

**SUMMARY OF CHANGES TO
DOD 7000.14-R, VOLUME 6A, CHAPTER 15
“DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]”**

Changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
New Chapter	Volume 11 B , Chapter 70, of the Regulation, in its entirety, was moved to Volume 6A, Chapter 15 to standardize accounting policies. It also updates the Accounting Report (M) 1307 to use the US Standard General Ledger.	Update
1504	Separate disclosure of Depreciation and Bad Debts expenses	Deletion
1504	Requirement to increase General Ledger Account 5790, “Invested Capital Used”, for the value of depreciation on non-Defense Working Capital Fund (DWCF) assets is removed	Deletion
1505	Added line 1.D.(1).D. Minus: Depreciation on non-DWCF Acquired PP&E to Part II – Changes in Net Position.	Addition
1505	Added Capital Investment sections 1.D.(2) Fund (Cash) Assets and 1.D.(3) Liabilities Assumed	Addition
1506	Added lines to both Cost of Goods Sold and Cost of Goods Sold Inventory for Transfers In , Transfers Out and Prior Period Adjustments	Addition
1507	Added line I. Depreciation-Non-DWCF Acquired PP&E to Part IV – Expenses	Addition
1507	Added additional reporting of Direct Labor Hours	Addition
1508	Added line 3. Depreciation on non-DWCF Acquired PP&E to Part V – Recoverable Operating Results.	Addition
Figure 15-10	Updated listing of DWCF reporting activities.	Update

TABLE OF CONTENTS

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
ACCOUNTING REPORT (M) 1307

- 1501 General Preparation Instructions
- 1502 Format of the Statement of Financial Position
- 1503 Format of the Statement of Cash Flow
- ★1504 Format of the Statement of Operations: Part I - Statement of Operations
- ★1505 Format of the Statement of Operations: Part II - Changes in Net Position
- ★1506 Format of the Statement of Operations: Part III - Cost of Goods Sold
- ★1507 Format of the Statement of Operations: Part IV - Expenses
- ★1508 Format of the Statement of Operations: Part V - Recoverable Operating Results
- ★1509 Format of the Statement of Operations: Part VI - Capital Investment Program
- ★1510 Format of the Statement of Operations: Part VII - Inventory Management Report -
Supply Business Areas

CHAPTER 15

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

1501 GENERAL PREPARATION INSTRUCTIONS

150101. Purpose. This chapter identifies the reporting requirements and provides guidance on the Defense Working Capital Fund (DWCF) Accounting Report [Accounting Report (Monthly) 1307] (AR(M)1307).

150102. General

A. The Defense Working Capital Fund AR(M)1307, consists of three principal statements.

1. Statement of Financial Position. This statement discloses the reporting entity's assets, liabilities, and net position.

2. Statement of Cash Flow. This statement discloses the reporting entity's gross cash receipts and disbursements with an explanation of the changes in cash for the reporting period.

3. Statement of Operations. This statement discloses the results of the reporting entity's operations for the reporting period, including the changes in the entity's net position from the end of the prior reporting period.

B. An identification of the hierarchy of accounting standards to be followed in preparing DWCF Accounting Report is contained in Volume 1, Chapter 8, "Hierarchy of Accounting Standards" of this Regulation.

C. Notes to the Principal Statements, which are an integral part of the principal statements, shall provide additional disclosures necessary to make the principal statements fully informative and not misleading.

D. The DWCF Accounting Report was designed based on fiscal year 2006 Volume 6B, "Form and Content of Audited Financial Statements" of this Regulation. Annually, the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) updates DoD guidance on the form and content of financial statements. Additionally, the United States Standard General Ledger (USSGL) on which the report is based is updated at least annually and is posted by the Treasury Financial Management Service (FMS) at: <http://www.fms.treas.gov/ussgl>. Accordingly, the DWCF Accounting Report will be revised to maintain comparability.

E. The Statement of Operations consists of seven parts.

1. Part I, "Statement of Operations" identifies the cumulative year-to-date Net Operating Results (NOR) and the Recoverable Net Operating Results, i.e. the amount that must be recovered in the activity's rates.

2. Part II, “Changes in Net Position” identifies the net changes in equity.
3. Part III, “Cost of Goods Sold,” identifies the components of cost of goods sold.
4. Part IV, “Expenses” identifies detailed expense information.
5. Part V, “Recoverable Operating Results” reconciles Net Operating Results to the operating results used for rate-setting purposes.
6. Part VI, “Capital Investment Program” identifies the approved program, obligations and outlays for the capital investment program.
7. Part VII, “Inventory Management Report – Supply Business Area” reports inventory management data for the Supply Management and Commissary Resale business areas.

F. The AR(M)1307 is prepared based on the activity’s proprietary trial balance, except for some items in Part VI, Capital Investment Program and Part VII, Inventory Management Report – Supply Business Area, which includes obligation data. The AR(M)1307 complements the information provided in the Standard Form 133, Report of Budget Execution and Budgetary Resources, which is prepared using the activity’s budgetary trial balances. Both reports provide information required to manage the DWCF activities.

150103. Reporting Requirement

A. Applicability. The provisions of this chapter apply to all DoD Components operating a DWCF activity. A listing of DWCF financial reporting entities is located in figure 15-10 of this chapter. Within the attached listing, the lowest level for which individual AR(M)1307 reports are required are indicated by an asterisk (*) symbol. DWCF Activities may generate the AR(M)1307 at different levels in order to effectively manage their business. The levels for which a consolidated AR(M)1307 report are required are indicated in the attached listing by a pound (#) symbol. Consolidated statements are required for each DoD Component business area.

B. Report Forms. The financial report formats contained herein show the report formats that must be used. The reports shall be prepared or reproduced on letter size paper (8 ½” x 11”). Reports produced by automatic data processing equipment may be substituted for the formats illustrated. The following are the reports to be submitted:

- Statement of Financial Position
- Statement of Cash Flow
- Statement of Operations
 - Part I – Statement of Operations
 - Part II – Changes in Net Position
 - Part III – Cost of Goods Sold
 - Part IV – Expenses
 - Part V – Recoverable Operating Results

Part VI – Capital Investment Program

Part VII – Inventory Management Report – Supply Business

Management Area

C. Reporting Responsibilities. DoD Components are responsible for the information included in the AR(M)1307 report and for arranging for the preparation and submission of the report.

D. Frequency of Reports. Unless otherwise specified by the OUSD(C), the AR(M)1307 reports shall be prepared and submitted monthly. Submit regular reports in accordance with due dates established by the Defense Finance and Accounting Service (DFAS) and consistent with the requirements of the OUSD(C).

E. Distribution

1. Consolidated DoD Component and Business Area Reports. A copy of consolidated DWCF business area reports shall be submitted to:

a. Director for Revolving Funds, Office of the Deputy Comptroller (Program/Budget), OUSD(C)..

b. Director for Reporting and Analysis, Office of the Deputy Chief Financial Officer, OUSD(C).

c. Office of the Assistant Secretary of the Army (Financial Management and Comptroller), Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller), and the Defense Logistics Agency Comptroller.

d. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

2. Activity Level Reports. A copy of DWCF activity level reports shall be submitted to:

a. Offices of the Assistant Secretary of the Army, Navy and Air Force (Financial Management and Comptroller), and the Comptrollers of the Defense Agencies, for activities for which they are responsible, if requested by that DoD Component.

b. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

c. The DWCF activity whose operations are being reported. The report provided to a DWCF activity shall disclose any adjustments made to the financial data submitted by that activity.

150104. Detail Instructions

A. The instructions to the AR(M)1307 identify the specific data, and appropriate source of that data, for amounts to be entered into each line of each report.

B. Amounts will be reported in thousands of dollars (\$000) for all parts of the report and related footnotes (that is, \$1,000 = \$1; \$10,000 = \$10; \$100,000 = \$100; etc.).

C. Report lines that require identification of the nature of specific amounts will be footnoted, and will be provided with each report.

D. Adjustments for amounts otherwise accounted for or reported at the DoD Component level should be allocated or assigned to the applicable business areas. Similarly, adjustments for amounts otherwise submitted for or reported at the business area level should be allocated or assigned to the applicable individual activities. Such allocations shall be made, by DFAS, in accordance with direction received from the DoD Components. However, as a general rule, and where reasonable, all such adjustments should be allocated to individual activities. Adjustments made at the business area level shall be shown separately as a business area adjustment. Adjustments allocated to the individual activity level shall be entered into the activity's installation level accounting records.

E. Policies that, if implemented retroactively, could have a significant adverse impact on the accuracy and integrity of financial reports will not be retroactively implemented without a clearly offsetting benefit or unless directed by an external authority such as Congress.

F. The report is based on current fiscal year data. All references to year in this instruction apply to fiscal year.

DEFENSE WORKING CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

ASSETS

1. Fund Balance with Treasury		\$ XXX
a. Funds Collected – Operating Program	\$ XXX	
b. Funds Collected – Capital Program	XXX	
c. Funds Disbursed – Operating Program	XXX	
d. Funds Disbursed – Capital Program	XXX	
e. Funds Transferred In (Out)	XXX	
f. Funds with Treasury – Operating Program	XXX	
g. Funds with Treasury – Capital Program	XXX	
2. Cash on Hand and Other Monetary Assets		XXX
3. Accounts Receivable, Net		XXX
a. Accounts Receivable, Intragovernmental	XXX	
b. Accounts Receivable, Intragovernmental, Undistributed	XXX	
c. Accounts Receivable, Non-Federal	XXX	
d. Accounts Receivable, Non-Federal, Undistributed	XXX	
4. Advances Paid and Prepayments		XXX
5. Inventories Held for Sale, Net		XXX
a. Inventory Items	XXX	
(1) Latest Acquisition Cost (LAC)	XXX	
(2) Moving Average Cost (MAC)	XXX	
b. Allowance for Gains or (Losses) on Inventories	XXX	
6. Work in Process		XXX
7. Operating Materials and Supplies, Net		XXX
8. Stockpiled Materials, Net		XXX
9. Property, Plant and Equipment, Net		XXX
a. Structures, Facilities and Leasehold Improvements, Net	XXX	
b. Construction in Progress	XXX	
c. Equipment, Net	XXX	
d. ADP Software, Net	XXX	
e. Software Development in Progress	XXX	
f. Assets Under Capital Lease, Net	XXX	
g. Other Property	XXX	
10. Other Assets		XXX
11. Total Assets		<u>\$ XXX</u>

Figure 15-1: Statement of Financial Position

LIABILITIES

12. Liabilities Covered by Budgetary Resources		\$ XXX
a. Accounts Payable, Net	XXX	
(1) Accounts Payable, Intragovernmental	XXX	
(2) Accounts Payable, Intragovern., Undistributed	XXX	
(3) Accounts Payable, Non-Federal	XXX	
(4) Accounts Payable, Non-Federal, Undistributed	XXX	
b. Accrued Payroll and Benefits	XXX	
(1) Salaries and Wages	XXX	
(2) Accrued Annual Leave	XXX	
(3) Severance Pay and Separation Allowance	XXX	
c. Progress Billings	XXX	
d. Advances and Prepayments from Others	XXX	
e. Debts	XXX	
f. Interest Payable	XXX	
g. Lease Liabilities	XXX	
h. Other Liabilities	XXX	
13. Liabilities Not Covered by Budgetary Resources		XXX
14. Total Liabilities		XXX
 NET POSITION		
15. Net Position		XXX
a. Unexpended Appropriations	XXX	
b. Accumulated Operating Results (AOR)	XXX	
c. Invested Capital	XXX	
16. Total Liabilities and Net Position		<u>\$ XXX</u>

Figure 15-1: Statement of Financial Position (cont'd.)

1502. FORMAT OF THE STATEMENT OF FINANCIAL POSITION (FIGURE 15-1)

150201. General. The Statement of Financial Position, figure 15-1, discloses the reporting entity's assets, liabilities, and net position.

150202. Heading. Complete the heading on the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

150203. Line Item Instructions. Instructions for the content of each line follow:

A. Line 1 – Fund Balance with Treasury. This item represents the aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. This line will not include the account balances, such as those in deposit, suspense, and clearing accounts, which are not available to finance the entity's activities. Accounts have been established to separately identify disbursements and collections applicable to the operating program and capital program to comply with United States Code, Title 10, Section 2208, (<http://www.gpoaccess.gov/uscode/index.html>) which requires DoD to establish a capital asset subaccount. Report the balance by the specified applicable categories:

B. Line 1.a. – Funds Collected - Operating Program. Report the portion of the balance of the following account as it relates to funds collected for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Collected - Operating Programs)

C. Line 1.b. – Funds Collected - Capital Program. Report the portion of the balance of the following account as it relates to funds collected for the capital program during the current fiscal year. Note: the amounts of collections allocated from the operating program to the capital program will be based on the activities DWCF-funded depreciation expenses and capital surcharge. In all cases, at the end of the Fiscal Year (FY), the amount collected must be sufficient to ensure the ending Fund Balance with Treasury – Capital Program is not negative.

1010 Fund Balance with Treasury (Funds Collected – Capital Program)

D. Line 1.c. – Funds Disbursed - Operating Program. Reports the portion of the balance of the following account as it relates to funds disbursed for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Disbursed - Operating Programs)

E. Line 1.d. – Funds Disbursed - Capital Program. Report the portion of the balance of the following account as it relates to funds disbursed for the Capital Investment Program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Disbursed - Capital Investment Program)

F. Line 1.e. – Funds Transferred In (Out). Report the portion of the balance to the following account as it relates to funds transferred in or out during the current fiscal year.

