

Department of Defense
Army Working Capital Fund
CONSOLIDATED BALANCE SHEET
As of June 30, 2011 and 2010

| | <u>2011 Consolidated</u> | <u>2010 Consolidated</u> |
|---|-----------------------------|-----------------------------|
| 1. ASSETS (Note 2) | | |
| A. Intragovernmental: | | |
| 1. Fund Balance with Treasury (Note 3) | \$ 2,088,415,652.36 | \$ 1,687,217,600.18 |
| 3. Accounts Receivable (Note 5) | 289,128,317.65 | 365,410,096.22 |
| 4. Other Assets (Note 6) | 16,600,619.81 | 0.00 |
| 5. Total Intragovernmental Assets | <u>\$ 2,394,144,589.82</u> | <u>\$ 2,052,627,696.40</u> |
| C. Accounts Receivable, Net (Note 5) | 9,566,090.89 | 12,573,532.69 |
| E. Inventory and Related Property, Net (Note 9) | 27,038,204,497.70 | 22,387,429,183.97 |
| F. General Property, Plant and Equipment, Net (Note 10) | 1,429,100,476.63 | 1,332,944,031.26 |
| H. Other Assets (Note 6) | 496,888,886.00 | 728,450,498.41 |
| 2. TOTAL ASSETS | <u>\$ 31,367,904,541.04</u> | <u>\$ 26,514,024,942.73</u> |
| 3. STEWARDSHIP PROPERTY, PLANT & EQUIPMENT (Note 10) | | |
| 4. LIABILITIES (Note 11) | | |
| A. Intragovernmental: | | |
| 1. Accounts Payable (Note 12) | \$ 154,656,834.04 | \$ 121,810,536.13 |
| 3. Other Liabilities (Note 15 & 16) | 93,712,740.17 | 62,905,638.12 |
| 4. Total Intragovernmental Liabilities | <u>\$ 248,369,574.21</u> | <u>\$ 184,716,174.25</u> |
| B. Accounts Payable (Note 12) | \$ 97,980.75 | \$ 1,158,934,369.22 |
| C. Military Retirement and Other Federal Employment Benefits (Note 17) | 219,912,550.91 | 231,234,438.16 |
| F. Other Liabilities (Note 15 & Note 16) | 455,702,144.22 | 398,317,568.73 |
| 5. TOTAL LIABILITIES | <u>\$ 924,082,250.09</u> | <u>\$ 1,973,202,550.36</u> |
| 6. COMMITMENTS AND CONTINGENCIES (NOTE 16) | | |
| 7. NET POSITION | | |
| D. Cumulative Results of Operations - Other Funds | 30,443,822,290.95 | 24,540,822,392.37 |
| 8. TOTAL NET POSITION | <u>\$ 30,443,822,290.95</u> | <u>\$ 24,540,822,392.37</u> |
| 9. TOTAL LIABILITIES AND NET POSITION | <u>\$ 31,367,904,541.04</u> | <u>\$ 26,514,024,942.73</u> |

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF NET COST
For the periods ended June 30, 2011 and 2010

| | <u>2011 Consolidated</u> | <u>2010 Consolidated</u> |
|---|------------------------------|----------------------------|
| 1. Program Costs | | |
| A. Gross Costs | \$ 21,700,842,644.47 | \$ 21,006,453,279.22 |
| Operations, Readiness & Support | <u>21,700,842,644.47</u> | <u>21,006,453,279.22</u> |
| | | |
| B. (Less: Earned Revenue) | <u>(24,706,090,703.58)</u> | <u>(21,373,308,924.56)</u> |
| C. Net Cost before Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits | <u>(3,005,248,059.11)</u> | <u>(366,855,645.34)</u> |
| 2. Net Cost of Operations | <u>\$ (3,005,248,059.11)</u> | <u>\$ (366,855,645.34)</u> |

