

Nonappropriated Fund Standard General Ledger Version 2.0

Financial Statement Mapping

January 15, 2019

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2.0 Memo Approval Letter



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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

15 JAN 2019

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: Revision

Reference: Principal Deputy Assistant Secretary of Defense (Readiness and Force Management) Memorandum, "Revised DoD Nonappropriated Fund Standard General Ledger," June 30, 2015

This memorandum revises the nonappropriated fund (NAF) standard general ledger (NAFSGL) and the NAF common accounting code framework at Attachments 1 through 6, previously revised and published by the referenced memorandum. The attachments are: (1) NAFSGL Framework, (2) General Ledger Account Codes List, (3) Installation List, (4) Nonappropriated Fund Instrumentality (NAFI) Fund List, (5) Activity and Cost Center Codes List, and (6) Chart of Accounts. A joint working group comprised of senior NAF accounting experts from the Services, 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 NAFLs, except NAFLs where accounting is currently handled 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. Michael Curtis at (571) 372-6533 and michael.r.curtis.civ@mail.mil.

Ann G. Johnston
Deputy Assistant Secretary of Defense
(Military Community and Family Policy)

Attachments:
As stated

cc:
OUSD(C)/Deputy Chief Financial Officer
Inspector General of the Department of Defense

Balance Sheet

BALANCE SHEET

ASSETS

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	<u>XXX</u>
13	Total Noncurrent Assets	<u>XXXX</u>
14	Total Assets	<u>XXXX</u>

LIABILITIES & NET WORTH

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 108-109 and 113-114 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
100	Assets	Cash	Cash In Bank
101	Assets	Cash	Foreign Currency
102	Assets	Cash	Revolving Cash Fund
103	Assets	Cash	Change Funds
104	Assets	Cash	Petty Cash
105	Assets	Cash	Imprest Funds
106	Assets	Cash	Savings
107	Assets	Cash	Restricted Cash
108-109	Assets	Cash	RESERVED
110	Assets	Investments	Interest Bearing Deposits
111	Assets	Investments	Certificates of Deposit Short Term Less Than 12 months
112	Assets	Investments	Marketable Securities Short Term
113-114	Assets	Investments	RESERVED

Line 2 – Receivables:

This is a summary line for all receivables. General ledger accounts 124-129 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
115	Assets	Receivables	Customer Receivables
116	Assets	Receivables	Inter and Intra NAFI Receivables
117	Assets	Receivables	APF Receivables
118	Assets	Receivables	Merchant Card Receivables
119	Assets	Receivables	Claims Receivables
120	Assets	Receivables	Employee Receivables
121	Assets	Receivables	Accrued Interest Receivables
122	Assets	Receivables	Allowance for Doubtful Accounts
123	Assets	Receivables	Other Receivables
124-129	Assets	Receivables	RESERVED

Line 3 – Inventories:

This is a summary line for all inventory accounts. General ledger accounts 134-139 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
130	Assets	Inventories	Inventory
131	Assets	Inventories	Central Warehouse Inventory
132	Assets	Inventories	Work In Progress Inventory
133	Assets	Inventories	Inventory In Transit
134-139	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 147-149 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
140	Assets	Other Current Assets	Prepaid Supplies

