

Office of Inspector General

*Report Prepared by Allmond and Company
Fiscal Year 2021 Financial Statement Audit Opinion*



**Appalachian
Regional
Commission**

Office of Inspector General

Audit Report: 22-08

March 8, 2022



Appalachian
Regional
Commission

Office of Inspector General

March 8, 2022

Brandon McBride
Executive Director, ARC

This memorandum transmits the results of the audit of the Commission's financial statements for the fiscal year ended September 30, 2021 and 2020. We contracted with the independent certified public accounting firm Allmond & Company, LLC to conduct this audit. Allmond and Company, LLC expressed an unmodified opinion that concluded the financial statements were presented fairly, in all material respects, in accordance with the applicable financial reporting standards.

My office has policies and procedures that are designed to provide assurance that work performed by non-Federal auditors complies with the auditing standards. In connection with this contract, we reviewed the final report of Allmond & Company, LLC and related documentation and made inquiries of its representatives. Our involvement in the audit process included monitoring audit activities, participating in discussions, reviewing audit plans, and the inspection of selected documentation, conclusions, and results.

Our oversight of Allmond & Company, LLC's audit did not disclose any instances where they did not comply, in all material respects, with the U.S. generally accepted government auditing standards; however, this review cannot be construed as an audit, and is not intended to enable us to express, and we do not express, any opinion on the Commission's financial statements. Allmond & Company, LLC is solely responsible for the audit report dated January 19, 2022 and the conclusions expressed in the report.

Allmond and Company, LLC issued six recommendations in the report related to a material weakness in internal control over financial reporting. Within the next 30 days, please provide me with your management decisions describing the specific actions that you will take to implement the recommendations.

Thank you for the cooperation and courtesies extended to both Allmond & Company, LLC, and my staff during this audit.

Sincerely,

Philip M. Heneghan
Inspector General

Appalachian Regional Commission (ARC)
Fiscal Year 2021 Financial Statement Audit

Independent Auditors' Report

Submitted for review and acceptance to:

Rhonda Turnbow, Deputy Inspector General
Office of Inspector General
Appalachian Regional Commission
1666 Connecticut Ave, NW, Suite 700
Washington, DC 20009-1068

Submitted by:

Jason L. Allmond, CPA, CGFM, CISA, CISM
Engagement Member
Allmond & Company, LLC
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Final Independent Auditors' Report

Prepared under contract to the Appalachian Regional Commission (ARC) Office of Inspector General to provide financial auditing services

**APPALACHIAN REGIONAL COMMISSION
AUDIT REPORT
SEPTEMBER 30, 2021**



**Appalachian
Regional
Commission**

**ALLMOND & COMPANY, LLC
Certified Public Accountants
7501 Forbes Boulevard, Suite 200
Lanham, Maryland 20706
(301) 918-8200**



Independent Auditors' Report

Executive Director
Appalachian Regional Commission:

Report on the Financial Statements

We have audited the accompanying financial statements of the Appalachian Regional Commission (ARC), which comprise the balance sheet as of September 30, 2021; the related statement of net cost, changes in net position, and budgetary resources for the fiscal year ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the fiscal year 2021 financial statements of ARC based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Appalachian Regional Commission as of September 30, 2021, and its net cost of operations, changes in net position, and budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

FY 2020 Financial Statements Audited by Other Auditors

The financial statements of ARC as of and for the fiscal year ended September 30, 2020, were audited by another auditor, who expressed an unmodified opinion on those statements on January 26, 2021. These statements were not audited, reviewed, or compiled by us; accordingly, we do not express an opinion or any other form of assurance on them.

Required Supplementary Information

The information in the *Message from the Executive Director, Management and Discussion Analysis* section, and *Other Information* section of this report is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of ARC's financial statements. However, we did not audit this information and, accordingly, we express no opinion on the information contained therein.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of ARC's financial statements as of and for the year ended September 30, 2021, in accordance with generally accepted government auditing standards, we considered ARC's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ARC's internal control over financial reporting. Accordingly, we do not express an opinion on ARC's internal controls over financial reporting. We limited internal control testing to those necessary to achieve the objectives described in OMB Bulletin No. 21-04. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982.

Our consideration of internal control over financial reporting was for the limited purpose as described in the paragraph above and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Exhibit I, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying *Exhibit I Findings and Recommendations* to be a material weakness (2021-01).

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

Compliance and Other Matters Specific to the Financial Statements

As part of obtaining reasonable assurance about whether ARC's fiscal year 2021 financial statements are free of material misstatements, we performed tests of ARC's compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, which noncompliance could have a direct and material effect on the determination of material amounts and disclosures in ARC's financial statements, and certain provisions of other laws specified in OMB Bulletin No. 21-04. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance as described in the preceding paragraph disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 21-04.

ARC's Response to Findings

ARC's responses to the findings identified during our audit are described immediately following the auditors' recommendations in Exhibit I. ARC's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of the ARC's internal control or on compliance. This communication is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal controls and compliance with laws, regulations, contracts, and grant agreements which could have a material effect ARC's financial statements. Accordingly, this communication is not suitable for any other purpose.

