

Department of Defense  
Army Working Capital Fund  
**CONSOLIDATED BALANCE SHEET**  
As of March 31, 2011 and 2010

|   | <u>2011 Consolidated</u>    | <u>2010 Consolidated</u>    |
|---|-----------------------------|-----------------------------|
| <b>1. ASSETS (Note 2)</b>   |                             |                             |
| A. Intragovernmental:   |                             |                             |
| 1. Fund Balance with Treasury (Note 3)                                    | \$ 1,803,521,539.69         | \$ 1,491,248,498.70         |
| 3. Accounts Receivable (Note 5)   | 249,051,660.12              | 300,448,514.62              |
| 4. Other Assets (Note 6)  | 17,202,171.25               | 0.00                        |
| 5. Total Intragovernmental Assets   | <u>\$ 2,069,775,371.06</u>  | <u>\$ 1,791,697,013.32</u>  |
| C. Accounts Receivable, Net (Note 5)                                      | 9,282,833.45                | 32,547,336.52               |
| E. Inventory and Related Property, Net (Note 9)                           | 23,414,583,478.94           | 23,271,180,705.39           |
| F. General Property, Plant and Equipment, Net (Note 10)                   | 1,406,582,522.42            | 1,324,292,837.25            |
| H. Other Assets (Note 6)  | 538,089,272.04              | 787,193,244.14              |
| <b>2. TOTAL ASSETS</b>  | <u>\$ 27,438,313,477.91</u> | <u>\$ 27,206,911,136.62</u> |
| <b>3. STEWARDSHIP PROPERTY, PLANT &amp; EQUIPMENT (Note 10)</b>           |                             |                             |
| <b>4. LIABILITIES (Note 11)</b>   |                             |                             |
| A. Intragovernmental:   |                             |                             |
| 1. Accounts Payable (Note 12)   | \$ 162,211,264.97           | \$ 62,443,450.19            |
| 3. Other Liabilities (Note 15 & 16)                                       | 101,069,862.77              | 52,014,221.85               |
| 4. Total Intragovernmental Liabilities                                    | <u>\$ 263,281,127.74</u>    | <u>\$ 114,457,672.04</u>    |
| B. Accounts Payable (Note 12)   | \$ (120,820,738.64)         | \$ 247,105,534.85           |
| C. Military Retirement and Other Federal<br>Employment Benefits (Note 17) | 219,912,550.91              | 231,234,438.16              |
| F. Other Liabilities (Note 15 & Note 16)                                  | 389,014,783.30              | 359,168,860.98              |
| <b>5. TOTAL LIABILITIES</b>   | <u>\$ 751,387,723.31</u>    | <u>\$ 951,966,506.03</u>    |
| <b>6. COMMITMENTS AND CONTINGENCIES (NOTE 16)</b>                         |                             |                             |
| <b>7. NET POSITION</b>  |                             |                             |
| B. Unexpended Appropriations - Other Funds                                | 0.00                        | 14,576.25                   |
| D. Cumulative Results of Operations - Other Funds                         | 26,686,925,754.60           | 26,255,203,890.99           |
| <b>8. TOTAL NET POSITION</b>  | <u>\$ 26,686,925,754.60</u> | <u>\$ 26,255,218,467.24</u> |
| <b>9. TOTAL LIABILITIES AND NET POSITION</b>                              | <u>\$ 27,438,313,477.91</u> | <u>\$ 27,207,184,973.27</u> |

