

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Overview

Prior-period adjustments (PPAs), according to the Statement of Federal Financial Accounting Standards (SFFAS) No. 21, *Reporting Corrections of Errors and Changes in Accounting Principles*, occasionally occur as a result of material corrections of errors and/or changes in accounting principles applied to an agency’s prior-year financial statements. This scenario focuses on PPAs as they relate to corrections of errors **only**.

“Errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared.”¹ According to SFFAS No. 21, par. 10, “When errors are discovered after the issuance of financial statements, and if the financial statements would be materially misstated absent corrections of the errors, corrections should be made as follows... If comparative financial statements are presented... If the earliest period presented is not the period in which the error occurred and the cumulative effect is attributable to prior periods, then the cumulative effect should be reported as a prior period adjustment...”

As a result, the Bureau of the Fiscal Service, Financial Reports Division, producers of the *Financial Report of the United States Government*, requested new lines and corresponding USSGL accounts for the Reclassified Statement of Changes in Net Position crosswalk. The new lines and USSGL accounts distinguish between corrections of errors for the prior year (USSGL account 7400) and corrections of errors in years preceding the prior year (USSGL account 7405).

Due to the complexity of the scenario and the manner in which it is presented, we suggest the use of a color printer when generating a hardcopy.

For purposes of this scenario:

- Budgetary transactions are highlighted in light green
- Proprietary transactions are highlighted in blue
- And “Work Paper Only” transactions are highlighted in peach

¹ Accounting Principles Board Opinion No. 20, par. 13.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

USSGL Accounts

Account Number: 3105
Account Title: Unexpended Appropriations – Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
Normal Balance: Debit

Definition: The amount of net increase or decrease to unexpended appropriations due to errors in years preceding the prior-year's financial statements that resulted from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. **(Use only when comparative financial statements are being presented.)**

Justification: The Financial Reports Division (producers of the Financial Report of the United States Government) requested an account to distinguish between corrections of errors for the prior year and corrections of errors in years preceding the prior year.

Account Number: 5705
Account Title: Expended Appropriations - Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
Normal Balance: Credit

Definition: The amount of net increase or decrease to expended appropriations due to errors in years preceding the prior-year's financial statements that resulted from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. **(Use only when comparative financial statements are being presented.)**

Justification: The Financial Reports Division (producers of the Financial Report of the United States Government) requested an account to distinguish between corrections of errors for the prior year and corrections of errors in years preceding the prior year.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Account Number: 7405
Account Title: Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
Normal Balance: Credit

Definition: The amount of adjustments affecting the cumulative results of operations due to errors in years preceding the prior-year’s financial statements that resulted from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. **(Use only when comparative financial statements are being presented.)**

Justification: The Financial Reports Division (producers of the Financial Report of the United States Government) requested an account to distinguish between corrections of errors for the prior year and corrections of errors in years preceding the prior year.

Statement Presentation Table (for material errors only)

	If Comparative Financial Statements Are Being Presented (that is, XXCY and XXPY):	If Only Current Period Statements Are Being Presented (that is, XXCY):
If the error occurred <u>during</u> the earliest affected period presented in the financial statements (i.e., XXPY):	Then, the adjustment is made to the earliest affected period presented by correcting any individual amounts on the financial statements.	Then, the adjustment is made to the beginning balance of cumulative results of operations on line 2b (Corrections of Errors) of the SCNP. (USSGL account 7400)
If the error occurred <u>before</u> the earliest period presented in the financial statements (i.e., XXPY-1):	Then, the adjustment is made to the beginning balance of cumulative results of operations on the SCNP, line 2b (Corrections of Errors), for the earliest period presented. (USSGL account 7405) This scenario reflects this example.	Then, the adjustment is made to the beginning balance of cumulative results of operations on the SCNP, line 2b (Corrections of Errors). (USSGL account 7400)
Note: The Statement of Changes in Net Position (SCNP) current-year unadjusted beginning balance must agree with the restated ending balance shown on the prior-year SCNP. USSGL account 7405 can be used only if comparative financial statements are being presented.		

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

This scenario uses Prior-Year Adjustments (PYAs) as they are defined in the USSGL Treasury Financial Manual (TFM). Refer to the original PPA scenario on the USSGL Web site at http://www.fms.treas.gov/ussgl/approved_scenarios/index.html for further details.

PYA Attribute Definition for FACTS II Reporting

Use when changes to obligated or unobligated balances occurred in the previous fiscal year but were not recorded in the appropriate Treasury Appropriation Fund Symbol (TAFS) as of October 1 of the current fiscal year or during the FACTS II revision window. Exclude upward and downward adjustments to current-year/prior-year obligations and most reclassifications from clearing accounts.