Allmond & Company, LLC

Lanham, MD
January 19, 2022

Exhibit I Material Weakness Findings and Recommendations

Lack of Sufficient Internal Controls over the preparation of Financial Statements and Footnote Disclosures. (2021-01)**CONDITION**

The Appalachian Regional Commission (ARC) lacks sufficient internal controls over financial reporting to ensure the reliability of financial reporting information and adherence to applicable financial reporting requirements. ARC's service provider, the United States Department of Agriculture (USDA) Office of Chief Financial Officer (OCFO), did not prepare ARC's financial statements and footnotes disclosures timely or consistently in accordance with the updated Office of Management and Budget (OMB) Circular A-136 dated August 10, 2021. In addition, ARC did not perform an adequate review of the financial statements and footnote disclosures. Specifically, we noted the following issues:

- ARC improperly separated cost by federal and non-federal as opposed to categorizing them by major program, as required by OMB Circular A-136.
- ARC misclassified Account 451000 as Unobligated Balance, Unavailable as opposed to Unobligated Balance – Available in Note 2 – Fund Balance with Treasury.
- ARC did not accurately disclose the amount of budgetary resources obligated for undelivered orders for FY 2021 federal, non-federal, paid, and unpaid amounts in the Undelivered Orders at the End of the Period presented in Note 12 as required by OMB Circular A-136. In addition, Total Undelivered Orders for FY 2021 was misstated.
- ARC misclassified USSGL Account 299000 Other Liabilities Without Related Budgetary Obligations as a Liability Covered by Budgetary Resources as opposed to Liabilities Not Requiring Budgetary Resources in Note 7 - Liabilities Not Covered by Budgetary Resources.
- ARC did not include a footnote disclosure for Net Adjustments to Unobligated Balance Brought Forward, October 1 disclosing the material adjustments to the unobligated brought forward, October 1 as required by OMB A-136.
- The Balance Sheet, Statement of Net Cost (SNC), Statement of Budgetary Resources (SBR), Statement of Changes in Net Position (SCNP), and financial statement footnotes were not prepared timely and were not submitted to the Office of Management and Budget (OMB), as required by OMB Circular A-136, *Financial Reporting Requirements*, as of 11/15/21. ARC first received the financial statements and footnotes from the USDA OCFO on 12/14/21.

CRITERIA

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Principle 10 – Design Control Activities, 10.03, Accurate and Timely Recording of Transactions, states, “Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final

Exhibit I Material Weakness Findings and Recommendations

classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.”

Office of Management and Budget (OMB) Circular A-136, dated August 10, 2021, section I.3 Entities Subject to this Circular, states, “Each Executive Branch agency that is required to prepare audited financial statements under the CFO Act, GMRA, or the ATDA must comply with Sections I, II, and III of this Circular. Government corporations required to prepare statements in accordance with standards promulgated by FASAB must also comply with sections I, II, III.”

Office of Management and Budget (OMB) Circular A-136, dated August 10, 2021, section I.5 Submission Deadlines, states, “Final AFRs, PARs, and AMRs are due to **OMB, Treasury, the Government Accountability Office (GAO), and the Congress** by 6 p.m. EST on November 15, 2021.”

Office of Management and Budget (OMB) Circular A-136, dated August 10, 2021, section II.3.3.1. Statement of Net Cost: Introduction page 32 states, “The SNC should show the net cost of operations as a whole and by major programs. Major program definition is at the entity’s discretion. Programs not deemed “major” should be grouped together.”

Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, dated August 10, 2021, section II.3.8.38 Note 3: Fund Balance with Treasury, states, “Disclose the total of the entity’s FBWT, as reflected in the entity’s general ledger and represented by unobligated and obligated balances.”

United States Standard General Ledger (USSGL) Part 1 Fiscal Year 2021 Reporting Bulletin No. 2021-17, dated June 2021, section II: Accounts and Definitions, states, Account 451000- Apportionments: “This account is used to record the amounts apportioned by Office of Management and Budget that are available for allotment in a current or subsequent period.”

Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, dated August 10, 2021, section II.3.8.38 Note 28: Undelivered Orders at the End of the Period, states, “Disclose the amount of budgetary resources obligated for undelivered orders at the end of the period, separately disclosing Federal, non-Federal, paid, and unpaid amounts.”

Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, dated August 10, 2021, section II.3.2.4 Liabilities, states “Liabilities Not Requiring Budgetary Resources is for liabilities that have not in the past required and will not in the future require the use of budgetary resources.”

Office of Management and Budget (OMB) Circular A-136 Financial Reporting Requirements, dated August 10, 2021, section II.3.8.13 Note 13: Liabilities Not Covered by Budgetary Resources, states, “Liabilities that do not require the use of budgetary resources are covered by monetary assets that are not budgetary resources to the entity. Entities with material amounts of liabilities in this category, such as liabilities for non-fiduciary deposit funds, should provide a brief description of those liabilities.”

Exhibit I Material Weakness Findings and Recommendations

Office of Management and Budget (OMB) Circular A-136, section II.3.8.27. Note 25: Net Adjustments to Unobligated Balance, Brought Forward, October 1, states, "Disclose material adjustments during the reporting period to budgetary resources available at the beginning of the year that are necessary to reconcile the beginning balance to the prior year's ending balance and explain the adjustments in accordance with SFFAS 7, paragraph 79. For corrections of errors, this may include the amount of the errors and the period in which the errors occurred."

