

OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT

EFFECTIVE FISCAL YEAR 2018

PREPARED BY:

**GENERAL LEDGER AND ADVISORY BRANCH
FISCAL ACCOUNTING
BUREAU OF THE FISCAL SERVICE
U.S. DEPARTMENT OF THE TREASURY**

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
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Version Number	Date	Description of Change	Effective USSGL TFM	Effective Date
1.0	2002	Original Version		
2.0	05/2017	Updated case study (account numbers and titles, Transaction Codes, crosswalks) in accordance with T/L S2-17-06, revised the Introduction, added USSGL account 151600, and added Scenario 2.	17-06	FY2018

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Introduction

The Department of Defense purchases reparable components, subsystems and assemblies, consumable repair parts, bulk items and material, subsistence, and expendable end items, including clothing and other personal gear to hold in stock. The Department of Defense also purchases munitions ranging from tactical missiles and bombs to small caliber ammunition. If items are purchased with working capital funds and held in stock for sale to end users, then the stock is reported as inventory on the financial statements of the pertinent working capital fund entity. If items are purchased with procurement funds and held for issue without reimbursement to end users, then the stock is reported as operating materials and supplies (OM&S) on the financial statements of the pertinent general fund entity.

The material in stock is held for sale or issue, held for future sale or future issue, held for repair, or held as excess, obsolete or condemned pending transfer to disposal.

<u>Inventory Account</u>	<u>Account Title</u>	<u>OM&S Account</u>	<u>Account Title</u>
152100	Inventory Purchased for Resale	151100	Operating Materials and Supplies Held for Use
152200	Inventory Held in Reserve for Future Sale	151200	Operating Materials and Supplies Held in Reserve for Future Use
152300	Inventory Held for Repair	151400	Operating Materials and Supplies Held for Repair
152400	Inventory – Excess, Obsolete, and Unserviceable	151300	Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
152900	Inventory – Allowance	151900	Operating Materials and Supplies Allowance
		151600	Operating Materials and Supplies in Development

The Department of Defense has OM&S items that are held for repair. For instance, if the tail fin of a bomb is bent, the bomb is not thrown away. Replacing the damaged tail fin repairs the bomb. Similarly, spare parts for certain aircraft (e.g., the C-17) are stocked in the general fund and issued to replace broken parts. The broken parts are then repaired and returned to stock as serviceable assets.

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In addition, the Department of Defense enters into contracts with suppliers to build munitions that can take several years to develop and complete. During this time, the Department of Defense makes progress payments to their suppliers. Title to the portion completed in the progress billings passes to the Department of Defense at the time of payment. Therefore, these payments would be recorded in the new USSGL account 151600, "Operating Materials and Supplies in Development" until completion of the contract and all progress payments have been made.

Sample transactions and further details follow.

Note that the illustrative transactions above use the allowance account. Statement of Federal Financial Accounting Standard # 3, Accounting for Inventory and Related Property, permits the use of either the direct method or the allowance method with inventory held for repair. The Department of Defense has opted for the allowance method. To be consistent, the allowance method also will be used for OM&S.

New USSGL Account (Approved June 2017)

Account Title: Operating Materials and Supplies in Development

Account Number: 151600

Normal Balance: Debit

Definition: The cost incurred or value of tangible personal property, such as operating materials and supplies in development that will be consumed in normal operations upon completion of development. Upon completion, these costs will be transferred to USSGL account 151100, "Operating Materials and Supplies Held for Use," or USSGL account 151200 "Operating Materials and Supplies Held in Reserve for Future Use." Only the Department of Defense may use this account. This account does not close at yearend.

Justification: Department of Defense procures various items as part of their Operating Material and Supplies that often require development by contractors/vendors. Such items result in progress payments made over a number of years while the items are developed. However, title is passed to DOD upon payment and not necessarily on delivery of the good. This USSGL account will provide a standard means for DOD to record this asset.

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Attribute Table

No.	USSGL Account Title	Anticipated	Budg/ Prop	Norm Bal	Begin /End	Debit/ Credit	Auth Type Code	Apport Cat	Apport Cat B
151600	Operating Materials and Supplies in Development	N	P	D	B/E	D/C			

Avail Time	BEA Cat	Borrow Source	Budgetary Impact Indicator	Cohort Yr	Cust/ Noncust	Exch/ Nonexch	Fed/ Non Fed	Trading Ptnr	Trading Ptnr Main	PY Adj	Program Indicator

Program Rpt Cat	Reimb Flag	Year of BA	Reduction Type	Fund Type	Reporting Type Code	Financing Account Code	TAS Status	Trans. Code
				EG/ER/ET	E/F/U	D/G/N	U/E	X/K/N

Impact on Crosswalks (FY 2018)

USSGL Account	Balance Sheet	Net Cost	Net Position	Custodial Activity	Reclassified Balance Sheet	Reclassified Net Cost	Reclassified Net Position	SF133	Schedule P	SBR
151600	Line 12	N/A	N/A	N/A	Line 2.4	N/A	N/A	N/A	N/A	N/A

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Listing of USSGL Accounts Used in This Scenario

