

DEFENSE COMMISSARY AGENCY  
(DECA)  
OPERATING AND CAPITAL BUDGET



Fiscal Year (FY) 2025 Budget Estimates  
February 2024

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Defense Commissary Agency  
DeCA WORKING CAPITAL FUND  
EXECUTIVE SUMMARY  
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## OVERVIEW

The Defense Commissary Agency's (DeCA) mission is to deliver a vital benefit of the military compensation package that improves quality of life and readiness by providing grocery items at significant savings. It is DeCA's vision to be THE grocery provider of choice for our eligible patrons – delivering a vital benefit exclusively for our military community and their families. DeCA's values are captured in the acronym "PASSION" (we **P**ursue excellence, we are **A**ccountable to our patrons and workforce, we demonstrate a **S**pirit of commitment and urgency, we maintain relevant and high **S**tandards, we **I**nstill trust and confidence, we take **O**wnership of our performance and behavior, and we are **N**ecessary to improve quality of life for the military family). These are foundational and guiding principles as we deliver the Commissary benefit and they inspire us to make the right decisions as well as define our culture. Our commitment to delivering the commissary benefit encompasses:

- Value
- Convenience
- Products needed
- Clean and safe stores
- Premier customer service and
- A great shopping experience

DeCA has the responsibility to ensure that the commissary benefit is available to all eligible patrons so that they may take advantage of the significant savings offered. It is our intent to meet and or exceed our patrons' evolving expectations while operating as efficient as possible while we deliver this vital benefit in a way that optimizes the funding that is received.

## I. OPERATING AND CAPITAL BUDGETS

DeCA's budget includes three activities: Commissary Resale Stocks, Commissary Operations, and Surcharge Collections Trust Fund. Resale Stocks and Commissary Operations are managed in the DeCA working capital fund (WCF) (97X4930.004) while the Surcharge Collections account is managed through a separate trust revolving fund (97X8164).

The **Resale Stocks** business activity collects revenues from product sales in our commissary stores. Contract Authority provides the budget authority to replenish Resale Stocks and is based on annual sales projections in the most recent President's Budget.

The **Commissary Operations** business activity finances the operating costs of commissaries, headquarters operations, and field operating activities. The primary revenue source for this activity group is a direct appropriation. For FY 2025, DeCA's direct appropriation is \$1,570.2 million. Specific costs include civilian and military labor, labor contracts, transportation of commissary goods overseas, and other general and administrative support. Commissary Operations also receives limited additional revenues from manufacturers' coupon redemption fees, Military Star Card, and reimbursements for other support. These collections generate Reimbursable Authority within the business activity.

DeCA's **Surcharge Collections Trust Fund** is primarily financed by the five percent surcharge applied to patron sales. The fund also derives revenue from prompt payment discounts to vendor, sale of recycled cardboard and plastic, and a return on the sale of used surcharge-purchased equipment when replaced in the stores. The surcharge revenue pays for sustainment, modernization and replacement of store-level construction, maintenance/repair, and equipment (including store level IT equipment).

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**II. WORKLOAD ASSUMPTIONS**

The annual sales forecast for FY 2025 is \$4,874.7 million. Sales are the foremost driving factor in determining DeCA’s workload. We establish our sales projections based on factors such as the number of authorized patrons, the number and location of commissaries, distribution systems, operating hours and days and other factors that impact similar retail operations.

a. **Patrons:** The DeCA patron base includes approximately 8.3 million households and nearly 70 million customer transactions annually. Authorized commissary patrons include active duty military members, Guard and Reserve component members, retired personnel and their families, 100 percent disabled veterans, Medal of Honor recipients, specified other military services organizations and activities, DeCA employees and DoD civilians stationed on installations in overseas areas. In addition, as of January 2020, DeCA’s patron base expanded to include veterans with all levels of service-connected disabilities, Purple Heart recipients, former Prisoners of War and veteran caregivers registered in the official VA caregiver program.

b. **Organization:** The DeCA will begin FY 2025 with 235 commissaries, five Commissary and Exchange operations located overseas (NexMarts), eight distribution centers, and a meat processing plant located Overseas.

c. **Location:** DeCA’s headquarters is located at Fort Gregg-Adams, VA and operates a worldwide commissary system throughout the United States and in 13 countries.

d. **Hours of Operations:** Sales, patron demographics, and local installation needs, (which include consideration of families’ needs during extended deployments) determine commissary operating hours and days of operation.

e. **Workforce:** In FY 2025, DeCA projects a full-time equivalent (FTE) level of 12,615. The DeCA uses a mix of full-time and part-time employees to provide scheduling flexibility required by commissaries. Military personnel strength level for FY 2025 is four.

<b>Full-time Equivalents (FTEs)</b>	<b>FY24</b>	<b>FY25</b>
Civilian FTEs	12,615	12,615
Direct Hire - US	11,030	11,030
Direct Hire - FN	537	538
Indirect Hire - FN	1,048	1,047
Military FTEs	4	4

f. **Sales:** Sales projections reflect historical and demographic data, sales days, tobacco sales, new store openings, and, outreach programs for onsite visits to Guard and Reserve locations, and the economics of the Commissary customer base.

**III. HIGHLIGHTS**

The DeCA embodies a culture of efficiency, strength, relevancy and resiliency. It is a priority to continually seek to be good stewards of the taxpayer dollar while providing an exclusive benefit to the most deserving group of patrons. In FY 2025, DeCA aims to reaffirm our commitment to premier customer service, providing items that our patrons want and need, and delivering on the mandated 25% savings. To achieve success, DeCA’s clear and intentional vision is fully

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supported by a defined Game Plan 2.0 with refreshed lines of efforts (LOE) that identify specific measures to achieve desired outcomes. These LOEs will create positive change, offer more opportunities for our eligible patrons, improve our patron's shopping experience and strengthen the delivery of the benefit.

Remaining laser focused on our Game Plan 2.0 while maintaining our transformational momentum along with operational excellence will provide the foundation for success and propel DeCA forward as THE grocery provider of choice to our soldiers, their families and other authorized shoppers.

"Your Commissary, it is worth the trip!"

