

VOLUME 6A, CHAPTER 15: “DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT [ACCOUNTING REPORT (MONTHLY) 1307]”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [October 2011](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reformatted chapter for clarity and updated hyperlinks in accordance with current administrative guidance.	Revision
All	Revised Treasury Financial Management Service (FMS) references with the new title. On October 7, 2012, the FMS and the Bureau of the Public Debt merged to become the Bureau of the Fiscal Service (Fiscal Service).	Revision
All	Revised listing of United States Standard General Ledger account codes used in Defense Working Capital Fund (DWCF) reporting to align with the Fiscal Service six-digit format.	Revision
All	Incorporated requirements for the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).	Revision
All	Revised naming conventions, section headings, and line descriptions used in DWCF financial reporting to better align with DWCF reporting structure.	Revision
All	Deleted information redundant to that provided in the DoD Standard Chart of Accounts.	Deletion
150102	Included clarifying language on the reporting requirements for working capital funds mandated within Title 10, United States Code, section 2208.	Addition
150201.C	Added information on the Standard Financial Information Structure used for financial reporting.	Addition
150201.D	Clarified the purpose of the DWCF Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307) and added a hyperlink to the DoD United States Standard General Ledger Transaction Library.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
150201.D (Previous Version)	Deleted paragraph due to outdated language.	Deletion
150201.E	Clarified the relationship between the DWCF AR(M) 1307 and the Standard Form 133, Report on Budget Execution and Budgetary Resources, and provided a source reference for use in verifying the integrity of reported data.	Revision
150201.F (Previous Version)	Incorporated paragraph into 150202.B.3 for improved alignment of information.	Revision
150202.B.3	Clarified report descriptions and requirements for the seven parts of the Statement of Operations.	Revision
150202.C (Previous Version)	Deleted paragraph as being redundant to paragraph 150202.A.	Deletion
150203.D	Clarified guidance on allocation and adjustment to transaction amounts.	Revision
150203.I	Clarified report format and submission requirements under GTAS.	Revision
150303.J	Updated description of cash on hand and other monetary assets to align with the guidance contained in Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements," dated June 28, 2019.	Revision
150303.Q	Clarified language on the DoD inventory valuation method.	Revision
150303.V	Clarified the process used to report DWCF work-in-process balances.	Revision
150303.X.2	Updated reporting instructions for real property balances as explained in Volume 4, Chapter 24.	Revision
150303.AI	Updated description of liabilities covered by budgetary resources to align with the guidance contained in OMB Circular A-136, dated June 28, 2019.	Revision
150403.Z	Clarified guidance for transfers between Working Capital Funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriations, as outlined in Section 8008 of Public Law 113-6.	Revision
150703.A, 150703.K	Revised inventory and related property reporting requirements used in the DWCF to align with current DoD policy.	Revision
150703.S	Updated descriptions and requirements for reporting losses or gains realized on disposal of inventory.	Revision
151003, Figure 15-8	Revised the reporting requirements contained in Part VI, "Capital Program," of the Statement of Operations.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
151104, Figure 15-9	Updated the reporting format for Part VII, "Inventory Management Report - Supply Management Activity," of the Statement of Operations to distinguish inventory valuation methodologies.	Revision
Table 15-1	Updated table with current DWCF financial reporting activities.	Revision

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CHAPTER 15

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (MONTHLY) 1307]

1501 GENERAL

150101. Purpose

This chapter [prescribes](#) the reporting requirements and [policies to follow when preparing](#) the Defense Working Capital Fund (DWCF) Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307) [and is applicable to all DoD Working Capital Funds.](#)

*150102. Authoritative Guidance

The chapter addresses the basic internal reporting requirements identified in Title 10, United States Code, [section 2208](#) (10 U.S.C. § 2208), which requires the Secretary of Defense, with respect to the working capital funds of each Defense Agency, and the Secretary of each military department, with respect to the working capital funds of the military department, to provide for separate accounting, reporting, and auditing of funds and activities managed through the working capital funds.

1502 REPORTING

150201. Report Content

A. The DWCF AR(M) 1307 consists of three principal [internal accounting statements.](#)

1. [Statement of Financial Position.](#) [The Statement of Financial Position](#) discloses the reporting entity's assets, liabilities, and net position.

2. [Statement of Cash Flow.](#) [The Statement of Cash Flow](#) discloses the reporting entity's [cash flows from operations, adjustments, and appropriations and cash transfers](#) with an explanation of the changes in cash [or cash equivalents](#) for the reporting period.

3. [Statement of Operations.](#) [The Statement of Operations](#) discloses the results of the reporting entity's operations for the reporting period, including changes in the entity's net position from the end of the prior reporting period.

B. Volume 1, Chapter 2 contains the [Federal Accounting Standards Advisory Board](#) hierarchy of accounting [principles and standards used to prepare](#) the DWCF AR(M) 1307.

* C. Volume 1, Chapter 4 contains [guidance on the Standard Financial Information Structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across the DoD.](#)

* D. The DWCF AR(M) 1307 is the official internal management report document for financial accounting and is a source document for the annual financial statements. The United States Standard General Ledger (USSGL), on which the report is based, is updated at least annually and posted by the Bureau of the Fiscal Service (Fiscal Service). The DoD Standard Chart of Accounts provides normal account balance information. The DoD USSGL Transaction Library provides detailed general ledger transactions and posting business rules for accounting standardization that supports the preparation of financial statements.

* E. The AR(M) 1307 is prepared based on the activity's proprietary trial balances. An exception is the inclusion of obligation data in some items in Part VI, "Capital Program," and Part VII, "Inventory Management Report - Supply Management Activity," of the Statement of Operations.

1. The AR(M) 1307 provides accounting and inventory data for financial reporting and identifies the proprietary position of DWCF activities. The AR(M) 1307 complements information provided in the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, which is prepared by using the activity's budgetary trial balances. Although the AR(M) 1307 and SF 133 run independently of one another, they should reconcile at the summary level. Refer to Volume 3, Chapter 19 for additional guidance.

2. Use standard reconciliations, such as budgetary to proprietary relationships described in Volume 1, Chapter 7, to verify the integrity of reported data.

150202. Reporting Requirement

A. Applicability. Table 15-1 contains a listing of DWCF financial reporting activities. Within Table 15-1, an asterisk (*) symbol indicates the lowest level for which individual AR(M) 1307 reports are required. DWCF activities may generate the AR(M) 1307 at different levels in order to manage their business effectively. Table 15-1 identifies the levels for which consolidated AR(M) 1307 reports are required with a pound (#) symbol. Each DoD Component DWCF activity must produce consolidated reports.

B. Report Formats. Use the financial report formats provided in Figures 15-1 through 15-9 to prepare reports. Reports produced by Automated Data Processing (ADP) equipment may be substituted for the formats illustrated. Submit the following reports:

1. Statement of Financial Position;

2. Statement of Cash Flow; and

* 3. Statement of Operations;

a. Part I - Statement of Operations identifies the cumulative year-to-date Net Operating Results (NOR) and the Recoverable NOR. Recoverable NOR is the amount that can be recovered in the activity's rates;

b. Part II - Changes in Net Position identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity's balance sheet;

c. Part III - Cost of Goods Sold identifies the value of inventory sold or services provided. It does not provide a value for total obligations incurred;

d. Part IV - Expenses identifies detailed expense information by category. Not all expenses represent claims against budgetary resources;

e. Part V - Recoverable Operating Results reconciles NOR to the operating results that may be used for rate-setting purposes;

f. Part VI - Capital Program identifies the approved program, obligations, disbursements, and collections for the Capital Program by fiscal year (FY); and

g. Part VII - Inventory Management Report - Supply Management Activity reports inventory management data for the Supply Management and Commissary Resale DWCF activities.

C. Frequency of Reports. Unless otherwise specified by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), prepare and submit the AR(M) 1307 reports monthly. Submit regular reports in accordance with due dates established by the Defense Finance and Accounting Service (DFAS) and consistent with the requirements of OUSD(C).

D. Distribution

1. Consolidated DoD Component and DWCF Activity Reports. Submit a copy of consolidated DWCF activity reports to the:

a. Director for Operations, Office of the Deputy Comptroller (Program/Budget (P/B)), OUSD(C);

b. Offices of the Assistant Secretary of the Army, Navy, and Air Force (Financial Management and Comptroller); the Defense Commissary Agency (DeCA) Comptroller; and Comptrollers of Other Defense Activities (e.g. the Defense Logistics Agency (DLA) Comptroller); and

c. Management Command responsible for the oversight of the DWCF activity, if requested by a DoD Component.

2. Activity Level Reports. Submit a copy of DWCF activity level reports to the:

a. Offices of the Assistant Secretary of the Army, Navy, and Air Force (Financial Management and Comptroller); the DeCA **Comptroller**; and Comptrollers of Other Defense **Activities** if requested by a DoD Component;

b. Management Command responsible for the oversight of **the DWCF** activity, if requested by a DoD Component; and

c. DWCF activity, disclosing any adjustments made to the financial data submitted by that activity.

150203. Detailed Instructions

A. The instructions to the AR(M) 1307 identify the specific data, and appropriate source of that data, for amounts entered into each line of each report.

B. Report amounts in thousands of dollars (\$000) for all parts of the report and related footnotes (i.e., \$1,000 = \$1; \$10,000 = \$10; and \$100,000 = \$100).
i.e.

C. **Include** footnotes with each report for lines requiring identification of the nature of specific **extraordinary** amounts or **abnormal balances**.

* D. **Allocate or assign** adjustments for amounts otherwise accounted for or reported at the DoD Component level to the applicable **DWCF activities**. Similarly, **allocate or assign** adjustments for amounts otherwise submitted for or reported at the **DWCF activity** level to the applicable individual activities. DFAS will make such allocations in accordance with the direction received from the DoD Components. Where reasonable, allocate all such adjustments to individual activities. Show adjustments made at the **DWCF activity** level separately as a **DWCF activity** adjustment. **Recognize adjustments at the DWCF activity level (DWCF activity adjustment) until the transactions can be allocated to the individual activities. All DWCF activity adjustments must be zero at year-end.** Enter adjustments allocated to the individual activity level into the activity's installation level accounting records. **Record the adjustments in accordance with the guidance contained in Chapter 2.**

E. **Do** not retroactively implement policies that could have a significant adverse impact on the accuracy and integrity of financial reports without a clear offsetting benefit, or unless directed by an external authority such as Congress.

F. Base the report **submissions** on current **FY** data. All references to "year" apply to **FY**.

G. Entities are only required to report lines on the AR(M) 1307 in which there is **current** activity or **activity from a prior period**.

H. **Use the USSGL accounts cited as general guidance** to populate each line. DoD requires the use of the DoD **Standard Reporting Chart of Accounts** in all accounting systems for all appropriations and funds. **Detailed account mapping is included in the Defense**

Departmental Reporting System (DDRS). Volume 1, Chapter 7 prescribes the requirements of the USSGL.

* I. Base the report submissions on the bulk file format and attributes outlined in the *Governmentwide Treasury Account Symbol Adjusted Trial Balance System* (GTAS). The GTAS format includes both budgetary and proprietary USSGL accounts, however, the AR(M) 1307 is based upon proprietary USSGL accounts with few exceptions.

1503. FORMAT OF THE STATEMENT OF FINANCIAL POSITION (FIGURE 15-1)

Figure 15-1: Statement of Financial Position

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF FINANCIAL POSITION			
(DoD COMPONENT/DWCF ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
ASSETS			
1. Fund Balance with Treasury			\$ XXX
a. Funds Collected - Operating Program	\$	XXX	
b. Funds Collected - Capital Program		XXX	
c. Funds Disbursed - Operating Program		XXX	
d. Funds Disbursed - Capital Program		XXX	
e. Funds Transferred In (Out)		XXX	
f. Funds with Treasury - Operating Program		XXX	
g. Funds with Treasury - Capital Program		XXX	
2. Cash on Hand and Other Monetary Assets			XXX
3. Accounts Receivable, Net			XXX
a. Accounts Receivable, Intragovernmental		XXX	
b. Accounts Receivable, Intragovernmental, Undistributed		XXX	
c. Accounts Receivable, Non-Federal		XXX	
d. Accounts Receivable, Non-Federal, Undistributed		XXX	
4. Advances Paid and Prepayments			XXX
5. Inventories, Net			XXX
a. Inventory Items			
(1) Latest Acquisition Cost (LAC)		XXX	
(2) Moving Average Cost (MAC)		XXX	
b. Allowance for Gains (or Losses) on Inventories		XXX	
6. Work-in-Process			XXX
7. Operating Materials and Supplies, Net			XXX
8. Property, Plant, and Equipment, Net			XXX
a. Structures, Facilities and Leasehold Improvements, Net		XXX	
b. Construction-in-Progress		XXX	
c. Equipment, Net		XXX	
d. ADP Software, Net		XXX	
e. Software Development in Progress		XXX	
f. Assets Under Capital Lease, Net		XXX	
g. Other Property, Net		XXX	
9. Other Assets, Net			XXX
10. Total Assets			XXX

Figure 15-1: Statement of Financial Position (Continued)

LIABILITIES		
11. Liabilities Covered by Budgetary Resources		\$ XXX
a. Accounts Payable, Net		XXX
(1) Accounts Payable, Intragovernmental	\$ XXX	
(2) Accounts Payable, Intragovernmental, Undistributed	XXX	
(3) Accounts Payable, Non-Federal	XXX	
(4) Accounts Payable, Non-Federal, Undistributed	XXX	
b. Accrued Payroll and Benefits		XXX
(1) Salaries and Wages	XXX	
(2) Accrued Annual Leave	XXX	
(3) Severance Pay, Separation Allowance, and Other Payroll Liabilities	XXX	
c. Progress Billings		XXX
d. Advances and Prepayments from Others		XXX
e. Debt		XXX
f. Interest Payable		XXX
g. Lease Liabilities		XXX
h. Other Liabilities		XXX
12. Liabilities Not Covered by Budgetary Resources		XXX
13. Total Liabilities		XXX
NET POSITION		
14. Net Position		XXX
a. Unexpended Appropriations	XXX	
b. Accumulated Operating Results (AOR)	XXX	
c. Invested Capital	XXX	
15. Total Liabilities and Net Position		XXX

150301. General

The Statement of Financial Position, Figure 15-1, discloses the reporting entity's assets, liabilities, and net position.

150302. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150303. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – ASSETS. The “Assets” section identifies items owned by the Federal Government which have probable (more likely than not) economic benefits that can be obtained or controlled by a Federal Government entity. Fiduciary activities that fall under the guidance of Statement of Federal Financial Accounting Standards (SFFAS) 31, “Accounting for Fiduciary Activities,” are not part of the net position.

B. Line 1 – Fund Balance with Treasury. Report the aggregate amount of the entity's accounts with the Department of the Treasury (Treasury) for which the entity has the authority to make expenditures and pay liabilities. Establish accounts to identify disbursements and collections applicable to the operating and capital programs to comply with 10 U.S.C. § 2208, which requires DoD to establish a capital asset subaccount. Report the balance by the specified applicable categories.

C. Line 1.a – Funds Collected – Operating Program. Report the portion of the balance of the following account as it relates to funds collected for the operating program during the current FY:

101000 Fund Balance with Treasury (Funds Collected – Operating Program)

D. Line 1.b – Funds Collected - Capital Program. Report the portion of the balance of the following account as it relates to funds collected for the capital program during the current FY. Base the amount of collections allocated from the operating program to the capital program on the activity's DWCF-funded depreciation expenses and capital surcharge. In all cases, at the end of the FY, the amount collected must be sufficient to ensure the ending Fund Balance with Treasury - Capital Program is not negative. See Volume 11B, Chapter 3 for additional guidance on transfers of budget authority. Line 1.b will agree with the collections reported in Column 11, “Collections - This Fiscal Year,” of Part VI, “Capital Program,” of the Statement of Operations.

