

**VOLUME 13 CHAPTER 7 “FINANCIAL REPORTING”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated Feb 2011 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter for clarity (administrative).	Update

## Table of Contents

VOLUME 13 CHAPTER 7 “FINANCIAL REPORTING” .....	1
0701 OVERVIEW .....	4
070101. Purpose .....	4
070102. Scope .....	4
0702 RESPONSIBILITIES .....	4
070201. DoD Components .....	4
070202. Accounting Office .....	4
0703 FINANCIAL REPORTING .....	4
070301. Financial Statements .....	4
070302. Footnotes to Financial Statements .....	6
0704 COMPARATIVE ANALYSIS OF FINANCIAL STATEMENTS .....	6
070401. Accountant Responsibilities .....	6
070402. Analytical Methods and Techniques .....	6
070403. Ratios .....	7
070404. Comparative Statements .....	9
0705 REPORTING TO THE INTERNAL REVENUE SERVICE (IRS) .....	10
070501. General .....	10
070502. Contract Payments (Nonpersonal Services) .....	10
070503. Gambling and Bingo Winnings .....	11
0706 INTERNATIONAL BALANCE OF PAYMENTS (IBOP) PROGRAM .....	11
0707 FORMAT FOR THE BALANCE SHEET .....	11
070701. Format for the Balance Sheet .....	11
070702. Instructions for the Preparation of the Balance Sheet .....	11
070703. Line Item Instructions for Preparing the Balance Sheet .....	12
0708 FORMAT FOR THE STATEMENT OF INCOME AND EXPENSE .....	17
070801. Format for the Statement of Income and Expense .....	17
070802. Instructions for the Preparation of the Statement of Income and Expense .....	17
070803. Line Item Instructions for Preparing the Statement of Income and Expense .....	17

**Table of Contents (continued)**

0709	FORMAT FOR THE RECONCILIATION OF NET WORTH .....	21
070901.	Format for the Reconciliation of Net Worth .....	21
070902.	Instructions for the Preparation of the Reconciliation of Net Worth .....	21
070903.	Line Items Instructions for Preparing the Reconciliation of Net Worth .....	21
0710	FORMAT FOR THE SCHEDULE A - APF AND NAF EXPENSE SUMMARY ....	22
071001.	Format for Schedule A - APF and NAF Expense Summary.....	22
071002.	Instructions for the Preparation of Schedule A .....	22
071003.	Line Item Instructions for Preparing Schedule A.....	22
0711	FORMAT FOR THE STATEMENT OF CASH FLOW .....	28
071101.	Format for the Statement of Cash Flow .....	28
071102.	Instructions for the Preparation of the Statement of Cash Flow .....	28
071103.	Line Item Instructions for Preparing the Statement of Cash Flow.....	28
Figure 7-1	Balance Sheet.....	31
Figure 7-2	Statement of Income and Expense.....	32
Figure 7-3	Reconciliation of Net Worth.....	33
Figure 7-4	Schedule A - APF and NAF Expense Summary .....	34
Figure 7-5	Statement of Cash Flow .....	35

## CHAPTER 7

**FINANCIAL REPORTING**

## 0701 OVERVIEW

## 070101. Purpose

This chapter prescribes the standard policies for financial reporting, which are the principal means of communicating accounting information to those activities [relying on information for management of their operations](#).

## 070102. Scope

The policies in this chapter apply to Department of Defense (DoD) Nonappropriated Fund Instrumentalities (NAFIs) and their supporting Accounting Offices (AOs). Except for financial reporting prescribed in paragraphs 070201 and 0703, these policies do not apply to the Armed Service Exchanges.

## 0702 RESPONSIBILITIES

## 070201. DoD Components

The DoD Components are responsible for the fair presentation in the financial reports of financial position, results of operation, and the program and personnel information included. In addition, the DoD Components are responsible for compliance with Nonappropriated Fund (NAF) program laws and regulations. For further information on reporting responsibilities, refer to [\*Department of Defense Instruction \(DoDI\) 1015.15, "Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources."\*](#)

## 070202. Accounting Office

The supporting Accounting Office (AO) is responsible for compiling all the necessary information from accounting and payroll systems, as well as preparation of financial statements and reports. The integrity of those systems and the accuracy of the data produced are also AO responsibilities. Refer to Chapter 1 for further information.

## 0703 FINANCIAL REPORTING

## 070301. Financial Statements

Financial statements provide understandable information that is useful in making business decisions relative to NAFI operations. They describe NAFI financial performance during a specific period and how cash is obtained and spent. In addition to providing explanations and interpretations to assist users in making reasoned choices, financial statements also contain

program and personnel information. The principal financial statements used to convey information to users are the Balance Sheet, Statement of Income and Expense, Reconciliation of Net Worth, Schedule A - Appropriated Fund (APF) and NAF Expense Summary, and Statement of Cash Flow.

A. Balance Sheet. The balance sheet (also known as statement of financial position) presents NAFI's financial position at the end of a specified date. It is sometimes described as a "snapshot" that allows the user to see what NAFI owns as well as what it owes to others. The major components of the balance sheet are assets, liabilities, and equity (net worth). For information on the format and instructions for preparing the Balance Sheet, refer to Section 0707 and Figure 7-1. Additionally, for further information on assets, liabilities, and equity (net worth) refer to Chapter 3.

B. Income Statement. An income statement (also referred to as profit or loss statement or income and expense statement) provides information about NAFI's financial performance during a specified period of time and a summary of NAFI's profit or loss during the accounting period. The income statement is used to track revenues and expenses. For information on the format and instructions for preparing the Statement of Income and Expense, refer to Section 0708 and Figure 7-2. Additionally, refer to Chapter 5 for further information on revenue and expenses.

C. Reconciliation of Net Worth. The reconciliation of net worth (also known as statement of retained earnings) provides information of changes to net worth during a specified period of time. It shows the establishment, disestablishment, or consolidation of NAFIs, receipt or distribution of capital, net income or net loss, and prior year material adjustments. Refer to Chapter 3 for further information on net worth (equity). For information on the format and instructions for preparing the [Reconciliation of Net Worth](#), refer to Section 0709 and Figure 7-3.

