

GAO

United States General Accounting Office
Comptroller General of the United States

July 1995

**FINANCIAL
REPORTING**

**Checklist for Reports
Prepared Under the
CFO Act**



154765

PREFACE

The Chief Financial Officers (CFO) Act of 1990 and Government Management Reform (GMR) Act of 1994 require, in addition to other mandates, that agencies' chief financial officers submit annual reports to their agency heads and to the Office of Management and Budget (OMB). These reports should contain (1) descriptions and analyses of the status of financial management and (2) audited financial statements. OMB Bulletin 94-01, "Form and Content of Agency Financial Statements," also requires that agencies submit such reports, and contains detailed requirements for these reports.

To assist agencies in preparing these reports and auditors in auditing the annual financial statements, we have developed this checklist. As with any guide, the questions are not prescriptive. They are meant to remind agencies and auditors to adequately cover material items and present information appropriately.

This guide is divided into three major sections: Overview of the Reporting Entity, Principal Financial Statements, and Consolidating/Combining Financial Statements and Supplemental Information. Each section contains questions related to reporting on financial and program information. The questions are referenced to a source for additional information.

The section on the overview of the reporting entity covers general information about the entity and its performance measures. Under the Government Performance and Results Act of 1993 (GPRA), agencies are to develop strategic plans by fiscal year 1998, prepare annual plans setting performance measures by fiscal year 1999, and report annually on their performance starting in March 2000. While the GPRA requirements are not yet in effect, initial work has been done in this area and some agencies have reported performance measures. The questions in this section are in italics; the items mentioned in the questions are provided as suggestions and are not yet required. The questions cover basic concepts and definitions of performance measures to help agencies focus on and initiate reporting on them. Agencies are encouraged to experiment and use creativity in reporting on performance measures.

The section on principal financial statements and related notes includes questions organized by each of the two required financial statements: (1) Statement of Financial Position and (2) Statement of Operations and

Preface

Changes in Net Position. It also contains a section for related footnotes. The questions cover requirements in the accounting standards developed by the Federal Accounting Standards Advisory Board (FASAB) and OMB Bulletin 94-01. Also included are questions related to the optional statements of "Cash Flows" and "Budgetary Resources and Actual Expenses." It is important to note that major changes in annual financial statement reporting displays will go into effect after September 30, 1996.

The questions included in this guide are not all inclusive. They outline information to be included in the annual reports of agencies. The annual financial report and performance information required by the CFO Act and GPRA will evolve. As additional FASAB standards are issued, we will update this document. To facilitate distribution of the updates, we will make this checklist available in a computer-compatible format.

This guide is an initial effort to assist agencies.¹ We gratefully acknowledge the help and support of the Chief Financial Officer and Inspector General communities. If you have comments and suggestions, call Bruce Michelson at (202) 512-9366 or Barry Grinnell at (202) 512-9530, or write to either at the U.S. General Accounting Office; 441 G St. NW, Room 6123; Washington, DC 20548.



Gene L. Dodaro
Assistant Comptroller General
Accounting and Information Management Division

¹For auditors, this guide will become section 1004 of GAO's Financial Audit Manual.

CONTENTS

Preface		1
Abbreviations		4
Sections		
I	Authoritative Guidance	7
II	How to Use This Guide	9
III	Overview of the Reporting Entity	10
	General Items	11
	Summary Overview	17
	Performance Measures	23
IV	Principal Financial Statements	38
	General Items	39
	Statement of Financial Position	41
	Statement of Operations and Changes in Net Position	135
	Statement of Cash Flows	150
	Statement of Budgetary Resources and Actual Expenses	176
	Notes to Financial Statements	185
V	Consolidated/Combining Financial Statements and Supplemental Information	191

ABBREVIATIONS

ADP	automated data processing
CFO Act	Chief Financial Officers Act of 1990, Public Law 101-576, November 15, 1990.
DPIGuide	<u>A Guide to Designing Performance Indicators</u> , National Academy of Public Administration, September 16, 1993.
FASAB	Federal Accounting Standards Advisory Board
Feb92-Memo	OMB Memorandum for Chief Financial Officers, "Financial Statements and Performance Measures," February 5, 1992.
FHA	Federal Housing Administration
FIFO	first-in, first-out
GAAFR-88	<u>Government Accounting, Auditing and Financial Reporting</u> , GFOA, 1988.
GAO/AFMD-91-19	GAO Staff Study, <u>Financial Reporting--Framework for Analyzing Federal Agency Financial Statements</u> , March 1991.
GASB	<u>Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards</u> , June 30, 1993.
GFOA	Government Finance Officers Association.
GFOA-COPC	Special Review Committee of GFOA, Certificate of Achievement Program, Checklist, 1993.
GMR Act	Government Management Reform Act of 1994, Public Law 103-356, October 13, 1994.

Abbreviations

GPRA	Government Performance and Results Act of 1993, Public Law 102-62, February 22, 1993.
GPRA-Aud	Audit Program for GPRA Implementation Assessment - December 2, 1994 Operating Draft.
Nov94-Memo	OMB Memorandum to Chief Financial Officers, "Audited Financial Statements," November 18, 1994.
OMB	Office of Management and Budget
OMB Bull. 93-06	OMB Bulletin 93-06, "Audit Requirements for Financial Statements," August 8, 1993.
OMB Bull. 94-01	OMB Bulletin 94-01, "Form and Content of Agency Financial Statements," November 16, 1993.
PM-FmHA Model	<u>Performance Measurement</u>, (Draft), FmHA Model Performance Measurement Task Force, March 1994.
PM-Guide	<u>Performance Measurement Guide</u>, Financial Management Service, Treasury, November 1993.
SFFAC	Statement of Federal Financial Accounting Concepts.
SFFAC 1	Statement no. 1, "Objectives of Federal Financial Reporting," (Effective September 2, 1993).
SFFAC 2	Statement no. 2, "Entity and Display," (Recommended by FASAB and sent April 21, 1995 to heads of OMB, GAO, and Treasury for approval).
SFFAS	Statements of Federal Financial Accounting Standards (published).
SFFAS 1	Statement no. 1, "Accounting for Selected Assets and Liabilities," (Effective March 1993).

Abbreviations

SFFAS 2	Statement no. 2, "Accounting for Direct Loans and Loan Guarantees," (Effective August 23, 1993).
SFFAS 3	Statement no. 3 "Accounting for Inventory and Related Property," (Effective October 27, 1993).
TVA	Tennessee Valley Authority

AUTHORITATIVE GUIDANCE

Each question in this guide is referenced to a source that provides support for the question. The sources are authoritative guidance; some are required by the mandates of the CFO Act while others are merely suggestions. The suggested questions are in italics.

The required sources in section III, Overview of the Reporting Entity, are cited from the CFO Act, OMB Bulletin 94-01, and OMB's "Feb92-Memo." The mandates contained in these sources need not be applied to immaterial items. GPRA's mandates go into effect in 1997 and, although early compliance is encouraged, questions related to this act are in italics because they are not yet required. Other sources in this section include publications by GAO the Department of the Treasury, Government Finance Officers Association (GFOA), Government Accounting Standards Board (GASB), and others. The information in these sources is considered state-of-the-art for overall report format, general information to be included in reports, and performance indicators. Although following these sources is not required, it is suggested for two primary reasons: (1) to enhance clarity within the reports and (2) to create consistency and uniformity among the CFO Act reports prepared by federal entities.

In section IV on the principal financial statements, the sources cited must be followed. FASAB is developing accounting principles for the federal government and they must be approved by the heads of Treasury, OMB, and GAO. However, until a comprehensive set of standards exists, a hierarchy of acceptable standards has been established, and federal agencies should follow these when preparing financial statements. The hierarchy follows.

1. Standards issued by FASAB and approved by the heads of Treasury, OMB, and GAO.
2. OMB Bulletin 94-01, "Form and Content of Agency Financial Statements," November 16, 1993.
3. Accounting standards contained in agency accounting policy, procedures manuals, and/or related guidance as of March 29, 1991, if they are commonly practiced.

Section I
Authoritative Guidance

4. Accounting principles published by authoritative standard-setting bodies and other authoritative sources if the use of such standards improves the meaningfulness of the financial statements.

The sources of the questions in section IV include requirements contained in the approved Statements of Federal Financial Accounting Standards (SFFAS) and OMB Bulletin 94-01. It is important to note that the statements of Cash Flows and of Budgetary Resources and Actual Expenses will no longer be required beginning with the fiscal year 1997 financial statements. For fiscal years 1995 and 1996, agencies may request from OMB a waiver of the requirement to include the statement of Cash Flows and the statement of Budgetary Resources and Actual Expenses in their financial statements.

The sources for the questions in section V on consolidated /combining financial statements and supplemental information come from OMB Bulletin 94-01.

HOW TO USE THIS GUIDE

To the right of each question are two columns. The first column provides for a "yes," "no," or "NA" answer to each question. The second column provides for explanation to the answer given in the first column. A "yes" answer should indicate that the CFO Act report contains the information asked by the question. For each "yes" answer, the explanation column may include the page number of the report or other specific location where the information can be found.

A "no" answer indicates that the information asked in the question is not included in the report. The second column should provide an explanation. Examples of explanations for a "no" answer include: (1) the federal entity preparing the report is working to have the information available for the report in subsequent years, (2) management believes the information does not enhance the usefulness of the report, (3) the cost of compiling the information exceeds the benefit of providing it, and (4) the items are not material.

An "NA" answer would indicate that the question does not apply to the federal entity. For example, most federal agencies do not administer loan, loan guarantee, or loan insurance programs, and, therefore, do not have credit program receivables and related property. Consequently, questions 46-110 in section IV would not apply. A simple explanation indicating that the reporting entity does not administer loan programs would appear in the explanation column for question 46. Since the questions in section IV related to financial statements are organized by statement line item, groups of questions under specific line items will not apply for most federal entities.

OVERVIEW OF THE REPORTING ENTITY

The checklist questions in this section are organized into three major parts: general items of the financial statement, summary overview, and performance measures.

The general items part includes questions on the content and appearance of the report. It includes questions on report cover, the table of contents, the transmittal letter, organization of the reporting entity, the auditor's report, and management's report on the internal controls of the entity.

The summary overview part covers the information in the sections, other than performance measures, preceding the financial statements and the auditor's reports. It includes questions on identification of the reporting entity, mission and goals of the entity, the activities involved in achieving its mission and goals, the entity's customers, the size of the entity, internal controls, and goals and plans of the entity.

The performance measures part focuses on the information contained in the report intended to show how the entity is accomplishing its mission through delivery of products, services, or processes. Questions cover performance measures under both the program and financial aspects of operations. The questions in this area are not prescriptive; rather, they are intended to be reminders or ideas for consideration. Agencies must be creative in developing and presenting new or enhanced performance information.

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
<p>1. Does the financial report contain the following major sections: (OMB Bull. 94-01, app. B, p. 1)</p> <ul style="list-style-type: none"> <i>a. Overview of the reporting entity (including performance measures)?</i> <i>b. Principal financial statements and related footnotes?</i> <i>c. Combining statements?</i> <i>d. Supplemental financial and management information?</i> 		
<p>2. Does the cover include</p> <ul style="list-style-type: none"> <i>a. a title such as: Annual Report, Annual Financial Report, CFO Report, or other similar name? (GAFFR-88, p.99)</i> <i>b. the name of the reporting entity? (GAFFR-88, p. 99)</i> <i>c. the fiscal year of the report? (GAFFR-88, p. 99)</i> 		

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
3. <i>Does the report have a table of contents? (GAFFR-88, pp. 99 & 223-227)</i>		
4. <i>Does the report include an organizational chart of the reporting entity? (GAFFR-88, pp. 99, 102, & 238)</i>		
5. <i>Is a list of principal officials included? (GAFFR-88, pp. 99, 102, & 240)</i>		
6. <i>Is a transmittal letter included in the introductory section? (GAFFR-88, pp. 99 & 229)</i>		
7. <i>Is the transmittal letter included on the letterhead of department, agency, or bureau? (GAFFR-88, pp. 100 & 229)</i>		
8. <i>Is the transmittal letter dated on or after the date of the auditor's report? (GAFFR-88, pp. 100 & 229)</i>		

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
<p>9. <i>Are graphs and charts used for presenting financial and program information? (Feb92-Memo, annex A, pp. 3, 12, & 13)</i></p>		
<p>10. <i>Is a management statement included in the report explaining that responsibility for (1) the accuracy and propriety of the information contained in the principal financial statements and (2) the quality of internal controls rests with management? (GFOA-COPC, p. 6, items 121 & 124)</i></p>		

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
<p>11. Does management's statement of responsibility include the following items related to internal controls and laws and regulations: (A-123 (Draft), pp. 8 & 9)</p> <p>a. Management's assertion that controls provide reasonable assurance that assets are protected, transactions are properly executed and recorded, and policies are followed?</p> <p>b. Reference to compliance with or report on the Federal Managers' Financial Integrity Act of 1982?</p> <p>c. Reference to the 5-year Financial Management Plan?</p> <p>d. Reference to compliance with laws and regulations?</p>		

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
<p>12. <i>Is an independent auditor's report included? (CFO Act, Sec. 301; OMB Bull. 93-06, p. 4; GASB, Sec. 2200.107; GAFFR-88, pp. 127 & 243)</i></p>		
<p>13. <i>Does the auditor's report contain: (OMB Bull. 93-06, pp. 7-10)</i></p> <p><i>a. An opinion on the fair presentation of the financial statements?</i></p> <p><i>b. A statement or opinion on management's assertions about internal controls?</i></p> <p><i>c. A statement or opinion on compliance with laws and regulations?</i></p>		
<p>14. <i>Does the report recognize and appropriately address any issues raised in the auditor's report?</i></p>		