1010 Fund Balance with Treasury (Current Year Transfers)

G. Line 1.f. – Funds with Treasury – Operating Program. Report the beginning fiscal year balance of the operating program account, which is the net of prior year funds collected and funds disbursed related to operating programs.

1010 Fund Balance with Treasury (Funds with Treasury - Operating Programs)

H. Line 1.g. – Funds with Treasury – Capital Program. Report the beginning fiscal year balance of the Capital Investment Program account, which is the net of prior year funds collected and funds disbursed related to capital programs.

1010 Fund Balance with Treasury (Funds with Treasury - Capital Investment Program)

I. Line 2. – Cash on Hand and Other Monetary Assets. Consists of (a) coins, paper currency and readily negotiable instruments such as money orders, checks and bank drafts on hand or in transit for deposit, (b) amounts on demand deposit with banks or other financial institutions, and (c) cash held in imprest funds. Report the balance of the following accounts:

1110 Undeposited Collections
1120 Imprest Funds
1130 Funds Held by the Public
1190 Other Cash
1195 Other Monetary Assets
1200 Foreign Currency
1531 Seized Monetary Instruments
1532 Seized Cash Deposited

J. Line 3. – Accounts Receivable, Net. Accounts receivable are amounts due from others when the right to receive funds accrues. This may result from the performance of services, the delivery of goods, or court-ordered assessment. This is a summary line for lines 3.a.-Accounts Receivable, Intragovernmental through 3.d.-Accounts Receivable, Non-Federal, Undistributed.

K. Line 3.a. – Accounts Receivable, Intragovernmental. Report the amount of accounts receivable in the accounts listed below as related to accounts receivable from other Federal Agencies. Note: Allowance for loss accounts are not used in this line because it is expected that all Federal Agencies will pay their bills.

1310 Accounts Receivable (except as reported on Line 3.b. below)
1320 Employment Benefit Contributions Receivable

1330 Receivable for Transfers of Currently Invested Balances
1335 Expenditure Transfers Receivable

1340 Interest Receivable

1360 Penalties, Fines, and Administrative Fees Receivable

1399 Allowance for Subsidy

L. Line 3.b. – Accounts Receivable, Intragovernmental, Undistributed.

Report the amount of accounts receivable in the account listed below as related to accounts receivable from other Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the Treasury finance network and the amount of collections recorded by the operating level activities.

1310 Accounts Receivable (except as reported on Line 3.a. above)

M. Line 3.c. – Accounts Receivable, Non-Federal. Report the amount of

accounts receivable in the accounts listed below as related to accounts receivable from other than Federal agencies.

1310 Accounts Receivable, (except as reported on Line 3.d. below)

1319 Allowance for Loss on Accounts Receivable

1320 Employment Benefit Contributions Receivable

1325 Taxes Receivable

1329 Allowance for Loss on Taxes Receivable

1340 Interest Receivable

1349 Allowance for Loss on Interest Receivable

1360 Penalties, Fines, and Administrative Fees Receivable

1369 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable

1399 Allowance for Subsidy

N. Line 3.d. – Accounts Receivable, Non-Federal, Undistributed. Report the

amount of accounts receivable in the accounts listed below as related to accounts receivable from other than Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the Treasury finance network and the amount of collections recorded by the operating level activities.

1310 Accounts Receivable, (except as reported on Line 3.c. above)

O. Line 4. – Advances Paid and Prepayments. Report the amount of the following accounts:

1410 Advances and Prepayments

P. Line 5. – Inventories Held for Sale, Net. Inventory is tangible personal property that is (a) held for sale, (b) in the process of production for sale, or (c) to be consumed in the production of goods for sale or in the provision of services for a fee. This line applies only

to the Supply Management business areas and the Defense Commissary Agency (DeCA). This line is the net sum of line 5.a. Inventory Items and line 5.b. Allowance for Gains or (Losses) on Inventories-LAC.

Q. Line 5.a. – Inventory Items. Report the sum of line 5.a.1. Inventory at Latest Acquisition Cost (LAC) and line 5.a.2. Inventory at Moving Average Cost (MAC).

R. Line 5.a.1 – Latest Acquisition Cost (LAC). Report the amount of inventory whose value is maintained at LAC. This amount will be the amount reported on Part III - Cost of Goods Sold, Line 2.i.-Ending Inventory LAC.

S. Line 5.a.2. – Moving Average Cost (MAC). Report the amount of inventory maintained at MAC in the following accounts:

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1525 Inventory - Raw Materials
- 1527 Inventory - Finished Goods

T. Line 5.b. – Allowance for Gains or (Losses) on Inventories – LAC. Report the balance of the following account. A credit balance will be reported as a negative [deduct] amount; a debit balance will be reported as a positive [add] amount:

- 1529 Inventory – Allowance

U. Line 6. – Work in Process. Work in process is, for the DWCF, the amount of direct, indirect, and general and administrative costs assigned or otherwise properly allocated to a final cost objective (generally, a job order) prior to completion of that final cost objective in its entirety or in discrete elements. When revenue is recognized on a percent of completion basis, the work in process associated with the revenue recognized should be removed from work in process and recorded as cost of goods sold. This line applies only to DWCF activities that accumulate costs to a final cost objective (generally, a job order) such as those within the Depot Maintenance, R&D and Base Support business areas. This line does not ordinarily apply to activities that do not accumulate costs to a final cost objective such as the Supply Management business area or DeCA. The balance in the following account shall be reported:

- 1526 Inventory - Work-in-Process

V. Line 7. – Operating Materials and Supplies, Net. Operating materials and supplies consist of tangible personal property to be consumed in the course of normal operations. This line can be applicable to any DWCF activity. Report the balance of the following accounts:

- 1511 Operating Materials and Supplies Held for Use

- 1512 Operating Materials and Supplies Held in Reserve for Future Use
- 1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
- 1514 Operating Materials and Supplies Held for Repair
- 1519 Operating Materials and Supplies - Allowance

W. Line 8. – Stockpile Materials, Net. Stockpile materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation, or national emergencies. They are not held with the intent of selling in the ordinary course of business. Report the balance of the following accounts:

- 1571 Stockpile Materials Held in Reserve
- 1572 Stockpile Materials Held for Sale

X. Line 9. – Property, Plant and Equipment, Net. Property, plant and equipment are tangible assets that (1) have an estimated useful life of 2 or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity. The line is value of the activity's real and personal property, i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements that has been capitalized, net of accumulated depreciation, if any. Also includes assets acquired by capital leases and leasehold improvements; and property owned by the reporting entity in the hands of the reporting entity or contractors. This line is the sum of the following Line 9 sub-lines.

Y. Line 9.a. – Structures, Facilities and Leasehold Improvements, Net. Report the balance of the following accounts:

- 1711 Land and Land Rights
- 1712 Improvements to Land
- 1719 Accumulated Depreciation on Improvements to Land
- 1730 Buildings, Improvements, and Renovations
- 1739 Accumulated Depreciation on Buildings, Improvements, and Renovations
- 1740 Other Structures and Facilities
- 1749 Accumulated Depreciation on Other Structures and Facilities
- 1820 Leasehold Improvements
- 1829 Accumulated Amortization on Leasehold Improvements

Z. Line 9.b. – Construction in Progress. Report the balance of the following account:

- 1720 Construction-in-Progress

AA. Line 9.c. – Equipment, Net. Report the balance of the following accounts:

- 1750 Equipment
- 1759 Accumulated Depreciation on Equipment

AB. Line 9.d. – ADP Software, Net. Report the balance of the following accounts:

- 1830 Internal-Use Software
- 1839 Accumulated Amortization on Internal-Use Software

AC. Line 9.e. – Software Development in Progress. Report the balance of the following account:

- 1832 Internal-Use Software in Development

AD. Line 9.f. – Assets Under Capital Lease, Net. Report the balance of the following accounts:

- 1810 Assets Under Capital Lease
- 1819 Accumulated Depreciation on Assets Under Capital Lease

AE. Line 9.g. – Other Property. Report the balance of the following accounts:

- 1840 Other Natural Resources
- 1849 Allowance for Depletion
- 1890 Other General Property, Plant, and Equipment
- 1899 Accumulated Depreciation on Other General Property, Plant, and Equipment

AF. Line 10. – Other Assets. Report the balance of the following accounts:

- 1340 Interest Receivable
- 1349 Allowance for Loss on Interest Receivable
- 1350 Loans Receivable
- 1359 Allowance for Loss on Loans Receivable
- 1360 Penalties, Fines, and Administrative Fees Receivable
- 1369 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable
- 1399 Allowance for Subsidy
- 1541 Forfeited Property Held for Sale
- 1542 Forfeited Property Held for Donation or Use
- 1549 Forfeited Property – Allowance
- 1551 Foreclosed Property
- 1559 Foreclosed Property – Allowance
- 1561 Commodities Held Under Price Support and Stabilization Support Programs
- 1569 Commodities – Allowance
- 1591 Other Related Property
- 1599 Other Related Property - Allowance

- 1921 Receivable From Appropriations
- 1990 Other Assets

AG. Line 11. – Total Assets. Report the net total of line 1. through line 10.

AH. Line 12. – Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by available budgetary resources. Available budgetary resources include (1) new budget authority, (2) reimbursements and other income, (3) recoveries of unexpired budget authority, and (4) remaining unobligated balances of amounts available at the beginning of the year or transferred in during the year. Report the net total of lines 12.a. through 12.h.

AI. Line 12.a. – Accounts Payable, Net. The amounts owed by a DWCF activity for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-Federal entities. Report the net total of line 12.a.(1) and line 12.a.(4).

AJ. Line 12.a.(1). – Accounts Payable, Intragovernmental. Report the amount of the following accounts that is owed to Federal entities.

- 2110 Accounts Payable (except as reported on Line 12.a.(2) below)
- 2120 Disbursements in Transit
 - 2150 Payable for Transfers of Currently Invested Balances
- 2155 Expenditure Transfers Payable
 - 2170 Subsidy Payable to the Financing Account
- 2179 Contra Liability for Subsidy Payable to the Financing Account

AK. Line 12.a.(2). – Accounts Payable, Intragovernmental, Undistributed. Report the amount of the following accounts that is owed to Federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

- 2110 Accounts Payable (except as reported on Line 12.a.(1) above)

AL. Line 12.a.(3). – Accounts Payable, Non-Federal. Report the amount of the following accounts that are owed to non-federal entities.

- 2110 Accounts Payable (except as reported on Line 12.a.(4) below)
- 2120 Disbursements in Transit
 - 2150 Payable for Transfers of Currently Invested Balances
- 2155 Expenditure Transfers Payable
 - 2160 Entitlement Benefits Due and Payable
 - 2170 Subsidy Payable to the Financing Account
 - 2179 Contra Liability for Subsidy Payable to the Financing Account
- 2180 Loan Guarantee Liability

AM. Line 12.a.(4). – Accounts Payable, Non-Federal, Undistributed. Report the amount of the following accounts that are owed to non-federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the

amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

2110 Accounts Payable (except as reported on Line 12.a.(3) above)

AN. Line 12.b. – Accrued Payroll and Benefits. Report the amount of pay and benefits payable. Report the net total of lines 12.b.(1) through 12.b.(3).

AO. Line 12.b.(1). – Salaries and Wages. Report the value of the Salaries and Wages in the 2210 account and the amount of the additional accounts listed.

2210 Accrued Funded Payroll and Leave

2211 Withholdings Payable

2213 Employer Contributions and Payroll Taxes Payable

AP. Line 12.b.(2). – Accrued Annual Leave. Report the value of the Accrued Annual Leave in the 2210 account. DWCF activities are required to fully fund annual leave in their rates. This balance in the account represents the value of employee annual leave that has not yet been taken.

2210 Accrued Funded Payroll and Leave

AQ. Line 12.b.(3). – Severance Pay and Separation Allowance.

