

# Nonappropriated Fund Standard General Ledger Version 5.0

Financial Statement Mapping

November 20, 2023

# Table of Contents

|  |    |
|--|----|
| Table of Contents .....                        | 1  |
| NAFSGL 5.0 Memo Approval Letter .....          | 2  |
| Balance Sheet.....                             | 3  |
| Balance Sheet Instructions .....               | 4  |
| Income Statement .....                         | 14 |
| Income Statement Instructions .....            | 15 |
| Statement of Cash Flows .....                  | 23 |
| Statement of Cash Flows Instructions.....      | 24 |
| Reconciliation of Net Worth .....              | 30 |
| Reconciliation of Net Worth Instructions ..... | 31 |

# NAFSGL 5.0 Memo Approval Letter



MANPOWER AND  
RESERVE AFFAIRS

## OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

1500 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1500

NOV 20 2023

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (MILITARY  
PERSONNEL AND QUALITY OF LIFE)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY (MILITARY  
MANPOWER AND PERSONNEL)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(RESERVE AFFAIRS AND AIRMAN READINESS)  
DEPUTY DIRECTOR FOR STRATEGY AND SUPPORT, DEFENSE  
FINANCE AND ACCOUNTING SERVICE

SUBJECT: DoD Nonappropriated Fund Standard General Ledger Update 2023

Reference: Deputy Assistant Secretary of Defense (Military Community and Family Policy)  
Memorandum, "DoD Nonappropriated Fund Standard General Ledger Update  
2021," August 6, 2021

This memorandum revises the nonappropriated fund (NAF) standard general ledger (NAFSGL) and the NAF common accounting code framework at Attachments 1 through 7, previously revised and published by the referenced memorandum. The attachments are: (1) NAFSGL Framework; (2) Installation List; (3) Nonappropriated Fund Instrumentality (NAFI) Fund List; (4) Activity Code List; (5) Cost Center Code List; (6) General Ledger Accounting Code List; and (7) Chart of Accounts.

A joint working group comprised of senior NAF accounting experts from the Military Departments, the Defense Finance and Accounting Service, and members of my staff updated this common NAF accounting framework. The revised NAFSGL will apply to all DoD NAFIs, except NAFIs where accounting is currently done through a Military Service exchange financial system. This office will coordinate any future revisions of the NAFSGL with all stakeholders.

For additional information, please contact Mr. Gerald Holliday at (571) 372-6580 and [gerald.holliday.civ@mail.mil](mailto:gerald.holliday.civ@mail.mil).

Patricia Montes Barron  
Deputy Assistant Secretary of Defense  
for Military Community and Family Policy

Attachments:  
As stated

cc:  
OUSD(C)/Deputy Chief Financial Officer

# Balance Sheet

| BALANCE SHEET                      |                                    |             |
|------------------------------------|------------------------------------|-------------|
| <b>ASSETS</b>                      |                                    |             |
|                                    | Current Assets                     |             |
| 1                                  | Cash/Investments                   | XXX         |
| 2                                  | Receivables                        | XXX         |
| 3                                  | Inventories                        | XXX         |
| 4                                  | Other Current Assets               | XXX         |
| 5                                  | Total Current Assets               | <u>XXXX</u> |
|                                    | Noncurrent Assets                  |             |
| 6                                  | NAFI Titled Fixed Assets           | XXX         |
| 7                                  | Less: Accumulated Depreciation     | XXX         |
| 8                                  | Net NAFI Titled Fixed Assets       | <u>XXXX</u> |
| 9                                  | APF Titled Fixed Assets            | XXX         |
| 10                                 | Less: Accumulated Depreciation     | XXX         |
| 11                                 | Net APF Titled Fixed Assets        | <u>XXXX</u> |
| 12                                 | Other                              | XXX         |
| 13                                 | Total Noncurrent Assets            | <u>XXXX</u> |
| 14                                 | Total Assets                       | <u>XXXX</u> |
| <b>LIABILITIES &amp; NET WORTH</b> |                                    |             |
|                                    | Current Liabilities                |             |
| 15                                 | Accounts Payable                   | XXX         |
| 16                                 | Post-Retirement Benefit Obligation | XXX         |
| 17                                 | Other Current Liabilities          | XXX         |
| 18                                 | Total Current Liabilities          | <u>XXXX</u> |
|                                    | Long Term Liabilities              |             |
| 19                                 | Loans Payable                      | XXX         |
| 20                                 | Post-Retirement Benefit Obligation | XXX         |
| 21                                 | Other                              | XXX         |
| 22                                 | Total Long Term Liabilities        | <u>XXXX</u> |
| 23                                 | Total Liabilities                  | <u>XXXX</u> |
| 24                                 | Net Worth                          | <u>XXXX</u> |
| 25                                 | Total Liabilities & Net Worth      | <u>XXXX</u> |

# Balance Sheet Instructions

## Overview

The balance sheet (also known as statement of financial position) presents NAFI's financial position at the end of a specified date. It is sometimes described as a "snapshot" that allows the user to see what NAFI owns as well as what it owes to others. The major components of the balance sheet are assets, liabilities, and equity (net worth).

## Purpose

The purpose of this document is to ensure each Service uses identical general ledger account codes (GLACs) when compiling the required balance sheet. The balance sheet is organized into 25 lines, which correspond to the instructions below.

### Line 1 – Cash/Investments:

This is a summary line for cash and investments. General ledger accounts 1260-1299 are currently reserved, and, if used in the future, are also aggregated in the "Cash/Investments" line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC | Group  | Category    | Account Title  |
|----------|--------|-------------|--|
| 1000     | Assets | Cash        | Cash In Bank   |
| 1020     | Assets | Cash        | Foreign Currency                                       |
| 1040     | Assets | Cash        | Revolving Cash Fund                                    |
| 1060     | Assets | Cash        | Change Funds   |
| 1080     | Assets | Cash        | Petty Cash   |
| 1100     | Assets | Cash        | Imprest Funds  |
| 1120     | Assets | Cash        | Savings  |
| 1140     | Assets | Cash        | Certificates of Deposit 90 Days or Less                |
| 1160     | Assets | Cash        | Restricted Cash  |
| 1180     | Assets | Cash        | Capital Projects Reserve                               |
| 1200     | Assets | Investments | Interest Bearing Deposits                              |
| 1220     | Assets | Investments | Certificates of Deposit Short Term Less Than 12 months |
| 1240     | Assets | Investments | Marketable Securities Short Term                       |

|           |        |             |          |
|-----------|--------|-------------|----------|
| 1260-1299 | Assets | Investments | RESERVED |
|-----------|--------|-------------|----------|

