

*Defense Technical Information Center
Defense Business Operations Fund*

Chief Financial
Officer
Annual Financial
Statement
FY 1995

19960716 003

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DEFENSE TECHNICAL INFORMATION CENTER

DEFENSE BUSINESS OPERATIONS FUND

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***DEFENSE TECHNICAL
INFORMATION CENTER***

***DEFENSE BUSINESS
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OVERVIEW

Overview

DEFENSE TECHNICAL INFORMATION CENTER OVERVIEW

Administrator's Message

Transferring information about current knowledge is vitally important to the creation of new knowledge. The exchange of information and the sharing of ideas contribute to scientific advancement and foster American leadership in many disciplines. Scientific and technical information (STI) is an integral part of research and development (R&D). Its effective management and use play a vital role in all phases of the innovation process: education; basic research; applied R&D; product development and manufacturing; and application of science and technology to meet needs in commercial, not-for-profit, and governmental markets.

The Department of Defense, Department of Energy, and National Aeronautics and Space Administration (NASA) have implemented STI programs to ensure that the results of R&D obtain the greatest return on investment both economically and in the best interests of science and technology.

As central component of DoD's Scientific and Technical Information Program (STIP), DTIC contributes to the management and conduct of Defense research, development, and acquisition efforts by providing access to and transfer of scientific, technical, and management information for DoD personnel, DoD contractors and potential contractors, and other U.S. Government personnel and their contractors.

Studies show that access to a wide variety of information sources is critical for innovation and problem solving. They also highlight the costs associated with searching for, verifying, and waiting for information. Improving the use of STI could increase the return on the Federal Government's substantial investment in R&D which represents roughly one-half of the total U.S. investment in R&D.

The impact of information technology on information users and the increasing interdisciplinary nature of research are fertile fields for improving information transfer. Myriad capabilities offered by technology are accomplished by requirements to provide assistance for researchers to use the advances; to develop better ways to store, retrieve, and maintain the integrity of data; and to determine how to assure intellectual property rights in an electronic network. The challenge with regard to the interdisciplinary nature of research is to overcome barriers of terminology and differing methodologies and to design systems that will accommodate the needs of researchers who must go outside their principal disciplines. This includes implementing database and retrieval methods as well as techniques to help researchers ask the right questions to solve interdisciplinary problems.

Overview

For almost half a century, DoD elements have relied on DTIC as their primary source of accumulated scientific, technical, and study information that has been funded by DoD. DTIC continues to carry out efforts that improve the use of STI and provide the defense community access to excellence through information.

Description of the Reporting Entity

The Technical Information Services business area includes the Defense Technical Information Center (DTIC) and the Information Analysis Centers (IACs). The Technical Information Services Business area is a component of the Under Secretary of Defense for Acquisition and Technology, Office of the Director for Defense Research and Engineering.

In FY 1992 - FY 1994, DTIC/IACs were resourced in the Defense Business Operations Fund (DBOF) and funding was provided entirely from its customers (Army, Navy, Air Force, other Defense Agencies). In FY 1995, the program was removed from DBOF and resources are provided through the Research, Development, Test and Evaluation (RDT&E) appropriated funding as well as customer reimbursements. DTIC's current hiring ceiling is 406 workyears.

DTIC is the secondary distribution sources for Department of Defense (DoD) current and legacy scientific and technical information and serves as an intermediary and consultant to the DoD community for the implementation of new information technologies and delivery of information to end-users. It provides access to Scientific, Technical and Acquisition information primarily to the DoD community in order to enhance program management decision making. DTIC's role is to ensure that all significant scientific or technological observations, findings, recommendations and results derived from DoD endeavors are accessible to authorized users. DTIC is the central point within the DoD for acquiring, storing, retrieving and disseminating Scientific and Technical Information (STI) to support the management and conduct of the DoD research, development, engineering, acquisition, planning, and studies programs as well as direct support of the Under Secretary of Defense for Acquisition and Technology (USD(A&T)) staff.

