Appendix C

Illustrative Adjustments Worksheet

This appendix illustrates how the data reported in governmental funds and internal service funds are converted and consolidated for presentation as governmental activities in the government-wide financial statements.

Appendix C is available electronically at www.gfoa.org/GAAFR/AppendixC.

Illustrative adjustments worksheet

As many as three types of adjustments may be necessary before the data reported in governmental funds can be incorporated into the government-wide financial statements:

- *Conversion adjustments.* Governmental fund data must be converted from the current financial resources measurement focus and the modified accrual basis of accounting to the economic resources measurement focus and the accrual basis of accounting;
- *Consolidation adjustments.* The effect of interfund activity within the primary government (including internal service funds) must be eliminated (except for *interfund services provided and used* between functions); and
- *Cost allocation adjustments.* Any allocations of *indirect costs* to individual functions in the fund financial statements (overhead allocation) must be reversed. Conversely, any *direct costs* of a function that was included in *general government* expenditures in the fund financial statements must be allocated to the appropriate function.

Before proceeding with a detailed examination of specific adjustments, it is important to note the following:

- *Worksheet character of adjustments.* A fund's post-closing trial balance for the current year also serves as the initial trial balance for the following year. Accordingly, the adjustments described here are purely "worksheet" in character;
- *General government accounts.* Governmental funds do *not* report a number of assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with their operation that must, however, be included in the government-wide financial statements. Governments typically use separate *general government* accounts (often handled as a separate "fund" in the accounting system) to track these items. In this appendix, general government accounts are indicated by the use of *ALL CAPS ITALIC* and the difference between accounts with debit balances (*ASSETS* and *DEFERRED OUTFLOWS OF RESOURCES*), and accounts with credit balances (*LIABILITIES* and *DEFERRED INFLOWS OF RESOURCES*) is described as *NET POSITION*; [1]
- *Different starting balances.* The worksheet draws its data for governmental funds from the *pre-closing* trial balance; whereas, *initial balances* are used for general government accounts. This difference in treatment is necessary because the adjustments made to convert governmental fund data *automatically* produce the changes in the general government accounts that occurred during the period. (For example, the adjustment to remove *expenditures – capital outlay* automatically generates a corresponding increase in *CAPITAL ASSETS*, just as the adjustment to remove *expenditures – debt service principal* automatically generates a corresponding decrease in *LONG-TERM LIABILITIES*).

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1. It is important not to confuse this latter amount with *net position – governmental activities*, of which it is but one component of net position.

- *Adjustments to fund balance.* As a matter of convenience, adjustments for items that were already recognized in a prior period in the government-wide financial statements (for example, revenue of a prior period that was *not* recognized at that time in the governmental funds because it was not yet considered to be *available*) are made directly to the *fund balance* account on the worksheet;[2]
- *No need to distinguish expenditures from expense.* As a matter of convenience, worksheet adjustments to recognize *expense* (for example, depreciation, amortization) are made directly to the related *expenditure* account on the worksheet. That is, there is no need to create a separate worksheet account for *expense*, since the amounts reported in *expenditure* accounts on the worksheet will constitute *expense* once all of the adjustments have been made; and
- *Worksheet components of net position – governmental activities.* The amount ultimately reported as *net position–governmental activities* in the government-wide statement of net position is calculated by adding two separate worksheet accounts (fund balance, *NET POSITION*) together with the overall increase/decrease in net position, as follows:

  Fund balance
  NET POSITION
  \+ Increase/decrease in net position
  Net position – governmental activities

2. This account eventually becomes part of the *net position – governmental activities* account.

Description of adjustments

Adjustments for conversion and annual accruals

(a) Replace other financing sources and uses with permanent accounts – long-term debt (bonds)

(b) Replace other financing sources with permanent account – long-term debt (lease payable and notes payable)

(c) Eliminate temporary accounts – principal repayment

(d) Eliminate temporary accounts – refunding

(e) Eliminate temporary accounts – refunding with own sources

(f) Eliminate temporary accounts – pension-related debt

(g) Replace expenditures with capital assets – functional expenditures

(h) Replace expenditures with capital assets – capital outlays

(i) Replace expenditures with capital assets – intangible right-to use lease asset

(j) Reclassify construction in progress for completed projects

(k) Remove assets sold and recognize resulting gain or loss

(l) Remove fully depreciated assets that are scrapped

(m) Report donations of capital assets that will be used in operations

(n) Eliminate revenue related to prior periods

(o) Eliminate interest earned in the prior period

(p) Eliminate unavailable revenue related to prior years

(q) Adjustment for a decrease in unavailable revenue resulting from an increase in the amount estimated to be uncollectible

(r) Eliminate expenditures related to liabilities incurred in prior years

(s) Replace unavailable revenue with revenue

(t) Accrue interest on long-term debt

(u) Accrue expense related to certain liabilities not reported in governmental funds

(v) Record changes in net pension liability for single employer Police Pension Plan (entries v1 – v10 are the detailed changes in balances for fiscal year)

(w) Record changes in total pension liability – single employer firefighters pension plan (not in trust)

(x) Record changes in net pension liability – cost sharing pension plan

(y) Record changes in net OPEB liability – cost sharing plan

(z) Record changes in net OPEB liability – single employer public safety (police and firefighters) OPEB plan

(aa) Accrue depreciation/amortization expense

(bb) Amortization of discounts and premiums on long-term debt

(cc) Amortize deferred charge produced by refunding

Adjustments for consolidation

(dd) Incorporate internal service fund data

(ee) Incorporate cumulative effect of "look-back" adjustments of prior years

(ff) Eliminate payables and receivables between individual governmental funds (including internal service funds incorporated into governmental activities)

(gg) Reclassify unconsolidated interfund payables between governmental funds and enterprise funds as internal balances

(hh) Eliminate transfers between individual governmental funds (including internal service funds incorporated into governmental activities)

From *GOVERNMENTAL FUNDS* to *GOVERNMENTAL ACTIVITIES*:
Conversion adjustments needed for change in measurement focus

1. Issuance of long-term debt/original issue discount

Action required: (1) Replace other financing source with liability and (2) replace other financing use with contra-liability.

Adjustments:

(a) Replace other financing sources and uses with permanent accounts – long-term debt (bonds).

