

# **DEPARTMENT OF THE NAVY**

## **PRINCIPAL STATEMENTS**

### PRINCIPAL STATEMENTS

The Department of the Navy's FY 1999 Principal Statements and related notes are presented in the format prescribed by the Department of Defense Financial Management regulation 7000.14 Volume 6B of October 1999. The statements and related notes summarize financial information for individual funds and accounts within the Department for the fiscal year ending September 30, 1999.

The following statements are included in the Department of the Navy's Principal Statements:

- Consolidated Balance Sheet
- Consolidated Statement of Net Cost
- Consolidated Statement of Changes in Net Position
- Combined Statement of Budgetary Resources
- Combined Statement of Financing

The Principal Statements and related notes have been prepared to report the financial position pursuant to the requirements of the Chief Financial Officers Act of 1990 as amended by the Government Management Reform Act of 1994.

The accompanying notes should be considered an integral part of the principal statements.

## Limitations of the Financial Statements.

The financial statements have been prepared to report the financial position and results of operations for the entity, pursuant to the requirements of the 31 U.S.C. 3515(b).

While the statements have been prepared from the books and records of the entity, in accordance with the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

To the extent possible, the financial statements have been prepared in accordance with accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB) and revised by OMB. At times, the Department is unable to implement all elements of the standards due to financial management systems limitations. The Department continues to implement system improvements to address these limitations. There are other instances when the Department's application of the accounting standards is different from the auditor's application of the standards. In those situations, the Department has reviewed the intent of the standard and applied it in a manner that management believes fulfills that intent.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that the liabilities cannot be liquidated without legislation that provides resources to do so.

# Principal Statements

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**Department of Defense  
Department of the Navy  
CONSOLIDATED BALANCE SHEET  
As of September 30, 1999  
(\$ in Thousands)**

**FY  
1999**

## ASSETS

### 1. Entity Assets

#### A. Intragovernmental

1. Fund Balance with Treasury (Note 2)	\$	62,601,330
2. Investments, Net (Note 3)		10,166
3. Accounts Receivable (Note 4)		621,395
4. Other Assets (Note 5)		380,173
5. Total Intragovernmental	\$	63,613,064

#### B. Accounts Receivable, Net (Note 4)

1,873,819

#### C. Loans Receivable and Related Forclosed Property, Net (Note 6)

0

#### D. Cash and Other Monetary Assets (Note 7)

0

#### E. Inventory and Related Property, Net (Note 8)

29,277,780

#### F. General Property, Plant and Equipment, Net (Note 9) (See Required Supplementary Stewardship Information)

27,340,476

#### G. Other Assets (Note 5)

3,278,731

#### H. Total Entity Assets

\$ 125,383,870

### 2. Nonentity Assets

#### A. Intragovernmental

1. Fund Balance with Treasury (Note 2)	\$	299,782
2. Accounts Receivable (Note 4)		0
3. Other Assets (Note 5)		0
4. Total Intragovernmental	\$	299,782

#### B. Accounts Receivable, Net (Note 4)

15,352

#### C. Cash and Other Monetary Assets (Note 7)

156,187

#### D. Other Assets (Note 5)

51

#### E. Total Nonentity Assets

\$ 471,372

### 3. Total Assets

\$ 125,855,242

**Department of Defense  
Department of the Navy  
CONSOLIDATED BALANCE SHEET  
As of September 30, 1999  
(\$ in Thousands)**

**FY  
1999**

**LIABILITIES**

**4. Liabilities covered by Budgetary Resources**

A. Intragovernmental		
1. Accounts Payable	\$	516,505
2. Debt (Note 11)		0
3. Environmental Liabilities (Note 12)		0
4. Other Liabilities (Note 13)		549,352
5. Total Intragovernmental	\$	1,065,857
B. Accounts Payable		504,411
C. Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 14)		0
D. Environmental Liabilities (Note 12)		496,239
E. Other Liabilities (Note 13)		1,614,681
F. Total Liabilities covered by Budgetary Resources	\$	3,681,188

**5. Liabilities not covered by Budgetary Resources**

A. Intragovernmental		
1. Accounts Payable	\$	18,387
2. Debt (Note 11)		0
3. Environmental Liabilities (Note 12)		0
4. Other Liabilities (Note 13)		597,103
5. Total Intragovernmental	\$	615,490
B. Accounts Payable		201,245
C. Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 14)		1,304,960
D. Environmental Liabilities (Note 12)		47,140,944
E. Other Liabilities (Note 13)		1,498,728
F. Total Liabilities not covered by Budgetary Resources	\$	50,761,367

**6. Total Liabilities** \$ **54,442,555**

**NET POSITION (Note 15)**

<b>7. Unexpended Appropriations</b>	\$	65,586,444
<b>8. Cumulative Results of Operations</b>		5,826,243
<b>9. Total Net Position</b>	\$	71,412,687
<b>10. Total Liabilities and Net Position</b>	\$	125,855,242

## Principal Statements

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**Department of Defense  
Department of the Navy  
CONSOLIDATED STATEMENT OF NET COST  
For the year ended September 30, 1999  
(\$ in Thousands)**

**FY  
1999**

<b>1. Program Costs</b>	
A. Intragovernmental	\$ 23,831,993
B. With the Public	94,459,772
C. Total Program Cost	\$ 118,291,765
D. (Less: Earned Revenues)	(4,220,334)
E. Net Program Costs	\$ 114,071,431
<b>2. Costs not assigned to Programs</b>	\$ 0
<b>3. (Less: Earned Revenues not attributable to Programs)</b>	0
<b>4. Net Cost of Operations</b>	\$ 114,071,431
<b>5. Deferred Maintenance (See Required Supplementary Information)</b>	

Additional information included in Note 16.