**Department of Defense**  
**Army Working Capital Fund**  
**CONSOLIDATED STATEMENT OF NET COST**  
**For the periods ended March 31, 2011 and 2010**

|   | <u>2011 Consolidated</u>     | <u>2010 Consolidated</u>     |
|---|------------------------------|------------------------------|
| <b>1. Program Costs</b>   |                              |                              |
| A. Gross Costs  | \$ 13,830,961,001.74         | \$ 14,650,095,444.63         |
| Operations, Readiness & Support   | <u>13,830,961,001.74</u>     | <u>14,650,095,444.63</u>     |
| <br>  |                              |                              |
| B. (Less: Earned Revenue)   | <u>(15,605,246,592.46)</u>   | <u>(16,243,716,899.44)</u>   |
| C. Net Cost before Losses/(Gains) from Actuarial Assumption Changes<br>for Military Retirement Benefits | <u>(1,774,285,590.72)</u>    | <u>(1,593,621,454.81)</u>    |
| <b>2. Net Cost of Operations</b>  | <u>\$ (1,774,285,590.72)</u> | <u>\$ (1,593,621,454.81)</u> |

Department of Defense  
Army Working Capital Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended March 31, 2011 and 2010

**DRAFT**

|  | <u>2011 Earmarked Funds</u> | <u>2011 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b>              |                             |                             |
| <b>1. Beginning Balances</b>                         | \$ 0.00                     | \$ 25,074,278,945.67        |
| <b>3. Beginning balances, as adjusted</b>            | <u>0.00</u>                 | <u>25,074,278,945.67</u>    |
| <b>4. Budgetary Financing Sources:</b>               |                             |                             |
| 4.B. Appropriations used                             | 0.00                        | 38,367,000.00               |
| <b>5. Other Financing Sources:</b>                   |                             |                             |
| 5.B. Transfers-in/out without reimbursement (+/-)    | 0.00                        | (287,102,165.48)            |
| 5.C. Imputed financing from costs absorbed by others | 0.00                        | 101,161,676.03              |
| 5.D. Other (+/-)                                     | 0.00                        | (14,065,292.34)             |
| <b>6. Total Financing Sources</b>                    | <u>0.00</u>                 | <u>(161,638,781.79)</u>     |
| <b>7. Net Cost of Operations (+/-)</b>               | <u>0.00</u>                 | <u>(1,774,285,590.72)</u>   |
| <b>8. Net Change</b>                                 | <u>0.00</u>                 | <u>1,612,646,808.93</u>     |
| <b>9. Cumulative Results of Operations</b>           | <u>0.00</u>                 | <u>26,686,925,754.60</u>    |
| <b>UNEXPENDED APPROPRIATIONS</b>                     |                             |                             |
| <b>10. Beginning Balances</b>                        | \$ 0.00                     | \$ 0.00                     |
| <b>12. Beginning balances, as adjusted</b>           | <u>0.00</u>                 | <u>0.00</u>                 |
| <b>13. Budgetary Financing Sources:</b>              |                             |                             |
| 13.A. Appropriations received                        | 0.00                        | 38,367,000.00               |
| 13.C. Other adjustments (rescissions, etc)           | 0.00                        | 0.00                        |
| 13.D. Appropriations used                            | 0.00                        | (38,367,000.00)             |
| <b>14. Total Budgetary Financing Sources</b>         | <u>0.00</u>                 | <u>0.00</u>                 |
| <b>15. Unexpended Appropriations</b>                 | <u>0.00</u>                 | <u>0.00</u>                 |
| <b>16. Net Position</b>                              | <u>0.00</u>                 | <u>26,686,925,754.60</u>    |

Department of Defense  
Army Working Capital Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended March 31, 2011 and 2010

