

**SUMMARY OF MAJOR CHANGES TO  
DOD 7000.14-R, VOLUME 6B, CHAPTER 12  
“REQUIRED SUPPLEMENTARY INFORMATION”**

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

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

Hyperlinks are denoted by *underlined, bold italic fonts*.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
120302	Deleted paragraph	Update
120304	Reworded and aligned reporting with DoD FMR Volume 6A, Chapter 14, Depot Maintenance Report.	Update
Table 12-2	Reformatted existing table and replaced with Military Equipment Deferred Maintenance Table.	Update
120401A, B, and C	Based on <u><i>Statement of Federal Financial Accounting Standards (SFFAS) No. 29</i></u> , “Heritage Assets and Stewardship Land.	Update
120402	All renumbered to paragraph 120401B.	Update
Tables 12-2-3 and 12-2-4	Deleted Tables. Based on <u><i>Statement of Federal Financial Accounting Standards (SFFAS) No. 29</i></u> , “Heritage Assets and Stewardship Land.	Delete

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## CHAPTER 12

**REQUIRED SUPPLEMENTARY INFORMATION**1201 OVERVIEW

120101. Purpose. This chapter provides the Department of Defense (DoD) guidance and instructions for preparing and reporting “Required Supplementary Information” (RSI).

120102. Scope. All federal agencies are required to report RSI. Certain information has been designated as RSI and is defined in the [\*Office of Management and Budget \(OMB\) Circular A-136, Financial Reporting Requirements.\*](#)

1202 DISAGGREGATED STATEMENT OF BUDGETARY RESOURCES (SBR). The Disaggregated SBR shall be prepared and reported as RSI. The format of the Disaggregated SBR shall follow the format contained in [\*Chapter 7\*](#) of this volume. The OMB allows reporting entities to aggregate smaller budget accounts for purposes of the RSI Disaggregated SBR reporting. The DoD has elected to aggregate smaller budget accounts within an account grouping titled "Other Accounts." The major account groupings and the aggregate of smaller budget accounts shall, in total, agree with the amounts reported on the face of the reporting entity's SBR. The DoD Agency-wide SBR shall be disaggregated into the following appropriation/fund account groupings: (1) Military Retirement Fund; (2) Medicare-Eligible Retiree Health Care Fund; (3) Research, Development, Test, and Evaluation; (4) Civil Works; (5) Operation and Maintenance; (6) Procurement; (7) Military Personnel; (8) Military Construction/Family Housing; (9) Working Capital Funds and (10) Other Accounts.

1203 DEFERRED MAINTENANCE AND REPAIR

★ 120301. The Department is required to report in its annual financial statements material amounts of deferred maintenance and repair on property, plant and equipment (PP&E). See [\*Volume 4, Chapter 6 \(Property, Plant and Equipment\)\*](#) of this Regulation for additional information. This reporting requirement is prescribed in the [\*Statement of Federal Financial Accounting Standards \(SFFAS\) No. 6 “Accounting for Property, Plant and Equipment”\*](#) and [\*SFFAS No. 14, “Amendments to Deferred Maintenance Reporting.”\*](#) “Deferred maintenance is maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period.” SFFAS No. 6 as amended by SFFAS No. 14 requires that deferred maintenance information be included as RSI. It is important to note that footnote 58 cited in paragraph 78 of *SFFAS No. 6* provides that “Acceptable services and condition may vary both between entities and among sites within the same entity. Management shall determine what level of service and condition is acceptable.” Determination of acceptable condition affects the amount of deferred maintenance. In some cases, such as heritage assets and stewardship land, management may determine that maintenance is not needed. In that case, deferred maintenance would not exist. For General PP&, the following deferred maintenance information shall be reported as RSI:

A. Identification of each asset class for which maintenance was deferred.

B. The method of measuring deferred maintenance for each major class of PP&E is described in Volume 6A, Chapter 14 (Depot Maintenance Reporting) of this regulation and the Facility Quality (O )Rating Guidance. SFFAS No. 6 and 14 provide detailed guidance on the extent of the disclosures required by the condition assessment survey and the total life-cycle cost methods. Financial statement preparers are encouraged to refer to SFFAS No. 6 and 14 for additional information. .

120303. Reporting on Real Property Deferred Maintenance and Repair. The DoD Components shall report the amount of deferred maintenance and repair costs for real property assets (Table 12-1, Real Property Deferred Maintenance and Repair). These costs shall include deferred maintenance and repair on multi-use Heritage Assets. If a DoD Component does not have any material deferred maintenance and repair amounts for real property, then the table may be replaced by a brief statement disclosing that fact.

A. Multi-Use Heritage Assets Deferred Maintenance and Repair. Multi-use Heritage Assets are Heritage Assets that not only have historical, cultural or architectural significance but are also used for general Government operations. Include a comment in the narrative statement if deferred maintenance amounts for multi-use Heritage Assets are included in the buildings and structures property types.

B. Real Property Deferred Maintenance and Repair. The real property deferred maintenance and repair amounts disclosed in Table 12-1 as follows.

Table 12-1 Real Property Deferred Maintenance and Repair For Fiscal Year Ended September 30, XXXX (In Millions of Dollars)			
Property Type	Current Fiscal Year (CFY)		
	1. Plant Replacement Value	2. Required Work (Deferred Maintenance & Repair)	3. Percentage
1. Category 1: Buildings, Structures, and Utilities (Enduring Facilities)	\$ \$\$\$	\$ \$\$\$	%
2. Category 2: Buildings, Structures, and Utilities (Excess Facilities or Planned for Replacement)	\$ \$\$\$	\$ \$\$\$	%
3. Category 3: Buildings, Structures, and Utilities (Heritage assets)	\$ \$\$\$	\$ \$\$\$	%
<u>Narrative Statement:</u> _____			

1. Column 1. Enter the aggregate plant replacement value (PRV) of all facilities (buildings, structures, and utilities) in the reportable inventory. The reportable inventory shall consist of all facilities in which DoD has ownership interest under the control of the reporting component for each category of facilities described below.