Domain Definitions

“B” – Adjustments to prior-year reporting backdated in Treasury’s Central Accounting System

Use when a PYA **does** affect the Fund Balance With Treasury (FBWT) and **is** backdated in Treasury’s Central Accounting System after the FACTS II revision window has closed for the period being adjusted.

“P” – Adjustments to prior-year reporting not backdated in Treasury’s Central Accounting System

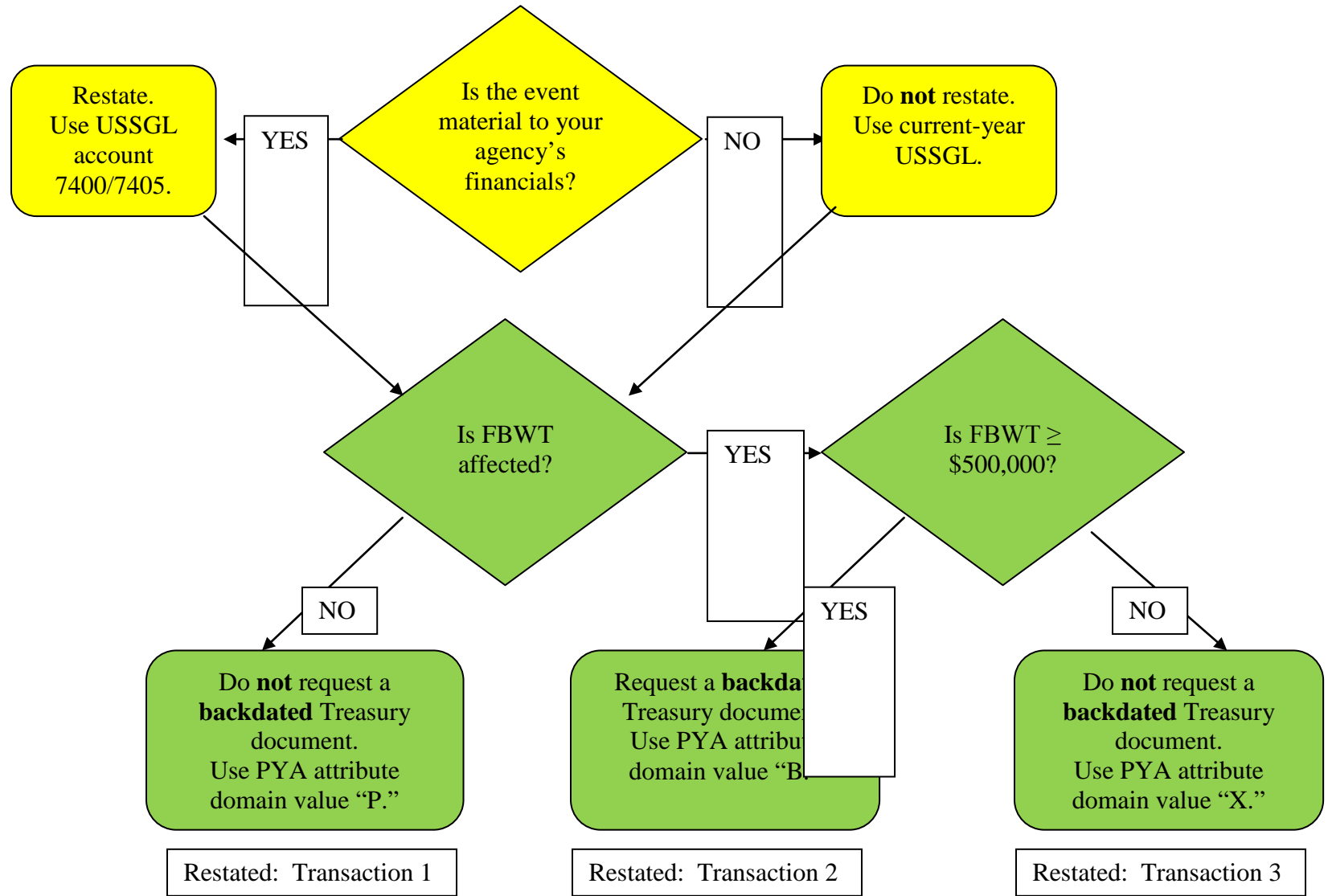
Use when a PYA **does not** affect FBWT and **is not** backdated in Treasury’s Central Accounting System after the FACTS II revision window has closed for the period being adjusted.

“X” – Not an adjustment to prior-year reporting

Use when a PYA does not meet the requirements of domains “B” or “P” and for current-period activity.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

FLOWCHART FOR CORRECTIONS OF ERRORS IN A PREVIOUS PERIOD



Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

This document provides guidance for correcting both financial and budgetary reporting errors. The following scenario assumes the activity occurs in a no-year Treasury Account Symbol (TAS). As presented graphically in the previous flowchart, there are six possible reporting outcomes when correcting errors, however, **this scenario only addresses the restated material errors**. The transactions, listed in the detailed chart below, correspond with the transaction numbers in the illustrative transaction section and represent each of the three possible outcomes.