OSD GLAC	Group	Category	Account Title
141	Assets	Other Current Assets	Prepaid Contracts
142	Assets	Other Current Assets	Prepaid Insurance
143	Assets	Other Current Assets	Prepaid Franchise Fees
144	Assets	Other Current Assets	Prepaid Other
145	Assets	Other Current Assets	Advance Payments
146	Assets	Other Current Assets	Deposits
147-149	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 164-169 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
150	Assets	NAFI Titled Fixed Assets	NAFI Titled – Buildings and Land Assets
152	Assets	NAFI Titled Fixed Assets	NAFI Titled – Buildings and Land Improvements
154	Assets	NAFI Titled Fixed Assets	NAFI Titled – Vehicle, Aircraft and Boat Assets
156	Assets	NAFI Titled Fixed Assets	NAFI Titled – Furniture, Fixture and Equipment
158	Assets	NAFI Titled Fixed Assets	NAFI Titled – Information Technology Assets
160	Assets	NAFI Titled Fixed Assets	NAFI Titled – Livestock Assets
162	Assets	NAFI Titled Fixed Assets	NAFI Titled – Assets in Progress
163	Assets	NAFI Titled Fixed Assets	NAFI Titled – Fixed Assets in Transit
164-169	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 164-169 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
151	Assets	NAFI Titled Fixed Assets	NAFI Titled – Buildings and Land Accumulated Depreciation
153	Assets	NAFI Titled Fixed Assets	NAFI Titled – Buildings and Land Improvements Accumulated Depreciation
155	Assets	NAFI Titled Fixed Assets	NAFI Titled – Vehicle, Aircraft and Boat Accumulated Depreciation
157	Assets	NAFI Titled Fixed Assets	NAFI Titled – Furniture, Fixture and Equipment Accumulated Depreciation
159	Assets	NAFI Titled Fixed Assets	NAFI Titled – Information Technology Accumulated Depreciation
161	Assets	NAFI Titled Fixed Assets	NAFI Titled – Livestock Accumulated Depreciation
164-169	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 184-189 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
170	Assets	APF Titled Fixed Assets	APF Titled – Buildings and Land Assets
172	Assets	APF Titled Fixed Assets	APF Titled – Buildings and Land Improvements
174	Assets	APF Titled Fixed Assets	APF Titled – Vehicle, Aircraft and Boat Assets
176	Assets	APF Titled Fixed Assets	APF Titled – Furniture, Fixture and Equipment Assets
178	Assets	APF Titled Fixed Assets	APF Titled – Information Technology Assets
180	Assets	APF Titled Fixed Assets	APF Titled – Livestock Assets
182	Assets	APF Titled Fixed Assets	APF Titled – Assets in Progress
183	Assets	APF Titled Fixed Assets	APF Titled – Fixed Assets in Transit

184-189	Assets	APF Titled Fixed Assets	RESERVED
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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 184-189 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
171	Assets	APF Titled Fixed Assets	APF Titled – Buildings and Land Accumulated Depreciation
173	Assets	APF Titled Fixed Assets	APF Titled – Buildings and Land Improvements Accumulated Depreciation
175	Assets	APF Titled Fixed Assets	APF Titled – Vehicle, Aircraft and Boat Accumulated Depreciation
177	Assets	APF Titled Fixed Assets	APF Titled – Furniture, Fixture and Equipment Accumulated Depreciation
179	Assets	APF Titled Fixed Assets	APF Titled – Information Technology Accumulated Depreciation
181	Assets	APF Titled Fixed Assets	APF Titled – Livestock Accumulated Depreciation
184-189	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 account 199 is currently reserved, and, if used in the future, is also aggregated in the “Other” line of the balance sheet. Report the balances of the following accounts:

OSD GLAC	Group	Category	Account Title
190	Assets	Other Long Term Assets	Long Term Inter and Intra NAFI Receivables
191	Assets	Other Long Term Assets	Long Term Receivables
192	Assets	Other Long Term Assets	Long Term Pre-paid Expenses
193	Assets	Other Long Term Assets	Certificates of Deposit Long Term over 12 months
194	Assets	Other Long Term Assets	Marketable Securities Long Term
195	Assets	Other Long Term Assets	Long Term Contributions

OSD GLAC	Group	Category	Account Title
196	Assets	Other Long Term Assets	Long Term Franchise Fees
197	Assets	Other Long Term Assets	Intangible Assets
198	Assets	Other Long Term Assets	Long Term Royalty and Trademark Fees
199	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
200	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
209	Liabilities	Current Liabilities	Retirement Payable
210	Liabilities	Current Liabilities	Short Term Post-Retirement Benefit Obligation Liabilities

Line 17 – Other Current Liabilities:

This is a summary line for all other current liabilities. General ledger accounts 201-204, 214-219, 226-229, 233-234, and 236-239 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
201-204	Liabilities	Current Liabilities	RESERVED
205	Liabilities	Current Liabilities	Wages Payable
206	Liabilities	Current Liabilities	Taxes Payable
207	Liabilities	Current Liabilities	Insurance Payable
208	Liabilities	Current Liabilities	Deductions Payable
211	Liabilities	Current Liabilities	Other Employee Benefits Payable
212	Liabilities	Current Liabilities	Other Employee Payable
213	Liabilities	Current Liabilities	Workers' Compensation Liability
214-219	Liabilities	Current Liabilities	RESERVED
220	Liabilities	Current Liabilities	Short Term Inter and Intra NAFI Payable
221	Liabilities	Current Liabilities	Short Term Loans Payable
222	Liabilities	Current Liabilities	Interest Payable
223	Liabilities	Current Liabilities	Reserves Payable
224	Liabilities	Current Liabilities	Claims Payable
225	Liabilities	Current Liabilities	Short Term Capital Leases
226-229	Liabilities	Current Liabilities	RESERVED
230	Liabilities	Current Liabilities	Unearned Income
231	Liabilities	Current Liabilities	Unearned Income APF
232	Liabilities	Current Liabilities	Unearned Income UFM and USA - Non-Operating
233-234	Liabilities	Current Liabilities	RESERVED
235	Liabilities	Current Liabilities	Other Payable
236-239	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
243	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
241	Liabilities	Long Term Liabilities	Long Term Pension Cost Liabilities
242	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 248-299 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
240	Liabilities	Long Term Liabilities	Long Term Inter and Intra NAFI Liabilities
244	Liabilities	Long Term Liabilities	Long Term Capital Lease Liabilities
245	Liabilities	Long Term Liabilities	Long Term Other Liabilities
246	Liabilities	Long Term Liabilities	Long Term Severance Liabilities
247	Liabilities	Long Term Liabilities	Long Term Reserves Liabilities
248-299	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 307-399 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
300	Net Worth/ Equity	Net Worth/Equity	Undistributed Profits and Net Income
301	Net Worth/ Equity	Net Worth/Equity	Unrealized Gains and Losses
302	Net Worth/ Equity	Net Worth/Equity	Equity Reserves
303	Net Worth/ Equity	Net Worth/Equity	Workers' Compensation Reserves
304	Net Worth/ Equity	Net Worth/Equity	Transferred Equity
305	Net Worth/ Equity	Net Worth/Equity	Retained Earnings
306	Net Worth/ Equity	Net Worth/Equity	Other Equity or Earnings
307-399	Net Worth/ 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	Dues and Assessments	XXX
4c	Concessionaire Income	XXX
4d	Other	XXX
5	Total Other Operating Income	<u>XXXX</u>
6	GROSS OPERATING INCOME	<u>XXXX</u>
7	Operating Expenses (Schedule A)	XXX
8	OPERATING MARGIN	<u>XXXX</u>
9	Other Income:	
9a	Dividends	XXX
9b	Grants	XXX
9c	Other	XXX
10	Total Non-Operating Income	<u>XXXX</u>
11	Other Expenses (Schedule A)	XXX
12	NET INCOME BEFORE EXTRAORDINARY ITEMS	<u>XXXX</u>
13	Extraordinary Income	XXX
14	Extraordinary Expense	XXX
15	NET INCOME	<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 15 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
400	Income	Operating Income	Gross Sales Income
401	Income	Operating Income	Sales Returns and Allowances
402	Income	Operating Income	Sales Discounts

Line 2 – Cost of Goods Sold:

This is a summary line for the Cost of Goods Sold calculation. General ledger accounts 503-504, 511-519, 530-534, 540-544, and 553-599 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
500	Expenses	Operating Expenses	Purchases
501	Expenses	Operating Expenses	Purchases Discounts and Allowances
502	Expenses	Operating Expenses	Cost of Goods Sold
503-504	Expenses	Operating Expenses	RESERVED

511-519	Expenses	Operating Expenses	RESERVED
530-534	Expenses	Operating Expenses	RESERVED
540-544	Expenses	Operating Expenses	RESERVED
553-599	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 413-499 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, 4c, or 4d of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
403	Income	Operating Income	Participation Fees Income
406	Income	Operating Income	Amusements Income
407	Income	Operating Income	Gaming Income
413-499	Income	Operating Income	RESERVED

Line 4b – Dues and Assessments:

This is a summary line for other operating income related to dues and assessments. General ledger accounts 413-499 are currently reserved, and, if used in the future, are also aggregated in the “Dues and Assessments” 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, 4c, or 4d of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
413-499	Income	Operating Income	RESERVED

Line 4c – Concessionaire Income:

This is a summary line for other operating income related to concessionaire income. General ledger accounts 413-499 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, 4b, or 4d of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
404	Income	Operating Income	Concessionaire Income
413-499	Income	Operating Income	RESERVED

Line 4d – Other:

This is a summary line for other operating income not listed on lines 4a through 4c. General ledger accounts 413-499 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, 4b, or 4c of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
405	Income	Operating Income	Rental Income
408	Income	Operating Income	Other APF Income
409	Income	Operating Income	Reimbursement Income
410	Income	Operating Income	Commercial Sponsorship Income
411	Income	Operating Income	Inter and Intra Income
412	Income	Operating Income	Other Operating Income
413-499	Income	Operating Income	RESERVED

Line 5 – Total Other Operating Income:

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

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 503-504, 511-519, 530-534, 540-544, and 553-599 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
503-504	Expenses	Operating Expenses	RESERVED
505	Expenses	Operating Expenses	Wage Expense
506	Expenses	Operating Expenses	Tax Expense
507	Expenses	Operating Expenses	Employee Insurance Expense
508	Expenses	Operating Expenses	Retirement Expense
509	Expenses	Operating Expenses	Other Employee Benefit Expense
510	Expenses	Operating Expenses	Other Expenses to Employees
511-519	Expenses	Operating Expenses	RESERVED
520	Expenses	Operating Expenses	Supplies Expense
521	Expenses	Operating Expenses	Non-Capitalized Furniture, Fixtures and Equipment Expense
522	Expenses	Operating Expenses	Repairs and Maintenance Expense
523	Expenses	Operating Expenses	Communication Expense
524	Expenses	Operating Expenses	Utilities Expense
525	Expenses	Operating Expenses	Rental Expense
526	Expenses	Operating Expenses	Insurance Premium Expense
527	Expenses	Operating Expenses	Depreciation and Amortization Expense
528	Expenses	Operating Expenses	Travel Expense
529	Expenses	Operating Expenses	Transportation Expense
530-534	Expenses	Operating Expenses	RESERVED
535	Expenses	Operating Expenses	Reimbursed Common Support Expense

OSD GLAC	Group	Category	Account Title
536	Expenses	Operating Expenses	Claims Expense
537	Expenses	Operating Expenses	Grants Expense
538	Expenses	Operating Expenses	UFM and USA Operating Offset Expense
539	Expenses	Operating Expenses	Inter and Intra Expense
540-544	Expenses	Operating Expenses	RESERVED
545	Expenses	Operating Expenses	Contract Services Expense
546	Expenses	Operating Expenses	Advertising and Promotion Expense
547	Expenses	Operating Expenses	Entertainment Expense
548	Expenses	Operating Expenses	Credit Cards Expense
549	Expenses	Operating Expenses	Bad Debt Expense
550	Expenses	Operating Expenses	Laundry and Dry Cleaning Expense
551	Expenses	Operating Expenses	Commercial Sponsorship Expense
552	Expenses	Operating Expenses	Other Operating Expense
553-599	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 603-609, 612-619, 625-629, 633-639, and 643-699 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 or 9c of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
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603-609	Income	Non-Operating Income	RESERVED
612-619	Income	Non-Operating Income	RESERVED
622	Income	Non-Operating Income	Exchange Dividend Income
623	Income	Non-Operating Income	Headquarters Exchange Dividend Income
625-629	Income	Non-Operating Income	RESERVED
633-639	Income	Non-Operating Income	RESERVED
643-699	Income	Non-Operating Income	RESERVED

Line 9b – Grants:

This is a summary line for non-operating income from grants. General ledger accounts 603-609, 612-619, 625-629, 633-639, and 643-699 are currently reserved, and, if used in the future, are also aggregated in the “Grants” 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 9a or 9c of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
603-609	Income	Non-Operating Income	RESERVED
612-619	Income	Non-Operating Income	RESERVED
625-629	Income	Non-Operating Income	RESERVED
633-639	Income	Non-Operating Income	RESERVED
643-699	Income	Non-Operating Income	RESERVED

Line 9c – Other:

This is a summary line for non-operating income not reported in lines 9a or 9b. General ledger accounts 603-609, 612-619, 625-629, 633-639, and 643-699 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 or 9b of the income statement). Report the balances for the following accounts:

OSD GLAC	Group	Category	Account Title
600	Income	Non-Operating Income	Interest Income
601	Income	Non-Operating Income	Assessment Income
602	Income	Non-Operating Income	Rebates Income
603-609	Income	Non-Operating Income	RESERVED
610	Income	Non-Operating Income	Retirement Contributions Income
611	Income	Non-Operating Income	Basic Wage Offset Income
612-619	Income	Non-Operating Income	RESERVED
620	Income	Non-Operating Income	Contribution/Donation Income
621	Income	Non-Operating Income	Subsidy Income
625-629	Income	Non-Operating Income	RESERVED
630	Income	Non-Operating Income	Realized Gains and Losses for Foreign Currency Income
631	Income	Non-Operating Income	Realized Gains and Losses for Sale of Investments Income
632	Income	Non-Operating Income	Realized Gains and Losses for Sale of Fixed Asset Income

OSD GLAC	Group	Category	Account Title
633-639	Income	Non-Operating Income	RESERVED
640	Income	Non-Operating Income	Income UFM and USA – Non-Operating
641	Income	Non-Operating Income	Prior Year Income Adjustment
642	Income	Non-Operating Income	Other Non-operating Income
643-699	Income	Non-Operating Income	RESERVED

Line 10 – Total Non-Operating Income:

Report the total of lines 9a, 9b and 9c.

