

**CASE STUDY #6**

**MILITARY PAYROLL  
AND BENEFITS**

**PREPARED BY THE  
FINANCIAL MANAGEMENT DOMAIN**

**DRAFT: December 17, 2004**

*This document is one of a series of accounting case studies designed by the Financial Management Domain to ascertain whether entries required to record transactions are contained in DoD's Standard General Ledger transaction library. This version of the case, dated December 17, 2004, supersedes all previous versions. The transaction library is discussed in a separate document entitled "Concept of Operations for the DoD Standard General Ledger Transaction Library, based on the U.S. Government Standard General Ledger," draft version 2.0, which these cases accompany. As a useful cross-reference, the tables below each transaction in the case studies refer to DoD Transaction Codes used in the transaction library.*

## **NATURE OF THE CASE**

This is an illustrative accounting case study for basic military pay and benefit transactions, including travel and housing allowance advances made and later collected via withholding from pay. The transactions are financed by an annual appropriation, which expires at the end of "Fiscal Year 1."

The following transactions are illustrated, with entries, in standard general journal form, using United States Government Standard General Ledger (USSGL) accounts.

Transactions include:

- Realization of appropriations.
- Apportionment, allotment, and commitment of budgetary resources.
- Obligations with and without advances.
- Accruals and payments for salaries, travel, and housing allowances, including situations in excess of and less than obligations previously placed.
- Imputed expenses for benefits related to under-funding of the military retirement system.
- Overpayment of salaries and travel advances, and collection back in the next year.
- Downward adjustments of undelivered orders with advances and delivered orders paid.
- Expiration of authority at the end of Year 1.
- Cancellation of authority at the end of Year 6.
- Closing entries.

For Fiscal Years 1, 2, and 6, the case provides pre- and post-closing trial balances, and indicates relationship that can be expected among the budgetary and proprietary accounts involved. The following financial statements are illustrated, as applicable, with crosswalks prepared for each:

- Statement of net cost.
- Statement of changes in net position.
- Statement of budgetary resources.

- Statement of financing.
- Balance sheet.

The case is designed primarily for an audience of accountants with knowledge of federal generally accepted accounting principles relating to budgetary and proprietary accounting for authority which does not expire. Its purpose is to provide a benchmark against which to test the transactions and reporting modules of an accounting system to see if they result in essentially the same journal entries, trial balances, and financial statements.

Some caveats and additional remarks:

- Transactions are summarized for the year, and generally are illustrated only once. In practice, of course, they would occur numerous times.
- Only transactions related to the salaries, benefits, travel, and housing allowance are presented. While the case illustrates a number of common transactions related to these areas, there is no intent or claim to provide for every possible transaction or variation of transactions.
- Dollar amounts are assumed for purposes of illustration. There are no calculations performed, as would be the case in a real situation, nor is there any attempt to maintain ratios of benefits to salaries, or of any other expenses to each other.
- To save space, single-year statements are presented, rather than comparative statements showing the current and prior year.
- Small numbers are used to facilitate reading and comprehension. All amounts should be considered material.
- While the case illustrates a number of common transactions, there is no intent or claim to provide for every possible transaction or variation of transactions. Accordingly, while the relationships between and among the account balances are as indicated in the case, the formulas for the relationships could be more complex if additional transactions were included.

The sections of the case follow in this order, with accounting cycles illustrated for each of Fiscal Years 1, 2, and 6:

- Accounts used
- Transactions for the year
- Pre-closing trial balances
- Relationships among accounts in the pre-closing trial balances
- Closing entries
- Post-closing trial balances

- Relationships among accounts in the post-closing trial balances
- Financial statements.

Additional information is provided in footnote disclosures or notes within the text throughout.

**ACCOUNTS USED IN THE CASE**

Budgetary and proprietary accounts used in the case are set forth in the tables of this section. Within the transactions and trial balances, titles may be abbreviated or clarified. Where accounts are so broad that they encompass more than one item to be reported on the financial statements, the individual items are each listed and given the main account number. For example, 6100, the account number for “Operating Expenses/Program Costs,” is used for expenses relating to pay, to travel, and to housing.

**BUDGETARY ACCOUNTS USED IN THE CASE**

- 4119 Other Appropriations Realized
- 4201 Total Actual Resources – Collected
- 4450 Unapportioned Authority
- 4510 Apportionments
- 4610 Allotments – Realized Resources
- 4700 Commitments – Programs Subject to Apportionment
- 4801 Undelivered Orders – Obligations, Unpaid
- 4802 Undelivered Orders – Obligations, Prepaid/Advanced
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
- 4901 Delivered Orders – Obligations, Unpaid
- 4902 Delivered Orders – Obligations, Paid
- 4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected

**PROPRIETARY ACCOUNTS USED IN THE CASE**

1010 Fund Balance with Treasury  
 1310 Accounts Receivable  
 1410 Advances to Others  
 2110 Accounts Payable  
 2210 Accrued Funded Payroll and Leave  
 2211 Withholdings Payable  
 2213 Employer Contributions and Payroll Taxes Payable  
 2220 Unfunded Leave [Annual Leave Liability]  
 3100 Unexpended Appropriations – Cumulative  
 3101 Unexpended Appropriations – Appropriations Received  
 3106 Unexpended Appropriations - Adjustments  
 3107 Unexpended Appropriations – Used  
 3310 Cumulative Results of Operations  
 5700 Expended Appropriations  
 5730 Financing Sources Transferred Out Without Reimbursement  
 5780 Imputed Financing Sources  
 6100 Operating Expenses/Program Costs: Housing  
 6100 Operating Expenses/Program Costs: Salary  
 6100 Operating Expenses/Program Costs: Travel  
 6400 Benefit Expense  
 6730 Imputed Costs  
 6800 Future-Funded Expenses: Annual Leave  
 6800 Future-Funded Expenses: Benefits  
 6800 Future-Funded Expenses: Housing Allowance  
 6800 Future-Funded Expenses: Salary

**TRANSACTIONS—FISCAL YEAR 1**

**1-1. The entity prepared its request for apportionment for an annual (one-year) appropriation of \$10,000 for military payroll and benefits expense, travel to transport new hires to basic training, and housing allowances for the year.**

4119 Other Appropriations Realized	10,000	
4450 Unapportioned Authority		10,000
1010 Fund Balance with Treasury	10,000	
3101 Unexpended Appropriations – Appropriations Received		10,000 <sup>1</sup>

