

CHAPTER 6

STATEMENT OF CHANGES IN NET POSITION

★0601 FORMATS FOR THE STATEMENT OF CHANGES IN NET POSITION

Department of Defense	
[Reporting Entity]	
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION	
For the year ending September 30, 1999	
(\$ in Thousands)	
	<u>FY</u> <u>1999</u>
1. Net Cost of Operations	\$ 1,369,998
2. Financing Sources (other than exchange revenues)	
A. Appropriations used	222,222
B. Taxes and other nonexchange revenue	222,222
C. Donations - nonexchange revenue	222,222
D. Imputed financing (Note 17.B)	222,222
E. Transfers - in	222,222
F. (Transfers - out)	(222,222)
G. Other	222,222
H. Total Financing Sources (other than exchange revenues)	<u>\$ 1,111,110</u>
3. Net Results of Operations (Line 2H less Line 1)	\$ (168,888)
4. Prior Period Adjustments	<u>222,222</u>
5. Net Change in Cumulative Results of Operations	\$ 53,334
6. Increase (Decrease) in Unexpended Appropriations	<u>222,222</u>
7. Change in Net Position	\$ 275,556
8. Net Position-Beginning of the Period	<u>222,222</u>
9. Net Position-End of the Period	<u>\$ 497,778</u>
Additional information included in Note 17.	
The accompanying notes are an integral part of these statements.	

Figure 6-1

Department of Defense [Reporting Entity] CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION For the year ending September 30, 1999 (\$ in Thousands)						
	Sub-Entity A	Sub-Entity B	Other Subentities	Combined Total	(Intra-Entity Eliminations)	Consolidated Totals
1. Net Cost of Operations	\$ 456,666	\$ 456,666	\$ 456,666	\$ 1,369,998	0	\$ 1,369,998
2. Financing Sources (other than exchange revenues)						
A. Appropriations used	111,111	111,111	111,111	333,333	0	333,333
B. Taxes and other nonexchange revenue	111,111	111,111	111,111	333,333	0	333,333
C. Donations - nonexchange revenue	111,111	111,111	111,111	333,333	0	333,333
D. Imputed financing (Note 17.B)	111,111	111,111	111,111	333,333	0	333,333
E. Transfers – in	111,111	111,111	111,111	333,333	0	333,333
F. (Transfers - out)	(111,111)	(111,111)	(111,111)	(333,333)	0	(333,333)
G. Other	111,111	111,111	111,111	333,333	0	333,333
H. Total Financing Sources (other than exchange revenues)	<u>\$ 555,555</u>	<u>\$ 555,555</u>	<u>\$ 555,555</u>	<u>\$ 1,666,665</u>	<u>\$ 0</u>	<u>\$ 1,666,665</u>
3. Net Results of Operations (Line 2H less Line 1)	\$ 98,889	\$ 98,889	\$ 98,889	\$ 296,667	\$ 0	\$ 296,667
4. Prior Period Adjustments	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>	<u>333,333</u>	<u>0</u>	<u>333,333</u>
5. Net Change in Cumulative Results of Operations	\$ 210,000	\$ 210,000	\$ 210,000	\$ 630,000	\$ 0	\$ 630,000
6. Increase (Decrease) in Unexpended Appropriations	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>	<u>333,333</u>	<u>0</u>	<u>333,333</u>
7. Change in Net Position	\$ 321,111	\$ 321,111	\$ 321,111	\$ 963,333	\$ 0	\$ 963,333
8. Net Position - Beginning of the Period	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>	<u>333,333</u>	<u>0</u>	<u>333,333</u>
9. Net Position - End of the Period	<u>\$ 432,222</u>	<u>\$ 432,222</u>	<u>\$ 432,222</u>	<u>\$ 1,296,666</u>	<u>\$ 0</u>	<u>\$ 1,296,666</u>
Additional Information included in Note 17.						
The accompanying notes are an integral part of these statements.						

Figure 6-2

★0602 INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENT OF CHANGES IN NET POSITION

★060201. General Instructions. The Statement of Changes in Net Position reports the beginning net position, the items which caused net position to change during the reporting period, and the ending net position. The entity should include a consolidated and consolidating Statement of Changes in Net Position in annual financial statements per Table 1-1 and display information organized by responsibility segment, component, or otherwise in the same manner for the Statement of Net Cost. Formats are displayed using notional data to assist the user. All figures used in this financial statement should be based on preclosing balances.