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Defense Commissary Agency  
Working Capital Fund  
Commissary Operations  
Fiscal Year (FY) 2025 Budget Estimates  
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**FUNCTIONAL DESCRIPTION**

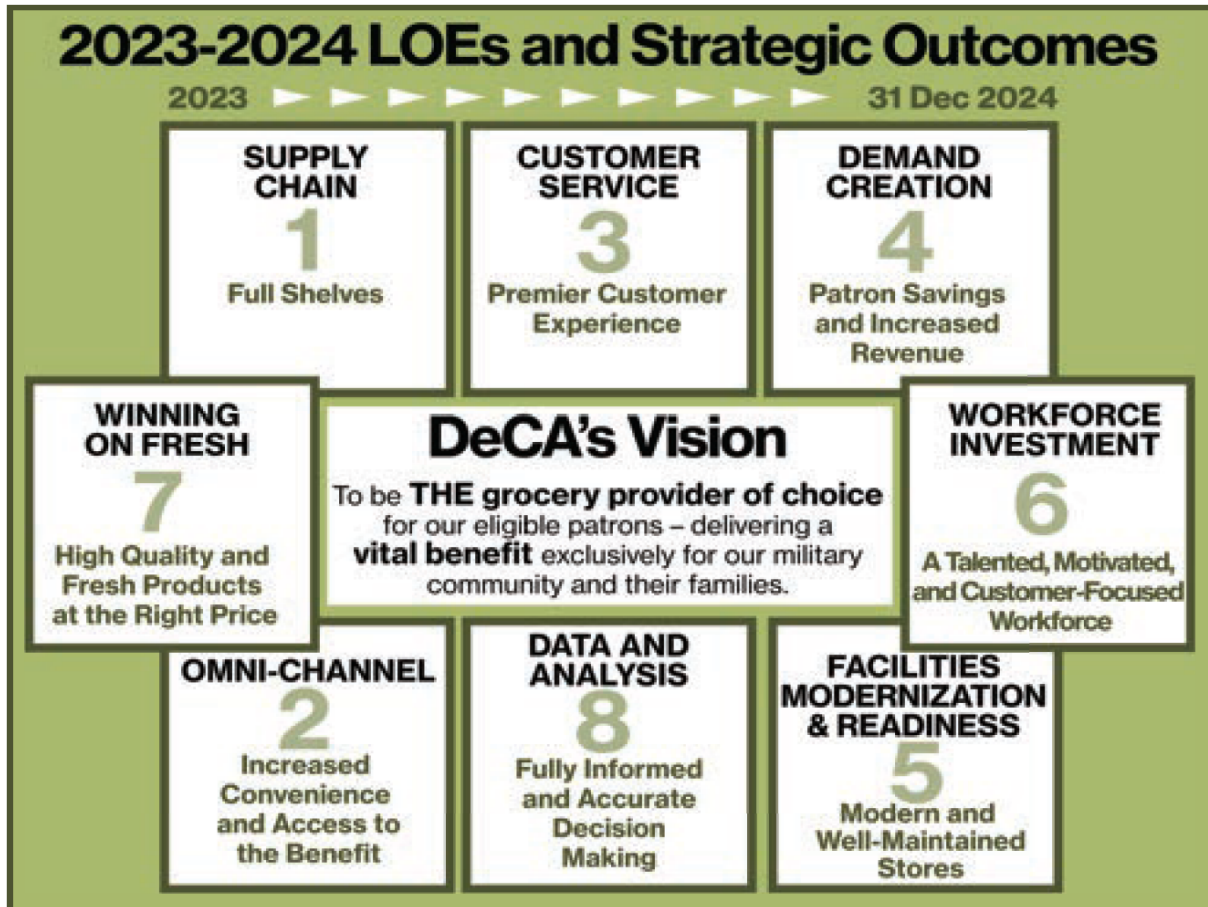
The DeCA Working Capital Fund (WCF) Commissary Operations activity provides appropriated resources for personnel costs, headquarters and administrative costs and other operating support costs associated with the 235 commissaries, along with eight distribution centers and a meat processing plant located overseas. In addition, DeCA supports five joint Commissary and Exchange operations (NEXMARTS) located overseas. Commissary Store Operations is divided into five area groups with a dedicated area director who assists commissary stores to respond quickly to patron needs and installation command requirements. Overall DeCA oversight is provided by representatives from each of the Military Services who serve on the DeCA Board of Directors. The Board conducts meetings two times a year to review and approve performance and financial information, the status of construction projects, and proposed changes to operations.

The primary cost categories for the DeCA WCF are labor, both continental U.S. and foreign national civilian personnel, commercial service contracts, second destination transportation for inventory products shipped overseas, utilities, and miscellaneous store supplies. The DeCA also pays DoD service providers such as the Defense Finance and Accounting Service (DFAS), the Defense Information Systems Agency (DISA), the U.S. Transportation Command (USTRANSCOM), and base operations support at installations worldwide where commissary stores are located.

A direct appropriation of \$1,570.2 million in FY 2025 provides DeCA's commissary operations funds. The appropriation supports providing patrons access to fully-stocked shelves of high-quality products in a clean and safe facility that offers exceptional customer service each and every day. In addition to the appropriation, other revenue of approximately \$22.9 million is generated through sources such as fees paid by the grocery industry for redemption of manufacturers' coupons and revenue from the use of the AAFES military star card. Provisions of the Status of Forces agreements with Korea and Japan provide labor burden sharing costs in the operation of commissary stores in those countries.

**STRATEGIC DIRECTION:**

DeCA's current vision clearly identifies the intended strategic direction for the Agency to ensure that we deliver one of the most valued benefits to our most deserving patrons. The path forward is "to be THE grocery provider of choice for our eligible patrons" which is fully supported by intentional actions defined as lines of effort (LOE). While not all inclusive, there are primary LOEs that will result in improving how we deliver the benefit. See the table below for a description of each LOE and its outcome.



**CASH MANAGEMENT:**

**Upper and Lower Operating Ranges:** The upper and lower operating ranges are reflective of the highest and lowest cash balance points during the fiscal year. Cash balance estimates are based on historical rates of disbursement in comparison to funding levels.

**Rate of Disbursement:** The rate of disbursement was calculated using the average amount disbursed between collection cycles. It is calculated by dividing the total amount of disbursements planned for the year by the number of collection cycles planned for the year.

**Range of Operation:** The range of operation is the delta between the upper and lower estimates of the operating range based on budget assumptions and past experience. We have reviewed historical trends, changes in operation, and the AOR to estimate future cash flows and balances.

**Risk Mitigation:** Is the amount we have determined that is required to mitigate any upward adjustments for known requirements, contingencies, contract adjustments, and operational changes.

**Reserves:** Reserves requirements include funding for the liquidation of unexpended appropriations, the liquidations of unpaid obligations, and planned capital investments.

**Total Disbursements:** Disbursement figures for the prior year are actuals. Disbursement figures for FY24 are actuals up to the point that actuals are known. Where actuals are not yet known, an estimate is entered based on historical disbursement data based on our level of funding.

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 Working Capital Fund  
 Commissary Operations  
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**FY23 Baseline:**

-Disbursements and collections for FY23 are actuals, and in accordance with the figures shown on the September 2023 SF133.

**Changes from FY23 to FY24:**

-Total disbursements changed based on historical disbursement data based on our level of funding.  
 -The Upper and Lower Operating Range is based on historical rates of disbursement in comparison to funding levels and transfers in from Resale.

**Changes from FY24 to FY25:**

-Total disbursements changed based on historical disbursement data based on our level of funding.  
 -The Upper and Lower Operating Range is based on historical rates of disbursement in comparison to funding levels and transfers in from Resale.

**BUDGET HIGHLIGHTS:**

Commissary Operations is primarily funded by an annual appropriation. The below table provides the amount of appropriation provided in DeCA's budget:

DeCA Appropriation (\$Millions)	FY2023	FY2024 <sup>1</sup>	FY2025
Total Appropriation	1,421.0	1,421.0	1,570.2

<sup>1</sup> A full-year FY 2024 appropriation for this account was not enacted at the time the budget was prepared, therefore, the budget assumes the account is operating under the Further Continuing Appropriations and Other Extensions, 2024 (Public Law 118-22). The amounts included for FY 2024 reflect the annualized level provided by the continuing resolution.