## Line 2 – Receivables:

This is a summary line for all receivables. General ledger accounts 1450-1499 are currently reserved, and, if used in the future, are also aggregated in the “Receivables” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group  | Category    | Account Title                       |
|-----------|--------|-------------|-------------------------------------|
| 1300      | Assets | Receivables | Customer Receivables                |
| 1320      | Assets | Receivables | Inter NAFI Receivables              |
| 1340      | Assets | Receivables | Appropriated Fund (APF) Receivables |
| 1350      | Assets | Receivables | Claims Receivables                  |
| 1360      | Assets | Receivables | Employee Receivables                |
| 1370      | Assets | Receivables | Accrued Interest Receivables        |
| 1380      | Assets | Receivables | Allowance for Doubtful Accounts     |
| 1390      | Assets | Receivables | Other Receivables                   |
| 1410      | Assets | Receivables | Intra NAFI Receivables              |
| 1420      | Assets | Receivables | Exchange Dividends Receivable       |
| 1430      | Assets | Receivables | Other Dividend Receivables          |
| 1440      | Assets | Receivables | Subsidy Receivable                  |
| 1450-1499 | Assets | Receivables | RESERVED                            |

## Line 3 – Inventories:

This is a summary line for all inventory accounts. General ledger accounts 1580-1599 are currently reserved, and, if used in the future, are also aggregated in the “Inventories” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group  | Category    | Account Title               |
|-----------|--------|-------------|-----------------------------|
| 1500      | Assets | Inventories | Inventory                   |
| 1520      | Assets | Inventories | Central Warehouse Inventory |
| 1540      | Assets | Inventories | Work In Progress Inventory  |
| 1560      | Assets | Inventories | Inventory In Transit        |
| 1580-1599 | Assets | Inventories | RESERVED                    |

**Line 4 – Other Current Assets:**

This is a summary line for all other current assets such as prepaid assets and deposits made to vendors. General ledger accounts 1690-1699 are currently reserved, and, if used in the future, are also aggregated in the “Other Current Assets” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group  | Category             | Account Title                  |
|-----------|--------|----------------------|--------------------------------|
| 1600      | Assets | Other Current Assets | Prepaid Supplies               |
| 1610      | Assets | Other Current Assets | Prepaid Contracts              |
| 1620      | Assets | Other Current Assets | Prepaid Insurance              |
| 1630      | Assets | Other Current Assets | Prepaid Franchise Fees         |
| 1640      | Assets | Other Current Assets | Prepaid Other                  |
| 1650      | Assets | Other Current Assets | Prepaid Utilities              |
| 1660      | Assets | Other Current Assets | Deposits                       |
| 1670      | Assets | Other Current Assets | Prepaid UFM Assets             |
| 1680      | Assets | Other Current Assets | Goods In Transit (GIT) – Other |
| 1690-1699 | Assets | Other Current Assets | RESERVED                       |

**Line 5 – Total Current Assets:**

Report the net total of line 1 through line 4.

**Line 6 – NAFI Titled Fixed Assets:**

This is a summary line for all NAFI Titled Fixed Assets. General ledger accounts 1790-1794 are currently reserved, and, if used in the future, are also aggregated in the “NAFI Titled Fixed Assets” line of the balance sheet (unless a reserve account is used as an accumulated depreciation account; in that case, those accounts are aggregated in line 7 of the balance sheet). Report the balances of the following accounts:

| OSD GLAC | Group  | Category                 | Account Title                                   |
|----------|--------|--------------------------|---|
| 1700     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Buildings and Land Assets         |
| 1710     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Buildings and Land Improvements   |
| 1720     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Vehicle, Aircraft and Boat Assets |
| 1730     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Furniture, Fixture and Equipment  |
| 1740     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Information Technology Assets     |
| 1750     | Assets | NAFI Titled Fixed Assets | NAFI Titled – Livestock Assets                  |

|           |        |                          |                                       |
|-----------|--------|--------------------------|---------------------------------------|
| 1760      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Assets in Progress      |
| 1780      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Fixed Assets in Transit |
| 1790-1794 | Assets | NAFI Titled Fixed Assets | RESERVED                              |

**Line 7 – Accumulated Depreciation (for NAFI Titled Fixed Assets):**

This is a summary line for the accumulated depreciation for all NAFI Titled fixed assets. General ledger accounts 1775-1779, 1785-1789, and 1795-1799 are currently reserved, and, if used in the future, are also aggregated in the NAFI Titled “Accumulated Depreciation” line of the balance sheet (unless a reserve account is used as a NAFI Titled Fixed Asset account; in that case, those accounts are aggregated in line 6 of the balance sheet). Report the balances of the following accounts:

| OSD GLAC  | Group  | Category                 | Account Title   |
|-----------|--------|--------------------------|---|
| 1705      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Buildings and Land Accumulated Depreciation               |
| 1715      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Buildings and Land Improvements Accumulated Depreciation  |
| 1725      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Vehicle, Aircraft and Boat Accumulated Depreciation       |
| 1735      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Furniture, Fixture and Equipment Accumulated Depreciation |
| 1745      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Information Technology Accumulated Depreciation           |
| 1755      | Assets | NAFI Titled Fixed Assets | NAFI Titled – Livestock Accumulated Depreciation                        |
| 1775-1779 | Assets | NAFI Titled Fixed Assets | RESERVED  |
| 1785-1789 | Assets | NAFI Titled Fixed Assets | RESERVED  |
| 1795-1799 | Assets | NAFI Titled Fixed Assets | RESERVED  |

**Line 8 – Net NAFI Titled Fixed Assets:**

Report the net total of lines 6 and 7.

**Line 9 – APF Titled Fixed Assets:**

This is a summary line for all assets purchased with appropriated funds and that also have a Government title. General ledger accounts 1880-1884 and 1890-1894 are currently reserved, and, if used in the future, are also aggregated in the “APF Titled Fixed Assets” line of the balance sheet (unless a reserve account is used as an accumulated depreciation account; in that case, those accounts are aggregated in line 10 of the balance sheet). Report the balances of the following accounts:



| OSD GLAC  | Group  | Category                | Account Title  |
|-----------|--------|-------------------------|--|
| 1800      | Assets | APF Titled Fixed Assets | APF Titled – Buildings and Land Assets               |
| 1810      | Assets | APF Titled Fixed Assets | APF Titled – Buildings and Land Improvements         |
| 1820      | Assets | APF Titled Fixed Assets | APF Titled – Vehicle, Aircraft and Boat Assets       |
| 1830      | Assets | APF Titled Fixed Assets | APF Titled – Furniture, Fixture and Equipment Assets |
| 1840      | Assets | APF Titled Fixed Assets | APF Titled – Information Technology Assets           |
| 1850      | Assets | APF Titled Fixed Assets | APF Titled – Livestock Assets                        |
| 1860      | Assets | APF Titled Fixed Assets | APF Titled – Assets in Progress                      |
| 1870      | Assets | APF Titled Fixed Assets | APF Titled – Fixed Assets in Transit                 |
| 1880-1884 | Assets | APF Titled Fixed Assets | RESERVED   |
| 1890-1894 | Assets | APF Titled Fixed Assets | RESERVED   |