	DR	CR
Other financing sources – special assessment bonds issued	$ 4,700,000	
Expenditures – general government	150,000	
DISCOUNT ON SPECIAL ASSESSMENT DEBT	10,000	
SPECIAL ASSESSMENT DEBT		$ 4,700,000
Expenditures – debt service – bond issuance costs		150,000
Other financing uses – discount on special assessment debt		10,000

Explanation. With the exception of *cash*, the issuance of long-term debt in a governmental fund affects only temporary accounts (other financing sources, other financing uses, and expenditures). In contrast, permanent accounts are primarily affected by the issuance of long-term debt in the government-wide financial statements (debt payable and discount on debt). Therefore, other financing sources and uses reported in connection with the issuance of long-term debt in governmental funds must be replaced by the equivalent permanent accounts. Finally, *expenditures – debt service – bond issuance costs* must be reclassified by function. (Note: issuance was recorded in the Capital Projects Fund, journal entry 114 in Appendix A.)

(b) Replace other financing sources with permanent account – long-term debt (lease payable and notes payable).

	DR	CR
Other financing sources –leases issued	$ 57,517	
Other financing sources –notes issued	2,000,000	
Expenditures – general government	15,254	
LEASES PAYABLE		$ 57,517
NOTES PAYABLE		2,000,000
Expenditures – debt service – bond issuance costs		15,254

Explanation. Governmental funds report a temporary account (other financing sources) rather than a permanent account (liability) at the inception of a lease and the issuance of long-term notes payable. Therefore, other financing sources associated with leases and notes must be replaced by a liability.

2. Repayment of the principal of long-term debt

Action required: Replace expenditure with reduction of related liability.

Adjustments:

(c) Eliminate temporary accounts – principal repayment.

	DR	CR
GENERAL OBLIGATION DEBT	$4,718,317	
LEASES PAYABLE	7,930	
Expenditures – debt service – principal		$4,726,247

Explanation. Governmental funds treat the repayment of the principal of long-term debt, including leases payable, as an expenditure, whereas debt service principal payments reduce the related liability in the government-wide financial statements. Therefore, expenditures for payments of debt service principal must be replaced by a corresponding reduction in the amount of outstanding debt. (Note: debt service and lease payments were recorded in the Debt Service Fund, journal entries 96 and 97, respectively, in Appendix A.)

(d) Eliminate temporary accounts – refunding.

	DR	CR
Other financing sources – refunding bonds issued	$5,810,000	
Other financing sources – premium on refunding bonds	249,914	
Expenditures – general government	122,710	
GENERAL OBLIGATION DEBT	5,730,000	
DEFERRED CHARGE – REFUNDING	207,204	
GENERAL OBLIGATION DEBT		$5,810,000
PREMIUM – GENERAL OBLIGATION DEBT		249,914
Expenditures – debt service – bond issuance costs		122,710
Other financing uses – payment to refunded bond escrow agent		5,937,204

Explanation. A refunding transaction essentially combines the issuance of new debt [see (a) above] and the repayment of existing debt [see (c) above]. The key difference is that any disparity between the net carrying value of the refunded debt and its reacquisition price ($207,204) needs to be treated as a deferred charge in the government-wide financial statements. (Note: The advance refunding was recorded in the Debt Service Fund, journal entry 88 in Appendix A.)

(e) Eliminate temporary accounts – refunding with own sources.

	DR	CR
GENERAL OBLIGATION DEBT	$500,000	
Expenditures – debt service principal		$500,000

Explanation. When a government advances refunds an outstanding bond using its own resources, the refunding transaction is treated similar to making a regular debt service payment, the outstanding principal is reduced by the amount of the payment made to the escrow paying agent applicable to principal in the government-wide financial statements. Any difference between the net carrying value of the old debt and the reacquisition price would be recognized as a gain or loss in the current year. In this example the government placed $510,567 with the escrow paying agent. The $10,567 was recognized as interest expenditure. (Note: refunding using existing resources was recorded in the Debt Service Fund, journal entry 90 in Appendix A.)

(f) Eliminate temporary accounts – pension-related debt.

	DR	CR
PENSION-RELATED DEBT	$697,896	
Expenditures – general government		$ 87,166
Expenditures – public safety		384,472
Expenditures – highways and streets		127,925
Expenditures – sanitation		14,237
Expenditures – culture and recreation		84,096

Explanation. Pension-related debt (as described in Appendix A, journal entry number 57) is treated just like any other debt. Therefore, expenditures related to the repayment of the principal of pension-related debt must be replaced by a corresponding reduction in the liability reported in the government-wide financial statements. Note that other net pension liability, pension expense and deferred inflows and deferred outflows related to pensions, that will be discussed later, are not associated with this long-term debt.

3. Outlays to construct or acquire capital assets

Action required: Replace expenditures with capital assets constructed or acquired.

Adjustments:

(g) Replace expenditures with capital assets – functional expenditures.

	DR	CR
MACHINERY, EQUIPMENT, AND VEHICLES	$839,243	
Expenditures – culture and recreation		$839,243

Explanation. Not all capital assets are acquired or constructed in a capital projects fund or reported as *expenditures – capital outlay*. Instead, routine capital outlays most commonly are reported as functional expenditures (for example, the purchase of a police squad car would be reported as *expenditures – public safety*). Therefore, routine capital outlays included as part of functional expenditures in the general fund ($784,625) and the library fund ($54,618) need to be replaced by a corresponding increase in capital assets. (Note: expenditures, including those routine acquisition of capital assets, were recorded in the General Fund, and were included in journal entry 43 in Appendix A.)

(h) Replace expenditures with capital assets – capital outlays.

	DR	CR
CONSTRUCTION IN PROGRESS – INFRASTRUCTURE	$ 4,847,666	
CONSTRUCTION IN PROGRESS – BUILDINGS	7,510,054	
MACHINERY, EQUIPMENT, AND VEHICLES	1,780,184	
Expenditures – public safety	109,518	
Expenditures – culture and recreation	394,487	
Expenditures – capital outlay		$14,641,909

Explanation. Often the amount reported as *expenditures – capital outlays* in capital projects funds includes some project-related outlays that are *not* capitalized (for example, furnishings). Therefore, (1) the capitalized portion of *expenditures – capital outlay* ($14,137,904) must be replaced by an increase in capital assets and (2) the noncapitalized portion ($504,005) must be reclassified by function (public safety and culture and recreation). (Note: progress billings were recorded as capital outlays in the Capital Projects Fund, and were included in journal entry 125 in Appendix A.)

(i) Replace expenditures with capital assets – intangible right-to use lease asset.