Defense Commissary Agency  
Working Capital Fund  
Commissary Operations  
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<b>Summary Overview</b>	<b>FY23 (\$K)</b>	<b>FY24 (\$K)</b>	<b>FY25 (\$K)</b>
<b>Revenue</b>	1,433,811.1	1,467,718.7	1,593,107.0
<b>Cost</b>	1,402,512.0	1,590,068.5	1,611,770.3
<b>NOR</b>	(31,299.1)	(17,049.8)	0.0
<b>AOR</b>	17,049.8	0.0	0.0
<b>Cash Collections</b>	12,788.1	20,106.7	22,920.0
<b>Appropriations<sup>1</sup></b>	1,421,023.0	1,421,023.0	1,570,187.0
<b>Disbursements</b>	1,395,882.6	1,481,181.0	1,610,700.0
<b>Transfers</b>	0.0	0.0	0.0
<b>Net Outlays</b>	(37,928.5)	13,462.3	17,600.0
<b>Ending Cash</b>	358,608.1	345,100.0	327,500.0
<b>Civilian FTEs</b>	12,612.0	12,615.0	12,615.0
<b>Military End Strength</b>	4.0	4.0	4.0
<b>Average Military Strength</b>	4.0	4.0	4.0
<b>Capital Program Authority</b>	13,063.1	23,852.7	33,186.2
<b>Estimated Annual Capital Cash Outlays</b>	3,287.3	3,382.0	3,664.0

1 A full-year FY 2024 appropriation for this account was not enacted at the time the budget was prepared, therefore, the budget assumes the account is operating under the Further Continuing Appropriations and Other Extensions, 2024 (Public Law 118-22). The amounts included for FY 2024 reflect the annualized level provided by the continuing resolution.

Commissary Operations  
 Changes in the Costs of Operation  
 Fiscal Year (FY) 2025 Budget Estimates  
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(Dollars in Millions)

	<u>Costs</u>
<b>FY 2023 Estimated Actual:</b>	<b>\$1,402.512</b>
<b>FY 2024 Estimate in President's Budget:</b>	<b>\$1,590.069</b>
<b>Estimated Impact in FY 2024 of Actual FY 2023 Experience:</b>	<b>0.000</b>
<b>Pricing Adjustments:</b>	<b>0.000</b>
<b>Program Changes:</b>	<b>187.557</b>
Operational Execution Adjustment	187.557
<b>FY 2024 Current Estimate:</b>	<b>\$1,590.069</b>
<b>Pricing Adjustments:</b>	<b>27.698</b>
General Purchase Inflation	13.820
Pay Inflation	13.878
<b>Productivity Initiatives and Other Efficiencies:</b>	<b>0.000</b>
<b>Program Changes:</b>	<b>-5.959</b>
Commercial Activities	10.000
Equipment	-51.050
Utilities	7.629
Minimum Wage Contracts Increase	27.462
<b>FY 2025 Estimate:</b>	<b>\$1,611.808</b>

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Commissary Operations  
Source of New Orders & Revenue  
Fiscal Year (FY) 2025 Budget Estimates  
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(Dollars in Millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<b>1. New Orders</b>			
<b>a. Orders from DoD Components:</b>	<b>1,426.4</b>	<b>1,455.5</b>	<b>1,577.7</b>
<b>Army</b>	<b>453.6</b>	<b>450.5</b>	<b>456.7</b>
Operations & Maintenance	453.6	450.5	456.7
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	0.0	0.0	0.0
Military Construction	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Navy</b>	<b>251.2</b>	<b>249.5</b>	<b>252.9</b>
Operations & Maintenance	251.2	249.5	252.9
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	0.0	0.0	0.0
Military Construction	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Air Force</b>	<b>413.6</b>	<b>410.8</b>	<b>416.4</b>
Operations & Maintenance	413.6	410.8	416.4
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	0.0	0.0	0.0
Military Construction	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Marine Corps</b>	<b>92.8</b>	<b>92.1</b>	<b>93.4</b>
Operations & Maintenance	92.8	92.1	93.4
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	0.0	0.0	0.0
Military Construction	0.0	0.0	0.0
Military Personnel	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Defense-Wide</b>	<b>215.2</b>	<b>252.7</b>	<b>358.2</b>
Operations & Maintenance	5.3	7.9	7.5
DAU Acquisition Services	0.0	0.0	0.0
DoD Civilian Expeditionary Workforce Program	0.0	0.2	0.2
OSD Burden Sharing Contribution, Defense	5.3	7.6	7.3
Research Development Testing & Evaluation	0.0	0.0	0.0
Procurement	0.0	0.0	0.0

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Source of New Orders & Revenue  
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	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Military Construction	0.0	0.0	0.0
Defense Health Program	0.0	0.0	0.0
Family Housing	0.0	0.0	0.0
Other	209.8	244.8	350.7
<b>b. Orders from other Fund Activities</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>
Army Working Capital Funds	0.0	0.0	0.0
Navy Working Capital Funds	0.0	0.0	0.0
Air Force Working Capital Funds	0.0	0.0	0.0
Defense-wide	0.0	0.0	0.0
Other Working Capital Funds	0.0	0.0	0.0
Other	0.7	0.8	0.8
<b>c. Total DoD</b>	<b>1,427.0</b>	<b>1,456.3</b>	<b>1,578.5</b>
<b>d. Other Orders:</b>	<b>6.8</b>	<b>11.5</b>	<b>14.6</b>
Exchange Activities	0.0	0.0	0.0
Trust Funds	0.0	0.0	0.0
Non-Federal Agencies	4.7	8.4	11.0
Federal Agencies	2.1	3.1	3.6
Foreign Military Sales	0.0	0.0	0.0
<b>Total for New Orders</b>	<b>1,433.8</b>	<b>1,467.7</b>	<b>1,593.1</b>
2. Carry-In Orders	0.0	0.0	0.0
<b>3. Total Gross Orders</b>	<b>1,433.8</b>	<b>1,467.7</b>	<b>1,593.1</b>
4. Carry-Out Orders (-)	0.0	0.0	0.0
<b>5. Gross Sales</b>	<b>1,433.8</b>	<b>1,467.7</b>	<b>1,593.1</b>
6. Credit (-)	0.0	0.0	0.0
<b>7. Net Sales</b>	<b>1,433.8</b>	<b>1,467.7</b>	<b>1,593.1</b>
8. Reimbursable Sales/Other Income	0.0	0.0	0.0
<b>9. Total Revenue</b>	<b>1,433.8</b>	<b>1,467.7</b>	<b>1,593.1</b>



Commissary Operations  
Revenue and Costs  
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(Dollars in Millions)