**Line 10 – Accumulated Depreciation (for APF Titled Fixed Assets):**

This is a summary line for the accumulated depreciation for all APF Titled fixed assets. General ledger accounts 1885-1889 and 1895-1899 are currently reserved, and, if used in the future, are also aggregated in the APF Titled “Accumulated Depreciation” line of the balance sheet (unless a reserve account is used as an APF Titled Fixed Asset account; in that case, those accounts are aggregated in line 9 of the balance sheet). Report the balances of the following accounts:

| OSD GLAC  | Group  | Category                | Account Title  |
|-----------|--------|-------------------------|--|
| 1805      | Assets | APF Titled Fixed Assets | APF Titled – Buildings and Land Accumulated Depreciation               |
| 1815      | Assets | APF Titled Fixed Assets | APF Titled – Buildings and Land Improvements Accumulated Depreciation  |
| 1825      | Assets | APF Titled Fixed Assets | APF Titled – Vehicle, Aircraft and Boat Accumulated Depreciation       |
| 1835      | Assets | APF Titled Fixed Assets | APF Titled – Furniture, Fixture and Equipment Accumulated Depreciation |
| 1845      | Assets | APF Titled Fixed Assets | APF Titled – Information Technology Accumulated Depreciation           |
| 1855      | Assets | APF Titled Fixed Assets | APF Titled – Livestock Accumulated Depreciation                        |
| 1885-1889 | Assets | APF Titled Fixed Assets | RESERVED   |
| 1895-1899 | Assets | APF Titled Fixed Assets | RESERVED   |

**Line 11 – Net APF Titled Fixed Assets:**

Report the net total of lines 9 and 10.

**Line 12 – Other:**

This is a summary line for all other noncurrent assets such as long term receivables. General ledger accounts 1980-1999 are currently reserved, and, if used in the future, are also aggregated in the “Other” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group  | Category               | Account Title                                    |
|-----------|--------|------------------------|--|
| 1900      | Assets | Other Long Term Assets | Long Term Inter NAFI Receivables                 |
| 1910      | Assets | Other Long Term Assets | Long Term Receivables                            |
| 1920      | Assets | Other Long Term Assets | Long Term Pre-paid Expenses                      |
| 1930      | Assets | Other Long Term Assets | Certificates of Deposit Long Term over 12 months |
| 1940      | Assets | Other Long Term Assets | Marketable Securities Long Term                  |
| 1950      | Assets | Other Long Term Assets | Long Term Contributions                          |
| 1960      | Assets | Other Long Term Assets | Long Term Intra NAFI Receivables                 |
| 1970      | Assets | Other Long Term Assets | Intangible Assets                                |
| 1980-1999 | Assets | Other Long Term Assets | RESERVED   |

**Line 13 – Total Noncurrent Assets:**

Report the net total of line 6 through line 12.

**Line 14 – Total Assets:**

Report the net total of line 5 and line 13.

**Line 15 – Accounts Payable:**

This is a summary line for all accounts payable. Report the balance of the following account:

| OSD GLAC | Group       | Category            | Account Title    |
|----------|-------------|---------------------|------------------|
| 2000     | Liabilities | Current Liabilities | Accounts Payable |

**Line 16 – Post-Retirement Benefit Obligation:**

This is a summary line for reporting the difference when the Pension Plan Assets are less than the Plan Benefit Obligation. The difference is classified as a current liability as determined and provided by the pension provider when the amount is due within the year. This also includes any other post-retirement benefit plan, such as retiree health care. Report the balances of the following accounts:

| OSD GLAC | Group       | Category            | Account Title                                  |
|----------|-------------|---------------------|--|
| 2120     | Liabilities | Current Liabilities | Retirement Payable                             |
| 2140     | Liabilities | Current Liabilities | Post-Retirement Benefit Obligation Liabilities |

**Line 17 – Other Current Liabilities:**

This is a summary line for all other current liabilities. General ledger accounts 2220-2299, 2440-2499, 2560-2599, and 2640-2699 are currently reserved, and, if used in the future, are also aggregated in the “Other Current Liabilities” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group       | Category            | Account Title                     |
|-----------|-------------|---------------------|-----------------------------------|
| 2020      | Liabilities | Current Liabilities | Wages Payable                     |
| 2040      | Liabilities | Current Liabilities | Taxes Payable                     |
| 2060      | Liabilities | Current Liabilities | Employer Insurance Payable        |
| 2080      | Liabilities | Current Liabilities | Flexible Spending Account Payable |
| 2100      | Liabilities | Current Liabilities | Employee Deductions Payable       |
| 2160      | Liabilities | Current Liabilities | Other Employee Benefits Payable   |
| 2180      | Liabilities | Current Liabilities | Unemployment Compensation Payable |
| 2200      | Liabilities | Current Liabilities | Workers' Compensation Liability   |
| 2220-2299 | Liabilities | Current Liabilities | RESERVED                          |
| 2300      | Liabilities | Current Liabilities | Short Term Inter NAFI Payable     |
| 2320      | Liabilities | Current Liabilities | Short Term Loans Payable          |
| 2340      | Liabilities | Current Liabilities | Interest Payable                  |
| 2360      | Liabilities | Current Liabilities | Reserves Payable                  |
| 2380      | Liabilities | Current Liabilities | Claims Payable                    |
| 2400      | Liabilities | Current Liabilities | Short Term Capital Leases         |
| 2420      | Liabilities | Current Liabilities | Short Term Intra NAFI Payable     |
| 2440-2499 | Liabilities | Current Liabilities | RESERVED                          |
| 2500      | Liabilities | Current Liabilities | Unearned Income                   |

| OSD GLAC  | Group       | Category            | Account Title   |
|-----------|-------------|---------------------|---|
| 2520      | Liabilities | Current Liabilities | Unearned Income APF   |
| 2540      | Liabilities | Current Liabilities | Unearned Income Uniform Funding and Management (UFM) and Utilization Support and Accountability (USA) – Non-Operating |
| 2560-2599 | Liabilities | Current Liabilities | RESERVED  |
| 2600      | Liabilities | Current Liabilities | Other Payable   |
| 2620      | Liabilities | Current Liabilities | Exchange Dividends Payable  |
| 2640-2699 | Liabilities | Current Liabilities | RESERVED  |

**Line 18 – Total Current Liabilities:**

Report the net total of line 15 through line 17.