101000 Fund Balance with Treasury (Funds Collected – Capital Program)

E. Line 1.c – Funds Disbursed - Operating Program. Report the portion of the balance of the following account as it relates to funds disbursed for the operating program during the current FY:

101000 Fund Balance with Treasury (Funds Disbursed – Operating Program)

F. Line 1.d – Funds Disbursed – Capital Program. Report the portion of the balance of the following account as it relates to funds disbursed for the capital program this FY. Line 1.d will agree with the disbursements reported in Column 8, “Disbursements - This Fiscal Year,” of Part VI, “Capital Program,” of the Statement of Operations.

101000 Fund Balance with Treasury (Funds Disbursed – Capital Program)

G. Line 1.e – Funds Transferred In (Out). Report the portion of the balance of the following account as it relates to funds transferred in or out during the current FY:

101000 Fund Balance with Treasury (Current Year Transfers)

H. Line 1.f – Funds with Treasury – Operating Program. Report the portion of the balance of the following accounts as they relate to funds held by the Treasury for the operating program. Report the beginning FY balance of the operating program account, which is the net of prior year funds collected and disbursed related to operating programs.

101000 Fund Balance with Treasury (Funds with Treasury – Operating Program)

109000 Fund Balance with Treasury While Awaiting a Warrant (If applicable, under a continuing resolution authority)

I. Line 1.g – Funds with Treasury – Capital Program. Report the portion of the balance of the following account as it relates to funds held by the Treasury for the capital program. Report the beginning FY balance of the capital program account, which is the net of prior year funds collected and disbursed related to capital programs.

101000 Fund Balance with Treasury (Funds with Treasury – Capital Program)

* J. Line 2 – Cash on Hand and Other Monetary Assets. Cash on hand and other monetary assets consists of: (a) coins, paper currency, and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (b) amounts on demand deposit with banks or other financial institutions including nonconfirmed collections and disbursements; (c) investments held outside of Treasury; and (d) foreign currencies, which, for accounting purposes, will be translated into U.S. dollars at the exchange rate on the financial statement date. Report the balance of the following accounts:

111000 Undeposited Collections

113000 Funds Held Outside of Treasury – Budgetary

119000 Other Cash

119500 Other Monetary Assets
120000 Foreign Currency

K. Line 3 – Accounts Receivable, Net. Accounts receivable are amounts due from others when the right to receive funds accrues as a result of performance of services, delivery of goods, or court-ordered assessments. Line 3 is a summary line for Lines 3.a, “Accounts Receivable, Intragovernmental,” through 3.d, “Accounts Receivable, Non-Federal, Undistributed.”

L. Line 3.a – Accounts Receivable, Intragovernmental. Report the portion of the balance of the following accounts due from other Federal Agencies:

131000 Accounts Receivable (except as reported on Line 3.b)
131900 Allowance for Loss on Accounts Receivable
134000 Interest Receivable – Not Otherwise Classified
136000 Penalties and Fines Receivable – Not Otherwise Classified
137000 Administrative Fees Receivable – Not Otherwise Classified

M. Line 3.b – Accounts Receivable, Intragovernmental, Undistributed. Report the portion of the balance of the following account as it relates to accounts receivable from other Federal Agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Treasury finance network and the amount of collections recorded by operating level activities.

131000 Accounts Receivable (except as reported on Line 3.a)

N. Line 3.c – Accounts Receivable, Non-Federal. Report the portion of the balance of the following accounts as they relate to accounts receivable from non-federal agencies and entities:

131000 Accounts Receivable (except as reported on Line 3.d)
131900 Allowance for Loss on Accounts Receivable
134000 Interest Receivable – Not Otherwise Classified
134700 Allowance for Loss on Interest Receivable – Not Otherwise Classified
136000 Penalties and Fines Receivable – Not Otherwise Classified
136700 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
137000 Administrative Fees Receivable – Not Otherwise Classified
137700 Allowance for Loss on Administrative Fees Receivable – Not Otherwise Classified

O. Line 3.d – Accounts Receivable, Non-Federal, Undistributed. Report the portion of the balance of the following account as it relates to undistributed accounts receivable balances from non-federal agencies and entities. Undistributed collections represent the difference

between the amount of collections reported to DFAS by the Treasury finance network and the amount of collections recorded by operating level activities.

131000 Accounts Receivable (except as reported on Line 3.c)

P. Line 4 – Advances Paid and Prepayments. The amount reported on this line will agree with the amount reported on Line 5, “Advances and Prepayments,” of the “Supplemental Budget Execution Information Report,” which is available in the Budgetary module of DDRS. This report provides additional reporting line items to amounts reported on the SF 133. Report the balance of the following account:

141000 Advances and Prepayments

* Q. Line 5 – Inventories, Net. Inventory is tangible personal property that is: (a) held for sale; (b) in the process of production for sale; (c) consumed in the production of goods for sale or in the provision of services for a fee; (d) held for repair; or (e) excess, obsolete, and unserviceable.

1. SFFAS 3, “Accounting for Inventory and Related Property,” sets the accounting principles under which Federal entities account for and report inventory and related property balances.

2. Although Moving Average Cost (MAC) is the official DoD inventory valuation method, the Latest Acquisition Cost (LAC) valuation method is available to DeCA only. See Volume 4, Chapter 4 for additional guidance on inventory and related property. Line 5 is a summary line for Lines 5.a, “Inventory Items,” and 5.b, “Allowance for Gains (or Losses) on Inventories.”

R. Line 5.a – Inventory Items. Line 5.a is a summary line for Lines 5.a.(1), “Latest Acquisition Cost (LAC),” and 5.a.(2), “Moving Average Cost (MAC).”

S. Line 5.a.(1) – Latest Acquisition Cost (LAC). The amount reported on this line will equal Line 2.i, “Minus: Ending Inventory – LAC,” of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the amount of inventory maintained at LAC in the following accounts:

152100 Inventory Purchased for Resale
 152200 Inventory Held in Reserve for Future Sale
 152300 Inventory Held for Repair
 152400 Inventory – Excess, Obsolete, and Unserviceable
 152500 Inventory – Raw Materials
 152700 Inventory – Finished Goods

T. Line 5.a.(2) – Moving Average Cost (MAC). Report the amount of inventory maintained at MAC in the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

U. Line 5.b – Allowance for Gains (or Losses) on Inventories. Report the portion of the balance in the following account as it relates to the estimated cost to repair damage, and to gains (or losses), on inventories. Report a credit balance as a negative amount (deduct) and debit balance as a positive amount (add).

152900	Inventory – Allowance
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* V. Line 6 – Work-in-Process. DWCF work-in-process is the amount of direct, indirect, and general and administrative costs assigned or otherwise properly allocated to a final cost objective (generally, a job order), or the amount of incremental billings for Supply Management manufactured inventory. Prior to completion of final cost objects, either in their entirety or as discrete elements, allocate all costs to work-in-process.

1. When recognizing revenue on a percentage-of-completion basis, record the portion of work-in-process associated with the recognized revenue as cost of goods sold. Line 6 applies to DWCF activities that accumulate costs to a final cost objective (generally, a job order), such as those within the Depot Maintenance, Research and Development (R&D), and Base Support DWCF activities. Line 6 will agree with the amount reported on Line 1.g, “Minus: Ending Work-In-Process,” of Part III, “Cost of Goods Sold,” of the Statement of Operations.

2. Non-supply reporting entities are to bill for work-in-process balances before the reporting cycle closes, and therefore, work-in-process is expected to be zero for these activities on the AR(M) 1307. The work-in-process for supply accounts represent progress payments incurred for manufactured items. Provide explanations in the footnotes when non-supply work-in-process is not zero. Timely billing helps ensure resources are available to cover DWCF costs. See Volume 4, Chapter 16 and SFFAS 7, “Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting,” for additional guidance relating to revenue recognition. Report the portion of the balance in the following accounts as they relate to work-in-process:

152600	Inventory – Work-in-Process
152900	Inventory – Allowance

W. Line 7 – Operating Materials and Supplies, Net. Operating materials and supplies are asset accounts consisting of tangible personal property expensed when consumed in the course of normal operations. See Volume 4, Chapter 4 for guidance related to capitalizing or expensing operating materials and supplies balances. Line 7 can be applicable to any DWCF activity. Report the balance of the following accounts:

151100	Operating Materials and Supplies Held for Use
151200	Operating Materials and Supplies Held in Reserve for Future Use
151300	Operating Materials and Supplies – Excess, Obsolete, and Unserviceable
151400	Operating Materials and Supplies – Held for Repair
151600	Operating Materials and Supplies – In Development
151900	Operating Materials and Supplies – Allowance

X. Line 8 – Property, Plant, and Equipment, Net. Property, plant, and equipment (PP&E) are tangible assets that: (1) have an estimated useful life of two or more years; (2) are not intended for sale in the ordinary course of business; and (3) are intended to be used or available for use by the entity.

1. SFFAS 6, “Accounting for Property, Plant, and Equipment,” outlines accounting standards for Federally owned PP&E. Line 8 is the cost basis, net of depreciation, of the activity’s real and personal property, i.e., land, structures and facilities, construction-in-progress, purchased and self-developed software, equipment, and related improvements that have been capitalized.

* 2. Report DoD real property as follows:

a. Construction-In-Progress. The funding entity accumulates and reports construction-in-progress for real property (including improvements) in the construction-in-progress accounts until the asset or improvement is placed in service. When the asset or improvement is placed in service, the funding entity removes the construction-in-progress balance and recognizes the asset. The funding entity then transfers the asset or improvement to the host entity, if the host entity is different than the funding entity.

b. In-Service Assets. Report real property on the financial statements of the Military Department or Washington Headquarters Services on whose installation a real property asset is located. A Military Department working capital fund can report real property on its financial statements if it has jurisdiction over an installation.

c. Land. Reporting responsibilities for land follow the same rules as other real property. However, reporting entities without an unmodified audit opinion value existing land at zero dollars and expense future land acquisitions.

d. Capitalized Improvements. The funding entity accumulates and reports the costs of capitalized improvements until the improvement to an asset is placed in service, at which time it will be transferred to the entity responsible for reporting the real property base asset. Only Military Departments and Washington Headquarters Services have financial reporting responsibility for real property and completed improvements. See Volume 4, Chapter 24 for additional information. Line 8 is a summary line for Lines 8.a, “Structures, Facilities and Leasehold Improvements, Net,” through 8.g, “Other Property, Net.”

Y. Line 8.a – Structures, Facilities and Leasehold Improvements, Net. Report the balance of the following accounts:

171200 Improvements to Land
 171900 Accumulated Depreciation on Improvements to Land
 173000 Buildings, Improvements, and Renovations
 173900 Accumulated Depreciation on Buildings, Improvements, and Renovations
 174000 Other Structures and Facilities
 174900 Accumulated Depreciation on Other Structures and Facilities
 182000 Leasehold Improvements
 182900 Accumulated Amortization on Leasehold Improvements

Z. Line 8.b – Construction-in-Progress. Report the balance of the following account:

172000 Construction-in-Progress

AA. Line 8.c – Equipment, Net. Report the balance of the following accounts:

175000 Equipment
 175900 Accumulated Depreciation on Equipment

AB. Line 8.d – ADP Software, Net. Report the balance of the following accounts:

183000 Internal-Use Software
 183900 Accumulated Amortization on Internal-Use Software

AC. Line 8.e – Software Development in Progress. Report the balance of the following account:

183200 Internal-Use Software in Development

AD. Line 8.f – Assets Under Capital Lease, Net. Report the balance of the following accounts:

181000 Assets Under Capital Lease
 181900 Accumulated Depreciation on Assets Under Capital Lease

AE. Line 8.g – Other Property, Net. Report the balance of the following accounts:

184000 Other Natural Resources
 184900 Allowance for Depletion
 189000 Other General Property, Plant, and Equipment

189900 Accumulated Depreciation on Other Property, Plant, and Equipment

AF. Line 9 – Other Assets, Net. Report the balance of the following accounts:

135000 Loans Receivable - Not Otherwise Defined

159100 Other Related Property

159900 Other Related Property – Allowance

199000 Other Assets

199500 General Property, Plant, and Equipment Permanently Removed but Not Yet Disposed

AG. Line 10 – Total Assets. Line 10 is a summary line for Lines 1, “Fund Balance with Treasury,” through 9, “Other Assets, Net.”

AH. Section Heading – LIABILITIES. The “Liabilities” section identifies obligations of the Federal Government to provide assets or services to another entity at a determinable date, when a specified event occurs, or on demand.

* AI. Line 11 – Liabilities Covered by Budgetary Resources. Report liabilities covered by available budgetary resources on this line. Budgetary resources are required to cover all obligations whether considered a liability or not.

1. Available budgetary resources include: (1) new budget authority; (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year; (3) spending authority from offsetting collections (credited to an appropriation or fund account); and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations.

2. Consider liabilities covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the reporting date. The Office of Management and Budget (OMB) may apportion the resources without further action by the Congress or without a contingency first having to be met. Line 11 is a summary line for Lines 11.a, “Accounts Payable, Net,” through 11.h, “Other Liabilities.”

AJ. Line 11.a – Accounts Payable, Net. Report the amounts owed by a DWCF activity for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-federal entities. See Volume 10, Chapter 10 and the Federal Acquisition Regulation (FAR) part 32, “Contract Financing,” for additional guidance relating to contract financing payments. Line 11.a is a summary line for Lines 11.a.(1), “Accounts Payable, Intragovernmental,” through 11.a.(4), “Accounts Payable, Non-Federal, Undistributed.”

AK. Line 11.a.(1) – Accounts Payable, Intragovernmental. Report the portion of the balance of the following accounts as they relate to accounts payables owed to Federal entities:

- 211000 Accounts Payable (except as reported on Line 11.a.(2))
- 212000 Disbursements in Transit
- 214000 Accrued Interest Payable – Not Otherwise Classified

AL. Line 11.a.(2) – Accounts Payable, Intragovernmental, Undistributed. Report the amount of accounts payable in the following account that is owed to Federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported by DFAS to the Treasury finance network and the amount of disbursements recorded by operating level activities.

- 211000 Accounts Payable (except as reported on Line 11.a.(1))

AM. Line 11.a.(3) – Accounts Payable, Non-Federal. Report the portion of the balance of the following accounts as they relate to accounts payable owed to non-federal entities:

- 211000 Accounts Payable (except as reported on Line 11.a.(4))
- 212000 Disbursements in Transit
- 213000 Contract Holdbacks
- 214000 Accrued Interest Payable – Not Otherwise Classified

AN. Line 11.a.(4) – Accounts Payable, Non-Federal, Undistributed. Report the amount of accounts payable in the following account that is owed to non-federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Treasury finance network and the amount of disbursements recorded by operating level activities.

- 211000 Accounts Payable (except as reported on Line 11.a.(3))

AO. Line 11.b – Accrued Payroll and Benefits. Report the amount of payroll and benefits payable. Line 11.b is a summary line for Lines 11.b.(1), “Salaries and Wages,” through 11.b.(3), “Severance Pay, Separation Allowance, and Other Payroll Liabilities.”