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<b>Revenue</b>			
<b>Gross Sales</b>	<b>1,421.023</b>	<b>1,447.612</b>	<b>1,570.187</b>
Operations	1,421.023	1,447.612	1,570.187
Capital Surcharge	0.000	0.000	0.000
Capital Investment Recovery	0.000	0.000	0.000
Other Income	12.788	20.107	22.920
Refunds/Discounts (-)	0.000	0.000	0.000
<b>Total Income</b>	<b>1,433.811</b>	<b>1,467.719</b>	<b>1,593.107</b>
<b>Costs</b>			
Cost of Material Sold from Inventory	0.000	0.000	0.000
Salaries and Wages:	821.757	870.611	890.105
Military Personnel Compensation & Benefits	0.525	0.558	0.570
Civilian Personnel Compensation & Benefits	821.232	870.053	889.536
Travel & Transportation of Personnel	5.722	7.548	7.739
Materials & Supplies (For Internal Operations)	41.623	105.198	58.523
Equipment	0.000	0.000	0.000
Other Purchases from Revolving Funds	43.403	42.608	43.524
Transportation of Things	93.932	98.269	102.704
Capital Investment Recovery (CIR)	1.240	6.291	6.367
Printing & Reproduction	1.128	3.785	3.869
Advisory & Assistance Services	0.000	0.000	0.000
Rent, Communication, Utilities, & Misc. Charges	82.999	146.031	186.070
Other Purchased Services	310.708	309.729	312.870
<b>Total Expenses</b>	<b>1,402.512</b>	<b>1,590.069</b>	<b>1,611.770</b>
<b>Operating Result</b>	<b>31.299</b>	<b>-122.349</b>	<b>-18.663</b>
<b>Other Adjustments Affecting NOR</b>	<b>0.000</b>	<b>105.300</b>	<b>18.663</b>
Other Revenues Affecting NOR/AOR	0.000	105.300	18.663
<b>Net Operating Result</b>	<b>31.299</b>	<b>-17.049</b>	<b>0.000</b>
Prior Year AOR	-14.249	17.049	0.000
Other Changes Affecting AOR	0.000	0.000	0.000
Non-Recoverable AOR	0.000	0.000	0.000
Deferred AOR	0.000	0.000	0.000
<b>Total Accumulated Operating Results for Budget Purposes</b>	<b>17.050</b>	<b>0.000</b>	<b>0.000</b>

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Commissary Operations  
Activity Capital Investment Summary  
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		(Dollars in Millions)					
<u>Line Item</u>	<u>Item Description</u>	<u>FY 2023</u>		<u>FY 2024</u>		<u>FY 2025</u>	
		<u>Quantity</u>	<u>Total Cost</u>	<u>Quantity</u>	<u>Total Cost</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	<b>Non-ADPE Equipment</b>	0	\$0.0	0	\$0.0	0	\$0.0
2.	<b>ADPE &amp; Telecom Equip</b>	3	\$13.1	3	\$23.9	2	\$33.2
2a.	Hardware (Production) Corp Server	1	\$8.3	1	\$23.3	0	\$0.0
2a.	Hardware (Production) Enterprise Business Solution	0	\$0.0	0	\$0.0	1	\$5.0
2a.	Hardware (Production) Network Infrastructure	1	\$2.4	0	\$0.0	0	\$8.2
2b.	Computer Software (Operating System) CORP	0	\$0.0	1	\$0.5	0	\$0.0
2b.	Computer Software (Operating System) EBS	0	\$0.0	1	\$0.1	1	\$20.0
2a.	Hardware (Production) Corporate Information Utility (CIU)	1	\$2.4	0	\$0.0	0	\$0.0
3.	<b>Software Development</b>	0	\$0.0	0	\$0.0	0	\$0.0
3a.	Internally Developed	0	\$0.0	0	\$0.0	0	\$0.0
3b.	Externally Developed	0	\$0.0	0	\$0.0	0	\$0.0
4.	<b>Minor Construction Capabilities</b>	0	\$0.0	0	\$0.0	0	\$0.0
4a.	Replacement	0	\$0.0	0	\$0.0	0	\$0.0
4b.	New Construction	0	\$0.0	0	\$0.0	0	\$0.0
4c.	Environmental	0	\$0.0	0	\$0.0	0	\$0.0
	<b>TOTAL OBLIGATIONS</b>	<b>3</b>	<b>\$13.1</b>	<b>3</b>	<b>\$23.9</b>	<b>2</b>	<b>\$33.2</b>
	<b>Total Capital Outlays</b>	<b>0</b>	<b>\$3.3</b>	<b>0</b>	<b>\$3.4</b>	<b>0</b>	<b>\$3.7</b>
	<b>Total Depreciation Expense</b>	<b>0</b>	<b>\$1.2</b>	<b>0</b>	<b>\$6.3</b>	<b>0</b>	<b>\$6.4</b>

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Commissary Operations  
Activity Capital Purchase Justification  
Fiscal Year (FY) 2025 Budget Estimates  
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<b>Activity Group Capital Investment Justification</b>	<b>A. Budget Submission</b>								
(\$ in Thousands)	Fiscal Year 2025 Budget Estimates								
<b>B. Component/Business Area/Date</b>	<b>C. Line No and Item Description</b>					<b>D. Activity Identification</b>			
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	<b>FY 2023</b>			<b>FY 2024</b>			<b>FY 2025</b>		
<b>Element of Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>
ADPE and Telecommunications Capability	1	\$8,261.900	\$8,261.900	1	\$23,750.000	\$23,750.000	0	\$0.000	\$0.000

**Narrative Justification**

Narrative Justification: DeCA currently uses End Of Life HP-UX servers to run DeCA's critical financial and business applications such as DIBS, SAVES and AIMS. The Data Center has reached the end of its lifecycle replacement and must once again perform a full refresh prior to the migration and on-premises shutdown of its CONUS and OCONUS locations. In FY22, the Capital funding that was planned for the Unity Upgrade and Racks purchase was not utilized. The requirement was moved to FY23 due to not getting the requirement narrowed down in enough time for award. In FY23 \$10.0M (3.0M budget and 7.0M reprogrammed into CORP) was used to replace old hardware, expand on existing hardware, and fill gaps in Disaster Recovery efforts across HQ, West, and EU locations. FY24 will focus on continued lifecycle replacement requirements from original purchases in 2018-2019, to ensure an on-premises environment is ready for operational capabilities should DeCA be forced to pull out of Cloud for any reason.

Economic Analysis Summary: Prior DeCA initiatives focused on replacing individual systems and/or addressing specific functional requirements, resulting in point based technical solution. CORP is bringing transformational changes through standardization, simplification, elimination of functional and systematic stovepipes, and enabling end-to-end business processes with the implementation of a redundant VM environment. This will significantly improve DeCA operations.

Impact of Proposed Capital Investment Disapproval: The Agency would immediately fall back upon End of Life/End of Service Life equipment if cloud migration fails or DeCA's residency in a cloud environment is cut short for any reason. Violations of Federal law and numerous DoD policies would ensue, placing all Critical business systems in Very High Risk, Very High Impact situations. Such situations would have a ripple effect via inter-Agency connections to others such as DFAS and DLA; in response those Agencies could terminate said connections and cripple much of DeCA's Operations.