	DR	CR
INTANGIBLE, RIGHT-TO-USE, LEASE ASSET	$60,017	
Expenditures – culture and recreation		$60,017

Explanation. The government is also required to record an intangible asset for the right to use the leased asset. At the inception of a lease, governmental funds report an expenditure equal to the value of the lease liability. This expenditure needs to be replaced by the intangible right-to-use asset acquired by means of the lease. The value of the intangible right-to-use asset also includes any costs incurred by the government lessee to put the asset into service. In this example the present value of future lease payments was $57,517 (the lease liability) and the cost to put the asset into place was $2,500 for a total value of $60,017. (Note: the inception of the lease was recorded in the General Fund, journal entry 51 in Appendix A.

(j) Reclassify construction in progress for completed projects.

	DR	CR
BUILDINGS	$24,046,643	
INFRASTRUCTURE	1,415,056	
CONSTRUCTION IN PROGRESS – BUILDINGS		$24,046,643
CONSTRUCTION IN PROGRESS – INFRASTRUCTURE		1,415,056

Explanation. Since governmental funds report neither construction in progress nor capital assets, they do not report the conversion of the former into the latter. Therefore, an adjustment is needed to reclassify amounts related to completed construction.

4. Sales of capital assets

Action required: Replace other financing source with removal of the asset sold and the resulting gain or loss.

Adjustments:

(k) Remove assets sold and recognize resulting gain or loss.

	DR	CR
ACCUMULATED DEPRECIATION – MACHINERY, EQUIPMENT, AND VEHICLES	$913,101	
Other financing source – proceeds from sale of capital assets	31,450	
MACHINERY, EQUIPMENT, AND VEHICLES		$922,275
Gain – sale of capital assets		22,276

Explanation. Governmental funds report proceeds from the sale of capital assets as another financing source, other revenue, or special item, depending on the circumstances. In contrast, proceeds from the sale of capital assets in the government-wide financial statements must be matched against the carrying value of the asset sold, leaving only the difference to be reported in the statement of activities. Therefore, an adjustment is needed (1) to remove the capital asset ($922,275) and any related accumulated depreciation ($913,101) from the government-wide statement of net position, (2) to remove the other financing source/other revenue/special item ($31,450) reported in the governmental fund in connection with the receipt of the proceeds of the sale, and (3) to reclassify the difference ($22,276) as a gain or loss.[3] (Note: the sale of capital assets was recorded in the General Fund, journal entry 25, Appendix A.)

(l) Remove fully depreciated assets that are scrapped.

	DR	CR
ACCUMULATED DEPRECIATION – MACHINERY, EQUIPMENT, AND VEHICLES	$12,860	
MACHINERY, EQUIPMENT, AND VEHICLES		$12,860

Explanation. Neither capital assets nor related accumulated depreciation are reported in the governmental fund balance sheet, whereas both are reported in the government-wide statement of net position. Therefore, the scrapping of a fully depreciated capital asset would need to be reflected in the government-wide financial statements, even though it had no effect on the governmental fund financial statements.

5. Donations of capital assets that will be used in operations

Action required: Add capital asset and corresponding revenue/capital contribution.

Adjustment:

3. Gains on disposals should be reported as *general revenue*. Losses on disposals normally should be reported as expense within the *general government* function. In the case of small amounts, a practical alternative is simply to adjust the amount reported as depreciation expense for the current year.

(m) Report donations of capital assets that will be used in operations.

	DR	CR
MACHINERY, EQUIPMENT, AND VEHICLES	$128,000	
Revenues – miscellaneous		$128,000

Explanation. Governmental funds report only *financial* assets; consequently, governmental funds do *not* report the donation of capital assets that will be used in operations (rather than sold). Such assets and related revenue must be reported in the government-wide financial statements.

As discussed in Chapter 19 (but not illustrated here), additional measurement focus adjustments would be needed for:

- Sales of assets reported in governmental funds [to reclassify *revenue* or *expenditure/reduction of revenue* related to sale as a *gain* or *loss*] and
- Acquisition of inventories of supplies and prepaids (if the purchases method is used) [to replace expenditures with assets].

From *GOVERNMENTAL FUNDS* to *GOVERNMENTAL ACTIVITIES*:

Conversion adjustments needed for change in basis of accounting

6. Revenues related to prior periods

Action required: Replace revenues with an increase to net position.

Adjustments:

(n) Eliminate revenue related to prior periods.

	DR	CR
Revenues – property taxes	$32,692	
Fund balance		$32,692

Explanation. By definition, any amount reported as *unavailable revenue* in a governmental fund at the start of the current period would already have been recognized as *revenue* in the government-wide financial statements and included in *net position – governmental activities*. Therefore, an adjustment is needed to replace any current-period revenue resulting from the subsequent collection of *unavailable revenue* by an increase to *net position – governmental activities* (by means of an adjustment to the *fund balance* account on the worksheet, which is one of the components of *net position – governmental activities*). (Note: Collection of previously unavailable tax revenue was recorded in the General Fund, journal entry 14, Appendix A.)

(o) Eliminate interest earned in the prior period.

	DR	CR
Revenues – investment earnings	$48,315	
Fund balance		$48,315

Explanation. Accrued interest is only recognized in governmental funds to the extent that it is considered to be *available*. Therefore, interest revenue earned in the prior period, but recognized in the current period, needs to be replaced by a corresponding increase in net position (by means of an adjustment to the *fund balance* account, which is one of three amounts used to calculate *net position – governmental activities*).

7. Unavailable revenue from prior periods

Action required: Replace deferred item with an increase to net position.

Adjustments:

(p) Eliminate unavailable revenue related to prior years.

	DR	CR
Unavailable revenue	$329,194	
Fund balance		$329,194

Explanation. As already explained, any amount reported as *unavailable revenue* in a governmental fund at the start of the current period would already have been recognized as *revenue* in the government-wide financial statements and included in *net position – governmental activities*. Therefore, if a portion of *unavailable revenue* reported at the start of the period remains unavailable at the end of the period, an adjustment is needed to replace that amount by an increase in *net position – governmental activities* (by means of an adjustment to the *fund balance* account on the worksheet, which is one of the components of *net position – governmental activities*).

(q) Adjustment for a decrease in unavailable revenue resulting from an increase in the amount estimated to be uncollectible.