AP. Line 11.b.(1) – Salaries and Wages. Report the portion of the balance of the following accounts as they relate to salaries and wages:

- 221000 Accrued Funded Payroll and Leave
- 221100 Withholdings Payable
- 221300 Employer Contributions and Payroll Taxes Payable

AQ. Line 11.b.(2) – Accrued Annual Leave. DWCF activities must fully fund annual leave in their rates. The balance reported on this line represents the value of employee annual leave not yet taken. This amount is exclusive of the amount reported on Line 11.b.(1). Report the portion of the balance of the following account as it relates to accrued annual leave:

- 221000 Accrued Funded Payroll and Leave

AR. Line 11.b.(3) – Severance Pay, Separation Allowance, and Other Payroll Liabilities. Report the portion of the balance of the following account as it relates to severance pay, separation allowances, and other payroll liabilities:

221500 Other Post-Employment Benefits Due and Payable

AS. Line 11.c – Progress Billings. The amount reported represents billings received in advance of performance for which revenue has not been earned. Report the portion of the balance of the following account as it relates to progress billings:

231000 Liability for Advances and Prepayments

AT. Line 11.d – Advances and Prepayments from Others. The amount reported will agree with Line 6, “Unearned Revenue,” of the “Supplemental Report on Budget Execution.” Report the value of advances and prepayments received for goods not yet delivered or services not yet performed in the following account:

231000 Liability for Advances and Prepayments

AU. Line 11.e – Debt. Line 11.e represents the amount of borrowings from the Treasury, the Federal Financial Bank, or other Federal Agencies. Report the portion of the balance of the following accounts as they relate to debt:

214000 Accrued Interest Payable – Not Otherwise Classified (except as reported on Line 11.f)
214200 Accrued Interest Payable – Debt
252000 Principal Payable to the Federal Financing Bank
259000 Other Debt

AV. Line 11.f – Interest Payable. Report the portion of the balance of the following account as it relates to interest payable (other than debt interest). Exclude amounts already listed on Line 11.e, “Debt.”

214000 Accrued Interest Payable – Not Otherwise Classified (except as reported on Line 11.e)

AW. Line 11.g – Lease Liabilities. Line 11.g represents the portion of liability for capital leases covered by budgetary authority. Fully fund the capital leases and lease-purchases in the first year of the lease in accordance with OMB Circular A-11, Appendix B, “Budgetary Treatment of Lease-Purchases and Leases of Capital Assets.” Report the balance of the following account:

294000 Capital Lease Liability

AX. Line 11.h – Other Liabilities. Line 11.h represents liabilities not recognized in other specific categories. Include the total amount due Federal entities for other liabilities

covered by budgetary authority not included on other lines. Report the **portion of the** balance of the following accounts as they **relate** to transactions with other Federal and non-federal entities:

213000	Contract Holdbacks
219000	Other Liabilities With Related Budgetary Obligations
231000	Liability for Advances and Prepayments
232000	Other Deferred Revenue
240000	Liability for Nonfiduciary Deposit Funds and Undeposited Collections
265000	Actuarial FECA Liability
292000	Contingent Liabilities
298500	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

AZ. **Line 12 – Liabilities Not Covered by Budgetary Resources.** Liabilities not covered by available budgetary resources result from the receipt of goods or services, or the occurrence of other eligible events, for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they, in fact, will be made is at the discretion of the Congress. Report **the portion of the balance of the following accounts** for which an available budgetary resource does not exist:

214000	Accrued Interest Payable – Not Otherwise Classified
216000	Entitlement Benefits Due and Payable
219000	Other Liabilities With Related Budgetary Obligations
222500	Unfunded FECA Liability
232000	Other Deferred Revenue
252000	Principal Payable to the Federal Financing Bank
259000	Other Debt
265000	Actuarial FECA Liability
292000	Contingent Liabilities
294000	Capital Lease Liability
296000	Accounts Payable from Canceled Appropriations
299000	Other Liabilities Without Related Budgetary Obligations
299500	Estimated Cleanup Cost Liability-OAEL Active Installations Non-BRAC- Environmental Corrective Actions

AZ. **Line 13 – Total Liabilities.** Line 13 is a summary line for Lines 11, “Liabilities Covered by Budgetary Resources,” and 12, “Liabilities Not Covered by Budgetary Resources.”

BA. **Section Heading – NET POSITION.** The “Net Position” section presents the arithmetic difference between the total assets and total liabilities recognized in the Federal Government's or a component entity's balance sheet. Net position may be positive (assets greater than liabilities) or negative (assets less than liabilities).

BB. Line 14 – Net Position. Line 14 is a summary line for Lines 14.a, “Unexpended Appropriations,” through 14.c, “Invested Capital.”

BC. Line 14.a – Unexpended Appropriations. Line 14.a is equal to Line 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations. Normally, DWCF activities will not have unexpended appropriations as they are expended upon receipt to provide budgetary authority. (Supply activities that receive appropriations for War Reserve Materiel may not expend upon receipt. Also, a DWCF may have unexpended appropriations for Emergency Disaster Relief.)

BD. Line 14.b – Accumulated Operating Results (AOR). Line 14.b is equal to Line 1.B.(3), “Total AOR End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations.

BE. Line 14.c – Invested Capital. Line 14.c is equal to Line 1.D.(4), “Equals: Invested Capital – End of Period,” of Part II, “Changes in Net Position,” of the Statement of Operations.

BF. Line 15 – Total Liabilities and Net Position. Report the total of Lines 13, “Total Liabilities,” and 14, “Net Position.” Line 15 will equal Line 10, “Total Assets,” from the Statement of Financial Position.

1504. FORMAT OF THE STATEMENT OF CASH FLOW (FIGURE 15-2)

Figure 15-2: Statement of Cash Flow

DEFENSE WORKING CAPITAL FUND		
STATEMENT OF CASH FLOW		
(DoD COMPONENT/DWCF ACTIVITY)		
MONTH ENDING _____, 20XX		
(\$ in thousands)		
CASH FLOWS FROM OPERATIONS:		
1. Net Operating Results (NOR) (Part I, Line 11)	\$	XXX
OPERATING ADJUSTMENTS:		
2. Appropriated Capital Used (-)		(XXX)
3. Decrease (Increase) in Accounts Receivable		XXX
4. Decrease (Increase) in Advances and Prepayments		XXX
5. Decrease (Increase) in Inventories:		XXX
a. Inventory	\$	XXX
b. Work-in-Process		XXX
c. Operating Materials and Supplies, Net		XXX
6. Decrease (Increase) in Other Assets		XXX
7. Increase (Decrease) in Accounts Payable		XXX
8. Increase (Decrease) in Accrued Payroll and Benefits		XXX
9. Increase (Decrease) in Liabilities		XXX
10. Depreciation and Amortization		XXX
11. Other Adjustments:		XXX
a. Prior Period Adjustments	XXX	
b. Non-Cash Transfers	XXX	
c. Other	XXX	
12. Total Operating Adjustments		XXX
13. NOR Plus or Minus Operating Adjustments		XXX
CAPITAL ADJUSTMENTS:		
14. (Increase) Decrease of Property, Plant, and Equipment, Net		XXX

Figure 15-2: Statement of Cash Flow (Continued)

APPROPRIATIONS AND CASH TRANSFERS:		
15. Appropriations (Current Warrants)		\$ XXX
16. Transfers of Cash		XXX
a. Transfers In	\$ XXX	
b. Transfers Out	XXX	
17. Total Appropriations and Cash Transfers		XXX
18. Repayments on Loans from the Treasury and the Federal Financing Bank		XXX
19. Net Change In Cash For Accounting Period		XXX
20. Fund Balance, Beginning		XXX
21. Fund Balance, Ending		XXX
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
22. Total Interest Paid		XXX

150401. General

The Statement of Cash Flow, Figure 15-2, discloses the reporting entity's gross cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.

150402. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150403. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading - CASH FLOWS FROM OPERATIONS. The "Cash Flows From Operations" section presents the cash flows generated by an entity's operations.

B. Line 1 – Net Operating Results (NOR) (Part I, Line 11). Line 1 is equal to Line 11, "Net Operating Results (NOR)," of Part I, "Statement of Operations," of the Statement of Operations.

C. Section Heading - OPERATING ADJUSTMENTS. The "Operating Adjustments" section identifies increases and decreases in items impacting an entity's ending Fund Balance with Treasury.

D. Line 2 – Appropriated Capital Used (-). The amount of appropriated funds expended is a negative adjustment to the cash flow from operations. Report the balance of the following account:

570000 Expended Appropriations

E. Line 3 – Decrease (Increase) in Accounts Receivable. Report the balance of the preceding September 30, Statement of Financial Position, Line 3, "Accounts Receivable, Net," minus the current balance reported on Line 3 of the Statement of Financial Position.

F. Line 4 – Decrease (Increase) in Advances and Prepayments. Report the balance of the preceding September 30, Statement of Financial Position, Line 4, "Advances Paid and Prepayments," minus the current balance reported on Line 4 of the Statement of Financial Position.

G. Line 5 – Decrease (Increase) in Inventories. Line 5 is a summary line for Lines 5.a, "Inventory," through 5.c, "Operating Materials and Supplies, Net." Report the net decrease (increase) of the three sub-categories of inventory reported on Lines 5.a through 5.c.

H. Line 5.a – Inventory. Report the balance of the preceding September 30, Statement of Financial Position, Line 5.a, “Inventory Items,” minus the current balance reported on Line 5.a of the Statement of Financial Position.

I. Line 5.b – Work-in-Process. Report the balance of the preceding September 30, Statement of Financial Position, Line 6, “Work-in-Process,” minus the current balance reported on Line 6 of the Statement of Financial Position.

J. Line 5.c – Operating Materials and Supplies, Net. Report the balance of the preceding September 30, Statement of Financial Position, Line 7, “Operating Materials and Supplies, Net,” minus the current balance reported on Line 7 of the Statement of Financial Position.

K. Line 6 – Decrease (Increase) in Other Assets. Report the balance of the preceding September 30, Statement of Financial Position, Line 9, “Other Assets, Net,” minus the current balance reported on Line 9 of the Statement of Financial Position.

L. Line 7 – Increase (Decrease) in Accounts Payable. Report the balance of the preceding September 30, Statement of Financial Position, Line 11.a, “Accounts Payable, Net,” minus the current balance reported on Line 11.a of the Statement of Financial Position.

M. Line 8 – Increase (Decrease) in Accrued Payroll and Benefits. Report the balance of the preceding September 30, Statement of Financial Position, Line 11.b, “Accrued Payroll and Benefits,” minus the current balance reported on Line 11.b of the Statement of Financial Position.

N. Line 9 – Increase (Decrease) in Liabilities. Report the current year change in the following accounts:

213000	Contract Holdbacks
214000	Accrued Interest Payable – Not Otherwise Classified
216000	Entitlement Benefits Due and Payable
219000	Other Liabilities With Related Budgetary Obligations
222500	Unfunded FECA Liability
231000	Liability for Advances and Prepayments
232000	Other Deferred Revenue
240000	Liability for Nonfiduciary Deposit Funds and Undeposited Collections
252000	Principal Payable to the Federal Financing Bank
259000	Other Debt
265000	Actuarial FECA Liability
292000	Contingent Liabilities
294000	Capital Lease Liability
296000	Accounts Payable From Canceled Appropriations
298500	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity

- 299000 Other Liabilities Without Related Budgetary Obligations
- 299500 Estimated Cleanup Cost Liability

O. Line 10 – Depreciation and Amortization. The depreciation and amortization for the period are not paid in cash and, therefore, require a positive adjustment to net cash flow from operations. Report the portion of the balance of the following account as it relates to items funded by the DWCF activity:

- 671000 Depreciation, Amortization, and Depletion

P. Line 11 – Other Adjustments. Line 11 is a summary line for Lines 11.a, “Prior Period Adjustments,” through 11.c, “Other.”

Q. Line 11.a – Prior Period Adjustments. Report the portion of the balance of the following accounts as they relate to prior period adjustments. Enter prior period adjustments for the period that are not cash related transactions.

- 740000 Prior-Period Adjustments Due to Corrections of Errors
- 740100 Prior-Period Adjustments Due to Changes in Accounting Principles
- 740500 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

R. Line 11.b – Non-Cash Transfers. Report the balance of the following accounts. Enter transfers in and transfers out for the period that are not cash related transactions.

- 572000 Financing Sources Transferred In Without Reimbursement
- 573000 Financing Sources Transferred Out Without Reimbursement

S. Line 11.c – Other. Report the balance of the following account:

- 579000 Other Financing Sources

T. Line 12 – Total Operating Adjustments. Line 12 is a summary line for Lines 2, “Appropriated Capital Used (-),” through 11, “Other Adjustments.”

U. Line 13 – NOR Plus or Minus Operating Adjustments. Report the sum of Lines 1, “Net Operating Results (NOR),” and 12, “Total Operating Adjustments.”

V. Section Heading – CAPITAL ADJUSTMENTS. The “Capital Adjustments” section adjusts cash flow for the impact of acquiring and disposing of PP&E and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and included in Line 1, “Net Operating Results (NOR).” However, if an incoming cash flow is not a result of revenue, identify that cash flow within this section as either a result of a sale of PP&E or another cause. See Volume 4 for additional information relating to PP&E.

W. Line 14 – (Increase) Decrease of Property, Plant, and Equipment, Net. Report the balance of the preceding September 30, Statement of Financial Position, Line 8, “Property, Plant, and Equipment, Net,” minus the current balance reported on Line 8 of the Statement of Financial Position.

X. Section Heading – APPROPRIATIONS AND CASH TRANSFERS. The “Appropriations and Cash Transfers” section identifies the impact on cash flow from resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may be distributed to the individual activity level. If appropriations are not distributed, report by the DWCF level holding those balances or allocate by that DWCF level, for reporting purposes, to the appropriate activity or activities.

Y. Line 15 – Appropriations (Current Warrants). Report the portion of the balance of the following accounts as they relate to transfers in and transfers out of appropriations (current warrants). Report the amount of appropriations received, net of rescissions, for the current FY in the following accounts:

310100	Unexpended Appropriations – Appropriations Received
310200	Unexpended Appropriations – Transfers–In
310300	Unexpended Appropriations – Transfers–Out
310500	Unexpended Appropriations – Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year
310600	Unexpended Appropriations – Adjustments
310700	Unexpended Appropriations – Used
310800	Unexpended Appropriations – Prior–Period Adjustments Due to Corrections of Errors
310900	Unexpended Appropriations – Prior–Period Adjustments Due to Changes in Accounting Principles

* Z. Line 16 – Transfers of Cash. Report the net amount of cash transferred to and from all Federal sources, except the Fiscal Service. Line 16 is a summary line for Lines 16.a, “Transfers In,” and 16.b, “Transfers Out.” Transfers of cash reported on Lines 16.a and 16.b may include transfers between Working Capital Funds and the “Foreign Currency Fluctuations, Defense” and “Operation and Maintenance” appropriations as outlined in Section 8008 of Public Law 113-6.

AA. Line 16.a – Transfers In. Report the amount of cash transferred from all Federal sources, except the Fiscal Service. The amount reported on this line will agree with the amount reported on Line 1.D.(2).b, “Plus: Transfers In of Cash,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report cash transfers in from other Federal sources as an increase. Report only those amounts related solely to transferred-in cash balances. Do not report a transfer of cash from work performed (reimbursable sales) on this line.

575500 Nonexpenditure Financing Sources – Transfers–In

AB. Line 16.b – Transfers Out. Report the amounts of cash transferred to all Federal sources, except the **Fiscal Service**. The amount reported on this line will be the opposite of the amount reported on Line 1.D.(2).c, “Minus: Transfers Out of Cash,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report cash transfers out to other Federal sources as a reduction. Report only those amounts related solely to transferred-out cash balances. Do not report a transfer of cash from work performed (reimbursable sales) on this line.

576500 Nonexpenditure Financing Sources – Transfers–Out

AC. Line 17 – Total Appropriations and Cash Transfers. Line 17 is a summary line for Lines 15, “Appropriations (Current Warrants),” and 16, “Transfers of Cash.”

AD. Line 18 – Repayments on Loans from the Treasury and the Federal Financing Bank. Report the amounts disbursed to liquidate loans from the **Fiscal Service**, the Federal Financing Bank, or other Federal Agencies. Line 18 applies only to the Military Sealift Command (MSC).