060202. Line Item Instructions. In addition to the narrative below see the general ledger crosswalk in paragraph 060306 for a description of the accounts and attributes as applied to each line item.

A. Net Cost of Operations - Line 1. This is the net cost of operations reported on the Statement of Net Cost. See Appendix B for the required reconciliations.

B. Financing Sources (Other than Exchange Revenue) - Line 2.

1. Appropriations Used - Line 2.A. Appropriations are considered used as a financing source when goods and services are received, or benefits are provided, under authority of the appropriations. This is true whether the goods, services, and benefits are paid prior to the reporting date or are payable as of that date, and whether the appropriations are used for items which are recorded as expenses or are capitalized. In order to avoid double counting, appropriations used do not include dedicated tax receipts and donations because these sources are reported as nonexchange revenues. In addition, appropriations used by collecting entities to provide refunds of monies deposited to Treasury or the trust funds or to repay debt are also excluded because they do not provide budgetary authority.

2. Taxes and Other Nonexchange Revenue - Line 2.B. Revenues the federal government is able to demand or receive due to its sovereign powers. Normally not applicable for Department of Defense (DoD) reporting entities.

3. Donations - Nonexchange Revenue - Line 2.C. Voluntary gifts of resources to the federal government by nonfederal entities. Donations may be financial resources, such as cash or securities, or nonfinancial resources such as land or buildings. The amount of revenue arising from donations of nonfinancial resources shall be recognized in accordance with criteria in Statement of Federal Financial Accounting Standards (SFFAS) No. 6 "Accounting for Property, Plant, and Equipment" and should be valued at the estimated fair value at the time of the contribution. The exception, Stewardship property, plant, and equipment (PP&E), consists of National Defense PP&E, heritage assets, and stewardship land. Such PP&E is expensed when purchased, but no amount is recognized if it is received as a donation. Correspondingly, no revenue is recognized for such donations.

4. Imputed Financing - Line 2.D. Imputed financing equals the amount of imputed costs included in amounts reported on the Statement of Net Cost. Include on this line, amounts for civilian pensions and other retirement benefits paid by Office of Personnel Management above amounts contributed by employee and DoD reporting entity; and nonreimbursable amounts paid from the Treasury Judgement Fund. Additional information on imputed financing is disclosed in Note 17.B.

5. Transfers - in - Line 2.E. An intragovernmental transfer of cash or capitalized assets without reimbursement shall be recognized by the receiving entity as a transfer-in. The amount recognized shall be the transferring entity's book value. If book value is not known, the amount recognized should be the asset's estimated fair value at the date of the transfer.

★6. Transfers - out - Line 2.F. An intragovernmental transfer of cash or capitalized assets without reimbursement shall be recognized by the transferring entity as a transfer-out. The amount recognized should be the transferring entity's book value. If book value is not known, then the amount recognized should be the asset's estimated fair value at the date of the transfer. To the extent that exchange revenue included in calculating an entity's net cost of operations is required to be transferred to the Treasury or another federal entity, the amount transferred shall be recognized as a transfer-out. Enter transfers-out as a negative number.

★7. Other - Line 2.G. This line includes financing sources (nonexchange revenues) other than those identified in Lines 2.A. through 2.F. Material portions of amounts reported on this line should be disclosed in Note 17.C. A material portion is any component of other financing sources that represents more than 10 percent of the value of the line.

★8. Total Financing Sources (other than exchange revenues) - Line 2.H. Calculation: Sum Lines 2.A. through 2.G.

★C. Net Results of Operations - Line 3. Calculation: Line 2.H. less Line 1.

★D. Prior Period Adjustments - Line 4. Prior period adjustments are limited to corrections of errors and accounting changes with retroactive effect that can either increase or decrease net position depending on their nature, including those occasioned by the adoption of new federal financial accounting standards. Enter increases as a positive number; enter decreases as a negative number. Adjustments are included in the calculation of the net change in cumulative results of operations, rather than as an element of net results of operations for the period. Prior period financial statements should not be restated for prior period adjustments. Material portions of the amount reported on this line should be disclosed in Note 17.A. A material portion is any component which represents more than 10 percent of the value of the line.