CAUSE

ARC does not have adequate policies and procedures in place to review the financial statements and note disclosures prepared by their service provider USDA OCFO for completeness, accuracy, and compliance with financial reporting requirements. In addition, ARC has not defined "timely" within the service level agreement with its service provider USDA, as such USDA did not prepare and submit the financial statements and note disclosures in a timely manner.

EFFECT

Continuing to use the incorrect OMB Circular A-136 could significantly impact the relevance and reliability of the financial statements and footnote disclosures. Also, submitting the financial statements after the due date could result in non-compliance with OMB Circular A-136. Furthermore, the lack of financial reporting internal controls can lead to potential misstatements to the financial statements or line items not being properly classified in accordance with generally accepted accounting principles.

Unobligated Balance, Unavailable and Unobligated Balance, Available in Note 2 – Fund Balance with Treasury was misstated by \$4,301,664.58.

Total Undelivered Orders in Note 12 – Undelivered Orders at the End of the Period was misstated by \$26,784,433.00.

Liabilities Covered by Budgetary Resources and Liabilities Not Requiring Budgetary Resources in Note 7 - Liabilities Not Covered by Budgetary Resources was misstated by \$1,369,573.16.

Net Adjustments to Unobligated Balance Brought Forward, October 1 was not disclosed in the amount of \$19,727,140.80

RECOMMENDATION

We recommend that ARC management:

1. Ensure the updated OMB Circular A-136 is utilized when preparing and reviewing the financial statements and footnote disclosures.
2. Update service provider agreement with USDA OCFO to require the financial statements to be prepared and submitted on a timely basis in order to adhere to the reporting deadline set forth in the updated OMB Circular A-136.

Exhibit I Material Weakness Findings and Recommendations

3. Design and implement policies and procedures to have the reviewer of the financial statements and note disclosures review for completeness, accuracy, and compliance with financial reporting requirements.
4. Design and implement a checklist that describes key items and expectations regarding the presentation of the financial statements and footnote disclosures.
5. Design and implement policies and procedures to ensure the account balances, line items, and all corresponding balances agree to the agency's financial system.
6. Subsequent to the review process, ARC management should ensure that all reviews are thoroughly documented.



March 1, 2022

Philip M. Heneghan
Inspector General, ARC

Thank you for the opportunity to comment on the draft audit report. ARC agrees with the material weakness and ARC management has already discussed with USDA OCFO, the accounting services provider, the issues identified to resolve many of the points raised prior to the issuance of the financial statements and notes. ARC management will enhance its existing policies and procedures surrounding the financial statements and note disclosures to improve its confidence that USDA OCFO prepared the financial statements completely, accurately, and in compliance with applicable financial reporting requirements. This will include expanding training for relevant ARC finance team members, implementing routine meetings with USDA OCFO regarding the preparation of ARC's financial statements, and developing an internal timeline/checklist that provides ARC oversight of USDA OCFO's completion and compliance with applicable financial reporting requirements.

Sincerely,

Brandon McBride

Brandon McBride
Executive Director



Appalachian Regional Commission

FINANCIAL STATEMENTS

As of And For The Years Ended September 30, 2021 and 2020

APPALACHIAN REGIONAL COMMISSION
CONSOLIDATED BALANCE SHEET
As of September 30, 2021 and 2020

		<u>2021</u>	<u>2020</u>
Assets			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 529,656,367.95	\$ 474,011,189.56
Total Intragovernmental		\$ 529,656,367.95	\$ 474,011,189.56
With the Public:			
Cash and Other Monetary Assets	(Note 3)	1,289,110.94	1,286,724.64
Advances and Prepayments	(Note 4)	47,887,360.68	45,745,405.27
Total With The Public		\$ 49,176,471.62	\$ 47,032,129.91
Total Assets		\$ 578,832,839.57	\$ 521,043,319.47
Liabilities	(Note 5)		
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable		49,176.57	40,159.13
Advances from Others and Deferred Revenue		167,190.61	167,190.61
Total Intragovernmental		\$ 216,367.18	\$ 207,349.74
With the Public:			
Accounts Payable		26,294,341.52	25,165,421.56
Advances from Others and Deferred Revenue		958,471.19	683,103.44
Other Liabilities	(Note 6)	2,437,403.46	2,343,211.48
Total With The Public		\$ 29,690,216.17	\$ 28,191,736.48
Total Liabilities		\$ 29,906,583.35	\$ 28,399,086.22
Net Position:			
Unexpended Appropriations		568,215,104.86	511,067,608.61
Cumulative Results of Operations		(19,288,848.64)	(18,423,375.36)
Total Net Position		\$ 548,926,256.22	\$ 492,644,233.25
Total Liabilities and Net Position		\$ 578,832,839.57	\$ 521,043,319.47

APPALACHIAN REGIONAL COMMISSION
CONSOLIDATED STATEMENT OF NET COST
For The Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
.		
Gross Program Costs	\$ 126,704,131.01	\$141,612,652.47
Less Earned Revenue	<u>2,746,824.21</u>	<u>3,604,271.92</u>
Net Program Costs	<u>123,957,306.80</u>	<u>138,008,380.55</u>
Net Cost of Operations	<u>\$ 123,957,306.80</u>	<u>\$138,008,380.55</u>