252000 Principal Payable to the Federal Financing Bank

AE. Line 19 – Net Change in Cash For Accounting Period. Line 19 is a summary line for Lines 13, “NOR Plus or Minus Operating Adjustments;” 14, “(Increase) Decrease of Property, Plant, and Equipment, Net;” 17, “Total Appropriations and Cash Transfers;” and 18, “Repayments on Loans from the Treasury and the Federal Financing Bank.”

AF. Line 20 – Fund Balance, Beginning. Report the balance of the preceding September 30, Statement of Cash Flows, Line 21, “Fund Balance, Ending.” The amount will not change during the FY.

AG. Line 21 – Fund Balance, Ending. Line 21 is a summary line for Lines 19, “Net Change in Cash For Accounting Period,” and 20, “Fund Balance, Beginning.” The amount reported on this line will equal the sum of Lines 1, “Fund Balance with Treasury,” and 2, “Cash on Hand and Other Monetary Assets,” of the Statement of Financial Position.

AH. Section Heading – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION. The “Supplemental Disclosure of Cash Flow Information” section presents additional information related to the Statement of Cash Flow.

AI. Line 22 – Total Interest Paid. Report the current year change in the following accounts:

214000 Accrued Interest Payable – Not Otherwise Classified
 214100 Accrued Interest Payable – Loans
 214200 Accrued Interest Payable – Debt
 633000 Other Interest Expenses

1505. FORMAT OF THE STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS (FIGURE 15-3)

Figure 15-3: Statement of Operations, Part I – Statement of Operations

DEFENSE WORKING CAPITAL FUND		
STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS		
(DoD COMPONENT/DWCF ACTIVITY)		
MONTH ENDING _____, 20XX		
(\$ in thousands)		
REVENUES AND FINANCING SOURCES:		
1. Appropriated Capital Used	\$	XXX
2. Revenue from Sales of Goods and Services		XXX
a. Gross Revenue from Sales	\$	XXX
b. Minus: Credits Allowed on Sales	XXX	
3. Other Revenue and Financing Sources		XXX
4. Total Revenue and Financing Sources		XXX
EXPENSES:		
5. Program or Operating Expenses (Supply and Service Activities)		XXX
6. Cost of Goods and Services Sold		XXX
7. Other Losses		XXX
8. Total Expenses		XXX
NET OPERATING RESULTS:		
9. Revenue Less Cost Incurred Before Extraordinary Items		XXX
10. Plus (Minus) Extraordinary Items		XXX
11. Net Operating Results (NOR)		XXX
NET OPERATING RESULTS FOR RATE PURPOSES:		
12. Plus (Minus) Deferred Operating Results and Depreciation (Part V)		XXX
13. Recoverable Net Operating Results		XXX

150501. General

Part I – Statement of Operations, Figure 15-3, identifies the cumulative year-to-date NOR and the Recoverable NOR.

150502. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150503. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – REVENUES AND FINANCING SOURCES. The “Revenues and Financing Sources” section presents inflows of or other increases in assets, decreases in liabilities, or a combination of both resulting in an increase in the government's net position during the reporting period.

B. Line 1 – Appropriated Capital Used. Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. Use USSGL account 570000, “Expended Appropriations,” to record an amount equal to accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses to the appropriated funds used to finance those expenses. Record amounts in account 570000 equal to the amount of program expenses but do not include any expenses applicable to revenue accounts other than account 570000. In other words, record expenses incurred against an appropriation made directly available to the DWCF separately from expenses incurred against ordinary DWCF reimbursable financing. Report the balance of the following account:

570000 Expended Appropriations

C. Line 2 – Revenue from Sales of Goods and Services. Line 2 is a summary line for Lines 2.a, “Gross Revenue from Sales,” and 2.b, “Minus: Credits Allowed on Sales.”

D. Line 2.a – Gross Revenue from Sales. Report the balances in the following accounts:

510000 Revenue From Goods Sold
520000 Revenue From Services Provided

E. Line 2.b – Minus: Credits Allowed on Sales. Reporting activities within the Supply Management Activity will report the dollar amount of credits allowed on amounts due (accounts receivable) from sales or Depot Level Repairable (DLR) exchanges. Report the balances in the following accounts:

510900	Contra Revenue for Goods Sold
520900	Contra Revenue from Services Provided

F. Line 3 – Other Revenue and Financing Sources. Include the total amount of revenues and financing sources not reported on Lines 1, “Appropriated Capital Used,” or 2, “Revenue from Sales of Goods and Services.” Do not include revenues reported on this line in customer rates. Include cash donations. Identify the nature of each miscellaneous gain in the footnotes. Do not include other gains related to inventory on this line. Report other gains related to inventory on Line K.4, “Net Other Inventory (Gains) Losses” of Part IV, “Expenses,” of the Statement of Operations. Report the portion of the balance of the following accounts as they relate to Other Revenues and Financing Sources:

531000	Interest Revenue – Other
531900	Contra Revenue for Interest Revenue – Other
532000	Penalties and Fines Revenue
532900	Contra Revenue for Administrative Fees
560000	Donated Revenue – Financial Resources
560900	Contra Revenue for Donations – Financial Resources
561000	Donated Revenue – Nonfinancial Resources
561900	Contra Donated Revenue – Nonfinancial Resources
575500	Nonexpenditure Financing Sources – Transfers–In – Other
576500	Nonexpenditure Financing Sources – Transfers–Out – Other
577500	Nonbudgetary Financing Sources Transferred In
578000	Imputed Financing Sources
579000	Other Financing Sources
590000	Other Revenue
590900	Contra Revenue for Other Revenue
599300	Offset to Non–Entity Collections – Statement of Changes in Net Position
599400	Offset to Non–Entity Accrued Collections – Statement of Changes in Net Position
711000	Gains on Disposition of Assets
719000	Other Gains

G. Line 4 – Total Revenue and Financing Sources. Line 4 is a summary line for Lines 1, “Appropriated Capital Used,” through 3, “Other Revenue and Financing Sources.” Revenue will equal net sales plus any other reimbursable revenue and financing source.

H. Section Heading – EXPENSES. The “Expenses” section presents outflows of or other decreases in assets, increases in liabilities, or a combination of both resulting in a decrease in the government's net position during the reporting period.

I. Line 5 – Program or Operating Expenses (Supply and Service Activities). Line 5 is a summary of expenses for the current period. Report the sum of Lines A, “Personnel Services and Benefits–Civilian,” through J, “Bad Debts,” of Part IV, “Expenses,” of the Statement

of Operations. Subtract Line 1.f, “Plus: Operating Expenses,” of Part III, “Cost of Goods Sold,” of the Statement of Operations for Supply and Service Activities.

J. Line 6 – Cost of Goods and Services Sold. Report the sum of Lines 1.i, “Equals: Cost of Goods and Services Sold,” and 2.o, “Equals: Cost of Goods Sold from Inventory,” of Part III, “Cost of Goods Sold,” of the Statement of Operations for Service and DWCF activities.

K. Line 7 – Other Losses. Report the sum of Line K, “Other Losses and Gains,” of Part IV, “Expenses,” of the Statement of Operations.

L. Line 8 – Total Expenses. Report the sum of Lines 5, “Program or Operating Expenses (Supply and Service Activities),” through 7, “Other Losses.”

M. Section Heading – NET OPERATING RESULTS. The “Net Operating Results” section identifies the reporting line items used to calculate the NOR for the reporting period.

N. Line 9 – Revenue Less Cost Incurred Before Extraordinary Items. Report the sum of Line 4, “Total Revenue and Financing Sources,” minus Line 8, “Total Expenses.”

O. Line 10 – Plus (Minus) Extraordinary Items. Extraordinary items are both unusual in nature and infrequent in occurrence. Identify the nature of each extraordinary gain or loss in a footnote. Report the balance of the following account:

730000 Extraordinary Items

P. Line 11 – Net Operating Results (NOR). Line 11 is a summary line for Lines 9, “Revenue Less Cost Incurred Before Extraordinary Items” and 10, “Plus (Minus) Extraordinary Items.”

Q. Section Heading – NET OPERATING RESULTS FOR RATE PURPOSES. The “Net Operating Results for Rate Purposes” section identifies the reporting line items used to calculate the NOR used for rate purposes for the reporting period.

R. Line 12 – Plus (Minus) Deferred Operating Results and Depreciation (Part V). Report the sum of Lines 2, “Deferred Operating Results (Gains/Losses) Net,” and 3, “Depreciation, Non-DWCF Acquired PP&E,” of Part V, “Recoverable Operating Results,” of the Statement of Operations. Include the total deferred operating results and depreciation on non-DWCF acquired PP&E. See Volume 4, Chapters 24 through 28 for additional guidance relating to recognition of depreciation in the financial statements.

S. Line 13 – Recoverable Net Operating Results. Line 13 is a summary line for Lines 11, “Net Operating Results (NOR),” and 12, “Plus (Minus) Deferred Operating Results and Depreciation (Part V).”

1506. FORMAT OF THE STATEMENT OF OPERATIONS: PART II – CHANGES IN NET POSITION (FIGURE 15-4)

Figure 15-4: Statement of Operations, Part II – Changes in Net Position

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART II-CHANGES IN NET POSITION			
(DoD COMPONENT/DWCF ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. CHANGES IN NET POSITION			
A. UNEXPENDED APPROPRIATIONS			
(1) Appropriations Available – Beginning of Year	\$	XXX	
(2) Plus or Minus: Changes in Appropriation Balance		XXX	
(3) Equals: Unexpended Appropriations – End of Period			\$ XXX
B. ACCUMULATED OPERATING RESULTS (AOR)			
(1) RECOVERABLE AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(2) DEFERRED AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Deferred AOR End of Period		XXX	
(3) Total AOR End of Period			XXX
C. Operational Equity Position – End of Period			XXX
D. INVESTED CAPITAL			
(1) ASSETS CAPITALIZED			
a. Assets Capitalized – Beginning of Period		XXX	
b. Plus: Transfers In of Property		XXX	
c. Minus: Transfers Out of Property		XXX	
d. Minus: Depreciation, Non-DWCF Acquired PP&E		XXX	
e. Equals: Assets Capitalized – End of Period		XXX	

Figure 15-4: Statement of Operations, Part II – Changes in Net Position (Continued)

(2) FUND (CASH) ASSETS		
a. Fund (Cash) Assets – Beginning of Period	\$	XXX
b. Plus: Transfers In of Cash		XXX
c. Minus: Transfers Out of Cash		XXX
d. Equals: Fund (Cash) Assets – End of Period		XXX
(3) LIABILITIES ASSUMED		
a. Liabilities Assumed – Beginning of Period		XXX
b. Plus: Transfers In of Liabilities		XXX
c. Minus: Transfers Out of Liabilities		XXX
d. Equals: Liabilities Assumed – End of Period		XXX
(4) Equals: Invested Capital – End of Period	\$	XXX
2. Net Position – End of Period		XXX

150601. General

Part II - Changes in Net Position, Figure 15-4, identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity's balance sheet.

150602. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150603. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – CHANGES IN NET POSITION. The “Changes in Net Position” section identifies the reporting line items used to report the change in net position during the reporting period.

B. Section Heading – UNEXPENDED APPROPRIATIONS. The “Unexpended Appropriations” section identifies appropriations that have not yet been used to acquire goods and services or provide benefits.

C. Line 1.A.(1) – Appropriations Available – Beginning of Year. Report the balance of Line 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount reported will not change during the FY. Report the balance of the following account:

310000 Unexpended Appropriations - Cumulative

D. Line 1.A.(2) – Plus or Minus: Changes in Appropriation Balance. Line 1.A.(2) represents the difference between the beginning FY balance and the balance as of the end of the reporting period. Report the balance of the following accounts:

310100 Unexpended Appropriations – Appropriations Received

310200 Unexpended Appropriations – Transfers–In

310300 Unexpended Appropriations – Transfers–Out

310500 Unexpended Appropriations – Prior Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

310600 Unexpended Appropriations – Adjustments

310700 Unexpended Appropriations – Used

310800 Unexpended Appropriations – Prior–Period Adjustments Due to Corrections of Errors

310900 Unexpended Appropriations – Prior–Period Adjustments Due to Changes in Accounting Principles

E. Line 1.A.(3) – Equals: Unexpended Appropriations – End of Period. Line 1.A.(3) is a summary line for Lines 1.A.(1), “Appropriations Available – Beginning of Year,” and 1.A.(2), “Plus or Minus: Changes in Appropriation Balance.” The amount reported on this line will agree with Line 14.a, “Unexpended Appropriations,” of the Statement of Financial Position.

F. Section Heading – ACCUMULATED OPERATING RESULTS (AOR). The “Accumulated Operating Results” section reflects the cumulative summation of NOR.

G. Section Heading – RECOVERABLE AOR. The “Recoverable AOR” section identifies the reporting line items used to calculate the ending balance of recoverable AOR for the reporting period.

H. Line 1.B.(1).a – AOR Beginning of Year (Unadjusted). Report the balance of Line 1.B.(1).e, “Equals: Recoverable AOR End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. See Volume 2B, Chapter 9 for additional guidance on cost recovery. Report the amount of recoverable AOR contained in the following account:

331000 Cumulative Results of Operations

I. Line 1.B.(1).b – Plus or Minus: Prior Period Adjustments. Report the portion of the balance in the following accounts related to prior period adjustments to recoverable AOR. Report a credit balance as a plus and a debit balance as a negative.

740000 Prior-Period Adjustments Due to Corrections of Errors

740100 Prior-Period Adjustments Due to Changes in Accounting Principles

740500 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

J. Line 1.B.(1).c – Equals: AOR Beginning of Year (Adjusted). Line 1.B.(1).c is a summary line for Lines 1.B.(1).a, “AOR Beginning of Year (Unadjusted),” and 1.B.(1).b, “Plus or Minus: Prior Period Adjustments.”

K. Line 1.B.(1).d – Plus or Minus: Net Operating Results. Report the balance of Line 13, “Recoverable Net Operating Results,” of Part I, “Statement of Operations,” of the Statement of Operations.

L. Line 1.B.(1).e – Equals: Recoverable AOR End of Period. Line 1.B.(1).e is a summary line for Lines 1.B.(1).c, “Equals: AOR Beginning of Year (Adjusted),” and 1.B.(1).d, “Plus or Minus: Net Operating Results.”

M. Section Heading – DEFERRED AOR. The “Deferred AOR” section identifies the reporting line items used to calculate the ending balance of deferred AOR for the reporting period.

N. Line 1.B.(2).a – AOR Beginning of Year (Unadjusted). Report the balance of Line 1.B.(2).e, “Equals: Deferred AOR End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. See Volume 2B, Chapter 9 for additional guidance on cost recovery. Report the amount of deferred AOR contained in the following account:

331000 Cumulative Results of Operations

O. Line 1.B.(2).b – Plus or Minus: Prior Period Adjustments. Report the portion of the balance in the following accounts related to prior period adjustments to deferred AOR. Report a credit balance as a plus and a debit balance as a negative.

740000 Prior-Period Adjustments Due to Corrections of Errors

740100 Prior-Period Adjustments Due to Changes in Accounting Principles

740500 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

P. Line 1.B.(2).c – Equals: AOR Beginning of Year (Adjusted). Line 1.B.(2).c is a summary line for Lines 1.B.(2).a, “AOR Beginning of Year (Unadjusted),” and 1.B.(2).b, “Plus or Minus: Prior Period Adjustments.”

Q. Line 1.B.(2).d – Plus or Minus: Net Operating Results. The amount reported on this line will be the opposite of the amount shown on Line 2, “Deferred Operating Results (Gains/Losses) Net,” of Part V, “Recoverable Operating Results,” of the Statement of Operations.