D. Schedule A - APF and NAF Expense Summary. Schedule A provides a detailed breakdown of APF and NAF operating costs and capital expenditures. APF received and expended through the DoD Morale Welfare and Recreation (MWR) Utilization Support and Accountability (USA) practice, Uniform Funding Management (UFM) practice, or other APF agreements [will](#) be reported as APF contractual services support and [will](#) not be reported as NAF expenditures. NAF costs [will](#) equal the operating expenses, other expenses, and extraordinary expense lines on the Statement of Income and Expense, which are also reported net of APF support to avoid double counting. NAF cost of goods sold is excluded. NAF capital expenditures [will](#) be reported in the year funds are expended and assets are recorded (including construction in progress and capital leases). For information on the format and instructions for preparing Schedule A- APF and NAF Expense Summary, refer to Section 0710 and Figure 7-4.

E. Statement of Cash Flow. A cash flow statement provides information about cash receipts and cash payments of a NAFI during the accounting period. The statement shows how changes in balance sheet and income accounts affect cash and cash equivalents and breaks the analysis down according to operating, investing, and financing activities. For information on the format and instructions for preparing the Statement of Cash Flow, refer to Section 0711 and Figure 7-5.

## 070302. Footnotes to Financial Statements

Footnotes are an integral part of the financial statements and are used when more information is needed. When the actual dollar amounts on the financial statements do not provide sufficient information for decision makers, accountants supplement the financial statements with more detailed data in the form of footnotes. Footnotes help management compare the operating results of the current business period with the operating results of previous periods. Fund equity adjustments and significant business closures are examples of occurrences which require footnotes. Refer to [DoDI 1015.15](#) for specific footnotes required.

## 0704 COMPARATIVE ANALYSIS OF FINANCIAL STATEMENTS

Comparative analysis is the study of relationships and trends to determine whether the financial position, results of operations, and the financial progress of the business are satisfactory or unsatisfactory. The objective of any method used to analyze a financial statement is to simplify or reduce the data under review to more understandable terms.

## 070401. Accountant Responsibilities

Accountants will compute, organize, and analyze data on a monthly basis. Analytical data is then assimilated to aid in management decision making. It is not enough to know at the end of a year, or even a quarter, that costs are increasing more rapidly than revenues. The accountant must use interim cost standards, ratios, or other devices in presenting income statement data to help determine the reasoning behind financial data changes.

## 070402. Analytical Methods and Techniques

Analytical methods and techniques used in analyzing financial statements include the following:

A. Comparative balance sheets, income statements, and statements of retained earnings or net worth. These statements detail the following information:

1. Absolute data (dollar amounts);
2. Comparisons expressed in ratios;
3. Increases and decreases in absolute data in terms of dollar amounts;
4. Increases and decreases in absolute data in terms of percentages; and
5. Percentages of total.

B. Statement of sources and uses of working capital;

C. Trend ratios of selected and/or related financial and operating data. A trend analysis is performed for each NAFI financial statement. The analysis of the balance sheet compares actual to actual, and the percentage of increase or decrease is calculated. The analysis of the income statement for each activity compares actual to actual as well as actual to the budgeted amounts. The financial statement analysis is made by each activity for items such as sales, cost of goods sold, labor expenses, net income, and all other revenue and expense items with a material financial effect on the activity;

D. Common size percentages from balance sheets, income statements, and individual sections of these statements;

E. Ratios expressing the relationships of items selected from the balance sheet, the income statement, or both statements; and

F. Statement of variation in net income or gross margin.

070403. Ratios

The behavior of ratios over a series of accounting periods is indicative of trends and may signal the need for adjustments in the future. The following ratios are a means of monitoring the efficiency of NAFIs:

A. Accounts Receivable Turnover. Accounts receivable turnover is the relationship between credit sales and accounts receivable. It indicates the liquidity of an activity's receivables. Calculate accounts receivable turnover by dividing net credit sales by the average accounts receivable ( $\text{Accounts Receivable Turnover} = \text{Net Credit Sales} / \text{Average Accounts Receivable}$ ). The average accounts receivable is the beginning accounts receivable plus the ending accounts receivable, divided by two. The average of the accounts receivable monthly balances are used in the computation, as it gives recognition to seasonal fluctuations. When such data is not available, it is necessary to use the average of the balances at the beginning and end of the year. Prompt collection of receivables reduces the amount of loss from bad debts. Another method of expressing the result is to divide 365 days by the receivable turnover figure to get the average number of days that the receivables were on the books.

B. Acid-Test Ratio. The acid-test ratio, or quick ratio, measures the ability of NAFI to use its quick assets to immediately liquidate its current liabilities. Quick assets include cash, receivables, and marketable securities. The formula to compute the acid-test ratio is to divide quick assets (current assets minus inventory) by current liabilities ( $\text{acid-test ratio} = \text{quick assets} / \text{current liabilities}$ ). The acid-test ratio should not be less than 1:1; any less and NAFI could suffer financial difficulties. A ratio of 1:1 shows that for every dollar of current debt there is \$1 of quick assets available to meet current liabilities. The higher the ratio, the greater the immediate debt-paying ability.

C. Current Ratio. The current ratio, or working capital ratio, measures the relationship between current assets and current liabilities. It measures the ability of current assets to pay short-term debts. The formula to compute the current ratio is to divide the total current

assets by the total current liabilities (Current Ratio = Total Current Assets/Total Current Liabilities). Current ratio of 1.5:1 is considered standard. A ratio that is smaller indicates high debt. If the current ratio is too high, then current assets are not being efficiently utilized. Current assets should then be converted to other useful purposes. [A ratio higher than one means that if all current assets can be converted to cash, they are more than sufficient to pay off current liabilities.](#)

D. Inventory Turnover Ratio. The inventory turnover ratio expresses the relationship between cost of goods sold and the average inventory balance. Excess inventory reduces available funds and may increase the cost of insurance, storage, and other related expenses. The formula to compute the inventory turnover is cost of goods sold divided by the average inventory (Inventory Turnover = Cost of Goods Sold/Average Inventory). Average inventory equals beginning inventory plus ending inventory, divided by two. The inventory ratio for food and beverage operations generally should not exceed 2.5:1 on a monthly basis or 30:1 on an annual basis. A ratio of 1:3 for other sales operations on a monthly basis or a ratio of 4:1 on an annual basis is generally considered acceptable and shows about a 3-month inventory supply. A low turnover rate may indicate overstocking, obsolescence, or deterioration. A high turnover rate may indicate inadequate inventory levels, which may lead to a loss in business. Appropriate inventory levels depend on quantity pricing of purchases, shelf life, and restocking lead time that should be as low as possible, consistent with these conditions.

E. Net Income Ratio. Net income ratio measures the net income as a percentage of total revenue. It measures the rate of return on revenue. The formula to compute the net income ratio is net income divided by total revenue (Net Income Ratio = Net Income/Total Revenue). Net income is calculated as total revenue minus total expenses. Refer to DoDI 1015.15 for further information on net income requirements.