**DRAFT**

|  | <u>2011 Eliminations</u> | <u>2011 Consolidated</u>  |
|--|--------------------------|---------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b>              |                          |                           |
| <b>1. Beginning Balances</b>                         | \$ 0.00                  | \$ 25,074,278,945.67      |
| <b>3. Beginning balances, as adjusted</b>            | <u>0.00</u>              | <u>25,074,278,945.67</u>  |
| <b>4. Budgetary Financing Sources:</b>               |                          |                           |
| 4.B. Appropriations used                             | 0.00                     | 38,367,000.00             |
| <b>5. Other Financing Sources:</b>                   |                          |                           |
| 5.B. Transfers-in/out without reimbursement (+/-)    | 0.00                     | (287,102,165.48)          |
| 5.C. Imputed financing from costs absorbed by others | 0.00                     | 101,161,676.03            |
| 5.D. Other (+/-)                                     | <u>0.00</u>              | <u>(14,065,292.34)</u>    |
| <b>6. Total Financing Sources</b>                    | 0.00                     | (161,638,781.79)          |
| <b>7. Net Cost of Operations (+/-)</b>               | <u>0.00</u>              | <u>(1,774,285,590.72)</u> |
| <b>8. Net Change</b>                                 | <u>0.00</u>              | <u>1,612,646,808.93</u>   |
| <b>9. Cumulative Results of Operations</b>           | 0.00                     | 26,686,925,754.60         |
| <b>UNEXPENDED APPROPRIATIONS</b>                     |                          |                           |
| <b>10. Beginning Balances</b>                        | \$ 0.00                  | \$ 0.00                   |
| <b>12. Beginning balances, as adjusted</b>           | <u>0.00</u>              | <u>0.00</u>               |
| <b>13. Budgetary Financing Sources:</b>              |                          |                           |
| 13.A. Appropriations received                        | 0.00                     | 38,367,000.00             |
| 13.C. Other adjustments (rescissions, etc)           | 0.00                     | 0.00                      |
| 13.D. Appropriations used                            | <u>0.00</u>              | <u>(38,367,000.00)</u>    |
| <b>14. Total Budgetary Financing Sources</b>         | 0.00                     | 0.00                      |
| <b>15. Unexpended Appropriations</b>                 | <u>0.00</u>              | <u>0.00</u>               |
| <b>16. Net Position</b>                              | 0.00                     | 26,686,925,754.60         |

Department of Defense  
Army Working Capital Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended March 31, 2011 and 2010

|  | <u>2010 Earmarked Funds</u> | <u>2010 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b>              |                             |                             |
| <b>1. Beginning Balances</b>                         | \$ 0.00                     | \$ 24,263,998,911.26        |
| <b>3. Beginning balances, as adjusted</b>            | <u>0.00</u>                 | <u>24,263,998,911.26</u>    |
| <b>4. Budgetary Financing Sources:</b>               |                             |                             |
| 4.B. Appropriations used                             | 0.00                        | 479,074,793.75              |
| <b>5. Other Financing Sources:</b>                   |                             |                             |
| 5.B. Transfers-in/out without reimbursement (+/-)    | 0.00                        | (102,633,261.96)            |
| 5.C. Imputed financing from costs absorbed by others | 0.00                        | 85,117,576.81               |
| 5.D. Other (+/-)                                     | 0.00                        | (63,975,583.68)             |
| <b>6. Total Financing Sources</b>                    | <u>0.00</u>                 | <u>397,583,524.92</u>       |
| <b>7. Net Cost of Operations (+/-)</b>               | <u>0.00</u>                 | <u>(1,593,347,618.16)</u>   |
| <b>8. Net Change</b>                                 | <u>0.00</u>                 | <u>1,990,931,143.08</u>     |
| <b>9. Cumulative Results of Operations</b>           | <u>0.00</u>                 | <u>26,254,930,054.34</u>    |
| <b>UNEXPENDED APPROPRIATIONS</b>                     |                             |                             |
| <b>10. Beginning Balances</b>                        | \$ 0.00                     | \$ 440,722,370.00           |
| <b>12. Beginning balances, as adjusted</b>           | <u>0.00</u>                 | <u>440,722,370.00</u>       |
| <b>13. Budgetary Financing Sources:</b>              |                             |                             |
| 13.A. Appropriations received                        | 0.00                        | 38,477,725.63               |
| 13.C. Other adjustments (rescissions, etc)           | 0.00                        | (110,725.63)                |
| 13.D. Appropriations used                            | 0.00                        | (479,074,793.75)            |
| <b>14. Total Budgetary Financing Sources</b>         | <u>0.00</u>                 | <u>(440,707,793.75)</u>     |
| <b>15. Unexpended Appropriations</b>                 | <u>0.00</u>                 | <u>14,576.25</u>            |
| <b>16. Net Position</b>                              | <u>0.00</u>                 | <u>26,254,944,630.59</u>    |

Department of Defense  
Army Working Capital Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended March 31, 2011 and 2010

|  | <u>2010 Eliminations</u> | <u>2010 Consolidated</u> |
|--|--------------------------|--------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b>              |                          |                          |
| <b>1. Beginning Balances</b>                         | \$ 0.00                  | \$ 24,263,998,911.26     |
| <b>3. Beginning balances, as adjusted</b>            | 0.00                     | 24,263,998,911.26        |
| <b>4. Budgetary Financing Sources:</b>               |                          |                          |
| 4.B. Appropriations used                             | 0.00                     | 479,074,793.75           |
| <b>5. Other Financing Sources:</b>                   |                          |                          |
| 5.B. Transfers-in/out without reimbursement (+/-)    | 0.00                     | (102,633,261.96)         |
| 5.C. Imputed financing from costs absorbed by others | 0.00                     | 85,117,576.81            |
| 5.D. Other (+/-)                                     | 0.00                     | (63,975,583.68)          |
| <b>6. Total Financing Sources</b>                    | 0.00                     | 397,583,524.92           |
| <b>7. Net Cost of Operations (+/-)</b>               | 273,836.65               | (1,593,621,454.81)       |
| <b>8. Net Change</b>                                 | (273,836.65)             | 1,991,204,979.73         |
| <b>9. Cumulative Results of Operations</b>           | (273,836.65)             | 26,255,203,890.99        |
| <b>UNEXPENDED APPROPRIATIONS</b>                     |                          |                          |
| <b>10. Beginning Balances</b>                        | \$ 0.00                  | \$ 440,722,370.00        |
| <b>12. Beginning balances, as adjusted</b>           | 0.00                     | 440,722,370.00           |
| <b>13. Budgetary Financing Sources:</b>              |                          |                          |
| 13.A. Appropriations received                        | 0.00                     | 38,477,725.63            |
| 13.C. Other adjustments (rescissions, etc)           | 0.00                     | (110,725.63)             |
| 13.D. Appropriations used                            | 0.00                     | (479,074,793.75)         |
| <b>14. Total Budgetary Financing Sources</b>         | 0.00                     | (440,707,793.75)         |
| <b>15. Unexpended Appropriations</b>                 | 0.00                     | 14,576.25                |
| <b>16. Net Position</b>                              | (273,836.65)             | 26,255,218,467.24        |

Department of Defense  
Army Working Capital Fund  
**COMBINED STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended March 31, 2011 and 2010

|   | <u>2011 Combined</u>               | <u>2010 Combined</u>               |
|---|------------------------------------|------------------------------------|
| <b>BUDGETARY FINANCING ACCOUNTS</b>                 |                                    |                                    |
| <b>BUDGETARY RESOURCES:</b>                         |                                    |                                    |
| 1. Unobligated balance, brought forward, October 1  | \$ 1,022,349,274.20                | \$ 1,822,850,467.31                |
| 2. Recoveries of prior year unpaid obligations      | 1,681,970,370.20                   | 3,963,166,265.85                   |
| 3. Budget authority                                 |                                    |                                    |
| 3.A. Appropriation                                  | 48,899,000.00                      | 38,477,725.63                      |
| 3.C. Contract authority                             | 9,663,277,282.88                   | 11,975,273,137.26                  |
| 3.D. Spending authority from offsetting collections |                                    |                                    |
| 3.D.1 Earned  |                                    |                                    |
| 3.D.1.a. Collected                                  | 6,465,517,912.00                   | 8,094,979,465.48                   |
| 3.D.1.b. Change in receivables from Federal         | (20,222,724.81)                    | (38,081,934.64)                    |
| 3.D.2 Change in unfilled customer orders            |                                    |                                    |
| 3.D.2.a. Advance received                           | (20,543,774.63)                    | (3,647,976.57)                     |
| 3.D.2.b. Without advance from Federal sources       | 861,393,640.73                     | 705,021,476.61                     |
| 3.D.3. Anticipated for rest of year, without        | 2,378,063,827.11                   | 2,941,370,543.15                   |
| 3.E. Subtotal                                       | <u>19,376,385,163.28</u>           | <u>23,713,392,436.92</u>           |
| 5. Temporarily not available pursuant to Public Law | (10,532,000.00)                    | 0.00                               |
| 6. Permanently not available                        | (5,493,814,824.02)                 | (9,242,292,104.21)                 |
| <b>7. Total Budgetary Resources</b>                 | <u><u>\$ 16,576,357,983.66</u></u> | <u><u>\$ 20,257,117,065.87</u></u> |