APPALACHIAN REGIONAL COMMISSION
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For The Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Unexpended Appropriations:		
Beginning Balance	\$ 511,067,608.61	\$ 474,327,258.61
Beginning balance, as adjusted	\$ 511,067,608.61	\$ 474,327,258.61
Appropriations received	180,000,000.00	175,000,000.00
Appropriations used	(122,852,503.75)	(138,259,650.00)
Change in Unexpended Appropriations	\$ 57,147,496.25	\$ 36,740,350.00
Total Unexpended Appropriations: Ending Balance	\$ 568,215,104.86	\$ 511,067,608.61
Cumulative Results from Operations:		
Beginning Balances	(18,423,375.36)	(19,218,593.82)
Beginning balances, as adjusted	\$ (18,423,375.36)	\$ (19,218,593.82)
Appropriations used	122,852,503.75	138,259,650.00
Transfers-in/out without reimbursement (+/-)	250,000.00	500,000.00
Imputed Financing	(10,670.23)	43,949.01
Net Cost of Operations	(123,957,306.80)	(138,008,380.55)
Net Change in Cumulative Results of Operations	\$ (865,473.28)	\$ 795,218.46
Cumulative Results of Operations	\$ (19,288,848.64)	\$ (18,423,375.36)
Net Position	<u>\$ 548,926,256.22</u>	<u>\$ 492,644,233.25</u>

APPALACHIAN REGIONAL COMMISSION
STATEMENT OF BUDGETARY RESOURCES
For The Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Budgetary resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	121,473,280.42	102,049,791.70
Appropriations (discretionary and mandatory)	180,000,000.00	175,000,000.00
Spending authority from offsetting collections (discretionary and mandatory)	3,289,048.80	848,759.94
Total budgetary resources	<u>\$ 304,762,329.22</u>	<u>\$ 277,898,551.64</u>
Status of budgetary resources:		
New obligations and upward adjustments (total) (Note 9)	185,231,896.80	176,152,412.02
Unobligated balance, end of year:		
Apportioned, unexpired account	88,085,559.06	63,630,417.12
Unapportioned, unexpired accounts	31,444,873.36	38,115,722.50
Unexpired unobligated balance, end of year	119,530,432.42	101,746,139.62
Unobligated balance, end of year (total)	119,530,432.42	101,746,139.62
Total budgetary resources	<u>\$ 304,762,329.22</u>	<u>\$ 277,898,551.64</u>
Outlay, net:		
Outlays, net (total) (discretionary and mandatory)	124,354,821.61	145,579,556.17
Agency outlays, net (discretionary and mandatory)	<u>\$ 124,354,821.61</u>	<u>\$ 145,579,556.17</u>

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Appalachian Regional Commission (ARC) was established under the Appalachian Regional Development Act of 1965, as amended. ARC is a regional development agency designed to function as a federal, state, and local partnership. ARC is not a federal executive branch agency (as defined in Title 5 and 31 of the United States Code and by the Department of Justice).

Commission members are comprised of a federal member (Federal Co-Chair), who is appointed by the President of the United States, and the governors of each of the 13 states in the Appalachian Region. The state members elect a State Co-Chair from their members. ARC has an Executive Director and Program and Administrative Offices that implement the policies and procedures established by the Federal and State Co-Chairs. ARC personnel are comprised of both federal and non-federal employees.

ARC supports economic and social development in the Appalachian Region. The Appalachian Region is a 205,000 square mile region from Southern New York to Northern Mississippi. The ARC programs affect 420 counties located in 13 states including all of West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.

Classified Activities

Accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information. ARC did not have classified activities as of September 30, 2021.

Fund Accounting Structure

ARC's financial activities are accounted for by utilizing individual funds and fund accounts in reporting to the U.S. Treasury and the Office of Management and Budget (OMB). For financial statement purposes, these funds are classified all other funds, which consist of area development program funds and funding for the Office of the Federal Co-Chair and the Office of Inspector General.

ARC has Miscellaneous Receipt Funds which are considered non-entity accounts since ARC management does not exercise control over how the monies in these accounts can be used. Miscellaneous Receipt Fund accounts hold receipts and accounts receivable resulting from miscellaneous activities of ARC where, by law, such monies may not be deposited into funds under ARC management control. The U.S. Department of the Treasury (U.S. Treasury) automatically transfers all cash balances in these receipt accounts to the General Fund of the U.S. Treasury at the end of the fiscal year. ARC's miscellaneous receipt funds

consist of the following: General Fund Proprietary Receipts, Not Otherwise Classified – mainly Program Income.

Budgets and Budgetary Accounting

ARC receives an annual congressional appropriation from which it makes financial assistance awards and carries out activities, funds the administrative costs of the Office of the Federal Co-Chairman, the Inspector General, the non-federal programmatic costs, and half the cost of the non-federal administrative costs. Contributions from 13 states in the Appalachian Region cover 50% of the Commission Administrative Budget.

Funds appropriated to ARC are available without fiscal year limitation and remain available until expended. Because of the no-year status of the funds, unobligated amounts are not returned to the U.S. Treasury.

