

**Nonappropriated Fund  
Standard General  
Ledger  
Version 6.0**

**Financial Statement Mapping**

*May 30, 2025*

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# NAFSGL 6.0 Memo Approval Letter



MANPOWER AND  
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
1500 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-1500

MAY 30 2025

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 2025

Reference: Deputy Assistant Secretary of Defense (Military Community and Family Policy) Memorandum, "DoD Nonappropriated Fund Standard General Ledger Update 2023," November 20, 2023

This memorandum revises the nonappropriated fund (NAF) standard general ledger (NAFSGL) and the NAF common accounting code framework at Attachments 1 through 7, which were 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 team updated this common NAF accounting framework.

This revised NAFSGL will apply to all DoD NAFIs, except NAFIs where accounting is currently performed through a Military Exchange financial system. For additional information, please contact Mr. Gerald Holliday at (571) 372-6580 and [gerald.l.holliday.civ@mail.mil](mailto:gerald.l.holliday.civ@mail.mil).

A handwritten signature in black ink that reads "Lee Kelley".

Lee A. Kelley  
Acting 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

### 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	XXX
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 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
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**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/ Equity	Net Worth/Equity	Undistributed Profits and Net Income
3020	Net Worth/ Equity	Net Worth/Equity	Unrealized Gains (Losses) on AFS Securities
3040	Net Worth/ Equity	Net Worth/Equity	Equity Reserves
3060	Net Worth/ Equity	Net Worth/Equity	Workers' Compensation Reserves
3080	Net Worth/ Equity	Net Worth/Equity	Transferred Equity
3100	Net Worth/ Equity	Net Worth/Equity	Retained Earnings
3120	Net Worth/ Equity	Net Worth/Equity	Other Equity or Earnings
3140	Net Worth/ Equity	Net Worth/Equity	Dividends Declared – Profit Distribution
3160	Net Worth/ Equity	Net Worth/Equity	Foreign Currency Unrealized Gain/Loss
3180	Net Worth/ Equity	Net Worth/Equity	AOCI: Unrealized Gains/Losses related to Defined Benefit Plan
3200-3999	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	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

<b>STATEMENT OF CASH FLOWS</b>		
<b>OPERATING ACTIVITIES:</b>		
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>
<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 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 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 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 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>
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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	2500	Unearned Income	Current (GLAC 2500 + 2520 + 2540) – Previous (GLAC 2500 + 2520 + 2540) = Line 8 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 (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 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 (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 (Partial)	Previous	Other Current Liabilities	2600	Other Payable	Current – Previous = Line 10 If the difference is:

17 (Partial)	Current	Other Current 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>
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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	<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 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.