<sup>1</sup> Note that, per FASAB Standard #7, the Fund Balance with Treasury is recorded based on the legislation having been passed rather than upon receipt of a Treasury warrant, which might be delayed for some time after the start of the year.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
A104	A104-017	4119	4450	1010	3101	10,000

**1-2. OMB approved the request for apportionment.**

4450 Unapportioned Authority 10,000  
 4510 Apportionments 10,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
A116	A116-001	4450	4510			10,000

**1-3. The apportionment was allotted.**

4510 Apportionments 10,000  
 4610 Allotments – Realized Resources 10,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
A120	A120-001	4510	4610			10,000

**1-4. The allotment was committed.**

4610 Allotments – Realized Resources 10,000  
 4700 Commitments – Programs Subject to Apportionment 10,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B202	B202-001	4610	4700			10,000

**1-5. The agency rolled over its annual leave liability of \$75,000 from the preceding year.**

5730 Financing Sources Transferred Out Without Reimbursement<sup>2</sup> 75,000  
 2220 Unfunded Leave [Annual Leave Liability] 75,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
D855	D855-024			5730	2220	75,000

<sup>2</sup>The USSGL doesn't have an account that exactly provides for this transaction, 5730 probably being about as close as one can get. Note that the prior-year appropriation would debit 2220 and credit 5720 (Nonbudgetary Financing Sources Transferred In), such that the transactions would cancel each other from a DoD-wide standpoint. Note, too, that no budgetary accounts are involved for either appropriation, because the annual leave will only be funded, through the payroll, as it is taken.

**1-6. The agency issued travel orders of \$2,000 to newly-hired soldiers to transport them to basic training locations. Advances of \$1,000 were given with the orders.**

4700 Commitments – Programs Subject to Apportionment	2,000	
4801 Undelivered Orders – Obligations, Unpaid		1,000
4802 Undelivered Orders – Obligations, Prepaid/Advanced		1,000
1410 Advances to Others - Travel	1,000	
1010 Fund Balance with Treasury		1,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B206	B206-005	4700	4802	1410	1010	1,000
B204	B204-003	4700	4801			1,000

**1-7. Travel vouchers totaling \$1700 were filed for \$1,750 of the travel vouchers in transaction 1-6, including \$900 (of the \$1,750) with advances. The vouchers were approved and recorded as payable. The difference was returned to the commitment.**

4801 Undelivered Orders – Obligations, Unpaid	850 <sup>3</sup>	
4802 Undelivered Orders – Obligations, Prepaid/Advanced	900	
4700 Commitments – Programs Subject to Apportionment		50
4901 Delivered Orders – Obligations, Unpaid		800 <sup>4</sup>
4902 Delivered Orders – Obligations, Paid		900
6100 Operating Expenses/Program Costs Travel Expense	1,700	
1410 Advances to Others - Travel		900
2110 Accounts Payable		800
3107 Unexpended Appropriations – Used	1,700	
5700 Expended Appropriations		1,700

<sup>3</sup> \$1,750 - \$900.

<sup>4</sup> \$1,700 - \$900.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
Reverse B204	Reverse B204-003	4801	4700			50
B302	B302-022	4801	4901	6100	2110	800
B404	B404-023	4802	4902	6100	1410	900
B134	B134-001			3107	5700	1,700

**1-8. \$750 of the accounts payable in transaction 1-7 was paid.**

4901 Delivered Orders – Obligations, Unpaid	750	
4902 Delivered Orders – Obligations, Paid		750
2110 Accounts Payable	750	
1010 Fund Balance with Treasury		750

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B110	B110-006	4901	4902	2210	1010	750

**1-9. Salary advances of \$1,000 were made.**

4700 Commitments – Programs Subject to Apportionment	1,000	
4802 Undelivered Orders – Obligations, Prepaid/Advanced		1,000
1410 Advances to Others - Salary	1,000	
1010 Fund Balance with Treasury		1,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B206	B206-005	4700	4802	1410	1010	1,000

**1-10. Payroll during the year was accrued, as follows:**

<i>Pay and Allowances</i>	
Gross Pay	\$4,500
Housing Allowances	1,500
<i>Deductions</i>	
Taxes Payable	\$1,000
Salary Advances	700
Allotments	600
Payee Allotments	200
<i>Net Pay</i>	\$4,000

4700 Commitments – Programs Subject to Apportionment	5,300 <sup>5</sup>	
4801 Undelivered Orders – Obligations, Unpaid		5,300
4801 Undelivered Orders – Obligations, Unpaid	5,300	
4901 Delivered Orders – Obligations, Unpaid		5,300
4802 Undelivered Orders – Obligations, Prepaid/Advanced	700	
4902 Delivered Orders – Obligations, Paid		700
6100 Operating Expenses/Program Costs - Salary Expense	4,500	
6100 Operating Expenses/Program Costs Housing Allowance Expense	1,500	
2210 Accrued Funded Payroll and Leave		3,500
2211 Withholdings Payable		1,800
1410 Advances to Others – Salary		700
3107 Unexpended Appropriations – Used	6,000	
5700 Expended Appropriations		6,000

<sup>5</sup> \$6,000 total - \$700 in advances.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B204	B204-003	4700	4801			5,300
D402 Refer to D132	D402-012 Refer to D132-319	4801	4901	6100	2210	3,500
B404	B404-023	4802	4902	6100	1410	700
D402 Refer to D132	D402-021 Refer to D132-324	4801	4901	6100	2211	1,800
B134	B134-001			3107	5700	6,000

**1-11. The agency's share of the payroll was recorded.**

4700 Commitments – Programs Subject to Apportionment	1,100	
4801 Undelivered Orders – Obligations, Unpaid		1,100
4801 Undelivered Orders – Obligations, Unpaid	1,100	
4901 Delivered Orders – Obligations, Unpaid		1,100
6400 Benefit Expense	1,100	
2213 Employer Contr. and Payroll Taxes Payable		1,100
3107 Unexpended Appropriations – Used	1,100	
5700 Expended Appropriations		1,100

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B204	B204-003	4700	4801			1,100
D404	D404-006	4801	4901	6400	2213	1,100
B134	B134-001			3107	5700	1,100

**1-12. The payroll liabilities in transactions 1-10 and 1-11 were paid.**

4901 Delivered Orders – Obligations, Unpaid	6,400	
4902 Delivered Orders – Obligations, Paid		6,400

2210 Accrued Funded Payroll and Leave	3,500	
2211 Withholdings Payable	1,800	
2213 Employer Contr. and Payroll Taxes Payable	1,100	
1010 Fund Balance with Treasury		6,400