R. Line 1.B.(2).e – Equals: Deferred AOR End of Period. Line 1.B.(2).e is a summary line for Lines 1.B.(2).c, “Equals: AOR Beginning of Year (Adjusted),” and 1.B.(2).d, “Plus or Minus: Net Operating Results.”

S. Line 1.B.(3) – Total AOR End of Period. Line 1.B.(3) is a summary line for Lines 1.B.(1).e, “Equals: Recoverable AOR End of Period,” and 1.B.(2).e, “Equals: Deferred AOR End of Period.”

T. Line 1.C – Operational Equity Position – End of Period. Line 1.C is a summary line for Lines 1.A.(3), “Equals: Unexpended Appropriations – End of Period,” and 1.B.(3), “Total AOR End of Period.”

U. Section Heading – INVESTED CAPITAL. The “Invested Capital” section identifies the reporting line items used to calculate the ending balance of invested capital for the reporting period.

V. Section Heading – ASSETS CAPITALIZED. The “Assets Capitalized” section identifies the reporting line items used to calculate the ending balance of capitalized assets for the reporting period.

W. Line 1.D.(1).a – Assets Capitalized – Beginning of Period. Report the balance of Line 1.D.(1).e, “Equals: Assets Capitalized – End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. Report the amount related to the asset capitalization program contained in the following account:

331000 Cumulative Results of Operations

X. Line 1.D.(1).b – Plus: Transfers In of Property. Report the value of non-cash capital assets transferred in without reimbursement. Report the portion of the balance in the following account as it relates to non-cash capital transfers:

572000 Financing Sources Transferred In Without Reimbursement

Y. Line 1.D.(1).c – Minus: Transfers Out of Property. Report the value of non-cash capital assets transferred out without reimbursement. Report the portion of the balance in the following account as it relates to non-cash capital transfers:

573000 Financing Sources Transferred Out Without Reimbursement

Z. Line 1.D.(1).d – Minus: Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation expense recorded for non-DWCF acquired PP&E from Line I, “Depreciation – Non-DWCF Acquired PP&E,” of Part IV, “Expenses,” of the Statement of Operations, plus any gains and losses from the following accounts related to the asset in question:

719000 Other Gains

729000 Other Losses

AA. Line 1.D.(1).e – Equals: Assets Capitalized – End of Period. Line 1.D.(1).e is a summary line for Lines 1.D.(1).a, “Assets Capitalized – Beginning of Period,” through 1.D.(1).d, “Minus: Depreciation, Non-DWCF Acquired PP&E.”

AB. Section Heading – FUND (CASH) ASSETS. The “Fund (Cash) Assets” section identifies the reporting line items used to calculate the ending balance of fund (cash) assets for the reporting period.

AC. Line 1.D.(2).a – Fund (Cash) Assets – Beginning of Period. Report the balance of Line 1.D.(2).d, “Equals: Fund (Cash) Assets – End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. Report the portion of the balance in the following account as it relates to asset capitalization:

331000 Cumulative Results of Operations

AD. Line 1.D.(2).b – Plus: Transfers In of Cash. Report the amount of financing sources of a reporting entity representing cash transferred in without reimbursement. Report the portion of the balance in the following account as it relates to transfers in of cash:

575500 Nonexpenditure Financing Sources – Transfers–In

AE. Line 1.D.(2).c – Minus: Transfers Out of Cash. Report the amount of financing sources of a reporting entity representing cash transferred out without reimbursement. Report the portion of the balance in the following accounts as they relate to transfers out of cash:

576500 Nonexpenditure Financing Sources – Transfers–Out

AF. Line 1.D.(2).d – Equals: Fund (Cash) Assets – End of Period. Line 1.D.(2).d is a summary line for Lines 1.D.(2).a, “Fund (Cash) Assets – Beginning of Period,” through 1.D.(2).c, “Minus: Transfers Out of Cash.”

AG. Section Heading – LIABILITIES ASSUMED. The “Liabilities Assumed” section identifies the reporting line items used to calculate the ending balance of liabilities assumed for the reporting period.

AH. Line 1.D.(3).a – Liabilities Assumed – Beginning of Period. Report the balance of Line 1.D.(3).d, “Equals: Liabilities Assumed – End of Period,” from the preceding September 30, Statement of Operations, Part II, “Changes in Net Position.” The amount will not change during the FY. Report the portion of the balance in the following account as it relates to liabilities assumed:

331000 Cumulative Results of Operations

AI. Line 1.D.(3).b – Plus: Transfers In of Liabilities. Report the portion of the balance in the following account as it relates to the value of liabilities transferred in:

572000 Financing Sources Transferred In Without Reimbursement

AJ. Line 1.D.(3).c – Minus: Transfers Out of Liabilities. Report the portion of the balance in the following account as it relates to the value of liabilities transferred out:

573000 Financing Sources Transferred Out Without Reimbursement

AK. Line 1.D.(3).d – Equals: Liabilities Assumed – End of Period. Line 1.D.(3).d is a summary line for Lines 1.D.(3).a, “Liabilities Assumed – Beginning of Period,” through 1.D.(3).c, “Minus: Transfers Out of Liabilities.”

AL. Line 1.D.(4) – Equals: Invested Capital – End of Period. Line 1.D.(4) is a summary line for Lines 1.D.(1).e, “Equals: Assets Capitalized – End of Period;” 1.D.(2).d, “Equals: Fund (Cash) Assets – End of Period;” and 1.D.(3).d, “Equals: Liabilities Assumed – End of Period.”

AM. Line 2 – Net Position – End of Period. Line 2 is a summary line for Lines 1.C, “Operational Equity Position – End of Period,” and 1.D.(4), “Equals: Invested Capital – End of Period.”

1507. FORMAT OF THE STATEMENT OF OPERATIONS: PART III - COST OF GOODS SOLD (FIGURE 15-5)

Figure 15-5: Statement of Operations, Part III – Cost of Goods Sold

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART III-COST OF GOODS SOLD (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)			
1. COST OF GOODS AND SERVICES SOLD:			
a.	Beginning Work-in-Process	\$	XXX
b.	Plus/Minus: Prior Period Adjustments to Work-in-Process		XXX
c.	Equals: Adjusted Beginning Work-in-Process		XXX
d.	Minus: Transfers Out of Work-in-Process		XXX
e.	Plus: Transfers In of Work-in-Process		XXX
f.	Plus: Operating Expenses		XXX
g.	Minus: Ending Work-in-Process		XXX
h.	Minus: Work for Activity Retention		XXX
i.	Equals: Cost of Goods and Services Sold	\$	XXX
2. COST OF GOODS SOLD FROM INVENTORY:			
a.	Beginning Inventory-LAC		XXX
b.	Plus/Minus: Prior Period Adjustments to LAC Inventory		XXX
c.	Equals: Adjusted Beginning Inventory-LAC		XXX
d.	Minus: Beginning Allowance for Unrealized Holding Gains (Losses)		XXX
e.	Plus: Purchases at Cost		XXX
f.	Plus: Customer Returns-Credit Given		XXX
g.	Plus: DLR Exchange Credits		XXX
h.	Minus: Inventory Losses (Gains) Realized		XXX
i.	Minus: Ending Inventory-LAC		XXX
j.	Plus: Ending Allowance for Unrealized Holding Gains (Losses)		XXX
k.	Minus: Transfers Out of Inventory at LAC		XXX
l.	Plus: Transfers In of Inventory at LAC		XXX
m.	Equals: Cost of Goods Sold at LAC		XXX
n.	Plus: Cost of Goods Sold at MAC		XXX
o.	Equals: Cost of Goods Sold from Inventory		XXX

150701. General

Part III - Cost of Goods Sold, Figure 15-5, reflects all costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period. The total of [Line 1.i, "Equals: Cost of Goods and Services Sold,"](#) and [2.o, "Equals: Cost of Goods Sold from Inventory,"](#) must agree with the amount shown on [Line 6, "Cost of Goods and Services Sold,"](#) of Part I, "Statement of Operations," of the [Statement of Operations](#).

150702. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150703. Line Item Instructions

Instructions for the content of each line item are as follows:

* A. [Section Heading – COST OF GOODS AND SERVICES SOLD](#). The "Cost of Goods and Services Sold" section applies to DWCF activities that accumulate costs to a final cost objective (generally, a job order). Report any operating expenses for service business activities on [Line 6, "Cost of Goods and Services Sold,"](#) of Part I, "Statement of Operations," of the [Statement of Operations](#).

B. [Line 1.a – Beginning Work-in-Process](#). Report the balance of [Line 1.g, "Minus: Ending Work-in-Process,"](#) from the [preceding September 30, Statement of Operations, Part III, "Cost of Goods Sold."](#) The amount will not change during the FY. Report the portion of the balance in the following accounts related to work-in-process:

152600 Inventory – Work-in-Process
152900 Inventory – Allowance

C. [Line 1.b – Plus/Minus: Prior Period Adjustments to Work-in-Process](#). Report the [current year change for](#) Inventory Work-in-Process related to a prior period adjustment included in the following accounts:

740000 Prior-Period Adjustments Due to Corrections of Errors
740100 Prior-Period Adjustments Due to Changes in Accounting Principles
740500 Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

D. [Line 1.c – Equals: Adjusted Beginning Work-in-Process](#). [Line 1.c is a summary line for Lines 1.a, "Beginning Work-in-Process," and 1.b, "Plus/Minus: Prior Period Adjustments to Work-in-Process."](#)

E. Line 1.d – Minus: Transfers Out of Work-in-Process. Report the portion of the balance in the following account as it relates to work-in-process transferred out to another activity without reimbursement:

573000 Financing Sources Transferred Out Without Reimbursement

F. Line 1.e – Plus: Transfers In of Work-in-Process. Report the portion of the balance in the following account as it relates to work-in-process transferred in from another activity without reimbursement:

572000 Financing Sources Transferred In Without Reimbursement

G. Line 1.f – Plus: Operating Expenses. Report the total of Lines A, “Personnel Services and Benefits–Civilian,” through I, “Depreciation – Non-DWCF Acquired PP&E,” of Part IV, “Expenses,” of the Statement of Operations for those activities that use LAC inventory method.

H. Line 1.g – Minus: Ending Work-in-Process. Report the portion of the balance in the following accounts as of the end of the current reporting period:

152600 Inventory – Work-in-Process

152900 Inventory – Allowance

I. Line 1.h – Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing DWCF activity. Report the portion of the balance of the following account as it relates to assets retained by a business activity:

650000 Cost of Goods Sold

J. Line 1.i – Equals: Cost of Goods and Services Sold. Line 1.i is a summary line for Lines 1.c, “Equals: Adjusted Beginning Work-in-Process,” through 1.h, “Minus: Work for Activity Retention.”

* K. Section Heading – COST OF GOODS SOLD FROM INVENTORY. Report in the “Cost of Goods Sold from Inventory” section only the costs for Supply Management and Commissary Resale DWCF activities. Supply activities must record any incremental amount billed for manufactured inventory as work-in-process on Line 1. The Supply Activity will adjust the inventory work-in-process account as appropriate based on the subsequent progress bills received.

1. Refer to the DoD USSGL Transaction Library for detailed debit and credit transactions related to the recording and transfer out of work-in-process inventory accounts to the appropriate Inventory Held for Sale account(s). Once the Supply Activity receives the completed manufactured end item(s), they will transfer the corresponding value in the inventory work-in-process account to the appropriate inventory account. Accounting transactions related to

this policy need to comply with the DoD Standard Chart of Accounts and the DoD USSGL Transaction Library.

2. SFFAS 3 sets the accounting principles for Federal Government entities to follow when accounting for and reporting inventory and related property. Volume 4, Chapter 4 provides instructions for DoD Components recording inventory at its last invoice price. Volume 4, Chapter 4 also provides the application of inventory-related accounts and provides clarification for the reporting requirements contained in section 2, “Cost of Goods Sold from Inventory,” of Part III, “Cost of Goods Sold,” of the Statement of Operations.

L. Line 2.a – Beginning Inventory – LAC. Report the balance of Line 2.i, “Minus: Ending Inventory – LAC,” from the preceding September 30, Statement of Operations, Part III, “Cost of Goods Sold.” The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. The amount reported will not change during the FY.

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

M. Line 2.b – Plus/Minus: Prior Period Adjustments to LAC Inventory. Report the current year change for inventory reported at LAC related to prior period adjustments included in the following accounts:

740000	Prior-Period Adjustments Due to Corrections of Errors
740100	Prior-Period Adjustments Due to Changes in Accounting Principles
740500	Prior-Period Adjustments Due to Corrections of Errors – Years Preceding the Prior Year

N. Line 2.c – Equals: Adjusted Beginning Inventory-LAC. Line 2.c is a summary line for Lines 2.a, “Beginning Inventory – LAC,” and 2.b, “Plus/Minus: Prior Period Adjustments to LAC Inventory.”

O. Line 2.d – Minus: Beginning Allowance for Unrealized Holding Gains (Losses). Report the balance of Line 2.j, “Plus: Ending Allowance for Unrealized Holding Gains (Losses),” from the preceding September 30, Statement of Operations, Part III, “Cost of Goods Sold.” The amount will not change during the FY. Recognize holding gains (or losses) in the valuation of inventory. Holding gains (or losses) may be unrealized or realized. “Unrealized” refers to any gain (or loss) associated with inventory still held by the entity. “Realization” of the holding gain (or loss) occurs when an item of inventory is sold or otherwise leaves the Supply Management stocking point.

P. Line 2.e – Plus: Purchases at Cost. Report the portion of the balance in the following account as it relates to amounts paid or payable for all inventory purchases during the reporting period:

152900 Inventory – Allowance

Q. Line 2.f – Plus: Customer Returns–Credit Given. Report the portion of the balance in the following account as it relates to amounts of credit given on materiel returns:

152900 Inventory – Allowance

R. Line 2.g – Plus: DLR Exchange Credits. Report the portion of the balance in the following account as it relates to amounts of credits given on DLR exchanges:

152900 Inventory – Allowance

* S. Line 2.h – Minus: Inventory Losses (Gains) Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains (and losses) accounts as a result of sales; that is, those gains (and losses) are realized when inventory items are sold and recognized in the cost of goods sold.

1. However, increases (or decreases) in inventory occurring because of disposal and events other than sales also result in an adjustment (increase or decrease) of the unrealized holding gains (or losses) accounts. As those inventory increases (or decreases) are not the result of sales, they should not affect the cost of goods sold. (Immaterial losses are charged to cost of goods sold.)