Basis of Accounting and Presentation

These financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of ARC in accordance with U.S. generally accepted accounting principles (GAAP) and form and content requirements of OMB Circular A-136 Financial Reporting Requirements. GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official standard-setting body for the federal government. The financial statements have been prepared from the books and records of ARC, and include the accounts of all funds under the control of the ARC reporting entity.

U.S. generally accepted accounting principles encompass both accrual and budgetary transactions. Under accrual accounting, revenues are recognized when earned, and expenses are recognized when incurred. Budgetary accounting facilitates compliance with legal constraints on, and controls over, the use of federal funds. These financial statements are prepared by ARC pursuant to OMB directives and used to monitor ARC's use of budgetary resources.

Fund Balance with U.S. Treasury

ARC's cash receipts and disbursements are processed by the U.S. Treasury. Funds with U.S. Treasury represent obligated and unobligated no-year funds available to finance allowable current and future expenditures.

Cash in Commercial Institutions

ARC uses commercial bank accounts to accommodate collections and payments that cannot be processed by the U.S. Treasury. ARC maintains commercial bank accounts for the purpose of processing its non-federal-benefitted employee's payroll and flexible benefits.

Accounts Receivable

Accounts receivable, net usually represents money owed to ARC by ARC's Office of the States' Washington Representative for expenses incurred on the Office's behalf. ARC has historically collected any receivables due and has had no need to establish allowance for uncollectible accounts. There were no accounts receivable as of September 30, 2021.

Advances

ARC advances funds to federal agencies for work performed on its behalf under various reimbursable agreements. These intra-governmental advances are recorded as an asset, which is reduced when actual expenditures or the accrual of unreported expenditures are recorded.

ARC also has advances made to grantees. These primarily include revolving loan fund/equity fund payments to provide pools of funds to be made available to grantees to create and retain jobs. These advance payments are recorded by ARC as an asset, which is reduced if the revolving fund is terminated.

Equipment

ARC's equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The capitalization threshold is \$35,000. As of September 30, 2021, ARC did not have capitalized assets including internal use software of \$35,000 or more.

Liabilities

Liabilities represent probable amounts to be paid by ARC as a result of past transactions. Liabilities covered by budgetary or other resources are those for which Congress has appropriated funds or funding is otherwise available to pay amounts due.

Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future Congressional appropriations or other funding.

Accounts Payable

Accounts payable consists of amounts owed to grantees and amounts owed to federal and nonfederal entities for goods and services received by ARC.

Benefits Due and Payable:

Unfunded Annual Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

Retirement Benefits

ARC's federal and certain non-federal employees participate in Federal Employees' Retirement System (FERS). FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and the Social Security and the Thrift Savings Plan program automatically cover federal-benefitted employees hired after December 31, 1983.

All federal and certain non-federal employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established and ARC makes a mandatory one percent contribution to this account. In addition, ARC makes matching contributions, ranging from one to four percent, to TSP accounts. FERS employees are eligible to participate in the Social Security program after retirement.

The Office of Personnel Management (OPM) actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to ARC. OPM also provides information regarding the full cost of health and life insurance benefits. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of OPM.

ARC also has a Defined Benefit Pension Plan which was open to all employees not participating in FERS. The plan was closed to new participants in January 16, 2020. ARC uses an October 1 measurement date for its plan.

In February 2000 ARC established a 401(k) retirement plan that mirrors FERS. The plan covers substantially all non-federal employees, without federal benefits. Employees are eligible to participate in and are fully vested in the plan upon employment.

Parent Child Reporting

ARC is a party to allocation transfers with federal agencies as both a transferring (parent) entity and receiving (child) entity. Allocation transfers are legal delegations by one entity of its authority to obligate budget authority and outlay funds to another entity. A separate fund account (allocation account) is created in the U.S. Treasury as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity are charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent

entity, from which the underlying legislative authority, appropriations and budget apportionments are derived. ARC allocates funds, as the parent agency, to the U.S. Department of Transportation, Housing and Urban Development, the Rural Development Agency, U.S. Army Corps of Engineers and the Economic Development Agency. Additionally, ARC receives allocation transfers, as the child agency from the U.S. Department of Transportation to cover Appalachian Development Highway System administrative costs.

Net Position

Net position is the residual difference between assets and liabilities and is comprised of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The cumulative results of operations are the net results of ARC's operations since inception.

Net Cost of Operations

Earned revenues arise from the collection of state contributions and other inter-agency agreements are deducted from the full cost of ARC's major programs to arrive at net program cost. Earned revenues are recognized by ARC to the extent reimbursements are payable from the public, as a result of costs incurred or services performed on the public's behalf.

Budgetary Financing Sources

Budgetary financing sources other than earned revenues provide funding for ARC's net cost of operations and are reported on the Statement of Changes in Net Position. These financing sources include amounts received from Congressional appropriations to support its operations. A financing source is recognized for these appropriated funds received.

Use of Estimates

Management has made certain estimates when reporting assets, liabilities, revenue, and expenses, and in the note disclosures. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Exempt Status

As an instrumentality of the federal government, ARC is exempt from income taxes imposed by any governing body whether it is a federal, state, commonwealth, local, or foreign government and exempt from sales and use taxes of the District of Columbia.