**Line 19 – Loans Payable:**

This is a summary line for all loans and notes that will not be paid within 12 months. Report the balance of the following account:

| OSD GLAC | Group       | Category              | Account Title               |
|----------|-------------|-----------------------|-----------------------------|
| 2760     | Liabilities | Long Term Liabilities | Long Term Loans Liabilities |

**Line 20 – Post-Retirement Benefit Obligation:**

This is a summary line for reporting the difference when the Pension Plan Assets are less than the Plan Benefit Obligation. The difference is classified as a long-term liability as determined and provided by the pension provider and exceeds 12 months. This also includes any other post-retirement benefit plan, such as retiree health care. Report the balances of the following accounts:

| OSD GLAC | Group       | Category              | Account Title  |
|----------|-------------|-----------------------|--|
| 2720     | Liabilities | Long Term Liabilities | Long Term Pension Cost Liabilities                       |
| 2740     | Liabilities | Long Term Liabilities | Long Term Post-Retirement Benefit Obligation Liabilities |

**Line 21 – Other:**

This is a summary line for all other long term liabilities. General ledger accounts 2880-2999 are currently reserved, and, if used in the future, are also aggregated in the “Other” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC | Group       | Category              | Account Title                    |
|----------|-------------|-----------------------|----------------------------------|
| 2700     | Liabilities | Long Term Liabilities | Long Term Inter NAFI Liabilities |

| OSD GLAC  | Group       | Category              | Account Title                       |
|-----------|-------------|-----------------------|-------------------------------------|
| 2780      | Liabilities | Long Term Liabilities | Long Term Capital Lease Liabilities |
| 2800      | Liabilities | Long Term Liabilities | Long Term Other Liabilities         |
| 2820      | Liabilities | Long Term Liabilities | Long Term Severance Liabilities     |
| 2840      | Liabilities | Long Term Liabilities | Long Term Reserves Liabilities      |
| 2860      | Liabilities | Long Term Liabilities | Long Term Intra NAFI Liabilities    |
| 2880-2999 | Liabilities | Long Term Liabilities | RESERVED                            |

**Line 22 – Total Long Term Liabilities:**

Report the net total of line 19 through line 21.

**Line 23 – Total Liabilities:**

Report the net total of line 18 and line 22.

**Line 24 – Net Worth:**

This is a summary line for all retained earnings, net income (loss), pension adjustments, and other equity transactions. General ledger accounts 3200-3999 are currently reserved, and, if used in the future, are also aggregated in the “Net Worth” line of the balance sheet. Report the balances of the following accounts:

| OSD GLAC  | Group                | Category         | Account Title  |
|-----------|----------------------|------------------|--|
| 3000      | Net Worth/<br>Equity | Net Worth/Equity | Undistributed Profits and Net Income                             |
| 3020      | Net Worth/<br>Equity | Net Worth/Equity | Unrealized Gains (Losses) on AFS Securities                      |
| 3040      | Net Worth/<br>Equity | Net Worth/Equity | Equity Reserves  |
| 3060      | Net Worth/<br>Equity | Net Worth/Equity | Workers' Compensation Reserves                                   |
| 3080      | Net Worth/<br>Equity | Net Worth/Equity | Transferred Equity   |
| 3100      | Net Worth/<br>Equity | Net Worth/Equity | Retained Earnings  |
| 3120      | Net Worth/<br>Equity | Net Worth/Equity | Other Equity or Earnings   |
| 3140      | Net Worth/<br>Equity | Net Worth/Equity | Dividends Declared – Profit Distribution                         |
| 3160      | Net Worth/<br>Equity | Net Worth/Equity | Foreign Currency Unrealized Gain/Loss                            |
| 3180      | Net Worth/<br>Equity | Net Worth/Equity | AOCI: Unrealized Gains/Losses related to<br>Defined Benefit Plan |
| 3200-3999 | Net Worth/<br>Equity | Net Worth/Equity | RESERVED   |

**Line 25 – Total Liabilities & Net Worth:**

Report the net total of line 23 and line 24.

# Income Statement

| INCOME STATEMENT |                                 |             |
|------------------|---------------------------------|-------------|
| 1                | Sales                           | XXX         |
| 2                | Cost of Goods Sold              | XXX         |
| 3                | Gross Margin (%)                | <u>XXXX</u> |
| 4                | Other Operating Income:         |             |
| 4a               | Participation Fees and Charges  | XXX         |
| 4b               | Concessionaire Income           | XXX         |
| 4c               | Other                           | XXX         |
| 5                | Total Other Operating Income    | <u>XXXX</u> |
| 6                | <b>GROSS OPERATING INCOME</b>   | <u>XXXX</u> |
| 7                | Operating Expenses (Schedule A) | XXX         |
| 8                | <b>OPERATING MARGIN</b>         | <u>XXXX</u> |
| 9                | Other Income:                   |             |
| 9a               | Dividends                       | XXX         |
| 9b               | Other                           | XXX         |
| 10               | Total Non-Operating Income      | <u>XXXX</u> |
| 11               | Other Expenses (Schedule A)     | <u>XXXX</u> |
| 12               | <b>NET INCOME</b>               | <u>XXXX</u> |

# Income Statement Instructions

## Overview

An income statement (also referred to as profit or loss statement or income and expense statement) provides information about NAFI's financial performance during a specified period of time and a summary of NAFI's profit or loss during the accounting period. The income statement is used to track revenues and expenses.

## Purpose

The purpose of this document is to ensure each Service uses identical general ledger account codes (GLACs) when compiling the required income statement. The income statement is organized into 12 lines, which correspond to the instructions below.

### Line 1 – Sales:

This is a summary line for income from sale of goods or services less returns and allowances and discounts. Report the balances for the following accounts:

| OSD GLAC | Group   | Category          | Account Title                  |
|----------|---------|-------------------|--------------------------------|
| 4000     | Revenue | Operating Revenue | Revenue from Goods Sold        |
| 4020     | Revenue | Operating Revenue | Sales Returns and Allowances   |
| 4040     | Revenue | Operating Revenue | Sales Discounts                |
| 4060     | Revenue | Operating Revenue | Revenue from Services Provided |

### Line 2 – Cost of Goods Sold:

This is a summary line for the Cost of Goods Sold calculation. General ledger accounts 5060-5099 are currently reserved, and, if used in the future, are also aggregated in the “Cost of Goods Sold” line of the income statement (unless a reserve account is used for other operating expenses; in that case, those accounts are aggregated in line 7 of the income statement). Report the balances for the following accounts:

| OSD GLAC | Group    | Category           | Account Title                      |
|----------|----------|--------------------|------------------------------------|
| 5000     | Expenses | Operating Expenses | Purchases                          |
| 5020     | Expenses | Operating Expenses | Purchases Discounts and Allowances |



|           |          |                    |                    |
|-----------|----------|--------------------|--------------------|
| 5040      | Expenses | Operating Expenses | Cost of Goods Sold |
| 5060-5099 | Expenses | Operating Expenses | RESERVED           |

### Line 3 – Gross Margin:

Gross Margin is a calculation. The calculation is sales revenue (line 1) minus the cost of goods sold (line 2), divided by the sales revenue (line 1), expressed as a percentage.