F. Ratio of Net Sales to Assets. The ratio of net sales to assets measures the efficiency with which NAFIs [are](#) using their assets to generate sales. In computing the ratio, any long-term investments are excluded from total assets, as they make no contribution to sales. If sales can be stated in a common unit, then units of products sold also can be used in place of the dollar amount of sales. Assets used in determining the ratio may be the total at the end of the year, the average at the beginning and end of the year, or the average of monthly totals. The formula to compute the ratio of net sales to assets is to divide net sales by total assets, minus long-term investments (Ratio of Net Sales to Assets = Net Sales/(Total Assets - Long-Term Investments)).

G. Return on Assets Ratio. This measures [a](#) NAFI's ability to generate revenue with its existing assets. The formula to compute the return on assets ratio is to divide net income by the average total assets. Average total assets are beginning total assets plus ending total assets divided by two (Return on Assets Ratio = Net Income/Average Total Assets).



H. Return on Fund Equity. The return on fund equity measures NAFI's ability to use leverage by earning a higher rate of return than is paid for the funds used to operate. The formula to compute the return on fund equity is to divide net income by the average fund equity (Return on Fund Equity = Net Income/Average Fund Equity). Average fund equity is the opening equity plus the closing equity divided by two.

I. Turnover of Working Capital. Working capital is a valuation metric that is calculated as current assets minus current liabilities. Current assets include accounts receivable and inventory. Current liabilities include accounts payable. These various components are analyzed individually to account for changes from period to period. The turnover of working capital reflects the extent to which NAFI is operating on a small or large amount of working capital in relation to sales. The formula to compute the working capital turnover is to divide the net sales by the average working capital (Turnover of Working Capital = Net Sales/Average Working Capital). Average working capital is ending current assets minus ending current liabilities plus beginning current assets minus beginning current liabilities, divided by two.

J. Other Ratios. The ratios referenced in the previous paragraphs are not the only ones that can be computed. Following are additional ratios that can be used:

1. Fixed Asset Turnover;
2. Working Capital to Total Assets; and
3. Return on Tangible Assets.

070404. Comparative Statements

A. General. Any fact by itself has limited significance. Other related facts are necessary to give the first fact increased meaning. The validity of this observation is demonstrated as follows: Learning that last year's net income of a certain activity was \$68,514 offers little insight. Does that amount of net income indicate a successful or unsuccessful year? Does the amount present an improvement or decline from the year before? Is the amount large or small in relation to sales, assets, or equity? How does it compare with similar activities? If the information about last year's income is to have any real meaning, then other facts must be known.

B. Comparison. If the financial statements are analyzed on a comparative basis, then they can be much more informative and meaningful. Four comparison types are possible:

1. Comparison of the latest financial statements and relationships between various elements with the statements and relationships of one or more previous periods;
2. Comparison of the statements and financial relationships of the fund with data for other similar activities;

3. Comparison of statements and financial relationships of two or more divisions or branches of the same activity; and

4. Comparison of information in the statements with preset plans or goals (normally in the form of budgets).

C. Horizontal Analysis. A comparison of the amounts for the same item in the financial statements of two or more periods is called horizontal analysis. The term is applied because the analysis, which suggests probabilities, weaknesses, or strengths, includes data from year to year rather than as of one date or period of time as a whole. If the amount of any change and its relative size are shown, then a comparison is facilitated. In computing the percent of change, the amount for the earlier year serves as the base. In general, the percentage of change is of greater interest than the actual amounts.

D. Vertical Analysis. The amount of each item in a statement can be expressed as a percentage of the total. Percentages resulting from vertical analysis may be compared across two or more periods to discover trends over time.

## 0705 REPORTING TO THE INTERNAL REVENUE SERVICE (IRS)

### 070501. General

All records relating to payments to individuals and firms are retained for at least four years and available for IRS review. Continental United States (CONUS) offices consult their local IRS office when forms, publications, or assistance are needed. Overseas offices contact the IRS, Assistant Commissioner (International), by going to [www.irs.gov](http://www.irs.gov), to get the address and telephone number of the nearest IRS representative. IRS representatives, in CONUS and overseas, are available to provide instructions concerning IRS procedures for return preparation, filing, and depositing employment tax payments.

### 070502. Contract Payments (Nonpersonal Services)

Cumulative payments made by NAFIs under service contracts of \$600 or more to anyone, during a calendar year, are reported to the IRS along with the total amounts paid to include the name, address, and Social Security number of the individual. For businesses, report the amount paid, the business name, business address, and business tax identification number. NAFI contracts with entertainers are considered service contracts. If a single payment to an individual is less than \$600 but total payments made during the calendar year to the same individual reach \$600, then a report must be filed. The report is provided to the individual or firm and to the IRS using IRS Form 1099-MISC, "Miscellaneous Income." The individual or firm receives a copy of the IRS Form 1099-MISC by January 31 of the calendar year following the calendar year in which payment was made. This requirement also applies to individuals who, in addition to being NAFI

employees, have contracts with NAFI for nonpersonal services. A separate IRS Form 1099-MISC is prepared for each individual or firm to whom total payments of \$600 or more are made. IRS [\*Form 1096, "Annual Summary and Transmittal of U.S. Information Returns,"\*](#) is used to transmit the IRS copy of [1099s](#) to the IRS. These forms are forwarded to the IRS by February 28 of the following year. Refer to [www.irs.gov](http://www.irs.gov) for preparation instructions and filing requirements.

070503. Gambling and Bingo Winnings

IRS reporting requirements for gambling and bingo winnings are tied to individual games. Unlike contract payments, winnings are not accumulated from game to game; each game stands alone for IRS reporting requirements. Whenever cash, merchandise, or a combination thereof with a total value of \$1,200 or more is awarded to a person for winning a single bingo game or other gambling activity, an IRS [\*Form W-2G, "Certain Gambling Winnings,"\*](#) is prepared. Individuals receive their copies of the IRS Form W-2G either at the time payment is made or not later than January 31 of the following year. IRS Form 1096 is used to transmit the IRS copy of the IRS Form W-2Gs to the IRS. Additionally, IRS [\*Form 1042S, "Foreign Person's U.S. Source Income Subject to Withholding,"\*](#) is prepared for reporting foreign nationals gaming winnings and withholdings. These forms must be forwarded to the IRS by February 28 of the following year. Refer to [www.irs.gov](http://www.irs.gov) for preparation instructions and filing requirements.

