

APPENDIX AD

NOTE 24: COST OF GOODS SOLD

NOTE 24. Cost of Goods Sold. Do A, B, or C as appropriate.

A.	Cost of Services Sold	
	1. Beginning Work-in-Process	_____
	2. Plus: Operating Expenses	_____
	3. Minus: Ending Work-in-Process	_____
	4. Minus: Completed Work for Activity Retention	_____
	Cost of Services Sold	=====
B.	Cost of Goods Sold from Inventory (using Latest Acquisition Cost):	
	1. Beginning Inventory - L.A.C.	\$ _____
	2. Less: Beginning Allowance for Unrealized Holding Gains (Losses)	_____
	3. Plus: Purchases at Cost	_____
	4. Plus: Customer Returns - Credit Given	_____
	5. Plus: DLR Exchange Credits	_____
	6. Less: Inventory Losses Realized	_____
	7. Less: Ending Inventory - L.A.C.	_____
	8. Plus: Ending Allowance for Unrealized Holding Gains (Losses)	_____
	9. Less: Equity Transfers of Inventory to Others	_____
	10. Plus: Equity Transfers of Inventory from Others	_____
	11. Equals: Cost of Goods Sold from Inventory	\$ _____
C.	Cost of Goods Sold from Inventory (using Historical Cost)	
	1. Beginning Inventory	_____
	a. Plus: Purchases at Cost	_____
	b. Plus: Inventory Gains	_____
	c. Minus: Inventory Losses	_____
	2. Less: Ending Inventory	_____
	Cost of Goods Sold	_____
D.	Other Information:	

Instructions. This footnote is the sum of cost of goods and services sold “To the Public” and “Intragovernmental.” The breakout of costs for application to lines 10.a. and 10.b. of the Statement of Operations and Changes in Net Position is calculated based upon their respective percentage of sales. DoD Components may use actual figures if available; however, the method used to report on lines 10.a. and 10.b. must be disclosed. WCF activities are to capture and report data in accordance with

Volume 11B, "Reimbursable Operations, Policy and Procedures--Defense Business Operations Fund," of the DoD Financial Management Regulation (DoD 7000.14-R).

Other Information. Inventory gains and losses reported in C.(1)(b) and (c) must be itemized to show individual items making up 5 percent of the line item.

Commencing in FY 1996, War Reserve materials shall be reported as inventory (Inventory Held For Sale). If War Reserve materials were not included in the beginning inventory and allowance values, a one-time adjustment shall be made by reporting the net of the value of War Reserve material and its associated allowance on line B.3. of Note 24.