Illustrative Transaction No.	USSGL Account	Transaction Amount	AFFECTS PROPRIETARY		AFFECTS BUDGETARY		
			Is it Proprietarily Material? ²	Are Comparative Financial Statements Presented?	Is FBWT-USSGL Account 1010 Affected?	Is it ≥\$500,000 ?	Results
1	4901 Delivered Orders – Obligations, Unpaid	\$4,000,000	YES	YES	NO	Does Not Apply	Not backdated. Use attribute “P.”
2	4902 Delivered Orders – Obligations, Paid	\$6,000,000	YES	YES	YES	YES	Backdated. Use attribute “B.”
3	4902 Delivered Orders – Obligations, Paid	\$250,000	YES	YES	YES	NO	Not backdated. Use attribute “X.”

² Each agency should determine its materiality threshold. This scenario assumes that all “YES” answers in this column indicate the amount is material.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Listing of USSGL Accounts Used In This Scenario

Account Number	Account Name
<u>Budgetary</u>	
4119	Other Appropriations Realized
4201	Total Actual Resources – Collected
4450	Unapportioned Authority
4510	Apportionments
4610	Allotments – Realized Resources
4901	Delivered Orders – Obligations, Unpaid
4902	Delivered Orders – Obligations, Paid
<u>Proprietary</u>	
1010	Fund Balance With Treasury
2110	Accounts Payable
3100	Unexpended Appropriations – Cumulative
3101	Unexpended Appropriations – Appropriations Received
3105	Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
3107	Unexpended Appropriations – Used
3310	Cumulative Results of Operations
5700	Expended Appropriations
5705	Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
6100	Operating Expenses/Program Costs
7405	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Assumptions

For the illustrative transactions that begin on page 10, assume the following:

1. The materiality of a transaction, with respect to restatement requirements, is known when posted.
2. The agency's accounting system for the prior period cannot be reopened.
3. The activity occurs in a no-year TAFS.
4. Comparative financial statements are presented.
5. Budgetary transactions highlighted in light green are prior-year activities that flow to the "Fiscal 2009 Prior-Year Adjustments Activity," Column 7 of the *Financial System Activity and Trial Balance for Budgetary Accounts* chart, on page 16.
6. Proprietary transactions highlighted in blue are PPAs that: require financial restatement; flow to the "FY09 Prior-Period Adjustments," Column 3 of the *Work Paper Trial Balance for Proprietary Accounts* chart, on page 17; and are entered into the accounting system.
7. "Work Paper Only" transactions highlighted in peach are PPAs that: require restatement; flow to the "FY09 Prior-Period Work-Paper Adjustments," Column 4 of the *Work Paper Trial Balance for Proprietary Accounts* chart, on page 17; and are not entered in an agency's accounting system. These transactions occur outside the system and are used in calculations to determine amounts to be presented in published restated financial statements and reports. When the agency's system cannot be reopened, balances still must be impacted appropriately. However, current-period financial statements cannot be prepared directly from the agency's accounting system. Therefore, Work Paper adjustments are necessary.
8. All transactions not highlighted: are current-year transactions, are posted in the accounting system, and do not fall into any of the three highlighted categories (green, blue, or peach).

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Prior-Year Trial Balances

System Preclosing Trial Balance – Fiscal 2008

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4119 X Other Appropriations Realized	12,000	
4450 X Unapportioned Authority		11,000
4901 X Delivered Orders – Obligations, Unpaid		1,000
Total	12,000	12,000
<u>Proprietary</u>		
1010 Fund Balance With Treasury	12,000	
2110 Accounts Payable		1,000
3101 Unexpended Appropriations – Appropriations Received		12,000
3107 Unexpended Appropriations – Used	1,000	
3310 Cumulative Results of Operations		0
5700 Expended Appropriations		1,000
6100 Operating Expenses/Program Costs	1,000	
Total	14,000	14,000

System Postclosing Trial Balance – Fiscal 2008 / Beginning Balance – Fiscal 2009

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources – Collected	12,000	
4450 X Unapportioned Authority		11,000
4901 X Delivered Orders – Obligations, Unpaid		1,000
Total	12,000	12,000
<u>Proprietary</u>		
1010 Fund Balance With Treasury	12,000	
2110 Accounts Payable		1,000
3100 Unexpended Appropriations – Cumulative		11,000
3310 Cumulative Results of Operations		0
Total	12,000	12,000

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Illustrative Transactions (The agency produces comparative financial statements.)