0706 INTERNATIONAL BALANCE OF PAYMENTS (IBOP) PROGRAM

IBOP is an accounting of a country's international transactions for a particular time period. NAFIs are subject to the IBOP reporting requirements prescribed in [\*DODI 7060.03, "International Balance of Payments Program – Nonappropriated Fund Activities,"\*](#) and Volume 6A, Chapter 13.

0707 FORMAT FOR THE BALANCE SHEET

070701. Format for the Balance Sheet

The format presented in Figure 7-1 will be used for the consolidated Balance Sheet. The working versions of all statements and notes will include line numbers as shown.

070702. Instructions for the Preparation of the Balance Sheet

The Balance Sheet presents, as of a specific time, amounts of economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net worth). Individual statement crosswalks are prepared from information utilizing the Nonappropriated Fund Standard General Ledger guidance and crosswalks found in Chapter 2. Complete the heading on the form to indicate: (a) Military Service, (b) Program Group, and (c) the reporting period (month and calendar year).

070703. Line Item Instructions for Preparing the Balance Sheet

A. Current Assets

1. Cash/Investments, Line 1. This is a summary line for cash and investments. General ledger account 1110 (Cash) is a summary account that includes general ledger accounts 1111, 1112, 1113, and 1114. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1110	Cash
1120	Savings Account
1130	Marketable Securities
1140	Other Short-Term Investments

2. Receivables, Line 2. This is a summary line for all receivables. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1210	Accounts Receivable - This is a summary account that includes general ledger accounts 1211, 1212, 1213, 1214, and 1215.
1220	Deposits Receivable
1230	NAFI Receivables
1240	Returned Check Receivable
1250	Employee Receivable
1260	Accrued Interest Receivable
1270	Loans Receivable
1280	MWR USA Receivable
1290	Other Current Receivables (Specify)
1299	Allowance for Doubtful Accounts

3. Other Current Assets, Line 3. This is a summary line for all prepaid assets. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1310	Travel Advances
1320	Prepaid Contracts
1330	Prepaid Insurance
1340	Prepaid Rent
1350	Prepaid Supplies
1360	Prepaid Tax and License
1370	Other Prepaid Expenses.

4. Inventory, Line 4. This is a summary line for all inventory accounts. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1410	Inventory Warehouse/Storeroom
1420	Inventory Sales Outlet Resale Current Assets
1430	Inventory In-Transit

5. Total Current Assets, Line 5. Report the net total of line 1 through line 4.

B. Noncurrent Assets

1. NAFI-Owned Fixed Assets, Line 6. This is a summary line for all NAFI-owned fixed assets. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1510	Land Improvements
1520	Construction in Progress
1530	Buildings and Improvements

1540	Furniture and Fixtures
1550	Equipment
1560	Internal-Use Software
1570	Fixed Assets in Transit

2. Less: Accumulated Depreciation on NAFI-Owned Fixed Assets, Line 7. This is a summary line for the accumulated depreciation for all NAFI owned fixed assets. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1511	Accumulated Depreciation on Land Improvements
1531	Accumulated Depreciation on Buildings and Improvements
1541	Accumulated Depreciation on Furniture and Fixtures
1551	Accumulated Depreciation on Equipment
1561	Accumulated Amortization on Internal-Use Software

3. Net NAFI Owned Fixed Assets, Line 8. Report the net total of lines 6 and 7.

4. Government Titled Fixed Assets, Line 9. This line is for reporting fixed assets for which title has been transferred to the Government. Footnotes are required. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
1580	Buildings and Improvements-Government Titled

5. Less: Accumulated Depreciation on Government Titled Fixed Assets, Line 10. This line is for depreciation of government titled fixed assets. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
1581	Accumulated Depreciation on Buildings and Improvements Government Titled

6. Net Government Titled Fixed Assets, Line 11. Report the net total of lines 9 and 10.

7. Pension Benefit Asset, Line 12. This new general ledger account is used for reporting the difference when the Plan Assets are greater than the Plan Benefit Obligation. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
1610	Pension Benefit Asset

8. Other, Line 13. This is the summary line for all other noncurrent assets that include receivables and investments. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
1620	Long-Term Receivables
1630	Sinking Fund
1640	Long-Term Investments

9. Total Noncurrent Assets, Line 14. Report the net total of line 6 through line 13.

10. Total Assets, Line 15. Report the net total of line 5 and 14.

C. Current Liabilities

1. Accounts Payable, Line 16. This is the summary for all accounts payable. Report the balance for the following account:

<u>GL Acct #</u>	<u>Title</u>
2100	Accounts Payable

2. Post-Retirement Benefit Obligation, Line 17. This new general ledger account is used for reporting the difference when the Plan Assets are less than the Plan Benefit Obligation. The difference is classified as a current liability as determined and provided by the pension provider when the amount is due within the year. This also includes any other post-retirement benefit plan, such as retiree health care. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

2200	Post-Retirement Benefit Obligation - Current
------	--

3. Other Current Liabilities, Line 18. This is a summary line for all other current liabilities. General ledger account 2300 (Other Current Liabilities) is a summary account that includes general ledger accounts 2310, 2320, 2330, 2340, 2350, 2360, 2370, 2380, 2390, 2410, 2420, and 2430. Additionally, general ledger account 2370 (Salaries Payable) is a summary account and includes general ledger accounts 2371, 2372, 2373, 2374, 2375, 2376, and 2377.

4. Total Current Liabilities, Line 19. Report the total of lines 16 through line 18.

D. Long Term Liabilities

1. Loans Payable, Line 20. Report the amount of loans and notes that will not be paid within 12 months. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

2510	Long Term Loans Payable
------	-------------------------

2. Post-Retirement Benefit Obligation, Line 21. This new general ledger account is used when the difference of the Plan Assets are less than the Plan Benefit Obligation. The difference is classified as a long-term liability as determined and provided by the pension provider and exceeds 12 months. This also includes any other post-retirement benefit plan, such as retiree health care. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

2520	Post-Retirement Benefit Obligation – Long Term
------	--

3. Other, Line 22. This is a summary line for all other long-term liabilities. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

2530	Long Term Leases Payable
------	--------------------------

2540	Other Long Term Liabilities (Specify)
------	---------------------------------------

4. Total Long Term Liabilities, Line 23. Report the total of lines 20 through line 22.

5. Total Liabilities, Line 24. Report the total of line 19 and 23.



E. Net Worth

1. Net Worth, Line 25. Report the amount of retained earnings, net income (loss), pension adjustment, and other equity transactions, pursuant to [DoDI 1015.15, paragraph 6.4.2.](#) Report the balances of the following accounts.