2. Column 2. Using the reported Quality-rating (Q-rating), value between 0-100, for each facility at the end of the reporting period, enter the aggregate value of all required work to bring all facilities in the reportable inventory to acceptable operating condition. Q-rating is a real property inventory data field that captures the condition index for each facility. The condition index is a measure of a constructed asset's condition at a specific point in time with respect to physical condition. "Requirements" in the numerator below is the total of all current deferred maintenance and repair work needed to correct existing facility deficiencies. For each facility, the Q-rating is represented by the formula:

$$Q = \frac{1 - (\text{Requirements})}{PRV} \times 100$$

3. Column 3. Divide the value in column 2 by the value in column 1 to reflect the deferred maintenance and repair as a percent of the total PRV.

4. Row 1. Category 1 facilities: enduring facilities required to support an ongoing mission including multi-use Heritage Assets.

5. Row 2. Category 2 facilities: facilities excess to requirements, or planned for replacement or disposal including multi-use Heritage Assets.

6. Row 3. Category 3 facilities: heritage assets (building and structure).

C. Condition Assessment Survey Method. A narrative statement shall be included with the table to explain:

1. The method used to assess facility condition and establish facility Q-ratings.
2. Any changes to the method that may have taken place since the last report.

120304. Reporting on Military Equipment Deferred Maintenance. The Military Departments shall use the format in Table 12-2 to report material amounts of deferred maintenance on military equipment. The deferred maintenance amounts reported in the Budget Exhibit Operations (OP) Depot Maintenance (30) that accompanied the most recent President's Budget shall be used as the basis to identify and report amounts in the Military Equipment Deferred Maintenance column of Table 12.2.

Table 12-2 Military Equipment Deferred Maintenance			
For Fiscal Year Ended September 30, XXXX			
(In Millions of Dollars)			
Major Categories	OP30 Amounts	Adjustments*	Totals
1. Aircraft			
2. Automotive Equipment			
3. Combat Vehicles			
4. Construction Equipment			
5. Electronics and Communications Systems			
6. Missiles			
7. Ships			
8. Ordnance Weapons and Munitions			
9. General Purpose Equipment			
10. All Other Items Not Identified to above Categories			
Total			
Narrative Statement:			
*Narrative statement required			

A. The amounts reflected in the Budget Exhibit OP-30 are reported by using a more detailed Work Breakdown Structure (WBS), rather than the high level WBS reflected in Table 12-2. Such amounts shall be aggregated to reflect the major, single digit WBS Codes contained in Volume 6A, Chapter 14 (Depot Maintenance Reporting) of this regulation.

B. Military Departments shall include the amounts reported in the Budget Exhibit OP-30 for their respective Guard or Reserve Components.

C. Material amounts of deferred maintenance beyond the scope of the OP-30 Budget Exhibit, may exist and warrant reporting. These amounts will be reported in the “Adjustments” column in Table 12-2 and discussed in the narrative statement. Examples of potential reporting instances include, but are not limited to, the following:

1. Supplemental appropriations
2. An extended work stoppage in a maintenance facility for which no work around or alternate source of repair is identified.
3. Unfunded depot or field maintenance work contracted under Interim Contractor Support (ICS), Contractor Logistics Support (CLS), or a similar contract.

D. If an amount of non OP-30 deferred maintenance is identified in the “Adjustments” column in Table 12-2, it shall be explained in the narrative by describing the nature, dollar value, and subcategory of each non OP-30 amount.

E. The table should include a narrative statement explaining the method used to value the deferred maintenance amounts and any changes that may have taken place.

#### 1204 HERITAGE ASSETS AND STEWARDSHIP LAND CONDITION INFORMATION

★ 120401. General. SFFAS No. 29 reclassified all heritage assets and stewardship land information as basic information except for condition information which is reported as RSI.

A. Basic Information. Stewardship PP&E, also referred to as stewardship assets, is PP&E owned by the Federal Government and includes heritage assets and stewardship land. Refer to Volume 4, Chapter 6 and Volume 6B, Chapter 10 of this regulation for additional information on stewardship PP&E.

B. Condition Information. Condition refers to the physical state of an asset. The condition of an asset is based on an evaluation of the physical status/state of an asset, its ability to perform as planned, and its continued usefulness. Evaluating an asset's condition requires knowledge of the asset, its performance capacity and its actual ability to perform, and expectations for its continued performance. The condition of a long lived asset is affected by its durability, the quality of its design and construction, its use, the adequacy of maintenance that has been performed, and many other factors, including: accidents (an unforeseen and unplanned or unexpected event of circumstances), catastrophes (a tragic event), disasters (a sudden calamitous event bringing great damage, loss, or destruction), and obsolescence.

1. Narrative information pertaining to the condition of the heritage assets. The measurement of condition is general in nature and should be based on the assessment of heritage assets taken as a whole rather than each category of assets separately. The criteria used to establish the condition should be explained in detail. The discussion may, for example, provide information on whether the condition of the assets is generally improving or deteriorating. In addition, the DoD Components should disclose, and provide comment, if significant condition deficiencies have been identified. The condition of heritage assets shall reflect similar categories for heritage assets reported in the basic financial statements

2. Narrative information pertaining to the condition of the stewardship land shall reflect similar categories for stewardship land reported in the basic financial statements.