★E. Net Change in Cumulative Results of Operations - Line 5. Calculation: Line 3 plus Line 4.

★F. Increase (Decrease) in Unexpended Appropriations - Line 6. The change from the beginning of the period in the amount of appropriations that have been made available but have not been used. Enter increases as a positive number; enter decreases as a negative number.

★G. Change in Net Position - Line 7. Calculation: Line 5 plus Line 6.

H. Net Position - Beginning of Period - Line 8. The amount is the net position reported on the prior year's balance sheet.

I. Net Position - End of Period - Line 9. This amount shall agree with the amount reported as net position on the current year balance sheet. Calculation: Line 7 plus Line 8.

★0603 GENERAL LEDGER CROSSWALK FOR THE STATEMENT OF CHANGES IN NET POSITION

The following provides an explanation of the information included in the columns of the crosswalk (all balances are preclosing balances, except where noted for lines 6 and 8):

060301. Column (1) represents the line number on the statement.

060302. Column (2) identifies the title of the line number on the statement.

060303. Column (3) reflects the U.S. Government Standard General Ledger account numbers included on each line of the statement.

060304. Column (4) identifies the title of the general ledger account.

060305. Column (5) indicates the balance or value selected for each account (E = End of period balance, B = Beginning of period balance, E-B = End of period balance less the beginning of period balance).

060306. Column (6) additional information to be used in developing the presentation of the identified data.

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Statement of Changes in Net Position Title	Account No.	Account Title	Trial Bal	Additional Detail Required
1.	Net Cost of Operations				Amount Reported on Statement of Net Cost Line 5
2.	Financing Sources (other than exchange revenue)				
2.A. ★	Appropriations used	5700 5799	Appropriations Used Adjustment of Appropriations Used	E E	
2.B.	Taxes and other nonexchange Revenue	5310 5319	Interest Revenue Contra Revenue for Interest	E E	Nonexchange Nonexchange

Table 6-1

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Statement of Changes in Net Position Title	Account No.	Account Title	Trial Bal	Additional Detail Required
2.B.	Taxes and other nonexchange Revenue (Cont.)	5320 5329 5800 5809 5890 5900 5909	Penalties and Fines Revenue Contra revenue for Penalties and Fines Tax Revenues Contra Revenue for Taxes Tax Revenue Refunds Other Revenue Contra Revenue for Other Revenue	E E E E E E E	Nonexchange Nonexchange
★2.C. ★ ★ ★	Donations - nonexchange revenue	5600 5609 5610 5619	Donated Revenue – Financial Resources Contra Revenue for Donations – Financial Resources Donated Revenue – Nonfinancial Resources Contra Donated Revenue – Nonfinancial Resources	E E E E	
2.D.	Imputed financing	5780	Imputed Financing Sources	E	
2.E.	Transfers-in	5720	Financing Sources Transferred In Without Reimbursement	E	
2.F.	Transfers-out	5730	Financing Sources Transferred Out Without Reimbursement	E	
★2.G. ★ ★ ★	Other	5790 7190 7250 7500	Other Financing Sources Other Gains Other Losses Distribution of Income – Dividend	E E E E	Nonexchange Nonexchange Nonexchange
★2.H.	Total Financing Sources (other than exchange revenues)		Calculation (Sum Lines 2.A. through 2.G.)		
3.	Net Results of Operations		Calculation (Line 2.H. less line 1)		
4.	Prior Period Adjustments	7400	Prior Period Adjustments	E	

Table 6-1 (Cont.)

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Statement of Changes in Net Position Title	Account No.	Account Title	Trial Bal	Additional Detail Required
5.	Net Change in Cumulative Results of Operations		Calculation (Line 3 plus line 4)		
6.	Increase (Decrease) in Unexpended Appropriations	3100	Unexpended Appropriations	E-B	
7.	Change in Net Position		Calculation (Line 5 plus line 6)		
8.	Net Position-Beginning of the Period	3100 3310	Unexpended Appropriations Cumulative Results of Operations	B B	
9.	Net Position-End of the Period		Calculation (Line 7 plus line 8)		Should also equal 3100E + 3310E

Table 6-1 (Cont.)