2. Therefore, remove the value of those gains (or losses) from the cost of goods sold and report on Line K.4, “Net Other Inventory (Gains) Losses,” of Part IV “Expenses,” of the Statement of Operations. Report the portion of the balance of the following accounts related to (gains) losses on inventory identified in the following breakdown:

a. Non-Recoverable Gains or Losses on Disposal of Excess Inventory, Supply Management:

711000 Gains on Disposition of Assets – Other

719000 Other Gains

721000 Losses on Disposition of Assets – Other

729000 Other Losses

b. Other Inventory Losses, Non-Supply Management:

729000 Other Losses

T. Line 2.i – Minus: Ending Inventory–LAC. Report the end of period inventory value of the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

U. Line 2.j – Plus: Ending Allowance for Unrealized Holding Gains (Losses). Report the [portion of the balance](#) in the following account [as it relates to allowance for unrealized holding gains \(losses\)](#):

152900 Inventory – Allowance

V. Line 2.k – Minus: Transfers Out of Inventory at LAC. Report the portion of the [balance in the](#) following account [as it](#) relates to inventory maintained at LAC transferred out of the activity:

573000 Financing Sources Transferred Out Without Reimbursement

W. Line 2.l – Plus: Transfers In of Inventory at LAC. Report the portion of the [balance in](#) the following account [as it](#) relates to inventory maintained at LAC transferred into the activity:

572000 Financing Sources Transferred In Without Reimbursement

X. Line 2.m – Equals: Cost of Goods Sold at LAC. [Line 2.m is a summary line for Lines 2.c, “Equals: Adjusted Beginning Inventory–LAC,” through Line 2.l, “Plus: Transfers In of Inventory at LAC.”](#)

Y. Line 2.n – Plus: Cost of Goods Sold at MAC. Report the [portion of the balance](#) of the following account reported from activities maintaining inventory at MAC value:

650000 Cost of Goods Sold

Z. Line 2.o – Equals: Cost of Goods Sold from Inventory. [Line 2.o is a summary line for Lines 2.m, “Equals: Cost of Goods Sold at LAC,” and 2.n, “Plus: Cost of Goods Sold at MAC.”](#)

1508. FORMAT OF THE STATEMENT OF OPERATIONS: PART IV - EXPENSES
(FIGURE 15-6)

Figure 15-6: Statement of Operations, Part IV – Expenses

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART IV-EXPENSES (DoD COMPONENT/DWCF ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
	(\$000)	(\$000)
A. Personnel Services and Benefits-Civilian		\$ XXX
1. Personal Compensation	\$ XXX	
2. Annual Leave	XXX	
3. Personnel Benefits	XXX	
4. Benefits for Former Personnel	XXX	
B. Travel and Transportation		XXX
1. Travel and Transportation of People	XXX	
2. Transportation of Things	XXX	
C. Rents, Communications and Utilities		XXX
1. Rents, Communications and Utilities	XXX	
2. Printing and Reproduction	XXX	
D. Contractual Services		XXX
1. Military Personnel Services	XXX	
2. Purchased Services	XXX	
E. Supplies, Materials, and Other Non-Capitalized Assets		XXX
1. Supplies and Materials	XXX	
2. Equipment	XXX	
F. Grants and Fixed Charges		XXX
1. Grants and Contributions	XXX	
2. Insurance Claims and Indemnifications	XXX	
3. Other Interest Expenses	XXX	
G. Other Expenses		XXX

Figure 15-6: Statement of Operations, Part IV – Expenses (Continued)

H. Depreciation		\$ XXX
1. Depreciation of Equipment	\$ XXX	
2. Depreciation of Real Property	\$ XXX	
3. Amortization of Leasehold Improvements and Other Intangible Assets	\$ XXX	
I. Depreciation – Non-DWCF Acquired PP&E		XXX
1. Non-Recoverable Depreciation of Equipment	XXX	
2. Non-Recoverable Amortization	XXX	
J. Bad Debts		XXX
K. Other Losses and Gains		XXX
1. Losses on Disposition of Assets	XXX	
2. Net (Gains) Losses on Inventory Shrinkage/Deterioration	XXX	
3. Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage	XXX	
4. Net Other Inventory (Gains) Losses	XXX	
5. Other Miscellaneous (Gains) Losses	XXX	
Expended Appropriation	XXX	
Direct Labor Hours – Regular	XXX	
Direct Labor Hours – Overtime	XXX	
Direct Labor Hours – Total	XXX	

150801. General

Part IV - Expenses, Figure 15-6, reflects all expenses incurred during the reporting period. The total of Lines A, “[Personnel Services and Benefits-Civilian](#),” through I, “[Depreciation - Non-DWCF Acquired PP&E](#),” will agree, except for rounding, with the amount shown on Line 5, “[Program or Operating Expenses \(Supply and Service Activities\)](#),” of Part I, “[Statement of Operations](#),” for Supply and Service Activities. For all other activities, Lines A through I will equal Line 1.f, “[Plus: Operating Expenses](#),” of Part III, “[Cost of Goods Sold](#),” of the [Statement of Operations](#).

150802. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150803. Line Item Instructions

Instructions for the content of each line item are as follows:

A. [Line A – Personnel Services and Benefits–Civilian](#). [Line A is a summary line for](#) Lines A.1, “[Personnel Compensation](#),” through A.4, “[Benefits for Former Personnel](#).” Report the amount of expense related to personnel services and benefits.

B. [Line A.1 – Personnel Compensation](#). Report the [portion of the balance](#) of the following accounts related to personnel compensation:

610000 Operating Expenses/Program Costs

C. [Line A.2 – Annual Leave](#). Report the [portion of the balance](#) of the following accounts related to annual leave:

610000 Operating Expenses/Program Costs

D. [Line A.3 – Personnel Benefits](#). Report the [portion of the balance](#) of the following accounts related to personnel benefits:

610000 Operating Expenses/Program Costs

640000 Benefits Expense

680000 [Future Funded Expenses](#)

685000 Employer Contributions to Employee Benefit Programs [Not Requiring Current–Year Budget Authority \(Unobligated\)](#)

760000 Changes in Actuarial Liability

E. [Line A.4 – Benefits for Former Personnel](#). Report the [portion of the balance](#) of the following accounts related to benefits for former personnel:

610000 Operating Expenses/Program Costs

640000 Benefits Expense

F. Line B – Travel and Transportation. Line B is a summary line for Lines B.1, “Travel and Transportation of People,” and B.2, “Transportation of Things.” Report the amount of expense related to travel and transportation.

G. Line B.1 – Travel and Transportation of People. Report the portion of the balance of the following account related to travel and transportation of persons:

610000 Operating Expenses/Program Costs

H. Line B.2 –Transportation of Things. Report the portion of the balance of the following account related to travel and transportation of things:

610000 Operating Expenses/Program Costs

I. Line C – Rents, Communications, and Utilities. Line C is a summary line for Lines C.1, “Rents, Communications, and Utilities,” and C.2, “Printing and Reproduction.” Report the amount of expense related to rents, communications, utilities, and printing and reproduction.

J. Line C.1 – Rents, Communications, and Utilities. Report the portion of the balance of the following account related to rents, communications, and utilities:

610000 Operating Expenses/Program Costs

K. Line C.2 – Printing and Reproduction. Report the portion of the balance of the following account related to printing and reproduction:

610000 Operating Expenses/Program Costs

L. Line D – Contractual Services. Line D is a summary line for Lines D.1, “Military Personnel Services,” and D.2, “Purchased Services.” Report the amount of expense related to military personnel services and other contractual services.

M. Line D.1 – Military Personnel Services. Report the portion of the balance of the following account related to military personnel services:

610000 Operating Expenses/Program Costs

N. Line D.2 – Purchased Services. Report the portion of the balance of the following account related to purchased services:

610000 Operating Expenses/Program Costs

O. Line E – Supplies, Materials, and Other Non-Capitalized Assets. Line E is a summary line for Lines E.1, “Supplies and Materials,” and E.2, “Equipment.” Report the amount of expense related to supplies, materials, and other non-capitalized assets.

P. Line E.1 – Supplies and Materials. Report the portion of the balance of the following account related to supplies and materials:

610000 Operating Expenses/Program Costs

Q. Line E.2 – Equipment. Report the portion of the balance of the following account related to equipment (not capitalized):

610000 Operating Expenses/Program Costs

R. Line F – Grants and Fixed Charges. Line F is a summary line for Lines F.1, “Grants and Contributions,” through F.3, “Other Interest Expenses.” Report the amount of expense related to grants, subsidies, contributions, insurance claims and indemnifications, and other interest expenses.

S. Line F.1 – Grants and Contributions. Report the portion of the balance of the following account related to grants and contributions:

610000 Operating Expenses/Program Costs

T. Line F.2 – Insurance Claims and Indemnifications. Report the portion of the balance of the following account related to insurance claims and indemnifications:

610000 Operating Expenses/Program Costs

U. Line F.3 – Other Interest Expenses. Report the portion of the balances of the following accounts related to interest expenses not captured in other lines:

631000 Interest Expense on Borrowings from Bureau of the Fiscal Service or
Federal Financing Bank

633000 Other Interest Expenses

V. Line G – Other Expenses. Report amounts not captured in other elements of expense. Identify the type of expense on this line.

610000 Operating Expenses/Program Costs

615000 Expensed Asset

619900 Adjustment to Subsidy Expense

660000 Applied Overhead

661000 Cost Capitalization Offset

673000 Imputed Costs

679000 Other Expenses Not Requiring Budgetary Resources

680000	Future Funded Expenses
685000	Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)
690000	Nonproduction Costs

W. Line H – Depreciation. Line H is a summary line for Lines H.1, “Depreciation of Equipment,” through H.3, “Amortization of Leasehold Improvements and Other Intangible Assets.” Report the depreciation recouped to the operating budget of the activity.

X. Line H.1 – Depreciation of Equipment. Report the portion of the balance of the following account related to depreciation of equipment:

671000	Depreciation, Amortization, and Depletion
--------	---

Y. Line H.2 – Depreciation of Real Property. Report the amount of the following account related to depreciation of real property:

671000	Depreciation, Amortization, and Depletion
--------	---

Z. Line H.3 – Amortization of Leasehold Improvements and Other Intangible Assets. Report the portion of the balance of the following account related to amortization of leasehold improvements and other intangible assets:

671000	Depreciation, Amortization, and Depletion
--------	---

AA. Line I – Depreciation – Non-DWCF Acquired PP&E. Line I is a summary line for Lines I.1, “Non-Recoverable Depreciation of Equipment,” through I.2, “Non-Recoverable Amortization.” Report the amount of depreciation on PP&E acquired by the activity with funds other than DWCF Revolving Funds.

AB. Line I.1 – Non-Recoverable Depreciation of Equipment. Report the portion of the balance of the following account related to depreciation of equipment acquired by the activity with funds other than DWCF Revolving Funds:

671000	Depreciation, Amortization, and Depletion
--------	---

AC. Line I.2 – Non-Recoverable Amortization. Report the portion of the balance of the following account related to amortization of leasehold improvements and other intangible assets acquired by the activity with funds other than DWCF Revolving Funds:

671000	Depreciation, Amortization, and Depletion
--------	---

AD. Line J – Bad Debts. Report the balance in the following account:

672000	Bad Debt Expense
--------	------------------

AE. Line K – Other Losses and Gains. Line K is a summary line for Lines K.1, “Losses on Disposition of Assets,” through K.5, “Other Miscellaneous (Gains) Losses.” Report gains or losses not captured elsewhere.

AF. Line K.1 – Losses on Disposition of Assets. Report the portion of the balance of the following account related to losses on disposition of assets identified for the following categories: Non-Supply Management Activities; Non-Recoverable Disposal of Equipment/Capital Assets, Non-Federal; Non-Recoverable Base Realignment and Closure (BRAC) Cost, Non-Federal; and Other Expense-Non-Supply Management, Non-Federal.

721000 Losses on Disposition of Assets – Other

AG. Line K.2 – Net (Gains) Losses on Inventory Shrinkage/Deterioration. Report the portion of the balance of the following accounts related to (gains) losses on inventory shrinkage/deterioration as reported by Non-Supply Management activities:

719000 Other Gains
729000 Other Losses

AH. Line K.3 – Net (Gains) Losses on Inventory Excess/Obsolescence/Spoilage. Report the portion of the balance of the following accounts related to (gains) losses on inventory excess, obsolescence, and spoilage as reported by Non-Supply Management activities:

719000 Other Gains
729000 Other Losses

AI. Line K.4 – Net Other Inventory (Gains) Losses. Report the portion of the balance of the following accounts related to (gains) losses on inventory identified in the following breakdown:

1. Non-Recoverable Gains or Losses on Disposal of Excess Inventory, Supply Management:

711000 Gains on Disposition of Assets – Other
719000 Other Gains
721000 Losses on Disposition of Assets – Other
729000 Other Losses

2. Other Inventory Gains or Losses, Non-Supply Management:

719000 Other Gains
729000 Other Losses

AJ. Line K.5 – Other Miscellaneous (Gains) Losses. Report the portion of the balance of the following accounts related to (gains) losses not specifically identified to another sub-category of Other Losses. Only include other (gains) losses related to inventory on this line.

Report other (gains) losses not related to inventory on Line 3, “Other Revenue and Financing Sources,” of Part I, “Statement of Operations,” of the Statement of Operations.

719000 Other Gains
729000 Other Losses

AK. For Information Only. Report other miscellaneous information not defined.

AL. Expended Appropriation. Report the amount of appropriations used during the FY for goods and services received or benefits provided.

570000 Expended Appropriations

AM. Direct Labor Hours – Regular. Report the amount of year-to-date non-overtime direct labor hours for Industrial activities.

AN. Direct Labor Hours – Overtime. Report the amount of year-to-date overtime direct labor hours for Industrial activities.

AO. Direct Labor Hours – Total. Report the sum of “Direct Labor Hours – Regular” and “Direct Labor Hours – Overtime.”

1509. FORMAT OF THE STATEMENT OF OPERATIONS: PART V - RECOVERABLE OPERATING RESULTS (FIGURE 15-7)

Figure 15-7: Statement of Operations, Part V – Recoverable Operating Results

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART V-RECOVERABLE OPERATING RESULTS			
(DoD COMPONENT/DWCF ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. Net Operating Results (NOR)		\$	XXX
2. Deferred Operating Results (Gains/Losses) Net			XXX
a. Net (Gains) Losses on Disposal of Excess Inventory (+/-)	\$	XXX	
b. Disposal of Equipment/Capital Assets (-)		XXX	
c. Non-Reimbursable Base Closure (BRAC) Costs (+/-)		XXX	
d. Capital Asset Surcharge (-)		XXX	
e. Cash Surcharge		XXX	
f. Inventory Replenishment		XXX	
g. Other Approved Gains and Losses (must be footnoted)		XXX	
		<hr/>	
3. Depreciation, Non-DWCF Acquired PP&E			<hr/> XXX
4. Net Recoverable Operating Results from Current Year Operations			<hr/> XXX

150901. General

Part V - Recoverable Operating Results, Figure 15-7, discloses differences, if any, between NOR reported on Part I, "Statement of Operations," of the Statement of Operations and the operating results that may be used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests to include in or exclude from its DWCF rates, whether identified in the OUSD(C) guidance as permissible or requested by the DoD Component, must be adequately documented and quantified. Further, all such amounts must be explicitly approved by OUSD(C) prior to being included in or excluded from the report.

150902. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

150903. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Line 1 – Net Operating Results (NOR). Enter the amount reported on Line 11, "Net Operating Results (NOR)," of Part I, "Statement of Operations," of the Statement of Operations.

B. Line 2 – Deferred Operating Results (Gains/Losses) Net

1. Data reported on this line, and its sub-lines, unless otherwise specified, are restricted to specific exclusions approved by OUSD(C)(P/B).

2. These exclusions include amounts determined to be adjustments for the difference between the historical and LAC inventory valuations. Attribute this difference to the value of inventory reflected in the cost of goods sold at historical cost versus the value of inventory at LAC. The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. Use this difference on the AR(M) 1307 to adjust the NOR to Net Recoverable Operating Results based on replacement costs that preserve the Working Capital Funds ability to replenish stock.

3. Line 2 is a summary line for Lines 2.a, "Net (Gains) Losses on Disposal of Excess Inventory (+/-)," through 2.g, "Other Approved Gains and Losses (must be footnoted)." The activity, management command of the reporting DWCF activity, or the DoD Component departmental level will provide, or approve, amounts reported on monthly activity reports.