Financial Event	Accounting Transaction	Debit	Credit	Trans Code		
A. Annual apportionment and allotment: OMB apportions and the agency head allots \$10,250,000 of the \$11,000,000 prior-year unobligated balance. Generally, the initial apportionment will not include an amount to cover corrections of errors. The following entries in this scenario show that unapportioned authority is reclassified from the PYA attribute domain value “X” to the “P” or “B” domain value when a PYA transaction is processed.	SYSTEM ONLY ENTRIES					
	<u>Budgetary</u>					
	4450X Unapportioned Authority	10,250			A116	
	4510 Apportionments			10,250	A120	
	4510 Apportionments	10,250			A120	
	4610 Allotments – Realized Resources			10,250		
1. During fiscal 2009, an error that occurred in fiscal 2007 was discovered. The error understated expenses by \$4,000,000. A bill for a delivered unpaid order had not been recorded. No prior related obligation had been previously recorded. The error is material and requires restatement of the proprietary financial statements. A budgetary entry also is required to reflect a beginning balance adjustment. The PYA attribute domain value “P” is used because FBWT is not affected. A matching backdated Treasury central accounting document is not prepared after the FACTS II revision period has closed for the period being corrected.	SYSTEM ONLY ENTRIES					
	<u>Budgetary</u>					
	4450P Unapportioned Authority	4,000			Footnote ⁵ B402 without previously recording 4801	
	4450X Unapportioned Authority			4,000		
	4610 ³ Allotments – Realized Resources	4,000				
		4901P Delivered Orders – Obligations, Unpaid			4,000	
	<u>Proprietary (prior-year activity)</u>					
	7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year		4,000		D312	
	2110 Accounts Payable			4,000	D304	
	3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year		4,000			
5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year			4,000			

³ An attribute to crosswalk to the SF 133 is not needed.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

	WORK PAPER ONLY ENTRIES⁴ <u>Proprietary</u> 6100 Operating Expenses/Program Costs 7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 5700 Expended Appropriations 3107 Unexpended Appropriations – Used 3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year	4,000 4,000 4,000	4,000 4,000 4,000	
<p>2. During fiscal 2009, an error that occurred in fiscal 2007 was discovered. The error understated expenses and overstated cash by \$6,000,000. A bill and payment for a delivered paid order had not been recorded. This error is material and requires restatement of the proprietary financial statements. A budgetary entry also is required to reflect a beginning balance adjustment. The PYA attribute domain value “B” is used because FBWT is ≥ \$500,000. A backdated Treasury central accounting document is prepared after the FACTS II revision period has closed for the period being corrected.</p>	SYSTEM ONLY ENTRIES <u>Budgetary</u> 4450B Unapportioned Authority 4450X Unapportioned Authority 4610 Allotments – Realized Resources 4902B Delivered Orders – Obligations, Paid	6,000 6,000	6,000 6,000	B102 substitute D306 for proprietary
	<u>Proprietary (prior-year activity)</u> 7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 1010B Fund Balance With Treasury 3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year	6,000 6,000	6,000 6,000	D306 D304

⁵ Transaction Codes (TC) between the same USSGL accounts and differentiated by attributes only are not displayed in the USSGL TFM Section III.

⁴ Cross reference all “Work Paper Only Entries” to page 17.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

WORK PAPER ONLY ENTRIES				
	<u>Proprietary</u>			
	6100 Operating Expenses/Program Costs	6,000		
	7405 Prior-Period Adjustments Due to Corrections of Errors –Years Preceding the Prior Year		6,000	
	5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year	6,000		
	5700 Expended Appropriations		6,000	
	3107 Unexpended Appropriations – Used	6,000		
	3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year		6,000	

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

<p>3. During fiscal 2009, an error that occurred in fiscal 2007 was discovered. The error understated expenses and overstated cash by \$250,000. A bill and payment for a delivered paid order had not been recorded. This error is material and requires restatement of the proprietary financial statements. The PYA attribute domain value “X” is used because FBWT is < \$500,000. A backdated Treasury central accounting document is not prepared after the FACTS II revision period has closed for the period being corrected.</p>	<p>SYSTEM ONLY ENTRIES</p> <p><u>Budgetary</u></p> <p>4610 Allotments - Realized Resources 250</p> <p>4902X Delivered Orders – Obligations, Paid 250</p>			B102 substitute D306 for proprietary
	<p><u>Proprietary (prior-year activity)</u></p> <p>7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p> <p>1010X Fund Balance With Treasury 250</p> <p>3105 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p> <p>5705 Expended Appropriations - Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p>			D306 D304
	<p>WORK PAPER ONLY ENTRIES</p> <p><u>Proprietary</u></p> <p>6100 Operating Expenses/Program Costs 250</p> <p>7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p> <p>5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p> <p>5700 Expended Appropriations 250</p> <p>3107 Unexpended Appropriations – Used 250</p> <p>3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year 250</p>			

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Fiscal 2009 Accounting System Activity Summary

(Assumes agency's accounting system was not reopened to record PPAs or PYAs.)