	DR	CR
Revenues – property taxes	$27,664	
Fund balance		$27,664

Explanation. During the current period, certain amounts previously estimated to be merely *unavailable* were determined to be ultimately *uncollectible*. This fact was already reported in the governmental funds and is *not* recorded again in the government-wide financial statements, but is for illustration purposes only (see net effect on unavailable revenue in General Fund adjustments 16, 17,and 18 in Appendix A):

	DR	CR
Unavailable revenue	$27,664	
Allowance for uncollectibles		$27,664

As already explained, the *unavailable revenue* from the start of the period would already have been reported as revenue in the government-wide financial statements. Therefore, an adjustment is needed that (1) restores the initial balance of *net position – governmental activities* (by means of an adjustment to the *fund balance* account on the worksheet, which is one of the components of *net position – governmental activities*) and (2) shows the decrease in *net position – governmental activities* that results from an increase in the allowance for uncollectibles (by means of an adjustment to *revenue*).

8. Expenditures related to prior periods

Action required: Replace expenditures with a reduction of the related liability.

Adjustments:

(r) Eliminate expenditures related to liabilities incurred in prior years.

	DR	CR
ACCRUED INTEREST PAYABLE	$ 730,473	
COMPENSATED ABSENCES	973,610	
Expenditures – general government		$133,445
Expenditures – public safety		723,872
Expenditures – highways and streets		31,015
Expenditures – sanitation		26,321
Expenditures – culture and recreation		58,957
Expenditures – debt service – interest		730,473

Explanation. Governmental funds typically recognize expenditures for interest in the period in which payment is due, rather than in the period in which the liability was incurred. Accordingly, such expenditures need to be replaced by a reduction in the amount reported as a liability for accrued interest payable in the government-wide financial statements. Likewise, expenditures related to compensated absences earned in prior years need to be replaced by a reduction to the related liability for compensated absences.

9. Revenues of the current period not yet considered to be available to liquidate liabilities of the current period

Action required: Replace unavailable item with revenue.

Adjustment:

(s) Replace unavailable revenue with revenue.

	DR	CR
Unavailable revenue	$4,544,820	
Revenues – taxes		$ 314,820
Revenues – special assessments		4,230,000

Explanation. Revenue *related to the current period* that was not recognized in the governmental funds because it is not yet considered to be available should be reclassified as revenue. [See (p) above for the appropriate handling of unavailable revenues related to *prior* periods.]

10. Accrued interest on long-term debt

Action required: Report expense and liability.

Adjustment:

(t) Accrue interest on long-term debt.

	DR	CR
Debt service – interest	$716,657	
ACCRUED INTEREST PAYABLE		$ 716,657

Explanation. A regular year-end accrual is required for interest on long-term liabilities in the government-wide financial statements, regardless of whether the related liability is expected to be liquidated with current available financial resources. Therefore, an increase in expenditure/expense and a corresponding liability need to be reported.

11. Expense of the current period related to certain accrued liabilities normally not expected to be liquidated currently

Action required: Report expense and liability.

Adjustments:

(u) Accrue expense related to certain liabilities not reported in governmental funds.

	DR	CR
Expenditures – general government	$ 185,575	
Expenditures – public safety	1,006,649	
Expenditures – highways and streets	43,131	
Expenditures – sanitation	36,603	
Expenditures – culture and recreation	81,989	
COMPENSATED ABSENCES		$ 1,353,947

Explanation. The government-wide financial statements must accrue expense as a liability is incurred, whereas governmental funds do not recognize an expense or liability for certain liabilities until they are due (for example, compensated absences). Therefore, an expense and liability need to be recognized for such items.

(v) Record changes in the net pension liability for the single employer Police Pension Plan.

Note: Entries (v1) through (v10) provide the detailed entries for the Police Pension Plan.

	DR	CR
(v1)		
Expenses - public safety	$ 930,360	
Expenses - public safety	2,569,074	
Expenses - public safety	4,838	
NET PENSION LIABILITY		$ 3,504,272

Service cost ($930,360), interest ($2,569,074), and administrative fees ($4,838) for the current year were incurred.

	DR	CR
(v2)		
NET PENSION LIABILITY	$ 162,296	
DEFERRED INFLOWS – PENSION RELATED		$ 162,296

Current year deferred inflows of resources associated with differences between expected and actual experience.

	DR	CR
(v3)		
DEFERRED INFLOWS – PENSION RELATED	$ 91,709	
DEFERRED OUTFLOWS – PENSION RELATED		$ 24,761
Expenses - public safety		66,948

Amortization of deferred outflows and inflows of resources associated with differences between expected and actual experience.

	DR	CR
(v4)		
DEFERRED OUTFLOWS – PENSION RELATED	$ 1,105,003	
NET PENSION LIABILITY		$1,105,003

Current year deferred outflows of resources associated with change in actuarial assumptions.

	DR	CR
(v5)		
Expenses – public safety	$ 582,897	
DEFERRED OUTFLOWS – PENSION RELATED		$ 582,897

Amortization of deferred outflows of resources associated with change in actuarial assumptions.

	DR	CR
(v6)		
NET PENSION LIABILITY	$ 1,637,162	
Expenses – public safety		$ 1,088,216
Expenses – public safety		548,946

Employer contributions ($1,088,216) and employee contributions ($548,946) to the plan reduce the pension liability. (See journal entry 202, Appendix A)

	DR	CR
(v7)		
NET PENSION LIABILITY	$ 1,286,281	
Expenses – public safety		$ 1,286,281

Investment income earned by the pension trust fund for the current year ($2,827,101), net of the amount deferred to future years.

	DR	CR
(v8)		
NET PENSION LIABILITY	$ 1,540,820	
DEFERRED INFLOWS – PENSION RELATED		$ 1,540,820

Current year deferred inflows of resources associated with differences between expected and actual investment income. This represents the amount of investment income deferred to future years.

	DR	CR
(v9)		
DEFERRED INFLOWS – PENSION RELATED	$ 308,164	
DEFERRED OUTFLOWS – PENSION RELATED		$ 230,024
Expenses - public safety		78,140

Amortization of deferred outflows and inflows of resources associated with differences between expected and actual investment income.

	DR	CR
(v10)		
DEFERRED INFLOWS – PENSION RELATED	$ 476,858	
DEFERRED OUTFLOWS – PENSION RELATED		$ 476,858

Authoritative standards require that the deferred outflows and inflows of resources associated with differences between expected and actual investment income be netted in the financial statements.