### Line 4 – Other Operating Income:

This is the heading for reporting Other Operating Income, as follows.

#### Line 4a – Participation Fees and Charges:

This is a summary line for other operating income related to participation fees and charges. General ledger accounts 4123-4139 and 4144-4159 are currently reserved, and, if used in the future, are also aggregated in the “Participation Fees and Charges” line of the income statement (unless a reserve account is used in another section of “Other Operating Income”; in that case, those accounts are aggregated in either line 4b or 4c of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group   | Category          | Account Title      |
|-----------|---------|-------------------|--------------------|
| 4120      | Revenue | Operating Revenue | Amusements Revenue |
| 4123-4139 | Revenue | Operating Revenue | RESERVED           |
| 4140      | Revenue | Operating Revenue | Gaming Revenue     |
| 4144-4159 | Revenue | Operating Revenue | RESERVED           |

#### Line 4b – Concessionaire Income:

This is a summary line for other operating income related to concessionaire income. General ledger accounts 4085-4099 are currently reserved, and, if used in the future, are also aggregated in the “Concessionaire Income” line of the income statement (unless a reserve account is used in another section of “Other Operating Income”; in that case, those accounts are aggregated in either line 4a or 4c of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group   | Category          | Account Title          |
|-----------|---------|-------------------|------------------------|
| 4080      | Revenue | Operating Revenue | Concessionaire Revenue |
| 4085-4099 | Revenue | Operating Revenue | RESERVED               |

**Line 4c – Other:**

This is a summary line for other operating income not listed on lines 4a through 4b. General ledger accounts 4340-4999 are currently reserved, and, if used in the future, are also aggregated in the “Other” line of the Other Operating Income section of the income statement (unless a reserve account is used in another section of “Other Operating Income”; in that case, those accounts are aggregated in either line 4a or 4b of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group   | Category          | Account Title                  |
|-----------|---------|-------------------|--------------------------------|
| 4100      | Revenue | Operating Revenue | Rental Revenue                 |
| 4160      | Revenue | Operating Revenue | Other APF Revenue              |
| 4180      | Revenue | Operating Revenue | Reimbursement Revenue          |
| 4200      | Revenue | Operating Revenue | Commercial Sponsorship Revenue |
| 4220      | Revenue | Operating Revenue | Inter NAFI Revenue             |
| 4240      | Revenue | Operating Revenue | Other Operating Revenue        |
| 4260      | Revenue | Operating Revenue | UFM / USA Revenue              |
| 4280      | Revenue | Operating Revenue | Intra NAFI Revenue             |
| 4300      | Revenue | Operating Revenue | Advertising Revenue            |
| 4320      | Revenue | Operating Revenue | Grants Revenue                 |
| 4340-4999 | Revenue | Operating Revenue | RESERVED                       |

**Line 5 – Total Other Operating Income:**

Report the total of lines 4a, 4b and 4c.

**Line 6 – Gross Operating Income:**

Report the total of line 1 less line 2 plus line 5.

**Line 7 – Operating Expenses:**

This is a summary line for all operating expenses other than those reported under Cost of Goods Sold (line 2). General ledger accounts 5240-5299, 5540-5560, and 5920-5999 are currently reserved, and, if used in the future, are also aggregated in the “Operating Expenses” line of the income statement (unless a reserve account is used for Cost of Goods Sold; in that case, those accounts are aggregated in line 2 of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group    | Category           | Account Title   |
|-----------|----------|--------------------|---|
| 5100      | Expenses | Operating Expenses | Wage Expense  |
| 5120      | Expenses | Operating Expenses | Tax Expense   |
| 5140      | Expenses | Operating Expenses | Employee Insurance Premium Expense                        |
| 5160      | Expenses | Operating Expenses | Retirement Expense  |
| 5180      | Expenses | Operating Expenses | Flexible Spending Account Administrative Expense          |
| 5200      | Expenses | Operating Expenses | Other Employee Benefit Expense                            |
| 5220      | Expenses | Operating Expenses | Severance Expense   |
| 5240-5299 | Expenses | Operating Expenses | RESERVED  |
| 5300      | Expenses | Operating Expenses | Supplies Expense  |
| 5320      | Expenses | Operating Expenses | Non-Capitalized Furniture, Fixtures and Equipment Expense |
| 5340      | Expenses | Operating Expenses | Repairs and Maintenance Expense                           |
| 5360      | Expenses | Operating Expenses | Communication Expense                                     |
| 5380      | Expenses | Operating Expenses | Utilities Expense   |
| 5400      | Expenses | Operating Expenses | Rental Expense  |
| 5420      | Expenses | Operating Expenses | General Liability Premium Expense                         |
| 5440      | Expenses | Operating Expenses | Depreciation and Amortization Expense                     |
| 5460      | Expenses | Operating Expenses | Travel Expense  |
| 5480      | Expenses | Operating Expenses | Transportation Expense                                    |
| 5500      | Expenses | Operating Expenses | Training/Professional Development                         |
| 5520      | Expenses | Operating Expenses | IT Services Expense                                       |
| 5540-5560 | Expenses | Operating Expenses | RESERVED  |
| 5580      | Expenses | Operating Expenses | Reimbursed Common Support Expense                         |
| 5600      | Expenses | Operating Expenses | Claims Expense  |
| 5620      | Expenses | Operating Expenses | Grants Expense  |

| OSD GLAC  | Group    | Category           | Account Title                        |
|-----------|----------|--------------------|--------------------------------------|
| 5640      | Expenses | Operating Expenses | UFM and USA Operating Offset Expense |
| 5660      | Expenses | Operating Expenses | Inter NAFI Expense                   |
| 5680      | Expenses | Operating Expenses | Intra NAFI Expenses                  |
| 5700      | Expenses | Operating Expenses | Contract Services Expense            |
| 5720      | Expenses | Operating Expenses | Advertising and Promotion Expense    |
| 5740      | Expenses | Operating Expenses | Entertainment Expense                |
| 5760      | Expenses | Operating Expenses | Credit Cards Expense                 |
| 5780      | Expenses | Operating Expenses | Bad Debt Expense                     |
| 5800      | Expenses | Operating Expenses | Laundry and Dry Cleaning Expense     |
| 5820      | Expenses | Operating Expenses | Commercial Sponsorship Expense       |
| 5840      | Expenses | Operating Expenses | Other Operating Expense              |
| 5880      | Expenses | Operating Expenses | Impairment Expense                   |
| 5900      | Expenses | Operating Expenses | Lodging Expense                      |
| 5920-5999 | Expenses | Operating Expenses | RESERVED                             |

### Line 8 – Operating Margin:

Operating Margin is a calculation only. Report the difference in Gross Operating Income (Line 6) and Operating Expenses (Line 7).