Account Number	Account Title
<u>Budgetary</u>	
411900	Other Appropriations Realized
420100	Total Actual Resources - Collected
445000	Unapportioned Authority
451000	Apportionments
461000	Allotments - Realized Resources
470000	Commitments- Programs Subject to Apportionment
480100	Undelivered Orders - Obligations, Unpaid
490100	Delivered Orders - Obligations, Unpaid
490200	Delivered Orders - Obligations, Paid
<u>Proprietary</u>	
101000	Fund Balance With Treasury
151100	Operating Materials and Supplies Held for Use
151400	Operating Materials and Supplies Held for Repair
151600	Operating Materials and Supplies in Development
151900	Operating Materials and Supplies - Allowance
211000	Accounts Payable
310000	Unexpended Appropriations - Cumulative
310100	Unexpended Appropriations – Appropriations Received
310700	Unexpended Appropriations - Used
331000	Cumulative Results of Operations
570000	Expended Appropriations
610000	Operating Expenses/Program Costs
679000	Other Expenses Not Requiring Budgetary Resources

*For Account Definitions please refer to the USSGL TFM Section II.

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Scenario 1: Operating Materials and Supplies Held for Repair

Year 1

Beginning Trial Balances		
	Debit	Credit
<u>Accounts</u>		
<u>Budgetary</u>		
None		
Total	-	-
<u>Proprietary</u>		
151100 Operating Materials and Supplies Held For Use	4,000	
331000 Cumulative Results of Operations		4,000
Total	4,000	4,000

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Illustrative Transactions

Transactions for an exchange of a serviceable spare part for a reparable one so a broken end item can be fixed.

1-1 To record the issue of the serviceable item

	DR	CR	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 679000 Other Expenses Not Requiring Budgetary Resources 151100 Operating Materials and Supplies Held for Use	1,000	1,000	E406

1-2 To record the turn-in of the broken part and to revalue the part based on the estimated repair costs.

	DR	CR	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 151400 Operating Materials and Supplies Held for Repair 679000 Other Expenses Not Requiring Budgetary Resources	1,000	1,000	D526
679000 Other Expenses Not Requiring Budgetary Resources 151900 Operating Materials and Supplies-Allowance	400	400	D528

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Pre-Closing Trial Balances		
	Debit	Credit
Accounts		
Budgetary		
None		
Total	-	-
Proprietary		
151100 Operating Materials and Supplies Held For Use	3,000	
151400 Operating Materials and Supplies Held for Repair	1,000	
151900 Operating Materials and Supplies – Allowance		400
331000 Cumulative Results of Operations		4,000
679000 Other Expenses Not Requiring Budgetary Resources	400	
Total	4,400	4,400

Closing Entries

	DR	CR	TC
Budgetary Entry			
None			
Proprietary Entry			
331000 Cumulative Results of Operations	400		F336
679000 Expenses Not Requiring Budgetary Resources		400	

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Post-Closing Trial Balances		
	Debit	Credit
Accounts		
Budgetary		
None		
Total	-	-
Proprietary		
151100 Operating Materials and Supplies Held For Use	3,000	
151400 Operating Materials and Supplies Held for Repair	1,000	
151900 Operating Materials and Supplies – Allowance		400
331000 Cumulative Results of Operations		3,600
Total	4,000	4,000

BALANCE SHEET		
	Assets:	
12.	Inventory and related property, net (151100E, 151400E, 151900E)	3,600
15.	Total assets (calc.)	<u>3,600</u>
	Net Position:	
33.	Cumulative results of operations - All Other Funds (3310000B, 679000E)	3,600
35.	Total Net Position – All Other Funds (calc.)	<u>3,600</u>
36.	Total Net Position (calc.)	<u>3,600</u>
37.	Total liabilities and net position (calc.)	<u>3,600</u>

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STATEMENT OF NET COST		
	Gross Program Costs:	
	Program A:	
1.	Gross costs (679000E)	400
3.	Net program costs: (calc. 1-2)	<u>400</u>
8.	Net cost of operations (calc. 5+6-3)	<u>400</u>

STATEMENT OF CHANGES IN NET POSITION		
	Cumulative Results from Operations:	
1.	Beginning Balances (331000B)	4,000
3.	Beginning balances, as adjusted (calc. 1 through 2B)	<u>4,000</u>
	Budgetary Financing Sources:	
14.	Total Financing Sources (calc. 4 through 13)	-
15.	Net Cost of Operations (+/-)	<u>400</u>
16.	Net Change (calc. 14-15)	<u>(400)</u>
17.	Cumulative Results of Operations (calc. 3+16)	<u>3,600</u>
	Unexpended Appropriations:	
	Budgetary Financing Sources:	
25.	Total Budgetary Financing Sources (calc. 21 through 24)	-
26.	Total Unexpended Appropriations (calc. 20 + 25)	-
27.	Net Position (calc. 17 + 26)	<u>3,600</u>

