

## Note 17. Advances from Others and Deferred Revenue

### Advances from Others and Deferred Revenue as of September 30, 2022, and 2021

(In billions of dollars)	2022	2021
Security Assistance Accounts .....	167.7	125.7
Department of Energy .....	50.6	48.8
All other.....	28.9	27.5
Total advances from others and deferred revenue .....	<u>247.2</u>	<u>202.0</u>

Advances from others and deferred revenue consists of payments received in advance of performance of activities for which revenue has not been earned and other deferred revenue or income received but not yet earned not otherwise classified as advances or repayments. Some examples include deferred project revenue funded in advance, funds received in advance under the terms of a settlement agreement, prepaid postage, and unearned fees, assessments, and surcharges.

SAA advances from others represent liabilities for collections received to cover future expenses or acquisition of assets and are related to contracts authorizing progress payments based on cost as defined in the Federal Acquisition Regulation. In accordance with contract terms, specific rights to the contractors' work vest when a specific type of contract financing payment is made. Due to the probability the contractors will complete their efforts and deliver satisfactory products, and because the amount of potential future payments is estimable, the SAA has recognized a contingent liability for estimated future payments which are conditional pending delivery and government acceptance. SAA had a large increase in advances from others and deferred revenue in FY 2022 due to adjustments to Foreign Military Sales cash collections from systems that do not directly feed into Defense Departmental Reporting System, and the funds advanced from State that were previously recognized as revenue.

The DOE's Nuclear Waste Fund collects revenues from owners or generators of high-level radioactive waste and SNF to pay their share of disposal costs. These revenues are recognized as a financing source as costs are incurred, and revenues that exceed the expenses are considered deferred revenue.