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B110	B110-007	4901	4902	2211	1010	1,800
B110	B110-006	4901	4902	2210	1010	3,500
B110	B110-008	4901	4902	2213	1010	1,100

**1-13. It was discovered on September 30 that overpayments for gross salaries of \$30 and housing allowances of \$20 had been made. Accounts receivable were accrued from the soldiers involved.<sup>6</sup>**

1310 Accounts Receivable	50	
6800 Future-Funded Expenses - Salary Expense		30
6800 Future-Funded Expenses - Housing Allowance Expense		20

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
C212	C212-028			1310	6800	30
C212	C212-028			1310	6800	20

**1-14. Commensurate with the salary overpayments in transaction 1-13, \$10 in benefits had been overpaid. A receivable from next year's appropriation, which would pay less in benefits for the quarter ended December 31 by virtue of the overpayment of benefits in the current fiscal year, was established.**

1310 Accounts Receivable	10	
6800 Future-Funded Expenses - Benefits		10

<sup>6</sup> Note that there are no budgetary entries involved, because the receivable is not from a federal entity.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
C212	C212-028			1310	6800	10

**1-15. Payroll of \$625 and benefits of \$100 were accrued at year-end. Advances of \$300 were applied.**

4700 Commitments – Programs Subject to Apportionment	425	
4801 Undelivered Orders – Obligations, Unpaid		425
4801 Undelivered Orders – Obligations, Unpaid	425	
4901 Delivered Orders – Obligations, Unpaid		425
4802 Undelivered Orders – Obligations, Prepaid/Advanced	300	
4902 Delivered Orders – Obligations, Paid		300
6100 Operating Expenses/Program Costs -Salary Expense	625	
6400 Benefit Expense	100	
1410 Advances to Others – Salary		300
2210 Accrued Funded Payroll and Leave		325
2213 Employer Contributions and Payroll Taxes Payable		100
3107 Unexpended Appropriations – Used	725	
5700 Expended Appropriations		725

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B204	B204-003	4700	4801			425
D402 Refer to D132	D402-012 Refer to D132-319	4801	4901	6100	2210	325
D404 Refer to D132	D404-003 Refer to D132-329	4801	4901	6100	2213	100
B404	B404-024	4802	4902	6400	1410	100
B404	B404-023	4802	4902	6100	1410	200
B134	B134-001			3107	5700	725

**1-16. The annual leave liability at the end of Year 1 was determined to be \$75,150.**

6800 Future-Funded Expenses - Expense for Change in Annual Leave Liability	150 <sup>7</sup>	
2220 Unfunded Leave [Annual Leave Liability]		150

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B324	B324-004			6800	2220	150

**1-17. Travel expenses related to the remaining travel in transactions 1-6 and 1-7 were accrued at year-end based on a review of vouchers for Fiscal Year 1 filed early in Fiscal Year 2. The actual amounts, which were approved, totaled \$125 more than obligated, and \$60 of advances were applied. The amount was taken from the remaining unobligated commitment.**

4700 Commitments – Programs Subject to Apportionment	125	
4801 Undelivered Orders – Obligations, Unpaid		150 <sup>8</sup>
4802 Undelivered Orders – Obligations, Prepaid/Advanced		60
4901 Delivered Orders – Obligations, Unpaid		275
4902 Delivered Orders – Obligations, Paid		60
6100 Operating Expenses/Program Costs - Travel Expense	335	
1410 Advances to Others - Travel		60
2110 Accounts Payable		275
3107 Unexpended Appropriations – Used	335	
5700 Expended Appropriations		335

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B204	B204-003	4700	4801			125
D402 Refer to D132	D402-012 Refer to D132-319	4801	4901	6100	2210	275
B404	B404-023	4802	4902	6100	1410	60
B134	B134-001			3107	5700	335

**1-18. The military retirement program notified the agency that its share of unfunded retirement program benefits was \$50.**

6730 Imputed Costs - Imputed Benefit Costs	45	
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<sup>7</sup> \$75,150 at the end of the year less \$75,000 at the beginning of the year equals a change of +\$150.

<sup>8</sup> \$1,000 from transaction 1-6 less \$850 from transaction 1-7.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
D602	D602-001			6730	5780	45

**PRE-CLOSING TRIAL BALANCES****–FISCAL YEAR 1**

Budgetary and proprietary trial balances of accounts at September 30, after transactions 1-1 through 1-18, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4119 Other Appropriations Realized	\$10,000
4201 Total Actual Resources – Collected	- 0 -
4450 Unapportioned Authority	- 0 -
4510 Apportionments	- 0 -
4610 Allotments – Realized Resources	- 0 -
4650 Allotments – Expired Authority	- 0 -
4700 Commitments – Programs Subject to Apportionment	(100)
4801 Undelivered Orders – Obligations, Unpaid	- 0 -
4802 Undelivered Orders – Obligations, Prepaid/Advanced	(40)
4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected	- 0 -
4901 Delivered Orders – Obligations, Unpaid	(750)
4902 Delivered Orders – Obligations, Paid	(9,110)
4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected	- 0 -

*Proprietary*

1010 Fund Balance with Treasury	\$ 850
1310 Accounts Receivable	60
1410 Advances to Others - Salary	- 0 -
1410 Advances to Others – Travel	40
2110 Accounts Payable	(325)
2210 Accrued Funded Payroll and Leave	(325)
2211 Withholdings Payable	- 0 -
2213 Employer Contributions and Payroll Taxes Payable	(100)
2220 Unfunded Leave [Annual Leave Liability]	(75,150)
3100 Unexpended Appropriations – Cumulative	- 0 -
3101 Unexpended Appropriations – Appropriations Received	(10,000)
3107 Unexpended Appropriations – Used	9,860
3310 Cumulative Results of Operations	- 0 -
5700 Expended Appropriations	(9,860)
5730 Financing Sources Transferred Out Without Reimbursement	75,000
5780 Imputed Financing Sources – Benefits	(45)
6100 Operating Expenses/Program Costs - Housing Allowance Expense	1,500
6100 Operating Expenses/Program Costs - Salary Expense	5,125
6100 Operating Expenses/Program Costs - Travel Expense	2,035
6400 Benefit Expense	1,200
6730 Imputed Costs - Imputed Benefit Costs	45
6800 Future-Funded Expenses: Change in A/L Liability	150
6800 Future-Funded Expenses: Housing Allowance	(20)
6800 Future-Funded Expenses: Salary	(30)
6800 Future-Funded Expenses: Benefits	(10)

**RELATIONSHIPS AMONG PRE-CLOSING ACCOUNT BALANCES**

As a matter of information, note that the following correct relationships between the various accounts in the trial balances hold (in addition to the standard “debits = credits” requirement). Balances are pre-closing unless indicated by a “B” (designating “beginning balance”).