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Reclassified Statements

RECLASSIFIED BALANCE SHEET		
1	Assets	
2	Non-federal	
2.4	Inventories and related properties, net (151100E, 151400E, 151900E)	3,600
2.9	Total non-federal assets (calc. 2.1..2.8)	<u>3,600</u>
3	Federal	
3.14	Total federal assets (calc. 3.1..3.13)	-
4	Total assets (calc. 2.9+3.14)	<u>3,600</u>
5	Liabilities:	
6	Non-federal	
6.10	Total non-federal liabilities (calc. 6.1..6.9)	-
8	Total liabilities (calc. 6.10+7.14)	-
9	Net position:	
9.2	Net position– funds other than those from dedicated collections (331000E, 679000E)	3,600
10	Total net position (calc. 9.1+9.2)	<u>3,600</u>
11	Total liabilities and net position (calc. 8+10)	<u>3,600</u>

RECLASSIFIED STATEMENT OF NET COST		
1	Gross costs	-
2	Non-federal gross costs (679000E)	<u>400</u>
6	Total non-federal gross cost (calc. 2..5)	<u>400</u>
8	Total federal gross cost (calc. 7.1..7.8)	-
9	Department total gross cost (calc. 6+8)	<u>400</u>
10	Earned revenue	
11	Non-federal earned revenue	-
12	Federal earned revenue	
13	Total federal earned revenue (calc. 12.1..12.7)	-
14	Department total earned revenue (calc. 11+13)	-

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RECLASSIFIED STATEMENT OF NET COST		
15	Net Cost of Operations (calc. 14-9)	<u>400</u>

RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
1	Net position, beginning of period (331000E)	4,000
4	Net position, beginning of period – adjusted (calc. 1..2.1..2.2..3.1..and 3.2)	<u>4,000</u>
5	Non-federal non-exchange revenue:	
5.9	Total non-federal non-exchange revenue (calc. 5.1..5.8)	-
6	Federal non-exchange revenue:	-
6.5	Total federal non-exchange revenue (calc. 6.1..6.4)	-
7	Budgetary financing sources:	
7.20	Total budgetary financing sources (calc. 7.1..7.19)	-
8	Other financing sources:	
8.11	Total other financing sources (calc. 8.1..8.10)	-
9	Net cost of operations (+/-)	-
10	Net position, end of period (calc. 4, 5.9, 6.5, 7.20, 8.11, and 9)	<u>4,000</u>

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Year 2

Transactions to record the repair of the broken item and its return to stock as a serviceable asset.

2-1 To record the record enactment of appropriation, apportionment of authority by OMB, and the allotment of authority.

	DR	CR	TC
<u>Budgetary Entry</u>			
411900 Other Appropriations Realized 445000 Unapportioned Authority	500	500	A104
445000 Unapportioned Authority 451000 Apportionments	500	500	A116
451000 Apportionments 461000 Allotments- Realized Resources	500	500	A120
<u>Proprietary Entry</u>			
101000 Fund Balance With Treasury 310100 Unexpended Appropriations – Appropriations Received	500	500	A104

2-2 To record the obligation for repair contract

	DR	CR	TC
<u>Budgetary Entry</u>			
461000 Allotments – Realized Resources 480100 Undelivered Orders – Obligations, Unpaid	400	400	B306
<u>Proprietary Entry</u>			
None			

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2-3 To record the repair of the broken part

	DR	CR	TC
<u>Budgetary Entry</u>			
480100 Undelivered Orders – Obligations, Unpaid	400		
490100 Delivered Orders – Obligations, Unpaid		400	D134
<u>Proprietary Entry</u>			
610000 Operating Expenses/Program Costs	400		
211000 Accounts Payable		400	
310700 Unexpended Appropriations-Used	400		B134
570000 Expended Appropriations		400	

2-4 To record the item's return to stock as a serviceable item

	DR	CR	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
151100 Operating Materials and Supplies Held for Use	1,000		D530
151400 Operating Materials and Supplies Held for Repair		1,000	
151900 Operating Materials and Supplies – Allowance	400		D528R
679000 Other Expenses Not Requiring Budgetary Resources		400	

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Pre-Closing Trial Balances		
	Debit	Credit
Accounts		
Budgetary		
411900 Other Appropriations Realized	500	
461000 Allotments – Realized Resources		100
490100 Delivered Orders – Obligations, Unpaid		400
Total	500	500
Proprietary		
101000 Fund Balance With Treasury	500	
151100 Operating Materials and Supplies Held For Use	4,000	
211000 Accounts Payable		400
310100 Unexpended Appropriations – Appropriations Received		500
310700 Unexpended Appropriations-Used	400	
331000 Cumulative Results of Operations		3,600
570000 Expended Appropriations		400
610000 Operating Expenses/Program Costs	400	
679000 Other Expenses Not Requiring Budgetary Resources		400
Total	5,300	5,300

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Closing Entries

	DR	CR	TC
<u>Budgetary Entry</u>			
4201000 Total Actual Resources – Collected	500		
411900 Other Appropriations Realized		500	F302
461000 Allotments – Realized Resources	100		
445000 Unapportioned Authority		100	F308
<u>Proprietary Entry</u>			
570000 Expended Appropriations	400		
679000 Other Expenses Not Requiring Budgetary Resources	400		
331000 Cumulative Results of Operations		400	F336
610000 Operating Expenses/Program Costs		400	
310100 Unexpended Appropriations – Appropriations Received	500		
310000 Unexpended Appropriations – Cumulative		100	
310700 Unexpended Appropriations-Used		400	F342