USSGL Budgetary and Proprietary Accounts	System Postclosing Trial Balance Fiscal 2008	System Activity Fiscal 2009 (Transaction A)	System Activity Fiscal 2009 (Transactions 1,2, and 3)	System Preclosing Trial Balance Fiscal 2009 (calc. Col. 2 + 4)	System Closing Entries Fiscal 2009	System Postclosing Trial Balance Fiscal 2009 (calc. Col. 5 + 6)
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
4201	12,000			12,000	(6,250)	5,750
4450B			6,000	6,000	(6,000)	0
4450P			4,000	4,000	(4,000)	0
4450X	(11,000)		250	(10,750)	10,000	(750)
4901P			(4,000)	(4,000)	4,000	0
4901X	(1,000)			(1,000)	(4,000)	(5,000)
4902B			(6,000)	(6,000)	6,000	0
4902X			(250)	(250)	250	0
Totals	0		0	0	0	0
1010X	12,000		(250)	11,750	(6,000)	5,750
1010B			(6,000)	(6,000)	6,000	0
2110	(1,000)		(4,000)	(5,000)		(5,000)
3100	(11,000)			(11,000)	10,250	(750)
3107			0	0	0	0
3105			10,250	10,250	(10,250)	0
3310			0	0	0	0
5700			0	0	0	0
5705			(10,250)	(10,250)	10,250	0
6100			0	0	0	0
7405			10,250	10,250	(10,250)	0
Totals	0		0	0	0	0

Accounts highlighted in yellow are closed at yearend.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Work Paper Trial Balance for Budgetary Accounts – SBR ONLY⁶

Budgetary Accounts	Prior- Year Adjustment Attribute (N/A for the SBR)	Fiscal 2008 Published Preclose	Fiscal 2009 Prior-Period Adjustments (Transactions 1, 2, and 3)	Restated Preclose for Fiscal 2008 SBR (Calc. Col. 3+4)	Restated Fiscal 2008 SBR Closing Entries	Restated Postclose Fiscal 2008 SBR (Calc. Col. 5+6)	Fiscal 2009 Current-Year Activity for SBR	Fiscal 2009 SBR for Publication (Calc. Col. 7+8)
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
4119	N/A	12,000		12,000	(12,000)	0		0
4201	N/A			0	5,750	5,750		5,750
4450	N/A	(11,000)	10,250	(750)		(750)		(750)
4901	N/A	(1,000)	(4,000)	(5,000)		(5,000)		(5,000)
4902	N/A		(6,250)	(6,250)	6,250	0		0
Total		0	0	0	0	0	0	0

Accounts highlighted above in yellow are closed at yearend.

⁶ Considers FASAB Standard No. 21 requirements regarding PPAs but does not consider OMB Circular No. A-11 requirements regarding PYAs.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Financial System Activity and Trial Balance for Budgetary Accounts (Used To Prepare SF 133, FMS 2108: Yearend Closing Statement, and the Budget Program and Financing (P&F) Schedule)⁷

Budgetary Accounts	Prior-Year Adjustment Attribute	Fiscal 2008 Trial Bal. (used to prepare SF 133)	Fiscal 2008 Closing Entries Activity	Fiscal 2008 Postclosing Trial Balance (Calc. Col. 3+4)	Fiscal 2009 Apportionment and Allotment (Transaction A)	Fiscal 2009 Prior-Year Adjustments Activity (Transactions 1, and 2 with "B" and "P" domains)	Fiscal 2009 Prior-Year Activity (Transaction 3 with "X" domain)	Fiscal 2009 Trial Balance (used to prepare SF 133) (Calc. Col. 6+7+8)
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
4119	X	12,000	(12,000)	0		0		0
4201			12,000	12,000		0		12,000
4450	B			0		6,000		6,000
4450	P			0		4,000		4,000
4450	X	(11,000)		(11,000)	10,500	(10,000)		500
4610				0	(10,500)	10,000	250	250
4901	P			0		(4,000)		(4,000)
4901	X	(1,000)		(1,000)				(1,000)
4902	B			0		(6,000)		(6,000)
4902	X			0			(250)	(250)
Total		0	0	0	0	0	0	0

Accounts highlighted in yellow are closed at yearend.