<u>GL Acct #</u>	<u>Title</u>
3010	Retained Earnings
3020	Contributed Capital
3030	Minimum Pension Liability Adjustment
3040	Other Equity Transactions

2. Total Liabilities and Net Worth, Line 26. Report the total of lines 24 and 25.

## 0708 FORMAT FOR THE STATEMENT OF INCOME AND EXPENSE

## 070801. Format for the Statement of Income and Expense

The format presented in Figure 7-2 [will](#) be used for the Statement of Income and Expense.

## 070802. Instructions for the Preparation of the Statement of Income and Expense

NAF income and expense for common support functions is allocated to and reported by the benefiting categories (Category A, B, and C). Allocation procedures are the same as those used to prepare Schedule A - APF and NAF Expense Summary. Allocated or prorated management overhead is not reported below the category level. Individual statement crosswalks are prepared from information utilizing the Nonappropriated Fund Standard General Ledger guidance and crosswalks found in Chapter 2. Complete the heading on the form to indicate (a) Military Service, (b) Program Group, (c) Category, and (d) the reporting period (month and calendar year).

## 070803. Line Item Instructions for Preparing the Statement of Income and Expense

A. Sales, Line 1. This is a summary line for income from sale of goods or services less returns and allowances and discounts. Report the balances for the following accounts:

<u>GL Acct #</u>	<u>Title</u>
4010	Sales
4011	Sales Returns and Allowances
4012	Sales Discounts

B. Cost of Goods Sold, Line 2. This is a summary line for the Cost of Goods Sold calculation. Report the balances for the following accounts:

<u>GL Acct #</u>	<u>Title</u>
6010	Purchases – Resale
6011	Purchases Returns and Allowances – Resale
6012	Freight – Resale
6013	Vendor Rebates – Resale

C. Gross Margin, Line 3. Gross Margin is a calculation. The calculation is the total sales revenue minus the cost of goods sold, divided by the total sales revenue, expressed as a percentage.

D. Other Operating Income, Line 4. This is the heading for reporting Other Operating Income, as follows.

1. Participation Fees and Charges, Line 4a. Report the balances for the following accounts:

<u>GL Acct #</u>	<u>Title</u>
4020	Participation Fees and Charges
4040	Other Fee Income (Specify)
4060	Amusement Machine Income
4090	Gaming Machine Income

2. Dues and Assessments, Line 4b. Report the balance for the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

4050	Dues and Assessment Income
------	----------------------------

3. Concessionaire Income, Line 4c. Report the balance for the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

4080	Concessionaire Income
------	-----------------------

4. Other, Line 4d. Report the balances for the following accounts:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

4030	Other Service/Recreation Activity Income (Specify)
------	--

4070	Commission Income
------	-------------------

E. Total Other Operating Income, Line 5. Report the total of lines 4a, 4b, 4c and 4d.

F. Gross Operating Income, Line 6. Report the total of line 1 less line 2 plus line 5.

G. Operating Expenses, Line 7. Report the operating expenses from Schedule A, Lines 1-13. Refer to Figure 7-4. This section does not crosswalk to general ledger accounts.

H. Operating Margin, Line 8. Operating Margin is a calculation only. Report the difference in Gross Operating Income (Line 6) and Operating Expenses (Line 7).

I. Other Income, Line 9. Non-operating income (loss) consists of income/expenses that are not related to the NAFI's primary operation.

1. Dividends, Line 9a. Report the balance for the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

4130	Exchange Dividend Income
------	--------------------------

2. Grants, Line 9b. Report the balance for the following account:

<u>GL Acct #</u>	<u>Title</u>
------------------	--------------

4240	Grant Income
------	--------------

3. Other, Line 9c. Report the balances for the following accounts:

<u>GL Acct #</u>	<u>Title</u>
4110	Commercial Sponsorship Income
4120	Recyclable Material Income
4140	U.S. Department of Agriculture Income
4150	UFM Income
4160	Cash Overage
4170	Contributions and Donations
4180	Intrafund Income
4190	Interest Income
4210	Other Income (Specify)
4220	Gain on Disposition of Fixed Assets
4230	Gain on Foreign Currency

- J. Total Non-Operating Income, Line 10. Report the total of lines 9a, 9b and 9c.

- K. Other Expenses, Line 11. Report other expenses from Schedule A, Line 14. This section does not crosswalk to general ledger accounts.

- L. Net Income Before Extraordinary Items, Line 12. Report the **net** of Line 8, 10 and 11.

- M. Extraordinary Income, Line 13. Extraordinary income is income that is unusual and infrequent and is to be accorded special treatment in the accounts or separate disclosure in financial statements. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
7100	Extraordinary Income (Specify)

- N. Extraordinary Expense, Line 14. Extraordinary expenses are expenses that are unusual and infrequent and are to be accorded special treatment in the accounts or separate disclosure in financial statements. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
7200	Extraordinary Expense (Specify)
7300	Base Realignment & Closure (BRAC) and Installation Closure Expense.

- O. Net Income, Line 15. Report the net of lines 12 through 14.

#### 0709 FORMAT FOR THE RECONCILIATION OF NET WORTH

##### 070901. Format for the Reconciliation of Net Worth

The format presented in Figure 7-3 will be used for the Reconciliation of Net Worth.

##### 070902. Instructions for the Preparation of the Reconciliation of Net Worth

The Reconciliation of Net Worth presents, as of a specific time, the reconciliation of the additions and reductions of net worth. Individual statement crosswalks are prepared from information utilizing the Nonappropriated Fund Standard General Ledger guidance and crosswalks found in Chapter 2. Complete the heading on the form to indicate: (a) Military Service, (b) Program group and (c) the reporting period (month and calendar year).

##### 070903. Line Items Instructions for Preparing the Reconciliation of Net Worth

A. Line 1, Net Worth, Beginning. Report the amount of Line 25 on the Balance Sheet from the preceding year.

B. Line 2, Net Income. Report the amount of Line 15 from the Statement of Income and Expense.

C. Line 3, Grants Received. Report the balance of general ledger account 4240, Grant Income (new account) on Line 9b from the Statement of Income and Expense.

D. Line 4, Other Increases (Specify). Report the balances of general ledger accounts (as appropriate) for 3020 - Contributed Capital, 3030 - Minimum Pension Liability Adjustment, and 3040 - Other Equity Transactions. Examples of increases include donated assets, recycling contributions, prior year material corrections, change in funded status of pension and other postretirement liabilities, and funds for BRAC property.