<b>Activity Group Capital Investment Justification</b>	<b>A. Budget Submission</b>								
(\$ in Thousands)	Fiscal Year 2025 Budget Estimates								
<b>B. Component/Business Area/Date</b>	<b>C. Line No and Item Description</b>					<b>D. Activity Identification</b>			
Defense Commissary Agency / February 2024	2005. Enterprise Business Solution System					Defense Commissary Agency (DeCA)			
	<b>FY 2023</b>			<b>FY 2024</b>			<b>FY 2025</b>		
<b>Element of Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>

Commissary Operations  
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ADPE and Telecommunications Capability	1	\$0.000	\$0.000	1	\$102.700	\$102.700	1	\$25,000.000	\$25,000.000
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**Narrative Justification**

Narrative Justification: The Enterprise Business Solution (EBS) modernizes and transforms DeCA financial and supply chain management capabilities of DeCA. Through BPR activities, DeCA determined that current business processes and systems are neither integrated nor interoperable. Information systems contain redundant and inconsistent data and lack adequate business analytics and reporting capabilities across the enterprise. Furthermore, the technology that supports the core business systems is old and inflexible, with resources to maintain it becoming scarce. EBS addresses resale supply chain management: all E2E processes associated with the cataloging, ordering, receiving and inventory management of resale items and consumable supplies including space management, promotions, electronic and mobile commerce. It also addresses non-resale asset management that includes the purchase, management, accountability, maintenance, retirement and disposal of non-resale property. Constraints include the contractual structure of agreements with resale item vendors; compliance with laws, regulations and policies; legacy system limitations; lack of documentation. In FY25 Funds are for a new award HW and SW.

Economic Analysis Summary: Rigid and inefficient processes lead to heavy reliance on manual processing which leads to inefficient resource utilization, repetitive data entry, information repository silos, rework due to errors, and manual, intensive error-prevention efforts. Aging business critical systems have serious shortcomings. DeCA faces daily challenges in managing data, information, analytics and reporting.

Impact of Proposed Capital Investment Disapproval: DeCA will continue to incur increased maintenance and sustainment costs for outdated legacy software; fail to reduce system integration complexities and redundancies; delay system interoperability through data standardization and business enterprise architecture standards; fall short in supporting business process reengineering efforts; would fail to meet public law, and e-government statutes. EBS will result in elimination of stove-pipe applications and redundant systems, improved business performance management, improved data accuracy and integrity, improved information access and visibility across the enterprise and improved analytics to better support decision making.

<b>Activity Group Capital Investment Justification</b>	<b>A. Budget Submission</b>								
(\$ in Thousands)	Fiscal Year 2025 Budget Estimates								
<b>B. Component/Business Area/Date</b>	<b>C. Line No and Item Description</b>				<b>D. Activity Identification</b>				
Defense Commissary Agency / February 2024	2010. Network Infrastructure (NI)				Defense Commissary Agency (DeCA)				
	<b>FY 2023</b>			<b>FY 2024</b>			<b>FY 2025</b>		
<b>Element of Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>
ADPE and Telecommunications Capability	1	\$2,405.000	\$2,405.000	0	\$0.000	\$0.000	1	\$8,186.200	\$8,186.200

**Narrative Justification**

Narrative Justification: DeCA maintains a Network Security Operations Center as well as a Cybersecurity Service Provider (CSSP) accreditation through USCYBERCOM to ensure worldwide network monitoring, protection, and reaction to known malicious threats and vulnerabilities that could negatively impact the Agency's business operations and the DOD Information Network (DODIN).

Commissary Operations  
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The purchase of additional Test Access Point (TAP) hardware in FY21 and FY25 will correct forecasted processing capacity limitations for existing Intrusion Detection Sensors/Intrusion Prevention (IDS/IPS) Sensors. These capabilities will enable the Agency to properly protect its business operations and ensure a safe and secure transaction medium for commissary patrons. The purchase of Cybersecurity Monitoring and Sensor (CMS) hardware and software in FY25 to refresh DeCA's network monitoring equipment will enable the collection, storage and analysis of DeCA's network traffic in real time as well as improve investigation of internal and external cyber events. Beginning in FY24 Cisco Hardware Tech Refresh procurement was determined that DWCF capital rather than surcharge funds be used.

Economic Analysis Summary: As an entity of the Department of Defense and a accredited CSSP, DeCA is mandated to maintained required network security and monitoring capabilities on a 24/7/365 basis. Failure to do so would result in DoD non-compliance and removal of the Agency's authority to operate (ATO) as a CSSP.

Impact of Proposed Capital Investment Disapproval: The Agency's business operations and commissary patron information would be placed in jeopardy of potential unlawful compromise.

<b>Activity Group Capital Investment Justification</b>		<b>A. Budget Submission</b>								
(\$ in Thousands)		Fiscal Year 2025 Budget Estimates								
<b>B. Component/Business Area/Date</b>		<b>C. Line No and Item Description</b>				<b>D. Activity Identification</b>				
Defense Commissary Agency / February 2024		2012. Corporate Information Utility (CIU)				Defense Commissary Agency (DeCA)				
		<b>FY 2023</b>			<b>FY 2024</b>			<b>FY 2025</b>		
<b>Element of Cost</b>		<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Total Cost</b>
ADPE and Telecommunications Capability		1	\$2,396.200	\$2,396.200						\$0.000

**Narrative Justification**

Narrative Justification: DeCA currently uses end-of-life audio visual equipment to run executive level briefings, townhalls and meetings, as well as, above store and store level meetings and training events. The Enterprise Service Branch must perform a full lifecycle replacement of this equipment to integrate necessary hardware compatible with the Department of Defense's (DoD) standardized collaboration platform, Microsoft Teams. In addition, the agency has also expanded its digital signage capabilities to every Commissary and Central Distribution Center throughout the world. In FY23, the originally planned acquisition utilized Defense Capital Working Funds (DWCF), however, this was later course corrected by the Resource Management (RM) Department, which determined capital funding was the appropriate funding for these requirements. In FY29, we have planned to refresh this equipment to incorporate emerging capabilities/functionality that will be available at that time.

Economic Analysis Summary: Prior DeCA initiatives were unplanned and did not address any future requirements/capabilities. The Enterprise Service Branch will address both current and future requirements through the use of technical solutions that align with DeCA's business objectives and provide significant improvements to operations.

Impact of Proposed Capital Investment Disapproval: Without approval, DeCA will continue to utilize end-of-life audio visual and digital signage equipment without critical vendor support to provide replacement parts or resolve any malfunctions to internal components. The responsibility to repair these systems will be the sole responsibility of DeCA IT at a significantly higher cost to the agency.