C. Line 2.a – Net (Gains) Losses on Disposal of Excess Inventory (+/-). Line 2.a applies only to Supply Management Activities. Report gains (or losses, if applicable) on potential excess/actual inventory for which OUSD(C)(P/B) has approved an exclusion. Report the

portion of the balance in the following accounts related to net (gains) losses on the disposal of excess inventory:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

D. Line 2.b – Disposal of Equipment/Capital Assets (-). Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when OUSD(C)(P/B) has approved the exclusion. Do not report losses (or gains) on excess equipment and other capital assets due to BRAC on this line. Report the losses (or gains) on excess equipment and other capital assets due to BRAC on Line 2.c, “Non-Reimbursable Base Closure (BRAC) Costs.” Report the amount of losses (or gains) related to the disposal of equipment and capital assets in the following accounts:

711000	Gains on Disposition of Assets – Other
721000	Losses on Disposition of Assets – Other

E. Line 2.c – Non-Reimbursable Base Closure (BRAC) Costs (+/-). Report losses (or gains, if applicable) in excess of reimbursement that are a result from a base closure when OUSD(C)(P/B) has approved the exclusion. Report the amount of losses (or gains) related to BRAC costs in the following accounts:

711000	Gains on Disposition of Assets – Other
719000	Other Gains
721000	Losses on Disposition of Assets – Other
729000	Other Losses

F. Line 2.d – Capital Asset Surcharge (-). Adjust capital asset surcharge amounts, positive or negative, included in revenue in order to avoid either the return of an apparent gain (or loss) in the development of the subsequent year rate structure. Leave this line blank when there is no capital surcharge revenue.

1. Include a capital asset surcharge in customer rates only if approved by OUSD(C)(P/B). A capital asset surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is either less (or greater) than the budgeted Capital Program.

2. As the capital asset surcharge does not have an offsetting expense, in isolation from other transactions, it is expected to result in a gain (or loss) to NOR. Deduct the gain (or loss) from NOR to prevent its return or charge to customers in subsequent years through adjusted rates. Capital asset surcharge amounts may be reported without prior approval of OUSD(C)(P/B). Report the amount of revenue related to capital asset surcharges in the following accounts:

510000 Revenue From Goods Sold
520000 Revenue From Services Provided

G. Line 2.e – Cash Surcharge. Similar to capital asset surcharges, activities may include a cash surcharge in their rates. Report the amount of revenue related to cash surcharges in the following accounts:

510000 Revenue From Goods Sold
520000 Revenue From Services Provided

H. Line 2.f – Inventory Replenishment. Report the difference between the historical cost and LAC for inventory valuation. Report the amount of revenue related to inventory replenishment in the following accounts:

510000 Revenue From Goods Sold
719000 Other Gains
729000 Other Losses

I. Line 2.g – Other Approved Gains and Losses (must be footnoted). Report the approved gains (or losses) in the following accounts. Exclude amounts already listed in Lines 2.a, “Net (Gains) Losses on Disposal of Excess Inventory,” through 2.f, “Inventory Replenishment.”

510000 Revenue From Goods Sold
520000 Revenue From Services Provided
570000 Expended Appropriations
671000 Depreciation, Amortization, and Depletion
685000 Employer Contributions to Employee Benefit Programs Not Requiring Current Year Budget Authority (Unobligated)-FECA Civilian Personnel Benefits
711000 Gains on Disposition of Assets – Other
719000 Other Gains
721000 Losses on Disposition of Assets – Other
729000 Other Losses
760000 Changes in Actuarial Liability

J. Line 3 – Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation from non-DWCF acquired PP&E identified as an asset capitalized on Line 1.D.(1).d, “Minus: Depreciation, Non-DWCF Acquired PP&E,” of Part II, “Changes in Net Position,” of the Statement of Operations. Report the amount on Line I, “Depreciation - Non-DWCF Acquired PP&E,” of Part IV, “Expenses,” of the Statement of Operations, minus any gains and losses. See Volume 4, Chapters 24 through 28 for additional guidance relating to the recovery of depreciation.

K. Line 4 – Net Recoverable Operating Results from Current Year Operations. Line 4 is a summary line for Lines 1, “NET OPERATING RESULTS (NOR),” through 3, “Depreciation, Non-DWCF Acquired PP&E.”

150904. Year-End Procedures

A. At FY end, close the NOR to Cumulative Results of Operations. Since part of that amount may be a non-recoverable deferred amount and an amount related to depreciation for non-DWCF acquired PP&E, identify those amounts separately in financial records with attributes.

B. The amount reported on Line 2, “Deferred Operating Results (Gains/Losses) Net,” will be the opposite of Line 1.B.(2).d, “Plus or Minus: Net Operating Results,” of Part II, “Changes in Net Position,” of the Statement of Operations during the FY and closed to deferred Cumulative Results of Operations during the year-end close process.

C. Report the amount from Line 3, “Depreciation, Non-DWCF Acquired PP&E,” on Line 1.D.(1).d, “Minus: Depreciation, Non–DWCF Acquired PP&E,” of Part II, “Changes in Net Position,” of the Statement of Operations during the FY. Close this amount to Line 1.D.(1).a, “Assets Capitalized – Beginning of Period,” of Part II during the year-end close process.

D. Report the amount from Line 4, “Net Recoverable Operating Results from Current Year Operations,” on Line 1.B.(1).d, “Plus or Minus: Net Operating Results,” of Part II during the FY. Close this amount to Cumulative Results of Operations – Recoverable during the year-end close process.

1510. FORMAT OF THE STATEMENT OF OPERATIONS: PART VI – CAPITAL PROGRAM (FIGURE 15-8)

*Figure 15-8: Statement of Operations, Part VI – Capital Program

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VI-CAPITAL PROGRAM (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)												
Program Year	Approved Program			Obligations			Disbursements			Collections		
	Original Program	Program Adjustments	Current program	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total
FY 20PY - X	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
FY 20PY - 4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY - 1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20CY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX

151001. General

A. Part VI - Capital Program, Figure 15-8, reflects the [approved](#) program, obligations, [disbursements](#), and [collections](#) for each [FY](#) of the program. A capital asset for this report must meet the Working Capital Fund Investment Threshold for the program year reported and have a useful life of 2 years or greater.

B. For reporting [purposes](#), define the reporting period as the year-to-date amounts, i.e., amounts reported since the end of the prior [FY](#) to the end of the reporting month shown in the heading. [Report balances for each program year in Part VI until the program's obligations, disbursements, and collections equal.](#)

151002. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

*151003. Columnar Instructions

The contents of the columns [will](#) be as follows:

A. [Program Year \(Column 1\)](#). Separate [FY](#) program identification is required. Identify all prior [FYs](#) separately until [the obligations, disbursements, and collections equal](#). Arrange [the FY](#) programs in consecutive order, starting with the least current [FY](#) program.

B. [Approved Program – Original Program \(Column 2\)](#). The original program amount will be capital authority approved for the reporting [FY](#) on the initial Annual Operating Budget (AOB) for the [FY](#). [Report the carryover from prior FYs as part of the initial program for that year](#). The amount reported [will](#) not change in subsequent years. Show [the](#) changes in the Capital Program amount in Column 3, [“Approved Program – Program Adjustments.”](#)

C. [Approved Program – Program Adjustments \(Column 3\)](#). [Report adjustments \(generally, deductions\) to the initial approved Capital Program amounts in this column](#). Disclose adjustments to the initial approved program amounts in the AOBs for a subsequent program year. The amount reported in this column may change annually as of the beginning of a [FY](#) but [will](#) not change during a [FY](#) except at year-end. At [year-end](#), the amount reported in this column will change to allow the value of Column 4, [“Approved Program – Current Program,”](#) to equal Column 7, [“Obligations – Total.”](#)

D. [Approved Program – Current Program \(Column 4\)](#). [Column 4 is a summary column for Columns 2, “Approved Program – Original Program,” and 3, “Approved Program – Program Adjustments.”](#) These amounts [are](#) subject to the provisions of 31 U.S.C. § [1517\(a\)](#).

E. [Obligations – This Fiscal Year \(Column 5\)](#). Amounts included in this column [will](#) be the total amount of obligations incurred in the current [FY](#).

F. Obligations – Prior Fiscal Year(s) (Column 6). Amounts included in this column will be the cumulative amount of Column 7, “Obligations – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

G. Obligations – Total (Column 7). Column 7 is the sum of Column 5, “Obligations – This Fiscal Year,” and Column 6, “Obligations – Prior Fiscal Year(s).” The amount reported in Column 4, “Approved Program – Current Program,” must be greater than or equal to Column 7, “Obligations – Total.”

H. Disbursements – This Fiscal Year (Column 8). Amounts included in this column will be the total amount of disbursements incurred in the current FY. The amount must agree with Line 1.d, “Funds Disbursed – Capital Program,” of the Statement of Financial Position.

I. Disbursements – Prior Fiscal Year(s) (Column 9). Amounts included in this column will be the cumulative amount of Column 10, “Disbursements – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

J. Disbursements – Total (Column 10). Column 10 is a summary column for Columns 8, “Disbursements – This Fiscal Year,” and 9, “Disbursements – Prior Fiscal Year(s).” The amount reported in Column 7, “Obligations – Total,” must be greater than or equal to Column 10, “Disbursements – Total.”

K. Collections – This Fiscal Year (Column 11). Amounts included in this column will be the total amount of collections reported in the current FY. The amount must agree with Line 1.b, “Funds Collected – Capital Program,” of the Statement of Financial Position.

L. Collections – Prior Fiscal Year(s) (Column 12). Amounts included in this column will be the cumulative amount of Column 13, “Collections – Total,” as of the end of the prior FY. The amount reported will not change during the reporting FY.

M. Collections – Total (Column 13). Column 13 is a summary column for Columns 11, “Collections – This Fiscal Year,” and 12, “Collections – Prior Fiscal Year(s).”

1511. FORMAT OF THE STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY MANAGEMENT ACTIVITY (FIGURE 15-9)

*Figure 15-9: Statement of Operations: Part VII – Inventory Management Report–Supply Management Activity

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VII - INVENTORY MANAGEMENT REPORT - SUPPLY MANAGEMENT BUSINESS AREA (DOD COMPONENT/BUSINESS AREA/ACTIVITY MONTH ENDING _____, 20XX (\$ in thousands)		Current Year to Date
A. Customer Orders Accepted - Cumulative	\$	XXX
B. Gross Reimbursable Sales of Property, Inventory, & Services - Cumulative		XXX
C. Unfilled Customer Orders		XXX
D. Customer Returns - Credits Granted - Cumulative		XXX
E. Net Reimbursable Sales - Cumulative		XXX
F. Purchases at Cost (LAC) - Cumulative		XXX
G. Obligations - Cumulative		XXX
H. Obligations - Reimbursable		XXX
I. Obligations - Augmentation - Cumulative		XXX
J. Obligations - Mobilization - Cumulative		XXX
K. Outstanding Commitments		XXX
L. Inventories - Stock On Hand (LAC)		XXX
M. Inventories - Stock On Hand (MAC)		XXX
N. Other Inventories (LAC)		XXX
O. Other Inventories (MAC)		XXX
P. Inventories in Transit (LAC)		XXX
Q. Inventories in Transit (MAC)		XXX
R. Total Inventories (LAC)		XXX
S. Total Inventories (MAC)		XXX
T. Customer Returns Without Credit - Cumulative		XXX
U. Transfers to Reutilization and Market - Cumulative		XXX
V. Material Returns to Suppliers - Cumulative		XXX
W. Undelivered Orders		XXX
X. Fund Balance with Treasury		XXX
Y. Funds Collected - Cumulative		XXX
Z. Funds Disbursed - Cumulative		XXX
AA. Accounts Receivable - Intragovernmental		XXX
AB. Accounts Receivable - Non-Federal		XXX
AC. Accounts Payable		XXX

151101. General

Part VII - Inventory Management Report – Supply Management **Activity**, Figure 15-9, compares fiscal data from the Supply Management **Activity** general ledger with the approved operating program for the purpose of monitoring execution of the current year budget. The report applies solely to Supply Management **Activities** for the reporting of inventory-related transactions.

151102. Heading

Complete the heading of the form to indicate: the reporting DoD Component, the reporting DWCF activity, the reporting period (month), and the calendar year.

151103. General Reporting Requirements

Each DoD Component **will** submit an Inventory Management Report for each Supply Management **Activity** division on forms consistent with the example provided. **Footnotes should be included as an addendum to Figure 15-9.**

*151104. **Line Item Instructions**

A. **Line A – Customer Orders Accepted – Cumulative.** Enter the total amount of customer orders received for the **FY** to date. Report the **current** year change **in** the following accounts:

422100	Unfilled Customer Orders Without Advance
422200	Unfilled Customer Orders With Advance
425100	Reimbursements and Other Income Earned – Receivable
425200	Reimbursements and Other Income Earned – Collected
425300	Prior-Year Unfilled Customer Orders With Advance – Refunds Paid
426600	Other Actual Business-Type Collections From Non-Federal Sources

B. **Line B – Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative.** Enter the total sales for the **FY** to date. The amount reported **on this line will** equal Line 2.a, “Gross Revenue from Sales,” of Part I, “Statement of Operations,” of the **Statement of Operations**. Report the balance of the following accounts:

510000	Revenue From Goods Sold
520000	Revenue From Services Provided

C. **Line C – Unfilled Customer Orders.** Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following accounts:

422100	Unfilled Customer Orders Without Advance
422200	Unfilled Customer Orders With Advance

D. Line D – Customer Returns – Credits Granted – Cumulative. Enter the amount of credit granted to customers for material returns for the FY to date. The amount reported will equal Line 2.b, “Minus: Credits Allowed on Sales,” of Part I, “Statement of Operations,” of the Statement of Operations. Report the amount of credit granted to customers for material returns in the following accounts:

510900 Contra Revenue for Goods Sold
520900 Contra Revenue from Services Provided

E. Line E – Net Reimbursable Sales – Cumulative. Enter the net sales for this FY to date. Line E is the net sum of Line B, “Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative,” less Line D, “Customer Returns – Credits Granted – Cumulative.” The amount reported will equal Line 2, “Revenue from Sales of Goods and Services,” of Part I, “Statement of Operations,” of the Statement of Operations.

F. Line F – Purchases at Cost (LAC) – Cumulative. Enter the amount of purchases at cost for this FY to date. The LAC valuation method is available to DeCA and is not approved for use by other DoD Components. The amount reported will equal Line 2.e, “Plus: Purchases at Cost,” of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the portion of the following general ledger account:

152900 Inventory – Allowance (Purchased at Cost)

G. Line G – Obligations – Cumulative. Enter the total obligations incurred this FY to date. Line G is a summary line for Lines H, “Obligations – Reimbursable,” through J, “Obligations – Mobilization – Cumulative.”