Explanation. The pension and OPEB liabilities are recognized in the government-wide financial statements, but not in the governmental fund financial statements. The pension and OPEB liabilities are recognized in the period the employees are earning the future benefit. As a result, each year the liabilities, deferred outflows and inflows of resources and pension/OPEB expense are updated in the governmental employer's financial statements. The above entries represent the adjustments required for a net pension liability for the single employer police pension plan. Single employer, agent multiple-employer and cost-sharing employer plans for both pension and OPEB would have similar adjustments each year.

Entries *(w)* – *(z)* are summarized adjustments for other postemployment benefit plan liabilities associated with the employer, both single-employer and cost-sharing multiple employer plans.

(w) Record changes in total pension liability – single employer firefighters pension plan (not in trust).

	DR	CR
Expenses - public safety (pension expense)	$3,234,749	
DEFERRED OUTFLOWS – PENSION RELATED	156,333	
DEFERRED INFLOWS – PENSION RELATED		$ 327,325
TOTAL PENSION LIABILITY		1,781,641
Expenses - public safety (employer contribution)		1,282,116

(x) Record changes in net pension liability – cost sharing pension plan

	DR	CR
Expenses - general government (pension expense)	$584,754	
Expenses – highway and streets (pension expense)	161,311	
Expenses - sanitation (pension expense)	110,901	
Expenses – culture and recreation (pension expense)	151,229	
DEFERRED INFLOWS – PENSION RELATED	773,655	
NET PENSION LIABILITY	783,071	
DEFERRED OUTFLOWS – PENSION RELATED		$ 535,651
Expenses - general government (employer contribution)		1,176,976
Expenses - highway and streets (employer contribution)		324,683
Expenses - sanitation (employer contribution)		223,220
Expenses - culture and recreation (employer contribution)		304,391

(y) *Record changes in net OPEB liability – cost sharing plan.*

	DR	CR
Expenses - general government (OPEB expense)	$3,381,438	
Expenses - highway and streets (OPEB expense)	932,810	
Expenses - sanitation (OPEB expense)	641,307	
Expenses - culture and recreation (OPEB expense)	874,510	
NET OPEB LIABILITY	903,513	
DEFERRED INFLOWS – OPEB RELATED		$3,542,995
DEFERRED OUTFLOWS – OPEB RELATED		1,561,278
Expenses - general government (employer contribution)		944,997
Expenses - highway and streets (employer contribution)		260,689
Expenses - sanitation (employer contribution)		179,223
Expenses - culture and recreation (employer contribution)		244,396

(z) *Record changes in net OPEB liability – single employer public safety (police and firefighters) OPEB plan.*

	DR	CR
Expenses - public safety (OPEB expense)	$153,375	
DEFERRED INFLOWS – OPEB RELATED	22,752	
DEFERRED OUTFLOWS – OPEB RELATED	967,023	
NET OPEB LIABILITY	462,755	
Expenses - public safety (employer contribution)		$1,605,905

Explanation. The pension and OPEB liabilities are recognized in the government-wide financial statements, but not in the governmental fund financial statements. The pension and OPEB liabilities are recognized in the period the employees are earning the future benefit. As a result, each year the liabilities, deferred outflows and inflows of resources and pension/OPEB expense are updated in the governmental employer's financial statements. The above entries represent the adjustments required for net pension/OPEB liabilities for both single-employer and cost-sharing multiple employer plans and the total liability for a pension plan not held in trust.

12. Depreciation on capital assets

Action required: Recognize expense and increase in related contra-asset account.

Adjustment:

(aa) *Accrue depreciation/amortization expense.*

	DR	CR
Expenditures – general government	$ 192,046	
Expenditures – public safety	1,377 351	
Expenditures – highways and streets	6,881,833	
Expenditures – sanitation	2,411,196	
Expenditures – culture and recreation	1,023,735	

(*aa*) (Continued)	DR	CR
ACCUMULATED DEPRECIATION – BUILDINGS		$4,763,767
ACCUMULATED DEPRECIATION – MACHINERY, EQUIPMENT, AND VEHICLES		1,769,317
ACCUMULATED DEPRECIATION – INFRASTRUCTURE		5,353,077
Expenditures – culture and recreation	6,426	
ACCUMULATED AMORTIZATION ON INTANGIBLES		6,426

Explanation. Governmental funds do not report either capital assets or related depreciation/amortization and accumulated depreciation/amortization. Therefore, an adjustment is needed to report depreciation/amortization expense for the year and the corresponding increase in accumulated depreciation/amortization. Intangible assets are amortized over their useful life, the $6,426 represents the current year amortization of the intangible, right-to-use leased asset.

13. Amortization of premium/discount on long-term debt

Action required: Reduce the unamortized premium/discount and treat as an adjustment to interest expense.

Adjustment:

(bb) Amortization of discounts and premiums on long-term debt.

	DR	CR
PREMIUM – GENERAL OBLIGATION DEBT	$83,226	
DISCOUNT – SPECIAL ASSESSMENT DEBT		$ 1,000
Expenditures – debt service – interest		82,226

Explanation. Governmental funds do not report premiums or discounts on debt. Therefore, a worksheet adjustment is necessary to recognize the effect of their amortization on interest expense.

14. Amortization of difference between carrying value of refunded debt and its net reacquisition price

Action required: Reduce the unamortized amount and treat as an adjustment to interest expense.

Adjustment:

cc. Amortize deferred charge produced by refunding.

	DR	CR
Expenditures – debt service – interest	$91,970	
DEFERRED CHARGE – REFUNDING		$91,970

Explanation. Governmental funds do *not* report a deferred charge in connection with a refunding transaction. Therefore, a worksheet adjustment is necessary to recognize the amortization of those costs in the government-wide financial statements.

As discussed in Chapter 18 (but not illustrated here), the consumption of prepaid services adjustment would be needed if the purchases method is used to account for prepaid services (to report expense and reduction in prepaids).

Consolidation adjustments

Consolidation involves both (1) the incorporation of internal service fund data into governmental activities and (2) the elimination of internal balances and transactions within governmental activities and within business-type activities.

15. Data from internal service funds

Action required: Add balances of internal service fund permanent and temporary accounts and adjust expenditures reported by customer functions to eliminate operating profit or loss (use "crossover" receivable and payable for enterprise fund customers). The balances below, without an asterisk, are taken from the internal service funds combining statement of net position and combining statement of changes in net position located in Appendix D, and are the totals for the two internal service funds. The asterisked items are derived from the lookback calculation below.