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Commissary Operations  
 Capital Budget Execution  
 Fiscal Year (FY) 2025 Budget Estimates  
 February 2024

(Dollars in Millions)

<u>Fiscal Year</u>	<u>Major Category</u>	<u>Initial Request</u>	<u>Current Proj. Cost</u>	<u>Approved Change</u>	<u>Explanation</u>
<b>FY 2023</b>	Equipment except ADPE and Telecommunications	0	0	0	
	Equipment - ADPE and Telecommunications	13.146	13.063	0	
	Software Development	0	0	0	
	Minor Construction	0	0.000	0	
	<b>Total FY 2023</b>	<b>13.146</b>	<b>13.063</b>	<b>0.000</b>	
<b>FY 2024</b>	Equipment except ADPE and Telecommunications	0	0	0	
	Equipment - ADPE and Telecommunications	23.900	23.900	0	
	Software Development	0	0	0	
	Minor Construction	0	0	0	
	<b>Total FY 2024</b>	<b>23.900</b>	<b>23.900</b>	<b>0.000</b>	
<b>FY 2025</b>	Equipment except ADPE and Telecommunications	0	0	0	
	Equipment - ADPE and Telecommunications	33.186	33.186	0	
	Software Development	0	0	0	
	Minor Construction	0	0	0	
	<b>Total FY 2025</b>	<b>33.186</b>	<b>33.186</b>	<b>0.000</b>	

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The Commissary Resale Stocks account directly supports the Defense Commissary Agency's (DeCA) primary mission of providing food and household products for the military community worldwide.

DeCA provides significant savings over commercial grocery stores. Historically, DeCA measured savings across the enterprise by comparing prices for the entire country. To account for variances in cost of living, DeCA now measures savings regionally. DeCA facilities offer up to **30,000** product line items depending on store size and the number of locally procured items. This is an increase from the previous figure of 25,000 items. Items available span an array of perishable and non-perishable foods and household goods. The Resale Stocks account funds the purchase of that inventory.

The commissary benefit fosters a sense of community within military installations and has become a core family support and quality-of-life benefit for active duty military, Guard and Reserve, retirees, and their families. It is important for DeCA to be able to measure itself to ensure we remain consistent with the delivery of the commissary benefit. DeCA's performance measures are focused on strategic outcomes and represent three primary areas that demonstrate accountable performance of the Agency. The Performance measures are reported quarterly to ensure progress is achieved as planned. The three primary areas are:



## High Level Strategic Measures: FY24 Goals

<u>Patron Savings</u>	<u>Customer Satisfaction</u>	<u>Sales</u>
<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <p style="font-size: 8px; margin: 0;">FY24-28 Goal 25.0%</p> </div> <div style="text-align: left;"> <p style="margin: 0;"><u>Parameter (G)</u> ≥ 1% below baseline (≥24.0%)</p> </div> </div> <p style="font-size: 8px; margin-top: 10px;">* IAW SecDef memo of September 22, 2022, savings target increased from 23.7%</p>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <p style="font-size: 8px; margin: 0;">FY24-28 Goal Grade of A</p> </div> <div style="text-align: left;"> <p style="margin: 0;"><u>Parameter (G)</u> A (≥ 80)</p> </div> </div>	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <p style="font-size: 8px; margin: 0;">FY24 Goal \$4.728B</p> </div> <div style="text-align: left;"> <p style="margin: 0;"><u>Parameter (G)</u> Meet or exceed DeCA's sales goal</p> </div> </div> <p style="font-size: 8px; margin-top: 10px;">Y: Within -2% to -.1% of DeCA's sales goal R: &gt; -2% of DeCA's sales goal</p>

- Patron Savings** - The Secretary of Defense's memo "Taking Care of Service Members and Families" issued on September 22, 2022 raised DeCA's required savings level to 25.0%. The updated measurement will continue to use DeCA's prior approach of incorporating a representative market basket of goods compared to local competitors in CONUS and will use an updated methodology for OCONUS. DeCA continues to evolve in how we measure savings to instill loyalty and confidence with our patrons.

Defense Commissary Agency  
DeCA Working Capital Fund  
Commissary Resale Stocks  
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2. **Customer Service** - DeCA's overall customer satisfaction is measured in a real-time format with the Customer Experience Purchaser Survey. This survey provides real-time customer service feedback through the use of the ForeSee survey platform and scoring methodology. The ForeSee framework modeling analysis uses a structural equation algorithm to evaluate customers' post-experience thought processes to examine how well the experience fulfilled the user's needs or desires; met the user's expectations; and compared to a hypothetical ideal experience for the user. This modeling analysis is used to derive an overall customer satisfaction score (CSAT). Our goal is always to provide premier customer service.
3. **Sales** – To achieve and maintain positive sales trends, Marketing and Sales activities include: expanding Commissary Store Brand (CSB) private label; Your Everyday Savings (YES) program; health and wellness focus; improved item availability; expansion of prepared meals, expansion of E-commerce options, collaboration and joint efforts with Exchanges, and increased marketing of the benefit through all social media channels to encourage increased transactions. Outcome is to deliver a premier customer experience in every store by providing a relevant and vital benefit demonstrated through positive trends.

### **CASH MANAGEMENT:**

**Upper and Lower Operating Ranges:** The upper and lower operating ranges are reflective of the buying pattern used by the agency to ensure the correct product is on the shelf at the right time.

**Rate of Disbursement:** The rate of disbursement was calculated using the average amount disbursed between collection cycles. It is calculated by dividing the total amount of disbursements planned for the year by the number of collection cycles planned for the year.

**Range of Operation:** The range of operation is the delta between the upper and lower estimates of the operating range. Assumptions impacting the range of operation include seasonal peak buying.

**Risk Mitigation:** Is the amount we have determined that is required to mitigate any upward adjustments on the cost of goods, contingencies, contract adjustments, and operational changes.

**Reserves:** We have determined that our reserves equate to the balance of our Accounts Payable and the minimal acceptable level to continue Resale operations.

**Total Disbursements:** Disbursement figures for the prior year are actuals. Disbursement figures for FY24 are actuals up to the point that actuals are known. Where actuals are not yet known, an estimate is entered based on historical disbursement data based on our sales.

#### **FY23 Baseline:**

- Disbursements and collections for FY23 are actuals, where applicable, and in accordance with the figures shown on the September 2023 SF133.

#### **Changes from FY23 to FY24:**

- Total disbursements changed based on historical disbursement data based on our estimated sales collections.
- The Upper and Lower Operating Range have changed based on updated anticipated disbursements, collections, and the removal of margin generation IAW the SECDEF's September 2022 "Taking Care of Service Members and Families" effort, DeCA has been relieved of the requirement to earn Margin.

#### **Changes from FY24 to FY25:**

- Total disbursements changed based on historical disbursement data based on our estimated sales collections.
- The Upper and Lower Operating Range have changed based on updated anticipated disbursements, collections, and the removal of margin generation IAW the SECDEF's September 2022 "Taking Care of Service Members and Families" effort, DeCA has been relieved of the requirement to earn Margin.

Defense Commissary Agency  
DeCA Working Capital Fund  
Commissary Resale Stocks  
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**WORKLOAD INDICATORS:**

DeCA's demonstrated industry-leading efficiency and the continued standardization of store-level practices and procedures has improved store operations. Standardization practices have aided with improved inventory control levels.