⁷ Includes OMB Circular No. A-11 requirements regarding PYAs. This chart is not used for the SBR.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Work Paper Trial Balance for Proprietary Accounts – Restated Fiscal 2009 Comparative Financials

Proprietary Accounts	Fiscal 2008 Published Comparative Financials (Pre-Close)	Fiscal 2009 Prior-Period Adjustments (transactions 1, 2, and 3 as posted in agency accounting system)	Fiscal 2009 Prior-Period Work-Paper Adjustments (for transactions 1, 2, and 3 not recorded in agency accounting system)	Fiscal 2008 Restated Preclose for Fiscal 2009 Comparative Financials (calc. col. 2+3+4)	Fiscal 2008 Work-Paper Closing Entries for Restated Fiscal 2009 Comparative Financials	Fiscal 2008 Restated Postclose Equals Fiscal 2009 Beginning Balances for Fiscal 2009 Comparative Financials (calc. col. 5+6)	Fiscal 2009 Current Year Activity (excludes prior-period adjustments to fiscal 2008 in column 3) (transactions 4, 5, and 6)	Fiscal 2009 Preclose after Fiscal 2008 Restatement for Fiscal 2009 Comparative Financials (calc. col. 7+8)
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
1010	12,000	(6,250)		5,750		5,750	0	5,750
2110	(1,000)	(4,000)		(5,000)		(5,000)	0	(5,000)
3100	0			0	(750)	(750)	0	(750)
3101	(12,000)			(12,000)	12,000	0	0	0
3105	0	10,250	(10,250)	0		0	0	0
3107	1,000		10,250	11,250	(11,250)	0	0	0
3310	0			0		0	0	0
5700	(1,000)		(10,250)	(11,250)	11,250	0	0	0
5705	0	(10,250)	10,250	0		0	0	0
6100	1,000		10,250	11,250	(11,250)	0	0	0
7405	0	10,250	(10,250)	0		0	0	0
Total	0	0	0	0	0	0	0	0

Accounts highlighted in yellow are closed at yearend.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Closing Entries for Fiscal 2009

Financial Event	Accounting Transaction	Debit	Credit	Trans Code
C-1 Close prior-year adjustment attribute domain values "P" and "B" to "X."	SYSTEM ONLY ENTRIES			
	<u>Budgetary</u>			
	4450X Unapportioned Authority	10,000		Footnote ⁸
	4450B Unapportioned Authority		6,000	
	4450P Unapportioned Authority		4,000	
	4901P Delivered Orders – Obligations, Unpaid	4,000		4,000
	4901X Delivered Orders – Obligations, Unpaid			
	4902B Delivered Orders – Obligations, Paid	6,000		6,000
	4902X Delivered Orders – Obligations, Paid			
	<u>Proprietary</u>			
	1010B Fund Balance With Treasury	6,000		6,000
	1010X Fund Balance With Treasury			
	WORK PAPER ONLY ENTRIES			
	<u>Budgetary</u>			
	No Entry			
<u>Proprietary</u>				
No Entry				

⁸ TCs between the same USSGL accounts and differentiated by only attributes are not displayed in the USSGL TFM Section III.

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Financial Event	Accounting Transaction	Debit	Credit
C-2 Close revenues, expenses, and other financing sources to cumulative results of operations.	SYSTEM ONLY ENTRIES		
	<u>Budgetary</u>		
	No Entry		
	<u>Proprietary</u>		
	5705 Expended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year	10,250	
	3310 Cumulative Results of Operations		10,250
	3310 Cumulative Results of Operations	10,250	
	7405 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year		10,250
	WORK PAPER ONLY ENTRIES		
	<u>Budgetary</u>		
	No Entry		
	<u>Proprietary</u>		
5700 Expended Appropriations	10,250		
3310 Cumulative Results of Operations	10,250		
3310 Cumulative Results of Operations		10,250	
6100 Operating Expenses/Program Costs		10,250	

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Financial Event	Accounting Transaction	Debit	Credit	Trans Code
C-3 Close unexpended appropriations – prior-period adjustment account and unexpended appropriations used account to unexpended appropriations-cumulative.	SYSTEM ONLY ENTRIES <u>Budgetary</u> No Entry			F342
	<u>Proprietary</u> 3100 Unexpended Appropriations – Cumulative 3105 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year	10,250	10,250	
	WORK PAPER ONLY ENTRIES <u>Budgetary</u> No Entry			
	<u>Proprietary</u> 3100 Unexpended Appropriations – Cumulative 3107 Unexpended Appropriations – Used	10,250	10,250	
C-4 Close budgetary obligations paid account.	SYSTEM ONLY ENTRIES <u>Budgetary</u> 4902X Delivered Orders – Obligations, Paid 4201 Total Actual Resources – Collected	6,250	6,250	F314
	<u>Proprietary</u> No Entry			
	WORK PAPER ONLY ENTRIES N/A			

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Postclosing Trial Balances – Fiscal 2009

Note: The Postclosing Trial Balance (Work Paper) – Fiscal 2009 equals the Postclosing Trial Balance (System) – Fiscal 2009.

