIDATING ACCOUNT | <u>DR</u> | <u>CR</u> | GENERAL FUND RECEIPT ACCOUNT | <u>DR</u> | <u>CR</u> |
|---|--------------|--------------|--|------------|------------|
| <u>BUDGETARY</u> | | | <u>BUDGETARY</u> | | |
| 4262 Actual Collections of Loan Principle | 950 | | No entry | | |
| 4263 Actual Collections of Loan Interest | 150 | | | | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Authority | | 825 | <u>PROPRIETARY</u> | | |
| 4902 Delivered Orders, Obligations Paid | <u>0</u> | <u>275</u> | 5756(FXX) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers | | 825 |
| TOTALS | <u>1,000</u> | <u>1,000</u> | 5993(F99) Offset to Nonentity Collections – Statement of Changes in Net Position | <u>825</u> | <u>0</u> |
| <u>PROPRIETARY</u> | | | TOTALS | <u>725</u> | <u>725</u> |
| 1341 Interest Receivable – Loans | 250 | | | | |
| 1350 Loans Receivable | 2,300 | | | | |
| 3310 Cumulative Results of Operations | | 3,650 | | | |
| 5766(FXX) Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers | 825 | | | | |
| 6100 Operating Expenses/Program Costs | <u>275</u> | <u>0</u> | | | |
| TOTALS | <u>3,650</u> | <u>3,650</u> | | | |

WORKING PAPER FOR CONSOLIDATION

| BUDGETARY | | | Elimination | | Consolidated | |
|--|--------------|--------------|-------------|------------|--------------|--------------|
| | DR | CR | DR | CR | DR | CR |
| 4262 Actual Collections of Loan Principle | 950 | | | | 950 | |
| 4263 Actual Collections of Loan Interest | 150 | | | | 150 | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Authority | | 825 | | | | 825 |
| 4902 Delivered Orders – Obligations, Paid | | 275 | | | | 275 |
| TOTALS | 1,100 | 1,100 | | | 1,100 | 1,100 |
| PROPRIETARY | | | | | | |
| 1341 Interest Receivable – Loans | 250 | | | | 250 | |
| 1350 Loans Receivable | 2,300 | | | | 2,300 | |
| 3310 Cumulative Results of Operations | | 3,650 | | | | 3,650 |
| 5756(FXX) Nonexpenditure Financing Sources – Transfers-In – Capital Transfers | | 825 | 825 | | | 0 |
| 5766(FXX) Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers | 825 | | | 825 | 0 | |
| 5993(F99) Offset to Non-Entity Collections – Statement of Changes in Net Position | 825 | | | | 825 | |
| 6100 Operating Expenses/Program Costs | 275 | | | | 275 | |
| TOTALS | 4,475 | 4,475 | 825 | 825 | 3,650 | 3,650 |

CLOSING ENTRIES

| C1. To record the consolidation of actual net-funded resources, Section III – Transaction F302. | | | |
|---|-----|------------------------------|--|
| Liquidating Account | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4201 Total Actual Resources – Collected | 275 | No entry | |
| 4151 Actual Capital Transfers to the General Fund of the Treasury, Current-Year Authority | 825 | Proprietary | |
| 4262 Actual Collections of Loan Principle | 950 | No entry | |
| 4263 Actual Collections of Loan Interest | 150 | | |
| Proprietary | | | |
| No entry | | | |

| C2. To record the closing of paid delivered orders. Section III – Transaction F314. | | | |
|---|-----|------------------------------|--|
| Liquidating Account | | General Fund Receipt Account | |
| Budgetary | | Budgetary | |
| 4902 Delivered Orders, Obligations Paid | 275 | No entry | |
| 4201 Total Actual Resources – Collected | 275 | Proprietary | |
| Proprietary | | No entry | |
| No entry | | | |

CLOSING ENTRIES CONTINUED

C3. To record the closing of revenue, expense and other financing source accounts to cumulative results of operations. Section III – Transaction F336.