<b><u>Workload Indicators</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>
Number of Commissaries (BOY)	236	235	235
Resale Stocks Sales (\$ Millions)	4,606.2	4,728.1	4,874.7
Ending Inventory on Hand (\$ Millions)	382.2	290.4	488.3

The Commissary Resale Stocks account provides a well-rounded inventory of products, one of the highest-valued, top-rated military non-pay benefits. DeCA continues to provide necessary and essential services for the military family with a touch of home in locations throughout the world, where patrons have little or no alternative for obtaining U.S. grown and manufactured grocery and household supplies.

<b><u>Summary Overview</u></b>	<b><u>FY23</u></b> <b><u>(\$K)</u></b>	<b><u>FY24</u></b> <b><u>(\$K)</u></b>	<b><u>FY25</u></b> <b><u>(\$K)</u></b>
<b>Revenue</b>	4,605,874.84	4,734,119.2	4,880,690.9
<b>Cost of Goods Sold</b>	4,714,259.9	4,936,619.2	5,086,690.9
<b>NOR</b>	(108,385)	(202,500)	(206.015)
<b>AOR</b>	408,515	206,015	0.00
<b>Cash Collections</b>	4,595,117.6	4,069,003.7	4,843,860.0
<b>Appropriations</b>	-	-	-
<b>Disbursements</b>	4,691,462.6	4,010,215.4	4,838,067.0
<b>Transfers</b>	0.00	0.00	0.00
<b>Net Outlays</b>	96,345.0	(58,788.3)	(5,793.0)
<b>Ending Cash</b>	(47,515.9)	11,272.1	17,065.1

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Commissary Resale Stocks  
Revenue and Costs  
Fiscal Year (FY) 2025 Budget Estimates  
February 2024

(Dollars in Millions)

Fund-14 Revenue and Costs

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<b>Revenue</b>			
<b>Gross Sales</b>	<b>4,606.164</b>	<b>4,728.100</b>	<b>4,874.691</b>
Operations	4,606.164	4,728.100	4,874.691
Capital Surcharge	0.000	0.000	0.000
Capital Investment Recovery	0.000	0.000	0.000
Other Income	-0.289	6.000	6.000
Refunds/Discounts (-)	0.000	0.000	0.000
<b>Total Income</b>	<b>4,605.875</b>	<b>4,734.100</b>	<b>4,880.691</b>
<b>Costs</b>			
Cost of Material Sold from Inventory	4,714.260	4,936.568	5,086.706
Salaries and Wages:	0.000	0.000	0.000
Military Personnel Compensation & Benefits	0.000	0.000	0.000
Civilian Personnel Compensation & Benefits	0.000	0.000	0.000
Travel & Transportation of Personnel	0.000	0.000	0.000
Materials & Supplies (For Internal Operations)	0.000	0.000	0.000
Equipment	0.000	0.000	0.000
Other Purchases from Revolving Funds	0.000	0.000	0.000
Transportation of Things	0.000	0.000	0.000
Capital Investment Recovery (CIR)	0.000	0.000	0.000
Printing & Reproduction	0.000	0.000	0.000
Advisory & Assistance Services	0.000	0.000	0.000
Rent, Communication, Utilities, & Misc. Charges	0.000	0.000	0.000
Other Purchased Services	0.000	0.000	0.000
<b>Total Expenses</b>	<b>4,714.260</b>	<b>4,936.568</b>	<b>5,086.706</b>
<b>Operating Result</b>	<b>-108.385</b>	<b>-202.468</b>	<b>-206.015</b>
<b>Other Adjustments Affecting NOR</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Plus Passthrough or Other Appropriations Affecting NOR	0.000	0.000	0.000
Other Adjustments Affecting NOR	0.000	0.000	0.000
<b>Net Operating Result</b>	<b>-108.385</b>	<b>-202.468</b>	<b>-206.015</b>
Prior Year AOR	516.900	408.515	206.006
Other Changes Affecting AOR	0.000	0.000	0.000
Non-Recoverable AOR	0.000	0.000	0.000
Deferred AOR	0.000	0.000	0.000
<b>Total Accumulated Operating Results for Budget Purposes</b>	<b>408.515</b>	<b>206.047</b>	<b>-0.009</b>

Commissary Resale Stocks  
 Supply Management Summary by Division  
 Fiscal Year (FY) 2025 Budget Estimates  
 February 2024

(Dollars in Millions)

**FY 2023**

<u>Business Division</u>	<u>Net Customer Orders</u>	<u>Net Sales</u>	<u>Obligation Targets</u>					<u>Variability Targets</u>	<u>Target Total</u>
			<u>Operating</u>	<u>Mobilization</u>	<u>Direct APPN</u>	<u>Total Operating Obligations</u>	<u>Total Capital Obligations</u>		
Division:	4,606.234	4,605.945	4,714.300	0.000	0.000	4,714.300	0.000	0.000	4,714.300
Commissary Resale Stock	4,606.234	4,605.945	4,714.300	0.000	0.000	4,714.300	0.000	0.000	4,714.300
<b>TOTAL SUPPLY CHAIN MANAGEMENT</b>	<b>4,606.234</b>	<b>4,605.945</b>	<b>4,714.300</b>	<b>0.000</b>	<b>0.000</b>	<b>4,714.300</b>	<b>0.000</b>	<b>0.000</b>	<b>4,714.300</b>



Commissary Resale Stocks  
 Supply Management Summary by Division  
 Fiscal Year (FY) 2025 Budget Estimates  
 February 2024

(Dollars in Millions) (Cont.)

**FY 2024**

<u>Business Division</u>	<b>Net Customer Orders</b>	<b>Net Sales</b>	<b>Obligation Targets</b>					<b>Variability Target</b>	<b>Target Total</b>
			<b>Operating</b>	<b>Mobilization</b>	<b>Direct Appn</b>	<b>Total Operating Obligations</b>	<b>Total Capital Obligations</b>		
Division:	4,728.100	4,734.100	4,936.600	0.000	0.000	4,936.600	0.000	0.000	4,936.600
Commissary Resale Stock	4,728.100	4,734.100	4,936.600	0.000	0.000	4,936.600	0.000	0.000	4,936.600
<b>Total</b>	<b>4,728.100</b>	<b>4,734.100</b>	<b>4,936.600</b>	<b>0.000</b>	<b>0.000</b>	<b>4,936.600</b>	<b>0.000</b>	<b>0.000</b>	<b>4,936.600</b>

Commissary Resale Stocks  
 Supply Management Summary by Division  
 Fiscal Year (FY) 2025 Budget Estimates  
 February 2024

(Dollars in Millions) (Cont.)