### Line 9 – Other Income:

Non-operating income (loss) consists of income/expenses that are not related to the NAFI's primary operation.

### Line 9a – Dividends:

This is a summary line for non-operating income from dividends. General ledger accounts 6224-6239 and 6242-6259 are currently reserved, and, if used in the future, are also aggregated in the "Dividends" line of the income statement (unless a reserve account is used in another section of "Other Income"; in that case, those accounts are aggregated in line 9b of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group   | Category              | Account Title             |
|-----------|---------|-----------------------|---------------------------|
| 6220      | Revenue | Non-Operating Revenue | Exchange Dividend Revenue |
| 6224-6239 | Revenue | Non-Operating Revenue | RESERVED                  |
| 6240      | Revenue | Non-Operating Revenue | Other Dividend Revenue    |
| 6242-6259 | Revenue | Non-Operating Revenue | RESERVED                  |

### Line 9b – Other:

This is a summary line for non-operating income not reported in line 9a. General ledger accounts 6060-6080, 6120-6160, 6300-6320, 6420-6440, and 6500-6999 are currently reserved, and, if used in the future, are also aggregated in the “Other” line of the “Other Income” section of the income statement (unless a reserve account is used in another section of “Other Income”; in that case, those accounts are aggregated in line 9a of the income statement). Report the balances for the following accounts:

| OSD GLAC  | Group   | Category              | Account Title                    |
|-----------|---------|-----------------------|----------------------------------|
| 6000      | Revenue | Non-Operating Revenue | Interest Revenue                 |
| 6020      | Revenue | Non-Operating Revenue | Assessment Revenue               |
| 6040      | Revenue | Non-Operating Revenue | Rebates Revenue                  |
| 6060-6080 | Revenue | Non-Operating Revenue | RESERVED                         |
| 6100      | Revenue | Non-Operating Revenue | Retirement Contributions Revenue |
| 6120-6160 | Revenue | Non-Operating Revenue | RESERVED                         |
| 6180      | Revenue | Non-Operating Revenue | Contribution/Donation Revenue    |
| 6200      | Revenue | Non-Operating Revenue | Subsidy Revenue                  |

| OSD GLAC  | Group   | Category              | Account Title  |
|-----------|---------|-----------------------|--|
| 6260      | Revenue | Non-Operating Revenue | Unusual and/or Infrequent Revenue                        |
| 6280      | Revenue | Non-Operating Revenue | Recycling Revenue  |
| 6300-6320 | Revenue | Non-Operating Revenue | RESERVED   |
| 6340      | Revenue | Non-Operating Revenue | Realized Gains and Losses for Foreign Currency Income    |
| 6360      | Revenue | Non-Operating Revenue | Realized Gains and Losses for Sale of Investments Income |
| 6380      | Revenue | Non-Operating Revenue | Realized Gains and Losses for Sale of Fixed Asset Income |
| 6400      | Revenue | Non-Operating Revenue | Realized Gains (Losses) from Trading Securities          |
| 6420-6440 | Revenue | Non-Operating Revenue | RESERVED   |
| 6460      | Revenue | Non-Operating Revenue | Revenue UFM and USA – Non-Operating                      |
| 6480      | Revenue | Non-Operating Revenue | Other Non-operating Income                               |
| 6500-6999 | Revenue | Non-Operating Revenue | RESERVED   |

**Line 10 – Total Non-Operating Income:**

Report the total of lines 9a and 9b.

**Line 11 – Other Expenses:**

This is a summary line for all non-operating expenses. General ledger accounts 7120-7999 are currently reserved, and, if used in the future, are also aggregated in the “Other Expenses” line of the income statement. Report the balances for the following accounts:

| OSD GLAC | Group    | Category               | Account Title     |
|----------|----------|------------------------|-------------------|
| 7000     | Expenses | Non-Operating Expenses | Interest Expenses |

| OSD GLAC  | Group    | Category               | Account Title                            |
|-----------|----------|------------------------|--|
| 7020      | Expenses | Non-Operating Expenses | Assessment Expense                       |
| 7040      | Expenses | Non-Operating Expenses | Unusual and/or Infrequent Expenses       |
| 7060      | Expenses | Non-Operating Expenses | Recycling Expenses                       |
| 7080      | Expenses | Non-Operating Expenses | UFM and USA Non-Operating Offset Expense |
| 7100      | Expenses | Non-Operating Expenses | Other Non-operating Expense              |
| 7120-7999 | Expenses | Non-Operating Expenses | RESERVED                                 |

**Line 12 – Net Income:**

Report the net total of lines 8, 10 and 11.

# Statement of Cash Flows

| STATEMENT OF CASH FLOWS      |  |             |
|------------------------------|--|-------------|
| <b>OPERATING ACTIVITIES:</b> |  |             |
| 1                            | Net Income   | XXX         |
|                              | Adjustments to Reconcile Net Income to Net Cash Provided<br>by Operating Activities: |             |
| 2                            | Depreciation and Amortization  | XXX         |
| 3                            | Loss (Gain) on Disposal of Fixed Assets  | XXX         |
| 4                            | Decrease (Increase) in Accounts Receivable   | XXX         |
| 5                            | Decrease (Increase) in Inventories   | XXX         |
| 6                            | Decrease (Increase) in Prepaid Expenses  | XXX         |
| 7                            | Increase (Decrease) in Accounts Payable  | XXX         |
| 8                            | Increase (Decrease) in Unearned Income   | XXX         |
| 9                            | Increase (Decrease) in Other Current Liabilities                                     | XXX         |
| 10                           | Increase (Decrease) in Other Payables (specify)                                      | XXX         |
| 11                           | Total Adjustments  | <u>XXXX</u> |
| 12                           | Net Cash Provided by (Used in) Operating Activities                                  | <u>XXXX</u> |
| <b>INVESTING ACTIVITIES:</b> |  |             |
| 13                           | Purchase of Fixed Assets   | XXX         |
| 14                           | Proceeds from the Sale of Fixed Assets   | XXX         |
| 15                           | Other (specify)  | XXX         |
| 16                           | Net Cash Used in Investing Activities  | <u>XXXX</u> |
| <b>FINANCING ACTIVITIES:</b> |  |             |
| 17                           | Net Borrowing (specify)  | XXX         |
| 18                           | Payment of Dividends   | XXX         |
| 19                           | Capital Grants   | XXX         |
| 20                           | Net Proceeds from (Payments on) Other Long-Term<br>Liabilities (specify)             | XXX         |
| 21                           | Net Cash Provided by (Used in ) Financing Activities                                 | <u>XXXX</u> |
| 22                           | Net Decrease/Increase in Cash and Cash Equivalents                                   | XXX         |
| 23                           | Cash and Cash Equivalents at Beginning of Year                                       | XXX         |
| 24                           | Cash and Cash Equivalents at End of Year   | XXX         |