2215 Other Post-Employment Benefits Due and Payable

2216 Pension Benefits Due and Payable to Beneficiaries

2217 Benefit Premiums Payable to Carriers

2218 Life Insurance Benefits Due and Payable to Beneficiaries

AR. Line 12.c. – Progress Billings. Report the amount of the balance of the following account as it applies to progress billings:

2990 Other Liabilities Without Related Budgetary Obligations

AS. Line 12.d. – Advances and Prepayments from Others (Non-Federal). Report the value of the advances and prepayments received for goods to be delivered or services to be performed in the following account:

2310 Liability for Advances and Prepayments

AT. Line 12.e. – Debts. This item represents the amount of borrowings from the Treasury, the Federal Financial Bank, or other Federal Agencies. This line applies only to the Military Sealift Command (MSC). Report the balance of the following accounts as they relate to debt:

2140 Accrued Interest Payable

2510 Principal Payable to the Bureau of the Public Debt

- 2520 Principal Payable to the Federal Financing Bank
- 2530 Securities Issued by Federal Agencies Under General and Special Financing Authority
- 2531 Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority
- 2532 Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
- 2533 Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority
- 2540 Participation Certificates
- 2590 Other Debt

AU. Line 12.f. – Interest Payable. Report the balance of the following account as they relate to other than debt interest:

- 2140 Accrued Interest Payable

AV. Line 12.g. – Lease Liabilities. This item represents the portion of the liability for capital leases which is covered by budgetary authority. Capital leases and lease purchases entered into must be fully funded in the first year of the lease, see Office of Management and Budget Circular A-11, Appendix B. Report the balance of the following account:

- 2940 Capital Lease Liability

AW. Line 12.h. – Other Liabilities. This item represents other liabilities that are not recognized in specific categories above. Include in this line the total amount due the federal entities for other liabilities covered by budgetary authority that are not included on other lines above. Report the balance of the following accounts as they apply to transactions with other Federal and non-Federal entities:

- 2130 Contract Holdbacks
- 2190 Other Liabilities With Related Budgetary Obligations
- 2400 Liability for Deposit Funds, Clearing Accounts, and Undeposited Collections
- 2610 Actuarial Pension Liability
- 2620 Actuarial Health Insurance Liability
- 2630 Actuarial Life Insurance Liability
- 2650 Actuarial FECA Liability
- 2690 Other Actuarial Liabilities
- 2910 Prior Liens Outstanding on Acquired Collateral
- 2920 Contingent Liabilities
- 2950 Liability for Subsidy Related to Undisbursed Loans
- 2960 Accounts Payable From Canceled Appropriations
- 2970 Liability for Capital Transfers to the General Fund of the Treasury
- 2980 Custodial Liability
- 2990 Other Liabilities Without Related Budgetary Obligations
- 2995 Estimated Cleanup Cost Liability

AX. Line 13. – Liabilities Not Covered by Budgetary Resources. Liabilities incurred which are not covered by available budgetary resources result from the receipt of goods or services or the occurrence of other eligible events for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they in fact will be made is completely at the discretion of the Congress. Report only the amount of the liability for which an available budgetary resource does not exist. If any such liabilities exist, report the amount and disclose its nature by footnote.

AY. Line 14. – Total Liabilities. Report the total of line 12 and line 13.

AZ. Line 15. – Net Position. The components of net position are classified as follows. Report the net total of lines 15.a. through 15.c.

BA. Line 15.a. – Unexpended Appropriation. This line is equal to the Unexpended Appropriations from Statement of Operations, Part II - Changes in Net Position, Line 1.A.(3). Normally DWCF activities will not have unexpended appropriations as they are immediately expended upon receipt to provide budgetary authority.

BB. Line 15.b. – Accumulated Operating Results (AOR). This line is equal to the AOR from Statement of Operations, Part II - Changes in Net Position, Line 1.B.(3).

BC. Line 15.c. – Invested Capital. This line is equal to the Invested Capital from Statement of Operations, Part II - Changes in Net Position, Line 1.D.(4).

BD. Line 16. – Total Liabilities and Net Position. Report the total of line 14 and line 15.

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF CASH FLOW
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)**

CASH FLOWS FROM OPERATIONS:

1. Net Operating Results (NOR) (Part I, Line 11) \$ XXX

OPERATING ADJUSTMENTS:

2. Appropriated Capital Used (-)		(XXX)
3. Decrease (Increase) in Accounts Receivable		XXX
4. Decrease (Increase) in Advances and Prepayments		XXX
5. Decrease (Increase) in Inventories:		XXX
a. Inventory	XXX	
b. Work in Process	XXX	
c. Operating Materials and Supplies, Net	XXX	
d. Stockpiled Materials, Net	XXX	
6. Decrease (Increase) in Other Assets		XXX
7. Increase (Decrease) in Accounts Payable		XXX
8. Increase (Decrease) in Accrued Payroll and Benefits		XXX
9. Increase (Decrease) in Other Liabilities		XXX
10. Depreciation and Amortization		XXX
11. Other Adjustments:		XXX
a. Prior Period Adjustments	XXX	
b. Non-Cash Transfers	XXX	
c. Other	XXX	
12. Total Operating Adjustments		XXX
13. Net Cash Provided (Used) by Operations		XXX

CAPITAL ADJUSTMENTS:

14. (Increase) Decrease of Property, Plant and Equipment, Net XXX

Figure 15-2: Statement of Cash Flow

APPROPRIATIONS AND CASH TRANSFERS:

15. Appropriations (Current Warrants)		XXX
16. Transfers of Cash		XXX
a. Transfers In	XXX	
b. Transfers Out	XXX	
17. Total Appropriations and Cash Transfers		XXX
18. Repayments on Loans from the Treasury and the Federal Financing Bank		XXX
19. Net Change In Cash For Accounting Period		XXX
20. Fund Balance, Beginning		XXX
21. Fund Balance, Ending		XXX

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

22. Total Interest Paid		XXX
-------------------------	--	-----

Figure 15-2: Statement of Cash Flow (cont'd.)

1503. FORMAT OF THE STATEMENT OF CASH FLOW (FIGURE 15-2)

150301. General. The Statement of Cash Flow, figure 15-2, discloses the DWCF cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.

150302. Heading. Complete the heading on the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

150303. Line Item Instructions. Instructions for the content of each line are:

A. Section Heading - CASH FLOWS FROM OPERATIONS

B. Line 1 - Net Operating Results (NOR) (Part I, Line 11). The amount reported on the Statement of Operations Part I – Report on Operations, Line 11.

C. Section Heading - OPERATING ADJUSTMENTS

D. Line 2 - Appropriated Capital Used (-). The amount of appropriated funds expended is a negative adjustment to the cash flow from operations.

5700 Expended Appropriations

E. Line 3 - Decrease (Increase) in Receivables. A decrease in accounts receivable adds to, and an increase in accounts receivable reduces, the DWCF cash balance. Do not include decreases due to bad debt write-offs. Report the current year change in the accounts listed below.

1310 Accounts Receivable

1319 Allowance for Loss on Accounts Receivable

1320 Employment Benefit Contributions Receivable

1325 Taxes Receivable

1329 Allowance for Loss on Taxes Receivable

1330 Receivable for Transfers of Currently Invested Balances

1335 Expenditure Transfers Receivable

1340 Interest Receivable

1349 Allowance for Loss on Interest Receivable

1350 Loans Receivable

1359 Allowance for Loss on Loans Receivable

1360 Penalties, Fines, and Administrative Fees Receivable

1369 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable

1399 Allowance for Subsidy

F. Line 4 - Decrease (Increase) in Advances and Prepayments. A decrease in advances and prepayments adds to, and an increase in advances and prepayments reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

1410 Advances and Prepayments

G. Line 5 – Decrease (Increase) in Inventories. Net Total of the decrease or increase of the four sub-categories of inventory on lines 5.a through 5.d.

H. Line 5.a. Inventory. A decrease in inventory adds to, and an increase in inventory reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1525 Inventory - Raw Materials
- 1527 Inventory - Finished Goods
- 1529 Inventory – Allowance

I. Line 5.b. Work in Process. A decrease in work in process adds to, and an increase in work in process reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 1526 Inventory - Work-in-Process

J. Line 5.c. Operating Materials and Supplies, Net. A decrease in operating materials and supplies adds to, and an increase in operating materials and supplies reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 1511 Operating Materials and Supplies Held for Use
- 1512 Operating Materials and Supplies Held in Reserve for Future Use
- 1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
- 1514 Operating Materials and Supplies Held for Repair
- 1519 Operating Materials and Supplies - Allowance

K. Line 5.d. Stockpiled Materials, Net. A decrease in stockpile materials adds to, and an increase in stockpile materials reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 1571 Stockpile Materials Held in Reserve
- 1572 Stockpile Materials Held for Sale

L. Line 6. Decrease (Increase) in Other Assets. A decrease in other assets adds to, and an increase in other assets reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 1340 Interest Receivable
- 1350 Loans Receivable

- 1359 Allowance for Loss on Loans Receivable

- 1541 Forfeited Property Held for Sale
- 1542 Forfeited Property Held for Donation or Use
- 1549 Forfeited Property – Allowance
- 1551 Foreclosed Property
- 1559 Foreclosed Property – Allowance
- 1561 Commodities Held Under Price Support and Stabilization Support Programs
- 1569 Commodities – Allowance
- 1591 Other Related Property
- 1599 Other Related Property - Allowance
- 1921 Receivable From Appropriations
- 1990 Other Assets

M. Line 7. Increase (Decrease) in Accounts Payable. An increase in accounts payable adds to, and a decrease in accounts payable reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 2110 Accounts Payable
- 2120 Disbursements in Transit
- 2150 Payable for Transfers of Currently Invested Balances
- 2155 Expenditure Transfers Payable
- 2160 Entitlement Benefits Due and Payable
- 2170 Subsidy Payable to the Financing Account
- 2179 Contra Liability for Subsidy Payable to the Financing Account
- 2180 Loan Guarantee Liability

N. Line 8. Increase (Decrease) in Accrued Payroll and Benefits. An increase in accrued payroll and benefits adds to, and a decrease in accrued payroll and benefits reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 2210 Accrued Funded Payroll and Leave
- 2211 Withholdings Payable
- 2213 Employer Contributions and Payroll Taxes Payable
- 2215 Other Post-Employment Benefits Due and Payable
- 2216 Pension Benefits Due and Payable to Beneficiaries
- 2217 Benefit Premiums Payable to Carriers
- 2218 Life Insurance Benefits Due and Payable to Beneficiaries

O. Line 9. Increase (Decrease) in Other Liabilities. An increase in other liabilities adds to, and a decrease in other liabilities reduces, the DWCF cash balance. Report the current year change in the accounts listed below.

- 2130 Contract Holdbacks
- 2190 Other Liabilities With Related Budgetary Obligations
- 2140 Accrued Interest Payable

2310	Liability for Advances and Prepayments	
2320	Other Deferred Revenue	2400 Liability for Deposit Funds, Clearing Accounts, and Undeposited Collections
2510	Principal Payable to the Bureau of the Public Debt	
2520	Principal Payable to the Federal Financing Bank	
2530	Securities Issued by Federal Agencies Under General and Special Financing Authority	
2531	Discount on Securities Issued by Federal Agencies Under General and Special Financing Authority	
2532	Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	
2533	Amortization of Discount and Premium on Securities Issued by Federal Agencies Under General and Special Financing Authority	
2540	Participation Certificates	
2590	Other Debt	
2610	Actuarial Pension Liability	
2620	Actuarial Health Insurance Liability	
2630	Actuarial Life Insurance Liability	
2650	Actuarial FECA Liability	
2690	Other Actuarial Liabilities	
2910	Prior Liens Outstanding on Acquired Collateral	
2920	Contingent Liabilities	
2940	Capital Lease Liability	
2950	Liability for Subsidy Related to Undisbursed Loans	
2960	Accounts Payable From Canceled Appropriations	
2970	Liability for Capital Transfers to the General Fund of the Treasury	2980 Custodial Liability
2990	Other Liabilities Without Related Budgetary Obligations	
2995	Estimated Cleanup Cost Liability	

P. Line 10. Depreciation and Amortization. The depreciation and amortization for the period are not paid in cash and therefore require a positive adjustment to the net cash flow from operations. Include only the amount in the account associated with items that were funded by the DWCF activity.

6710 Depreciation, Amortization, and Depletion

Q. Line 11. Other Adjustments. The net of the period's other non-cash related adjustments from its three subcategories in lines 11.a through 11.c.

R. Line 11.a. Prior Period Adjustments. Enter prior period adjustments for the period which are not cash related transactions.

7400	Prior-Period Adjustments Due to Corrections of Errors
7401	Prior-Period Adjustments Due to Changes in Accounting Principles

S. Line 11.b. Non-Cash Transfers. Enter transfers-in and transfers-out for the period which are not cash related transactions.

5720 Financing Sources Transferred In Without Reimbursement
5730 Financing Sources Transferred Out Without Reimbursement

T. Line 11.c. Other. Enter current period amounts for the accounts below.

5790 Other Financing Sources
6320 Interest Expenses on Securities

U. Line 12. Total Operating Adjustments. Sum of lines 2 through 11.

V. Line 13. Net Cash Provided (Used) by Operations. Sum of line 1 and line 12.

W. Section Heading - CAPITAL ADJUSTMENTS. This section adjusts the cash flow for the impact of acquiring and disposing of property, plant and equipment and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and thereby included in line 1 of this statement. However, if an incoming cash flow is not a result of revenue, that cash flow should be identified within this section as either a result of a sale of property, plant and equipment or other cause.

X. Line 14. (Increase) Decrease of Property, Plant and Equipment, Net. The net amounts of cash proceeds received from the sale of surplus real and personal property (i.e., buildings, docks and piers, and equipment) which add to the DWCF cash balance and the amounts disbursed for acquisitions of plant, property, and equipment which reduce the DWCF cash balance.

1711 Land and Land Rights
1712 Improvements to Land
1719 Accumulated Depreciation on Improvements to Land
1720 Construction-in-Progress
1730 Buildings, Improvements, and Renovations
1739 Accumulated Depreciation on Buildings, Improvements, and Renovations
1740 Other Structures and Facilities
1749 Accumulated Depreciation on Other Structures and Facilities
1750 Equipment
1759 Accumulated Depreciation on Equipment
1810 Assets Under Capital Lease
1819 Accumulated Depreciation on Assets Under Capital Lease
1820 Leasehold Improvements
1829 Accumulated Amortization on Leasehold Improvements
1832 Internal-Use Software in Development
1840 Other Natural Resources
1849 Allowance for Depletion
1890 Other General Property, Plant, and Equipment

1899 Accumulated Depreciation on Other General Property, Plant, and Equipment

Y. Section Heading - APPROPRIATIONS AND CASH TRANSFERS. This section identifies the impact on cash flow from resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may, or may not, be distributed to the individual activity level. If appropriations are not distributed, then they may be reported by the DWCF level that is holding those balances or allocated by that DWCF level, for reporting purposes, to the appropriate activity(ies).

Z. Line 15. Appropriations (Current Warrants). The amount of appropriations received (consistent with above), net of rescissions. Report the balances in the following accounts:

- 3101 Unexpended Appropriations - Appropriations Received
- 3102 Unexpended Appropriations - Transfers-In
- 3103 Unexpended Appropriations - Transfers-Out
- 3106 Unexpended Appropriations – Adjustments
- 3108 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors
- 3109 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles

AA. Line 16. Transfers of Cash. The net amounts of cash transferred to and from all Federal sources, except the Department of the Treasury. This line is the sum of the following Line 16 sub-lines.

AB. Line 16.a. Transfers In. The amount of cash transferred from all Federal sources, except the Department of the Treasury. Report cash transfers in from other DWCF activities as an increase. The amounts to be reported are those solely to transfer cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

- 5720 Financing Sources Transferred In Without Reimbursement
- 5755 Nonexpenditure Financing Sources - Transfers-In

AC. Line 16.b. Transfers Out. The amounts of cash transferred to all Federal agencies, except the Department of the Treasury. Report cash transfers out to other DWCF activities as a reduction. The amounts to be reported are those solely to transfer cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

- 5730 Financing Sources Transferred Out Without Reimbursement
- 5765 Nonexpenditure Financing Sources - Transfers-Out

AD. Line 17. Total Appropriations and Cash Transfers. The net total of lines 15 and 16 above.

AE. Line 18. Repayments on Loans from the Treasury and the Federal Financing Bank. The amounts disbursed to liquidate loans obtained from the Department of the Treasury or Federal Financing Bank. Applicable only to (MSC).

- 2510 Principal Payable to the Bureau of the Public Debt
- 2520 Principal Payable to the Federal Financing Bank

AF. Line 19. Net Change in Cash for Accounting Period. The net total of lines 13, 14, 17 and 18.

AG. Line 20. Fund Balance, Beginning. The sum total of account balances at the beginning of the fiscal year. Undistributed amounts will be reported at the lowest organizational level to which they can be identified.

- 1010 Fund Balance With Treasury
- 1110 Undeposited Collections
- 1120 Imprest Funds
- 1130 Funds Held by the Public
- 1190 Other Cash
- 1195 Other Monetary Assets
- 1200 Foreign Currency
- 1531 Seized Monetary Instruments
- 1532 Seized Cash Deposited

AH. Line 21. Fund Balance, Ending. Net total of lines 19 and 20. The amounts will equal the sum of amounts reported on the Statement of Financial Position for line 1, "Fund Balance with Treasury", and line 2, "Cash on Hand and Other Monetary Assets."

AI. Section Heading - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION. Report additional information related to the statement of cash flow.

AJ. Line 22. Total Interest Paid. Report the current year change to the following accounts:

- 2140 Accrued Interest Payable
- 6330 Other Interest Expenses

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

REVENUES AND FINANCING SOURCES:

1. Appropriated Capital Used		\$ XXX
2. Revenue from Sales of Goods and Services		XXX
a. Gross Revenue from Sales	XXX	
b. Minus: Credits Allowed on Sales	XXX	
3. Other Revenue and Financing Sources		<u>XXX</u>
4. Total Revenue and Financing Sources		<u>XXX</u>

EXPENSES:

5. Program or Operating Expenses (Supply and Service Activities)		XXX
6. Cost of Goods and Services Sold		XXX
7. Other Losses		<u>XXX</u>
8. Total Expenses		<u>XXX</u>

NET OPERATING RESULTS:

9. Revenue Less Costs Incurred Before Extraordinary Items		XXX
10. Plus (Minus) Extraordinary Items		<u>XXX</u>
11. Net Operating Results (NOR)		<u>XXX</u>

NET OPERATING RESULTS FOR RATE PURPOSES:

12. Plus (Minus) Non-Recoverable Operating Results (From Part V)		<u>XXX</u>
13. Recoverable Net Operating Results		\$ <u>XXX</u>

Figure 15-3: Statement of Operations, Part I – Report on Operations

1504. FORMAT OF THE STATEMENT OF OPERATIONS: PART I - REPORT ON OPERATIONS (FIGURE 15-3)

150401. General. Part I – Report on Operations provides data on current operating results by DWCF business area.

150402. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area and (c) the reporting period (month and calendar year).

150403. Line Item Instructions. Instructions for the content of each line item are as follows:

A. Line 1 – Appropriated Capital Used. Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. USSGL account 5700, Expended Appropriations is used to record accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses against the use of appropriated funds used to finance those expenses. The amounts to be recorded in account 5700 shall be equal to the amount of program expenses recorded in the 6100 series of accounts but shall not include any expenses applicable to revenue accounts other than account 5700—in other words, expenses incurred against an appropriation made directly available to the DWCF should be recorded separately from expenses incurred against ordinary DWCF reimbursable financing. Volume 4, Chapter 18 of this Regulation contains additional information on USSGL account 5700. Report the balance in the following account:

5700 Expended Appropriations

B. Line 2. – Revenue from Sales of Goods and Services. Report the net total of sub-lines 2.a. and line 2.b.

C. Line 2.a. – Gross Revenue from Sales of Goods and Services. The amount reported shall ordinarily agree with the budgetary sales amount reported on line 3.A., “Spending Authority from Offsetting Collections (Gross), Earned” of the Standard Form 133, “Report on Budget Execution and Budgetary Resources”. Report the balances in the following accounts:

5100 Revenue from Goods Sold
5200 Revenue from Services Provided

D. Line 2.b. – Credits Allowed on Sales. Report the balances in the following accounts:

5109 Contra Revenue for Goods Sold
5209 Contra Revenue for Services Provided

★ E. Line 3. - Other Revenue and Financing Sources. Report revenues and financing sources not reported on lines 1 or 2. Include cash donations. Identify the nature of each miscellaneous gain. Report the total recorded in the following accounts:

5310 Interest Revenue – Other
 5311 Interest Revenue - Investments
 5312 Interest Revenue - Loans Receivable/Uninvested Funds
 5317 Contra Revenue for Interest Revenue - Loans Receivable
 5318 Contra Revenue for Interest Revenue - Investments
 5319 Contra Revenue for Interest Revenue - Other
 5320 Penalties, Fines, and Administrative Fees Revenue
 5329 Contra Revenue for Penalties, Fines, and Administrative Fees
 5400 Benefit Program Revenue
 5409 Contra Revenue for Benefit Program Revenue
 5500 Insurance and Guarantee Premium Revenue
 5509 Contra Revenue for Insurance and Guarantee Premium Revenue
 5600 Donated Revenue - Financial Resources
 5609 Contra Revenue for Donations - Financial Resources
 5610 Donated Revenue - Nonfinancial Resources
 5619 Contra Donated Revenue - Nonfinancial Resources
 5740 Appropriated Earmarked Receipts Transferred In
 5745 Appropriated Earmarked Receipts Transferred Out
 5750 Expenditure Financing Sources - Transfers-In
 5760 Expenditure Financing Sources - Transfers-Out
 5780 Imputed Financing Sources
 5790 Other Financing Sources
 5799 Adjustment of Appropriations Used
 5800 Tax Revenue Collected
 5801 Tax Revenue Accrual Adjustment
 5809 Contra Revenue for Taxes
 5890 Tax Revenue Refunds
 5900 Other Revenue
 5909 Contra Revenue for Other Revenue
 5991 Accrued Collections for Others - Statement of Custodial Activity
 7110 Gains on Disposition of Assets – Other
 7190 Other Gains

F. Line 4. – Total Revenue and Financing Sources. Report the total of lines 1 through 3 above. Revenue should equal net sales plus any other reimbursable revenue and financing source.

G. Line 5. – Program or Operating Expenses (Supply and Service Activities). This line is a summary of expenses for the current period. It will equal the sum of Part IV – Expenses, line A through line J for Supply and Service Activities.

H. Line 6. – Cost of Goods and Services Sold. Report the total of Part III - Cost of Goods Sold and Services. lines 1.i, Equals: Cost of Goods and Services Sold and 2.o.

Equals: Cost of Goods Sold from Inventory. NOTE: Form and Content Guidance, published by the Office of Management and Budget, asks that this line be subdivided between (a) costs of goods sold to public and (b) cost of goods sold to DoD and other Federal entities. That subdivision is not necessary for AR(M)1307 reporting. For the annual Chief Financial Officer's Act report, the subdivision could be reported in the same proportion as revenue from the public and from DoD and other Federal entities.

I. Line 7. – Other Losses. Amount reported on line K of Part IV - Expenses.

J. Line 8. – Total Expenses. Sum of lines 5 through line 7.

K. Line 9. – Revenue Less Cost Incurred Before Extraordinary Items. The net amount of line 4 less line 8.

L. Line 10. – Plus (Minus) Extraordinary Items. Extraordinary gains are unusual, unrelated to the activity's ordinary activities, and occur infrequently. Identify, as a footnote, the nature of each extraordinary gain or loss. Report the balance in the following account.

7300 Extraordinary Items

M. Line 11. – Net Operating Results (NOR). The sum of Line 9 plus (or minus) line 10.

N. Line 12. – Plus (Minus) Non-Recoverable Operating Results (From Part V). Report the sum of the amounts shown on lines 2 and 3 of Part V - Recoverable Operating Results. Amount will include the total deferred operating results and depreciation on non-DWCF acquired plant, property and equipment.

O. Line 13. – Recoverable Net Operating Results. The sum of Line 11 plus (or minus) line 12.

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART II-CHANGES IN NET POSITION
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

1. Change in Equity

A. Unexpended Appropriations

(1) Appropriations Available – Beginning of Year	\$ XXX
(2) Plus or Minus: Changes in Appropriation Balance	<u>XXX</u>
(3) Equals: Unexpended Appropriations – End of Period	\$ XXX

B. Accumulated Operating Results (AOR)

(1) Recoverable AOR

a. AOR Beginning of Year (Unadjusted)	XXX	
b. Plus or Minus: Prior Period Adjustments	XXX	
c. Equals: AOR Beginning of Year (Adjusted)	XXX	
d. Plus or Minus: Net Operating Results	<u>XXX</u>	
e. Equals: Recoverable AOR End of Period		\$ XXX

(2) Deferred AOR

a. AOR Beginning of Year (Unadjusted)	XXX	
b. Plus or Minus: Prior Period Adjustments	XXX	
c. Equals: AOR Beginning of Year (Adjusted)	XXX	
d. Plus or Minus: Net Operating Results	<u>XXX</u>	
e. Equals: Deferred AOR End of Period		XXX

(3) Total AOR End of Period		XXX
-----------------------------	--	-----

C. Operational Equity Position – End of Period		\$ XXX
--	--	--------

D. Invested Capital

(1) Assets Capitalized

a. Assets Capitalized – Beginning of Period	XXX	
b. Plus: Transfers In of Property	XXX	
c. Minus: Transfers Out of Property	XXX	
d. Minus: Depreciation on non-DWCF Acquired PP&E	<u>XXX</u>	
e. Equals: Assets Capitalized – End of Period		XXX

Figure 15-4: Statement of Operations, Part II – Changes in Net Position

★(2) Fund (Cash) Assets		
a. Fund (Cash) Transfers – Beginning of Period	XXX	
b. Plus: Transfers In of Cash	XXX	
c. Minus: Transfers Out of Cash	<u>XXX</u>	
d. Equals: Fund (Cash) Transfers – End of Period		XXX
★(3) Liabilities Assumed		
a. Liabilities Assumed – Beginning of Period	XXX	
b. Plus: Transfers In of Liabilities	XXX	
c. Minus: Transfers Out of Liabilities	XXX	
d. Equals: Liabilities Assumed – End of Period		XXX
(4) Equals: Invested Capital – End of Period		<u>XXX</u>
2. Total Equity – End of Period		\$ XXX

Figure 15-4: Statement of Operations, Part II – Changes in Net Position (cont'd.)

1505. FORMAT OF THE STATEMENT OF OPERATIONS: PART II - CHANGES IN NET POSITION (FIGURE 15-4)

150501. General. Part II – Changes in Net Position, figure 15-4, provides data on the current equity position of the Defense Working Capital Fund.

150502. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area/activity, (c) the reporting period (month), and (d) the year.

150503. Line Item Instructions. Instructions for the content of each line item are as follows:

A. Line 1.A.(1). – Appropriations Available-Beginning of Year. Report the balance of appropriations available at the end of the preceding fiscal year (line 1.A.(3) on September 30 of the preceding fiscal year.) The amount reported will not change during the fiscal year. The following account should be used.

3100 Unexpended Appropriations - Cumulative

B. Line 1.A.(2) – Plus or Minus: Changes in Appropriation Balance. This is equal to the difference between the beginning of the fiscal year balance and the balance as of the end of the reporting period. The amount should be equal to the following accounts:

- 3101 Unexpended Appropriations - Appropriations Received
- 3102 Unexpended Appropriations - Transfers-In
- 3103 Unexpended Appropriations - Transfers-Out
- 3106 Unexpended Appropriations - Adjustments
- 3107 Unexpended Appropriations - Used
- 3108 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of

Errors

3109 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles

C. Line 1.A.(3) – Equals: Unexpended Appropriations – End of Period. Report the net total of lines 1.A.(1) and 1.A.(2). The amount reported should agree with the amount reported on line 15.a of the Statement of Financial Position.

D. Line 1.B.(1).a - AOR Beginning of Year (Unadjusted). Report the balance of recoverable AOR available at the end of the preceding fiscal year (line 1.B.(1).e on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount of recoverable AOR contained in the following account:

3310 Cumulative Results of Operations

E. Line 1.B.(1).b – Plus or Minus: Prior Period Adjustments. A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to recoverable AOR recorded in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors 7401 Prior-Period Adjustments Due to Changes in Accounting Principles

F. Line 1.B.(1).c – Equals: AOR Beginning of Year (Adjusted). Report the net total of line 1.B.(1).a plus or minus, as applicable, line 1.B.(1).b.

G. Line 1.B.(1).d – Plus or Minus: Net Operating Results. Report the amount shown on line 11, of Part I – Report on Operations.

H. Line 1.B.(1).e – Equals: Recoverable AOR End of Period. Report the net total of lines 1.B.(1).c and 1.B.(1).d.

I. Line 1.B.(2).a - AOR Beginning of Year (Unadjusted). Report the balance of deferred AOR available at the end of the preceding fiscal year (line 1.B.(2).e on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount of deferred AOR contained in the following account:

3310 Cumulative Results of Operations

J. Line 1.B.(2).b – Plus or Minus: Prior Period Adjustments. A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to deferred AOR recorded in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors

7401 Prior-Period Adjustments Due to Changes in Accounting Principles

K. Line 1.B.(2).c – Equals: AOR Beginning of Year (Adjusted). Report the net total of line 1.B.(2).a plus or minus, as applicable, line 1.B.(2).b.

L. Line 1.B.(2).d – Plus or Minus: Net Operating Results. Report the amount shown on line 4 Deferred Operating Results (Gain/Loss) Net of the Part V, Recoverable Operating Results

M. Line 1.B.(2).e – Equals: Recoverable AOR End of Period. Report the net total of lines 1.B.(2).c. and 1.B.(2).d.

N. Line 1.B.(3). - Total AOR End of Period. Report the net total of line 1.B.(1).e. and line 1.B.(2).e.

O. Line 1.C. – Operational Equity Position – End of Period. Report the net total of line 1.A.(3). and line 1.B.(3).

P. Line 1.D.(1).a – Assets Capitalized – Beginning of Period. Report the balance of assets capitalized available at the end of the preceding fiscal year (line 1.D.(1).e on

September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

Q. Line 1.D.(1).b – Plus: Transfers In of Property. Report the value of non-cash capital assets received without reimbursement. Report the amounts related to non-cash capital transfers-in in the following account:

5720 Financing Sources Transferred In Without Reimbursement

R. Line 1.D.(1).c – Minus: Transfers Out of Property. Report the value of non-cash capital assets transferred out without reimbursement. Report the amounts related to non-cash capital transfers-out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

★ S. Line 1.D.(1).d – Minus: Depreciation on Non-DWCF Acquired PP&E. Report the amount of depreciation expense recorded for non-DWCF acquired PP&E from Part IV – Expenses, Line I.

T. Line 1.D.(1).e – Equals: Assets Capitalized – End of Period. Report the total of lines 1.D.(1).a through 1.D.(1).d.

★ U. Line 1.D.(2).a – Fund (Cash) Assets – Beginning of Period. Report the balance of fund (cash) assets available at the end of the preceding fiscal year (line 1.D.(2).d on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

★ V. Line 1.D.(2).b – Plus: Transfers In of Cash. Report the value of cash assets received without reimbursement. Report the amounts related to cash transfers-in in the following accounts:

5720 Financing Sources Transferred In Without Reimbursement

5755 Nonexpenditure Financing Sources - Transfers-In

★ W. Line 1.D.(2).c – Minus: Transfers Out of Cash. Report the value of cash assets transferred out without reimbursement. Report the amounts related to cash transfers-out in the following accounts:

5730 Financing Sources Transferred Out Without Reimbursement

5765 Nonexpenditure Financing Sources - Transfers-Out

★ X. Line 1.D.(2).d – Equals: Fund (Cash) Assets – End of Period. Report the total of lines 1.D.(2).a through 1.D.(2).c.

★ Y. Line 1.D.(3).a – Liabilities Assumed – Beginning of Period. Report the balance of liabilities assumed at the end of the preceding fiscal year (line 1.D.(3).d on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount related to the liabilities assumed in the following account:

3310 Cumulative Results of Operations

★ Z. Line 1.D.(3).b – Plus: Transfers In of Liabilities. Report the value of liabilities transferred-in in the following account:

5720 Financing Sources Transferred In Without Reimbursement

AA. Line 1.D.(3).c – Minus: Transfers Out of Liabilities. Report the value of liabilities transferred-out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

AB. Line 1.D.(3).d – Equals: Liabilities Assumed – End of Period. Report the total of lines 1.D.(3).a through 1.D.(3).c.

AC. Line 1.D.(4) – Equals: Invested Capital – End of Period. Report the total of line 1.D.(1).e., 1.D.(2).d. and 1.D.(3).d.

AD. Line 2. - Total Equity – End of Period. Report the total of line 1.C and line 1.D.(4).

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART III-COST OF GOODS SOLD
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

1. Cost of Goods Sold:	
a. Beginning Work-in-Process	\$ XXX
b. Plus/Minus: Prior Period Adjustments to Work-in-Process	<u>XXX</u>
c. Equals: Adjusted Beginning Work-in-Process	XXX
d. Minus: Transfers Out of Work-in-Process	<u>XXX</u>
e. Plus: Transfers In of Work-in-Process	<u>XXX</u>
f. Plus: Operating Expenses	XXX
g. Minus: Ending Work-in-Process	XXX
h. Minus: Work for Activity Retention	<u>XXX</u>
i. Equals: Cost of Goods and Services Sold	<u>XXX</u>
2. Cost of Goods Sold from Inventory:	
a. Beginning Inventory-LAC	XXX
b. Plus/Minus: Prior Period Adjustments to LAC Inventory	<u>XXX</u>
c. Equals: Adjusted Beginning Inventory-LAC	XXX
d. Minus: Beginning Allowance for Unrealized Holding Gains (Losses)	XXX
e. Plus: Purchases at Cost	XXX
f. Plus: Customer Returns-Credit Given	XXX
g. Plus: DLR Exchange Credits	XXX
h. Minus: Inventory Losses (Gains) Realized	XXX
i. Minus: Ending Inventory-LAC	XXX
j. Plus: Ending Allowance for Unrealized Holding Gains (Losses)	XXX
k. Minus: Transfers Out of Inventory at LAC	<u>XXX</u>
l. Plus: Transfers In of Inventory at LAC	<u>XXX</u>
m. Equals: Cost of Goods Sold at LAC	XXX
n. Plus: Cost of Goods Sold at MAC	<u>XXX</u>
o. Equals: Cost of Goods Sold from Inventory	<u>XXX</u>

Figure 15-5: Statement of Operations, Part III – Cost of Goods Sold

1506. FORMAT OF THE STATEMENT OF OPERATIONS: PART III - COST OF GOODS SOLD (FIGURE 15-5)

150601. General. Part III – Cost of Goods Sold, figure 15-5, reflects all costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period. The total of line 1.i., Equals Cost of Goods & Services Sold, or 2.o., Equals: Cost of Goods Sold from Inventory, must agree with the amount shown on line 6, Part I – Report on Operations.

150602. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area and activity, (c) the reporting period (month), and (d) the calendar year.

150603. Line Item Instructions. Instructions for the content of each line item are as follows.

A. Line 1 – Cost of Goods Sold. This line is to be used by all business areas other than the Supply Management and Commissary Resale business areas and Service business areas. The Supply Management and Commissary Resale business areas shall use line 2 of this part to compute its cost of goods sold. Service business activities do not produce goods for sale and their operating expenses will be reported on line 5 of Part I – Report on Operations.

B. Line 1.a. – Beginning Work-in-Process. Enter the total of the balances in the following accounts as of the end of the preceding reporting period. This amount should be the same as the amount on line 1.g-Ending Work-in-Process from the previous years September 30 report:

1526 - Inventory - Work-in-Process

★ C. Line 1.b. – Plus/Minus: Prior Period Adjustments to Work-in-Process. Report the amount of increase or decrease to Inventory-Work-in-Process related to a prior period adjustment included in the following account.

7400 - Prior-Period Adjustments Due to Corrections of Errors

D. Line 1.c. - Equals: Adjusted Beginning Work-in-Process. Report the net total of lines 1.a. and 1.b.

★ E. Line 1.d. - Minus: Transfers Out of Work-in-Process. Report the amount of Work-in-Process transferred out without reimbursement to another activity included in the following account.

5730 – Financing Sources Transferred Out Without Reimbursement

★ F. Line 1.e. – Plus: Transfers In of Work-in-Process. Report the amount of Work-in-Process transferred in without reimbursement from another activity included in the following account.

5720 – Financing Sources Transferred In Without Reimbursement

G. Line 1.f. – Plus: Operating Expenses. Enter the total of the amounts reported on Part IV, “Expenses” on lines A through I.

H. Line 1.g. – Minus: Ending Work-in-Process. Enter the total of the balance in the following account as of the end of the current reporting period.

1526 – Inventory – Work-in-Process

I. Line 1.h. – Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing business area activity. Enter the balance in the following accounts:

6500 - Cost of Goods Sold

J. Line 1.i. Equals: Cost of Goods & Services Sold. Report the net total of lines 1.c. and 1.h.

K. Line 2. – Cost of Goods Sold from Inventory. This category of costs is reported only by the Supply Management and Commissary Resale Business Areas.

NOTE: The Statement of Federal Financial Accounting Standards Number 3, “Accounting for Inventory and Related Property” sets forth the accounting principles that shall be followed by Federal Government entities when accounting for and reporting inventory and related property. An illustration of the DoD implementation of those principles is contained in Addendum 2 to Chapter 55, “Supply Management Operations” of this regulation (for DoD Components recording inventory at its latest invoice price). The referenced illustrations demonstrate the application of the accounts indicated below and must be read for fuller understanding of the reporting requirements contained in section 2 of this Part III.

L. Line 2.a – Beginning Inventory – LAC. Report the balance as shown on line 2.i “Ending Inventory” on September 30 of the preceding fiscal year. LAC is “Latest Acquisition Cost.”

1521 Inventory Purchased for Resale
1522 Inventory Held in Reserve for Future Sale
1523 Inventory Held for Repair
1524 Inventory – Excess, Obsolete, and Unserviceable
1525 Inventory – Raw Materials
1527 Inventory – Finished Goods

★ M. Line 2.b. – Plus/Minus: Prior Period Adjustments to LAC Inventory. Report the portion of the amount from the following account as is related LAC inventory adjustments.

7400 Prior-Period Adjustments Due to Corrections of Errors

N. Line 2.c. – Equals: Adjusted Beginning Inventory-LAC. Report the net total of lines 2.a .and 2.b.

O. Line 2.d. – Minus: Beginning Allowance for Unrealized Holding Gains (Losses). Report the balance as shown on line 2.j. “Ending Allowance for Unrealized Holding Gains/Losses” on September 30 of the preceding fiscal year. Holding gains (or losses) are recognized in the valuation of inventory. Holding gains or losses may be unrealized or realized. “Unrealized” refers to any gain or loss associated with inventory still held by the entity. “Realization” of the holding gain or loss occurs only when an item of inventory is sold or otherwise leaves the supply management stocking point.

P. Line 2.e. – Plus: Purchases at Cost. Report amounts paid or payable for all inventory purchases during the reporting period.

1529, Inventory Allowance (Purchases at Costs)

Q. Line 2.f. – Plus: Customer Returns – Credit Given. Report amounts of credit given on material returns.

1529, Inventory Allowance (Customer Returns-Credit Granted)

R. Line 2.g. – Plus: DLR Exchange Credits. Report the amounts of credits given on Depot Level Repairable (DLR) exchanges.

1529, Inventory Allowance (DLR Exchange Credit)

S. Line 2.h. – Minus: Inventory Losses (Gains) Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains/losses accounts as a result of sales; that is, those gains and losses are realized when inventory items are sold and are recognized in the cost of good sold. However, decreases in inventory occurring as a result of disposal and other events other than sale also result in a reduction of the unrealized holding gains/losses accounts. As those inventory decreases are not the result of sales, they should not affect the cost of goods sold. Therefore, the value of those losses shall be removed from the cost of goods sold and reported on line K.4, Other Inventory (Gains) Losses of Part IV - Expenses.

7110 Gains on Disposition of Assets – Other
7190 Other Gains
7210 Losses on Disposition of Assets – Other
7290 Other Losses

T. Line 2.i. – Minus: Ending Inventory – LAC. Report the end of period inventory value of the following accounts:

1521 Inventory Purchased for Resale

- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1525 Inventory - Raw Materials
- 1527 Inventory – Finished Goods

U. Line 2.j. – Plus: Ending Allowance for Unrealized Holding Gains (Losses). Report the total of balances in the following account.

1529, Inventory Allowance

★ V. Line 2.k. – Minus: Transfers Out of Inventory at LAC. Report the portion of the account below which relate to inventory maintained at LAC which was transferred out of the activity.

5730 Financing Sources Transferred Out Without Reimbursement

★ W. Line 2.l. – Plus: Transfers In of Inventory at LAC. Report the portion of the account below which relate to inventory maintained at LAC which was transferred in to the activity.

5720 Financing Sources Transferred In Without Reimbursement

X. Line 2.m. – Equals: Cost of Goods Sold at LAC. Report the net total of line 2.c. through line 2.l.

Y. Line 2.n. – Plus: Cost of Goods Sold at MAC. Report the amount of the following account as was reported from activities maintaining inventory at MAC value. (MAC is “Moving Average Cost”)

6500 Cost of Goods Sold

Z. Line 2.o. – Equals: Cost of Goods Sold from Inventory. Report the net total of lines 2.m. and 2.n.

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART IV-EXPENSES
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

A. Personnel Services and Benefits- Civilian		\$ XXX
1. Personnel Compensation	\$ XXX	
2. Annual Leave	XXX	
3. Personnel Benefits	XXX	
4. Benefits for Former Personnel	XXX	
B. Travel and Transportation		XXX
1. Travel and Transportation of People	XXX	
2. Transportation of Things	XXX	
C. Rents, Communications and Utilities		XXX
1. Rent, Communication and Utilities	XXX	
2. Printing and Reproduction	XXX	
D. Contractual Services		XXX
1. Military Personnel Services	XXX	
2. Purchased Services		XXX
E. Supplies, Materials and Other Non-Capitalized Assets		XXX
1. Supplies and Materials	XXX	
2. Equipment	XXX	
F. Grants and Fixed Charges		XXX
1. Grants, Subsidies and Contributions	XXX	
2. Insurance Claims and Indemnifications	XXX	
3. Other Interest Expenses	XXX	
G. Other Expenses		XXX
★H. Depreciation – DWCF Operating Budget		
XXX		
1. Depreciation of Equipment	XXX	
2. Depreciation of Real Property	XXX	
3. Amortization of Leasehold Improvements and Other Tangible Assets	XXX	

Figure 15-6: Statement of Operations, Part IV – Expenses

★I. Depreciation – Non-DWCF Acquired PP&E		XXX
1. Non-Recoverable Depreciation of Equipment	XXX	
2. Non-Recoverable Depreciation of Real Property	XXX	
3. Non-Recoverable Amortization of Leasehold Improvements and Other Tangible Assets	XXX	
J. Bad Debts		XXX
K. Other Losses and Gains		XXX
1. Losses on Disposition of Assets	XXX	
2. Net (Gains) Losses on Inventory Shrinkage/Deterioration	XXX	
3. Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage	XXX	
4. Net Other Inventory (Gains) Losses	XXX	
5. Other Miscellaneous Losses	XXX	
For Information Only		
Expended Appropriation		XXX
★Direct Labor Hours – Regular		XXX
Direct Labor Hours – Overtime		XXX
Direct Labor Hours – Total		XXX

Figure 15-6: Statement of Operations, Part IV – Expenses (cont'd.)

1507. FORMAT OF THE STATEMENT OF OPERATIONS: PART IV - EXPENSES
(FIGURE 15-6)

150701. General. Part IV – Expenses, figure 15-6, reflects all expenses incurred during the reporting period. The total of lines A – I must agree with the amount shown on Part I – Report on Operations, Line 5 for Supply and Service Activities or Part III – Cost of Goods Sold, Line 1.h. for all other activities.

150702. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area / activity (c) the reporting period (month), and (d) the year.

150703. Line Item Instructions. Instructions for the content of each line item are as follows.

A. Line A – Personnel Services and Benefits – Civilian. Report the amount of expense related to personnel services and benefits. Report the net total of sub-lines A.1 through A.4.

B. Line A.1 – Personnel Compensation. Report the total amount of expense related to personnel compensation. Include the amount of the below account(s) related to personnel compensation.

6100 Operating Expenses/Program Costs

C. Line A.2 – Annual Leave. Report the total amount of expense related to annual leave including benefits. Include the amount of the below account(s) related to annual leave.

6100 Operating Expenses/Program Costs

6400 Benefit Expense

D. Line A.3 – Personnel Benefits. Report the total amount of expense related to personnel benefits. Include the amount of the below accounts related to personnel benefits.

6100 Operating Expenses/Program Costs

6400 Benefit Expense

6850 Employer Contributions to Employee Benefit Programs not Requiring Current-Year Budget Authority(Unobligated)

7600 Changes in Actuarial Liability

E. Line A.4 – Benefits for Former Personnel. Report the total amount of expense related to benefits for former personnel. Include the amount of the below account related to benefits for former personnel.

6100 Operating Expenses/Program Costs

6400 Benefit Expense

F. Line B – Travel and Transportation. Report the amount of expense related to travel and transportation. Report the net total of sub-lines B.1 through B.2

G. Line B.1 – Travel and Transportation of People. Include the amount of the below account related to travel and transportation of persons.

6100 Operating Expenses/Program Costs

H. Line B.2 –Transportation of Things. Include the amount of the below account related to travel and transportation of things

6100 Operating Expenses/Program Costs

I. Line C – Rents, Communications and Utilities. Report the amount of expense related to rents, communications, utilities, and printing and reproduction Report the net total of sub-lines C.1 through C.2.

J. Line C.1 – Rents, Communications and Utilities. Include the amount of the below account related to rents, communications and utilities.

6100 Operating Expenses/Program Costs

K. Line C.2 – Printing and Reproduction. Include the amount of the below account related to printing and reproduction.

6100 Operating Expenses/Program Costs

L. Line D – Contractual Services. Report the amount of expense related to military personnel services and other contractual services. Report the net total of sub-lines D.1 through D.2.

M. Line D.1 – Military Personnel Services. Include the amount of the below account related to military personnel.

6100 Operating Expenses/Program Costs

N. Line D.2 – Purchased Services. Include the amount of the below account related to purchased services-other.

6100 Operating Expenses/Program Costs

O. Line E – Supplies, Materials and Other Non-Capitalized Assets. Report the amount of expense related to supplies, materials and other non-capitalized assets. Report the net total of sub-lines E.1 through E.2.

P. Line E.1 – Supplies and Materials. Include the amount of the below account(s) related to supplies and materials.

6100 Operating Expenses/Program Costs

Q. Line E.2 – Equipment. Include the amount of the below account(s) related to equipment (not capitalized).

6100 Operating Expenses/Program Costs

R. Line F – Grants and Fixed Charges. Report the amount of expense related to grants, subsidies, contributions, insurance, claims, and indemnifications.. Report the net total of sub-lines F.1 through F.3

S. Line F.1 – Grants, Subsidies, and Contributions. Include the amount of the below account(s) related to grants, subsidies and contributions.

6100 Operating Expenses/Program Costs

6199 Adjustment to Subsidy Expense

T. Line F.2 – Insurance, Claims and Indemnifications. Include the amount of the below account(s) related to insurance, claims and indemnifications.

6100 Operating Expenses/Program Costs

U. Line F.3 – Other Interest Expenses. Report the balances in the following accounts:

6310 Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank

6320 Interest Expenses on Securities

6330 Other Interest Expenses

V. Line G – Other Expenses. Report amounts that do not coincide to the description of the other elements of expense and identify the type of expense reported in this line.

6100 Operating Expenses/Program Costs

6610 Cost Capitalization Offset

6790 Other Expenses Not Requiring Budgetary Resources

6800 Future Funded Expenses

6850 Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)

6900 Non-production Costs

★ W. Line H – Depreciation – Operations Budget. Amount of depreciation to be recouped to the operating budget of the activity. Report the net total of sub-lines H.1 through H.3

★ X. Line H.1 – Depreciation of Equipment. Include the amount of the below account(s) related to depreciation of equipment.

6710 Depreciation, Amortization, and Depletion

★ Y. Line H.2 – Depreciation of Real Property. Include the amount of the below account(s) related to depreciation of real property.

6710 Depreciation, Amortization, and Depletion

★ Z. Line H.3 – Amortization of Leasehold Improvements and Other Intangible Assets. Include the amount from the following account(s) related to amortization of leasehold improvements and other intangible assets.

6710 Depreciation, Amortization, and Depletion

★ AA. Line I – Depreciation – Non-DWCF Acquired Assets. The amount of depreciation on Plant, Property and Equipment acquired by the activity with funds other than DWCF Revolving Funds. Report the net total of sub-lines I.1 through I.3

★ AB. Line I.1 – Non-Recoverable Depreciation of Equipment. Include the amount of the below account(s) related to depreciation of equipment acquired by the activity with funds other than DWCF Revolving Funds.

6710 Depreciation, Amortization, and Depletion

★ AC. Line I.2 – Non-Recoverable Depreciation of Real Property. Include the amount of the below account(s) related to depreciation of real property acquired by the activity with funds other than DWCF Revolving Funds.

6710 Depreciation, Amortization, and Depletion

★ AD. Line I.3 – Non-Recoverable Amortization of Leasehold Improvements and Other Intangible Assets. Include the amount from the following account(s) related to amortization of leasehold improvements and other intangible assets acquired by the activity with funds other than DWCF Revolving Funds.

6710 Depreciation, Amortization, and Depletion

AE. Line J – Bad Debts– Report the balances in the following accounts:

6720 Bad Debt Expense

6190 Contra Bad Debt Expense - Incurred for Others

AF. Line K – Other Losses and Gains. This represents expenses not captured elsewhere. Report the net total of sub-lines K-1 through K.5.

AG. Line K.1 – Losses on Disposition of Assets – Report the amounts from the account(s) listed as they related to losses on disposition of assets identified for the following categories: Non-Supply Management Activities; Non-Recoverable Disposal of Equipment/Capital Assets, Non-Federal; Non-Recoverable Base Realignment and Closure (BRAC) Cost, Non-Federal; and Other Expense-Non-Supply Management, Non-Federal.

7210 - Losses on Disposition of Assets – Other

AH. Line K.2 – Net (Gains) Losses on Inventory Shrinkage/Deterioration. Report the amounts from the account(s) listed as they related to losses on inventory shrinkage/deterioration as reported by non-Supply Management activities.

7290 – Other Losses

7190 – Other Gains

AI. Line K.3 -Net(Gains) Losses on Inventory Excess/Obsolescence/Spoilage. Report the amounts from the account(s) listed as they related to losses on inventory excess, obsolescence and spoilage as reported by non-Supply Management activities.

7290 – Other Losses

AJ. Line K.4 – Net Other Inventory (Gains) Losses. Report the amounts from the account(s) listed as they related to (gains) losses on inventory identified in the following break down. The following items should be included on this line:

Non-Recoverable Gains or Losses on Disposal of Excess Inventory, Supply Management

7110 – Gains on Disposition of Assets - Other

7210 – Losses on Disposition of Assets - Other

7190 – Other Gains

7290 – Other Losses

For: Other Inventory Losses, Non-Supply Management

7290 – Other Losses

AK. Line K.5 – Other Miscellaneous Losses. Report the amounts from the account(s) listed as they related to losses not specifically identified to another sub-category of Other Losses. The following items should be included on this line:

7290 – Other Losses

AL. For Information Only. Report miscellaneous information not otherwise defined.

AM. Expended Appropriations. The amount of appropriations used during the fiscal year when goods and services are received or benefits provided.

5700 – Expended Appropriation

★ AP. Direct Labor Hours – Regular. Report the amount of year to date non-overtime direct labor hours for Industrial activities.

★ AQ. Direct Labor Hours – Overtime. Report the amount of year to date overtime direct labor hours for Industrial activities.

★ AR. Direct Labor Hours – Total. Report the sum of the two entries above.

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART V-RECOVERABLE OPERATING RESULTS
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

1. NET OPERATING RESULTS (NOR)	\$ XXX
2. Deferred Operating Results (Gains/Losses) Net	XXX
a. Net (Gains) Losses on Disposal of Excess Inventory (-)	XXX
b. Disposal of Equipment/Capital Assets (-)	XXX
c. Non-Reimbursable Base Closure (BRAC) Costs (+/-)	XXX
d. Capital Asset Surcharge (-)	XXX
e. Cash Surcharge	XXX
f. Other Approved Gains and Losses (Must Be Footnoted)	<u>XXX</u>
3. <u>Depreciation on non-DWCF Acquired PP&E</u>	<u>\$ XXX</u>
4. Net Recoverable Operations Results from Current Year Operations	<u>\$ XXX</u>

Figure 15-7: Statement of Operations, Part V – Recoverable Operating Results

NOTE: As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates – whether identified in DoD Comptroller guidance as permissible, or requested by the DoD Component — must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the Under Secretary of Defence (Comptroller) (Program/Budget). Amounts not explicitly approved by the Office of the Under Secretary of Defence (Comptroller) (Program/Budget) for exclusion from customer rates shall be excluded from this report.

Date for the completion of all “Non-recoverable/Deferred Amounts” may not be available readily to a reporting entity from accounting records. Nevertheless, each amount reported shall be supported either by accounting or other adequate documentation provided by the activity, management command or departmental level command of the reporting entity. If applicable amounts are captured at the business area level, they shall be allocated or assigned to activities in accordance with guidance provided by the DoD Component. Care should be taken to ensure that amounts so allocated or assigned are equal to the total. As the amount reported may be used in the development of subsequent year stabilized billing rates, it is important that the categories and amounts reported are consistent with guidance provided or approved by the Director for Revolving Funds, Office of the Under Secretary of Defence (Comptroller) (Program/Budget).

1508. FORMAT OF THE STATEMENT OF OPERATIONS: PART V - RECOVERABLE OPERATING RESULTS (FIGURE 15-7)

150801. General. Part V – Recoverable Operating Results, figure 15-7, is intended to disclose differences, if any, between net operating results reported on Part I, - Results of Operations, and the operating results used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates—whether identified in the Office of the Under Secretary of Defense (Comptroller) guidance as permissible or requested by the DoD Component—must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the Under Secretary of Defense (Comptroller). Amounts not explicitly approved by the Office of the Under Secretary of Defense (Comptroller) for exclusion from customer rates shall be excluded from this report.

150802. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area (c) the reporting period (month), and (d) the year.

150803. Line Item Instructions. Instructions for the content of each line item are as follows.

A. Line 1 – Net Operating Results. Enter the amount reported on Part I – Results of Operations, line 11, “Net Operating Results.”

B. Line 2 – Deferred Operating Results (Gains/Losses). Data reported on this line and its sublines, unless otherwise specified below, are restricted to specific exclusions approved by the Office of the Deputy Comptroller (Program/Budget). Amounts to be reported on monthly activity reports should be obtained from, or approved by, the activity, management command of the reporting business area or the DoD Component departmental level. Report the net total of lines 2.a through 2.f.

C. Line 2.a – Net (Gains) Losses on Disposal of Excess Inventory. This line applies to the supply management business area only. Report those losses on potential excess/actual excess inventory for which an exclusion has been approved by the Office of the DoD Comptroller (Program/Budget). Report the amount of gains/losses on the disposal of excess inventory as reported in the following accounts:

7110 Gains on Disposition of Assets – Other
7190 Other Gains
7210 Losses on Disposition of Assets – Other
7290 Other Losses

D. Line 2.b – Disposal of Equipment/Capital Assets. Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when the Office of the DoD Comptroller (Program/Budget) has approved the exclusion. NOTE: Losses on excess equipment and other capital assets disposed of as a result of base closure shall not be reported on this line but shall, instead, be reported on line 2.c. Report the amount of losses related to the disposal of equipment and capital assets as reported in the following account.

- 7110 Gains on Disposition of Assets – Other
- 7210 Losses on Disposition of Assets – Other

E. Line 2.c – Non-Reimbursable Base Closure (BRAC) Costs. Report losses (or gains, if applicable) in excess of reimbursement directly resulting from a base closure when the Office of the Deputy Comptroller (Program/Budget) has approved the exclusion. Report the amount of gains/losses related from BRAC costs as reported in the following accounts:

- 7110 Gains on Disposition of Assets – Other
- 7190 Other Gains
- 7210 Losses on Disposition of Assets – Other
- 7290 Other Losses

F. Line 2.d – Capital Asset Surcharge. Capital asset surcharge amounts, positive or negative, included in revenue will be adjusted to avoid either the return of an apparent gain or loss in the development of the subsequent year rate structure. This line is left blank when there is no capital surcharge revenue. A capital asset surcharge shall be included in customer rates only if approved by the Office of the Deputy Comptroller (Program/Budget). A capital asset surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is either less or greater than the budgeted Capital Investment program. As the capital asset surcharge does not have an offsetting expense, in isolation from other transactions, it would be anticipated to result in a gain (or loss) to net operating results. That gain/loss must be deducted from Net Operating Results to prevent its return or charge to customers in subsequent years through stabilized rates that are lower than they would be otherwise. Capital asset surcharge amount may be reported without the prior approval of the Office of the Deputy Comptroller (Program/Budget). Report the amount of revenue related to capital asset surcharges as reported in the following accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided

G. Line 2.e – Cash Surcharge. Similar to capital asset surcharges, activities may include a cash surcharge in their rates. Report the amount of revenue related to cash surcharges as reported in the following accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided

H. Line 2.f – Other Approved Gains and Losses (Must Be Footnoted). For any other approved gain or loss not identified above. May include, but is not limited to the following accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided
- 7190 Other Gains
- 7290 Other Losses

★ I. Line 3 – Depreciation on non-DWCF Acquired PP&E. Report the amount of depreciation from non-DWCF acquired Plant, Property and Equipment which is identified as an asset capitalized on Part II – Changes in Net Position, line 1.D.(1).d. Report the amount from Part IV – Expenses, Line I, Depreciation on non-DWCF Acquired PP&E.

J. Line 4 – Net Recoverable Operating Results from Current Year Operations. Report the net total of line 1 less lines 2 and 3.

NOTE: At fiscal year end, the Net Operating Results is closed to Cumulative Results of Operations. Since part of that amount may be a non-recoverable deferred amount and an amount related to depreciation for non-DWCF acquired PP&E, those amounts should be separately identified in financial records. These amounts should be identified through the use of attributes.

★ Therefore the amount reported on Line 2, “Deferred Operating Results (Gains/Losses)” should be reported on Part II – Statement of Changes in Net Position, Line 1.B.(2).d. “Accumulated Operating Results (AOR), Deferred Net Operating Results” during the fiscal year and closed to deferred Cumulative Results of Operations during the year end close process. The amount on Line 3, “Depreciation on non-DWCF Acquired PP&E” should be reported on Part II – Statement of Changes in Net Position, Line 1.D.(1).d “Invested Capital, Assets Capitalized, Depreciation on Non-DWCF Acquired PP&E” during the fiscal year and closed to “Assets Capitalized – Beginning of Period” during the year end close process. The amount on Line 4, “Net Recoverable Operating Results from Operations” should be reported on Part II – Statement of Changes in Net Position, Line 2.B.(1).d. “Accumulated Operating Results (AOR), Recoverable AOR, Net Operating Results” during the fiscal year and closed to Cumulative Results of Operations – Recoverable during the year end close process.

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART VI-CAPITAL INVESTMENT PROGRAM
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

Program Year	Approved Program			Obligations			Outlays		
	Original Program	Program Adjustments	Current Program	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total
<u>Total</u>									
FY 20PY – X	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
FY 20PY – 4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20CY	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
Total	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>	<u>\$ XXX</u>

Figure 15-8: Statement of Operations, Part VI – Capital Investment Program

1509. FORMAT OF THE REPORT ON OPERATIONS: PART VI – CAPITAL INVESTMENT PROGRAM (FIGURE 15-8)**150901. General**

A. Part VI – Capital Investment Program, figure 15-8, reflects the program, obligations, and outlays for each fiscal year of the program. A capital asset for this report must meet the Working Capital Fund Investment Threshold for the program year reported and have a useful life of 2 years or greater.

B. For reporting these amounts, the reporting period is defined as the year to date amounts, i.e., amounts reported since the end of the prior fiscal year to the end of the reporting month shown in the heading of Part V.

150902. **Heading.** Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area/activity (c) the reporting period (month), and (d) the year.

150903. Columnar Instructions. The contents of the columns should be as follows:

A. **Program Year (Column 1).** Separate fiscal year program identification is required. All prior fiscal years must be separately identified until all obligations and outlays for the approved program have been fully concluded. The fiscal year programs will be arranged in consecutive order, starting with the least current fiscal year program.

B. **Original Program (Column 2).** The original program amount will be capital authority approved for the reporting fiscal year on the initial Annual Operating Budget for the fiscal year. Carryover from prior fiscal years is already reported as part of the initial program for that year. The amount reported should not change in subsequent years. Changes in the Capital Investment Program amounts are shown in Column 3.

C. **Program Adjustments (Column 3).** Amounts included in this column shall be adjustments (generally, deductions) to the initial approved Capital Investment Program amounts. Adjustments to the initial approved program amounts are disclosed in the annual operating budgets for a subsequent program year. The amount reported in this column may change annually as of the beginning of a fiscal year but should not change during a fiscal year. The amount reported in this column will change at the end of each fiscal year to allow the value of Current Program (column 4) to equal the amount of Obligations-Total (column 7).

D. **Current Program (Column 4).** This is the sum of the original program (column 2) and program adjustments (column 3). These amounts will be subject to the provisions of 31 U.S.C. 1517 (a).

E. **Obligations – Current Fiscal Year (Column 5).** Amounts included in this column shall be the total amount of obligations incurred in the current fiscal year.

F. Obligations – Prior Fiscal Year(s) (Column 6). Amounts included in this column shall be the cumulative amount of obligations (Column 7) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

G. Obligations – Total (Column 7). This is the sum of Obligations-Current Fiscal Year (column 5) and Obligations-Prior Fiscal Year(s) (column 6).

H. Outlays – Current Fiscal Year (Column 8). Amounts included in this column shall be the total amount of outlays incurred in the current fiscal year.

I. Outlays – Prior Fiscal Year(s) (Column 9). Amounts included in this column shall be the cumulative amount of outlays (Column 10) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

J. Outlays – Total (Column 10). This is the sum of Outlays-Current Fiscal Year (column 8) and Outlays-Prior Fiscal Year(s) (column 9).

DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT
REPORT – SUPPLY MANAGEMENT BUSINESS AREA
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 20XX
(\$ in thousands)

A. Customer Orders Accepted-Cumulative	\$ XXX
B. Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative	XXX
C. Unfilled Customer Orders	XXX
D. Customer Returns – Credits Granted – Cumulative	XXX
E. Net Reimbursable Sales of Property – Cumulative	XXX
F. Purchases at Cost (LAC) – Cumulative	XXX
G. Obligations – Cumulative	XXX
H. Obligations – Reimbursable	XXX
I. Obligations – Augmentation – Cumulative	XXX
J. Obligations – Mobilization – Cumulative	XXX
K. Outstanding Commitments	XXX
L. Inventories – Stock on Hand	XXX
M. Other Inventories	XXX
N. Inventories in Transit	XXX
P. Total Inventories	XXX
Q. Customer Returns Without Credit – Cumulative	XXX
R. Transfers to Reutilization and Market – Cumulative	XXX
S. Material Returns to Suppliers – Cumulative	XXX
T. Undelivered Orders	XXX
U. Fund Balance with Treasury	XXX
V. Funds Collected – Cumulative	XXX
W. Funds Disbursed – Cumulative	XXX
X. Accounts Receivable – Intragovernmental	XXX
Y. Accounts Receivable – Non-Federal	XXX
Z. Accounts Payable	XXX

Figure 15-9: Statement of Operations: Part VII – Inventory Management Report-Supply Management Business Area

1510. FORMAT OF THE STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY BUSINESS AREA (FIGURE 15-9)

151001. General. Part VII - Inventory Management Report, figure 15-9, compares fiscal data from the supply management business area general ledger with the approved operating program for the purpose of monitoring the execution of the current year budget.

151002. General Reporting Requirements

A. Rounding. Amounts reported shall be rounded to the nearest thousand dollars.

B. Form. Each DoD Component shall submit an Inventory Management Report for each supply management business area division on forms consistent with the example provided. Division reports shall show entries only for column one.

151003. Specific Reporting Requirements

A. Description of Line Entries. Specific descriptions of entries for each line on the Inventory Management Report are provided in 151004. Description of Entries, below.

B. Current Year to Date. Column 1, “Current Year to Date,” shall reflect the current amount through the month reported.

B. Planned to Date. Column 2, “Planned to Date,” shall reflect the cumulative programmed amount, at the total DoD Component level, for the month being reported.

C. Variance. On only the DoD Component supply management business area summarized report Column 3, “Variance,” shall reflect the difference between column 1 and column 2 in terms of the dollar amount.

151004. Description of Entries

A. Line A – Customer Orders Accepted – Cumulative. Enter the total amount of customer orders received for the Fiscal Year to date. Report the net change for the year of the following general ledger accounts:

- 4221 Unfilled Customer Orders Without Advance
- 4222 Unfilled Customer Orders With Advance
- 4251 Reimbursements and Other Income Earned - Receivable
- 4252 Reimbursements and Other Income Earned – Collected

B. Line B – Gross Reimbursable sales of Property, Inventory, & Services – Cumulative. Enter the total sales for this Fiscal Year to date. The amount reported shall equal

the amount reported on line 2.a of Part I of the Statement of Operations. Report the balance of the following general ledger accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided
- 5900 Other Revenue

C. Line C – Unfilled Customer Orders. Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following general ledger accounts:

- 4221 Unfilled Customer Orders Without Advance
- 4222 Unfilled Customer Orders With Advance

D. Line D – Customer Returns – Credits Granted – Cumulative. Enter the amount of credit granted to customers for material returns for the Fiscal Year to Date. The amount reported shall equal the amount reported on line 2.b. of part I of the Statement of Operations. Report the amount of credit granted to customers for material returns from the following general ledger accounts:

- 5109 Contra Revenue for Goods Sold
- 5209 Contra Revenue for Services Provided
- 5909 Contra Revenue for Other Revenue

E. Line E – Net Reimbursable Sales of Property – Cumulative. Enter the net sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2. of Part I of the Statement of Operations. Report the result of line B. less line D. above.