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Note 2 – Fund Balance with Treasury

ARC's fund balance with treasury at September 30 consisted of the following:

	2021	2020
A. Fund Balances		
General Funds	\$529,242,961.95	\$473,597,783.56
Trust Fund	413,406.00	413,406.00
Total Fund Balance with Treasury	<u>529,656,367.95</u>	<u>474,011,189.56</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$88,085,559.06	\$63,630,417.12
b) Unavailable	31,444,873.36	38,115,722.50
2) Obligated Balance not yet Disbursed	409,542,498.53	371,672,165.94
3) Temporary Sequestration	583,437.00	592,884.00
Total	<u>529,656,367.95</u>	<u>474,011,189.56</u>

A trust fund was once established to receive, hold, and disburse monies collected to cover the administrative expenses of ARC. This fund has not been used since FY 2014. The balance in the trust fund continues to be sequestered; it is included in the total temporary sequestration above.

Note 3 – Cash and Other Monetary Assets

Cash at September 30 was:

	2021	2020
Commercial Bank Balance	<u>\$1,289,110.94</u>	<u>\$1,286,724.64</u>

Note 4 – Advances and Prepayments

Advances at September 30 consist of the following:

	2021	2020
Advances and Prepayments		
Advances to grantees to finance program expenditures		
-Revolving Loan Fund	\$27,696,525.35	\$27,075,420.71
-Non-Federal Grantees	17,082,690.33	14,665,201.56
Prepaid Pension Expense	3,108,145.00	4,004,783.00
Total	<u>47,887,360.68</u>	<u>45,745,405.27</u>

Intragovernmental: ARC advances funds to federal agencies for work performed on its behalf under various reimbursable agreements for construction projects. These intra-governmental advances are recorded as an asset, which is reduced when actual expenditures or the accrual of unreported expenditures are recorded. As of September 30, 2021, ARC did not have Intragovernmental advances.

Other: ARC also has advances made to grantees that are not federal entities. The majority of these advances are disbursed to grantees operating revolving loan funds, the remaining amounts are to all other grantees.

- **Revolving Loan Fund Grantees** - ARC provides grants to revolving loan funds operating in its region for the purpose of saving and creating private-sector jobs. Because of the revolving nature of the funds, the grants have no fixed end date. Grant funds provided to revolving loan funds retain their federal identity and are subject to the Cash Management Improvement Act of 1990 (Public Law 101-453), for which the Appalachian Regional Commission has established a policy on excess cash. Accounting treatment of RLF transactions is that cash outlays are recorded as increases to SGL 1410 Advances and Prepayments and refunds of excess cash are recorded as decreases to SGL 1410 Advances and Prepayments.
- **Non-Federal Grantees** – ARC advances funds to non-federal grantees for work performed on its behalf under various grant agreements. These advances are recorded as an asset, which is reduced when actual expenditures or the accrual of unreported expenditures are recorded. Non-federal grants include funding capital for Loan and Investment Funds.

Note 5 – Liabilities Not Covered by Budgetary Resources

The accrued liabilities of ARC are comprised of program expense accruals, payroll accruals and unfunded annual leave earned by employees. Program expense accruals represent expenses that were incurred prior to year-end but were not paid. Similarly, payroll accruals represent payroll expenses that were incurred prior to year-end but were not paid.

Liabilities at September 30, 2021 and 2020 consist of the following:

Liabilities	2021	2020
Liabilities Not Covered by Budgetary Resources	608,336.77	593,482.16
Liabilities Covered by Budgetary Resources	29,298,246.58	27,805,604.06
Total	29,906,583.35	28,399,086.22

Note 6 – Other Liabilities

As of September 30, 2021, and 2020, other liabilities with the public consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, Unfunded Leave, Liability for Advances from Non-Federal Sources, Accrued Health and Flexible Spending Benefits and Commercial Bank Balance. Other Liabilities Federal consists of Liability for Advances from Federal Sources and Employer Contributions and Payroll Taxes Payable.

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	FY2021		
Other Liabilities	Non-Current	Current	Total
Employer Contributions and Payroll Taxes Payable	\$0.00	\$49,176.57	\$49,176.57
Advances from Others and Deferred Revenue	0	167,190.61	167,190.61
Intragovernmental	\$0.00	\$216,367.18	\$216,367.18
Accrued Funded Payroll and Leave	\$0.00	\$455,831.06	\$455,831.06
Employer Contributions and Payroll Taxes Payable	0	3,662.47	3,662.47
Unfunded Leave	608,336.77	0	608,336.77
Other Liabilities Without Related Budgetary Obligations	0	1,369,573.16	1,369,573.16
With the Public	608,336.77	1,829,066.69	2,437,403.46
Total Other Liabilities	608,336.77	2,045,433.87	2,653,770.64

	FY2020		
Other Liabilities	Non-Current	Current	Total
Employer Contributions and Payroll Taxes Payable	\$0.00	\$40,159.13	\$40,159.13
Advances from Others and Deferred Revenue	0	167,190.61	167,190.61
Intragovernmental	\$0.00	\$207,349.74	\$207,349.74
Accrued Funded Payroll and Leave	\$0.00	\$384,020.01	\$384,020.01
Employer Contributions and Payroll Taxes Payable	0	3,732.09	3,732.09
Unfunded Leave	593,482.16	0	593,482.16
Other Liabilities Without Related Budgetary Obligations	0	1,361,977.22	1,361,977.22
With the Public	593,482.16	1,749,729.32	2,343,211.48
Total Other Liabilities	593,482.16	1,957,079.06	2,550,561.22

Note 7 – Retirement Plans

Federal

ARC participates in the Federal Employees Retirement System (FERS) for federal and certain non-federal employees. The FERS plans are administered by the OPM. ARC's contributions to the FERS plan for FY 2021 was \$236,947.91 and contributions for FY 2020 was \$255,881.53.