| Liquidating Account | | General Fund Receipt Account | |
|--|-----|---|-----|
| <u>Budgetary</u> No entry | | <u>Budgetary</u> No entry | |
| <u>Proprietary</u> 3310 Cumulative Results of Operations 1,100 | | <u>Proprietary</u> 5756(FXX) Nonexpenditure Financing | |
| 6100 Operating Expenses/Program Costs | 275 | Sources – Transfers-In – Capital | |
| 5766(FXX) Nonexpenditure Financing Sources | | Transfers | 825 |
| Transfers-Out - Capital Transfers | 825 | 3310 Cumulative Results of Operations | 825 |
| | | 3310 Cumulative Results of Operations | 825 |
| | | 5993(F99) Offset to Nonentity Collections – | |
| | | Statement of Changes in Net | |
| | | Position | 825 |

POST CLOSING TRIAL BALANCE

| LIQUIDATING ACCOUNT | <u>DR</u> | <u>CR</u> | GENERAL FUND RECEIPT ACCOUNT | <u>DR</u> | <u>CR</u> |
|---|-----------|-----------|-----------------------------------|-----------|-----------|
| <u>BUDGETARY</u> None | | | <u>BUDGETARY</u> None | | |
| <u>PROPRIETARY</u> 1341 Interest Receivable – Loans | 250 | | <u>PROPRIETARY</u> None | | |
| 1350 Loans Receivable | 2,300 | | | | |
| 3310 Cumulative Results of Operations | | 2,550 | | | |
| TOTALS | 2,550 | 2,550 | | | |

Budgetary Statements (Not applicable to the GFRA)

**SF133: Report on Budget Execution and Budgetary Resources and
Schedule P: Program & Financing (P&F), Prior Year Actual Column
Year XX**

| LIQUIDATING ACCOUNT | SF133 | P&F |
|---|---------|---------|
| BUDGETARY RESOURCES | | |
| All accounts: | | |
| 0900 Total new obligations (4902E) | N/A | 275 |
| Spending authority from offsetting collections: | | |
| Mandatory: | | |
| 1800 Collected (4262E, 4263E) | 1,100 | 1,100 |
| Adjustments: | | |
| 1820 Capital transfer of spending authority from offsetting collections to general fund (-) (4151E) | (825) | (825) |
| 1910 Total budgetary resources | 275 | N/A |
| 1939 Total budgetary resources available | N/A | 275 |
| STATUS OF BUDGETARY RESOURCES | | |
| Obligation incurred: | | |
| Direct: | | |
| 2001 Category A (4902E) | 275 | N/A |
| 2004 Direct obligations total (Calc line 2001) | 275 | N/A |
| 2500 Total budgetary resources | 275 | N/A |
| CHANGE IN OBLIGATED BALANCE | | |
| Unpaid obligations: | | |
| 3010 Obligations incurred, unexpired accounts (4902E) | 275 | 275 |
| 3020 Outlays (gross) (-) (4902E) | (275) | (275) |
| 3200 Obligated balance, end of year (net) | 0 | 0 |
| BUDGET AUTHORITY AND OUTLAYS, NET | | |
| Mandatory: | | |
| Gross budget authority and outlays: | | |
| 4090 Budget authority, gross (Calc. line 1800-1842) | 275 | 275 |
| 4100 Outlays from new mandatory authority (4902E) | 275 | 275 |
| 4110 Total outlays, gross (4902E) | 275 | 275 |
| Offsets against gross budget authority and outlays: | | |
| Offsetting collections (collected) from: | | |
| 4123 Non-Federal sources (-) (4262E, 4263E) | (1,100) | (1,100) |
| 4130 Offsets against gross budget authority and Outlays (total) (-) (Calc. lines 4120-4124) | (1,100) | (1,100) |
| 4160 Budget authority, net (mand) (Calc. line 4090 plus line 4123) | (825) | (825) |
| 4170 Outlays, net (mand) (Calc. line 4110 plus line 4123) | (825) | (825) |
| 4180 Budget authority, net (disc and mand) (Calc. line 4160) | (825) | (825) |
| 4190 Outlays, net (mand and disc) (Calc. line 4170) | (825) | (825) |