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| <p>1. <math>4119 + 4201 - 4802 + 4872 - 4902 + 4972 = 1010</math> [<math>\\$10,000 + \\$-0- - \\$40 + \\$-0- - \\$9,110 + \\$-0- = \\$850</math>]</p> <p>2. <math>4802 = 1410</math> [<math>\\$400 = \\$400</math>]</p> <p>3. <math>4901 = 2110 + 2210 + 2211 + 2213</math> [<math>\\$750 = \\$325 + \\$325 + -0- + \\$100</math>]</p> <p>4. <math>4901 - 4901B + 4902 = 5700</math> [<math>\\$750 - \\$-0- + \\$9,110 - \\$-0- = \\$9,860</math>]</p> <p>5. <math>3107 = 5700</math> [<math>\\$9,860 = \\$9,860</math>]</p> <p>6. <math>6100 (\text{sal, trav, hsg}) + 6400 = 5700</math> [<math>(\\$5,125 + \\$2,035 + \\$1,500) + \\$1,200 = \\$9,860</math>]</p> |
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**CLOSING ENTRIES**

Closing entries for the budgetary, proprietary, and memorandum accounts are set forth below.

*Budgetary Closing Entries*

**CB1-1. Unobligated authority was consolidated into account 4650.**

4700 Commitments – Programs Subject to Apportionment 100  
 4650 Allotments – Expired Authority 100

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F212 Refer to C130	F212-008 Refer to C130-008	4700	4650			100

**CB1-2. Budgetary cash accounts were consolidated.**

4902 Delivered Orders – Obligations, Paid 9,110  
 4201 Total Actual Resources – Collected 890  
 4119 Other Appropriations Realized 10,000

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F214	F214-001	4902	4201			9,110
F204	F204-040	4201	4119			10,000

*Proprietary Closing Entries*

**CP1-1 Cumulative Results of Operations was updated for expenses and financing sources during the year.**

5700 Expended Appropriations 9,860  
 5780 Imputed Financing Sources 45  
 6800 Future-Funded Expenses: Housing Allowance 20  
 6800 Future-Funded Expenses: Salary 30  
 6800 Future-Funded Expenses - Benefits 10  
 3310 Cumulative Results of Operations 75,090  
 5730 Financing Sources Transferred Out Without Reimbursement 75,000  
 6100 Operating Expenses/Program Costs -Housing Allowance Expense 1,500  
 6100 Operating Expenses/Program Costs - Salary Expense 5,125  
 6100 Operating Expenses/Program Costs - Travel Expense 2,035  
 6400 Benefit Expense 1,200  
 6800 Future-Funded Expenses: Change in A/L Liability 150  
 6730 Imputed Costs - Imputed Benefit Costs 45

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F228	F228-045			5700	3310	9,860
F228	F228-052			5780	3310	45
F228	F228-011			3310	5730	75,000
F228	F228-022			3310	6100	8,660
F228	F228-026			3310	6400	1,200
F228	F228-030			3310	6730	45
F228	F228-062			6800	3310	60
F228	F228-032			3310	6800	150

**CP1-2. Cumulative Unexpended Appropriations was updated for appropriations received and used during the year.**

3101 Unexpended Appropriations – Appropriations Rec'd	10,000	
3107 Unexpended Appropriations – Used		9,860
3100 Unexpended Appropriations – Cumulative		140

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F233	F233-009			3100	3107	9,860
F233	F233-001			3101	3100	10,000

**POST-CLOSING TRIAL BALANCES**

**--FISCAL YEAR 1**

Budgetary, proprietary, and memorandum trial balances of accounts at September 30, after closing entries, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4119 Other Appropriations Realized	\$ - 0 -
4201 Total Actual Resources – Collected	890
4450 Unapportioned Authority	- 0 -
4510 Apportionments	- 0 -
4610 Allotments – Realized Resources	- 0 -
4650 Allotments – Expired Authority	(100)
4700 Commitments – Programs Subject to Apportionment	- 0 -
4801 Undelivered Orders – Obligations, Unpaid	- 0 -
4802 Undelivered Orders – Obligations, Prepaid/Advanced	(40)
4901 Delivered Orders – Obligations, Unpaid	(750)
4902 Delivered Orders – Obligations, Paid	- 0 -
4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected	- 0 -

*Proprietary*

1010 Fund Balance with Treasury	\$ 850
1310 Accounts Receivable	60
1410 Advances to Others - Salary	- 0 -
1410 Advances to Others – Travel	40
2110 Accounts Payable	(325)
2210 Accrued Funded Payroll and Leave	(325)
2211 Withholdings Payable	- 0 -
2213 Employer Contributions and Payroll Taxes Payable	(100)
2220 Unfunded Leave [Annual Leave Liability]	(75,150)
3100 Unexpended Appropriations – Cumulative	(140)
3101 Unexpended Appropriations – Appropriations Received	- 0 -
3107 Unexpended Appropriations – Used	- 0 -
3310 Cumulative Results of Operations	75,090
5700 Expended Appropriations	- 0 -
5730 Financing Sources Transferred Out Without Reimbursement	- 0 -
5780 Imputed Financing Sources – Benefits	- 0 -
6100 Operating Expenses/Program Costs - Housing Allowance Expense	- 0 -
6100 Operating Expenses/Program Costs - Salary Expense	- 0 -
6100 Operating Expenses/Program Costs - Travel Expense	- 0 -
6400 Benefit Expense	- 0 -
6730 Imputed Costs - Imputed Benefits Costs	- 0 -
6800 Future-Funded Expenses: Change in A/L Liability	- 0 -
6800 Future-Funded Expenses: Housing Allowance	- 0 -
6800 Future-Funded Expenses: Salary	- 0 -

**RELATIONSHIPS AMONG POST-**

**CLOSING ACCOUNT BALANCES**

As a matter of information, note that the following correct relationships between the various accounts in the trial balances hold (in addition to the standard “debits = credits” requirement).