Postclosing Trial Balance (Work Paper) – Fiscal 2009

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources – Collected	5,750	0
4450X Unapportioned Authority	0	750
4901X Delivered Orders – Obligations, Unpaid	0	5,000
Total	5,750	5,750
<u>Proprietary</u>		
1010X Fund Balance With Treasury	5,750	0
2110 Accounts Payable	0	5,000
3100 Unexpended Appropriations – Cumulative	0	750
Total	5,750	5,750

Postclosing Trial Balance (Accounting System) – Fiscal 2009

USSGL Account	Debit	Credit
<u>Budgetary</u>		
4201 Total Actual Resources – Collected	5,750	0
4450X Unapportioned Authority	0	750
4901X Delivered Orders – Obligations, Unpaid	0	5,000
Total	5,750	5,750
<u>Proprietary</u>		
1010X Fund Balance With Treasury	5,750	0
2110 Accounts Payable	0	5,000
3100 Unexpended Appropriations – Cumulative	0	750
Total	5,750	5,750

FMS 2108: YEAREND CLOSING STATEMENT (2009)

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

Column 2. Preclosing Unexpended Balance	5,750
Column 5. Postclosing Unexpended Balance (1010E, PYA “B”/ “X” attributes)	5,750
Column 6. Other Authorizations	
Column 7. Reimbursements Earned and Refunds	
Column 8. Unfilled Customer Orders	
Column 9. Undelivered Orders and Contracts	
Column 10. Accounts Payable and Other Liabilities (4901E, PYA “B”/“P”/“X” attributes)	5,000
Column 11. Unobligated Balance (4450E, PYA “B”/“P”/“X” attributes)	750
FMS 2108 Edit (Columns 5+6+7+8 = 9+10+11) (Column 2 = Column 5)	Yes, Yes

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

BALANCE SHEET (Refer to page 17)

	Fiscal 2009 (col. 9)	Fiscal 2008 (Restated Preclose) (col. 2+3)	Fiscal 2008 (Published) (col. 2) Not Part of Comparative Statements
Assets:			
Intragovernmental:			
1. Fund Balance With Treasury (1010E)	5,750	5,750	12,000
6. Total Intragovernmental (calc.)	5,750	5,750	12,000
15. Total Assets (calc.)	<u>5,750</u>	<u>5,750</u>	<u>12,000</u>
Liabilities:			
Intragovernmental:			
17. Accounts Payable (2110E)	5,000	5,000	1,000
20. Total Intragovernmental (calc.)	<u>5,000</u>	<u>5,000</u>	<u>1,000</u>
28. Total Liabilities (calc.)	5,000	5,000	1,000
Net Position:			
31. Unexpended Appropriations – Other Funds (3100B, 3101E, 3105E, 3107E) Published Fiscal 2008: (0 + (12,000) + 1,000) Restated Fiscal 2008: (0 + (12,000) + 10,250 + 1,000) Current-Year Fiscal 2009: ((750) + 0 + 0) (col. 9 – col. 7)	750	750	11,000
33. Cumulative Results of Operations – Other Funds (5700E, 5705, 6100E, 7405) Published Fiscal 2008: ((1,000) + 1,000) Restated Fiscal 2008: ((1,000) + (10,250) + 1,000 + 10,250) Current-Year Fiscal 2009: (0 + 0)	<u>0</u>	<u>0</u>	<u>0</u>
34. Total Net Position (calc.)	750	750	11,000
35. Total Liabilities and Net Position (calc.)	<u>5,750</u>	<u>5,750</u>	<u>12,000</u>

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

STATEMENT OF NET COST (Refer to page 17)

	Fiscal 2009 (col. 9)	Fiscal 2008 (Restated Preclose Published in Fiscal 2009 Comparative) (col. 2+3)	Fiscal 2008 (Published) (col. 2)
Program Costs:			
Program A:			
1. Gross Costs (6100E)	0	1,000	1,000
3. Net Program Costs	0	1,000	1,000
6. Net Cost of Operations	<u>0</u>	<u>1,000</u>	<u>1,000</u>

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

STATEMENT OF CHANGES IN NET POSITION (Refer to page 17, Fiscal 2008 column reflect restated amounts)