For purposes of consolidation, internal service funds are presumed to operate on a strictly "break-even" basis. Therefore any internal profit or loss must be eliminated. A *profit* in an internal service fund results from *overcharging* customers, while a *loss* results from *undercharging* customers. The first step is to isolate the internal profit/loss. In this case, the two internal service funds, as reported in the combining statement of changes in net position located in Appendix D had a combined decrease in net position of $265,120. Included in the decrease was $139,530 of interest revenue that is recognized as revenue in the entry below, leaving a $404,650 net loss to allocate to functions.

	Change in net position	Investment earnings	Net to allocate to functions
Fleet management	$ 80,890	$ 8,348	$ 72,542
Risk management	(346,010)	131,182	(477,192)
Totals	$ (265,120)	$ 139,530	$ (404,650)

The $404,650 is allocated to the following functions in the government-wide financial statements:

Governmental activities (see entry dd below, asterisked items)

Expenditures – general government	$145,673
Expenditures – public safety	202,325
Expenditures – highways and streets	8,093
Expenditures – sanitation	12,140

Expenditures – culture and recreation	$ 16,186
Total governmental activities	384,417
Business-type activities	
Expenses – water	20,233
Total allocated to programs	$404,650

Adjustment:

dd. Incorporate internal service fund data.

	DR	CR
Cash and cash equivalents	$5,883,720	
Investments	611,286	
Receivables (net)	136,271	
Inventories	22,671	
Prepaids	37,823	
BUILDINGS	87,745	
MACHINERY, EQUIPMENT, AND VEHICLES	5,283,268	
DEFERRED OUTFLOWS OF RESOURCES – PENSION RELATED	90,301	
DEFERRED OUTFLOWS OF RESOURCES – OPEB RELATED	8,435	
Expenditures – general government *	145,673	
Expenditures - public safety *	202,325	
Expenditures - highways and streets *	8,093	
Expenditures – sanitation *	12,140	
Expenditures - culture and recreation *	16,186	
INTERNAL BALANCES *	20,233	
ACCUMULATED DEPRECIATION – BUILDINGS		$ 8,154
ACCUMULATED DEPRECIATION – MACHINERY EQUIPMENT, AND VEHICLES		2,458,833
Accounts payable		817,291
COMPENSATED ABSENCES		44,268
CLAIMS AND JUDGMENTS		3,560,789
NET OPEB LIABILITY		489,231
NET PENSION LIABILITY		777,652
DEFERRED INFLOWS OF RESOURCES – PENSION RELATED		5,387
DEFERRED INFLOWS OF RESOURCES – OPEB RELATED		229,422
Net position		4,035,613
Revenues – investment earnings		139,530

* See calculation above

Explanation. Since internal service funds are to be treated as an additional governmental fund type for purposes of consolidation, their data must be incorporated with the data of the "other" governmental fund types for purposes of government-wide financial reporting. Therefore, an adjustment is needed to include internal service fund data.

16. Net "crossover" adjustment for current period

Action required: Include net "crossover" adjustment for the current period.

Explanation.
An internal receivable/payable ("crossover adjustment") becomes necessary, as a practical matter, if adjustments must be made to the amount of expense reported by enterprise fund customers, since enterprise fund data are *not* included as part of governmental fund data and so cannot be adjusted directly. The business-type activities consolidation adjustment for its allocation of $20,233, as calculated above as part of item 15, would be made in the *business-type activities* financial statements:[4]

	DR	CR
Expenses – water	$20,233	
Internal balances		$20,233

17. Net "crossover" adjustment from prior periods

Action required: Include net "crossover" adjustment from prior periods.

(ee) Incorporate cumulative effect of "look-back" adjustments of prior years.

	DR	CR
Net position	$280,554	
Internal balances		$280,554

Explanation. The effect of each year's "crossover" adjustment on the government-wide financial statements is cumulative. Therefore, an adjustment must be made to beginning net position to incorporate the effect of prior years' "crossover" adjustments.

18. Receivables and payables between funds reported within the same activity

Action required: Eliminate (1) receivables and payables between governmental funds and (2) receivables and payables between enterprise funds.[5]

(ff) Eliminate payables and receivables between individual governmental funds (including internal service funds incorporated into governmental activities).

	DR	CR
Due to other funds	$480,000	
Advances from other funds	290,148	
Due from other funds		$480,000
Advances to other funds		290,148

4. This "crossover" receivable/payable exists solely for purposes of consolidation and financial reporting, since there is no expectation of payment.

5. The elimination of receivables and payables between *enterprise* funds is necessary for the preparation of the government-wide financial statements, but normally is *not* relevant to the adjustments worksheet used for *governmental* funds.

Explanation. Payables and receivables between funds incorporated into the same activity column must be eliminated in the process of preparing the government-wide financial statements.

(gg) Reclassify unconsolidated interfund payables between governmental funds and enterprise funds as internal balances.

	DR	CR
Due to other funds	$12,000	
Internal balances		$12,000

Explanation. The government-wide financial statements typically replace interfund terminology (*due to/from other funds*, *advances to/from other funds*) with terminology more appropriate to a set of financial statements that focuses on *activities* rather than *funds* (*internal balances*). Therefore, a reclassification is needed.

19. Transfers between funds reported within the same activity

Action required: Eliminate (1) transfers between governmental funds and (2) transfers between enterprise funds.[6]

(hh) Eliminate transfers between individual governmental funds (including internal service funds incorporated into governmental activities).

	DR	CR
Transfers in[7]	$3,481,604	
Transfers out		$3,481,604

Explanation. w between funds incorporated into the same activity column must be eliminated in the process of preparing the government-wide financial statements.

As discussed in Chapter 19 (but not illustrated here), (dis)allocation adjustments would be needed for:

- Indirect cost (overhead) allocated to functions and programs in the governmental fund financial statements (to disallocate indirect costs allocated in the governmental fund financial statements) and
- Direct costs not reported in the associated function or program in the governmental fund financial statements (to allocate direct costs that were not allocated to the associated function or program in the governmental fund financial statements).

6. The elimination of transfers between *enterprise* funds is necessary for the preparation of the government-wide financial statements, but normally is *not* relevant to the adjustments worksheet used for *governmental* funds.
7. In this example, the total amount of transfers in are being netted against the balance of transfers out. The net result is reported in the statement of activities.