1. 4201 – 4802 = 1010 [\$890 – 40 = \$850]
2. 4802 = 1410 [\$40 = \$40]
3. 4901 = 2110 + 2210 + 2211 + 2213 [\$750 = \$325 + \$325 + -0- + \$100]

**FINANCIAL STATEMENTS**

The following condensed financial statements are illustrated:

- Statement of net cost
- Statement of changes in net position
- Statement of budgetary resources
- Statement of financing
- Balance sheet

Crosswalks from the trial balances are provided with the statements. All are pre-closing figures unless indicated by a “B” (from the beginning trial balance, which would have account balances of all zeros for Year 1) or an “E” (from the post-closing trial balance).

**DoD Appropriation Entity  
Statement of Net Cost  
For Fiscal Year 1**

Expenses:		
Salaries and Benefits	\$6,480	[6100Sal-6800Sal+6400+6730-6800A/L-6800Sal]
Travel	2,035	[6100 Travel]
Housing Allowances	<u>1,480</u>	[6100Hsg-6800Hsg]
Net Cost of Operations	<u>\$9,995</u>	

**DoD Appropriation Entity**

**Statement of Changes in Net Position  
For Fiscal Year 1**

*Cumulative Results of Operations:*

		<b>Crosswalk</b>
Cumulative Results of Operations October 1	\$ -0-	3310B
Net Cost of Operations	(9,995)	Stmt of Net Cost
Financing Sources from Appropriations Used	9,860	5700
Imputed Financing Sources for Benefits	45	5780
Non-budgetary Transfer of Annual Leave		
Liability from Prior-Year Appropriation	<u>(75,000)</u>	5730
Cumulative Results of Operations September 30	<u>\$(75,090)</u>	Must = 3310E

*Unexpended Appropriations:*

Unexpended Appropriations October 1	\$ -0-	3100B
Appropriations Received	10,000	3101
Appropriations Used	<u>(9,860)</u>	3107
Unexpended Appropriations September 30	<u>\$ 140</u>	Must = 3100E

**DoD Appropriation Entity  
Statement of Budgetary Resources  
For Fiscal Year 1**

<b>RESOURCES</b>			<b>Crosswalk</b>
Unobligated Balance Forward		\$ -0-	4450B
New Resources:			
Appropriations		<u>10,000</u>	4119
Total Resources		<u>\$10,000</u>	
 <b>STATUS OF RESOURCES</b>			
Obligated	\$9,900		4801/2,4901/2,E-B
Unobligated—unavailable for new oblig.	<u>100</u>	<u>\$10,000</u>	4650E
 <b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>			
Obligations	\$9,900		<b>Crosswalk</b> From Sec 2
Less Offsetting Collections	<u>-0-</u>		
Net Obligations	9,900		
Non-Cash Net Obligations <sup>(a)</sup>	<u>(750)</u>		Table (a)
Net Outlays		<u>\$9,150</u>	
Components of Net Outlays			
Disbursements		<u>\$9,150</u>	4802,4902E-B

<sup>(a)</sup>*Non-Cash Net Obligations:*

	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Change</u>
Undelivered Orders Without Advances	\$ -0-	\$ -0-	\$ -0-
Less Budgetary Accounts Payable	<u>-0-</u>	<u>750</u>	<u>750</u>
Net Non-Cash Obligations	<u>\$ -0-</u>	<u>\$750</u>	<u>\$750</u>

*Crosswalk for Non-Cash Net Obligations:*

	<u>Beginning of Year</u>	<u>End of Year</u>
Undelivered Orders Without Advances	4801B	4801E
Budgetary Accounts Payable	4901B	4901E

**DoD Appropriation Entity  
Statement of Financing  
For Fiscal Year 1**

		<b>Crosswalk</b>
Resources Financing Activities:		
Net Obligations (from statement of budgetary resources)	\$ 9,900	SOBR, Sec 3
Imputed Financing Sources for Benefits	45	
Non-budgetary rollover of Annual Leave Liability		
From Prior-Year Appropriation	<u>(75,000)</u>	5730
Total Resources Financing Activities	<u>(65,065)</u>	
Items in Net Obligations Not		
Funding Net Cost of Operations:		
Increase in Undelivered Orders	(\$ 40)	4801/2E-B
Rollover of Annual Leave Liability	<u>75,000</u>	5730 <sup>9</sup>
	<u>74,960</u>	
Resources Funding Net Cost of Operations	9,905	
Expenses Which Do Not Use Resources		
In the Current Year:		
Overpayments of Salar., Ben., and Hsg.	(60)	6800Sal/Ben/Hsg
Change in Annual Leave Liability	<u>150</u>	6800A/L
	<u>90</u>	
Net Cost of Operations	<u>\$ 9,995</u>	

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<sup>9</sup> This would need to be coded in some way to indicate what it was so that it could be treated properly, as shown here, on the statement of financing.

**DoD Appropriation Entity  
Balance Sheet  
At the End of Fiscal Year 1**

<b>ASSETS</b>		<b>Crosswalk</b>
Fund Balance with Treasury	\$ 850	1010
Accounts Receivable	60	1310
Advances to Others	<u>40</u>	1410
<b>TOTAL ASSETS</b>	<b><u>\$ 950</u></b>	
<b>LIABILITIES</b>		
Accounts Payable	\$ 325	2110
Accrued Funded Payroll and Benefits	425	2210,2213
Unfunded Annual Leave	<u>75,150</u>	2220
<b>Total Liabilities</b>	<b>\$75,900</b>	
<b>NET POSITION</b>		
Unexpended Appropriations	\$ 150	3301E
Cumulative Results of Operations	<u>(75,100)</u>	3310E
<b>Total Net Position</b>	<b><u>(74,950)</u></b>	
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <b><u>\$ 950</u></b>	

**TRANSACTIONS – FISCAL YEAR 2**

**2-1. In accordance with agency policy, the annual leave liability was rolled over to the new annual appropriation.**

2220 Unfunded Leave [Annual Leave Liability]	75,150	
5720 Non-budgetary Financing Sources Transferred-in		75,150 <sup>10</sup>

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
D811	D811-024			2220	5720	75,150

<sup>10</sup>The USSGL doesn't have an account that exactly provides for this transaction, 5720 probably being about as close as one can get. Note that the new (current-year) appropriation would make the same entry as entry 1-5 for the old appropriation, such that the transactions would cancel each other from a DoD-wide standpoint. Note, too, that no budgetary accounts are involved for either appropriation, because the annual leave will only be funded through the payroll as it is taken.