F. Line F – Purchase at Cost (LAC) – Cumulative. Enter the amount of purchases at cost for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.e. of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the portion of balance of the following general ledger account which identifies purchases at cost:

- 1529 Inventory Allowance

G. Line G – Obligations – Cumulative. Enter the total obligations incurred this Fiscal Year to date. (The sum of report lines H., I., and J., below.)

H. Line H – Obligations – Reimbursable – Cumulative. Enter the amount of operating obligations incurred this Fiscal Year to date. The amount reported should not include obligations reported on lines I. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations,

- Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4908 Authority Outlayed Not Yet Disbursed
- 4981 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid

I. Line I – Obligations – Augmentation – Cumulative. Enter the amount of operations incurred this Fiscal Year to date for inventory augmentation, initial issue, etc. (Inventory augmentation purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation.) The amount reported should not include obligations reported on lines H. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4908 Authority Outlayed Not Yet Disbursed
- 4981 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid

J. Line J – Obligations – Mobilization – Cumulative. Enter the amount of operations incurred this Fiscal Year to date for war reserve purposes. War reserve purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation. The amount reported should not include obligations reported on lines H. and I. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries

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

4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid

4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

4901 Delivered Orders - Obligations, Unpaid

4902 Delivered Orders - Obligations, Paid

4908 Authority Outlayed Not Yet Disbursed

4981 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Unpaid

4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid

K. Line K – Outstanding Commitments. Enter the amount of commitments outstanding that has not resulted in obligations. Report the balance of the following general ledger account:

4700 Commitments - Programs Subject to Apportionment

L. Line L – Inventories – Stock On Hand. Enter the total amount of inventory on hand at the end of the report period after adjustment to LAC. The amount reported shall equal the amount reported on line 5. of the Statement of Financial Position less the amount reported on line N. of this Inventory Management Report. Report the net total balance of the following general ledger after adjustment to estimated cost:

1521 Inventory Purchased for Resale

1522 Inventory Held in Reserve for Future Sale

1523 Inventory Held for Repair

1524 Inventory - Excess, Obsolete, and Unserviceable

1529 Inventory – Allowance

M. Line M – Other Inventories. Enter the total amount of other inventories (except inventories in transit reported on Line N.) consisting of Work in Progress, On Loan to Others for Use, and With Agents. Report the net total balance of the following general ledger accounts:

1525 Inventory - Raw Materials

1526 Inventory - Work-in-Process

1527 Inventory - Finished Goods

N. Line N – Inventories in Transit. Enter the amount of material in transit. Report the balance of the following account that is identified as being in transit:

1521 Inventory Purchased for Resale

1523 Inventory Held for Repair

1525 Inventory - Raw Materials

1527 Inventory - Finished Goods

O. Line P – Total Inventories. Enter the sum of the amounts reported on lines L., M., and N., above.

P. Line Q – Customer Returns Without Credit – Cumulative. Enter the amount of returns from customers without credit. The amount reported should equal the net of the total amount of returns from customers less the amount reported on line D., above. Report the balance of the following general ledger accounts:

1529 Inventory – Allowance
7190 Other Gains

Q. Line R – Transfers to Reutilization and Marketing – Cumulative. Enter the net amount transferred to DRMOs from the Fiscal Year to date. Report the amount from the following general ledger accounts that apply to transfers to reutilization and marketing offices:

5730 Financing Sources Transferred Out, Without Reimbursement

R. Line S – Material Returns to Supplier – Cumulative. Enter the total amount of returns to Non-Federal suppliers and contractors.

S. Line T – Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following general ledger accounts:

4801 Undelivered Orders - Obligations, Unpaid
4802 Undelivered Orders - Obligations, Prepaid/Advanced
4831 Undelivered Orders - Obligations Transferred, Unpaid
4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations,
Recoveries
4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders -
Obligations, Refunds Collected
4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations,
Prepaid/Advanced

T. Line U – Fund Balance with Treasury. Enter the total amount of Funds Balance With Treasury. The amount reported on line 1.e. and 1.f. of the Statement of Financial Position. Report the balance of the following general ledger account:

1010 Fund Balance With Treasury

U. Line V – Funds Collected – Cumulative. Enter the amount of the collections for the Fiscal Year to date. The amount reported shall equal the amount reported on line 1.a. and 1.b. of the Statement of Financial Position. Report the amounts that apply from the following general ledger account:

1010 Fund Balance With Treasury

V. Line W – Funds Disbursed – Cumulative. Enter the amount of the disbursements for the Fiscal Year to date. The amount reported shall equal the amount reported on line 1.c. and 1.d. of the Statement of Financial Position. Report the amount that applies from the following general ledger account:

1010 Fund Balance with Treasury

W. Line X – Accounts Receivable – Intragovernmental. Enter the amount of receivables outstanding that are due from other federal governmental entities. Report the amounts that apply from the following accounts:

- 1310 Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1330 Receivable for Transfers of Currently Invested Balances
- 1335 Expenditure Transfers Receivable
- 1340 Interest Receivable
- 1360 Penalties, Fines, and Administrative Fees Receivable

X. Line Y – Accounts Receivable – Non-Federal. Enter the amount of receivables outstanding that are due from Non-Federal entities. Report the amounts that apply from the following accounts:

- 1310 Accounts Receivable
- 1319 Allowance for Loss on Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1325 Taxes Receivable
- 1329 Allowance for Loss on Taxes Receivable
- 1340 Interest Receivable
- 1349 Allowance for Loss on Interest Receivable
- 1360 Penalties, Fines, and Administrative Fees Receivable
- 1369 Allowance for Loss on Penalties, Fines, and Administrative Fees Receivable

Y. Line Z – Accounts Payable. Enter the total amount of accounts payable outstanding. Report the net total balance of the following accounts:

- 2110 Accounts Payable
- 2120 Disbursements in Transit
- 2150 Payable for Transfers of Currently Invested Balances
- 2155 Expenditure Transfers Payable
- 2170 Subsidy Payable to the Financing Account
- 2179 Contra Liability for Subsidy Payable to the Financing Account
- 2180 Loan Guarantee Liability
- 2190 Other Liabilities With Related Budgetary Obligations

Z. Footnotes. Include in a footnote, the estimated balance of line U, above, that is the result of appropriations by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote, the amounts of line L., above, at standard price.

★ DEPARTMENT OF THE ARMY (97X4930.1)

ARMY SUPPLY MANAGEMENT

Army Managed Items

- * Aviation and Missile Lifecycle Management Command (AM-LCMC),
Huntsville, AL
- * Communications Electronics Lifecycle Management Command (CE-LCMC), Ft.
Monmouth, NJ
- * Tank and Armaments Lifecycle Management Command (TA-LCMC),
Warren, MI
- * Army Material Command Mobilization (AMC-MOB), Ft. Belvoir, VA

Non-Army Managed Items

- * Non-Army Managed Items – Product Support / Integration Directorate
(NAMI-PSID), Rock Island, IL

ARMY INDUSTRIAL OPERATIONS

Industrial Operations

- * Tooele Army Depot, Tooele, UT
- * Anniston Army Depot, Anniston, AL
- * Bluegrass Army Depot, Richmond, KY
- * Sierra Army Depot, Herlong, CA
- * Letterkenny Army Depot, Chambersburg, PA
- * Savanna Army Depot Activity, Savanna, IL
- * Red River Army Depot, Texarkana, TX
- * Tobyhanna Army Depot, Tobyhanna, PA
- * Corpus Christi Army Depot, Corpus Christi, TX
- * Pine Bluff Arsenal, Pine Bluff, AR
- * Rock Island Arsenal, Rock Island, IL
- * Watervliet Arsenal, Watervliet, NY
- * McAlester Army Ammunition Plant, McAlester, OK
- * Crane Army Ammunition Activity, Crane, IN

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M)1307) Entity

Figure 15-10: DWCF Financial Reporting Activities

★ DEPARTMENT OF THE NAVY (97X4930.2)

NAVY SUPPLY MANAGEMENT

* Marine Corps Supply Management, Albany, GA

*NAVY LOGISTICS SUPPORT ACTIVITIES

NAVY DEPOT MAINTENANCE

Shipyards

* Norfolk Naval Shipyard, Portsmouth, VA
 * Portsmouth Naval Shipyard, Kittery, ME
 * Puget Sound Naval Shipyard, Bremerton, WA
 * Long Beach Naval Shipyard, Long Beach, CA

Aviation

* Naval Aviation Depot, North Island, CA
 * Naval Aviation Depot, Cherry Point, NC
 * Naval Aviation Depot, Jacksonville, FL

Marine Corps Bases

* Marine Corps Logistics Command, Albany, GA
 * Marine Corps Logistics Command, Barstow, CA

#NAVY BASE SUPPORT

* Naval Facilities Engineering Command, Mid-West, Great Lakes, IL
 * Naval Facilities Engineering Command, Marianas, Guam
 * Naval Facilities Engineering Command, Far East, Yokosuka, Japan
 * Naval Facilities Engineering Command, Hawaii, Pearl Harbor, HI
 * Naval Facilities Engineering Command, Mid-Atlantic, Norfolk, VA
 * Naval Facilities Engineering Command, Washington, Washington, DC
 * Naval Facilities Engineering Command, Southwest, San Diego, CA
 * Naval Facilities Engineering Command, Northwest, Silverdale, WA
 * Naval Facilities Engineering Command, Europe, Naples, Italy
 * Naval Facilities Engineering Center, Southeast, Jacksonville, FL
 * Naval Facilities Engineering Service Center, Port Hueneme, CA

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M)1307) Entity

Figure 15-10: DWCF Financial Reporting Activities (cont'd.)

NAVY RESEARCH & DEVELOPMENT

- # Naval Air Warfare Centers
 - * Naval Air Warfare Center-Aircraft Division, Patuxent River, MD
 - * Naval Air Warfare Center-Weapons Division, China Lake, CA

- # Naval Surface Warfare Centers
 - * Naval Surface Warfare Center, Carderock Division, Carderock, MD
 - * Naval Surface Warfare Center, Corona Division, Corona, CA
 - * Naval Surface Warfare Center, Crane Division, Crane, IN
 - * Naval Surface Warfare Center, Dahlgren Division, Dahlgren, VA
 - * Naval Surface Warfare Center, Indian Head Division, Indian Head, MD
 - * Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA
 - * Naval Surface Warfare Center, Panama City Division, Panama City, FL
 - * Naval Surface Warfare Center, Explosive Ordnance Disposal Technology Division, Indian Head, MD

- # Naval Undersea Warfare Centers
 - * Naval Undersea Warfare Center, Keyport Division, Keyport, WA
 - * Naval Undersea Warfare Center, Newport Division, Newport, RI

- # Space and Naval Warfare Systems Centers (SSC)
 - * SSC, San Diego, CA
 - * SSC, Charleston, SC

- * Naval Research Laboratory, Washington, DC

Navy Transportation

- * Military Sealift Command, Washington DC.

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M)1307) Entity

Figure 15-10: DWCF Financial Reporting Activities (cont'd.)

★ DEPARTMENT OF THE AIR FORCE (97X4930.3)

AIR FORCE DEPOT MAINTENANCE

- * Warner Robins Air Logistics Center, Robins Air Force Base, Warner Robins, GA
- * Ogden Air Logistics Center, Hill Air Force Base, Ogden, UT
- * Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma City, OK
- * Aerospace Maintenance & Regeneration Center, Davis-Monthan Air Force Base, Tucson, AZ

AIR FORCE SUPPLY MANAGEMENT

- * Medical-Dental Division: Air Force Medical Material Field Office, Frederick, MD
- * Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
- * Material Support Division: HQ, Air Force Logistics Command, Wright-Patterson AFB, Dayton, OH

UNITED STATES TRANSPORTATION COMMAND

- * Air Mobility Command, Scott AFB, IL
- * Military Sealift Command (MSC), Washington, DC
- * Surface Deployment and Distribution Command (SDDC), Scott AFB, IL
- * Command Staff, US Transportation Command, Scott AFB, IL
- * Defense Courier Division (DCD), Scott AFB, IL

DEFENSE COMMISSARY AGENCY (97X4930.4)

- * Commissary Resale
- * Commissary Operations

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M)1307) Entity

Figure 15-10: DWCF Financial Reporting Activities (cont'd.)

★ DEFENSE AGENCIES (97X4930.5)

DEFENSE LOGISTICS AGENCY

Supply Chain Management Non-Energy Supply Management Defense Distribution Command, New Cumberland, PA

Energy Supply Chain Management Defense Energy Support Center, Ft. Belvoir, VA

Defense Reutilization and Marketing Service, Battle Creek, MI

#Documentation Automation and Production Services, Mechanicsburg, PA

DEFENSE INFORMATION SYSTEMS AGENCY

* Telecommunications Services and Enterprise Acquisition Services
* Center for Computing Services

DEFENSE FINANCE AND ACCOUNTING SERVICE

* Financial Operations, Arlington, VA

OSD HEADQUARTERS ACCOUNT

#COMPONENT LEVEL

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M)1307) Entity

Figure 15-10: DWCF Financial Reporting Activities (cont'd.)