DTIC currently serves 3,617 organizations located in the U.S. and overseas. DTIC's main facility is located at Fort Belvoir, Virginia. DTIC's four regional offices and MATRIS office currently serve localized communities and special research interest. The sites include:

- Midwestern Regional Office at Dayton, Wright-Patterson AFB, OH
- Northeastern Regional Office at Boston, Hanscom AFB, MA
- Western Regional Office at Los Angeles, El Segundo, CA
- Southwestern Regional Office at Albuquerque, Kirtland AFB, NM
- Manpower and Training Research Information System (MATRIS) located in San Diego, CA

The MATRIS Office provides access to a specialized DTIC database designed and developed to support the Manpower, Personnel, Training and Simulation devices, human factors and safety (MPTS) research and development community.

DTIC services are available to DoD and its contractors and to other U.S. Government organizations and their contractors. Organizations may also become eligible for services under the Potential Defense Contractors Program, the Historically Black Colleges and Universities Program, the University Research Initiative, and the Small Business Innovation Research Program. Services are not usually available to the general public.

In many instances, contributors to DTIC are also users of DTIC. DTIC acquires documents and nonprint products generated by the DoD or relevant to its mission. Among the information DTIC receives are technical reports; technical notes; technical memoranda; bibliographies, documents relating to planned, ongoing, and completed Research, Development, Test and Evaluation (RDT&E); software, data files, and videotapes.

DTIC acquires management data on both Government and contractor-supported efforts for inclusion in the Work Unit and Independent Research and Development databases; furnishes customized subscription products; provides on-line connection services to other Federal, foreign and domestic commercial databases; supplies technical reports, bibliographies, and referrals; and provides access to specialized DoD centers of expertise and information.

Within the Defense Department, DTIC administratively manages and controls funding for 15 contractor-operated IACs. Each IAC is devoted to a particular technology area and maintains a staff of subject experts to provide in-depth analysis services and creates specialized technical information products. The IACs are research organizations chartered by OSD to collect, analyze, synthesize and disseminate scientific and technical information on a worldwide basis to help DoD activities fulfill their respective missions. These IACs provide users with access to specialized reference services and subject matter experts. They support exchange of information among scientists, engineers, and practitioners of disciplines within the scope of the IAC.

The IACs make unique contributions to DoD by addressing the technical bases for operational problems as well as identifying and assessing potential DoD applications of commercial products and technologies.

The IACs products and services include handbooks, databooks, announcement abstracts and indices, state-of-the-art reports, special studies and tasks, technology assessments, conference proceedings, special analysis and evaluation reports, bibliographies and technical inquiries/referrals.

Program Performance Measures

Effective FY 1995, DTIC was removed from DBOF and was funded in the RDT&E appropriation; therefore, reported program performance measures for 1995 are not required in this report.

Overview

Financial Management Issues of the 90's

Efficient access to information is critical for all parts of the American economy. Part of DTIC's challenge for the future is to aid our customers in exploiting information potential. With the exceedingly rapid expansion in the availability of information and data sources and because of its availability through electronic networks, it is vital that the information consumer be given assistance in pulling an information "gold nugget" from the rushing stream. DTIC's forerunning challenge is to provide this assistance. In order to meet this challenge DTIC's objectives, especially in these times of diminishing resources, are to make ourselves as effective and efficient as possible. Effective for our customers and efficient in our operations.

DTIC's Corporate thrusts for meeting our future challenges of the 90's (as published in the FY 94-96 business plan) include:

- Improving our understanding of our customers
- Harmonizing ourselves with our community
- Increasing user-friendliness and information literacy
- Overcoming Administrative Barriers
- Analyzing and Synthesizing Information
- Supporting Strategic Information Initiatives such as:
 - Electronic storage of full text, compound documents
 - Exploiting the information superhighway
 - Exploiting Hypertext/Hydermedia to improve usefulness of information

Limitation of the Financial Statements

The financial statements have been prepared to report the financial position and results of operations for the entity, pursuant to the requirements of the CFO Act of 1990.

While the statements have been prepared from the books and records of the entity, in accordance with the formats prescribed by the OMB, the statements are different from the financial statements used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a sovereign entity, that unfunded liabilities reported in the financial statements cannot be liquidated without the enactment of an appropriation, and that the payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

***DEFENSE TECHNICAL
INFORMATION CENTER***

***DEFENSE BUSINESS
OPERATIONS FUND***

PRINCIPAL STATEMENTS

Principal Statements _____

Principal Statements

**Department of Defense
5P-Technical Information Services
Statement of Financial Position
as of September 30, 1995
(Thousands)**

ASSETS	1995	1994
1. Entity Assets:		
a. Transactions with Federal (Intragovernmental) Entities:		
(1). Fund Balances with Treasury (Note 2)	(\$36,731)	\$8,063
(a) Funds Collected	14,533	70,221
(b) Funds Disbursed	(51,264)	(62,158)
(c) Funds with Treasury		
(2). Investments, Net (Note 4)		
(3). Accounts Receivable, Net (Note 5)	10,578	35,703
(4). Interest Receivable		
(5). Advances and Prepayments	1	10
(6). Other Federal (Intragovernmental) (Note 6)		
b. Transactions with Non-Federal (Governmental) Entities:		
(1). Investments (Note 4)		
(2). Accounts Receivable, Net (Note 5)	0	75
(3). Credit Program Receivables/ Related Foreclosed Property, Net (Note 7)		
(4). Interest Receivable, Net		
(5). Advances and Prepayments		
(6). Other Non-Federal (Governmental) (Note 6)		
c. Cash and Other Monetary Assets (Note 3)		
d. Inventory, Net (Note 8)		
e. Work in Process (Note 9)		
f. Operating Materials/Supplies, Net (Note 10)		
g. Stockpile Materials, Net (Note 11)		
h. Seized Property (Note 12)		
i. Forfeited Property, Net (Note 13)		
j. Goods Held Under Price Support and Stabilization Programs, Net (Note 14)		
k. Property, Plant and Equipment, Net (Note 15)	7,089	5,569
l. Other Entity Asset		
m. Total Entity Assets	(\$19,063)	\$49,420
2. Non-Entity Assets:		
a. Transactions With Federal (Intragovernmental) Entities:		
(1). Fund Balance with Treasury (Note 2)		
(2). Accounts Receivable, Net (Note 5)		
(3). Interest Receivable, Net		
(4). Other (Note 6)		

Principal Statements

Department of Defense
 5P-Technical Information Services
 Statement of Financial Position
 as of September 30, 1995
 (Thousands)

	1995	1994
Assets Continued		
2. Non-Entity Assets Continued:		
b. Transactions With Non-Federal (Governmental) Entities:		
(1). Accounts Receivable, Net		
(2). Interest Receivable, Net (Note 5)		
(3). Other		
c. Cash and Other Monetary Assets (Note 3)		
d. Other Non-Entity Assets	<u>\$0</u>	<u>\$0</u>
e. Total Non-Entity Assets		
3. Total Assets	<u>(\$19,063)</u>	<u>\$49,420</u>
 LIABILITIES		
4. Liabilities Covered by Budgetary Resources:		
a. Transactions with Federal (Intragovernmental) Entities:		
(1). Accounts Payable	\$89	\$1,079
(2). Interest Payable		
(3). Debt (Note 16)		
(4). Other Federal (Intragovernmental) Liabilities (Note 17)		
b. Transactions with Non-Federal (Governmental) Entities:		
(1). Accounts Payable	(1,480)	33,824
(2). Accrued Payroll and Benefits		
(a). Salaries and Wages	0	345
(b). Annual Accrued Leave		
(c). Severance Pay and Separation Allowance		
(3). Interest Payable		
(4). Liabilities for Loan Guarantees (Note 7)		
(5). Lease Liabilities (Note 18)		
(6). Pensions and Other Actuarial Liabilities (Note 19)		
(7). Other Non-Federal (Governmental) Liabilities (Note 17)		
c. Total Liabilities Covered by Budgetary Resources:	<u>(\$1,391)</u>	<u>\$35,248</u>

Principal Statements

Department of Defense
 5P-Technical Information Services
 Statement of Financial Position
 as of September 30, 1995
 (Thousands)

