

Appendix C to Subpart L of Part 668 - Balance Sheet and Income Statement Adjustments for Recalculating Composite Score

Section 1: Proprietary Institutions

Event	Borrower-defense related lawsuits and other debts, §668.171(c)(1)(i)	Other Litigation, §668.171(c)(1)(ii)	Withdrawal of Owner's Equity, §668.171(c)(1)(v)	Accrediting Agency Requires Teach-out Plan for Closed Location, §668.171(c)(1)(iii)	Gainful Employment Programs, Loss of Eligibility, §668.171(c)(1)(iv)					
Amount of Loss	Debt, relief claimed, or other amount as determined under §668.171(c)(2)(ii)	Relief claimed, or other amount as determined under §668.171(c)(2)(iii)	Total amount withdrawn, §668.171(c)(2)(iv)	Title IV funds received by the closed institution or location during the most recently completed fiscal year, §668.171(c)(2)(iv)	Title IV funds received during the most recently completed fiscal year by GE programs in jeopardy of losing eligibility, §668.171(c)(2)(iv)					
Allowance for Expenses	Not applicable			Cost of Goods Sold (#28) / Operating Income (#25) multiplied by Amount of Loss						
	Entries for Loss Line item from Section 2, Appendix A						Entries for Loss and Expenses Line item from Section 2, Appendix A			
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Adjusting Entries	#32, Total Expenses		#32, Total Expenses		#23, Total Owners Equity		#27, Total Income		#27, Total Income	
		#13, Total Assets		#13, Total Assets		#13, Total Assets		#13, Total Assets		#13, Total Assets
	NA		NA		NA		#13, Total Assets (expense allowance)		#13, Total Assets (expense allowance)	
		NA		NA		NA		#32, Total Expenses (expense allowance)		#32, Total Expenses (expense allowance)

Note that based on the changes to #27 Total Income and Line #32 Total expenses, the following line items may be recalculated: #34 Net Income Before Taxes, #36 Net Income After Taxes, #38 Net Income, #22 Retained Earnings, #23 Total Owner's Equity, and #24 Total Liabilities and Owner's Equity