ACCOUNTS RELATED TO GOVERNMENTAL ACTIVITIES

	Trial Balance		Adjustments		Total	Statement of Activities		Statement of Net Position	
	DR	(CR)	DR	(CR)	DR (CR)	DR	(CR)	DR	(CR)
ASSETS									
Cash and cash equivalents	$ 14,347,642		(dd) $ 5,883,720		$ 20,231,362			$ 20,231,362	$ -
Investments	21,508,391		(dd) 611,286		22,119,677			22,119,677	-
Receivables (net)	12,879,066		(dd) 136,271		13,015,337			13,015,337	-
Intergovernmental receivable	1,709,483				1,709,483			1,709,483	-
Lease receivable	301,773				301,773			301,773	-
Due from other funds	480,000			(ff) (480,000)	-			-	-
Due from component unit	32,615				32,615			32,615	-
Internal balances			(dd) 20,233		(272,321)			-	(272,321)
				(ee) (280,554)					
				(gg) (12,000)					
Inventories	806,623		(dd) 22,671		829,294			829,294	-
Prepaids	48,728		(dd) 37,823		86,551			86,551	-
Advances to other funds	290,148			(ff) (290,148)	-			-	-
LAND	50,067,172				50,067,172			50,067,172	-
BUILDINGS	191,779,616		(j) 24,046,643		215,914,004			215,914,004	-
			(dd) 87,745						
ACCUMULATED DEPRECIATION ON BUILDINGS		(78,421,631)		(aa) (4,763,767)	(83,193,552)			-	(83,193,552)
				(dd) (8,154)					
MACHINERY, EQUIPMENT, AND VEHICLES	28,553,836		(g) 839,243	(k) (922,275)	35,649,396			35,649,396	-
			(h) 1,780,184	(l) (12,860)					
			(m) 128,000						
			(dd) 5,283,268						
ACCUMULATED DEPRECIATION ON MACHINERY, EQUIPMENT, AND VEHICLES		(19,378,711)	(k) 913,101	(aa) (1,769,317)	(22,680,900)			-	(22,680,900)
			(l) 12,860	(dd) (2,458,833)					
INFRASTRUCTURE	206,411,089		(j) 1,415,056		207,826,145			207,826,145	-
ACCUMULATED DEPRECIATION ON INFRASTRUCTURE		(120,858,864)		(aa) (5,353,077)	(126,211,941)			-	(126,211,941)
CONSTRUCTION IN PROGRESS	22,974,097		(h) 12,357,720	(j) (25,461,699)	9,870,118			9,870,118	-
INTAGIBLE ASSET - RIGHT-TO-USE			(i) 60,017		60,017			60,017	-
ACCUMULATED AMORTIZATION ON INTANGIBLES				(aa) (6,426)	(6,426)			-	(6,426)
DEFERRED OUTFLOWS OF RESOURCES								-	-
DEFERRED CHARGE – REFUNDING	611,528		(d) 207,204	(cc) (91,970)	726,762			726,762	-
DEFERRED OUTFLOWS – PENSION RELATED	8,675,348		(v4) 1,105,003	(v3) (24,761)	8,176,794			8,176,794	-
				(v5) (582,897)					
				(v9) (230,024)					
			(w) 156,333	(v10) (476,858)					
				(x) (535,651)					
			(dd) 90,301						
DEFERRED OUTFLOWS – OPEB RELATED	2,592,060		(z) 967,023	(y) (1,561,278)	2,006,240			2,006,240	-
			(dd) 8,435						

ACCOUNTS RELATED TO GOVERNMENTAL ACTIVITIES

	Trial Balance		Adjustments		Total	Statement of Activities		Statement of Net Position	
	DR	(CR)	DR	(CR)	DR (CR)	DR	(CR)	DR	(CR)
LIABILITIES									
Accounts payable		$ (4,264,814)		(dd) $ (817,291)	$ (5,082,105)			$ -	$ (5,082,105)
Contracts and retainage payable		(2,199,240)			(2,199,240)			-	(2,199,240)
Accrued liabilities		(2,936,017)			(2,936,017)			-	(2,936,017)
Client deposits payable		(18,367)			(18,367)			-	(18,367)
Due to other funds		(492,000)	(ff) 480,000 (gg) 12,000		-			-	-
Advances from other funds		(290,148)	(ff) 290,148		-			-	-
Bond anticipation notes payable		(6,905,200)			(6,905,200)			-	(6,905,200)
Unearned revenue		(2,317,521)			(2,317,521)			-	(2,317,521)
ACCRUED INTEREST PAYABLE		(730,473)	(r) 730,473	(t) (716,657)	(716,657)			-	(716,657)
COMPENSATED ABSENCES		(4,864,074)	(r) 973,610	(u) (1,353,947) (dd) (44,268)	(5,288,679)			-	(5,288,679)
CLAIMS AND JUDGMENTS				(dd) (3,560,789)	(3,560,789)			-	(3,560,789)
GENERAL OBLIGATION DEBT		(77,491,180)	(c) 4,718,317 (d) 5,730,000 (e) 500,000	(d) (5,810,000)	(72,352,863)			-	(72,352,863)
PREMIUM ON GENERAL OBLIGATION DEBT		(503,327)	(bb) 83,226	(d) (249,914)	(670,015)			-	(670,015)
SPECIAL ASSSESSMENT DEBT				(a) (4,700,000)	(4,700,000)			-	(4,700,000)
DISCOUNT ON SPECIAL ASSESSMENT DEBT			(a) 10,000	(bb) (1,000)	9,000			9,000	-
PENSION RELATED DEBT		(5,437,453)	(f) 697,896		(4,739,557)			-	(4,739,557)
LEASES PAYABLE			(c) 7,930	(b) (57,517)	(49,587)			-	(49,587)
NOTES PAYABLE				(b) (2,000,000)	(2,000,000)			-	(2,000,000)
TOTAL PENSION LIABILITY		(9,720,993)		(w) (1,781,641)	(11,502,634)			-	(11,502,634)
NET PENSION LIABILITY		(37,415,986)	(v2) 162,296 (v6) 1,637,162 (v7) 1,286,281 (v8) 1,540,820 (x) 783,071	(v1) (3,504,272) (v4) (1,105,003) (dd) (777,652)	(37,393,283)			-	(37,393,283)
NET OPEB LIABILITY		(39,631,092)	(y) 903,513 (z) 462,755	(dd) (489,231)	(38,754,055)			-	(38,754,055)
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue		($4,874,014)	(p) $329,194 (s) 4,544,820		-				
Deferred revenue - leases		(303,578)			(303,578)			-	(303,578)
DEFERRED INFLOWS – PENSION RELATED		(1,363,999)	(v3) 91,709 (v9) 308,164 (v10) 476,858 (x) 773,655	(v2) (162,296) (v8) (1,540,820) (w) (327,325) (dd) (5,387)	(1,749,441)			-	(1,749,441)
DEFERRED INFLOWS – OPEB RELATED		(3,757,982)	(z) 22,752	(y) (3,542,995) (dd) (229,422)	(7,507,647)			-	(7,507,647)