Several employees also participate in the Federal Employees Health Benefit plan (FEHB) and the Federal Employees Group Life Insurance program (FEGLI), also administered by OPM. ARC pays a portion of the cost of current employees. Post-retirement benefits are paid by OPM. ARC's contributions to these plans for FY 2021 were \$75,053.03 and \$1,482.94 and for FY 2020 were \$77,845.46 and \$1,591.86 for FEHB and FEGLI, respectively.

ARC does not report in its financial statements FERS, FEHB or FEGLI assets, accumulated plan benefits or unfunded liabilities, if any, applicable to its employees.

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For FY 2021, ARC contributed \$14,014.78 and \$53,231.51 to the Federal Thrift Savings Basic and Matching Plans respectively, and for FY 2020, ARC contributed \$16,311.54 and \$65,085.69 respectively.

Non-Federal

Findley, Inc., a division of USI Insurance Services, is ARC's administrator for ARC's non-federal retirement plans. The following table presents the pension benefit expense for the defined benefit pension plan by component for fiscal years 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 329,499	\$ 678,908
Interest cost	867,404	996,282
Expected return	(2,219,697)	(2,036,026)
Amortization of prior service cost	624,221	690,724
Recognized loss	1,795,211	533,747
Net periodic benefit cost	<u>\$ 1,396,638</u>	<u>\$ 863,635</u>

The following table presents the pension liability or prepayment by component for fiscal years 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Pension liability at October 1	\$ (4,004,783)	\$ (3,868,414)
Net periodic benefit cost	1,396,638	863,635
Contributions	(500,000)	(1,000,004)
Pension prepayment at September 30	<u>\$ (3,108,145)</u>	<u>\$ (4,004,783)</u>

<u>Additional information</u>	<u>2021</u>	<u>2020</u>
Fair value of plan assets	35,118,238	31,348,293
Projected benefit obligation	(35,679,330)	(36,882,195)
Funded status	<u>\$ (561,092)</u>	<u>\$ (5,533,902)</u>
Employer contribution	500,000	1,000,004
Participant contribution	-	-
Benefits paid	(992,226)	(1,200,715)

The accumulated benefit obligation was \$34,760,392 and \$35,808,753 at September 30, 2021 and 2020, respectively.

Weighted-average of economic assumptions used to determine benefit obligations at September 30:

	<u>2021</u>	<u>2020</u>
Discount rate	2.65%	2.40%
Rate of compensation increase	3.00%	3.00%

Weighted-average of economic assumptions used to determine net periodic benefit cost for the years ended September 30:

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	<u>2021</u>	<u>2020</u>
Discount rate	2.40%	3.00%
Rate of compensation increase	3.00%	3.00%
Expected return on plan assets	7.25%	7.25%

Plan Assets

Pension plan weighted-average asset allocations at September 30 are as follows:

<u>Asset Category</u>	<u>2021</u>	<u>2020</u>
Equity securities	41.25%	35.19%
Debt securities	53.01%	59.62%
Real estate	4.57%	3.85%
Other	1.17%	1.34%
Total assets	<u>100%</u>	<u>100%</u>

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 1,539,522
2023	1,549,170
2024	1,600,552
2025	1,662,882
2026	1,673,455
2027 - 2031	8,861,472

Paylocity Corporation processes payroll for ARC's non-federal-benefitted employees while John Hancock Financial administers the 401K plan. ARC contributed \$441,895.67 and \$361,973.28 to the 401(k) plan for the years ended September 30, 2021 and 2020, respectively. For Health Benefits Insurance, ARC contributed \$430,503.01 and \$303,647.61 for the year ended September 30, 2021 and 2020 respectively. For Group Life Insurance, ARC contributed \$2,062.38 and \$2,796.41 for the year ended September 30, 2021 and 2020 respectively.

Note 8 – Leases

ARC's lease for its office commenced on April 30, 2013 and extends through March 31, 2025. The future minimum lease payments required under this lease are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	1,051,894.00
2023	1,092,571.00
2024	1,117,182.00
2025	564,801.00
Total	<u>3,826,448.00</u>

Rent expense for the years ended September 30, 2021 and 2020 was \$1,025,015.07 and \$978,214.05 respectively.

**Note 9 – Apportionment Categories of New Obligations and Upward Adjustments:
Direct vs. Reimbursable Obligations**

Apportionment is a plan, approved by the OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). OMB Circular A-11 defines apportionment categories as follows:

- Category A apportionments distribute budgetary resources by fiscal quarters.
- Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories.
- Exempt – Exempt from apportionment

Obligations incurred reported on the Statement of Budgetary Resources consist of the following.