Section III
Overview of the Reporting Entity

GENERAL ITEMS OF THE ANNUAL FINANCIAL REPORT	Yes/No/NA	Explanation
<p>15. Are report format and reader appeal considered so that the following items are included: (GFOA-COPC, p. 4, items 40-49)</p> <p><i>a. The type size throughout the report is large enough to be easily readable?</i></p> <p><i>b. Graphs, charts, diagrams, and pictures are clear, simple, and large enough to be easily readable and understood?</i></p> <p><i>c. Numbers are legible and numbers and dollars appropriately rounded?</i></p> <p><i>d. Excessive detail in the narratives and visual aids is avoided?</i></p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p>16. Is a clear description of the reporting entity provided by including information on the following items: (Feb92-Memo, annex A, p. 2)</p> <p>a. The name of the reporting entity?</p> <p>b. Whether the reporting entity is an entire organization, a sub-organization, a program, an activity, or a group of activities?</p> <p>c. The functions and activities of the entity?</p> <p>d. The type of funds (revolving, industrial, trust, or other) included in the entity and covered by the report?</p>		
<p>17. Are the mission and major goals of the entity, including reference to legislative mandates, if appropriate, included in the overview? (Feb92-Memo, annex A, p. 2)</p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p><i>18. Is the manner in which the entity's program is organized to provide services--including information on the type of customer, customer locations, and geographical locations of the entity's offices (local, district, state, or region)--discussed? (Feb92-Memo, annex A, p. 3)</i></p>		
<p><i>19. Is the following summary information provided to help show the size of the reporting entity? (Feb92-Memo, annex A, p. 3)</i></p> <p><i>a. Dollars expended?</i></p> <p><i>b. Population served?</i></p> <p><i>c. Number of employees?</i></p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p><i>20. Are the sources of funds obtained shown by major categories (appropriations, revenues, etc.)? (Feb92-Memo, annex A, p. 3)</i></p> <p>When the words, "as appropriate," are used in the following questions, they refer to entities that have begun to implement requirements of the GPRA Act, which becomes effective in 1997.</p>		
<p><i>21. As appropriate, does the entity present program performance (including positive, negative, and unexpected) and a comparison to its mission? (Feb92-Memo, annex A, p. 3)</i></p>		
<p><i>22. As appropriate, does the entity develop information that links financial results to program performance? (Feb92-Memo, annex A, pp. 3 & 4)</i></p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p><i>23. Is the summary financial information presented in the overview consistent with, and does it relate to: (1) the principal financial statements and (2) the "Budget of the United States"? (Feb92-Memo, annex A, p. 3; GFOA-COPC, p. 7, item 131)</i></p>		
<p><i>24. Are program and financial accomplishments of the entity in relation to its mission and objectives discussed? (OMB Bull. 94-01, app. B, p. 1; Feb92-Memo, annex A, p. 2)</i></p>		
<p><i>25. Are both ongoing and planned financial and program initiatives discussed? (GFOA-COPC, p. 7, item 123)</i></p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p>26. <i>Does the overview contain a section on the limitations of financial statements that include statements that have been prepared as follows: (OMB Bull. 94-01, app. B, pp. 2 & 3)</i></p> <p>a. <i>The financial statements have been prepared to report financial position and results of operations pursuant to the CFO Act of 1990?</i></p> <p>b. <i>While the financial statements have been prepared from the books and records of the entity, they are different from the financial reports used to monitor and control budget execution?</i></p> <p>c. <i>The financial statements should be read with the realization that the entity they portray is a component of a larger entity, the federal government?</i></p>		

Section III
Overview of the Reporting Entity

SUMMARY OVERVIEW	Yes/No/ NA	Explanation
<p><i>d. Liabilities not covered by budgetary resources cannot be liquidated without an enactment by the Congress of an appropriation to pay for them? (In other words: Some liabilities exist for which no budget authority has been granted. They cannot be paid until the Congress grants or awards an appropriation to cover the payment.)</i></p>		

**Section III
Overview of the Reporting Entity**

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>Questions 27-54 focus more on <u>program</u> performance measures while questions 55-60 focus more on <u>financial</u> performance measures.</p>		
<p>In general, performance measures are assessments (both quantitative and qualitative) intended to help show how the entity is accomplishing its mission through the delivery of products, services, or processes. Performance measures are derived from articulating the entity's mission; developing and refining objectives, targets, goals, and benchmarks; and measuring actual performance against the objectives, targets, goals, and benchmarks. (PM-Guide, pp. 3, 4, & 5; PM-FmHA Model, pp. 4 & 34)</p>		
<p>Questions #27-31 will be required in the annual financial report or strategic plan beginning September 30, 1997. These questions are posed here as a guide to encourage early implementation for what will be required at that date.</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>27. Has the reporting entity included in its mission statement the following: (GPRA, sec. 3; PM-Guide, p. 5; PM-FmHA Model, p. 6)</i></p> <p><i>a. Who the entity is?</i></p> <p><i>b. What the entity does?</i></p> <p><i>c. For whom does the entity do it?</i></p> <p><i>d. Why it is done?</i></p>		
<p>Customers are those who receive and use the products, services, or actions of a program or are acted upon by the output of the program. Stakeholders are organizations, groups, or outside managers with vested interests in the efficiency of the operations or the success of the organization in delivering effective outputs and maintaining the viability of the program. (PM-Guide, p. 43; PM-FmHA Model, p. 33)</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>28. Does the mission statement describe the program(s) and the purposes of the program in terms of the expectations, interests, and views of the customer and stakeholder? (PM-Guide, pp. 5 & 6; PM-FmHA Model, p. 6)</i></p>		
<p>Goals are the specific planned achievements for furthering an aim. They should be quantified where possible and are necessary to achieving the entity's mission.</p>		
<p>Goals are made up of targets. Targets are specified values, quantified steps, or points toward achieving an objective.</p>		
<p>Goals are quantified plans or specific values for an indicator. Goals are usually set annually in reaching longer-term targets. (PM-Guide, p. 43; PM-FmHA Model, pp. 22, 33, & 34)</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>Benchmarks are comparative standards for measuring accomplishments internally set or agreed upon and, where possible, based on best practices from industry and government. Benchmarks can be goals or values within goals for program output, product/service quality, and process improvement.</p>		
<p><i>29. As appropriate at this stage, have goals been identified and stated in the report? (GPRA, sec. 3; PM-Guide, p. 7)</i></p>		
<p><i>30. Are the goals clearly linked to the mission statement? (PM-Guide, p. 7)</i></p>		
<p><i>31. Are goals clearly linked to customer requirements and stakeholder interests? (PM-Guide, pp. 6 & 7)</i></p>		
<p><i>32. Does each goal focus on a single issue? (PM-Guide, p. 7)</i></p>		
<p><i>33. Are the goals stated in ways they can be measured? (PM-Guide, p. 7)</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>34. <i>Are goals sufficient--if they all are accomplished, the mission would be met? (PM-Guide, p. 7)</i></p>		
<p>35. <i>As appropriate at this stage, are targets included in the report? (PM-FmHA Model, p. 22)</i></p>		
<p>Inputs or input measures are resources (staff, appropriations, materials, etc.) used or invested in conducting operations and programs.</p>		
<p>Outputs or output measures indicate the amount of work accomplished; they are the units of products or services produced.</p>		
<p>Outcomes are the measures that indicate the extent to which program or customer objectives have been met; they are the resulting effect of the use or application of an output. (GPRA, sec. 7; PM-Guide, p. 43; PM-FmHA Guide, p. 33)</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>Performance indicators are particular values or characteristics used to measure the degree to which goals are achieved and signal whether, and to what extent, an objective, a target, a goal, or a benchmark is being achieved. Indicators can simply be</p> <ul style="list-style-type: none"> a. comparison, b. ratio, c. percentage, d. number (including dollar amount), e. two or more numbers, f. mathematical formula or the result of calculating the formula, or g. qualitative characteristic such as "effective" based on a predefined point or benchmark which established it. <p>(GPRA, sec. 7; PM-Guide, p. 43; PM-FmHA Guide, pp. 1 & 34)</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>36. As appropriate at this stage, are performance indicators-- which are all linked to customer and stakeholder interests--(GPRA Aud, p. B-10)</p> <p><i>a. Linked to goals,</i></p> <p><i>b. Outcome-oriented to the the extent possible,</i></p> <p><i>c. Significant,</i></p> <p><i>d. Balanced, and</i></p> <p><i>e. Responsibility-linked?</i></p>		
<p>37. As appropriate at this stage, do performance indicators include benchmarks, where useful, as a step in achieving goals or targets? (PM-Guide, p. 37)</p>		
<p>38. As appropriate at this stage, do performance indicators show an actual achievement compared to a previously determined, planned, or desired achievement (a benchmark, goal, or target)? (PM-Guide, p. 49)</p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>39. As appropriate at this stage, do performance indicators measure <u>product</u> quality in terms of some or many of the following: (PM-Guide, p. 47)</i></p> <ul style="list-style-type: none"> <i>a. Reliability: actual time compared to projected time?</i> <i>b. Accuracy: number of errors compared to number of transactions?</i> <i>c. On time: actual delivery time compared to promised or planned delivery time?</i> <i>d. Timely service: number of actions completed within time compared to the number of actions?</i> <i>e. Responsiveness: turnaround time?</i> 		

**Section III
Overview of the Reporting Entity**

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>40. As appropriate at this stage, do performance indicators measure <u>service</u> quality in terms of some or many of the following: (PM-Guide, p. 47)</i></p> <p><i>a. Projects completed on time compared to projects completed?</i></p> <p><i>b. Projects completed compared to projects planned?</i></p> <p><i>c. Projects completed within budgets compared to projects completed?</i></p> <p><i>d. Number of errors after innovation compared to the number of errors before innovation?</i></p> <p><i>e. Programs implemented compared to programs proposed and planned?</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>41. As appropriate at this stage, do performance indicators related to economy measure relationships between physical input (units) and cost of input (dollars)? (Examples include: unit cost of medical supplies and cost per machine processing hour.) (PM-Guide, pp. 26 & 48)</i></p>		
<p><i>42. As appropriate at this stage, do performance indicators related to efficiency measure the relationship between physical outputs (units) and physical inputs (units)? (Examples include: pupils per teacher and applications processed per unit of time.) (PM-Guide, pp. 26 & 48)</i></p>		
<p><i>43. As appropriate at this stage, do performance indicators measure the relationship between the value of output (numbers, percentages, dollars) and physical output (units), (such as percent of people satisfied with product)? (PM-Guide, pp. 26 & 48)</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>44. <i>As appropriate at this stage, do performance indicators show economy, efficiency, and effectiveness? (PM-Guide p. 32)</i></p>		
<p>45. <i>As appropriate at this stage, do performance indicators contain per unit data (such as revenue and cost data)? (Feb92-Memo, annex A, p. 6)</i></p>		
<p>46. <i>Does financial data (such as cost) and unit data tie into the financial statements and the "Budget of the United States" where appropriate? (Note: Such ties may not be possible for detailed program data, but may be achievable for higher-level summary data.) (Feb92-Memo, annex A, p. 3)</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>47. As appropriate at this stage, are performance indicators presented with appropriate visual aids such as: (PM-Guide, p. 30)</i></p> <ul style="list-style-type: none"> <i>a. Charts?</i> <i>b. Graphs?</i> <i>c. Diagrams?</i> <i>d. Tables or matrices?</i> <i>e. Pictures?</i> 		
<p><i>48. Do the visual aids include where appropriate: (PM-Guide, p. 30)</i></p> <ul style="list-style-type: none"> <i>a. Comparisons of actual (results) to benchmarks, goals, or targets?</i> <i>b. Trends over years, months, or other periods?</i> <i>c. Ratios?</i> 		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p><i>49. Are visual aids supplemented and enhanced with narrative explanations, analyses, and interpretations as appropriate? (PM-Guide, p. 39)</i></p>		
<p><i>50. As appropriate at this stage, do performance measures indicate (PM-FmHA Model, p. 3)</i></p> <ul style="list-style-type: none"> <i>a. where progress is being made?</i> <i>b. problems no longer needing federal attention?</i> <i>c. program aspects or activities that are not leading to intended results?</i> <i>d. where progress is slower than expected?</i> 		
<p><i>51. As appropriate at this stage, does financial performance information include net operating costs to help show the real cost of the program or entity? (Feb92-Memo, annex A, p. 9; GAO/AFMD-91-19, p. 19)</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>52. <i>As appropriate at this stage, does financial performance information include operating results to help show the extent to which net operating costs are financed by appropriations? (Feb92-Memo, annex A, p. 9; GAO/AFMD-91-19, p. 20)</i></p>		
<p>53. <i>As appropriate at this stage, does financial performance information include capital investment to show whether the level of capital investment is consistent with the earlier plans? (Feb92-Memo, annex A, p. 10; GAO/AFMD-91-19, p. 22)</i></p>		
<p>54. <i>As appropriate at this stage, does financial performance information include short-term and long-term liabilities to help show the financial soundness of program(s)? (Feb92-Memo, annex A, p. 10; GAO/AFMD-91-19, p. 23)</i></p>		

Section III
Overview of the Reporting Entity

PERFORMANCE MEASURES	Yes/No/ NA	Explanation
<p>55. <i>As appropriate at this stage, does financial performance information include efficiency indications such as (relating to assets) percent of overdue receivables or bad debt provision compared to total receivables? (Feb92-Memo, annex A, p. 10; GAO/AFMD-91-19, p. 26)</i></p>		
<p>56. <i>As appropriate at this stage, does financial performance information include measures on the efficiency in administering the reporting entity such as (1) a percent change from year-to-year in administrative or salary costs to total costs or (2) changes from year-to-year in the ratio of administrative costs to net operating costs? (Feb92-Memo, annex A, p. 10; GAO/AFMD-91-19, p. 27)</i></p>		

PRINCIPAL FINANCIAL STATEMENTS

The checklist questions in this section are organized into six major parts:

1. General Items Related to the Principal Financial Statements.
2. Statement of Financial Position.
3. Statement of Operations (and Changes in Net Position).
4. Statement Cash Flows (not required per Nov94-Memo).
5. Statement of Budgetary Resources and Actual Expenses (not required per Nov94-Memo).
6. Notes to the Financial Statements.

To facilitate the usefulness of this part of the checklist, questions are organized by line item in the financial statements. Since the financial statements are interrelated, some line items in one financial statement will include line items in other financial statements. For example, the questions covering loans receivable under the Statement of Financial Position will also include questions on the related interest income and subsidy expense appearing in the Statement of Operations. These related line items contained in other financial statements will be covered in questions under only one financial statement.

In addition, footnote disclosure requirements that are covered under a specific line item in one financial statement will not be reiterated in the notes part of this segment of the checklist. However, the sixth segment of this section, Notes to the Financial Statements, lists the questions containing footnote disclosure related to each of the 26 line items.

**Section IV
Principal Financial Statements**

GENERAL ITEMS RELATED TO THE PRINCIPAL FINANCIAL STATEMENTS	Yes/No/NA	Explanation
<p>1. Do the principal financial statements include the following four statements: CFO Act, sec. 3515; OMB Bull. 94-01, app. B, p. 3)</p> <ul style="list-style-type: none"> a. Statement of Financial Position. b. Statement of Operations and Changes in Net Position). c. Statement of Cash Flows (optional beginning FY97). d. Statement of Budgetary Resources and Actual Expenses (optional beginning FY97). 		
<p>2. Are dollar amounts in the financial statements rounded to the nearest whole dollar, thousand, or million based on informative value? (OMB Bull. 94-01, app. C, p. 13, item 3)</p>		

**Section IV
Principal Financial Statements**

GENERAL ITEMS RELATED TO THE PRINCIPAL FINANCIAL STATEMENTS	Yes/No/NA	Explanation
3. Has the entity shown comparative data from the previous year? (OMB Bull. 94-01 app. C, exhibit 1, note 1T, p. 7)		
4. Are all essential financial facts relating to the scope and purpose of the entity for the reporting period included and clearly displayed? (OMB Bull. 94-01 app. C, exhibit 1, note 1B, pp. 1 & 2)		
5. Is the "other" category properly used? - Discrete balances of a material amount should be reported separately and designated by name. (OMB Bull. 94-01 attach., p. 5, par. 2)		
6. Is information combined into a single reporting line when balances are related in nature and are not material enough to warrant separate disclosure? (OMB Bull. 94-01 attach., p. 5, par. 2)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION

The questions related to the Statement of Financial Position are organized under 26 line items as follows.

	Question Numbers
General Items	7-8
Assets	
1. Cash	9-14
2. Fund Balance	15-21
3. Accounts Receivable	22-26
4. Investments in Treasury Securities	27-33
5. Investment in Nonfederal Securities	34-36
6. Interest Receivable	37-41
7. Advances and Prepayments	42-45
8. Credit Program Receivables and Related Property	46-110
9. Inventory	111-129
10. Operating Materials and Supplies	130-134
11. Stockpile Materials	135-141
12. Seized Property	142-147
13. Forfeited Property	148-156
14. Foreclosed Property	157-163
15. Goods Held Under Price Support and Stabilization Programs	164-174
16. Property, Plant, and Equipment, Net	175-183
17. Other Assets	184-186
Liabilities	
18. Accounts Payable	187-190
19. Interest Payable	191-193
20. Other Current Liabilities	194-198
21. Liabilities for Loan Guarantees	See #8 Above, Credit Program Receivables and Related Property.
22. Lease Liabilities	See #16 Above, Property, Plant, and Equipment.
23. Debt	199-205
24. Pensions and Other Actuarial Liabilities	206-209
25. Other Liabilities	210-213
Net Position	
26. Net Position	214-215

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
7. Does the Statement of Financial Position display assets, liabilities, and net position? OMB Bull. 94-01, app. B, p. 3)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>8. Are assets and liabilities separately reported to display:</p> <p>a. Intergovernmental (assets--claims of a federal entity against other federal entities; liabilities--claims against the entity by other federal entities) <u>vs</u> government assets and liabilities(which arise from transactions with nonfederal entities)? SFFAS 1, par. 18, 21, 24, & 26)</p> <p>b. Entity assets (assets available to the entity for its use) <u>vs</u> nonentity assets (assets under the custody and management that the entity is not authorized to use)? (SFFAS 1, par. 26)</p> <p>c. Liabilities covered by budgetary resources (funded) <u>vs</u> liabilities not covered by budgetary resources? resources (unfunded)? (SFFAS 1, par. 161 & app. C, p. 51; OMB Bull. 94-01, app. C, p. 5, items 4 & 5)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Cash		
<p>9. Is entity cash (amounts of cash authorized by law to spend), including imprest funds, recognized as an asset, unless balances are not material enough to warrant separate reporting? (SFFAS 1, par. 27; OMB Bull. 94-01, app. C, p. 3, item 1c, p. 4, item 2c, & p. 13, item 4)</p>		
<p>10. Are nonentity cash (cash held on behalf of other entities) and restricted cash separately reported and disclosed in a note to the financial statements? (SFFAS 1, pars. 29 & 30; OMB Bull. 94-01, p. 3, item 1a(1) & note 3E, p. 47)</p>		
<p>11. Are cash and other monetary assets (foreign currency, gold, special drawing rights, and reserves in the international monetary fund) disclosed separately? (OMB Bull. 94-01, app. C, p. 21, item 2c & p. 46, note 3A, B, & C, p. 47)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
12. Are cash amounts contained in foreign currency converted into U.S. dollars at the exchange rate on the financial statement date? (SFFAS 1, par. 27(c))		
13. Does the entity describe the foreign currency balances and disclose the basis of valuation? (OMB Bull. 94-01, app. C, note 1, p. 45 & exhibit 1, note 1G, p. 4)		
14. Does the entity describe any gold or other monetary assets and disclose the basis of valuation? (OMB Bull. 94-01, app. C; note 1, p. 45; & exhibit 1, note 1H, p. 4)		
Fund Balance		
15. Is Fund Balance reported as an intragovernmental asset? (SFFAS 1, par. 31; OMB Bull. 94-01, app. C, p. 3, item 1a(1) & p. 4, item 2a(1))		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>16. Are restrictions related to future uses of Fund Balances disclosed? (SFFAS 1, par. 38; OMB Bull. 94-01, app. C, p. 14, item 1a(1) & note 2A, p. 46)</p>		
<p>17. Are discrepancies between Fund Balances in Treasury's records and general ledger accounts explained? (SFFAS 1, par. 39; OMB Bull. 94-01, app. C, p. 14, item 1a(1) & note 2B, p. 46)</p>		
<p>18. Are discrepancies between Fund Balances per Treasury reported in the financial statements and corresponding Fund Balances reported in the President's budget disclosed and explained? (OMB Bull. 94-01, app. C, note 2B, p. 46)</p>		
<p>19. Are Fund Balances representing amounts (1) obligated but not yet disbursed and (2) unobligated, disclosed separately? (SFFAS 1, par. 37; OMB Bull. 94-01, app. C, p. 14, item 1a(1) & note 2A, pp. 45 & 46)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
20. Are Fund Balances disclosed by fund type? (OMB Bull. 94-01, app. C, p. 45, note 2A)		
21. Are Fund Balance amounts represented by foreign currency translated into US dollars at exchange rates determined by the Treasury at the financial reporting date? (SFFAS 1, par. 32; OMB Bull. 94-01, app. C, p. 14, item 1a(1))		
Accounts Receivable		
22. Is a receivable recognized when a federal entity establishes a claim based on legal provisions or the provision of goods or services? (SFFAS 1, par. 41)		
23. If the exact amount of a receivable is unknown, is a reasonable estimates made? (SFFAS 1, par. 41)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>24. Are Accounts Receivable reported and distinguished separately between those:</p> <p>a. Due from federal and non-federal entities? (SFFAS 1, par. 42; OMB Bull. 94-01, app. C, p. 15, item 1a(3))</p> <p>b. That are entity Accounts Receivable (amounts authorized by law to be included in obligational authority) and nonentity Accounts Receivable (amounts to be collected on behalf of other entities)? (SFFAS 1, par. 43; OMB Bull. 94-01, app. C, p. 15, item 1a(3) & p. 50, note 5)</p>		
<p>25. Is an allowance for estimated uncollectible Accounts Receivables recognized to reduce the reported gross amount to net realizable value? (SFFAS 1, par. 45; OMB Bull. 94-01, app. C, p.15, item 1 a(3) & note 5, p. 50)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>26. Are the major categories of Accounts Receivable by amount and type, the methodology used to estimate the allowance for uncollectible amounts, and the total allowance disclosed? (SFFAS 1, par. 52; OMB Bull. 94-01, app. C, p. 50, note 5)</p>		
<p>Investments In Treasury Securities</p>		
<p>Investments in Treasury Securities includes only three kinds of Treasury issuances: (a) nonmarketable par value securities, (b) market-based securities expected to be held to maturity, and (c) marketable securities expected to be held to maturity.</p>		
<p>27. Are investments in Treasury Securities reported as an asset? (SFFAS 1, par. 62; OMB Bull. 94-01, app. C, p. 3, item 1a(2))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>28. At acquisition, are Treasury securities recorded and reported at their acquisition costs, which equals face value plus or minus the premium or discount? (SFFAS 1, par. 68 & 69; OMB Bull. 94-01, app. C, p. 15, item 1a(2) & p. 48, note 4; OMB Bull. 94-01, exhibit 1, p. 5, item K)</p>		
<p>29. Subsequent to acquisition, are Treasury securities reported at their carrying amount adjusted for amortized premium or discount, which is adjusted into interest income? (SFFAS 1, par. 70 & 71; OMB Bull. 94-01, app. C, p. 15, item 1a(2) & p. 48, note 4; OMB Bull. 94-01, exhibit 1, p. 5, item K)</p>		
<p>30. Is the interest method used in amortizing the premium or discount? (SFFAS 1, par. 71; OMB Bull. 94-01, exhibit 1, p. 5, item K)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
31. Is the market value of market-based and marketable securities disclosed? (SFFAS 1, par. 72; OMB Bull. 94-01, app. C, p. 48, note 4)		
32. Have securities which initially were expected to be held to maturity but are now available for sale been reclassified as securities available for sale? (SFFAS 1, par. 73)		
33. Is the method of valuing Investments in Treasury Securities described in footnote disclosure? (OMB Bull. 94-01, app. C, exhibit 1, note 1K, p. 5)		
Investment In Nonfederal Securities		
34. Are investments reported at cost net of amortized premiums or discounts and allowances for losses? (OMB Bull. 94-01, app. C, p. 16, item 1b(1))		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>35. Are securities carried at market value if (1) the intent to sell the securities prior to maturity exists and (2) a reduction in the value of the securities that is more than temporary has occurred? (OMB Bull. 94-01, app. C, p. 16, item 1b(1))</p>		
<p>36. Are the cost, market value, amortization method of premium and discount, amortized premium and discount, and the net investment amount disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, p. 48, note 4)</p>		
Interest Receivable		
<p>37. Is interest earned but not received recognized as interest receivable and reported as an asset? (SFFAS 1, par. 53; OMB Bull. 94-01, app. C, p. 3, items 1a(4) & 1b(4), p. 4, items 2a(3) & 2b(2), & p. 15 item 1a(4))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>38. Does interest receivable exclude interest on accounts receivable and investments determined to be uncollectible? (SFFAS 1, par. 54; OMB Bull. 94-01, app. C, p. 17, item 1b(4))</p>		
<p>39. Is interest accrued on uncollectible accounts receivable disclosed? (SFFAS 1, par. 55; OMB Bull. 94-01, app. C, p. 17, item 1b(4))</p>		
<p>40. Is interest receivable which can be used by the entity reported separately from interest receivable which cannot be used by the entity? (OMB Bull. 94-01, app. C, p. 15, item 1a(4))</p>		
<p>41. Is interest receivable from federal entities reported separately from interest receivable from nonfederal entities? (SFFAS 1, par. 56; OMB Bull. 94-01, app. C, p. 15, item 1a(4))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Advances and Prepayments		
42. Are advances and prepayments reported as assets? (SFFAS 1, par. 59; OMB Bull. 94-01, app. C, p. 3, item 1a(5))		
43. Are amounts of advances or prepayments (that are subject to refund) remaining after related goods or services are received, contract terms met, progress payments made, or expenses expire reported as receivables? (SFFAS 1, par. 59)		
44. Are advances and prepayments made to federal entities accounted for and reported separately from those made to nonfederal entities? (SFFAS 1, par. 61; OMB Bull. 94-01, app. C, p. 17, item 1b(5))		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>45. Are advances and prepayments paid out (assets) reported separately (not netted) from advances and prepayments received (liabilities) for reporting purposes? (SFFAS 1, par. 60)</p>		
<p>Credit Program Receivables and Related Property</p>		
<p>The Federal Credit Reform Act of 1990 divides loans and loan guarantees into two groups: pre-1992 and post-1991 direct loans and loan guarantees. Pre-1992 refers to direct loan obligations or loan guarantee commitments made prior to fiscal year 1992; post-1991 refers to direct loan obligations or loan guarantee commitments made after fiscal year 1991.</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>For post-1991 loans and guarantees, a subsidy expense is recognized in the year disbursed. For pre-1992 loans and guarantees, no subsidy expense need be recognized, and a loss and liability need not be recognized until it is more likely than not that a loan (either direct or guaranteed) will go into default. (SFFAS 2, par. 6-18 & 39; OMB Bull. 94-01, app. C, note 7A, p. 57)</p>		
<p>46. In the Statement of Financial Position, does the amount under "Credit Program and Related Property" include all assets and liabilities related to direct and guaranteed loans? (OMB Bull. 94-01, app. C, note 7E, p. 58, last paragraph)</p>		
<p>47. Are the nature and the basis of Loans Receivable described in footnote disclosure? (OMB Bull. 94-01, app. C, exhibit 1, note 1I, p. 4)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
48. Are loan amounts broken out by group (pre-1992 and post-1991), cohort, or risk category, and disclosed in a note to the financial statements? (SFFAS 2, para. 21; OMB Bull. 94-01, app. C, note 7A, pp. 52 & 57)		
49. Do the footnotes provide relevant and appropriate information related to direct loans and loan guarantees, such as, for example, face value of guaranteed loans, amount of lending authority, and commitments? (OMB Bull. 94-01, app. C, note 7J, p. 60. par. 1)		
Post-1991 Direct Loans		
The present value of a group of direct loans is the sum of the estimated net cash inflows discounted at the Treasury rate for Treasury Securities of similar maturity at the time the loans were disbursed. (SFFAS 2, par. 24)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>50. Are post-1991 direct loans reported at their present value of the estimated net cash flows? (SFFAS 2, par. 22; OMB Bull. 94-01 app. C, pp. 3 & 17 & note 7C, pp. 52, 53, & 57)</p>		
<p>51. For post-1991 direct loans, are the components of the present value (i.e., principal, interest, estimated net value of foreclosed property, and allowance for subsidy costs) disclosed? (OMB Bull. 94-01, app. C, note 7 C, pp. 54 & 57)</p>		
<p>52. Has the estimated future cash flows of foreclosed property been discounted at the original discount rate? (SFFAS 2, par. 57)</p>		
<p>53. If a third party or the borrower have a legitimate claim to a part of the value of the foreclosed assets, is the present value of the estimated claim represented as a special contra valuation allowance? (SFFAS 2, par. 58)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>54. When the government acquires foreclosed assets in full or partial settlement of post-1991 loans, is the present value of the government's claim against the corresponding receivable reduced by the same amount? (SFFAS 2, par. 60)</p>		
<p>55. When the government acquires foreclosed assets in full or partial settlement of a loan, do the footnotes include information on: (OMB Bull. 94-01, app. C, p. 60, note 7J)</p> <ul style="list-style-type: none"> a. accounting changes from prior years' methods? b. restrictions on the use of property? c. number and type of foreclosed property? d. number and type of property undergoing foreclosure proceedings? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
56. For post-1991 direct loans, have allowances for subsidy costs been amortized at the applicable interest rate of marketable Treasury securities with a similar maturity term of the loan? (SFFAS 2, par. 26 & 30)		
57. When post-1991 loans are written off, is the unpaid principal removed from unpaid loans receivable and charged against the allowance for subsidy costs? (SFFAS 2, par. 61)		
58. When post-1991 guaranteed loans go into default, are the present values and basis of estimated net cash flows related to the defaulted loans disclosed? (OMB Bull. 94-01, app. C, pp. 54 & 58)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>59. Are the following components of the present values of the estimated net cash flows from defaulted loans disclosed: (OMB Bull. 94-01, app. C, note 7E, pp. 54 & 58, & 7I)</p> <ul style="list-style-type: none"> a. Loan program gross amounts? b. Interest receivable? c. Estimated net value of foreclosed property? d. Allowance for subsidy costs? e. Basis for estimates? 		
<p>60. Has the estimated net cash flow related to foreclosed property been discounted at the original discount rate? (SFFAS 2, par. 57)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>61. If a third party or the borrower have a legitimate claim to a part of the value of the foreclosed assets, is the present value of the estimated claim represented as a special contra asset account--valuation allowance? (SFFAS 2, par. 58)</p>		
<p>62. When the government acquires foreclosed assets in full or partial settlement of a guaranteed loan, is the present value of the government's claim against the borrower reduced by the same amount? (SFFAS 2, par. 60)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>63. When the government acquires foreclosed assets in full or partial settlement of a direct or guaranteed loan, do the footnotes include the following information: (OMB Bull. 94-01, app. C, note 7J, p. 60, par. 3)</p> <ul style="list-style-type: none"> a. Accounting changes? b. Restrictions on the property? c. Number and type of the foreclosed properties? d. Number and type of properties undergoing foreclosure proceedings? 		
<p>64. Are estimated subsidy costs related to post-1991 loans recognized as an expense in the year the loans are disbursed? (SFFAS 2, par. 24; OMB Bull. 94-01, app. C, note 7G1, pp. 52, 55, & 59)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>65. Have these subsidy costs been discounted at the applicable Treasury rate? (SFFAS 2, par. 24; OMB Bull. 94-01, app. C, note 7G1, pp. 52, 55, & 59)</p>		
<p>66. Are estimated subsidy costs (and offsetting receipts) broken out separately among: (SFFAS 2, par. 25; OMB Bull. 94-01, app. C, note 7G1 & G3, pp. 52, 55 & 59)</p> <p>a. Interest subsidy cost?</p> <p>b. The present value of estimated default costs net of recoveries)?</p> <p>c. The present value of other costs and other collections?</p>		
<p>67. Have allowances for subsidy costs been reestimated for post-1991 loans outstanding for more than 1 year, taking into account changes in estimated cash flows as of the date of the financial statements? (SFFAS 2, par. 32; OMB Bull. 94-01, app. C, note 7G2, pp. 55, & 59)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>68. Are default costs estimated and reestimated for each program on the basis of separate cohorts and risk categories? (SFFAS 2, par. 33; OMB Bull. 94-01, app. C, note 7G1, pp. 55, & 59)</p>		
<p>69. In estimating and reestimating current and projected future default costs for each group, cohort, and risk category, has the agency used a consistent and systematic methodology? (SFFAS 2, par. 34-36)</p>		
<p>70. Is the portion of the subsidy expense resulting from reestimates included in the financial statements but not budgeted for until a subsequent year disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, note 7J, p. 60, par. 2)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>Modification means a federal government action, including new legislation or administrative action, that directly or indirectly alters the estimated subsidy costs and the present value of outstanding loans or the liability of loan guarantees. The term modification includes the sale of direct loans. (SFFAS 2, app. B, p. 41)</p>		
<p>The cost of modification is the excess of the pre-modification value of direct loans over their post modification value, both of which are discounted at the Treasury rate in effect at the time of the modification. (SFFAS 2, par. 46 & app. B, p. 54)</p>		
<p>Book value is the net amount at which an asset or liability is carried on the books of account. It equals the gross or nominal amount minus any allowance or valuation amount. (SFFAS 2, app. C, p. 87)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
71. If post-1991 loans are modified, including sold, is the cost of modification reported as an expense? (SFFAS 2, par. 53; OMB Bull. 94-01, app. C, note 7G2 & 3, pp. 55 & 59)		
72. Is a description of modification and corresponding cost disclosed? (SFFAS 2, par. 56; OMB Bull. 94-01, app. C, note 7G2 & 3, pp. 55 & 59)		
73. If post-1991 loans are modified, is the book value of the loans changed to reflect the modified terms? (SFFAS 2, par. 46)		
74. For a post-1991 loan sale with recourse, has the present value of potential losses under the recourse and guarantee obligations been estimated and recognized as a subsidy expense and guarantee liability? (SFFAS 2, par. 54)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>Gain--if the modification cost exceeds the change in book value, the excess is recognized as a gain. Since the credit program receives an appropriation to cover the cost of modification, the gain is transferred to the Treasury and reported as a reduction in financing source. (SFFAS 2, app. B, part 1D(5), p. 56)</p>		
<p>Loss--conversely, if the change in book value exceeds the modification cost, the excess is recognized as a loss. OMB Circular A-11 provides that the entity receive from the Treasury a "modification adjustment transfer" equal to the loss, and this is reported as a financing source. (SFFAS 2, app. B, part 1D(5), p. 56)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>75. If post-1991 loans are modified or sold, is the "modification adjustment transfer," paid to or received from the Treasury to offset the recognized gain or loss resulting from the modification, treated as a reduction in financing sources (if a gain) or a financing source (if a loss)? (SFFAS 2, par. 48 & 55 & app. B, part 1D(5), p. 56)</p>		
<p>Pre-1992 Loans</p>		
<p>76. Are pre-1992 direct loans reported net of an allowance for uncollectible loans and interest? (OMB Bull. 94-01, app. C, note 7B, pp. 53 & 57)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>77. For pre-1992 direct loans, are the following components disclosed: (OMB Bull. 94-01, app. C, note 7B, pp. 53, & 57)</p> <ul style="list-style-type: none"> a. Gross amount of loans? b. Allowance for estimated uncollectible loans and interest? c. Estimated net value of foreclosed property? d. Basis for estimates? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>78. When the government acquires foreclosed assets in full or partial settlement of a direct or guaranteed loan, are the following related items disclosed: (OMB Bull. 94-01, app. C, note 7J, p. 60, par. 3)</p> <ul style="list-style-type: none"> a. Accounting changes? b. Restrictions on the property? c. Number and type of the foreclosed properties? d. Number and type of properties undergoing foreclosure proceedings? 		
<p>79. Are losses recognized when it is more likely than not that the direct loan will not be totally collected? (SFFAS 2, par. 39)</p>		
<p>80. Are allowances for uncollectible amounts reestimated each year as of the date of the financial statements? (SFFAS 2, par. 39)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>The "pre-modification value" is the present value of the net cash inflows of the direct loans estimated at the time of the modification under pre-modification terms and discounted at the Treasury current discount rate. (SFFAS 2, app. B, part IIB(1), p. 66)</p>		
<p>The "post-modification value" is the present value of the net cash inflows of the direct loans estimated at the time of the modification under post-modification terms and discounted at the current Treasury discount rate. (SFFAS 2, app. B, part IIB(2), p. 67)</p>		
<p>81. If pre-1992 direct loans are modified or sold, is the excess of the pre-modification value over the post-modification value recognized as a modification expense? (SFFAS 2 par. 45, & app. B, part IIB (1 & 2))</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
82. Before a pre-1992 loan is modified and expense recognized, has a subsidy appropriation equal to the cost of the modification been made available? (SFFAS 2, app. B, part IIB(3))		
83. If pre-1992 direct loans are modified, are the loans transferred to a financing account and their book value changed to an amount equal to their post-modification value? (SFFAS 2, par. 47 & app. B, part IIB(4))		
84. For a pre-1992 loan sale with recourse, has the present value of potential losses under the recourse and guarantee obligations been estimated as well as recognized as a subsidy expense and guarantee liability? (SFFAS 2, par. 46)		
85. Is a gain or loss recognized when pre-1992 direct loans are modified? (SFFAS 2, par. 48 & app. B, part IIB(4))		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
86. Are subsequent modifications of pre-1992 loans treated as a modification of post-1991 loans? (SFFAS 2, par. 47)		
87. When pre-1992 guaranteed loans go into default, are the net values of assets related to the defaulted loans disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, note 7D, pp. 54 & 57 & note 7I)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>88. When the government acquires foreclosed assets in full or partial settlement of a loan, is the following information disclosed in a note to the financial statements: (OMB Bull. 94-01, app. C, note 7J, p. 60, par. 3)</p> <ul style="list-style-type: none"> a. Accounting changes? b. Restrictions on the property? c. Number and type of the foreclosed properties? d. Number and type of properties undergoing foreclosure proceedings? 		
<p>Liabilities for Loan Guarantees Post-1991 Loan Guarantees</p>		
<p>89. Is the face value of guaranteed loans outstanding and amount guaranteed disclosed by program? (SFFAS 2, par. 23; OMB Bull. 94-01, app. C, note 7F pp. 55 & 58)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>90. Are the present values of estimated net cash outflows resulting from the loan guarantee programs discounted at the interest rate of marketable Treasury securities with similar maturities? (SFFAS 2, par. 24; OMB Bull. 94-01, app. C, note 7F, pp. 55 & 58)</p>		
<p>91. If post-1991 loan guarantees are modified, is the book value of the loan guarantee liability changed to reflect the modified terms? (SFFAS 2, par. 50)</p>		
<p>92. For post-1991 loan guarantees, are estimated subsidy costs recognized as an expense in the year the loan is disbursed? (SFFAS 2 par. 24; OMB Bull. 94-01, app. C, note 7H1, p. 52, para 3, & pp. 56 & 59)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>93. Are estimated subsidy costs (and offsetting receipts) for the guaranteed loans disbursed during the reporting period broken out among: (SFFAS 2, par. 25; OMB Bull. 94-01, app. C, note 7H1 & H3, pp. 52, 56, & 59)</p> <p>a. Interest subsidy cost?</p> <p>b. Default cost (net of recoveries)?</p> <p>c. Other costs?</p> <p>d. Offsetting fees and other collections?</p>		
<p>94. Are default costs estimated and reestimated for each program on the basis of separate cohorts and risk categories? (SFFAS 2, par. 33; OMB Bull. 94-01, app. C, note 7H1, pp. 56 & 59)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>95. In estimating and reestimating current and projected future default costs for each group, cohort, and risk category, has the agency used a consistent and systematic methodology? (SFFAS 2, par. 34-36)</p>		
<p>96. If post-1991 loan guarantees are modified, is a description of the modification and corresponding cost of modification disclosed in the footnotes and is a modification expense reported? (SFFAS 2, par. 49, 56, & app. B, part IIID(3); OMB Bull. 94-01, app. C, note 7H, pp. 56 & 59)</p>		
<p>97. If post-1991 loan guarantees are modified, is the "modification adjustment transfer," paid to or received from the Treasury to offset the recognized gain or loss resulting from the modification, treated as a reduction in financing sources (if a gain) or a financing source (if a loss)? (SFFAS 2, par. 52 & app. B, part IIID)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Pre-1992 Loan Guarantees		
<p>98. Is the face value of pre-1992 guaranteed loans outstanding and amount guaranteed disclosed by program? (SFFAS 2, par. 39; OMB Bull. 94-01, app. C, note 7F, pp. 55 & 58)</p>		
<p>99. Are liabilities for pre-1992 loan guarantees recognized when it is more likely than not that the loan guarantees will require future cash outlays to pay default claims? (SFFAS 2, par. 39; OMB Bull. 94-01, app. C, note 7F, pp. 55 & 58)</p>		
<p>100. Are the liabilities for the pre-1992 loan guarantees reestimated each year as of the date of the financial statements? (SFFAS 2, par. 39)</p>		
<p>101. In estimating current liabilities for pre-1992 loan guarantees, has the agency used a consistent and systematic methodology? (SFFAS 2, par. 34-36)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
102. If pre-1992 loan guarantees are modified, are they transferred to a financing account and the book value of the liability changed to reflect the modified terms? (SFFAS 2, par. 47 & 51, & app. B, part IVB(4))		
103. Are subsequent modifications of pre-1992 loan guarantees treated as a modification of post-1991 loan guarantees? (SFFAS 2, par. 51)		
104. Are losses and liabilities on pre-1992 loan guarantees recognized when it is more likely than not that the guarantees will require future cash outflows to pay default claims? (SFFAS 2, par. 39 & app. B, part IVA)		
105. When liabilities for pre-1992 loan guarantee are reestimated, is any increase charged to default expense? (SFFAS 2, app. B, part IVA, note 33)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>106. If pre-1992 loan guarantees are modified, is (1) a description of the modification and corresponding cost of modification disclosed in the notes to the financial statements and (2) a modification expense reported? (SFFAS 2, par. 49 & 56, & app. B, part IVB(1-3))</p>		
<p>Interest, Penalties, and Other Expenses</p>		
<p>107. Has accrued interest, including amortized interest, been recognized as interest income? (SFFAS 2, par. 37)</p>		
<p>108. Has interest due from the Treasury on uninvested funds been recognized as interest income? (SFFAS 2, par. 37)</p>		
<p>109. Has interest accrued on debt to the Treasury been recognized as interest expense? (SFFAS 2, par. 37)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>110. Have administrative costs (such as salaries, legal fees, servicing, etc.), incurred in support of direct loan and guaranteed loan programs been recognized by individual loan programs? (OMB Bull. 94-01, app. C, note 7I, p. 60)</p>		
<p>Inventory</p>		
<p>Inventory is tangible personal property that is (a) held for sale, (b) in process of production for sale, or (c) to be consumed in the production of goods for sale or in the provision of services for a fee. (SFFAS 3, par. 17 & 18)</p>		
<p>111. Is Inventory reported as an asset? (SFFAS 3, par. 17; OMB Bull. 94-01, app. C, p. 3 item 1d & p. 18, item d)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>112. Is Inventory categorized as (a) Inventory held for sale, (b) Inventory held in reserve for future sale, (c) excess, obsolete, and unserviceable Inventory, and (d) Inventory held for repair? (SFFAS 3, par. 18 & 35; OMB Bull. 94-01, app. C, p. 60, note 8)</p>		
<p>113. Is the composition of Inventory described in a note to the financial statements? (SFFAS 3, par. 35; OMB Bull. 94-01, app. C, exhibit 1, note 1J, p. 4)</p>		
<p>114. Is Inventory valued at either historical cost or latest acquisition cost and is the valuation method disclosed? (SFFAS 3, par. 20 & 35; OMB Bull. 94-01, app. C, p. 60, note 8)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
115. If valued at historical cost, does that cost include the purchase amount and all other costs incurred to bring the Inventory into its current condition and location, except for any abnormal costs, such as excessive handling or rework costs? (SFFAS 3, par. 21)		
116. Are excessive handling or rework costs charged to expenses for the period? (SFFAS 3, par. 21)		
117. Are the historical cost flow assumptions (such as FIFO) disclosed? (SFFAS 3, par. 22 & 35)		
118. Under historical cost, is donated Inventory valued at its fair value at the time of donation? (SFFAS 3, par. 21)		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>119. Under historical cost, is Inventory acquired through a nonmonetary exchange valued at the fair value of the Inventory received at time of the exchange, with the difference between it and the recorded amount of the Inventory surrendered reported as a gain or loss? (SFFAS 3, par. 21)</p>		
<p>120. Under latest acquisition cost, is the latest invoice price (actual cost) applied to all like units, including those acquired through donation and nonmonetary exchange? (SFFAS 3, par. 23)</p>		
<p>121. When revaluing Inventory to latest acquisition cost, is an allowance for unrealized holding gains/losses recognized and reported? (SFFAS 3, par. 23 & 24)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>122. Under the latest acquisition cost, is the reported cost of goods sold computed as follows? (SFFAS 3, par. 25)</p> <p>Beginning Inventory -Beginning Unrealized Holding Gains/Losses +Purchases -Ending Inventory +Ending Unrealized Holding Gains/Losses</p> <hr/> <p>Cost of Goods Sold</p>		
<p>123. Does Inventory which is valued at net realizable value (such as Naval Petroleum Reserves), which may be greater than historical cost, meet the criteria of (a) an inability of determining approximate cost, (b) immediate marketability at quoted prices, and (c) unit interchangeability? (SFFAS 3, par. 26)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
124. Is Inventory held in reserve for future sale either reported or disclosed separately? (SFFAS 3, par. 27)		
125. Is excess, obsolete, or unserviceable Inventory valued at net realizable value, with the difference between the carrying amount of the inventory before identified as excess, obsolete, or unserviceable and the net realizable amount recognized as a gain or loss? (SFFAS 3, par. 30)		
126. Is excess, obsolete, or unserviceable Inventory either reported or disclosed separately? (SFFAS 3, par. 29)		
127. Is the basis for determining excess, obsolete, or unserviceable Inventory disclosed? (SFFAS 3, par. 31)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
128. Is Inventory held for repair accounted for under the allowance method or direct method? (SFFAS 3, par. 32)		
129. Is the criteria for identifying which category Inventory is assigned, restriction on its sale, and the changes in accounting methods, if any, disclosed? (SFFAS 3, par. 35; OMB Bull. 94-01, app. C, p. 60 note 8)		
Operating Materials and Supplies		
Operating Materials and Supplies are tangible personal property to be consumed in normal operations. (SFFAS 3, par. 36)		
130. Are Operating Materials and Supplies reported as an asset when acquired (using the consumption method of accounting)? (SFFAS 3, par. 36 & 38; OMB Bull. 94-01, app. C, p. 18, item 1e)		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
131. Are Operating Materials and Supplies categorized as (a) held for use, (b) held in reserve for future use, and (c) excess, obsolete, or unserviceable? (SFFAS 3, par. 37)		
132. Is the cost of Operating Materials and Supplies reported as an expense in the period they are issued to an end user for consumption? (SFFAS 3, par. 39)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>133. If the purchase method of accounting is used (items expensed in the year of acquisition), are the following criteria met: (SFFAS 3, par. 40)</p> <ul style="list-style-type: none"> a. Operating Materials and Supplies are not significant amounts? b. In the hands of the end user? c. It is not cost-beneficial to apply the consumption method? 		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>134. Are the following items related to Operating Materials and Supplies disclosed: (SFFAS 3, par. 50; OMB Bull. 94-01, app. C, p. 61, note 9)</p> <ul style="list-style-type: none"> a. General composition? b. Balances in each category? c. Change in accounting methods? d. Basis for valuation? e. Restrictions, if any? f. Criteria for identifying each category? 		
<p>Stockpile Materials</p>		
<p>Stockpile Materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation, or national emergencies. (SFFAS 3, par. 51)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>135. Are Stockpile Materials recognized and reported as assets when acquired? (SFFAS 3, par. 51 & 52; OMB Bull. 94-01, app. C, p. 18, item 1f)</p>		
<p>136. Are Stockpile Materials valued at historical cost with the cost flow method (such as FIFO) disclosed? (SFFAS 3, par. 53 & 56; OMB Bull. 94-01, app. C, p. 61, note 10)</p>		
<p>137. Does the cost of Stockpile Materials include all appropriate costs incurred in bringing the materials to their current condition and location, except for abnormal costs such as excessive handling and rework costs? (SFFAS 3, par. 53)</p>		
<p>138. Are excessive handling and rework costs charged to an expense in current operations? (SFFAS 3, par. 53)</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
139. Is the carrying amount of Stockpile Materials written down to net realizable value of the materials due to a permanent decline in the value, or through damage or decay, and is the amount written down reported as a loss or an expense in the period it was written down? (SFFAS 3, par. 54)		
140. When Stockpile Materials are authorized for sale, are those materials disclosed as being held for sale? (SFFAS 3, par. 55)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>141. Are the following items related to Stockpile Materials disclosed: (SFFAS 3, par. 56; OMB Bull. 94-01, app. C, p. 61, note 10)</p> <ul style="list-style-type: none"> a. General composition? b. Changes in accounting methods? c. Restrictions? d. Criteria for categorizing materials for sale? 		
<p>Seized Property</p>		
<p>Seized Property is monetary instruments, real property, and tangible personal property belonging to others but in actual or constructive possession of a custodial agency that was taken under authority of law by enforcement agencies. (SFFAS 3, par. 57)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>142. Are seized monetary instruments reported as an asset by the agency that is operating as the central fund? (SFFAS 3, par. 60 & 61; OMB Bull. 94-01, app. C, p. 18, item 1g)</p>		
<p>143. Are seized monetary instruments reported as assets at market value? (SFFAS 3, par. 61, 63, & 65; OMB Bull. 94-01, app. C, p. 18 item 1g)</p>		
<p>144. Is a corresponding liability recognized and reported for seized monetary assets reported as assets? (SFFAS 3, par. 61; OMB Bull. 94-01, app. C, p 18, item 1g)</p>		
<p>145. Is Seized Property other than monetary instruments valued at market value at date of seizure, or as soon thereafter as reasonably possible and disclosed? (SFFAS 3, par. 62 and 63; OMB Bull. 94-01, app. C, p. 18, item 1g)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>146. Is the value of Seized Property taken under the Internal Revenue Code based on the taxpayer's equity (market value less any third-party liens)? (SFFAS 3, par. 64)</p>		
<p>147. Are the following items of Seized Property disclosed: (SFFAS 3, par. 66; OMB Bull. 94-01, app. C, p. 62, note 11)</p> <ul style="list-style-type: none"> a. What constitutes a seizure and the composition of the property? b. Valuation method(s)? c. Changes in accounting? d. Analysis of the change in the reported amounts? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Forfeited Property		
Forfeited Property consists of (a) monetary instruments, intangible property, tangible personal property, and real property, acquired through forfeiture proceedings, (b) property acquired to satisfy a tax liability, and (c) unclaimed and abandoned merchandise. (SFFAS 3, par. 68)		
148. Are seized monetary instruments reclassified to Forfeited Property when a forfeiture judgement is obtained? (SFFAS 3, par. 69 & 70; OMB Bull. 94-01, app. C, p. 19, item 1h)		