E. Line 5, Total Additions. Report the sum of Lines 2, 3, and 4.

F. Line 6, Net Loss. Report the amount on Line 15 of the Statement of Income and Expense (if appropriate).

G. Line 7, Grants Disbursed. Report the balance of general ledger account 5430, Grants Expense from Schedule A - APF and NAF Expense Summary.

H. Line 8, Other Decreases (specify). Report the balances of general ledger accounts (as appropriate) for 3020 - Contributed Capital, 3030 - Minimum Pension Liability Adjustment, and 3040 -Other Equity Transactions. Examples of decreases include transfer of headquarters funded projects after books closed, change in funded status of pension and other postretirement benefit liabilities, net decreases in fair value of derivative instruments, annual leave transfers, asset write offs, data conversion write offs, prior period adjustments, interest distribution, dividends paid, audit adjustments, and closing facilities.

I. Line 9, Total Reductions. Report the sum of Lines 6, 7, and 8.

J. Line 10, Net Additions/Reduction to Net Worth. Report the net of Line 5 and Line 9.

K. Line 11, Net Worth, Ending. Report the sum of Line 1 and Line 10.

#### 0710 FORMAT FOR THE SCHEDULE A - APF AND NAF EXPENSE SUMMARY

071001. Format for Schedule A - APF and NAF Expense Summary

The format presented in Figure 7-4 will be used for Schedule A.

071002. Instructions for the Preparation of Schedule A

NAF expenses for common support functions are allocated to and reported by the benefiting categories (Category A, B, and C). Allocated or prorated management overhead is not reported below the category level. Individual statement crosswalks are prepared from information utilizing the Nonappropriated Fund Standard General Ledger guidance and crosswalks found in Chapter 2. Complete the heading on the form to indicate (a) Military Service, (b) the Program Group, and (c) Year Ending.

071003. Line Item Instructions for Preparing Schedule A

A. Cost Expense Captions

1. Military Personnel, Line 1. This line includes the cost of the services of active duty military personnel computed according to policy in DoDFMR Volume 7A. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5580	Appropriated Fund (APF) Payroll Expense

2. Civilian Personnel (Salaries and Wages), Line 2. This line includes the cost of the services of civilian personnel computed according to policy in DoD FMR Volume 7A. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5010	Salaries and Wages Expense
5020	Capitalized Labor Costs

3. Civilian Personnel (Services and Benefits), Line 3. This line includes the cost of services of civilian personnel paid from appropriated funds and the cost of personnel compensation and benefits, including employer costs for Civil Service Retirement System, Federal Employees Retirement System, Thrift Savings Plan, Federal Employees Group Life Insurance, and Federal Employees Group Health Insurance. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
5030	Annual Leave Expense
5040	Sick Leave Expense
5070	Foreign National (FN) Benefits Expense
5080	Other Employee Benefit Expense (Specify)

4. Utilities, Line 4. This line includes the cost of heat, light, power, water, gas, electricity, steam, and other utility services. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5450	Utilities Expense

5. Rent, Line 5. This line includes rental of equipment (except transportation equipment) and real property. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5490	Rent Expense

6. Communications, Line 6. This line includes charges for the transmission of messages from place to place, postal charges, and electronic communications (telephone and telephone installation charges, Internet, television, DSN, fax, public address systems, and other electronic media). Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
5460	Cable/Satellite Service Expense
5470	Communications Expense
5660	Internet Expense

7. Sustainment, Restoration, and Modernization (Including APF minor construction), Line 7. This line includes sustainment, restoration, and modernization of facilities and real property supplied through commercial contracts. The costs are allocated on the basis of job costing systems, using fixed charges or unit costs for specific categories of maintenance. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5250	Building and Structures Maintenance and Repair Expense

8. Supplies and Equipment, Line 8. This line includes the cost of supplies, equipment, and materials that are ordinarily consumed or expended within 2 years or used to fix property (such as repair parts). Also, includes appropriated fund software that is not capitalized. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5170	Supplies Expense
5550	Minor Property and Equipment Expense

9. Contractual Services, Line 9. This line includes the cost of services that are provided indirectly through contracts or Memoranda of Agreements (MOAs). Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5370	Contractual Expense

10. Travel of Personnel, Line 10. This line includes travel and transportation of persons when the primary purpose is to conduct NAFI business. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5240	Travel Expense



11. Transportation of Things, Line 11. This line includes expenses for the transportation of things, whether incurred through contract or use of Government resources. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5480	Freight Expense

12. Reimbursed Common Support, Line 12. This line includes expenses provided by a different Program Group and reimbursed by the benefiting Program Group as identified in [DoDI 1015.15](#), paragraph 6.1.1.1. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5380	Administrative Common Support Service

13. NAF Depreciation, Line 13. This line includes depreciation expense on NAFI capitalized tangible fixed assets, both NAFI-owned fixed assets and fixed assets to which title has been transferred to the Government. Report the balance of the following account:

<u>GL Acct #</u>	<u>Title</u>
5620	Depreciation Expense

14. All Other Expenses, Line 14. Report the balances of the following accounts:

<u>GL Acct #</u>	<u>Title</u>
5090	Spoilage, Breakage, and Obsolescence
5110	Promotion Expense
5120	Advertising Expense
5130	Child Care Food Expense
5140	Manager's Expense
5150	Sports Activities Expense
5160	Amenities Expense
5180	Laundry and Dry Cleaning Expense

5190	Tableware, Kitchenware, Linen and Uniform Expense
5210	Intra Fund Expense
5220	Professional Membership Expense
5230	Training Expense
5260	Vehicle, Boat, Aircraft Maintenance and Gas Expense
5270	Vehicle Registration Program Expense
5280	Awards and Prizes
5290	Official Hosting and Representation Expense
5310	Entertainment Expense
5320	Printing Expense
5330	Program and Brochure Expense
5340	Volunteer Service Expense
5350	Bank and Service Charge Expense
5360	Credit Card Expense
5390	401 K Administrative Surcharge Expense
5410	Claims Expense
5420	Dividend Expense
5430	Grants Expense
5440	Vending Machine Income Sharing Expense
5510	Insurance Expense
5520	Subscription and Dues
5530	Tax and License Expense

5540	Late Payment Interest Expense
5560	Franchise/Royalties Expense
5570	Audit Expense
5590	Cash Shortage
5610	Other Expense (Specify)
5630	Interest Expense
5640	Unit Allocation
5650	Lease Expense
5670	Flexible Spending Account Admin Fee
5680	Bad Debt Expense
5690	Prior Period Expense
5710	Loss on Disposition of Fixed Assets
5720	Loss on Foreign Currency

15. Total Expense, Line 15. Report the total of lines 1 through 14 for Categories A, B and C for APF and NAF.

B. Capital Expenditure Captions. This section does not crosswalk to general ledger accounts. Per Office of the Under Secretary of Defense (Personnel and Readiness), Resale Activities Division, this section must tie to the Capital Investment Summary Report as required by Enclosure 10 of [DoDI 7700.18](#).