**2-2. The \$60 of accounts receivable from overpayments in the previous year was collected.**

4972 Downward Adjustments of Prior-Year Paid		
Delivered Orders – Obligations, Refunds Collected	60	
4650 Allotments – Expired Authority <sup>11</sup>		60
1010 Fund Balance with Treasury	60	
1310 Accounts Receivable		60
5700 Expended Appropriations	60	
3107 Unexpended Appropriations – Used		60
6800 Future-Funded Expenses: Housing Allowance	20	
6800 Future-Funded Expenses: Salaries	30	
6800 Future-Funded Expenses: Benefits	10	
6400 Benefit Expense		10
6100 Operating Expenses/Program Costs - Housing Allowance Expense		20
6100 Operating Expenses/Program Costs - Salary Expense		30 <sup>12</sup>

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
C132	C132-127	4972	4650	1010	1310	60
Reverse B134	Reverse B134-001			5700	3107	60
B324	B324-023			6800	6100	50
B324	B324-024			6800	6400	10

**2-3. The \$40 of travel advances not applied to vouchers was collected back from the soldiers.**

4872 Downward Adjustments of Prior-Year Prepaid/		
Advanced Undelivered Orders – Obligations,		
Refunds Collected	40	
4650 Allotments – Expired Authority		40

<sup>11</sup> Note that the credit is to expired authority, since the appropriation authority has expired.

<sup>12</sup> This entry is made to feed the statement of financing. In this case, net obligations increased by \$60, but the net cost of operations is zero, because the *unfunded* expenses related to the overpayments were credited in the preceding year (see transaction 1-13). The reconciling item is the net obligations related to those overpayments, which will be picked up from the 6800 accounts in the entry. The offsetting 6100 accounts represent the decrease in *funded* expenses based on the collections in this transaction. Note that the net result of entry 1-13 and this entry is a decrease in funded expenses of \$60, because the 6800 accounts in transaction 1-13 and those in this entry cancel, albeit across years.

1010 Fund Balance with Treasury 40  
 1410 Advances to Others – Travel 40

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
C130	C130-006	4872	4650	1010	1410	40

**2-4. The accounts payable accrued at September 30 of the prior fiscal year were paid.**

4901 Delivered Orders – Obligations, Unpaid 325  
 4902 Delivered Orders – Obligations, Paid 325

2110 Accounts Payable 325  
 1010 Fund Balance with Treasury 325

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B110	B110-001	4901	4902	2110	1010	325

**2-5. Paid the payroll accrued at September 30 of the prior fiscal year**

4901 Delivered Orders – Obligations, Unpaid 425  
 4902 Delivered Orders – Obligations, Paid 425

2210 Accrued Funded Payroll and Leave 325  
 2213 Employer Contributions and Payroll Taxes Payable 100  
 1010 Fund Balance with Treasury 425

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
B110	B110-006	4901	4902	2210	1010	325
B110	B110-008	4901	4902	2213	1010	100

**PRE-CLOSING TRIAL BALANCES  
 –FISCAL YEAR 2**

Budgetary, proprietary, and memorandum trial balances of accounts at September 30, after transactions 2-1 through 2-5 have been added, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4119 Other Appropriations Realized	\$ - 0 -
4201 Total Actual Resources – Collected	890
4450 Unapportioned Authority	- 0 -
4510 Apportionments	- 0 -
4610 Allotments – Realized Resources	- 0 -
4650 Allotments – Expired Authority	(200)
4700 Commitments – Programs Subject to Apportionment	- 0 -
4801 Undelivered Orders – Obligations, Unpaid	- 0 -
4802 Undelivered Orders – Obligations, Prepaid/Advanced	(40)
4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected	40
4901 Delivered Orders – Obligations, Unpaid	- 0 -
4902 Delivered Orders – Obligations, Paid	(750)
4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected	60

*Proprietary*

1010 Fund Balance with Treasury	\$ 200
1310 Accounts Receivable	- 0 -
1410 Advances to Others - Salary	- 0 -
1410 Advances to Others – Travel	- 0 -
2110 Accounts Payable	- 0 -
2210 Accrued Funded Payroll and Leave	- 0 -
2211 Withholdings Payable	- 0 -
2213 Employer Contributions and Payroll Taxes Payable	- 0 -
2220 Unfunded Leave [Annual Leave Liability]	- 0 -
3100 Unexpended Appropriations – Cumulative	(140)
3101 Unexpended Appropriations – Appropriations Received	- 0 -
3107 Unexpended Appropriations – Used	(60)
3310 Cumulative Results of Operations	75,090
5700 Expended Appropriations	60
5720 Non-Budgetary Financing Sources Transferred-	(75,150)
5780 Imputed Financing Sources – Benefits	- 0 -
6100 Operating Expenses/Program Costs - Housing Allowance Expense	(20)
6100 Operating Expenses/Program Costs – Salary	(30)
6100 Operating Expenses/Program Costs – Travel	- 0 -
6400 Benefit Expense	(10)
6730 Imputed Costs - Imputed Benefits Costs	- 0 -
6800 Future-Funded Expenses: Change in A/L Liability	- 0 -
6800 Future-Funded Expenses: Housing Allowance	20
6800 Future-Funded Expenses: Salary	30
6800 future-Funded Expenses: Benefits	10

**RELATIONSHIPS AMONG PRE-CLOSING ACCOUNT BALANCES  
FISCAL YEAR 2**

As a matter of information, note that the following correct relationships between the various accounts in the trial balances hold (in addition to the standard “debits = credits” requirement). Balances are pre-closing unless indicated by a “B” (designating “beginning balance”).

1. 4201 – 4802 – 4902 + 4972 = 1010 [\$890 - \$-0- \$750 + \$60 = \$200]
2. 4802 = 1450 [\$-0- = \$-0-]
3. 4901 = 2110 + 2210 + 2211 + 2213[\$-0- = \$-0- + \$-0- + \$-0- + \$-0-]
4. 4901-4901B + 4902 - 4972= 5700 [\$-0- - \$750 + \$750 - \$60 - \$-0- = -\$60]
5. 3107 = 5700 [\$60 = \$60]
6. 6100Sal + 6100 Hsg + 6400 = 5700 [(-\$20 + -\$30) + -\$10- = -\$60]

**CLOSING ENTRIES – FISCAL YEAR 2**

Closing entries for the budgetary, proprietary, and memorandum accounts are set forth below.