149. Are forfeited monetary instruments valued at their market value at time of forfeiture with a corresponding revenue amount recognized and any liability related to a previous seized amount removed? (SFFAS 3, par. 69)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
150. Is Forfeited tangible, real, and intangible personal property recognized as an asset at its fair value at the time of forfeiture with an offsetting deferred revenue recognized? (SFFAS 3, par. 70)		
151. Is an allowance account (contra asset account) established for expected payments to third-party claimants related to Forfeited Property recognized? (SFFAS 3, par. 70)		
152. Is no financial value placed on Forfeited Property which cannot be sold, but can only be donated or destroyed? (SFFAS 3, par. 71)		
153. Is Forfeited Property not held for sale reclassified as property held for distribution or use when a determination is made that it will be distributed and not sold? (SFFAS 3, par. 74)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>154. When Forfeited Property is sold, is revenue in the amount of the proceeds recognized and any deferred revenue previously recognized removed? (SFFAS 3, par. 72, 75, 76, & 77)</p>		
<p>155. Is Forfeited Property that will not be available to support the entity's operations classified as a non-entity asset? (OMB Bull. 94-01, app. C, p. 19, item 1h)</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>156. Are the following items related to Forfeited Property disclosed: (SFFAS 3, par. 78; OMB Bull. 94-01, app. C, p. 62, note 12)</p> <ul style="list-style-type: none"> a. Composition of the property? b. Valuation method(s)? c. Changes in accounting? d. Analysis of the change in the reported amounts? e. Restrictions? f. Estimates of the value of property to be distributed to other federal agencies or state and local governments in future reporting periods? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
Foreclosed Property		
<p>Foreclosed Property is any asset received in satisfaction of a loan receivable or as a result of payment of a claim under a guaranteed or insured loan. (SFFAS 3, par. 79)</p>		
<p>157. Is post-1991 Foreclosed Property valued at the net present value of projected cash flows associated with the property? (SFFAS 3, par. 79 & 81; OMB Bull. 94-01, app. C, p. 54, items D & E)</p>		
<p>158. Are receipts or disbursements associated with acquiring and holding post-1991 Foreclosed Property charged or credited to the Foreclosed Property account? (SFFAS 3, par. 88)</p>		
<p>159. Is pre-1992 Foreclosed Property reported at cost and adjusted to the lower of cost or net realizable value; the difference being reported in a valuation allowance account? (SFFAS 3, par. 81)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>160. Are claims of third parties (lenders or debtors) accounted for in a valuation allowance account? (SFFAS 3, par. 87)</p>		
<p>161. Is the difference between the net carrying amount of Foreclosed Property and the net proceeds of a sale recorded as a component of operating results--gains/losses? (SFFAS 3, par. 89)</p>		
<p>162. Is Foreclosed Property placed into operation, reclassified as follows: (SFFAS 3, par. 89)</p> <ul style="list-style-type: none"> a. For post-1991 loans or guarantees: a reestimate of subsidy expense? b. For pre-1992 loans or guarantees: a gain or loss? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>163. Are the following items related to Foreclosed Property disclosed: (SFFAS 3, par. 91; OMB Bull. 94-01, app. C, p. 58, note 7, item I)</p> <ul style="list-style-type: none"> a. Balances by categories? b. Valuation method(s)? c. Changes in accounting? d. Restrictions? e. Number of properties held and the average holding period by category? f. Number of properties for which foreclosure proceedings are in process? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Goods Held Under Price Support and Stabilization Programs		
<p>Goods Held Under Price Support and Stabilization Programs, hereafter referred to as "commodities," are items of commerce or trade (usually farm commodities) having an exchange value. In conducting price support programs, farmers are: (1) given nonrecourse loans under which they can, at their option, repay the loan with interest or surrender their commodity pledged as collateral for the loan or (2) enter into purchase agreements which allow the farmer, at his/her option, to either sell commodities to the government at the price support rate (referred to as "purchase settlement") or sell commercially at the going rate. (SFFAS 3, par. 92, 93, & 94; OMB Bull. 94-01, app. C, p.19, item 1i)</p>		
<p>164. Are nonrecourse loans recognized as assets at the time the principal is disbursed? (SFFAS 3, par. 96)</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
165. Is interest accrued on nonrecourse loans recognized periodically as it is earned? (SFFAS 3, par. 96)		
166. Are probable losses (the difference between the principal nonrecourse loan amount plus interest and the net realizable value of the Commodities held as collateral for the loan) recognized periodically and recorded in an allowance account? (SFFAS 3, par. 97 & 102)		
167. Are losses that are less than probable disclosed if it is at least reasonably possible that a loss may occur? (SFFAS 3, par. 98)		
168. Are Commodities recognized as assets when the farmer surrenders title to satisfy a nonrecourse loan or upon purchase by the agency? (SFFAS 3, par. 99 & 104)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
169. Subsequent to acquisition, are Commodities carried at the lower of cost or net realizable value and is the difference, if any, recognized as a loss on farm price support? (SFFAS 3, par. 107)		
170. Are Commodities held for purposes other than sale, removed from the Commodities account, and reported as an expense upon their transfer? (SFFAS 3, par. 101)		
171. Does the cost of Commodities acquired include all costs (excluding interest on a nonrecourse loan) in acquiring title to the Commodities (such as processing, packaging, and transportation)? (SFFAS 3, par. 105 & 106)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>172. Is revenue recognized at the time of the sale of the Commodities and is the Commodity account reduced accordingly with a corresponding amount reported as cost of goods sold? (SFFAS 3, par. 100)</p>		
<p>173. Is a liability for losses on purchase agreements recognized for the difference between the contract price and the net realizable value of the commodities? (SFFAS 3, par. 103)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>174. Are the following items related to Commodities disclosed: (SFFAS 3, par. 109; OMB Bull. 94-01, app. C, p. 63, note 13)</p> <ul style="list-style-type: none"> a. Valuation method(s)? b. Changes in accounting? c. Restrictions? d. An analysis showing the changes for commodities occurring during the period? e. Dollar value and volume of purchase agreement commitments? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Property, Plant, and Equipment		
<p>175. Are items of Property, Plant, and Equipment separately disclosed in the following categories, if material: (OMB Bull. 94-01, app. C, p. 19, item 1j & note 14, p. 64)</p> <ul style="list-style-type: none"> a. Land? b. Structures, Facilities, and Leasehold Improvements? c. Military Equipment? d. ADP Software? e. Equipment? f. Assets Under Capital Lease? g. Natural Resources? h. Construction in Process? i. Other? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>176. For each category of Property, Plant, and Equipment, are the following items disclosed: (OMB Bull. 94-01, app. C, p. 19, item 1j & note 14, p. 64 & exhibit 1, note 1L, p. 5)</p> <ul style="list-style-type: none"> a. Capitalization policy? a. Depreciation method? b. Service life? c. Acquisition value? d. Accumulated depreciation? e. Net book value? 		
<p>177. Are Property, Plant, and Equipment and Capital Leases described in a footnote? (OMB Bull. 94-01, app. C, exhibit 1, note 1L, p. 5)</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
178. Are items belonging to the reporting entity in the hands of contractors or other governmental entities reported under Property, Plant, and Equipment? (OMB Bull. 94-01, app. C, p. 19, item 1j)		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>179. If the reporting entity is the lessee, are the following items under capital leases disclosed in a note to the financial statements: (OMB Bull. 94-01, p. 71, note 17)</p> <ul style="list-style-type: none"> a. The value of land and buildings leased? b. The value of machinery and equipment leased? c. Value of other assets? d. Total accumulated amortization? e. Description of the leases? f. Under the three categories of assets leased above, the future payments due for: (1) each of the next 5 years, (2) all years after 5 years (one figure), and (3) total payments? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>g. Under the three categories of assets leased above, subtracted from total payments: (1) imputed interest and (2) executory costs to yield a total capital lease liability?</p> <p>h. The portion of the total capital lease liability both funded with budgetary resources and unfunded?</p>		
<p>180. If the reporting entity is the lessee, are (1) descriptions of operating leases and (2) the amounts of payments expected for each of the following 5 years and all years after 5 years (one figure) disclosed in the footnotes? (OMB Bull. 94-01, p. 71, note 17)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>181. If the reporting entity is the lessor, are the following items disclosed for both capital and operating leases: (OMB Bull. 94-01, p. 71, note 17)</p> <p>a. Description of the lease agreements?</p> <p>b. Amount of projected cash receipts for each of the next 5 years under three categories: (1) land and buildings, (2) machinery and equipment, and (3) other assets?</p> <p>c. Amount of projected cash receipts for all years after 5 years (one figure) under three categories: (1) land and buildings, (2) machinery and equipment, and (3) other assets?</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>182. Is the nature and extent of items of Property, Plant, and Equipment reported at zero amount (such as public domain lands) disclosed? (OMB Bull. 94-01, app. C, p. 19, item 1j & note 14, p. 64)</p>		
<p>183. Are restrictions as to the use or convertability of Property, Plant, and Equipment disclosed? (OMB Bull. 94-01, app. C, p. 19, item 1j & note 14, p. 64)</p>		
<p>Other Assets</p>		
<p>184. Are Other Assets included in this line (such as prepaid amounts and deferred charges) shown under any other category? (OMB Bull. 94-01, app. C, p. 16, item 1a(6) & p. 17, item 1b(6))</p>		
<p>185. Is the accounting treatment for prepaid amounts and deferred charges disclosed? (OMB Bull. 94-01, app. C, exhibit 1, note 1M, p. 5)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
<p>186. Are the main components of Other Assets broken out and described in a note to the financial statements? (OMB Bull. 94-01, app. C, pp. 50 & 51, note 6)</p>		
<p>Accounts Payable</p>		
<p>187. Are Accounts Payable included in any other liability category? (OMB Bull. 94-01, app. C, p. 5, item 4a(1) & 5a(1))</p>		
<p>188. Do Accounts Payable exclude amounts related to ongoing continuous expenses such as salary and related benefits expense? (SFFAS 1, par. 75)</p>		
<p>189. Are Accounts Payable owed to other federal agencies reported separately from those owed to the public? (SFFAS 1, par. 76, OMB Bull. 94-01, app. C, p. 5, items 4a(1), 4b(1), 5a(1), & 5b(1))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>190. Are Accounts Payable covered by budgetary resources reported separately from those not covered by budgetary resources? (SFFAS 1, par. 80; OMB Bull. 94-01, app. C, p. 23, item 4b(1) & p. 25, item 5a(1))</p>		
<p>Interest Payable</p>		
<p>191. Is interest incurred but unpaid recognized as Interest Payable and reported as a liability? (SFFAS 1, par. 81; OMB Bull. 94-01, app. C, p. 5, items 4a(2) & 4b(2) & pp. 22 & 23, items 4a(2) & 4b(2))</p>		
<p>192. Is Interest Payable to federal entities reported separately from Interest Payable to the public? (SFFAS 1, par. 82; OMB Bull. 94-01, app. C, pp. 22 & 23, items 4b(2) & 4b(2))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
193. Is Interest Payable covered by budgetary resources reported separately from Interest Payable not covered by budgetary resources? (OMB Bull. 94-01, app. C, p. 22 & 23, items 4a(2) & 4b(2))		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Other Current Liabilities		
<p>194. Does the caption "Other Current Liabilities" include liabilities that:</p> <ul style="list-style-type: none"> a. Are to be paid within the fiscal year following the reporting date? (SFFAS 1, app. C, p. 48 (definition of current liabilities)) b. Are not material enough to be recognized in specific categories (examples of specific categories include accounts payable, interest payable, and debt owed the public)? (SFFAS 1, par. 83 & 84) c. Typically are accrued, such as employees' wages, accrued entitlement benefits payable, and annuities administered by a trust? (SFFAS 1, par. 84) 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>195. Are the accrued liabilities and their funding status described in a note to the financial statements? (OMB Bull. 94-01, app. C, exhibit 1, note 1N, p. 5)</p>		
<p>196. Are advances and prepayments (revenues received in advance of being earned) reported as a current liability? (SFFAS 1, par. 85)</p>		
<p>197. Are Other Current Liabilities due to federal entities reported separately from those due to employees and the public? (SFFAS 1, par. 85; OMB Bull. 94-01, app. C, p. 22, item 4a(4), p. 27, item 5b(5), p. 68, note 16A, & p. 69, note 16C)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>198. Are the amounts of Current Liabilities covered by budgetary resources and not covered by budgetary resources separately disclosed? (SFFAS 1, par. 86; OMB Bull. 94-01, app. C, p. 22, item 4a(4), p. 27, item 5b(5), p. 68, note 16A, & p. 69, note 16C)</p>		
<p>Liabilities for Loan Guarantees</p>		
<p>Questions related to this line item are covered under line item 8, "Credit Program Receivables and Related Property."</p>		
<p>Lease Liabilities</p>		
<p>Questions related to this line item are covered under line item 16, "Property, Plant, and Equipment."</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Debt		
<p>Debts are liabilities represented by instruments (for example, Treasury bills, notes, and bonds; FHA debentures; and TVA bonds) which contain specific terms that are issued to creditors for cash or cash equivalents. (OMB Bull. 94-01, app. C, p. 26, item 5b(2) & note 15, p. 67)</p>		
<p>There are two major categories of debt: (1) those covered by budgetary resources and (2) those not covered by budgetary resources. Debt is also divided into two additional categories: (1) intragovernmental debt, which are amounts borrowed from other federal entities and (2) debt held by the public. (OMB Bull. 94-01, app. C, note 15, p. 67)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>199. Does the amount of intragovernmental debt include the following three categories: (1) borrowing from the Treasury, (2) borrowing from the Federal Financing Bank, and (3) borrowing from other federal entities? (OMB Bull. 94-01, app. C, note 15, p. 66)</p>		
<p>200. Are the following items related to intragovernmental debt disclosed in a note to the financial statements: (OMB Bull. 94-01, app. C, note 15, p. 66)</p> <ul style="list-style-type: none"> a. Beginning balance? b. New borrowings? c. Repayments? d. Ending balance? e. Refinancing? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>201. For liabilities not covered by budgetary resources, only the Treasury's Bureau of Public Debt reports total public debt. Is the debt reported in two parts: (1) held by government accounts and (2) held by the public? (OMB Bull. 94-01, app. C, note 15, p. 66)</p>		
<p>202. Are the following items related to the public debt and agency debt disclosed: (OMB Bull. 94-01, app. C, note 15, p. 66)</p> <ul style="list-style-type: none"> a. Beginning balance? b. New borrowing? c. Repayments? d. Ending balance? e. Refinancing? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>203. Are the following three items related to agency debt (issued by agencies such as TVA bonds) not covered by budgetary resources disclosed: (OMB Bull. 94-01, app. C, note 15, p. 66)</p> <ul style="list-style-type: none"> a. Held by government accounts? b. Held by the public? c. Total agency debt? 		
<p>204. Is the following information related to debt disclosed: (OMB Bull. 94-01, app. C, note 15, p. 67)</p> <ul style="list-style-type: none"> a. Maturity dates? b. Redemption and call features? c. Stated interest? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>205. Are repayment terms and interest payable, related to borrowings from the Treasury described in a note to the financial statements? (OMB Bull. 94-01, app. C, exhibit 1, note 1P, p. 6)</p>		
<p>Pensions and Other Actuarial Liabilities</p>		
<p>Pensions and Other Actuarial Liabilities include agency administered (1) pension plans, (2) health insurance programs, and (3) other programs (such as Veterans Benefits and Compensation, Black Lung, Federal Employees Compensation Act, and Longshore and Harbor Workers Program) where actuarial determinations and present value calculations are involved. Note: this shall only apply to (and information shall only be reported by) entities that administer the program or activity. This would exclude benefit plans such as Social Security and the Thrift Savings Plan. (OMB Bull. 94-01, app. C, p. 26, item 5b(4))</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>206. Are Pension and Other Actuarial Liabilities reported as liabilities under both (1) those covered by budgetary resources and (2) those not covered by budgetary resources? (OMB Bull. 94-01, app. C, p. 5, items 4b(4) & 5b(4), & note 18, p. 77, item D)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>207. Is the following information for (1) pension plans, (2) health insurance programs, and (3) other programs disclosed: (OMB Bull. 94-01, app. C, note 18, p. 76)</p> <ul style="list-style-type: none"> a. Actuarial present value of projected plan benefits? b. Assumed interest rate? c. Assets available to pay benefits (actuarial liability covered by budgetary resources)? d. Actuarial liability not covered by budgetary resources? e. Other major assumptions made in determining the actuarial amounts? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>208. Does the Statement of Financial Position report separately: (OMB Bull. 94-01, app. C, 4b(5) & 5b(4); note 18, p. 77, item D)</p> <p>a. Pension liabilities covered by budgetary resources?</p> <p>b. Pension liabilities not covered by budgetary resources?</p>		
<p>209. Are the terms and funding source of employee retirement plans administered by the agency disclosed? (OMB Bull. 94-01, app. C, exhibit 1, note 1S, pp. 6 & 7)</p>		
<p>Other Liabilities</p>		
<p>210. Are liabilities included under this line item not recognized under any other specific liability category? (OMB Bull. 94-01, app. C, p. 24, item 4b(6))</p>		