H. Line H – Obligations – Reimbursable. Enter the amount of operating obligations incurred this FY to date. Do not include obligations reported on Lines I, “Obligations – Augmentation – Cumulative,” and J, “Obligations – Mobilization – Cumulative.” Report the current year net change in the following accounts:

480100 Undelivered Orders – Obligations, Unpaid
480200 Undelivered Orders – Obligations, Prepaid/Advanced
487100 Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
488100 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
488200 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
490100 Delivered Orders – Obligations, Unpaid
490200 Delivered Orders – Obligations, Paid
497100 Downward Adjustments of Prior-Year Unpaid Delivered Orders – Obligations, Recoveries
497200 Downward Adjustments of Prior-Year Paid Delivered Orders – Obligations, Refunds Collected

- 498100 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 498200 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

I. Line I – Obligations – Augmentation – Cumulative. Enter the amount of obligations incurred this FY to date for inventory augmentation, initial issue. Volume 2B, Chapter 9 defines purposes for inventory augmentation. Do not include obligations reported on Lines H, “Obligations – Reimbursable,” and J, “Obligations – Mobilization – Cumulative.” Report the current year net change in the following accounts:

- 480100 Undelivered Orders – Obligations, Unpaid
- 480200 Undelivered Orders – Obligations, Prepaid/Advanced
- 483200 Undelivered Orders – Obligations Transferred, Prepaid/Advanced
- 487100 Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
- 487200 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
- 488100 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 488200 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 490100 Delivered Orders – Obligations, Unpaid
- 490200 Delivered Orders – Obligations, Paid
- 498100 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 498200 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

J. Line J – Obligations – Mobilization – Cumulative. Enter the amount of obligations incurred this FY to date for war reserve purposes. Volume 2B, Chapter 9 defines purposes for war reserves. Do not include obligations reported on Lines H, “Obligations – Reimbursable,” and I, “Obligations – Augmentation – Cumulative.” Report the current year net change in the following accounts:

- 480100 Undelivered Orders – Obligations, Unpaid
- 480200 Undelivered Orders – Obligations, Prepaid/Advanced
- 483200 Undelivered Orders – Obligations Transferred, Prepaid/Advanced
- 487100 Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
- 487200 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
- 488100 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 488200 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

490100	Delivered Orders – Obligations, Unpaid
490200	Delivered Orders – Obligations, Paid
498100	Upward Adjustments of Prior–Year Delivered Orders – Obligations, Unpaid
498200	Upward Adjustments of Prior–Year Delivered Orders – Obligations, Paid

K. Line K – Outstanding Commitments. Enter the amount of commitments outstanding that have not resulted in obligations. Report the balance of the following account:

470000	Commitments – Programs Subject to Apportionment
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L. Line L – Inventories – Stock On Hand (LAC). Enter the total amount of inventories on hand at the end of the reporting period after adjustment to LAC. Exclude inventories reported on Line N, “Other Inventories (LAC),” and on Line P, “Inventories in Transit (LAC).” Report the balance of the following accounts after adjustment to the estimated cost:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152900	Inventory – Allowance

M. Line M – Inventories – Stock On Hand (MAC). Enter the total amount of inventories on hand at the end of the reporting period reported at MAC. Exclude inventories reported on Line O, “Other Inventories (MAC),” and on Line Q, “Inventories in Transit (MAC).” Report the balance of the following accounts:

152100	Inventory Purchased for Resale
152200	Inventory Held in Reserve for Future Sale
152300	Inventory Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable
152900	Inventory - Allowance

N. Line N – Other Inventories (LAC). Enter the total amount of other inventories after adjustment to LAC. Exclude inventories reported on Line L, “Inventories – Stock On Hand (LAC),” and on Line P, “Inventories in Transit (LAC).” Report the balance of the following accounts consisting of work-in-process, on loan to others for use, and with agents:

152500	Inventory – Raw Materials
152600	Inventory – Work-in-Process
152700	Inventory – Finished Goods
152900	Inventory – Allowance

O. Line O – Other Inventories (MAC). Enter the total amount of other inventories reported at MAC. Exclude inventories reported on Line M, “Inventories – Stock On

Hand (MAC),” and on Line Q, “Inventories in Transit (MAC).” Report the balance of the following accounts consisting of work-in-process, on loan to others for use, and with agents:

152500	Inventory – Raw Materials
152600	Inventory – Work-in-Process
152700	Inventory – Finished Goods
152900	Inventory – Allowance

P. Line P – Inventories in Transit (LAC). Enter the amount of material in transit after adjustment to LAC. Exclude inventories reported on Line L, “Inventories – Stock On Hand (LAC),” and on Line N, “Other Inventories (LAC).” Report the portion of the balance of the following accounts identified as being in transit:

152100	Inventory Purchased for Resale
152300	Inventory Held for Repair
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

Q. Line Q – Inventories in Transit (MAC). Enter the amount of material in transit reported at MAC. Exclude inventories reported on Line M, “Inventories – Stock On Hand (MAC),” and on Line O, “Other Inventories (MAC).” Report the portion of the balance of the following accounts identified as being in transit:

152100	Inventory Purchased for Resale
152300	Inventory Held for Repair
152500	Inventory – Raw Materials
152700	Inventory – Finished Goods

R. Line R – Total Inventories (LAC). Line R is a summary line for Line L, “Inventories – Stock on Hand (LAC);” Line N, “Other Inventories (LAC);” and Line P, “Inventories in Transit (LAC).”

S. Line S – Total Inventories (MAC). Line S is a summary line for Line M, “Inventories – Stock on Hand (MAC);” Line O, “Other Inventories (MAC);” and Line Q, “Inventories in Transit (MAC).”

T. Line T – Customer Returns Without Credit – Cumulative. Enter the amount of returns from customers without credit. The amount reported will equal the net of the total amount of returns from customers less Line D, “Customer Returns – Credits Granted – Cumulative.” Report the portion of the balance of the following accounts for customer returns without credit:

152900	Inventory – Allowance
719000	Other Gains

U. Line U – Transfers to Reutilization and Market – Cumulative. Enter the net amount transferred to the Defense Reutilization & Marketing Service for the FY to date. Report the portion of the balance of the following account for transfers to reutilization and marketing offices:

721000 Losses on Disposition of Assets – Other

V. Line V – Material Returns to Suppliers – Cumulative. Enter the total amount of returns to non-federal suppliers and contractors.

W. Line W – Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following accounts:

480100 Undelivered Orders – Obligations, Unpaid
 480200 Undelivered Orders – Obligations, Prepaid/Advanced
 483200 Undelivered Orders – Obligations Transferred, Prepaid/Advanced
 487100 Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries
 487200 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders – Obligations, Refunds Collected
 488100 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
 488200 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

X. Line X – Fund Balance with Treasury. Enter the total amount of Fund Balance with Treasury. The amount reported will equal the total of Lines 1.f, “Funds with Treasury – Operating Program,” and 1.g, “Funds with Treasury – Capital Program,” of the Statement of Financial Position. Report the balance of the following accounts:

101000 Fund Balance with Treasury
 109000 Fund Balance with Treasury While Awaiting a Warrant

Y. Line Y – Funds Collected – Cumulative. Enter the portion of the balance of the following account as it relates to funds collected during the current FY. The amount reported will equal the total of Lines 1.a, “Funds Collected – Operating Program,” and 1.b, “Funds Collected – Capital Program,” of the Statement of Financial Position.

101000 Fund Balance with Treasury

Z. Line Z – Funds Disbursed – Cumulative. Enter the portion of the balance of the following account as it relates to funds disbursed during the current FY. The amount reported will equal the total of Lines 1.c, “Funds Disbursed – Operating Program,” and 1.d, “Funds Disbursed – Capital Program,” of the Statement of Financial Position.

101000 Fund Balance with Treasury

AA. Line AA – Accounts Receivable – Intragovernmental. Enter the amount of receivables outstanding due from other Federal Governmental entities. Report the portion of the balance of the following accounts as they relate to accounts receivable from other Federal Agencies. The amount reported will equal the total of Lines 3.a, “Accounts Receivable, Intragovernmental,” and 3.b, “Accounts Receivable, Intragovernmental, Undistributed,” of the Statement of Financial Position.

131000	Accounts Receivable
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified

AB. Line AB – Accounts Receivable – Non-Federal. Enter the amount of receivables outstanding due from non-federal entities. Report the portion of the balance of the following accounts as they relate to accounts receivable from non-federal agencies and entities. The amount reported will equal the total of Lines 3.c, “Accounts Receivable, Non-Federal,” and 3.d, “Accounts Receivable, Non-Federal, Undistributed,” of the Statement of Financial Position.

131000	Accounts Receivable
131900	Allowance for Loss on Accounts Receivable
134000	Interest Receivable – Not Otherwise Classified
134700	Allowance for Loss on Interest Receivable – Not Otherwise Classified
136000	Penalties and Fines Receivable – Not Otherwise Classified
136700	Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
137000	Administrative Fees Receivable – Not Otherwise Classified
137700	Allowance for Loss on Administrative Fees Receivable – Not Otherwise Classified

AC. Line AC – Accounts Payable. Enter the total amount of accounts payable outstanding for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-federal entities. See Volume 10, Chapter 10 and the FAR part 32 for additional guidance relating to contract financing payments. Report the balance of the following accounts. The amount reported will equal Line 11.a, “Accounts Payable, Net,” of the Statement of Financial Position.

211000	Accounts Payable
212000	Disbursements in Transit
214000	Accrued Interest Payable – Not Otherwise Classified

AD. Footnotes. Include in a footnote the estimated balance of Line X, “Fund Balance with Treasury,” that is the result of appropriations. Organize the data by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote the amounts of Lines L, “Inventories – Stock on Hand (LAC),” and M, “Inventories – Stock on Hand (MAC),” at standard price.

*Table 15-1: DWCF Financial Reporting Activities

DWCF (97X4930)
DWCF Financial Reporting Activities

DWCF Component Level

- * Department of the Army
- * Department of the Navy
- * Department of the Air Force
- * Defense Commissary
- * Defense Agencies

DEPARTMENT OF THE ARMY (97X4930.1)
DWCF Financial Reporting Activities

ARMY SUPPLY MANAGEMENT

- # Army Managed Items
 - * Army Materiel Command, [Redstone Arsenal, AL](#)
 - * Aviation and Missile Life Cycle Management Command, Huntsville, AL
 - * Communications Electronics Lifecycle Management Command, [Aberdeen Proving Ground, MD](#)
 - * Tank and Armaments Lifecycle Management Command, Warren, MI
- # Non-Army Managed Items
 - * Non-Army Managed Items - Product Support/Integration Directorate, [Rock Island, IL](#)

ARMY INDUSTRIAL OPERATIONS

- # Industrial Operations
 - * Anniston Army Depot, Bynum, AL
 - * Bluegrass Army Depot, Richmond, KY
 - * Corpus Christi Army Depot, Corpus Christi, TX
 - * Crane Army Ammunition Activity, Crane, IN
 - * Letterkenny Army Depot, Chambersburg, PA
 - * McAlester Army Ammunition Plant, McAlester, OK
 - * Pine Bluff Arsenal, Pine Bluff, AR
 - * Red River Army Depot, Texarkana, TX
 - * Rock Island Arsenal, Rock Island, IL
 - * Sierra Army Depot, Herlong, CA
 - * Tobyhanna Army Depot, Tobyhanna, PA
 - * Tooele Army Depot, Tooele, UT
 - * Watervliet Arsenal, Watervliet, NY

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

DEPARTMENT OF THE NAVY (97X4930.2)
DWCF Financial Reporting Activities

NAVY SUPPLY MANAGEMENT

- * Marine Corps Supply Management, Albany, GA
- * Navy Supply Systems Command, Mechanicsburg, PA

NAVY DEPOT MAINTENANCE

- # Aviation
 - * Fleet Readiness Center East, Cherry Point, NC
 - * Fleet Readiness Center Southeast, Jacksonville, FL
 - * Fleet Readiness Center Southwest, North Island, CA
- # Marine [Depot Maintenance Command](#)
 - * Marine [Depot Maintenance Command](#), Albany, GA
 - * Marine [Depot Maintenance Command](#), Barstow, CA
- # Navy Base Support
 - * [Norfolk Naval Shipyard, Portsmouth, VA](#)
 - * Naval Facilities Engineering [and Expeditionary Warfare](#) Center, Port Hueneme, CA

NAVY [R&D](#)

- # Naval Air Warfare Centers
 - * Naval Air Warfare Center-Aircraft Division, Patuxent River, MD
 - * Naval Air Warfare Center-Weapons Division, China Lake, CA
- # Naval Surface Warfare Centers
 - * Naval Surface Warfare Center, Carderock Division, West Bethesda, MD
 - * Naval Surface Warfare Center, Corona Division, Corona, CA
 - * Naval Surface Warfare Center, Crane Division, Crane, IN
 - * Naval Surface Warfare Center, Dahlgren Division, Dahlgren, VA
 - * Naval Surface Warfare Center, Explosive Ordnance Disposal Technology Division, Indian Head, MD
 - * Naval Surface Warfare Center, Panama City Division, Panama City, FL
 - * [Naval Surface Warfare Center, Philadelphia Division, Philadelphia, PA](#)
 - * Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

- # Naval Undersea Warfare Centers
 - * Naval Undersea Warfare Center, Keyport Division, Keyport, WA
 - * Naval Undersea Warfare Center, Newport Division, Newport, RI
- # Naval **Information** Warfare Centers (NIWC)
 - * NIWC Atlantic, North Charleston, SC
 - * NIWC Pacific, San Diego, CA
- # Naval Research Laboratory, Washington, DC
- # Navy Transportation
 - * Military Sealift Command (MSC), Norfolk, VA

DEPARTMENT OF THE AIR FORCE (97X4930.3)
DWCF Financial Reporting Activities

AIR FORCE CONSOLIDATED SUSTAINMENT ACTIVITY GROUP (CSAG)

- # CSAG Maintenance Division
 - * Aerospace Maintenance & Regeneration Group, Davis-Monthan Air Force Base, Tucson, AZ
 - * Ogden Air Logistics Complex, Hill Air Force Base, Ogden, UT
- # CSAG-Supply Division
 - * Combined 448th Supply Chain Management Wing, Air Force Sustainment Center, Tinker Air Force Base, Oklahoma City, OK
 - * Headquarters Air Force Materiel Command, Wright-Patterson Air Force Base, OH
 - * Oklahoma City Air Logistics Complex, Air Force Sustainment Center, Tinker Air Force Base, Oklahoma City, OK
 - * Warner Robins Air Logistics Complex, Air Force Sustainment Center, Robins Air Force Base, Warner Robins, GA

AIR FORCE SUPPLY MANAGEMENT

- # Air Force Supply Management Activity
 - * Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
 - * Medical-Dental Division: Air Force Medical Logistics Office, Frederick, MD
 - * General Support Division: Combined 635 Supply Chain Operations Wing, Air Force Sustainment Center, Scott Air Force Base, IL
 - * Headquarters Air Force Materiel Command, Wright-Patterson Air Force base, OH

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

- # UNITED STATES TRANSPORTATION COMMAND (USTRANSCOM)
- * Air Mobility Command, Scott Air Force Base, IL
- * Defense Courier Division, Scott Air Force Base, IL
- * MSC, Norfolk, VA
- * Surface Deployment and Distribution Command, Scott Air Force Base, IL
- * USTRANSCOM, Scott Air Force Base, IL

DeCA (97X4930.4)

DWCF Financial Reporting Activities

- * Commissary Resale
- * Commissary Operations

DEFENSE AGENCIES (97X4930.5)
DWCF Financial Reporting Activities

OTHER DEFENSE ACTIVITIES

Defense Logistics Agency (DLA)

- # DLA Logistics Management Standards Office, Ft. Belvoir, VA
- * DLA Aviation, Richmond, VA
- * DLA Disposition Services, Battle Creek, MI
- * DLA Distribution, New Cumberland, PA
- * DLA Document Services, New Cumberland, PA
- * DLA Energy, Ft. Belvoir, VA
- * DLA Land and Maritime, Columbus, OH
- * DLA Logistics Information Service, Battle Creek, MI
- * DLA Troop Support, Philadelphia, PA

Defense Information Systems Agency (DISA)

- * DISA, Global Information Grid Combat Support Directorate, Computing Services Center
- * DISA, Telecommunications Services & Enterprise Acquisition Services

Defense Finance and Accounting Service (DFAS)

- * DFAS Resource Management, Indianapolis, IN

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Table 15-1: DWCF Financial Reporting Activities (Continued)

**BUILDING MAINTENANCE FUND (97X4931)
DWCF Financial Reporting Activities**

- # Building Maintenance Fund (BMF)
- * BMF, Washington Headquarters Service, Arlington, VA

**DEFENSE COUNTERINTELLIGENCE SECURITY AGENCY (97X4932)
DWCF Financial Reporting Activities**

- # Defense Counterintelligence Security Agency (DCSA)
- * DCSA, Quantico, VA

**NATIONAL DEFENSE STOCKPILE TRANSACTION FUND (97X4555)
DWCF Financial Reporting Activities**

- # National Defense Stockpile Transaction Fund
- * Defense Strategic Materiel, Fort Belvoir, VA

**PENTAGON RESERVATION MAINTENANCE REVOLVING FUND (97X4950)
DWCF Financial Reporting Activities**

- # Pentagon Reservation Maintenance Revolving Fund (PRMRF)
- * PRMRF, Washington Headquarters Service, Arlington, VA

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity