

Department of Defense
Army Working Capital Fund
CONSOLIDATED BALANCE SHEET
As of December 31, 2007 and 2006

	<u>2008 Consolidated</u>	<u>2007 Consolidated</u>
1. ASSETS (Note 2)		
A. Intragovernmental:		
1. Fund Balance with Treasury (Note 3)		
a. Entity	\$ 2,475,243,613.62	\$ 773,593,746.90
b. Non-Entity Seized Iraqi Cash	0.00	0.00
c. Non-Entity-Other	0.00	0.00
2. Investments (Note 4)	0.00	0.00
3. Accounts Receivable (Note 5)	287,259,472.97	271,852,070.28
4. Other Assets (Note 6)	1,594,942.86	3,179,549.00
5. Total Intragovernmental Assets	<u>\$ 2,764,098,029.45</u>	<u>\$ 1,048,625,366.18</u>
B. Cash and Other Monetary Assets (Note 7)	\$ 0.00	\$ 0.00
C. Accounts Receivable, Net (Note 5)	10,960,789.10	18,352,762.54
D. Loans Receivable (Note 8)	0.00	0.00
E. Inventory and Related Property, Net (Note 9)	19,076,533,830.25	18,936,085,610.48
F. General Property, Plant and Equipment, Net (Note 10)	1,006,196,481.97	1,288,575,883.30
G. Investments (Note 4)	0.00	0.00
H. Other Assets (Note 6)	457,958,290.75	283,927,238.95
2. TOTAL ASSETS	<u><u>\$ 23,315,747,421.52</u></u>	<u><u>\$ 21,575,566,861.45</u></u>
3. LIABILITIES (Note 11)		
A. Intragovernmental:		
1. Accounts Payable (Note 12)	\$ 123,443,649.37	\$ 73,996,348.26
2. Debt (Note 13)	0.00	0.00
3. Other Liabilities (Note 15 & 16)	78,167,003.74	58,986,917.59
4. Total Intragovernmental Liabilities	<u>\$ 201,610,653.11</u>	<u>\$ 132,983,265.85</u>
B. Accounts Payable (Note 12)	\$ 112,275,227.69	\$ 513,575,887.11
C. Military Retirement and Other Federal Employment Benefits (Note 17)	243,111,829.47	262,499,476.04
D. Environmental and Disposal Liabilities (Note 14)	0.00	0.00
E. Loan Guarantee Liability (Note 8)	0.00	0.00
F. Other Liabilities (Note 15 & Note 16)	402,223,473.88	417,837,413.18
4. TOTAL LIABILITIES	<u><u>\$ 959,221,184.15</u></u>	<u><u>\$ 1,326,896,042.18</u></u>
5. NET POSITION		
A. Unexpended Appropriations - Earmarked Funds (Note 23)	\$ 0.00	\$ 0.00
B. Unexpended Appropriations - Other Funds	0.00	0.00
C. Cumulative Results of Operations - Earmarked Funds	0.00	0.00
D. Cumulative Results of Operations - Other Funds	22,356,526,237.37	20,248,670,819.27
6. TOTAL NET POSITION	<u><u>\$ 22,356,526,237.37</u></u>	<u><u>\$ 20,248,670,819.27</u></u>
7. TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 23,315,747,421.52</u></u>	<u><u>\$ 21,575,566,861.45</u></u>

Department of Defense
 Army Working Capital Fund
CONSOLIDATED STATEMENT OF NET COST
 For the periods ended December 31, 2007 and 2006

	2008 Consolidated	2007 Consolidated
1. Program Costs		
A. Gross Costs	\$ 5,048,760,132.83	\$ 3,922,944,545.49
B. (Less: Earned Revenue)	(5,213,267,989.42)	(4,658,816,850.76)
C. Net Program Costs	<u>\$ (164,507,856.59)</u>	<u>\$ (735,872,305.27)</u>
2. Cost Not Assigned to Programs	0.00	0.00
3. (Less: Earned Revenue Not Attributable to Programs)	0.00	0.00
4. Net Cost of Operations	<u><u>\$ (164,507,856.59)</u></u>	<u><u>\$ (735,872,305.27)</u></u>

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended December 31, 2007 and 2006

	2008 Earmarked Funds	2008 All Other Funds
CUMULATIVE RESULTS OF OPERATIONS		
1. Beginning Balances	\$ 0.00	\$ 21,893,732,873.89
2. Prior Period Adjustments:		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	0.00	0.00
3. Beginning balances, as adjusted	0.00	21,893,732,873.89
4. Budgetary Financing Sources:		
4.A. Other adjustments (rescissions, etc.)	0.00	0.00
4.B. Appropriations used	0.00	4,982,000.00
4.C. Nonexchange revenue	0.00	0.00
4.D. Donations and forfeitures of cash and cash equivalents	0.00 0.00	0.00 0.00
4.E. Transfers-in/out without reimbursement	0.00	0.00
4.F. Other budgetary financing sources	0.00	0.00
5. Other Financing Sources:		
5.A. Donations and forfeitures of property	0.00	0.00
5.B. Transfers-in/out without reimbursement (+/-)	0.00	0.00
5.C. Imputed financing from costs absorbed by others	0.00	36,828,659.24
5.D. Other (+/-)	0.00	256,474,847.65
6. Total Financing Sources	0.00	298,285,506.89
7. Net Cost of Operations (+/-)	0.00	(164,507,856.59)
8. Net Change	0.00	462,793,363.48
9. Cumulative Results of Operations	0.00	22,356,526,237.37
UNEXPENDED APPROPRIATIONS		
10. Beginning Balances	\$ 0.00	\$ 0.00
11. Prior Period Adjustments:		
11.A. Changes in accounting principles	0.00	0.00
11.B. Corrections of errors	0.00	0.00
12. Beginning balances, as adjusted	0.00	0.00
13. Budgetary Financing Sources:		
13.A. Appropriations received	0.00	5,000,000.00
13.B. Appropriations transferred-in/out	0.00	0.00
13.C. Other adjustments (rescissions, etc)	0.00	(18,000.00)
13.D. Appropriations used	0.00	(4,982,000.00)
14. Total Budgetary Financing Sources	0.00	0.00
15. Unexpended Appropriations	0.00	0.00
16. Net Position	0.00	22,356,526,237.37

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended December 31, 2007 and 2006

	2008 Eliminations	2008 Consolidated
CUMULATIVE RESULTS OF OPERATIONS		
1. Beginning Balances	\$ 0.00	\$ 21,893,732,873.89
2. Prior Period Adjustments:		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	0.00	0.00
3. Beginning balances, as adjusted	0.00	21,893,732,873.89
4. Budgetary Financing Sources:		
4.A. Other adjustments (rescissions, etc.)	0.00	0.00
4.B. Appropriations used	0.00	4,982,000.00
4.C. Nonexchange revenue	0.00	0.00
4.D. Donations and forfeitures of cash	0.00	0.00
and cash equivalents	0.00	0.00
4.E. Transfers-in/out without reimbursement	0.00	0.00
4.F. Other budgetary financing sources	0.00	0.00
5. Other Financing Sources:		
5.A. Donations and forfeitures of property	0.00	0.00
5.B. Transfers-in/out without reimbursement (+/-)	0.00	0.00
5.C. Imputed financing from costs absorbed by others	0.00	36,828,659.24
5.D. Other (+/-)	0.00	256,474,847.65
6. Total Financing Sources	0.00	298,285,506.89
7. Net Cost of Operations (+/-)	0.00	(164,507,856.59)
8. Net Change	0.00	462,793,363.48
9. Cumulative Results of Operations	0.00	22,356,526,237.37
UNEXPENDED APPROPRIATIONS		
10. Beginning Balances	\$ 0.00	\$ 0.00
11. Prior Period Adjustments:		
11.A. Changes in accounting principles	0.00	0.00
11.B. Corrections of errors	0.00	0.00
12. Beginning balances, as adjusted	0.00	0.00
13. Budgetary Financing Sources:		
13.A. Appropriations received	0.00	5,000,000.00
13.B. Appropriations transferred-in/out	0.00	0.00
13.C. Other adjustments (rescissions, etc)	0.00	(18,000.00)
13.D. Appropriations used	0.00	(4,982,000.00)
14. Total Budgetary Financing Sources	0.00	0.00
15. Unexpended Appropriations	0.00	0.00
16. Net Position	0.00	22,356,526,237.37

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended December 31, 2007 and 2006

	2007 Earmarked Funds	2007 All Other Funds
CUMULATIVE RESULTS OF OPERATIONS		
1. Beginning Balances	\$ 0.00	\$ 19,316,704,797.17
2. Prior Period Adjustments:		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	0.00	0.00
3. Beginning balances, as adjusted	0.00	19,316,704,797.17
4. Budgetary Financing Sources:		
4.A. Other adjustments (rescissions, etc.)	0.00	0.00
4.B. Appropriations used	0.00	16,336,000.00
4.C. Nonexchange revenue	0.00	0.00
4.D. Donations and forfeitures of cash and cash equivalents	0.00 0.00	0.00 0.00
4.E. Transfers-in/out without reimbursement	0.00	0.00
4.F. Other budgetary financing sources	0.00	0.00
5. Other Financing Sources:		
5.A. Donations and forfeitures of property	0.00	0.00
5.B. Transfers-in/out without reimbursement (+/-)	0.00	0.00
5.C. Imputed financing from costs absorbed by others	0.00	37,146,978.89
5.D. Other (+/-)	0.00	142,610,737.94
6. Total Financing Sources	0.00	196,093,716.83
7. Net Cost of Operations (+/-)	0.00	(735,872,305.27)
8. Net Change	0.00	931,966,022.10
9. Cumulative Results of Operations	0.00	20,248,670,819.27
UNEXPENDED APPROPRIATIONS		
10. Beginning Balances	\$ 0.00	\$ 0.00
11. Prior Period Adjustments:		
11.A. Changes in accounting principles	0.00	0.00
11.B. Corrections of errors	0.00	0.00
12. Beginning balances, as adjusted	0.00	0.00
13. Budgetary Financing Sources:		
13.A. Appropriations received	0.00	16,336,000.00
13.B. Appropriations transferred-in/out	0.00	0.00
13.C. Other adjustments (rescissions, etc)	0.00	0.00
13.D. Appropriations used	0.00	(16,336,000.00)
14. Total Budgetary Financing Sources	0.00	0.00
15. Unexpended Appropriations	0.00	0.00
16. Net Position	0.00	20,248,670,819.27

Department of Defense
Army Working Capital Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended December 31, 2007 and 2006

	2007 Eliminations	2007 Consolidated
CUMULATIVE RESULTS OF OPERATIONS		
1. Beginning Balances	\$ 0.00	\$ 19,316,704,797.17
2. Prior Period Adjustments:		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	0.00	0.00
3. Beginning balances, as adjusted	0.00	19,316,704,797.17
4. Budgetary Financing Sources:		
4.A. Other adjustments (rescissions, etc.)	0.00	0.00
4.B. Appropriations used	0.00	16,336,000.00
4.C. Nonexchange revenue	0.00	0.00
4.D. Donations and forfeitures of cash and cash equivalents	0.00	0.00
4.E. Transfers-in/out without reimbursement	0.00	0.00
4.F. Other budgetary financing sources	0.00	0.00
5. Other Financing Sources:		
5.A. Donations and forfeitures of property	0.00	0.00
5.B. Transfers-in/out without reimbursement (+/-)	0.00	0.00
5.C. Imputed financing from costs absorbed by others	0.00	37,146,978.89
5.D. Other (+/-)	0.00	142,610,737.94
6. Total Financing Sources	0.00	196,093,716.83
7. Net Cost of Operations (+/-)	0.00	(735,872,305.27)
8. Net Change	0.00	931,966,022.10
9. Cumulative Results of Operations	0.00	20,248,670,819.27
UNEXPENDED APPROPRIATIONS		
10. Beginning Balances	\$ 0.00	\$ 0.00
11. Prior Period Adjustments:		
11.A. Changes in accounting principles	0.00	0.00
11.B. Corrections of errors	0.00	0.00
12. Beginning balances, as adjusted	0.00	0.00
13. Budgetary Financing Sources:		
13.A. Appropriations received	0.00	16,336,000.00
13.B. Appropriations transferred-in/out	0.00	0.00
13.C. Other adjustments (rescissions, etc)	0.00	0.00
13.D. Appropriations used	0.00	(16,336,000.00)
14. Total Budgetary Financing Sources	0.00	0.00
15. Unexpended Appropriations	0.00	0.00
16. Net Position	0.00	20,248,670,819.27

Department of Defense
Army Working Capital Fund
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the periods ended December 31, 2007 and 2006

	2008 Combined	2007 Combined
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BUDGETARY FINANCING ACCOUNTS		
BUDGETARY RESOURCES:		
1. Unobligated balance, brought forward, October 1	\$ 2,516,314,300.77	\$ 1,791,465,388.74
2. Recoveries of prior year unpaid obligations	314,472,546.03	269,857,062.73
3. Budget authority		
3.A. Appropriation	5,000,000.00	16,336,000.00
3.B. Borrowing authority	0.00	0.00
3.C. Contract authority	8,968,854,428.51	7,961,048,917.00
3.D. Spending authority from offsetting collections		
3.D.1 Earned		
3.D.1.a. Collected	4,047,408,489.02	3,117,040,884.78
3.D.1.b. Change in receivables from Federal sources	(27,775,859.87)	39,519,381.09
3.D.2 Change in unfilled customer orders		
3.D.2.a. Advance received	(33,341,468.94)	(21,664,571.87)
3.D.2.b. Without advance from Federal sources	1,434,357,785.20	2,809,018,016.78
3.D.3. Anticipated for rest of year, without advances	3,493,208,068.86	680,973,167.36
3.D.4. Previously unavailable	0.00	0.00
3.D.5. Expenditure transfers from trust funds	0.00	0.00
3.E. Subtotal	<hr/> 17,887,711,442.78	<hr/> 14,602,271,795.14
4. Nonexpenditure transfers, net, anticipated and actual	0.00	0.00
5. Temporarily not available pursuant to Public Law	0.00	0.00
6. Permanently not available	(2,887,472,442.78)	(2,317,504,795.14)
7. Total Budgetary Resources	<hr/> <hr/> \$ 17,831,025,846.80	<hr/> <hr/> \$ 14,346,089,451.47

Department of Defense
Army Working Capital Fund
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the periods ended December 31, 2007 and 2006

	2008 Combined	2007 Combined
Status of Budgetary Resources:		
8. Obligations incurred:		
8.A. Direct	\$ 0.00	\$ 0.00
8.B. Reimbursable	6,702,437,112.69	5,471,767,791.31
8.C. Subtotal	<u>6,702,437,112.69</u>	<u>5,471,767,791.31</u>
9. Unobligated balance:		
9.A. Apportioned	11,128,588,734.11	8,874,321,660.16
9.B. Exempt from apportionment	0.00	0.00
9.C. Subtotal	<u>11,128,588,734.11</u>	<u>8,874,321,660.16</u>
10. Unobligated balance not available	0.00	0.00
11. Total status of budgetary resources	<u>\$ 17,831,025,846.80</u>	<u>\$ 14,346,089,451.47</u>
Change in Obligated Balance:		
12. Obligated balance, net		
12.A. Unpaid obligations, brought forward, October 1	10,854,913,527.25	9,555,895,815.55
12.B. Less: Uncollected customer payments from Federal sources, brought forward, October 1	<u>\$ (5,537,452,947.41)</u>	<u>\$ (4,097,979,163.74)</u>
12.C. Total unpaid obligated balance	5,317,460,579.84	5,457,916,651.81
13. Obligations incurred net (+/-)	<u>\$ 6,702,437,112.69</u>	<u>\$ 5,471,767,791.31</u>
14. Less: Gross outlays	(3,822,889,161.10)	(3,213,461,754.48)
15. Obligated balance transferred, net		
15.A. Actual transfers, unpaid obligations (+/-)	0.00	0.00
15.B. Actual transfers, uncollected customer payments from Federal sources (+/-)	<u>0.00</u>	<u>0.00</u>
15.C. Total Unpaid obligated balance transferred, net	0.00	0.00
16. Less: Recoveries of prior year unpaid obligations, actual	<u>(314,472,546.03)</u>	<u>(269,857,062.73)</u>
17. Change in uncollected customer payments from Federal sources (+/-)	(1,406,581,925.33)	(2,848,537,397.87)
18. Obligated balance, net, end of period		
18.A. Unpaid obligations	13,419,988,932.81	11,544,344,789.65
18.B. Less: Uncollected customer payments (+/-) from Federal sources (-)	<u>(6,944,034,872.74)</u>	<u>(6,946,516,561.61)</u>
18.C. Total, unpaid obligated balance, net, end of period	<u>6,475,954,060.07</u>	<u>4,597,828,228.04</u>
Net Outlays		
19. Net Outlays:		
19.A. Gross outlays	3,822,889,161.10	3,213,461,754.48
19.B. Less: Offsetting collections	(4,014,067,020.08)	(3,095,376,312.91)
19.C. Less: Distributed Offsetting receipts	0.00	0.00
19.D. Net Outlays	<u>\$ (191,177,858.98)</u>	<u>\$ 118,085,441.57</u>