# Statement of Cash Flows Instructions

## Overview

A cash flow statement provides information about cash receipts and cash payments of a NAFI during the accounting period. The statement shows how changes in balance sheet and income accounts affect cash and cash equivalents and breaks the analysis down according to operating, investing, and financing activities.

## Purpose

The purpose of this document is to ensure each Service uses identical general ledger account codes (GLACs) and lines from other financial statements when compiling the required Statement of Cash Flows. The Statement of Cash Flow is organized into 24 lines, which correspond to the instructions below.

### Line 1 – Net Income:

This amount comes from the Line 8, Operating Margin, from the Income Statement. Report the balances of the following accounts:

| Income Statement Line | Fiscal Year | Line Title       |
|-----------------------|-------------|------------------|
| 8                     | Current     | Operating Margin |

### Line 2 – Depreciation and Amortization:

The Depreciation and Amortization expenses are not paid in cash and require a positive adjustment to the net cash provided by (used in) operating activities. Report the balance of the following account:

| OSD GLAC | Group    | Category           | Account Title                         |
|----------|----------|--------------------|---------------------------------------|
| 5440     | Expenses | Operating Expenses | Depreciation and Amortization Expense |

### Line 3 – Loss (Gain) on Disposal of Fixed Assets:

A loss (gain) on disposal of fixed assets requires a positive (negative) adjustment to the net cash flow from operations. Further, if GLAC 632 has a debit (credit) balance, the line should reflect a positive (negative). Report the balances of the following accounts:

| OSD GLAC | Group  | Category             | Account Title                                     |
|----------|--------|----------------------|---|
| 6380     | Income | Non-Operating Income | Realized Gains and Losses for Sale of Fixed Asset |

#### Line 4 – Decrease (Increase) in Accounts Receivable:

The change in accounts receivable balances between the end of the preceding and current fiscal year comes from Line 2, Receivables, on the Balance Sheet. A decrease in Accounts Receivable balances adds to the cash balance. An increase in Accounts Receivable reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title  | Calculation  |
|--------------------|-------------|-------------|--|
| 2                  | Previous    | Receivables | Current – Previous = Line 4<br>If the difference is:   |
| 2                  | Current     | Receivables | <ul style="list-style-type: none"> <li>positive, then insert a negative amount in Line 4</li> <li>negative, then insert a positive number in Line 4</li> </ul> |

#### Line 5 – Decrease (Increase) in Inventories:

The change in inventory balances between the end of the preceding and current fiscal year comes from Line 3 on the Balance Sheet. A decrease in Inventory balances adds to the cash balance. An increase in Inventory balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title  | Calculation  |
|--------------------|-------------|-------------|--|
| 3                  | Previous    | Inventories | Current – Previous = Line 5<br>If the difference is:   |
| 3                  | Current     | Inventories | <ul style="list-style-type: none"> <li>positive, then insert a negative amount in Line 5</li> <li>negative, then insert a positive number in Line 5</li> </ul> |

#### Line 6 – Decrease (Increase) in Prepaid Expenses:

The change in prepaid expense balances between the end of the preceding and current fiscal year comes from Line 4 (Other Current Assets) on the Balance Sheet. A decrease in prepaid expense balances adds to the cash balance. An increase in prepaid expense balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title           | Calculation  |
|--------------------|-------------|----------------------|--|
| 4                  | Previous    | Other Current Assets | Current – Previous = Line 6<br>If the difference is: |

|   |         |                      |  |
|---|---------|----------------------|--|
| 4 | Current | Other Current Assets | <ul style="list-style-type: none"> <li>• positive, then insert a negative amount in Line 6</li> <li>• negative, then insert a positive number in Line 6</li> </ul> |
|---|---------|----------------------|--|

### Line 7 – Increase (Decrease) in Accounts Payable:

The change in accounts payable balances between the end of the preceding and current fiscal years comes from Line 15 on the Balance Sheet. An increase in accounts payable balances adds to the cash balance. A decrease in accounts payable balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title       | Calculation  |
|--------------------|-------------|------------------|--|
| 15                 | Previous    | Accounts Payable | Current – Previous = Line 7<br>If the difference is:   |
| 15                 | Current     | Accounts Payable | <ul style="list-style-type: none"> <li>• positive, then insert a positive amount in Line 7</li> <li>• negative, then insert a negative number in Line 7</li> </ul> |

### Line 8 – Increase (Decrease) in Unearned Income:

The change in unearned revenue balances between the end of the preceding and current fiscal years comes from Balance Sheet Line 17, Other Current Liabilities, specifically, GLACs 230, 231, and 232. An increase in unearned revenue balances adds to the cash balance. A decrease in unearned revenue balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title                | OSD GLAC | Account Title                               | Calculation   |
|--------------------|-------------|---------------------------|----------|---|---|
| 17 (Partial)       | Previous    | Other Current Liabilities | 2500     | Unearned Income                             | Current (GLAC 2500 + 2520 + 2540) – Previous (GLAC 2500 + 2520 + 2540) = Line 8<br>If the difference is: <ul style="list-style-type: none"> <li>• positive, then insert a positive amount in Line 8</li> <li>• negative, then insert a negative number in Line 8</li> </ul> |
|                    |             |                           | 2520     | Unearned Income APF                         |   |
|                    |             |                           | 2540     | Unearned Income UFM and USA - Non-Operating |   |
| 17 (Partial)       | Current     | Other Current Liabilities | 2500     | Unearned Income                             |   |
|                    |             |                           | 2520     | Unearned Income APF                         |   |
|                    |             |                           | 2540     | Unearned Income UFM and USA - Non-Operating |   |