	All Other Funds Fiscal 2009 (col. 9)	All Other Funds Fiscal 2008 (col. 2+3)
Cumulative Results of Operations:		
1. Beginning Balances (3310B)	0	0
2. Adjustments:		
2b. Corrections of Errors (5705E, 7405E) ((10,250) + 10,250)	0	0
3. Beginning Balances, as Adjusted	0	0
Budgetary Financing Sources:		
5. Appropriations Used (5700E)	<u>0</u>	<u>1,000</u>
14. Total Financing Sources (calc. sum of lines 4 through 13)	0	1,000
15. Net Cost of Operations (calc. from Statement of Net Cost)	<u>0</u>	<u>1,000</u>
16. Net Change	0	0
17. Cumulative Results of Operations	0	0
Unexpended Appropriations:		
18. Beginning Balance (3100 Beg.)	750	0
19. Adjustments:		
19b. Correction of Errors (3105E)		(10,250)
20. Beginning Balance, as Adjusted	750	(10,250)
Budgetary Financing Sources:		
21. Unexpended Appropriations – Appropriations Received (3101E)	0	12,000
24. Appropriations Used (3107E)	<u>0</u>	<u>(1,000)</u>
25. Total Budgetary Financing Sources	<u>0</u>	<u>11,000</u>
26. Total Unexpended Appropriations	<u>750</u>	<u>750</u>
27. Net Position	<u>750</u>	<u>750</u>

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

RECLASSIFIED BALANCE SHEET (Fiscal Years 2009 and 2008)

	Fiscal 2009	Fiscal 2008
1. Assets:		
3. Federal		
3.1 Fund Balance With Treasury (1010E)	5,750	5,750
3.10 Total Federal Assets	5,750	5,750
4. Total Assets	5,750	5,750
5. Liabilities:		
7. Federal		
7.1 Accounts Payable (2110E)	5,000	5,000
7.9 Total Federal Liabilities	5,000	5,000
8. Total Liabilities	5,000	5,000
9. Net Position:		
9.1 Net Position – Nonearmarked Funds (3101+3105+3107+5700+5705+6100+7405)	750	750
10. Total Net Position	750	750
11. Total Liabilities and Net Position	5,750	5,750

RECLASSIFIED STATEMENT OF NET COST (Fiscal Years 2009 & 2008)

	Fiscal 2009	Fiscal 2008
1. Gross Cost:		
2. Non-Federal Gross Cost (6100E)	0	1,000
4. Total Non-Federal Gross Cost	0	1,000
7. Department Total Gross Cost	0	1,000
8. Earned Revenue:		
12. Department Total Earned Revenue	0	0
13. Net Cost of Operations	0	1,000

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

RECLASSIFIED STATEMENT OF CHANGES IN NET POSITION (Fiscal Years 2009 and 2008)

	Fiscal 2009	Fiscal 2008
1. Beginning Net Position Balance (3100)	750	0
2. Non-Federal Prior-Period Adjustments		
2.1 Change in Accounting Principles (7401)	0	0
2.2 Corrections of Errors (7400)	0	0
2.3 Corrections of Errors – Years Preceding the Prior Year (7405)	0	0
3. Federal Prior-Period Adjustments		
3.1 Changes in Accounting Principles (7401, 5709, 3109)	0	0
3.2 Corrections of Errors (7400, 5708, 3108)	0	0
3.3 Corrections of Errors – Years Preceding the Prior Year (7405, 5705, 3105)	0	10,250
4. Adjusted Beginning Net Position Balance	750	(10,250)
5. Non-Federal Nonexchange Revenue:	0	0
6. Federal Nonexchange Revenue:	0	0
7. Budgetary Financing Sources:		
7.1 Appropriations Received as Adjusted (3101E)	0	12,000
7.8 Other Budgetary Financing Sources (3107E, 5700E)	0	0
7.9 Total Budgetary Financing Sources	0	12,000
8. Other Financing Sources:	0	0
9. Net Cost of Operations	0	1,000
10. Ending Net Position Balance	750	750

Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

USSGL Account		USSGL Proprietary Account Reporting Attributes						Other Account Attributes	
Number	USSGL Account Title	Normal Bal. Ind.	Fed/ NonFed	Trading Partner	Exch/ NonExch	Budget Subfunction	Cust/ NonCust	Entity NonEntity	Covered/ NotCov
3105	Unexpended Appropriations -PPA Due to Corrections of Errors – Years Preceding the Prior Year	D							
5705	Expended Appropriations – PPA Due to Corrections of Errors – Years Preceding the Prior Year	C							
7405	PPA Due to Corrections of Errors – Years Preceding the Prior Year	C	Y	Y					

D = Debit

C = Credit

Y = The attribute domain value is required

USSGL Account Number	Balance Sheet	Net Cost	Net Position	Custodial Activity	Reclass Balance Sheet	Reclass Net Cost	Reclass Net Position	SF 133	SBR	2108	P&F
3105	Lines 30, 31	N/A	Line 19b	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5705	Lines 32, 33	N/A	Line 2b	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7405	Lines 32, 33	N/A	Line 2b	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A