**FY 2025**

<u>Business Division</u>	<b>Net Customer Orders</b>	<b>Net Sales</b>	<b>Obligation Targets</b>					<b>Variability Target</b>	<b>Target Total</b>
			<b>Operating</b>	<b>Mobilization</b>	<b>Direct Appn</b>	<b>Total Operating Obligations</b>	<b>Total Capital Obligations</b>		
Division:	4,874.691	4,880.691	5,086.700	0.000	0.000	5,086.700	0.000	0.000	5,086.700
Commissary Resale Stock	4,874.691	4,880.691	5,086.700	0.000	0.000	5,086.700	0.000	0.000	5,086.700
<b>Total</b>	<b>4,874.691</b>	<b>4,880.691</b>	<b>5,086.700</b>	<b>0.000</b>	<b>0.000</b>	<b>5,086.700</b>	<b>0.000</b>	<b>0.000</b>	<b>5,086.700</b>

Commissary Resale Stocks  
Inventory Status  
Fiscal Year (FY) 2025 Budget Estimates  
February 2024

(Dollars in Millions)

SM-4 Inventory Status

	<b>FY 2023</b>			
DLA Material Supply Chain	Total	Demand Based	Mobilization	Non-Demand Based
<b>1. Inventory - Beginning of Period (BOP)</b>	<b>417.800</b>	<b>417.800</b>	<b>0.000</b>	<b>0.000</b>
<b>2. BOP Inventory Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Reclassification Change (Memo)	0.000	0.000	0.000	0.000
b. Price Change Amount (Memo)	0.000			
c. Inventory Reclassified and Repriced	0.000	0.000	0.000	0.000
<b>3. Purchases</b>	<b>4,714.300</b>	<b>4,714.300</b>	<b>0.000</b>	<b>0.000</b>
<b>4. Gross Sales At Cost</b>	<b>-4,605.900</b>	<b>-4,605.900</b>	<b>0.000</b>	<b>0.000</b>
<b>5. Inventory Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Capitalizations + or (-)	417.800	417.800	0.000	0.000
Inventory BOP	417.800	417.800		0.000
b. Returns From Customers For Credit +	0.000	0.000	0.000	0.000
c. Returns From Customers Without Credit	0.000	0.000	0.000	0.000
d. Returns to Suppliers (-)	0.000	0.000	0.000	0.000
e. Transfers to Property Disposal (-)	0.000	0.000	0.000	0.000
f. Issues/Receipts Without Reimbursement + or (-)	0.000	0.000	0.000	0.000
g. Other (List/Explain)	-144.000	-144.000	0.000	0.000
h. Total Adjustments	273.800	273.800	0.000	0.000
<b>6. Inventory - End of Period (EOP)</b>	<b>382.200</b>	<b>382.200</b>	<b>0.000</b>	<b>0.000</b>
<b>7. Inventory EOP, Revalued</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Economic Retention (Memo)	0.000	0.000	0.000	0.000
b. Contingency Retention (Memo)	0.000	0.000	0.000	0.000
c. Potential DoD Reutilization (Memo)	0.000	0.000	0.000	0.000
<b>8. Inventory on Order EOP</b>	<b>14.100</b>	<b>14.100</b>	<b>0.000</b>	<b>0.000</b>

Commissary Resale Stocks  
Inventory Status  
Fiscal Year (FY) 2025 Budget Estimates  
February 2024

(Dollars in Millions)

	<b>FY 2024</b>			
<b>DLA Material Supply Chain</b>	<b>Total</b>	<b>Demand Based</b>	<b>Mobilization</b>	<b>Non-Demand Based</b>
<b>1. Inventory - Beginning of Period (BOP)</b>	<b>382.218</b>	<b>382.218</b>	<b>0.000</b>	<b>0.000</b>
<b>2. BOP Inventory Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Reclassification Change (Memo)	0.000	0.000	0.000	0.000
b. Price Change Amount (Memo)	0.000			
c. Inventory Reclassified and Repriced	0.000	0.000	0.000	0.000
<b>3. Purchases</b>	<b>4,936.600</b>	<b>4,936.600</b>	<b>0.000</b>	<b>0.000</b>
<b>4. Gross Sales at Cost</b>	<b>-4,734.100</b>	<b>-4,734.100</b>	<b>0.000</b>	<b>0.000</b>
<b>5. Inventory Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Capitalizations + or (-)	382.218	382.218	0.000	0.000
Inventory BOP	382.218	382.218		0.000
b. Returns From Customers for Credit	0.000	0.000	0.000	0.000
c. Returns From Customers Without Credit	0.000	0.000	0.000	0.000
d. Returns to Suppliers (-)	0.000	0.000	0.000	0.000
e. Transfers to Property Disposal (-)	0.000	0.000	0.000	0.000
f. Issues/Receipts Without Reimbursement + or (-)	0.000	0.000	0.000	0.000
g. Other (List/Explain)	-294.300	-294.300	0.000	0.000
h. Total Adjustments	87.918	87.918	0.000	0.000
<b>6. Inventory - End of Period (EOP)</b>	<b>290.418</b>	<b>290.418</b>	<b>0.000</b>	<b>0.000</b>
<b>7. Inventory EOP, Revalued</b>		<b>0</b>	<b>0</b>	<b>0</b>
a. Economic Retention (Memo)	0.000			
b. Contingency Retention (Memo)	0.000			
c. Potential DoD Reutilization (Memo)	0.000			
<b>8. Inventory on Order EOP</b>	<b>10.400</b>	<b>10.400</b>	<b>0.000</b>	<b>0.000</b>

Commissary Resale Stocks  
Inventory Status  
Fiscal Year (FY) 2025 Budget Estimates  
February 2024

(Dollars in Millions)

	<b>FY 2025</b>			
<b>DLA Material Supply Chain</b>	<b><u>Total</u></b>	<b><u>Demand Based</u></b>	<b><u>Mobilization</u></b>	<b><u>Non-Demand Based</u></b>
<b>1. Inventory - Beginning of Period (BOP)</b>	<b>290.418</b>	<b>290.418</b>	<b>0.000</b>	<b>0.000</b>
<b>2. BOP Inventory Adjustments</b>				
a. Reclassification Change (Memo)	0.000			
b. Price Change Amount (Memo)	0.000			
c. Inventory Reclassified and Repriced	0.000	0.000	0.000	0.000
<b>3. Purchases</b>	<b>5,086.700</b>	<b>5,086.700</b>	<b>0.000</b>	<b>0.000</b>
<b>4. Gross Sales at Cost</b>	<b>-4,880.691</b>	<b>-4,880.691</b>	<b>0.000</b>	<b>0.000</b>
<b>5. Inventory Adjustments</b>				
a. Capitalizations + or (-)	290.418	290.418	0.000	0.000
Inventory BOP	290.418	290.418		0.000
b. Returns From Customers for Credit	0.000	0.000		
c. Returns From Customers Without Credit	0.000	0.000		0.000
d. Returns to Suppliers (-)	0.000			0.000
e. Transfers to Property Disposal (-)	0.000			0.000
f. Issues/Receipts Without Reimbursement + or (-)	0.000			
g. Other (List/Explain)	-8.100	-8.100	0.000	0.000
h. Total Adjustments	282.318	282.318	0.000	0.000
<b>6. Inventory - End of Period (EOP)</b>	<b>488.327</b>	<b>488.327</b>	<b>0.000</b>	<b>0.000</b>
<b>7. Inventory EOP, Revalued</b>				
a. Economic Retention (Memo)	0.000			
b. Contingency Retention (Memo)	0.000			
c. Potential DoD Reutilization (Memo)	0.000			
<b>8. Inventory on Order EOP</b>	<b>10.400</b>	<b>10.400</b>	<b>0.000</b>	<b>0.000</b>

**Narrative:**

Inventory Allowance for gains or Loss