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Post-Closing Trial Balances		
	Debit	Credit
<u>Accounts</u>		
<u>Budgetary</u>		
420100 Total Actual Resources - Collected	500	
445000 Unapportioned Authority		100
490100 Delivered Orders – Obligations, Unpaid		400
Total	500	500
<u>Proprietary</u>		
101000 Fund Balance With Treasury	500	
151100 Operating Materials and Supplies Held For Use	4,000	
211000 Accounts Payable		400
310000 Expended Appropriations - Cumulative		100
331000 Cumulative Results of Operations		4,000
Total	4,500	4,500

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BALANCE SHEET		
	Assets:	
1.	Fund Balance With Treasury (101000E)	500
12.	Inventory and related property, net (151100E)	4,000
15.	Total assets (calc.)	<u>4,500</u>
	Liabilities:	
17.	Accounts Payable (211000E)	400
28.	Total Liabilities (calc.)	<u>400</u>
	Net Position:	
31.	Unexpended appropriations – All Other Funds(310100E, 310700E)	100
33.	Cumulative results of operations - All Other Funds (331000E)	4,000
35.	Total Net Position – All Other Funds (calc.)	<u>4,100</u>
36.	Total Net Position (calc.)	<u>4,100</u>
37.	Total liabilities and net position (calc.)	<u>4,500</u>

STATEMENT OF NET COST		
	Gross Program Costs:	
	Program A:	
1.	Gross costs (610000E, 679000E)	-
3.	Net program costs: (calc.)	-
8.	Net cost of operations (calc.)	-

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STATEMENT OF CHANGES IN NET POSITION		
	Cumulative Results from Operations:	
1.	Beginning Balances (331000E)	3,600
3.	Beginning balances, as adjusted (calc. 1 + 2B)	<u>3,600</u>
	Budgetary Financing Sources:	
5.	Appropriations used (570000E)	400
14.	Total Financing Sources (calc. 4 through 13)	<u>400</u>
15.	Net Cost of Operations (+/-)	-
16.	Net Change (calc. 14-15)	<u>400</u>
17.	Cumulative Results of Operations (calc. 3+16)	<u>4,000</u>
	Unexpended Appropriations:	
18.	Beginning Balance	-
	Budgetary Financing Sources:	
19.	Adjustments (+ or -)	
20.	Beginning balance, as adjusted (calc. 18 through 19B)	-
21.	Appropriations received (310100E)	500
24.	Appropriations used (310700E)	(400)
25.	Total Budgetary Financing Sources (calc. 21 through 24)	<u>100</u>
26.	Total Unexpended Appropriations (calc. 20 + 25)	<u>100</u>
27.	Net Position (calc. 17 + 26)	<u>4,100</u>

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STATEMENT OF BUDGETARY RESOURCES		
	Budgetary resources:	
1290	Appropriations (discretionary and mandatory) (411900E)	500
1910	Total budgetary resources (calc.)	<u>500</u>
	Status of Budgetary Resources:	
2190	New obligations and upward adjustments (total) (490100E)	400
2204	Apportioned, unexpired accounts (461000E)	100
2490	Unobligated balance, end of year (total) (calc. 2204 + 2304 + 2404 + 2413 and 2412 + 2413)	<u>100</u>
2500	Total budgetary resources (calc. 2190 and 2490)	<u>500</u>
	Change in obligated balance:	
	Unpaid obligations:	
3012	New obligations and upward adjustments (490100E)	(400)
3050	Unpaid obligations, end of year (490100E)	400
	Budget Authority and Outlays, Net:	
4175	Budget authority, gross (discretionary and mandatory) (calc.)	<u>500</u>
4180	Budget authority, net (total) (discretionary and mandatory) (calc.)	<u>500</u>

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SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
	Budgetary Resources	SF 133	Schedule P
	All accounts:		
0900	Total new obligations, unexpired accounts (490100E)		400
	Budget Authority:		
	Appropriations:		
	Discretionary:		
1100	Appropriation (411900E)	500	500
1160	Appropriation, discretionary (total)	500	500
1900	Budgetary authority (total)	500	500
1910	Total budgetary resources (calc.)	500	
1930	Total budgetary resources available		500
	Memorandum (non-add) entries:		
	All accounts:		
1941	Unexpired unobligated balance, end of year (445000E)		100
	STATUS OF BUDGETARY RESOURCES		
	New obligations and upward adjustments:		
	Direct:		
2001	Category A (by quarter) (490100E)	400	
2004	Direct obligations (total)	400	
2190	New obligations and upward adjustments (total)	400	
	CHANGE IN OBLIGATED BALANCE		

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SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
	Unpaid obligations:		
3010	New obligations, unexpired accounts (490100E)	400	400
3200	Obligated balance, end of year (+ or -)	400	400
	BUDGET AUTHORITY AND OUTLAYS, NET		
	Discretionary:		
	Gross budget authority and outlays:		
4000	Budget authority, gross (calc.)	500	