The accompanying notes are an integral part of these statements.

**Department of Defense**  
**Department of Navy**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
**For the year ended September 30, 1999**  
**(\$ in**

**FY**  
**1999**

<b>1. Net Cost of Operations</b>	<b>\$</b>	<b>114,071,431</b>
<b>2. Financing Sources (other than exchange revenues)</b>		
A. Appropriations used		81,128,869
B. Taxes and other nonexchange revenue		599
C. Donations - nonexchange revenue		7,209
D. Imputed financing (Note 17.B)		418,206
E. Transfers-in		0
F. (Transfers-out)		0
G. Other		0
H. Total Financing Sources (other than exchange revenues)	<b>\$</b>	<b>81,554,883</b>
<b>3. Net Results of Operations (Line 2H less Line 1)</b>	<b>\$</b>	<b>(32,516,548)</b>
<b>4. Prior Period Adjustments (Note 17.A)</b>		<b>(4,230,398)</b>
<b>5. Net Change in Cumulative Results of Operations</b>	<b>\$</b>	<b>(36,746,946)</b>
<b>6. Increase (Decrease) in Unexpended Appropriations</b>		<b>5,208,177</b>
<b>7. Change in Net Position</b>	<b>\$</b>	<b>(31,538,769)</b>
<b>8. Net Position-Beginning of the Period</b>		<b>102,951,456</b>
<b>9. Net Position-End of the Period</b>	<b>\$</b>	<b>71,412,687</b>

Additional information included in Note

The accompanying notes are an integral part of these statements.

## Principal Statements

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**Department of Defense  
Department of Navy  
COMBINED STATEMENT OF BUDGETARY RESOURCES  
For the year ended September 30, 1999  
(\$ in Thousands)**

**FY  
1999**

**BUDGETARY RESOURCES:**

1. Budget Authority	\$	83,937,086
2. Unobligated Balance - Beginning of Period		11,433,775
3. Net Transfers Prior-Year Balance, Actual (+/-)		224,873
4. Spending Authority from Offsetting Collections		5,554,895
5. Adjustments (+/-)		1,932,453
6. Total Budgetary Resources	\$	<u>103,083,082</u>

**STATUS OF BUDGETARY RESOURCES:**

7. Obligations Incurred	\$	90,897,571
8. Unobligated Balances - Available		10,773,429
9. Unobligated Balances - Not Available		1,412,082
10. Total, Status of Budgetary Resources	\$	<u>103,083,082</u>

**OUTLAYS:**

11. Obligations Incurred	\$	90,897,571
12. Less: Spending Authority From Offsetting Collections and Adjustments		(8,799,788)
13. Obligated Balance, Net - Beginning of Period		46,971,065
14. Obligated Balance Transferred, Net		0
15. Less: Obligated Balance, Net - End of Period		(50,425,880)
16. Total Outlays	\$	<u>78,642,968</u>

Additional information included in Note 18.

The accompanying notes are an integral part of these statements.

**Department of Defense  
Department of Navy  
COMBINED STATEMENT OF FINANCING  
For the year ended September 30, 1999**

(\$ in Thousands)

**FY  
1999**

<b>1. OBLIGATIONS AND NONBUDGETARY RESOURCES:</b>	
A. Obligations Incurred	\$ 90,897,571
B. Less: Spending Authority for Offsetting Collections and Adjustments	(8,799,787)
C. Donations Not in the Entity's Budget	7,209
D. Financing Imputed for Cost Subsidies	418,206
E. Transfers-in (Out)	0
F. Less: Exchange Revenue Not in the Entity's Budget	0
G. Other	599
H. Total Obligations as Adjusted and Nonbudgetary Resources	\$ 82,523,798
<b>2. RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS:</b>	
A. Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received or Provided - (Increases)/Decreases	(536,002)
B. Costs Capitalized on the Balance Sheet - (Increases)/Decreases	0
C. Financing Sources That Fund Costs of Prior Periods	(1,746,477)
D. Other - (Increases)/Decreases	0
E. Total Resources That Do Not Fund Net Costs of Operations	\$ (2,282,479)
<b>3. COSTS THAT DO NOT REQUIRE RESOURCES:</b>	
A. Depreciation and Amortization	\$ 345,409
B. Revaluation of Assets and Liabilities - Increases/(Decreases)	(10,558,885)
C. Other - Increases/(Decreases)	0
D. Total Costs That Do Not Require Resources	\$ (10,213,476)
<b>4. Financing Sources Yet to be Provided</b>	<b>44,043,588</b>
<b>5. Net Cost of Operations</b>	<b>\$ 114,071,431</b>

Additional information included in Note 19.

The accompanying notes are an integral part of these statements.

**Principal Statements**

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