Section IV
Principal Financial Statements

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>211. Are the following examples of liabilities reported under other liabilities: (OMB Bull. 94-01, app. C, p. 24, item 4b(6), & p. 27, item 5b(5))</p> <ul style="list-style-type: none"> a. Accrued entitlement benefits? b. Noncurrent advances and prepayments received? c. Employees accrued annual leave? d. Deposit fund amounts held in escrow? 		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>e. Commitments and contingencies for which estimated losses have occurred and future payments are to be made, such as from: (OMB Bull. 94-01, app. C, p. 24, item 4b(6), & p. 27, item 5b(5))</p> <p>(1) Insurance losses?</p> <p>(2) Indemnity agreements?</p> <p>(3) Adjudicated claims?</p> <p>(4) Commitments to international financial institutions?</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
<p>212. Is the following information about "other liabilities" disclosed in a note to the financial statements, if applicable: (OMB Bull. 94-01, app. C, note 16, pp. 68 & 69)</p> <ul style="list-style-type: none"> a. Liabilities covered by budgetary resources? b. Liabilities not covered by budgetary resources? c. Intragovernmental liabilities? d. Liabilities due to those outside the federal government? e. Current and noncurrent portions of liabilities? 		
<p>213. Is the method for computing, recording, and funding annual, sick, and other leave described? (OMB Bull. 94-04, app. C, exhibit 1, note 1R, p. 6)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/NA	Explanation
Net Position		
<p>214. Is the following information about Net Position disclosed in a note to the financial statements: (OMB Bull. 94-01, app. C, p. 28, item 7, & p. 78, note 19)</p> <p>a. Unexpended Appropriations:</p> <p> (1) Unobligated --Available? --Unavailable?</p> <p> (2) Undelivered Orders/Obligations?</p> <p>b. Invested Capital?</p> <p>c. Cumulative Results of Operations?</p> <p>d. Other?</p> <p>e. Future Funding Requirements?</p> <p>f. Total (of the above five items)?</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF FINANCIAL POSITION	Yes/No/ NA	Explanation
215. Are the totals of each of the above five items in the preceding question divided among (1) Revolving Funds, (2) Trust Funds, and (3) Appropriated Funds?		

**Section IV
Principal Financial Statements**

**STATEMENT OF OPERATIONS
(AND CHANGES IN NET POSITION)**

The questions related to the Statement of Operations (and Changes in Net Position) are organized under 13 line items containing 41 questions (216-257) as follows.

There are footnote disclosure requirements for the Statement of Operations which have been covered in questions appearing under the Statement of Financial Position that will not be repeated in questions on this statement. However, the last segment of this part, Notes to the Financial Statements, lists the question contained in each line item in the Statement of Financial Position and this statement.

	Question Numbers
General Item	216
Revenues and Financing Sources	
1. Appropriated Capital Used	217
2. Revenues from Sales of Goods or Services	218-220
3. Interest and Penalties	221-224
4. Taxes	225-226
5. Other Revenues and Financing Sources	227-230
Expenses	
6. Program or Operating Expenses	231-232
7. Cost of Goods or Services Sold	233-235
8. Depreciation and Amortization	236
9. Bad Debts and Write-offs	237-238
10. Interest	239-240
11. Other Expenses	241-243
12. Net Revenues and Financing Sources Over Total Expenses and Extraordinary Items	244-247
Net Position	
13. Net Position	248-257

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
General Item		
216. Does the Statement of Operations (and Changes in Net Position) report the results of operations, including: (1) revenues and financing sources, (2) expenses, (3) the difference between the two, and (4) the resulting change in net position? (OMB Bull. 94-01, app. B, p. 3 & app. C, p. 6)		
Appropriated Capital Used		
Appropriated capital finances the reporting entity's expenses and appears on the Statement of Operations as a positive amount.		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
<p>217. Does reported Appropriated Capital Used also include, if applicable: (OMB Bull. 94-01, app. C, p. 30, item 1)</p> <ul style="list-style-type: none"> a. Unfunded prior period expenses funded with current period appropriations? b. Depreciation of fixed assets purchased in prior periods? c. Consumption of inventory purchased in prior periods? d. Accrued and actual losses on inventory write-downs? e. Bad debt expense related to long-term loans receivable and related interest on pre-1992 loans? 		

Section IV
Principal Financial Statements

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
Revenues from Sales of Goods or Services		
218. Are revenues arising from the sale of goods or services reported in the financial statements? (OMB Bull. 94-01, app. C, p. 30, item 2a)		
219. Are revenues arising from the sale of goods or services broken out between sales to the public and other governmental agencies? (OMB Bull. 94-01, app. C, p. 30, items 2a & 2b)		
220. Are revenues and other financing sources described in a note to the financial statements? (OMB Bull. 94-01, app. C, exhibit 1, note 1E, p. 3)		
Interest and Penalties		
221. Are revenues earned from nonfederal interest and penalties reported? (OMB Bull. 94-01, app. C, p. 30, item 2a)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
<p>222. Does reported nonfederal interest and penalties also include, if applicable, late payment penalties imposed on debtors in accordance with the Debt Collection Act? (OMB Bull. 94-01, app. C, p. 30, item 3)</p>		
<p>223. Are revenues earned from interest on federal securities held by the entity reported? (OMB Bull. 94-01, app. C, p. 30, item 4)</p>		
<p>224. Does federal interest also include, if applicable, interest on uninvested funds in guaranteed loans and direct loan financing accounts? (OMB Bull. 94-01, app. C, p. 30, item 4)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
Taxes		
225. Are all taxes and other collections resulting from the federal government's sovereign powers to tax reported under "taxes" and disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, p. 30, item 5 & note 20, p. 80)		
226. Is the nature and amount of the taxes collected disclosed? (OMB Bull. 94-01, app. C, p. 80, note 20)		
Other Revenues and Financing Sources		
227. Are all revenues and other financing sources not included under the previous captions reported and disclosed? (OMB Bull. 94-01, app. C, p. 30, item 6 & note 21, p. 80)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
<p>228. Is the nature and amount of other revenues and financing sources disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, p. 80, note 21)</p>		
<p>229. Are revenues and financing sources included under the previous captions, which have either been transferred to or retained for the use of the Treasury or other agencies, reported? (OMB Bull. 94-01, app. C, p. 31, item 7)</p>		
<p>230. Are total revenues and financing sources less "Taxes and Receipts Returned to the Treasury" reported? (OMB Bull. 94-01, app. C, p. 31, item 8)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
Program or Operating Expenses		
231. Are expenses incurred in conducting the normal activities of the department or agency reported and classified either by program or major object class in a note to the financial statement? (OMB Bull. 94-01, app. C, p. 31, item 9 & note 22, p. 81)		
232. Are expenditures for capitalized assets, interest, cost of goods sold, and "other" expenses separately reported? (OMB Bull. 94-01, app. C, p. 31 item 9 & p. 81, note 22)		
Cost of Goods or Services Sold		
233. Are expenditures applicable to the cost of goods sold, including the carrying value of commodities sold from stock, separately reported? (OMB Bull. 94-01, app. C, p. 81, note 22)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
235. Are expenditures applicable to the cost of goods sold to the public and other federal entities separately disclosed? (OMB Bull. 94-01, app. C, p. 81, items 10a & 10b)		
Depreciation and Amortization		
236. Are depreciation and amortization costs separately reported, if material? (OMB Bull. 94-01, app. C, p. 31, item 11)		
Bad Debts and Write-offs		
237. Are estimated or actual amounts of receivables determined to be uncollectible during the accounting period separately reported, if material? (OMB Bull. 94-01, app. C, p. 31, item 12)		
238. Are write-downs for inventory shortages or obsolescence, and write-offs of fixed assets reported separately, if material? (OMB Bull. 94-01, app. C, p. 31, item 12)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
239. If the financial statement is for a loan program, are write-offs and related expenses reported under "program or operating expenses?" (OMB Bull. 94-01, app. C, p. 31, item 12)		
Interest		
240. Is interest expense for agency borrowings from the Treasury, interest on agency debt issued under special agency authority, and other interest expense separately reported? (OMB Bull. 94-01, app. C, p. 31, item 13)		
Other Expenses		
241. Are all other expenses, as for example, losses on the disposition of assets and collateral property, not included under the previous captions reported? (OMB Bull. 94-01, app. C, p. 32, item 14 & note 23, p. 82)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
242. Is the nature and amount of "any significant other expenses" not included under previous captions disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, p. 32 item 14 & note 23, p. 82)		
243. Are the expenses under the previous captions totaled and reported? (OMB Bull. 94-01, app. C, p. 32, item 15)		
Net Revenues and Financing Sources Over Total Expenses and Extraordinary Items		
244. Is the excess or shortage of revenues and financing sources over total expenses before adjustments reported? (OMB Bull. 94-01, app. C, p. 32, item 16)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
245. Are revenues and expenses unrelated to the agency's ordinary activities that were not included in the previous categories of revenues and expenses reported and disclosed? (OMB Bull. 94-01, app. C, p. 32, item 17 & note 24, p. 82)		
246. Are the nature and amount of the extraordinary items disclosed? (OMB Bull. 94-01, app. C, p. 32 item 17 & note 24, p. 82)		
247. Is the excess or shortage of revenues and financing sources over total expenses after extraordinary items reported? (OMB Bull. 94-01, app. C, p. 32, item 18)		
Net Position		
248. Is the "net position, beginning balance" reported? (OMB Bull. 94-01, app. C, p. 32, item 19)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
249. Does the net position, beginning balance agree with the "net position, ending balance" reported on the entity's prior year statement of financial position? (OMB Bull. 94-01, app. C, p. 32, item 19)		
250. Are adjustments that represent an accounting change or a correction of an error in previously issued statements disclosed? (OMB Bull. 94-01, app. C, p. 32, item 20 & note 24, p. 82)		
251. Is the nature and amount of adjustments disclosed in a note to the financial statements? (OMB Bull. 94-01, app. C, p. 32 item 20 & note 24, p. 82)		
252. Is the net position balance as of the beginning of the current fiscal year reported net of "prior period adjustments"? (OMB Bull. 94-01, app. C, p. 32 item 21)		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
<p>253. Is the previously stated "excess or shortage of revenues and financing sources over total expenses after extraordinary items" reported just below "net position, beginning balance, as restated?" (OMB Bull. 94-01, app. C, p. 32, item 22)</p>		
<p>254. Are nonoperating changes to the agency's net position during the fiscal year that were not a part of revenues and financing sources, expenses, extraordinary items, or prior period adjustments reported? (OMB Bull. 94-01, app. C, p. 33, item 23 & note 25, p. 83)</p>		
<p>255. Is the nature and amount of nonoperating changes disclosed? (OMB Bull. 94-01, app. C, p. 33 item 23 & note 25, p. 83)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF OPERATIONS (AND CHANGES IN NET POSITION)	Yes/No/ NA	Explanation
<p>256. Is the net position, ending balance, that is reported, derived from the sum of the "excess (shortage) of revenues and financing sources over total expenses" and the "plus (minus) nonoperating changes?" (OMB Bull. 94-01, app. C, p. 33 item 24)</p>		
<p>257. Does the reported "net position, ending balance" equal the ending net position balance reported on the statement of financial position? (OMB Bull. 94-01, app. C, p. 33 item 24)</p>		