*Budgetary Closing Entries*

**CB2-1. Budgetary cash accounts were consolidated.**

4902 Delivered Orders – Obligations, Paid	750	
4201 Total Actual Resources – Collected		690
4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected		60

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F214	F214-001	4902	4201			690
F216	F216-002	4902	4972			60

**CB2-2. Undelivered Orders with Advances were consolidated.**

4802 Undelivered Orders – Obligations, Prepaid/Advanced	40	
4872 Downward Adjustments of Prior-Year Prepaid/ Advanced Undelivered Orders – Obligations, Refunds Collected		40

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F222	F222-004	4802	4872			40

*Proprietary Closing Entries*

**CP 2-1. Cumulative Results of Operations was updated for expenses and financing sources during the year.**

5720 Non-budgetary Fin. Sources Transferred-in	75,150	
6100 Operating Expenses/Program Costs - Housing Allowance Expense	20	
6100 Operating Exp./Program Costs - Salary Expense	30	
6400 Benefits Expense	10	
3310 Cumulative Results of Operations		75,090
5700 Expended Appropriations		60
6800 Future-Funded Expenses: Housing Allowance		20
6800 Future-Funded Expenses: Salary		30
6800 Future-Funded Expenses: Benefits		10

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F228	F228-048			5720	3310	75,150
F228	F228-063			6100	3310	20 30
F228	F228-064			3310	5700	50
F228	F228-032			3310	6800	20 30 10
F228	F228-065			6400	3310	10

**CP 2-2. Cumulative Unexpended Appropriations was updated for appropriations received and used during the year.**

3107 Unexpended Appropriations – Used	60	
3100 Unexpended Appropriations – Cumulative		60

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F233	F228-004			3107	3100	60

**POST-CLOSING TRIAL BALANCES --FISCAL YEAR 2**

Budgetary, proprietary, and memorandum trial balances of accounts at September 30, after closing entries, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4119 Other Appropriations Realized	\$ - 0 -
4201 Total Actual Resources – Collected	200
4450 Unapportioned Authority	- 0 -
4510 Apportionments	- 0 -
4610 Allotments – Realized Resources	- 0 -
4650 Allotments – Expired Authority	(200)
4700 Commitments – Programs Subject to Apportionment	- 0 -
4801 Undelivered Orders – Obligations, Unpaid	- 0 -
4802 Undelivered Orders – Obligations, Prepaid/Advanced	- 0 -
4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected	- 0 -
4901 Delivered Orders – Obligations, Unpaid	- 0 -
4902 Delivered Orders – Obligations, Paid	- 0 -
4972 Downward Adjustments of Prior-Year Paid Delivered Orders - Obligations, Refunds Collected	- 0 -

*Proprietary*

1010 Fund Balance with Treasury	\$ 200
1310 Accounts Receivable	- 0 -
1410 Advances to Others - Salary	- 0 -
1410 Advances to Others – Travel	- 0 -
2110 Accounts Payable	- 0 -
2210 Accrued Funded Payroll and Leave	- 0 -
2211 Withholdings Payable	- 0 -
2213 Employer Contributions and Payroll Taxes Payable	- 0 -
2220 Unfunded Leave [Annual Leave Liability]	- 0 -
3100 Unexpended Appropriations – Cumulative	(200)
3101 Unexpended Appropriations – Appropriations Received	- 0 -
3107 Unexpended Appropriations – Used	- 0 -
3310 Cumulative Results of Operations	- 0 -
5700 Expended Appropriations	- 0 -
5720 Non-Budgetary Financing Sources Transferred-in	- 0 -
5780 Imputed Financing Sources – Benefits	- 0 -
6100 Operating Expenses/Program Costs - Housing Allowance Expense	- 0 -
6100 Operating Expenses/Program Costs - Salary Expense	- 0 -
6100 Operating Expenses/Program Costs - Travel Expense	- 0 -
6400 Benefit Expense	- 0 -
6730 Imputed Costs - Imputed Benefits Costs	- 0 -
6800 Future-Funded Expenses: Change in A/L Liability	- 0 -
6800 Future-Funded Expenses: Housing Allowance	- 0 -
6800 Future-Funded Expenses: Salary	- 0 -

**RELATIONSHIPS AMONG POST-CLOSING ACCOUNT BALANCES  
FISCAL YEAR 2**

As a matter of information, note that the following correct relationships between the various accounts in the trial balances hold (in addition to the standard “debits = credits” requirement).

- |   |
|---|
| <ol style="list-style-type: none"><li>1. <math>4201 - 4802 = 1010</math> [\$200 - \$-0- = \$200]</li><li>2. <math>4802 = 1450</math> [\$-0- = \$-0-]</li><li>3. <math>4901 = 2110 + 2210 + 2211 + 2213</math> [\$-0- = \$-0- + \$-0- + \$-0- + \$-0-]</li></ol> |
|---|

## **FINANCIAL STATEMENTS – FISCAL YEAR 2**

The following condensed financial statements are illustrated:

- Statement of net cost
- Statement of changes in net position
- Statement of budgetary resources
- Statement of financing
- Balance sheet

Crosswalks from the trial balances are provided with the statements. All are pre-closing figures unless indicated by a “B” (from the beginning trial balance, which would have account balances of all zeros for Year 1) or an “E” (from the post-closing trial balance).

**DoD Appropriation Entity  
Statement of Net Cost  
For Fiscal year 2**

There are no expenses or exchange revenues to report.<sup>13</sup>

**DoD Appropriation Entity  
Statement of Changes in Net Position  
For Fiscal Year 2**

*Cumulative Results of Operations:*

		<b>Crosswalk</b>
Cumulative Results of Operations October 1	\$ 75,090	3310B
Decrease in Fin. Sources from Appopr. Used	(60)	5700
Non-budgetary Transfer of Annual Leave Liability to Current-Year Appropriation	<u>(75,150)</u>	5730
Cumulative Results of Operations September 30	<u>\$ -0-</u>	Must = 3310E

*Unexpended Appropriations:*

Unexpended Appropriations October 1	\$140	3100B
Decrease in Appropriations Used	<u>60</u>	3107
Unexpended Appropriations September 30	<u>\$200</u>	Must = 3100E

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<sup>13</sup> Note that the 6100, 6400 and 6800 series of expenses cancel to zero.