Reclassified Statements

RECLASSIFIED BALANCE SHEET		
1	Assets	
2	Non-federal	
2.4	Inventories and related properties, net (151100E)	4,000
2.9	Total non-federal assets (calc. 2.1..2.8)	<u>4,000</u>
3	Federal	
3.1	Fund balance with Treasury (RC/40)/1 (101000E)	500
3.14	Total federal assets (calc. 3.1..3.13)	<u>500</u>
4	Total assets (calc. 2.9+3.14)	<u>4,500</u>
5	Liabilities:	
6	Non-federal	
6.1	Accounts payable (211000E)	400
6.10	Total non-federal liabilities (calc. 6.1..6.9)	<u>400</u>
8	Total liabilities (calc. 6.10+7.14)	<u>400</u>
9	Net position:	
9.2	Net position– funds other than those from dedicated collections (310100E, 310700E, 331000E, 570000E,	4,100

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RECLASSIFIED BALANCE SHEET		
	610000E, 679000E)	
10	Total net position (calc. 9.1+9.2)	<u>4,100</u>
11	Total liabilities and net position (calc. 8+10)	<u>4,500</u>

RECLASSIFIED STATEMENT OF NET COST		
1	Gross costs	-
2	Non-federal gross costs (610000E, 679000E)	800
6	Total non-federal gross cost (calc. 2..5)	<u>800</u>
8	Total federal gross cost (calc. 7.1..7.8)	-
9	Department total gross cost (calc. 6+8)	<u>800</u>
10	Earned revenue	
11	Non-federal earned revenue	-
12	Federal earned revenue	
13	Total federal earned revenue (calc. 12.1..12.7)	-
14	Department total earned revenue (calc. 11+13)	-
15	Net cost of operations (calc. 14-9)	<u>800</u>

RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
1	Net position, beginning of period (331000E)	3,600
4	Net position, beginning of period – adjusted (calc. 1..2.1..2.2..3.1..and 3.2)	<u>3,600</u>
5	Non-federal non-exchange revenue:	
5.9	Total non-federal non-exchange revenue (calc. 5.1..5.8)	-
6	Federal non-exchange revenue:	-
6.5	Total federal non-exchange revenue (calc. 6.1..6.4)	-
7	Budgetary financing sources:	
7.1	Appropriations received as adjusted (rescissions and other adjustments) (RC 41)/1 (310100E)	500
7.2	Appropriations used (RC 39)/1 (310700E)	400
7.3	Appropriations expended (RC 38)/1 (570000E)	400
7.20	Total budgetary financing sources (calc. 7.1..7.19)	<u>500</u>

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RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
8	Other financing sources:	
8.11	Total other financing sources (calc. 8.1..8.10)	-
9	Net cost of operations (+/-)	-
10	Net position, end of period (calc. 4, 5.9, 6.5, 7.20, 8.11, and 9)	4,100

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**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Scenario 2: Operating Materials and Supplies in Development

Year 1

1-1 To record the enactment of appropriation, apportionment of authority by OMB, and the allotment of authority.

	DR	CR	TC
<u>Budgetary Entry</u>			
411900 Other Appropriations Realized	12,000		
445000 Unapportioned Authority		12,000	A104
445000 Unapportioned Authority	12,000		
451000 Apportionment		12,000	A116
451000 Apportionment	12,000		
461000 Allotments – Realized Resources		12,000	A120
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	12,000		
310100 (G) Unexpended Appropriations – Appropriations Received		12,000	

1-2 Department of Defense enters into a contract with supplier to build and deliver munitions.

	DR	CR	TC
<u>Budgetary Entry</u>			
461000 Allotments-Realized Resources	12,000		
470000 Commitments- Programs Subject to Apportionment		12,000	B302
<u>Proprietary Entry</u>			
None			

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

1-3 Department of Defense records current-year undelivered orders from supplier without an advance.

	DR	CR	TC
<u>Budgetary Entry</u> 470000 Commitments- Programs Subject to Apportionment 480100 Undelivered Orders - Obligations, Unpaid	12,000	12,000	B306
<u>Proprietary Entry</u> None			

1-4 Department of Defense receives progress billing from supplier.

	DR	CR	TC
<u>Budgetary Entry</u> 480100 Undelivered Orders- Obligations, Unpaid 490100 Delivered Orders- Obligations, Unpaid	4,000	4,000	B402
<u>Proprietary Entry</u> 151600 Operating Materials and Supplies in Development 211000 (N) Accounts Payable	4,000	4,000	B134
310700 (G) Unexpended Appropriations – Used 570000 (G) Expended Appropriations	4,000	4,000	

1-5 Department of Defense makes progress payment to supplier for work performed through progress billing.