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended June 30, 2011 and 2010

| | <u>2011 Earmarked Funds</u> | <u>2011 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 25,074,278,945.67 |
| 2. Prior Period Adjustments: | | |
| 2.A. Changes in accounting principles (+/-) | 0.00 | 2,533,717,765.47 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>27,607,996,711.14</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 54,636,000.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (368,413,088.77) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 153,517,139.76 |
| 5.D. Other (+/-) | 0.00 | (9,162,530.29) |
| 6. Total Financing Sources | <u>0.00</u> | <u>(169,422,479.30)</u> |
| 7. Net Cost of Operations (+/-) | 0.00 | (3,005,248,059.11) |
| 8. Net Change | <u>0.00</u> | <u>2,835,825,579.81</u> |
| 9. Cumulative Results of Operations | 0.00 | 30,443,822,290.95 |
| 10. Beginning Balances | \$ 0.00 | \$ 0.00 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>0.00</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 54,636,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | 0.00 |
| 13.D. Appropriations used | 0.00 | (54,636,000.00) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>0.00</u> |
| 16. Net Position | <u>0.00</u> | <u>30,443,822,290.95</u> |

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended June 30, 2011 and 2010

| | <u>2011 Eliminations</u> | <u>2011 Consolidated</u> |
|--|--------------------------|--------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 25,074,278,945.67 |
| 2. Prior Period Adjustments: | | |
| 2.A. Changes in accounting principles (+/-) | 0.00 | 2,533,717,765.47 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>27,607,996,711.14</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 54,636,000.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (368,413,088.77) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 153,517,139.76 |
| 5.D. Other (+/-) | 0.00 | (9,162,530.29) |
| 6. Total Financing Sources | <u>0.00</u> | <u>(169,422,479.30)</u> |
| 7. Net Cost of Operations (+/-) | 0.00 | (3,005,248,059.11) |
| 8. Net Change | <u>0.00</u> | <u>2,835,825,579.81</u> |
| 9. Cumulative Results of Operations | 0.00 | 30,443,822,290.95 |
| 10. Beginning Balances | \$ 0.00 | \$ 0.00 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>0.00</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 54,636,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | 0.00 |
| 13.D. Appropriations used | 0.00 | (54,636,000.00) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>0.00</u> |
| 16. Net Position | <u>0.00</u> | <u>30,443,822,290.95</u> |

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended June 30, 2011 and 2010

| | <u>2010 Earmarked Funds</u> | <u>2010 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 24,263,998,911.26 |
| 2. Prior Period Adjustments: | | |
| 2.A. Changes in accounting principles (+/-) | 0.00 | 0.00 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>24,263,998,911.26</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 479,089,370.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (201,463,769.08) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 127,504,891.63 |
| 5.D. Other (+/-) | 0.00 | (495,162,656.78) |
| 6. Total Financing Sources | <u>0.00</u> | <u>(90,032,164.23)</u> |
| 7. Net Cost of Operations (+/-) | <u>0.00</u> | <u>(367,962,795.22)</u> |
| 8. Net Change | <u>0.00</u> | <u>277,930,630.99</u> |
| 9. Cumulative Results of Operations | <u>0.00</u> | <u>24,541,929,542.25</u> |
| 10. Beginning Balances | \$ 0.00 | \$ 440,722,370.00 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>440,722,370.00</u> |
| 13. Budgetary Financing Sources: | | |
| 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 | (479,089,370.00) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>(440,722,370.00)</u> |
| 16. Net Position | <u>0.00</u> | <u>24,541,929,542.25</u> |

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended June 30, 2011 and 2010

| | <u>2010 Eliminations</u> | <u>2010 Consolidated</u> |
|--|--------------------------|--------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 24,263,998,911.26 |
| 2. Prior Period Adjustments: | | |
| 2.A. Changes in accounting principles (+/-) | 0.00 | 0.00 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>24,263,998,911.26</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 479,089,370.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (201,463,769.08) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 127,504,891.63 |
| 5.D. Other (+/-) | 0.00 | (495,162,656.78) |
| 6. Total Financing Sources | <u>0.00</u> | <u>(90,032,164.23)</u> |
| 7. Net Cost of Operations (+/-) | (1,107,149.88) | (366,855,645.34) |
| 8. Net Change | <u>1,107,149.88</u> | <u>276,823,481.11</u> |
| 9. Cumulative Results of Operations | 1,107,149.88 | 24,540,822,392.37 |
| 10. Beginning Balances | \$ 0.00 | \$ 440,722,370.00 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>440,722,370.00</u> |
| 13. Budgetary Financing Sources: | | |
| 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 | (479,089,370.00) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>(440,722,370.00)</u> |
| 16. Net Position | <u>1,107,149.88</u> | <u>24,540,822,392.37</u> |