Line 11 – Other Expenses:

This is a summary line for all non-operating expenses. General ledger accounts 706-799 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
700	Expenses	Non-Operating Expenses	Interest Expenses
701	Expenses	Non-Operating Expenses	Assessment Expense
702	Expenses	Non-Operating Expenses	Prior Year(s) Expense Adjustment
704	Expenses	Non-Operating Expenses	UFM and USA Non-Operating Offset Expense
705	Expenses	Non-Operating Expenses	Other Non-operating Expense
706-799	Expenses	Non-Operating Expenses	RESERVED

Line 12 – Net Income Before Extraordinary Items:

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

Line 13 – Extraordinary Income:

Extraordinary income is income that is both unusual and infrequent and is to be accorded separate disclosure in financial statements. Report the balance of the following account:

OSD GLAC	Group	Category	Account Title
624	Income	Non-Operating Income	Extraordinary Income

Line 14 – Extraordinary Expense:

Extraordinary expenses are expenses that are both unusual and infrequent and are to be accorded separate disclosure in financial statements. Report the balance of the following account:

OSD GLAC	Group	Category	Account Title
703	Expenses	Non-Operating Expenses	Extraordinary Expense

Line 15 – Net Income:

Report the net total of lines 12, 13 and 14.

Statement of Cash Flows

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES:

1	Net Income	XXX
	Adjustments to Reconcile Net Income to Net Cash Provided 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>

INVESTING ACTIVITIES:

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>

FINANCING ACTIVITIES:

17	Net Borrowing (specify)	XXX
18	Payment of Dividends	XXX
19	Capital Grants	XXX
20	Net Proceeds from (Payments on) Other Long-Term 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
527	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
632	Income	Non-Operating Income	Realized Gains and Losses for Sale of Fixed Asset Income

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 If the difference is:
2	Current	Receivables	<ul style="list-style-type: none"> • positive, then insert a negative amount in Line 4 • negative, then insert a positive number in Line 4

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 If the difference is:
3	Current	Inventories	<ul style="list-style-type: none"> • positive, then insert a negative amount in Line 5 • negative, then insert a positive number in Line 5

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 If the difference is:

4	Current	Other Current Assets	<ul style="list-style-type: none"> • positive, then insert a negative amount in Line 6 • negative, then insert a positive number in Line 6
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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 If the difference is:
15	Current	Accounts Payable	

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	230	Unearned Income	Current (GLAC 230 + 231 + 232) – Previous (GLAC 230 + 231 + 232) = Line 8 If the difference is: <ul style="list-style-type: none"> • positive, then insert a positive amount in Line 8 • negative, then insert a negative number in Line 8
			231	Unearned Income APF	
			232	Unearned Income UFM and USA - Non-Operating	
17 (Partial)	Current	Other Current Liabilities	230	Unearned Income	
			231	Unearned Income APF	
			232	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 (Partial)	Previous	Other Current Liabilities	235	Other Payable	Current (Balance Sheet Line 17 – GLAC 235 – 230 – 231 – 232) – Previous (Balance Sheet Line 17 – GLAC 235 – 230 – 231 – 232) = Line 9 If the difference is: <ul style="list-style-type: none"> • positive, then insert a positive amount in Line 9 • negative, then insert a negative number in Line 9
			230	Unearned Income	
			231	Unearned Income APF	
			232	Unearned Income UFM and USA - Non-Operating	
17 (Partial)	Current	Other Current Liabilities	235	Other Payable	
			230	Unearned Income	
			231	Unearned Income APF	
			232	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 235, 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 (Partial)	Previous	Other Current Liabilities	235	Other Payable	Current – Previous = Line 10 If the difference is:

17 (Partial)	Current	Other Current Liabilities	235	Other Payable	<ul style="list-style-type: none"> • positive, then insert a positive amount in Line 10 • negative, then insert a negative number in Line 10
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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	XXX
3	Total Additions	<u>XXXX</u>
	Reductions to Net Worth	
4	Net Loss	XXX
5	Grants Disbursed	XXX
6	Total Reductions	<u>XXXX</u>
7	Net Additions/Reductions to Net Worth	<u>XXXX</u>
8	Net Worth, Ending	<u>XXXX</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 Statement 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.