	DR	CR	TC
<u>Budgetary Entry</u> 490100 Delivered Orders - Obligations, Unpaid 490200 Delivered Orders - Obligations, Paid	4,000	4,000	
<u>Proprietary Entry</u> 211000 (N) Accounts Payable 101000 (G) Fund Balance With Treasury	4,000	4,000	B110

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Pre-Closing Trial Balances		
	Debit	Credit
<u>Accounts</u>		
<u>Budgetary</u>		
411900 Other Appropriations Realized	12,000	
480100 Undelivered Orders- Obligations, Unpaid		8,000
490200 Delivered Orders - Obligations, Paid		4,000
Total	12,000	12,000
<u>Proprietary</u>		
101000 (G) Fund Balance With Treasury	8,000	
151600 Operating Materials and Supplies in Development	4,000	
310100 (G) Unexpended Appropriations – Appropriations Received		12,000
310700 (G) Unexpended Appropriations – Used	4,000	
570000 (G) Expended Appropriations		4,000
Total	16,000	16,000

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Closing Entries

	DR	CR	TC
<u>Budgetary Entry</u>			
4201000 Total Actual Resources – Collected	12,000		
411900 Other Appropriations Realized		12,000	F302
490200 Delivered Orders - Obligations, Paid	4,000		
420100 Total Actual Resources - Collected		4,000	F314
<u>Proprietary Entry</u>			
310100 (G)Unexpended Appropriations – Appropriations Received	12,000		F342
310000 Unexpended Appropriations – Cumulative		12,000	
310000 Unexpended Appropriations – Cumulative	4,000		F342
310700 (G) Unexpended Appropriations – Used		4,000	
570000 (G) Expended Appropriations	4,000		F336
331000 Cumulative Results of Operations		4,000	

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Post-Closing Trial Balances		
	Debit	Credit
Accounts		
Budgetary		
420100 Total Actual Resources – Collected	8,000	
480100 Undelivered Orders- Obligations, Unpaid		8,000
Total	8,000	8,000
Proprietary		
101000 (G) Fund Balance With Treasury	8,000	
151600 Operating Materials and Supplies in Development	4,000	
310000 Unexpended Appropriations – Cumulative		8,000
331000 Cumulative Results of Operations		4,000
Total	12,000	12,000

BALANCE SHEET		
Assets:		
1.	Fund Balance With Treasury (101000E)	8,000
12.	Inventory and related property, net (151600E)	4,000
15.	Total assets (calc.)	<u>12,000</u>
Liabilities:		
17.	Accounts Payable (211000E)	-
28.	Total Liabilities (calc.)	-

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

BALANCE SHEET		
	Net Position:	
31.	Unexpended appropriations – All Other Funds(310100E, 310700E)	8,000
33.	Cumulative results of operations - All Other Funds (570000E)	4,000
35.	Total Net Position – All Other Funds (calc.)	<u>12,000</u>
36.	Total Net Position (calc.)	<u>12,000</u>
37.	Total liabilities and net position (calc.)	<u>12,000</u>

STATEMENT OF CHANGES IN NET POSITION		
	Cumulative Results from Operations:	
1.	Beginning Balances	-
5.	Appropriations used (570000E)	4,000
14.	Total Financing Sources (calc.)	<u>4,000</u>
15.	Net Cost of Operations	-
16.	Net Change (calc.)	<u>4,000</u>
17.	Cumulative Results of Operations (calc. 3 + 16)	<u>4,000</u>
	Unexpended Appropriations:	
18.	Beginning Balance	-
20.	Beginning balance, as adjusted (calc. 18 through 19B)	-
	Budgetary Financing Sources:	
21.	Appropriation received (310100E)	12,000
24.	Appropriations used (310700E)	(4,000)
25.	Total Budgetary Financing Sources (calc. 21 through 24)	<u>8,000</u>
26.	Total Unexpended Appropriations (calc. 20 + 25)	<u>8,000</u>

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

STATEMENT OF CHANGES IN NET POSITION		
27.	Net Position (calc. 17 + 26)	<u>12,000</u>

STATEMENT OF BUDGETARY RESOURCES		
	Budgetary resources:	
1290	Appropriations (discretionary and mandatory) (411900E)	12,000
1910	Total budgetary resources	<u>12,000</u>
	Status of budgetary resources:	
2190	New obligations and upward adjustments (total) (480100E, 490200E)	<u>12,000</u>
2490	Unobligated balances, end of year (total)	-
2500	Total budgetary resources	<u>12,000</u>
	Change in obligated balance:	
	Unpaid obligations:	
3012	New obligations and upward adjustments (480100E, 490200E)	12,000
3020	Outlays (gross) (490200E)	(4,000)
3050	Unpaid obligations, end of the year (480100E)	8,000
3200	Obligated balance, end of the year (calc.)	<u>12,000</u>
	Budget Authority and Outlays, Net:	
4175	Budget authority, gross (discretionary and mandatory) (calc.)	<u>12,000</u>
4180	Budget authority, net (total) (discretionary and mandatory) (calc.)	<u>12,000</u>
4185	Outlays, gross (discretionary and mandatory) (490200E)	4,000
4190	Outlays, net (total) (discretionary and mandatory)	<u>4,000</u>

