

CHAPTER 6

STATEMENT OF CHANGES IN NET POSITION

0601 FORMAT FOR THE STATEMENT OF CHANGES IN NET POSITION

Department of Defense [Reporting Entity] <b>CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION</b> For the period ending September 30, XXXX (\$ in Thousands)		FY <u>XXXX</u>
1. Net Cost of Operations	\$	xxx,xxx
2. Financing Sources (Other than Exchange Revenues):		
A. Appropriations Used		xxx,xxx
B. Taxes (and Other Non-exchange Revenue)		xxx,xxx
C. Donations (Non-exchange Revenue)		xxx,xxx
D. Imputed Financing		xxx,xxx
E. Transfers-In		xxx,xxx
F. Transfers-Out		<u>(xxx,xxx)</u>
3. Net Results of Operations (Line 1 less Line 2)	\$	<u>x,xxx,xxx</u>
4. Prior Period Adjustments (Note 18)		<u>xxx,xxx</u>
5. Net Change in Cumulative Results of Operations		xxx,xxx
6. Increase (Decrease) in Unexpended Appropriations		<u>xxx,xxx</u>
7. Change in Net Position		xxx,xxx
8. Net Position-Beginning of Period		<u>xxx,xxx</u>
9. Net Position-End of Period		<u>\$ x,xxx,xxx</u>
Additional information included in Note 18.		
<hr/> The accompanying notes are an integral part of these statements.		

Figure 6-1

Department of Defense [Reporting Entity] <b>CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION</b> For the period ending September 30, XXXX (\$ in Thousands)						
	<u>Sub- organi- zation A</u>	<u>Sub- organi- zation A</u>	<u>Other organi- zations</u>	<u>Combined Total</u>	<u>Intra- agency Elimina- tions</u>	<u>Consoli- dated Totals</u>
1. Net Cost of Operations	\$ xxx,xxx	\$ xxx,xxx	\$ xxx,xxx	\$ xxx,xxx	\$ xxx,xxx	\$ xxx,xxx
2. Financing Sources (Other than Exchange Revenues):						
A. Appropriations Used	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
B. Taxes (and Other Non- exchange Revenue)	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
C. Donations (Non-exchange Revenue)	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
D. Imputed Financing	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
E. Transfers-In	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
F. Transfers-Out	<u>(xxx,xxx)</u>	<u>(xxx,xxx)</u>	<u>(xxx,xxx)</u>	<u>(xxx,xxx)</u>	<u>(xxx,xxx)</u>	<u>(xxx,xxx)</u>
3. Net Results of Operations (Line 1 less Line 2)	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
4. Prior Period Adjustments (Note 18)	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
5. Net Change in Cumulative Results of Operations	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
6. Increase (Decrease) in Unexpended Appropriations	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>
7. Change in Net Position	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
8. Net Position-Beginning of Period	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>	<u>xxx,xxx</u>
9. Net Position-End of Period	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
Additional information included in Note 18.						
The accompanying notes are an integral part of these statements.						

Figure 6-2

0602 INSTRUCTIONS FOR THE STATEMENT OF CHANGES IN NET POSITION

060201. General Instructions for the Preparation of the Statement of Changes in Net Position. 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 Statement of Changes in Net Position in the Principal Statements. The Department of Defense (DoD) Agency-wide report will also include a consolidating statement in the Other Accompanying Information section. It is optional for other DoD reporting entities to include a consolidating Statement of Changes in Net Position (see paragraph 020510 of this vol.).

060202. Instructions for the Preparation of the Statement of Changes in Net Position.

A. Net Cost of Operations - Line 1. This is the net cost of operations reported on the Statement of Net Cost.

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.

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 and should be valued at 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.

Examples of imputed financing are: amounts for civilian pensions and other retirement benefits paid by Office of Personnel Management above amounts contributed by employee and DoD reporting entity; and amounts paid from the Treasury Judgement Fund.

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.

C. Net Results of Operations - Line 3. Calculation: line 2 minus 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. 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 18.A.

E. Net Change in Cumulative Results of Operations - Line 5. Calculation: line 3 plus or minus 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.

G. Change in Net Position - Line 7. Calculation: line 5 plus or minus 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, TABLE 6-1. 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 Appropriated Capital Used	E E	
2.B.	Taxes (and Other Non-exchange Revenue)	5310 5319	Interest Revenue Contra Revenue for Interest	E E	Non-exchange Non-exchange
		5320	Penalties and Fines Revenue	E	

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
		5329	Contra revenue for Penalties and Fines	E	
		5800	Tax Revenues	E	
		5809	Contra Revenue for Taxes	E	
		5890	Tax Revenue Refunds	E	
		5900	Other Revenue	E	Non-exchange
		5909	Contra Revenue for Other Revenue	E	Non-exchange
2.C.	Donations (Non-exchange Revenue)	5600	Donated Revenue	E	
		5609	Contra Revenue for Donations	E	
2.D.	Imputed Financing	5780	Imputed Financing Sources	E	
2.E.	Transfers-In	5720	Financing Sources Transferred In Without Reimbursement	E	Add
2.F.	Transfers-Out	5730	Financing Sources Transferred Out Without Reimbursement	E	Subtract
3	Net Results of Operations		Calculation (Line 2. minus line 1.)		
4	Prior Period Adjustments	7400	Prior Period Adjustments	E	
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	Ending minus Beginning Balance
7	Change in Net Position		Calculation ( Line 5. plus line 6.)		
8	Net Position-Beginning of the Period	3100	Unexpended Appropriations	B	
		3310	Cumulative Results of Operations	B	
9	Net Position-End of Period		Calculation (Line 7. plus line 8.)		Should also equal 3100E + 3310E

Table 6-1 (cont.)