Section IV
Principal Financial Statements

STATEMENT OF CASH FLOWS

Beginning with the fiscal year 1997 financial statements, the Statement of Cash Flows will not be required. For fiscal years 1995 and 1996, agencies may request from OMB a waiver of the requirement to include a Statement of Cash Flows in their financial statements. However, if an agency believes the information contained in the statement is useful, it is not precluded from preparing the statement for inclusion in its annual financial report.

The Statement of Cash Flows can be prepared under one of two methods: the Direct Method or the Indirect Method. The Direct Method contains 21 questions and the Indirect method contains 22 questions. Each method contains five major line items. Although each method provides a different presentation, they both contain the same information, and, consequently, 20 of the 21 questions under the Direct Method are also used under the Indirect Method as shown under the five major line items on the next page.

Users of this guide should also note that there are footnote disclosure requirements for the Statement of Cash Flows. Any footnote disclosure requirements not covered in the questions in this section will appear under the questions in the Statements of Financial Position and Operations.

**Section IV
Principal Financial Statements**

	Question Numbers
Direct Method	
General Item	258
1. Cash Provided (Used) By Operating Activities	259-262
2. Cash Provided (Used) By Investing Activities	263-264
3. Cash Provided (Used) By Financing Activities	265-271
4. Reconciliation of Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	272-274
5. Supplemental Schedule of Financing and Investing Activity	275-278
Indirect Method	
General Item	279
1. Cash Flows From Operating Activities	259-262
2. Cash Flows From Investing Activities	263-264
3. Cash Flows From Financing Activities	265-271
4. Supplemental Disclosure of Cash Flow Information	280
5. Supplemental Schedule of Financing and Investing Activity	275-278

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
Direct Method		
<p>258. In the Direct Method, is the Statement of Cash Flows divided into the following five parts? (OMB Bull. 94-01, app. C, pp. 7 & 8)</p> <ul style="list-style-type: none"> a. Cash Provided (Used) By Operating Activities. b. Cash Provided (Used) By Investing Activities. c. Cash Provided (Used) by Financing Activities. d. Reconciliation of Excess (Shortage) of Revenues and Financing Sources over Total Expenses. e. Supplemental Schedule of Financing and Investing Activity. 		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
Direct Method: Cash Provided (Used) By Operating Activities		
Operating activities usually involve the production and provision of goods and services. (OMB Bull. 94-01, app. C, p. 34, top)		
259. Is the "Cash Provided (Used) By Operating Activities" part divided into two segments: (1) "Cash Provided By" and (2) "Cash Used For?" (OMB Bull. 94-01, app. C, p. 7)		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>260. Does the "Cash Provided By" segment include cash collections in the following line items in the statement: (OMB Bull. 94-01, app. C, p. 7)</p> <ul style="list-style-type: none"> a. Tax collections? (OMB Bull. 94-01, app. C, p. 34, item 17) b. Sales of goods and services? (OMB Bull. 94-01, app. C, p. 34, item 2) c. Interest and penalties? (OMB Bull. 94-01, app. C, p. 34, item 3) d. Benefit programs? (OMB Bull. 94-01, app. C, p. 34, item 4) e. Insurance and guarantee programs? (OMB Bull. 94-01, app. C, p. 34, item 5) 		

Section IV
Principal Financial Statements

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
f. Other? (OMB Bull. 94-01, app. C, p. 34, item 6)		
g. Total cash provided? (OMB Bull. 94-01, app. C, p. 34, item 7)		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>261. Does the "Cash Used For" segment include cash disbursed for the following line items in the statement? (OMB Bull. 94-01, app. C, p. 7)</p> <ul style="list-style-type: none"> a. Interest? (OMB Bull. 94-01, app. C, p. 34, item 8) b. Personnel services and benefits? (OMB Bull. 94-01, app. C, p. 34, item 9) c. Travel and transportation? (OMB Bull. 94-01, app. C, p. 34, item 10) d. Rent, communications, and utilities? (OMB Bull. 94-01, app. C, p. 34, item 11) e. Printing and reproduction? (OMB Bull. 94-01, app. C, p. 34, item 12) 		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>f. Other contractual services? (OMB Bull. 94-01, app. C, p. 34, item 13)</p> <p>g. Supplies and materials? (OMB Bull. 94-01, app. C, p. 34, item 14)</p> <p>h. Insurance claims and indemnities? (OMB Bull. 94-01, app. C, p. 34, item 15)</p> <p>i. Grants, subsidies, and contributions? (OMB Bull. 94-01, app. C, p. 35, item 16)</p> <p>j. Other? (OMB Bull. 94-01, app. C, p. 35, item 17)</p> <p>k. Total cash used? (OMB Bull. 94-01, app. C, p. 35, item 18)</p>		
<p>262. Is the net amount of cash (the difference between cash provided and cash used in operating activities) reported as a line item in the statement? (OMB Bull. 94-01, app. C, p. 35, item 19)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
Direct Method: Cash Provided (Used) by Investing Activities		
Investment activities involve the acquisition and disposition of debt, equity, and fixed assets. (OMB Bull. 94-01, app. C, p. 35, middle)		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>263. Does the "Cash Provided (Used) by Investing Activities" part include the net cash proceeds or disbursements under the following categories: (OMB Bull. 94-01, app. C, p. 7)</p> <ul style="list-style-type: none"> a. Sale of property, plant, and equipment? (OMB Bull. 94-01, app. C, p. 35, item 20) b. Purchase of property, plant, and equipment? (OMB Bull. 94-01, app. C, p. 35, item 21) c. Sale of debt and equity securities? (OMB Bull. 94-01, app. C, p. 35, item 22) d. Purchase of debt and equity securities? (OMB Bull. 94-01, app. C, p. 35, items 23 & 25) e. Collection of loans receivable? (OMB Bull. 94-01, app. C, p. 35, item 24) 		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>f. Creation of loans receivable? (OMB Bull. 94-01, app. C, p. 35, item 25)</p> <p>g. Other investing activities? (OMB Bull. 94-01, app. C, p. 35, item 26)</p>		
<p>264. Is the net amount of cash provided or (used) by investing activities shown in the statement? (OMB Bull. 94-01, app. C, p. 35, item 19)</p>		
<p>Direct Method: Cash Provided (Used) by Financing Activities</p>		
<p>Financing activities involve the acquisition and reduction of capital through appropriations, borrowings, transfers, and repayments. (OMB Bull. 94-01, app. C, p. 35, bottom)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>265. Does this segment of the statement show a line item, "Appropriations Received Net of Recisions," which includes the following additional line items: (OMB Bull. 94-01, app. C, p. 8)</p> <ul style="list-style-type: none"> a. additions for amounts restored by Treasury? (OMB Bull. 94-01, app. C, p. 35, item 29a) b. additions for amounts of cash transferred from other federal sources? (OMB Bull. 94-01, app. C, p. 36, item 29b) c. deductions for amounts of unobligated appropriations withdrawn by the Treasury? (OMB Bull. 94-01, app. C, p. 35, item 30a) d. deductions for amounts of cash transfers to other federal agencies? (OMB Bull. 94-01, app. C, p. 36, item 30b) 		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
e. the net changes of items a-d above? (OMB Bull. 94-01, app. C, p. 36, item 31) a-d above? (OMB Bull. 94-01, app. C, p. 36, item 31)		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>266. Does this segment of the statement show the following additional line items: (OMB Bull. 94-01, app. C, p. 8)</p> <p>a. Borrowing from the public (cash amounts received)? (OMB Bull. 94-01, app. C, p. 36, item 32)</p> <p>b. Repayment on loans to the public: cash amounts disbursed to liquidate all Treasury (or entity) debt held by the public? (OMB Bull. 94-01, app. C, p. 36, item 33)</p> <p>c. Borrowing from the Treasury and Federal Financing Bank: cash amounts received from such borrowings? (OMB Bull. 94-01, app. C, p. 36, item 34)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>d. Repayments of loans from the Treasury and the Federal Financing Bank: amounts disbursed to liquidate such loans? (OMB Bull. 94-01, app. C, p. 36, item 35)</p> <p>e. Other borrowings and repayments: amounts of other cash collections or disbursements associated with the financing activities of the entity? (OMB Bull. 94-01, app. C, p. 36, item 36)</p> <p>f. Net cash provided (used) by financing activities (the difference between sources and uses under this part)? (OMB Bull. 94-01, app. C, p. 36, item 37)</p>		
<p>267. Is the net amount of cash provided or (used) in all three parts (operating, investing, and financing activities) reported in a single line item? (OMB Bull. 94-01, app. C, p. 36, item 38)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>268. Is the sum of the fund balances with Treasury, cash, and foreign currency at the beginning of the fiscal year reported below the net amount from the previous question? (OMB Bull. 94-01, app. C, p. 36, item 39)</p>		
<p>269. Does the sum of the fund balances with Treasury, cash, and foreign currency at the beginning of the fiscal year (as determined in the previous question) agree with the sum of the balances reported for those accounts on the prior year's Statement of Financial Position? (OMB Bull. 94-01, app. C, p. 36, item 39)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>270. Is the sum of net amount of cash provided (used) by operating, investing, and financing activities either</p> <p>a. added to the fund balances with Treasury, cash, and foreign currency at the <u>beginning</u> of the fiscal year if the net amount is provided or</p> <p>b. subtracted from the fund balances with Treasury, cash, and foreign currency at the <u>beginning</u> of the fiscal year if the net amount is used</p> <p>to arrive at a bottom line item called "Fund Balances with Treasury, Cash, and Foreign Currency, <u>Ending</u>?" (OMB Bull. 94-01, app. C, p. 36, item 40)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>271. Does this "Fund Balances with Treasury, Cash, and Foreign Currency, <u>Ending</u>" agree with the same amount reported in the current year's Statement of Financial Position? (OMB Bull. 94-01, app. C, p. 36, item 40)</p>		
<p>Direct Method: Reconciliation of Excess (Shortage) of Revenues and Financing Sources over Total Expenses</p>		
<p>272. Does this part of the Statement of Cash Flows begin with the line item, "Excess (Shortage) of Revenues and Financing Sources over Total Expenses" as reported in the Statement of Operations and Changes in Net Position? (OMB Bull. 94-01, app. C, p. 32, item 18 p. 36, item 41)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>273. Are the following 10 line items reported as adjustments to "Excess (Shortage) of Revenue and Financing Sources Over Total Expenses" to arrive at "Net Cash Provided (Used) by Operating Activities?" (OMB Bull. 94-01, app. C, p. 9 & p. 37, item 52)</p> <p>a. Appropriated Capital Used (reported as a reduction of cash provided by operating activities)? (OMB Bull. 94-01, app. C, p. 30, item 1, & p. 37, item 42)</p>		
<p>b. Decrease <Increase> in Accounts Receivable (OMB Bull. 94-01, app. C, p. 37, item 43)</p>		
<p>c. Decrease <Increase> in Loans Receivable (OMB Bull. 94-01, app. C, p. 37, item 44)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>d. Decrease <Increase> in Other Assets (OMB Bull. 94-01, app. C, p. 37, item 45)</p>		
<p>e. Increase <Decrease> in Accounts Payable (OMB Bull. 94-01, app. C, p. 37, item 46)</p>		
<p>f. Increase <Decrease> in Other Liabilities (OMB Bull. 94-01, app. C, p. 37, item 47)</p>		
<p>g. Depreciation and amortization expenses for the period? (OMB Bull. 94-01, app. C, p. 37, item 48)</p>		
<p>h. Other unfunded expenses, including bad debts and write-offs, annual leave, and other amounts not requiring a cash outlay during the fiscal year? (OMB Bull. 94-01, app. C, p. 37, item 49)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>i. Other adjustments consisting of cash receipts and disbursements such as (1) prior period adjustments, (2) accounting changes, (3) correction of errors in previously issued statements, (4) extraordinary items, and (5) other nonoperating changes? (OMB Bull. 94-01, app. C, pp. 32 & 33, items 20 & 23; notes 24 & 25, pp. 82 & 83; & p. 37, item 50)</p>		
<p>Direct Method: Supplemental Schedule of Financing and Investing Activity</p>		
<p>275. Is supplemental information concerning investing and financing activities that affect liabilities, but do not result in cash receipts or disbursements, shown separately on the Statement of Cash Flows? (OMB Bull. 94-01, app. C, p. 38, top)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>276. Are the monetary amounts and terms of property and equipment acquired under capital leases, that did not result in cash payments, disclosed on a separate line item entitled, "Property and Equipment Acquired Under Capital Lease Obligations?" (OMB Bull. 94-01, app. C, p. 38, item 53)</p>		
<p>277. Are the monetary amounts and terms of property acquired under long-term financing arrangements, that did not result in cash payments shown on a separate line item entitled, "Property Acquired Under Long-term Financing Arrangements?" (OMB Bull. 94-01, app. C, p. 38, item 54)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
278. Are the amounts and terms of exchanges of noncash assets or liabilities, not specifically identified above, shown on a separate line item entitled, "Other Exchanges of Noncash Assets or Liabilities?" (OMB Bull. 94-01, app. C, p. 38, item 55)		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
Indirect Method		
<p>279. Under the Indirect Method is the Statement of Cash Flows divided into the following five parts? (OMB Bull. 94-01, app. C, pp. 10 & 11)</p> <ul style="list-style-type: none"> a. Cash Flows From Operating Activities. b. Cash Flows From Investing Activities. c. Cash Flows From Financing Activities. d. Supplemental Disclosure of Cash Flow Information. e. Supplemental Schedule of Financing and Investing Activity. 		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
<p>Indirect Method: Cash Flows from Operating Activities</p> <p>Indirect Method: Supplemental Disclosure of Cash Flow Information</p>		
<p>Since this part of the Cash Flow Statement, Indirect Method, is the same as the part in the Direct Method called "Reconciliation of Excess (Shortage) of Revenues and Financing Sources over Total Expenses," see questions 260-263.</p>		
<p>Indirect Method: Cash Flows From Investing Activities</p>		
<p>Since this part of the Cash Flow Statement, Indirect Method, is the same as the part in the Direct Method called "Cash Provided (Used) by Investing Activities," see questions 264 and 265.</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF CASH FLOWS	Yes/No/ NA	Explanation
Indirect Method: Cash Flows From Financing Activities		
Since this part of the Cash Flow Statement, Indirect Method is the same as the part in the Direct Method called "Cash Provided (Used) by Financing Activities," see questions 266-272.		
280. Is the amount of interest paid during the fiscal year net of amounts capitalized disclosed in a separate line item under this section? (OMB Bull. 94-01, app. C, p. 41, item 33)		
Indirect Method: Supplemental Schedule of Financing and Investing Activities		
Since this part of the Cash Flow Statement, Indirect Method, is the same as the part in the Direct Method called the same ("Supplemental Schedule of Financing and Investing Activities"), see questions 276-279.		