**Line 9 – Increase (Decrease) in Other Current Liabilities:**

The change in other current liabilities balances between the end of the preceding and current fiscal years comes from **Balance Sheet Line 17 less** GLACs 235, 230, 231, and 232. An increase in other current liabilities balances adds to the cash balance. A decrease in other current liabilities balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title                | OSD GLAC | Account Title                               | Calculation   |
|--------------------|-------------|---------------------------|----------|---|---|
| 17<br>(Partial)    | Previous    | Other Current Liabilities | 2600     | Other Payable                               | Current ( <b>Balance Sheet Line 17</b> – GLAC 2600 – 2500 – 2520 – 2540) – Previous ( <b>Balance Sheet Line 17</b> – GLAC 2600 – 2500 – 2520 – 2540) = Line 9<br>If the difference is: <ul style="list-style-type: none"> <li>• positive, then insert a positive amount in Line 9</li> <li>• negative, then insert a negative number in Line 9</li> </ul> |
|                    |             |                           | 2500     | Unearned Income                             |   |
|                    |             |                           | 2520     | Unearned Income APF                         |   |
|                    |             |                           | 2540     | Unearned Income UFM and USA - Non-Operating |   |
| 17<br>(Partial)    | Current     | Other Current Liabilities | 2600     | Other Payable                               |   |
|                    |             |                           | 2500     | Unearned Income                             |   |
|                    |             |                           | 2520     | Unearned Income APF                         |   |
|                    |             |                           | 2540     | Unearned Income UFM and USA - Non-Operating |   |

**Line 10 – Other Payables (specify):**

The change in other payables balances between the end of the preceding and current fiscal years comes from Balance Sheet Line 17, specifically GLAC 2600, Other Payable. An increase in other liabilities balances adds to the cash balance. A decrease in other liabilities balances reduces the cash balance. Report the balances of the following accounts:

| Balance Sheet Line | Fiscal Year | Line Title                | OSD GLAC | Account Title | Calculation   |
|--------------------|-------------|---------------------------|----------|---------------|---|
| 17<br>(Partial)    | Previous    | Other Current Liabilities | 2600     | Other Payable | Current – Previous = Line 10<br>If the difference is: |

|                 |         |                                 |      |               |  |
|-----------------|---------|---------------------------------|------|---------------|--|
| 17<br>(Partial) | Current | Other<br>Current<br>Liabilities | 2600 | Other Payable | <ul style="list-style-type: none"> <li>• positive, then insert a positive amount in Line 10</li> <li>• negative, then insert a negative number in Line 10</li> </ul> |
|-----------------|---------|---------------------------------|------|---------------|--|

**Line 11 – Total Adjustments:**

Total adjustments are the sum of Lines 2 through 10.

**Line 12 – Net Cash Provided by (Used in) Operating Activities:**

The net cash provided by (used in) operating activities is the total of line 1 and 11.

**Line 13 – Purchase of Fixed Assets:**

Amounts disbursed for the purchase of property, plant, and equipment that reduce the cash balance and amounts disbursed for minor construction.

**Line 14 – Proceeds from the Sale of Fixed Assets:**

The collections or proceeds from the sale of surplus property, plant, and equipment that increase the cash balance.

**Line 15 – Other (specify):**

The net amounts of other collections or disbursements associated with the purchase and sale of other investments. Identify the nature of each investment purchased and sold.

**Line 16 – Net Cash Used in Investing Activities:**

The net cash used in investing is the sum of Lines 13 through 15.

**Line 17 – Net Borrowing (specify):**

The cash proceeds borrowed from the bank or cash disbursed to the banks for loans.

**Line 18 – Payment of Dividends:**

The cash disbursed for dividends.

**Line 19 – Capital Grants:**

The cash proceeds from grants.

**Line 20 – Net Proceeds from (Payments on) Other Long-Term Liabilities (specify):**

The cash disbursed on other long term liabilities.

**Line 21 – Net Cash Provided by (Used in) Financing Activities:**

The net cash provided (used in) financing activities is the sum of Lines 17 through 20.

**Line 22 – Net Decrease/Increase in Cash and Cash Equivalents:**

The sum of net cash provided (used) in operating, investing, and financing activities is the sum of Lines 12, 16, and 21.

**Line 23 – Cash and Cash Equivalents at Beginning of Year:**

The balances for cash and cash equivalents are the sum of account balances at the beginning of the fiscal year.

**Line 24 – Cash and Cash Equivalents at End of Year:**

The cash and cash equivalent balances at year end should equal the net of lines 22 and 23 and should agree with Line 1 on the Balance Sheet.

# Reconciliation of Net Worth

| RECONCILIATION OF NET WORTH |                                       |                    |
|-----------------------------|---------------------------------------|--------------------|
| 1                           | Net Worth, Beginning                  | XXX                |
|                             | Additions to Net Worth:               |                    |
| 2                           | Net Income                            | <u>XXX</u>         |
| 3                           | Total Additions                       | <u>XXXX</u>        |
|                             | Reductions to Net Worth               |                    |
| 4                           | Net Loss                              | XXX                |
| 5                           | Total Reductions                      | <u>XXXX</u>        |
| 6                           | Net Additions/Reductions to Net Worth | <u>XXXX</u>        |
| 7                           | Net Worth, Ending                     | <u><u>XXXX</u></u> |

# Reconciliation of Net Worth Instructions

## Overview

The reconciliation of net worth (also known as statement of retained earnings) provides information of changes to net worth during a specified period of time. It shows the establishment, disestablishment, or consolidation of NAFIs, receipt or distribution of capital, net income or net loss, and prior year material adjustments.

## Purpose

The purpose of this document is to ensure each Service uses identical general ledger account codes (GLACs) and lines from other financial statements when compiling the required reconciliation of net worth. The reconciliation of net worth is organized into 11 lines, which correspond to the instructions below.

### Line 1 – Net Worth, Beginning:

Report the amount of Line 24 on the Balance Sheet from the preceding year.

| Balance Sheet Line | Fiscal Year | Line Title |
|--------------------|-------------|------------|
| 24                 | Previous    | Net Worth  |

### Line 2 – Net Income:

Report the amount of Line 15, Net Income, from the Income Statement (if appropriate). If Net Income is negative, only insert the amount in line 4.

| Income Statement Line | Fiscal Year | Line Title |
|-----------------------|-------------|------------|
| 15                    | Current     | Net Income |

### Line 3 – Total Additions:

Report the sum of Line 2.



**Line 4 – Net Loss:**

Report the amount on Line 15 of the Income Statement (if appropriate). If Net Income is positive, only insert the amount in line 2.

| Income<br>Statement<br>Line | Fiscal Year | Line Title |
|-----------------------------|-------------|------------|
| 15                          | Current     | Net Income |

**Line 5 – Total Reductions:**

Report the sum of Line 4.

**Line 6 – Net Additions/Reductions to Net Worth:**

Report the net of Line 3 and Line 5.

**Line 7 – Net Worth, Ending:**

Report the sum of Line 1 and Line 6.