1. Facilities and Improvements (Land and Structures), Line 16. Lines 16a and 16b include capitalized costs for tangible fixed assets, land, buildings, and other structures; additions to buildings; nonstructural improvements; and fixed equipment.

2. Equipment (Investment type), Line 17. This line includes all other capitalized tangible fixed assets not included in [DoDI 1015.15](#), paragraph E7.2.3.

3. Total Costs (less depreciation), Line 18. Report the total for lines 16.a, 16.b, and 17 for Capital Expenditures.

## 0711 FORMAT FOR THE STATEMENT OF CASH FLOW

## 071101. Format for the Statement of Cash Flow

The format presented in Figure 7-5 will be used to prepare the Statement of Cash Flow.

## 071102. Instructions for the Preparation of the Statement of Cash Flow

The Statement of Cash Flow discloses the gross cash receipts and cash payments with an explanation of the changes in cash or cash equivalents for the reporting period. Individual statement crosswalks are prepared from information utilizing the Nonappropriated Fund Standard General Ledger guidance and crosswalks found in Chapter 2. Complete the heading on the form to indicate: (a) Military Service, (b) Program Group, and (c) Period Ending.

## 071103. Line Item Instructions for Preparing the Statement of Cash Flow

A. Operating Activities: Net Income, Line 1. This amount comes from the Line 8, Operating Margin from the Statement of Income and Expenses.

B. Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities

1. Depreciation and Amortization, Line 2. The Depreciation and Amortization expenses are not paid in cash and require a positive adjustment to the net cash flow from operations. This amount comes from Line 13, Schedule A - APF and NAF Expense Summary.

2. Loss on Disposal of Fixed Assets, Line 3. A loss on disposal of fixed assets requires a positive adjustment to the net cash flow from operations. This amount comes from Line 14, Schedule A - APF and NAF Expense Summary and specifically identified as [a](#) Loss on Disposition of Fixed Assets (general ledger account number 5710).

3. Decrease (Increase) in Accounts Receivable, Line 4. The change in accounts receivable balances between the end of the preceding and current fiscal year comes from Line 2 on the Balance Sheet. A decrease in Accounts Receivable balances adds to the cash balance. An increase in Accounts Receivable reduces the cash balance.

4. Decrease (Increase) in Inventories, Line 5. The change in inventory balances between the end of the preceding and current fiscal year comes from Line 4 on the Balance Sheet. A decrease in Inventory balances adds to the cash balance. An increase in Inventory balances reduces the cash balance.

5. Decrease (Increase) in Prepaid Expenses, Line 6. The change in prepaid expense balances between the end of the preceding and current fiscal year comes from Line 3 (Other Current Assets) on the Balance Sheet. A decrease in prepaid expense balances adds to the cash balance. An increase in prepaid expense balances reduces the cash balance.

6. Increase (Decrease) in Accounts Payable, Line 7. The change in accounts payable balances between the end of the preceding and current fiscal years comes from Line 16 on the Balance Sheet. An increase in accounts payable balances adds to the cash balance. A decrease in accounts payable balances reduces the cash balance.

7. Increase (Decrease) in Unearned Income, Line 8. The change in unearned revenue balances between the end of the preceding and current fiscal years comes from Balance Sheet Line 18, Other Current Liabilities, specifically, general ledger accounts UFM Unearned Revenue (2380) and Unearned Revenue (2390). An increase in unearned revenue balances adds to the cash balance. A decrease in unearned revenue balances reduces the cash balance.

8. Increase (Decrease) in Other Current Liabilities, Line 9. The change in other current liabilities balances between the end of the preceding and current fiscal years comes from Balance Sheet Line 18 less general ledger account Other Liabilities (2430) less Line 8 on the Statement of Cash Flow. An increase in other current liabilities balances adds to the cash balance. A decrease in other current liabilities balances reduces the cash balance.

9. Other Liabilities (specify), Line 10. The change in other liabilities (specify) balances between the end of the preceding and current fiscal years comes from Balance Sheet Line 18, specifically general ledger account 2430, Other Liabilities (Specify). An increase in other liabilities balances adds to the cash balance. A decrease in other liabilities balances reduces the cash balance.

10. Total Adjustments, Line 11. Total adjustments are the sum of Lines 2 through 10.

11. Net Cash Provided by (Used in) Operating Activities, Line 12. The net cash provided by (used in) operating activities is the total of line 1 and 11.

C. Investing Activities. Investing activities include acquiring and disposing of debt or property, plant, and equipment and other productive assets that are used in the production of goods or services.

1. Purchase of Fixed Assets, Line 13. Amounts disbursed for the purchase of property, plant, and equipment that reduce the cash balance and amounts disbursed for minor construction.

2. Proceeds from the Sale of Fixed Assets, Line 14. The collections or proceeds from the sale of surplus property, plant, and equipment that increase the cash balance.

3. Other (Specify), Line 15. The net amounts of other collections or disbursements associated with the purchase and sale of other investments. Identify the nature of each investment purchased and sold.

4. Net Cash Used in Investing Activities, Line 16. The net cash used in investing is the sum of Lines 13 through 15.

D. Financing Activities. Financing Activities include proceeds from banks and grants or disbursements to banks, individuals, businesses for amounts owed or payment of dividends.

1. Net Borrowing (specify), Line 17. The cash proceeds borrowed from the bank or cash disbursed to the banks for loans.

2. Payment of Dividends, Line 18. The cash disbursed for dividends.

3. Capital Grants, Line 19. The cash proceeds from grants.

4. Net Proceeds from (Payments on) Other Long-Term Liabilities-Other (specify), Line 20. The cash disbursed on other long term liabilities.

E. Net Cash Provided By (Used In) Financing Activities, Line 21. The net cash provided (used in) financing activities is the sum of Lines 17 through 20.

F. Net Decrease/Increase in Cash and Cash Equivalents, Line 22. The sum of net cash provided (used) in operating, investing, and financing activities is the sum of Lines 12, 16, and 21.

G. Cash and Cash Equivalents at Beginning of Year, Line 23. The balances for cash and cash equivalents are the sum of account balances at the beginning of the fiscal year.

H. Cash and Cash Equivalents at End of Year, Line 24. The cash and cash equivalent balances at year end should equal the net of lines 22 and 23 and should agree with Line 1 on the Balance Sheet.