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
	BUDGETARY RESOURCES	SF 133	Schedule P
	All accounts:		
0900	Total new obligations (480100E, 490200E)		12,000
	Budget authority:		
	Appropriations:		
	Discretionary:		
1100	Appropriations (411900E)	12,000	12,000
1160	Appropriation, discretionary (total)	12,000	12,000
1900	Budgetary authority (total)	12,000	12,000
1910	Total budgetary resources (calc.)	12,000	
1930	Total budgetary resources available		12,000
	STATUS OF BUDGETARY RESOURCES		
	New obligations and upward adjustments:		
	Direct:		
2001	Category A (by quarter) (480100E, 490200E)	12,000	
2004	Direct obligations (total)	12,000	
2190	New obligations and upward adjustments (total)	12,000	
2500	Total budgetary resources (calc.)	12,000	
	CHANGE IN OBLIGATED BALANCE		
	Unpaid obligations:		
3010	New obligations, unexpired accounts (480100E)	8,000	8,000

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
3020	Outlays (gross) (-) (490200E)	4,000	4,000
3200	Obligated balance, end of year (+ or -)	12,000	12,000
	BUDGET AUTHORITY AND OUTLAYS, NET		
	Discretionary:		
	Gross budget authority and outlays:		
4000	Budget authority, gross (calc.)	12,000	12,000
	Outlays, gross		
4010	Outlays from new discretionary authority (490200E)	4,000	4,000
4020	Outlays, gross (total) (calc.)	4,000	4,000
4070	Budget authority, net (discretionary) (calc.)	12,000	12,000
4080	Outlays, net (discretionary) (calc.)	4,000	4,000
4190	Outlays, net, (total)	4,000	4,000

Reclassified Statements

RECLASSIFIED BALANCE SHEET		
1	Assets	
2	Non-Federal	
2.4	Inventories and related properties, net (151600E)	4,000
2.9	Total Non-Federal Assets (calc. 2.1..2.8)	4,000
3	Federal	
3.1	Fund balance with Treasury (RC 40) (101000E)	8,000
3.14	Total federal assets (calc. 3.1..3.13)	8,000
4	Total assets (calc. 2.9+3.14)	12,000

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

RECLASSIFIED BALANCE SHEET		
5	Liabilities:	
6	Non-federal	
6.10	Total non-federal liabilities (calc. 6.1..6.9)	-
8	Total liabilities (calc. 6.10+7.14)	-
9	Net position:	
9.2	Net Position– funds other than those from dedicated collections (310100E, 310700E, 570000E)	12,000
10	Total net position (calc. 9.1+9.2)	<u>12,000</u>
11	Total liabilities and net position (calc. 8+10)	<u>12,000</u>

RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
7	Budgetary financing sources:	
7.1	Appropriations received as adjusted (rescissions and other adjustments) (RC 41) / 1 (310100E)	12,000
7.2	Appropriations used (RC 39) (310700E)	(4,000)
7.3	Appropriations expended (RC38) / 1 (570000E)	4,000
7.20	Total budgetary financing sources (calc. 7.1..7.19)	<u>12,000</u>
10	Net position, end of period (calc. 4..5.9..6.5..7.20.. 8.11..and 9)	<u>12,000</u>

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Year 2

2-1 Department of Defense receives another progress billing from supplier.

	DR	CR	TC
<u>Budgetary Entry</u>			
480100 Undelivered Orders- Obligations, Unpaid	8,000		
490100 Delivered Orders- Obligations, Unpaid		8,000	B402
<u>Proprietary Entry</u>			
151600 Operating Materials and Supplies in Development	8,000		B134
211000 (N) Accounts Payable		8,000	
310700 (G) Unexpended Appropriations – Used	8,000		
570000 (G) Expended Appropriations		8,000	

2-2 Department of Defense makes \$8,000 payment to supplier to complete the contract.

	DR	CR	TC
<u>Budgetary Entry</u>			
490100 Delivered Orders - Obligations, Unpaid	8,000		
490200 Delivered Orders - Obligations, Paid		8,000	
<u>Proprietary Entry</u>			
211000 (N) Accounts Payable	8,000		B110
101000 (G) Fund Balance With Treasury		8,000	

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

2-3 The contract for munitions is complete and Operating Materials and Supplies in Development is moved to Operating Materials and Supplies Held for Use.¹

	DR	CR	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 151100 Operating Materials and Supplies Held for Use 151600 Operating Materials and Supplies in Development	12,000	12,000	D545

Pre-Closing Trial Balances		
	Debit	Credit
<u>Accounts</u>		
<u>Budgetary</u>		
420100 Total Actual Resources - Collected	8,000	
490200 Delivered Orders - Obligations, Paid		8,000
Total	8,000	8,000
<u>Proprietary</u>		
151100 Operating Materials and Supplies Held for Use	12,000	
310000 Unexpended Appropriations – Cumulative		8,000
310700 (G) Unexpended Appropriations – Used	8,000	
331000 Cumulative Results of Operations		4,000
570000 (G) Expended Appropriations		8,000
Total	20,000	20,000

¹ At any time during the development and production phase, if the supplier cannot fulfill their obligation on the remaining contract, the Department of Defense would be entitled to claim ownership of any and all munitions on which progress payments have been made since title passes to the Department of Defense at the time of progress payments.