Department of Defense
Army Working Capital Fund
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the periods ended June 30, 2011 and 2010

| | <u>2011 Combined</u> | <u>2010 Combined</u> |
|---|------------------------------------|------------------------------------|
| BUDGETARY FINANCING ACCOUNTS | | |
| BUDGETARY RESOURCES: | | |
| 1. Unobligated balance, brought forward, October 1 | \$ 1,022,349,274.20 | \$ 1,822,850,467.31 |
| 2. Recoveries of prior year unpaid obligations | 2,078,775,317.02 | 2,141,043,394.85 |
| 3. Budget authority | | |
| 3.A. Appropriation | 54,636,000.00 | 38,477,725.63 |
| 3.C. Contract authority | 10,010,925,247.60 | 11,122,794,079.73 |
| 3.D. Spending authority from offsetting collections | | |
| 3.D.1 Earned | | |
| 3.D.1.a. Collected | 9,958,173,709.59 | 12,040,148,346.72 |
| 3.D.1.b. Change in receivables from Federal sources | (8,924,603.86) | (70,240,286.59) |
| 3.D.2 Change in unfilled customer orders | | |
| 3.D.2.a. Advance received | (20,039,605.53) | (18,789,872.32) |
| 3.D.2.b. Without advance from Federal sources | 1,761,187,105.52 | 538,768,457.31 |
| 3.D.3. Anticipated for rest of year, without advances | 345,506,804.45 | 1,807,237,281.11 |
| 3.E. Subtotal | <u>22,101,464,657.77</u> | <u>25,458,395,731.59</u> |
| 6. Permanently not available | (8,219,638,091.93) | (9,987,295,398.88) |
| 7. Total Budgetary Resources | <u><u>\$ 16,982,951,157.06</u></u> | <u><u>\$ 19,434,994,194.87</u></u> |

Department of Defense
Army Working Capital Fund
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the periods ended June 30, 2011 and 2010

| | <u>2011 Combined</u> | <u>2010 Combined</u> |
|---|-----------------------------|-----------------------------|
| Status of Budgetary Resources: | | |
| 8. Obligations incurred: | | |
| 8.B. Reimbursable | 11,567,829,270.56 | 11,786,899,655.77 |
| 8.C. Subtotal | <u>11,567,829,270.56</u> | <u>11,786,899,655.77</u> |
| 9. Unobligated balance: | | |
| 9.A. Apportioned | 5,415,121,886.50 | 7,648,094,539.10 |
| 9.C. Subtotal | <u>5,415,121,886.50</u> | <u>7,648,094,539.10</u> |
| 11. Total status of budgetary resources | <u>\$ 16,982,951,157.06</u> | <u>\$ 19,434,994,194.87</u> |
| Change in Obligated Balance: | | |
| 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 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 (+/-) | 11,567,829,270.56 | 11,786,899,655.77 |
| 14. Less: Gross outlays | (9,712,434,304.84) | (11,722,098,573.06) |
| 16. Less: Recoveries of prior year unpaid obligations, actual | (2,078,775,317.02) | (2,141,043,394.85) |
| 17. Change in uncollected customer payments from Federal sources (+/-) | (1,752,262,501.66) | (468,528,170.72) |
| 18. Obligated balance, net, end of period | | |
| 18.A. Unpaid obligations | 9,245,581,982.52 | 9,628,693,292.29 |
| 18.B. Less: Uncollected customer payments from Federal sources (-) | (7,126,819,448.95) | (6,346,765,284.75) |
| 18.C. Total, unpaid obligated balance, net, end of period | <u>2,118,762,533.57</u> | <u>3,281,928,007.54</u> |
| Net Outlays | | |
| 19. Net Outlays: | | |
| 19.A. Gross outlays | 9,712,434,304.84 | 11,722,098,573.06 |
| 19.B. Less: Offsetting collections | (9,938,134,104.06) | (12,021,358,474.40) |
| 19.D. Net Outlays | <u>\$ (225,699,799.22)</u> | <u>\$ (299,259,901.34)</u> |