Figure 7-1 Balance Sheet

MILITARY SERVICE: _____
PROGRAM GROUP: _____
AS OF: _____
(\$ in thousands)
<b><u>ASSETS</u></b>
Current Assets
Cash/Investments (Line 1)
Receivables (Line 2)
Other Current Assets (Line 3)
Inventories (Line 4)
Total Current Assets (Line 5)
Noncurrent Assets
NAFI-Owned Fixed Assets (Line 6)
Less: Accumulated Depreciation (Line 7)
Net NAFI-Owned Fixed Assets (Line 8)
Government Titled Fixed Assets (Line 9)
Less: Accumulated Depreciation (Line 10)
Net Government Titled Fixed Assets (Line 11)
Pension Benefit Asset (Line 12)
Other (Line 13)
Total Noncurrent Assets (Line 14)
Total Assets (Line 15)
<b><u>LIABILITIES and NET WORTH</u></b>
Current Liabilities
Accounts Payable (Line 16)
Post-Retirement Benefit Obligation (Line 17)
Other Current Liabilities (Line 18)
Total Current Liabilities (Line 19)
Long Term Liabilities
Loans Payable (Line 20)
Post Retirement Benefit Obligation (Line 21)
Other (Line 22)
Total Long Term Liabilities (Line 23)
Total Liabilities (Line 24)
Net Worth (Line 25)
Total Liabilities and Net Worth (Line 26)

Figure 7-2 Statement of Income and Expense

MILITARY SERVICE: \_\_\_\_\_  
 PROGRAM GROUP: \_\_\_\_\_  
 CATEGORY: \_\_\_\_\_  
 FOR THE YEAR ENDING: \_\_\_\_\_

	<u>Current Year</u>	<u>Prior Year</u>
	Percent	Percent
	<u>Amount of Revenue</u>	<u>Amount of Revenue</u>
Sales (Line 1)		
Cost of Goods Sold (Line 2)		
Gross Margin (Line 3)		
Other Operating Income (Line 4)		
Participation Fees and Charges		
Dues and Assessments		
Concessionaire Income		
Other		
Total Other Operating Income (Line 5)		
GROSS OPERATING INCOME (Line 6)		
Operating Expenses (Schedule A) (Line 7)		
OPERATING MARGIN (Line 8)		
Other Income (Line 9)		
Dividends		
Grants – net		
Other		
Total Non-Operating Income (Line 10)		
Other Expense (Schedule A) (Line 11)		
NET INCOME BEFORE		
EXTRAORDINARY ITEMS (Line 12)		
Extraordinary Income (Line 13)		
Extraordinary Expense (Schedule A) (Line 14)		
NET INCOME (Line 15)		



Figure 7-3 Reconciliation of Net Worth

MILITARY SERVICE: \_\_\_\_\_  
PROGRAM GROUP: \_\_\_\_\_  
AS OF: \_\_\_\_\_

(\$ in thousands)

Net Worth, Beginning: (Line 1)

Additions to Net Worth:

Net Income (Line 2)

Grants Received (Line 3)

Other Increases (specify) (Line 4)

Total Additions (Line 5)

Reductions to Net Worth:

Net Loss (Line 6)

Grants Disbursed (Line 7)

Other Decreases (specify) (Line 8)

Total Reductions (Line 9)

Net Additions/Reductions to Net Worth (Line 10)

Net Worth, Ending (Line 11)

Figure 7-4 Schedule A - APF and NAF Expense Summary

MILITARY SERVICE: \_\_\_\_\_  
 PROGRAM GROUP: \_\_\_\_\_  
 FOR YEAR ENDING: \_\_\_\_\_

(\$ in thousands)

<u>Cost Expense Captions</u>	<u>Category A</u>		<u>Category B</u>		<u>Category C</u>		<u>TOTAL</u>	
	APF	NAF	APF	NAF	APF	NAF	APF	NAF
Military Personnel (Line 1)								
Civilian Personnel (Line 2)								
(Salaries and Wages)								
Civilian Personnel (Line 3)								
(Services and Benefits)								
Utilities (Line 4)								
Rent (Line 5)								
Communications (Line 6)								
Sustainment, Restoration and Modernization (Line 7)								
(including APF minor construction)								
Supplies and Equipment (Line 8)								
Contractual Services (Line 9)								
Travel of Personnel (Line 10)								
Transportation of Things (Line 11)								
Reimbursed Common Support (Line 12)								
NAF Depreciation (Line 13)								
All Other Expenses (Line 14)								
TOTAL EXPENSE (Line 15)								
<u>Capital Expenditures Captions</u>								
Facilities and Improvements (Land and Structures) (Line 16)								
APF (MILCON)								
NAF								
Equipment (Investment type) (Line 17)								
TOTAL COSTS (less depreciation) (Line 18)								

Figure 7-5 Statement of Cash Flow

	<u>Current Year</u>	<u>Prior Year</u>
MILITARY SERVICE: _____		
PROGRAM GROUP: _____		
FOR THE PERIOD ENDING: _____		
Operating Activities: Net Income (Line 1)		
Adjustments to Reconcile Net Income to Net Cash Provided by		
Operating Activities:		
Depreciation and Amortization (Line 2)		
Loss on Disposal of Fixed Assets (Line 3)		
Changes in Assets and Liabilities		
Decrease (Increase) in Accounts Receivable (Line 4)		
Decrease (Increase) in Inventories (Line 5)		
Decrease (Increase) in Prepaid Expenses (Line 6)		
Increase (Decrease) in Accounts Payable (Line 7)		
Increase (Decrease) in Unearned Income (Line 8)		
Increase (Decrease) in Other Current Liabilities (Line 9)		
Other Liabilities (specify) (Line 10)		
Total Adjustments (Line 11)		
Net Cash Provided by (Used in) Operating Activities (Line 12)		
Investing Activities:		
Purchase of Fixed Assets (Line 13)		
Proceeds from the Sale of Fixed Assets (Line 14)		
Other (specify) (Line 15)		
Net Cash Used in Investing Activities (Line 16)		
Financing Activities:		
Net Borrowing (specify) (Line 17)		
Payment of Dividends (Line 18)		
Capital Grants (Line 19)		
Net Proceeds from (Payments on) Other Long-Term Liabilities		
Other (specify) (Line 20)		
Net Cash Provided by (Used in) Financing Activities (Line 21)		
Net Decrease/Increase in Cash and Cash Equivalents (Line 22)		
Cash and Cash Equivalents at Beginning of Year (Line 23)		
Cash and Cash Equivalents at End of Year (Line 24)		