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

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.