Statement of Budgetary Resources

Year XX

| | |
|---|------------|
| BUDGETARY RESOURCES | |
| 1890 Spending authority from offsetting collections (4262E, 4263E, 4151E) | 275 |
| 1910 Total Budgetary Resources (Cal. Line 1890) | 275 |
| STATUS OF BUDGETARY RESOURCES | |
| 2190 Obligations incurred (4902E) | 275 |
| 2500 Total Budgetary Resources (Cal. Line 2190) | 275 |
| CHANGE IN OBLIGATED BALANCE | |
| 3032 Obligations incurred (4902E) | 275 |
| 3040 Outlays, (gross) (-) (4902E) | (275) |
| 3090 Unpaid obligations, end of year (gross) | 0 |
| 3100 Obligated balance, end of year (net) | 0 |
| BUDGET AUTHORITY AND OUTLAYS, NET | |
| 4175 Budget authority, gross (disc and mand) (Calc. line 1890) | 275 |
| 4177 Actual offsetting collections (disc and mand) (-) (4262E, 4263E) | (1,100) |
| 4180 Budget authority, net (disc and mand) (Calc. lines 4175 and 4177) | (825) |
| 4185 Outlays, gross (disc and mand) (+ or -) (4902E) | 275 |
| 4187 Actual offsetting collections (disc and mand) (-) (4262E, 4263E) | (1,100) |
| 4190 Outlays, net (disc and mand) (Calc. 4185 and 4187) | (825) |

FMS 2108: Year-End Closing Statement
(No amounts to report for the liquidating account and not applicable to the GFRA)

Balance Sheet

Year XX

Assets With the Public

| | |
|---|---------------------|
| 11. Direct Loans and Loan Gaurantees, Net (1341E, 1350E) | 2,550 |
| 15. Total Assets | <u>2,550</u> |

Liabilities

| | |
|-----------------------------|---|
| Intragovernmental | |
| 20. Total Intragovernmental | 0 |

Net Position

| | |
|---|---------------------|
| 33. Cumulative Results of Operations – Other Funds (3310E, 5993E, 6100E) | 2,550 |
| 34. Total Net Position | 2,550 |
| 35. Total Liabilities and Net Position | <u>2,550</u> |

**Statement of Net Cost
Year XX**

Gross Program Costs:

| | |
|---|-----|
| 1. Gross costs (Note 22) (6100E) | 275 |
| 3. Net program costs (Calc. line 1.) | 275 |
| 8. Net cost of operations (Calc. line 3.) | 275 |

Statement of Changes in Net Position

Year XX

Cumulative Results of Operations:

| | |
|------------------------------------|-------|
| 1. Beginning Balances (3310B) | 3,650 |
| 3. Beginning Balances, as adjusted | 3,650 |

Other Financing Sources (Non-Exchange):

| | |
|---|--------------|
| 13. Other (+/-) (5993E) | (825) |
| 14. Total Financing Sources (Calc. line 13) | (825) |
| 15. Net Cost of Operations | 275 |
| 16. Net Change (Calc. sum of 14 minus 15) | (1,100) |
| 17. Cumulative Results of Operations (Calc. line 3 and 16) | 2,550 |

Unexpended Appropriations:

| | |
|-------------------------------------|---|
| 26. Total Unexpended Appropriations | 0 |
|-------------------------------------|---|

Budgetary Financing Sources;

| | |
|--|--------------|
| 27. Net Position (Calc. line 17 and 26) | 2,550 |
|--|--------------|

Appendix 1 - Background information on Capital Transfer and Debt Repayments

Discussion of OMB Presentation of Capital Transfers and Repayment of Debt using the USSGL Budgetary Accounts

There are two major differences between the SF 133 reporting and the P&F reporting. First, the P&F requires that capital transfers be segregated from redemption of debt, whereas the SF 133 does not have this requirement. Second, the P&F requires that capital transfers and redemption of debt be further segregated by the type of resource being used to fund the transfer, but the SF 133 does not have this additional requirement. Herein lies the problem with the existing USSGL account 4147 prior to fiscal 2002, which recorded actual transfer data. The USSGL account 4147, "Actual Repayments of Debt, Prior-Year Balances," is not segregated between capital transfers and redemption of debt. In addition, USSGL account 4147 cannot be sufficiently segregated using the existing FACTS II USSGL attributes to separate the transfer source between current year and prior year. In addition, the FACTS II USSGL attributes assigned for Authority Type should be used to separate the various types of current-year authority, and the FACTS II USSGL attributes assigned for BEA Category should be used to separate mandatory and discretionary authority.