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Closing Entry

	DR	CR	TC
<u>Budgetary Entry</u>			
490200 Delivered Orders - Obligations, Paid	8,000		
420100 Total Actual Resources - Collected		8,000	F314
<u>Proprietary Entry</u>			
310000 Unexpended Appropriations – Cumulative	8,000		F342
310700 (G) Unexpended Appropriations – Used		8,000	
570000 (G) Expended Appropriations	8,000		F336
331000 Cumulative Results of Operations		8,000	

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Post-Closing Trial Balances		
	Debit	Credit
<u>Accounts</u>		
<u>Budgetary</u>		
None	-	-
<u>Proprietary</u>		
151100 Operating Materials and Supplies Held for Use	12,000	
331000 Cumulative Results of Operations		12,000
Total	12,000	12,000

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**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

BALANCE SHEET		
	Assets:	
12.	Inventory and related property, net (151100E)	12,000
15.	Total assets (calc.)	<u>12,000</u>
	Net Position	
31.	Unexpended appropriations – All Other Funds	-
33.	Cumulative results of operations - All Other Funds (331000E, 570000E)	<u>12,000</u>
35.	Total Net Position – All Other Funds (calc.)	<u>12,000</u>
36.	Total Net Position (calc.)	<u>12,000</u>
37.	Total liabilities and net position (calc.)	<u>12,000</u>

STATEMENT OF BUDGETARY RESOURCES		
	Budgetary resources:	
1000	Unobligated balance brought forward, Oct 1 (420100B, 480100B)	-
1910	Total budgetary resources	-
	Status of budgetary resources:	
2190	New obligations and upward adjustments (total) (490200E, 480100B)	-
2500	Total budgetary resources	-
	Change in obligated balance:	
	Unpaid obligations:	
3000	Unpaid obligations, brought forward, Oct. 1 (480100B)	8,000
3020	Outlays (gross) (490200E)	(8,000)

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

STATEMENT OF BUDGETARY RESOURCES		
3100	Obligated balance, start of year (+ or -)	-
	Budget authority and outlays, net:	
4185	Outlays, gross (discretionary and mandatory) (490200E)	8,000
4190	Outlays, net (total) (discretionary and mandatory)	<u>8,000</u>
4210	Agency outlays, net (discretionary and mandatory)	<u>8,000</u>

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
		SF 133	Schedule P
	BUDGETARY RESOURCES		
	All accounts:		
0900	Total new obligations (480100B, 490200E)		-
	Unobligated balance:		
1000	Unobligated balance brought forward, Oct 1 (420100B, 480100B)	-	-
1050	Unobligated balance, (total)	-	-
1910	Total budgetary resources (calc.)	-	
1930	Total budgetary resources available		-
	STATUS OF BUDGETARY RESOURCES		
	New obligations and upward adjustments:		
	Direct:		

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES & BUDGET PROGRAM AND FINANCING SCHEDULE (SCHEDULE P)			
		SF 133	Schedule P
2001	Category A (by quarter) (480100B, 490200E)	-	
2004	Direct obligations (total)	-	
2190	New obligations and upward adjustments (total)	-	
2500	Total budgetary resources (calc.)	-	
	CHANGE IN OBLIGATED BALANCE		
	Unpaid obligations:		
3000	Unpaid obligations, brought forward, Oct. 1 (480100E, 490200E)	8,000	8,000
3020	Outlays (gross) (-) (490200E)	(8,000)	(8,000)
3100	Obligated balance, start of year (+ or -)	8,000	8,000
3200	Obligated balance, end of year (+ or -)	-	-
	BUDGET AUTHORITY AND OUTLAYS, NET		
	Discretionary:		
	Gross budget authority and outlays:		
4000	Budget authority, gross	-	-
	Outlays, gross		
4011	Outlays from discretionary balances (490200E)	8,000	8,000
4020	Outlays, gross (total)	8,000	8,000
4080	Outlays, net (discretionary)	8,000	8,000

**OPERATING MATERIALS AND SUPPLIES HELD FOR REPAIR OR IN DEVELOPMENT
EFFECTIVE 2018**

Reclassified Statements

RECLASSIFIED BALANCE SHEET		
1	Assets	
2	Non-federal	
2.4	Inventories and related property, net (151100E)	12,000
2.9	Total non-federal assets (calc. 2.1..2.8)	<u>12,000</u>
4	Total assets (calc. 2.9..3.14)	<u>12,000</u>
5	Liabilities:	
6	Non-federal	
6.10	Total non-federal liabilities (calc. 6.1..6.9)	-
8	Total Liabilities (calc. 6.10 +7.14)	-
9	Net position:	
9.2	Net position– funds other than those from dedicated collections (310000B, 331000B)	12,000
10	Total net position (calc. 9.1+9.2)	<u>12,000</u>
11	Total liabilities and net position (calc. 8+10)	<u>12,000</u>

RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
1	Net position, beginning of period (310000B, 331000B)	12,000
4	Net position, beginning of period – adjusted (1..2.1..2.2..2.3..3.1..3.2..and 3.3)	12,000
7	Budgetary financing sources:	
7.2	Appropriations used (RC 39) (310700E)	(8,000)
7.3	Appropriations expended (RC 38) / 1 (570000E)	8,000
7.20	Total budgetary financing sources (calc. 7.1..7.19)	-
10	Net position, end of period (calc. 4..5.9..6.5..7.20.. 8.11..and 9)	<u>12,000</u>