**DoD Appropriation Entity  
Statement of Budgetary Resources  
For Fiscal Year 2**

<b>RESOURCES</b>			<b>Crosswalk</b>
Unobligated Balance Forward		\$100	4650B
New Resources:			
Collections of Prepayments and Overpayments		<u>100</u>	4872/4972
Total Resources		<u>\$200</u>	
<b>STATUS OF RESOURCES</b>			
Obligated	\$ -0-		4801/2,4901/2, E-B;4872/4972
Unobligated—unavailable for new oblig.	<u>200</u>	<u>\$200</u>	4650E
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>			
Obligations	\$ - 0 -		<b>Crosswalk</b>
Less Offsetting Collections	<u>(100)</u>		From Sec 2
Net Obligations	(100)		
Non-Cash Net Obligations <sup>(a)</sup>	<u>750</u>		Table (a)
Net Outlays		<u>\$650</u>	
Components of Net Outlays			
Disbursements		<u>\$650</u>	4802,4902E-B

<sup>(a)</sup>*Non-Cash Net Obligations:*

	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Change</u>
Undelivered Orders Without Advances	\$ - 0 -	\$-0-	\$ -0-
Budgetary Accounts Payable	<u>750</u>	<u>-0-</u>	<u>(750)</u>
Net Non-Cash Obligations	<u>\$ 750</u>	<u>\$-0-</u>	<u>\$(750)</u>

*Crosswalk for Non-Cash Net Obligations:*

	<u>Beginning of Year</u>	<u>End of Year</u>
Undelivered Orders Without Advances	4801B	4801E
Budgetary Accounts Payable	4901B	4901E

**DoD Appropriation Entity  
Statement of Financing  
For Fiscal Year 2**

		<b>Crosswalk</b>
Resources Financing Activities:		
Net Obligations (from statement of budgetary resources)	\$ (100)	SOBR, Sec 3
Non-budgetary rollover of Annual Leave Liability		
To Current-Year Appropriation	<u>75,150</u>	5720
Total Resources Financing Activities	(75,050)	
Items in Net Obligations Not		
Funding Net Cost of Operations:		
Obligations Funding Prior-Year Costs	\$ 60	6800 <sup>14</sup>
Decrease in Undelivered Orders	\$ 40	4801/2E-B
Rollover of Annual Leave Liability	<u>(75,150)</u> <u>75,050</u>	5730 <sup>15</sup>
Net Cost of Operations	<u>\$ - 0 -</u>	

**DoD Appropriation Entity  
Balance Sheet  
At the End of Fiscal Year 2**

		<b>Crosswalk</b>
<b>ASSETS</b>		
Fund Balance with Treasury	<u>\$200</u>	1010
<b>NET POSITION</b>		
Unexpended Appropriations	<u>\$200</u>	3100E

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<sup>14</sup> The 6800 accounts would need to be coded in some manner to track to this section of the statement of financing, as opposed to the section on components of net cost of operations which do not generate or use resources in the current period, to which (latter) they would normally track. An alternative would be to code the obligations involved (account 4972) as relating to prior-period costs, and use that account for the crosswalk.

<sup>15</sup> This would need to be coded in some way to indicate what it was so that it could be treated properly, as shown here, on the statement of financing.

**TRANSACTIONS—YEAR 6.**

There were no transactions for years 3-5. Hence, the beginning trial balance for year 6 was the same as the ending trial balance for Fiscal Year 2.

**6-1 The appropriation authority was canceled at the end of the year, and the remaining cash was transferred back to Treasury.<sup>16</sup>**

4650 Allotments – Expired Authority	200	
4350 Canceled Authority		200
3106 Unexpended Appropriations – Adjustments	200	
1010 Fund Balance with Treasury		200

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F120	F120-001	4650	4350	3106	1010	200

**PRE-CLOSING TRIAL BALANCES**

**--FISCAL YEAR 6**

Budgetary, proprietary, and memorandum trial balances of accounts at September 30, after transaction 6-1 has been added, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4201 Total Actual Resources – Collected	\$200
4350 Canceled Authority	(200)

\*\*\* [Note that 4201 must equal 4350.] \*\*\*

*Proprietary*

3100 Unexpended Appropriations – Cumulative	(\$200)
3106 Unexpended Appropriations – Adjustments	200

**CLOSING ENTRIES—FISCAL YEAR 6**

*Budgetary*

None

*Proprietary*

**CP 6-1. To consolidate unexpended appropriations.**

3100 Unexpended Appropriations – Cumulative	200	
3106 Unexpended Appropriations – Adjustments		200

<sup>16</sup> This is in accordance with the requirement in P.L. 101-510, often referred to as the “M-Account Legislation,” which provides that authority which expires is canceled at the end of the fifth year after expiration. The case assumes that the appropriation presented is subject to the legislation.

USSGL Trans Code	DoD Trans Code	Budgetary Debit	Budgetary Credit	Proprietary Debit	Proprietary Credit	Amount
F233	F233-008			3100	3106	200

**POST-CLOSING TRIAL BALANCES—FISCAL YEAR 6**

Budgetary and proprietary accounts at September 30, after closing entries, are set forth below (debits as positive amounts, credits in parentheses).

*Budgetary*

4201 Total Actual Resources – Collected	\$200
4350 Canceled Authority	(200)

\*\*\* [Note that 4201 must equal 4350.] \*\*\*

*Proprietary*

All proprietary accounts are closed.

**FINANCIAL STATEMENTS – FISCAL YEAR 6**

There is no statement of net cost, statement of financing, or balance sheet to report for Year 7. The two statements which would be prepared—the statement of changes in net position and statement of budgetary resources—are presented in condensed form below.

**DoD Appropriation Entity  
Statement of Changes in Net Position  
For Fiscal year 6**

<i>Unexpended Appropriations:</i>		<b>Crosswalk</b>
Unexpended Appropriations October 1	\$200	3100B
Appropriations Canceled	(200)	3106
Unexpended Appropriations September 30	<u>\$-0-</u>	Must = 3100E

**DoD Appropriation Entity  
Statement of Budgetary Resources  
For Fiscal year 6**

<i>Resources:</i>		<b>Crosswalk</b>
Unobligated Balance Forward	\$200	4650B
Cancellation of Authority.	(200)	4350
Total Resources	<u>\$-0-</u>	

(Note that there is nothing to report in sections 2 and 3. They could be prepared, using zero balances, or a note to the effect that they would be zero, if prepared, could be made.)

\*\*\*\*\* *This is the end of the case.* \*\*\*\*\*