	2021	2020
Direct Category B Obligations		
Cat B- Non-Highway Programs - unadjusted	\$157,910,780.85	\$150,880,201.07
Beginning obligations balance adjustment	864,375.15	0.00
Cat B- Non-Highway Programs - adjusted	\$158,775,156.00	\$150,880,201.07
Cat B- RD (12-46X0200.020)	16,338,789.00	13,432,706.70
Cat B- EDA (13-46X0200.020)	4,294,600.00	7,018,534.00
Cat B- FHWA Non-Highway Programs (69-46X0200.05)	2,971,877.75	404,345.76
Cat B- HUD (86-46X0200)	79,763.62	950,000.00
Total direct Obligations	182,460,186.37	172,685,787.53
Reimbursable Category B Obligations		
Cat A	\$0.00	\$0.00
Cat B- Non-Highway Programs	2,771,710.43	3,466,624.49
Total reimbursable obligations	2,771,710.43	3,466,624.49
Total Obligations	185,231,896.80	176,152,412.02

Note 10 – Net Adjustments to Unobligated Balance Brought Forward, October 1

During the years ended September 30, 2021 and 2020, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2020 and 2019.

These adjustments include, among other things, downward adjustments to undelivered and delivered orders that were obligated in a prior year fiscal year. The adjustments during the years ended September 30, 2021 and 2020 are presented below.

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	2021	2020
Unobligated balance, brought forward from prior year	\$ 101,746,139.62	\$ 85,863,393.36
Adjustments made during the current year:		
Recoveries of prior year unpaid obligations	19,316,453.36	13,435,685.54
Recoveries of prior year paid obligations	410,687.44	1,050.00
Unobligated balance, brought forward from prior year	\$ 121,473,280.42	\$ 99,300,128.90

Note 11 – Undelivered Orders at the End of the Period

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

Fiscal Year 2021	Paid	Unpaid	Total
Federal	0.00	102,914.05	102,914.05
Non-Federal	47,887,360.68	382,655,151.48	430,542,512.16
Total Undelivered Orders	47,887,360.68	382,758,065.53	430,645,426.21
Fiscal Year 2020			
Federal	0.00	102,290.88	102,290.88
Non-Federal	45,745,405.27	371,569,875.03	417,315,280.30
Total Undelivered Orders	45,745,405.27	371,672,165.91	417,417,571.18

Note 12 – Permanent Indefinite Appropriations

The Commission's permanent indefinite appropriation includes the trust fund which has not been used since FY 2014. Total sequestered trust balance remains \$413,406 as of September 30, 2021.

Note 13 – Explanation of Differences between the SBR and the Budget of the U.S. Government

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2020 actual budgetary execution information is scheduled for publication in February 2021, which will be available through OMB's website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2020 SBR and the related President's Budget reflected the following: (Dollars in Millions)

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FY 2020	Budgetary Resources	New Obligations & Upward Adjustment	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	278	176	0	146
Budget of the U.S. Government	278	176	0	142
Difference	0	0	0	4

The difference between the Statement of Budgetary Resources and the *Budget of the United States Government* for budgetary resources, obligations incurred and net outlays is due to an on-top Non-GTAS adjustment to the applicable FY19 Financial Statement line item that impacted the line's beginning balance for FY20.

Note 14 – Reconciliation of Net Cost to Outlays

The Commission has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

FY 2021:

Reconciliation of Net Operating Cost and Net Budgetary Outlays

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	2,266,592.68	121,690,714.12	123,957,306.80
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Increase/(Decrease) in Assets not affecting Budget Outlays:			
Other assets	-	2,144,341.71	2,144,341.71
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	-	(1,076,751.32)	(1,076,751.32)
Salaries and benefits	(28,189.79)	(380,105.47)	(408,295.26)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(22,450.55)	(22,450.55)
Other financing sources			
Federal employee retirement benefit costs	10,670.23		10,670.23
Transfers out (in) without reimbursement	(250,000.00)		(250,000.00)
Total Components of Net Operating Cost Not Part of the Budget Outlay	(267,519.56)	665,034.37	397,514.81
Net Outlays (Calculated Total)	1,999,073.12	122,355,748.49	124,354,821.61
Related Amounts on the Statement of Budgetary Resources			
Outlays, net (SBR Line 4190)			124,354,821.61
Agency Outlays, Net (SBR Line 4210)			124,354,821.61

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FY 2020:

Reconciliation of Net Operating Cost and Net Budgetary Outlays

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	352,656.62	137,655,723.93	138,008,380.55
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Increase/(Decrease) in Assets not affecting Budget Outlays:			
Accounts receivable	(254.74)	-	(254.74)
Other assets	(71,677.81)	4,606,261.55	4,534,583.74
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	244,136.25	3,291,998.54	3,536,134.79
Salaries and benefits	10,651.83	210,199.67	220,851.50
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	37,742.86	(213,933.52)	(176,190.66)
Other financing sources			
Federal employee retirement benefit costs	(43,949.01)		(43,949.01)
Transfers out (in) without reimbursement	(500,000.00)		(500,000.00)
Total Components of Net Operating Cost Not Part of the Budget	(323,350.62)	7,894,526.24	7,571,175.62
Net Outlays (Calculated Total)	29,306.00	145,550,250.17	145,579,556.17
Related Amounts on the Statement of Budgetary Resources			
Outlays, net (SBR Line 4190)			145,579,556.17
Agency Outlays, Net (SBR Line 4210)			145,579,556.17