**Section IV
Principal Financial Statements**

**STATEMENT OF BUDGETARY RESOURCES
AND ACTUAL EXPENSES**

Beginning with the fiscal year 1997 financial statements, the Statement of Budgetary Resources and Actual Expenses will not be required. For fiscal years 1995 and 1996 agencies may request from OMB a waiver of the requirement to include a Statement of Budgetary Resources and Actual Expenses in their financial statements. However, if an agency believes the information contained in the statement is useful, it is not precluded from preparing the statement and including it in its annual report.

While not required to be prepared for agencywide financial statements being prepared for audit, this statement should be prepared by units and components of agencies.

The questions related to the Statement of Budgetary Resources and Actual Expenses are organized under three sections containing a total of 14 questions. The three sections are: (1) general item, one question; (2) budgetary resources by program, nine questions; and (3) budget reconciliation, five questions.

Users of this guide should note that there may be footnote disclosure requirements for the Statement of Budgetary Resources and Actual Expenses. Any footnote disclosure requirements not covered in this section will appear under the Statements of Financial Position and Operations.

	Question Numbers
General Item	281
Budgetary Resources By Programs	282-290
Budget Reconciliation	291-295

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/NA	Explanation
General Item		
<p>The Statement of Budgetary Resources and Actual Expenses is designed to link total expenses reported in the statement of operations to related obligation, expense, and expenditure information in the budget execution reports. (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>281. Is the Statement of Budgetary Resources and Actual Expenses divided into the following two major sections? (OMB Bull. 94-01, app. C, p. 12)</p> <ul style="list-style-type: none"> a. Budgetary resources by programs. b. Budget reconciliation. 		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/NA	Explanation
Budgetary Resources By Programs		
<p>282. Do the reporting entity's budgetary resources for programs, functional activities, or organizational components appear to be broken out on a useful basis to managers and financial statement users? (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>283. For each program, functional activity, or organizational component, are the following items shown? (OMB Bull. 94-01, app. C, p. 12)</p> <ul style="list-style-type: none"> a. Budgetary resources. b. Direct obligations. c. Reimbursed obligations. d. Actual expenses. 		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/NA	Explanation
<p>284. Do budgetary resources include: new budgetary authority, available unobligated balances, reimbursements, recoveries of prior year obligations, and restorations? (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>285. Do total budgetary resources available to the reporting entity agree with the total budgetary resources balance reported on line 7 of the entity's SF-133 and SF-143 reports (or DD Form 1176 for the Department of Defense)? (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>286. Do "budget obligations, direct" include: amounts of orders placed, contracts awarded, services received, and similar transactions, which will result in outlays against budget authority? (OMB Bull. 94-01, app. C, p. 43)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/ NA	Explanation
<p>287. Are the amounts for orders placed, contracts awarded, services received, and similar transactions incurred against authority, which have been earned through the performance of services or sale of goods to others, summarized under "budget obligations, reimbursed?" (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>288. Does the sum of budget obligations, direct and budget obligations, reimbursed, agree with the obligations incurred balance shown on line 8 of the entity's SF-133 and SF-143 reports (or DD Form 1176 for the Department of Defense)? (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>289. Do Actual Expenses include all operating expenses for enumerated programs, functional activities, or organizational components? (OMB Bull. 94-01, app. C, p. 43)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/NA	Explanation
<p>290. Does the total of Actual Expenses broken out by program, functional activities, or organizational components agree with total expenses in the Statement of Operations and Net Position? (OMB Bull. 94-01, app. C, p. 43)</p>		
<p>Budget Reconciliation</p>		
<p>The budget reconciliation section of the Statement of Budgetary and Actual Expenses is designed to reconcile current operating expenses (called Actual Expenses) to expended appropriations reported on line 16 of the entity's SF-133 and SF-143 reports (or DD Form 1176 for the Department of Defense). (OMB Bull. 94-01, app. C, p. 44)</p>		
<p>291. Does the Budget Reconciliation section of the Statement begin with total Actual Expenses? (OMB Bull. 94-01, app. C, p. 12)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/ NA	Explanation
<p>292. Are the following three budget resources expended, but not included in total Actual Expenses in the Statement of Operations and Changes in Net Position, added to Actual Expenses in the Statement? (OMB Bull. 94-01, app. C, pp. 43 & 44)</p> <ul style="list-style-type: none"> a. Capital acquisitions: the acquisition costs of assets purchased and capitalized during the period. b. Loans disbursed: the present value of loans that were issued from current period appropriations and recorded as receivables. c. Other expended budget authority for other items capitalized but not expended. 		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/NA	Explanation
<p>293. Are the following three types of expenses not covered by budgetary authority deducted from Actual Expenses in the Statement? (OMB Bull. 94-01 app. C, p. 44)</p> <ul style="list-style-type: none"> a. Depreciation and amortization costs of capitalized assets. b. Accrued annual leave expenses. c. Other unfunded expenses not included in a or b above. 		
<p>294. Are net revenues from revolving funds, trust funds, and reimbursable agreements deducted from total program operating expenses (Actual Expenses)? (OMB Bull. 94-01, app. C, p. 44)</p>		

**Section IV
Principal Financial Statements**

STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES	Yes/No/ NA	Explanation
<p>295. Does the Statement of Budgetary Resources and Actual Expenses provide a comparison and a reconciliation between: (1) amounts shown on the Report on Budget Execution and the Report on Execution (SF-133 and SF-143, respectively) and (2) the related expenses reported on the entity's Statement of Operations? (OMB Bull. 94-01, app. B, p. 3)</p>		

**Section IV
Principal Financial Statements**

NOTES TO THE FINANCIAL STATEMENTS

The questions related to footnotes in this part not previously covered are under two main captions, "Significant Accounting Policies" and "Contingencies." All other questions on footnote disclosure related to line items in the financial statements appear under the Statements of Financial Position and Operations and Changes in Net Position as the following list shows.

	Question Numbers
Statement of Financial Position	
1. Cash	10-14
2. Fund Balance	17-20
3. Accounts Receivable	23-26
4. Investments in Treasury Securities	31 & 33
5. Investments in Nonfederal Securities	33
6. Interest Receivable	39
7. Advances and Prepayments	
8. Credit Program Receivables and Related Property	46-51, 55, 59, 63, 72, 77-78, 87-89,
9. Inventory	93-94, 97, 98, 106, & 110
10. Operating Materials and Supplies	112-114, 127, & 129
11. Stockpile Materials	134
12. Seized Property	137 & 140-141
13. Forfeited Property	145 & 147
14. Foreclosed Property	156
15. Goods Held Under Price Support and Stabilization Programs	163
16. Property, Plant, and Equipment, Net	167 & 174
17. Other Assets	175-183
18. Accounts Payable	185 & 186
19. Interest Payable	
20. Other Current Liabilities	
21. Liabilities for Loan Guarantees	See line item 8.
22. Lease Liabilities	See line item 16.
23. Debt	200 & 202-205
24. Pensions and Other Actuarial Liabilities	207-209
25. Other Liabilities	212 & 213
26. Net Position	214 & 215

**Section IV
Principal Financial Statements**

Statement of Operations and Changes in Net Position	
1. Appropriated Capital Used	
2. Revenues from Sales of Goods or Services	220
3. Interest and Penalties	221 & 223
4. Taxes	225 & 226
5. Other Revenues and Financing Sources	228
6. Program or Operating Expenses	231
7. Cost of Goods or Services Sold	235
8. Depreciation and Amortization	
9. Bad Debts and Write-offs	
10. Interest	
11. Other Expenses	242
12. Net Revenues and Financing Sources Over Total Expenses and Extraordinary Items	246 & 247
13. Net Position	251 & 255
Significant Accounting Policies	296-300
Contingencies	301-302

**Section IV
Principal Financial Statements**

NOTES TO THE FINANCIAL STATEMENTS	Yes/No/NA	Explanation
Significant Accounting Policies		
<p>Required in this footnote is a summary of appropriate accounting principles and methods that describe the entity's significant assets, liabilities, net position, results of operations, cash flow, and reconciliation to the budget. Also required in this footnote are a description of the major accounts as well as disclosure of any changes in the composition of the reporting entity. (OMB Bull. 94-01, app. C, p. 45, note 1)</p>		
<p>(Note: Questions that would appear under this footnote related to accounting treatment for line items on the financial statements are covered in questions under the Statements of Financial Position and Operations and Changes in Net Position.)</p>		

**Section IV
Principal Financial Statements**

NOTES TO THE FINANCIAL STATEMENTS	Yes/No/NA	Explanation
<p>296. Is a general statement made as to the overall basis of financial statement preparation citing any one of the following four bases? (OMB Bull. 94-01, attach., p. 6 & exhibit 1, note 1A, p. 1)</p> <p>a. SFFAS recommended by FASAB and approved by the principals of the Joint Financial Management Improvement Program.</p> <p>b. OMB Bulletin 94-01.</p> <p>c. Standards contained in agency accounting policies, procedures manuals, and related guidance as of March 29, 1991, so long as they are prevalent practices. (For example, Title 2 of the GAO Policies and Procedures Manual.)</p> <p>d. Accounting principles published by authoritative standard-setting bodies.</p>		

**Section IV
Principal Financial Statements**

NOTES TO THE FINANCIAL STATEMENTS	Yes/No/NA	Explanation
<p>297. Has the entity described its mission and basic organizational components? (OMB Bull. 94-01, app. C, exhibit 1, note 1 B, pp. 1 & 2) (Also see Part 1 of this guide, questions 15 and 16.)</p>		
<p>298. Does the entity describe its basis of accounting, such as the "accrual method?" (OMB Bull. 94-01, app. C, exhibit 1, note 1D, p. 3)</p>		
<p>299. Does the entity list and describe its budgetary accounts? (OMB Bull. 94-01, app. C, exhibit 1, note 1 C, p. 2)</p>		
<p>Contingencies</p>		
<p>300. Has the entity disclosed the basis of estimates having a material effect on line items (such as estimated cash flows, net values, etc.)?</p>		

**Section IV
Principal Financial Statements**

NOTES TO THE FINANCIAL STATEMENTS	Yes/No/ NA	Explanation
<p>301. Has the entity disclosed information for both loss or gain contingencies as required by Statement of Financial Accounting Standards (FASB) No. 5? (OMB Bull. 94-01, app. C, p. 84, note 27)</p>		
<p>302. Has the entity provided estimates of obligations related to cancelled appropriations, for which the entity has contractual commitments for payments? (OMB Bull. 94-01, app. C, p. 84, note 27)</p>		

CONSOLIDATED/COMBINING FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Agencies are encouraged to include additional information that will enhance user understanding of the entity's operations and financial condition. Agencies have wide discretion in presenting this information. (OMB Bull. 94-01, app. B, p. 4, items C & D; & SFFAC 2)

While guidance in these areas will evolve as time goes on, there are only seven questions presented here under two captions as follows.

	Question Numbers
Consolidated/Combined Financial Statements	1-3
Supplemental Information	4-7

Section IV
Consolidated/Combining Financial Statements and Supplemental Information

CONSOLIDATED/COMBINED FINANCIAL STATEMENTS	Yes/No/ NA	Explanation
Consolidated/Combined Financial Statements		
<p>1. Where feasible and appropriate, are consolidating/combining statements presented for component programs, activities, funds, or organizational units? (OMB Bull. 94-01, app. B, p. 4, item C.; SFFAC 2, par. 75-76)</p>		
<p>2. Do consolidated financial statements follow the same accounting standards and requirements that the component individual program, activity, or fund financial statements are prepared under? (OMB Bull. 94-01, app. B, p. 4, item C)</p>		

Section IV
Consolidated/Combining Financial Statements and Supplemental Information

CONSOLIDATED/COMBINED FINANCIAL STATEMENTS	Yes/No/ NA	Explanation
<p>3. Where practical, are amounts representing transactions between component programs, activities, funds, or organizational units eliminated in the consolidated/combined financial statements, for example: interfund receivables payables, or write-ups/downs of assets transferred between organizational units? (SFFAC 2, par. 77)</p>		
Supplemental Information		
<p>4. Does supplemental information include financial and management information not included in the principal statements and footnotes? (OMB Bull. 94-01, app. B, p. 4, item D)</p>		
<p>5. Is supplemental information consistent with the information presented in the principal financial statements? (OMB Bull. 94-01, app. B, p. 4, item D)</p>		

Section IV
Consolidated/Combining Financial Statements and Supplemental Information

CONSOLIDATED/COMBINED FINANCIAL STATEMENTS	Yes/No/ NA	Explanation
<p>6. Does the supplemental information:</p> <p>a. support the information presented in the overview and principal financial statements? (OMB Bull. 94-01, app. B, p. 4, item D)</p> <p>b. enhance the existing information in the overview and principal financial statements? (OMB Bull. 94-01, app. B, p. 4, item D)</p>		
<p>7. Does the supplemental information enhance reader understanding of the financial condition and operations of the reporting entity? (OMB Bull. 94-01, app. B, p. 4, item D)</p>		

(922210)

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015**

or visit:

**Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

**Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066, or TDD (301) 413-0006.**

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

**For information on how to access GAO reports on the INTERNET,
send an e-mail message with "info" in the body to:**

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