ACCOUNTS RELATED TO GOVERNMENTAL ACTIVITIES

	Trial Balance		Adjustments		Total	Statement of Activities		Statement of Net Position	
	DR	(CR)	DR	(CR)	DR (CR)	DR	(CR)	DR	(CR)
FUND BALANCE/NET POSTION									
Fund balance – governmental funds		$ (41,737,262)		(n) $ (32,692)	$ (42,175,127)			$ -	$ (42,175,127)
				(o) (48,315)					
				(p) (329,194)					
				(q) (27,664)					
NET POSITION		(112,088,981)	(ee) 280,554	(dd) (4,035,613)	(115,844,040)			-	(115,844,040)
REVENUES/GAINS									
Taxes		(90,712,339)	(n) 32,692	(s) (314,820)	(90,966,803)	-	(90,966,803)		
			(q) 27,664						
Fees, licenses, and permits		(7,626,415)			(7,626,415)	-	(7,626,415)		
Intergovernmental		(17,766,027)			(17,766,027)	-	(17,766,027)		
Charges for services		(19,107,871)			(19,107,871)	-	(19,107,871)		
Fines		(6,670,562)			(6,670,562)	-	(6,670,562)		
Special assessments		(470,000)		(s) (4,230,000)	(4,700,000)	-	(4,700,000)		
Investment earnings		(3,835,015)	(o) 48,315	(dd) (139,530)	(3,926,230)	-	(3,926,230)		
Payments in lieu of taxes		(2,345,545)			(2,345,545)	-	(2,345,545)		
Miscellaneous		(2,628,875)		(m) (128,000)	(2,756,875)	-	(2,756,875)		
Gain – sale of capital assets				(k) (22,276)	(22,276)	-	(22,276)		
EXPENDITURES/EXPENSES AND LOSSES									
Current:									
General government	29,778,662		(a) 150,000	(f) (87,166)	32,213,528	32,213,528	-		
			(b) 15,254	(r) (133,445)					
			(d) 122,710						
			(u) 185,575						
			(x) 584,754	(x) (1,176,976)					
			(y) 3,381,438	(y) (944,997)					
			(aa) 192,046						
			(dd) 145,673						
Public safety	56,726,678		(h) 109,518	(f) (384,472)	59,832,918	59,832,918	-		
			(u) 1,006,649	(r) (723,872)					
			(v1) 930,360	(v3) (66,948)					
			(v1) 2,569,074	(v6) (1,088,216)					
			(v1) 4,838	(v6) (548,946)					
			(v5) 582,897	(v7) (1,286,281)					
				(v9) (78,140)					
			(w) 3,234,749	(w) (1,282,116)					
			(z) 153,375	(z) (1,605,905)					
			(aa) 1,377,351						
			(dd) 202,325						
Highways and streets	27,472,013		(u) 43,131	(f) (127,925)	34,754,879	34,754,879	-		
				(r) (31,015)					
			(x) 161,311	(x) (324,683)					
			(y) 932,810	(y) (260,689)					
			(aa) 6,881,833						
			(dd) 8,093						

ACCOUNTS RELATED TO GOVERNMENTAL ACTIVITIES

	Trial Balance		Adjustments		Total	Statement of Activities		Statement of Net Position	
	DR	(CR)	DR	(CR)	DR (CR)	DR	(CR)	DR	(CR)
Sanitation	$ 8,140,187		(u) $ 36,603 (x) 110,901 (y) 641,307 (aa) 2,411,196 (dd) 12,140	(f) $ (14,237) (r) (26,321) (x) (223,220) (y) (179,223)	$ 10,909,333	$ 10,909,333	$ -		
Culture and recreation	22,942,388		(h) 394,487 (u) 81,989 (x) 151,229 (y) 874,510 (aa) 6,426 (aa) 1,023,735 (dd) 16,186	(f) (84,096) (g) (839,243) (i) (60,017) (r) (58,957) (x) (304,391) (y) (244,396)	23,899,850	23,899,850	-		
Debt service									
Principal	5,226,247			(c) (4,726,247) (e) (500,000)	-	-	-		
Interest	3,247,843		(t) 716,657 (cc) 91,970	(r) (730,473) (bb) (82,226)	3,243,771	3,243,771	-		
Bond issuance costs	287,964			(a) (150,000) (b) (15,254) (d) (122,710)	-	-	-		
Capital outlay	14,641,909			(h) (14,641,909)	-	-	-		
OTHER FINANCING SOURCES/USES						-	-		
Transfers in		(3,481,604)	(hh) 3,481,604		-	-	-		
Transfers out	7,209,813			(hh) (3,481,604)	3,728,209	3,728,209	-		
Special assessment bonds issued		(4,700,000)	(a) 4,700,000		-	-	-		
Discount on special assessment debt	10,000			(a) (10,000)	-	-	-		
Refunding on bonds issued		(5,810,000)	(d) 5,810,000		-	-	-		
Premium on refunding bonds		(249,914)	(d) 249,914		-	-	-		
Payment to refunded bond escrow agent	5,937,204			(d) (5,937,204)	-	-	-		
Notes issued		(2,000,000)	(b) 2,000,000		-	-	-		
Leases issued		(57,517)	(b) 57,517		-	-	-		
Proceeds from sale of capital assets		(31,450)	(k) 31,450		-	-	-		
Insurance recoveries		(194,082)			(194,082)	-	(194,082)		
SUBTOTAL	745,690,123	(745,690,123)	129,991,600	(129,991,600)	-	168,582,488	(156,082,686)	588,631,740	(601,131,542)
DECREASE IN NET POSITION						-	(12,499,802)	12,499,802	-
TOTAL	$ 745,690,123	$ (745,690,123)	$ 129,991,600	$ (129,991,600)	$ -	$ 168,582,488	$ (168,582,488)	$ 601,131,542	$ (601,131,542)