Department of Defense  
Army Working Capital Fund  
**COMBINED STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended March 31, 2011 and 2010

|   | <u>2011 Combined</u>        | <u>2010 Combined</u>        |
|---|-----------------------------|-----------------------------|
| <b>Status of Budgetary Resources:</b>   |                             |                             |
| 8. Obligations incurred:  |                             |                             |
| 8.B. Reimbursable   | 8,189,209,198.88            | 10,743,457,790.19           |
| 8.C. Subtotal   | <u>8,189,209,198.88</u>     | <u>10,743,457,790.19</u>    |
| 9. Unobligated balance:   |                             |                             |
| 9.A. Apportioned  | 8,387,148,784.78            | 9,513,659,275.68            |
| 9.C. Subtotal   | <u>8,387,148,784.78</u>     | <u>9,513,659,275.68</u>     |
| <b>11. Total status of budgetary resources</b>  | <u>\$ 16,576,357,983.66</u> | <u>\$ 20,257,117,065.87</u> |
| <b>Change in Obligated Balance:</b>   |                             |                             |
| 12. Obligated balance, net  |                             |                             |
| 12.A. Unpaid obligations, brought forward, October 1  | \$ 9,468,962,333.82         | \$ 11,704,935,604.43        |
| 12.B. Less: Uncollected customer payments<br>from Federal sources, brought forward, October 1 | (5,374,556,947.29)          | (5,878,237,114.03)          |
| 12.C. Total unpaid obligated balance  | <u>4,094,405,386.53</u>     | <u>5,826,698,490.40</u>     |
| 13. Obligations incurred net (+/-)  | 8,189,209,198.88            | 10,743,457,790.19           |
| 14. Less: Gross outlays   | (6,487,899,450.82)          | (7,988,040,689.05)          |
| 16. Less: Recoveries of prior year unpaid obligations, actual                                 | (1,681,970,370.20)          | (3,963,166,265.85)          |
| 17. Change in uncollected customer<br>payments from Federal sources (+/-)                     | (841,170,915.92)            | (666,939,541.97)            |
| 18. Obligated balance, net, end of period   |                             |                             |
| 18.A. Unpaid obligations  | 9,488,301,711.68            | 10,497,186,439.72           |
| 18.B. Less: Uncollected customer payments<br>from Federal sources (-)                         | (6,215,727,863.21)          | (6,545,176,656.00)          |
| 18.C. Total, unpaid obligated balance, net, end of period                                     | <u>3,272,573,848.47</u>     | <u>3,952,009,783.72</u>     |
| <b>Net Outlays</b>  |                             |                             |
| <b>19. Net Outlays:</b>   |                             |                             |
| 19.A. Gross outlays   | 6,487,899,450.82            | 7,988,040,689.05            |
| 19.B. Less: Offsetting collections  | (6,444,974,137.37)          | (8,091,331,488.91)          |
| <b>19.D. Net Outlays</b>  | <u>\$ 42,925,313.45</u>     | <u>\$ (103,290,799.86)</u>  |