Liabilities Continued	1995	1994
5. Liabilities not Covered by Budgetary Resources:		
a. Transactions with Federal (Intragovernmental) Entities:		
(1). Accounts Payable		
(2). Debt (Note 16)		
(3). Other Federal (Intragovernmental) Liabilities (Note 17)		
b. Transactions with Non-Federal (Governmental) Entities:		
(1). Accounts Payable		
(2). Debt (Note 16)		
(3). Lease Liabilities (Note 18)		
(4). Pensions and Other Actuarial Liabilities (Note 19)		
(5). Other Non-Federal (Governmental) Liabilities (Note 17)		1,110
c. Total Liabilities not covered by Budgetary Resources	\$0	\$1,110
6. Total Liabilities	(\$1,391)	\$36,358
NET POSITION (Note 20)		
7. Balances:		
a. Unexpended Appropriations		
b. Invested Capital	4,070	\$3,569
c. Cumulative Results of Operations	(5,570)	18,712
d. Other	(16,172)	(8,109)
e. Future Funding Requirements		(1,110)
f. Total Net Position	(\$17,672)	\$13,062
8. Total Liabilities and Net Position	(\$19,063)	\$49,420

Principal Statements

Department of Defense
 5P-Technical Information Services
 Statement of Operations (and Changes in Net Position)
 For Period Ended September 30, 1995
 (Thousands)

	1995	1994
REVENUES AND FINANCING SOURCES		
1. Appropriated Capital Used		
2. Revenues from Sales of Goods and Services		
a. To the Public	(10,666)	53,059
b. Intragovernmental		
3. Interest and Penalties, Non-Federal		
4. Interest, Federal		
5. Taxes (Note 21)		
6. Other Revenues and Financing Sources (Note 22)		
7. Less: Taxes and Receipts Transferred to the Treasury or Other Agencies	<u>(10,666)</u>	<u>\$53,059</u>
8. Total Revenues and Financing Sources		
EXPENSES		
9. Program or Operating Expenses (Note 23)		
10. Cost of Goods Sold (Note 24)		
a. To the Public	11,703	77,054
b. Intragovernmental	1,913	1,495
11. Depreciation and Amortization		
12. Bad Debts and Write-offs		
13. Interest		
a. Federal Financing Bank/Treasury Borrowing		
b. Federal Securities		
c. Other	<u>(1,110)</u>	
14. Other Expenses (Note 25)	<u>\$12,506</u>	<u>\$78,549</u>
15. Total Expenses		
16. Excess (Shortage) of Revenues and Financing Sources Over Total Expenses Before Extraordinary Items	(23,172)	(25,409)
17. Plus (Minus) Extraordinary Items (Note 26)		
18. Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	<u>(23,172)</u>	<u>(25,409)</u>

Principal Statements

Department of Defense
5P-Technical Information Services
Statement of Operations (and Changes in Net Position)
For Period Ended September 30, 1995
(Thousands)

EXPENSES Continued	1995	1994
19. Net Position, Beginning Balance, as Previously Stated	\$13,062	\$43,173
20. Adjustments (Note 27)	<u>0</u>	<u>11</u>
21. Net Position, Beginning Balance, as Restated	\$13,062	\$43,184
22. Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	(\$23,172)	(\$25,490)
23. Plus (Minus) Non Operating Changes (Note 28)	(\$7,562)	(\$4,632)
24. Net Position, Ending Balance	<u><u>(\$17,672)</u></u>	<u><u>\$13,062</u></u>

Principal Statements

Department of Defense
 5P-Defense Technical Information Services
 Statement of Cash Flows
 as of September 30, 1995

(Thousands)	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	<u>(\$23,172)</u>	<u>(\$25,490)</u>
Adjustments affecting Cash Flow:		
2. Appropriations Capital Used	\$0	\$0
3. Decrease (Increase) in Accounts Receivable	25,198	17,162
4. Decrease (Increase) in Other Assets	10	(38)
5. Increase (Decrease) in Accounts Payable	(36,294)	17,136
6. Increase (Decrease) in Other Liabilities	(344)	94
7. Depreciation and Amortization	1,913	1,495
8. Other Unfunded Expenses	(1,110)	127
9. Other Adjustments	<u>(65)</u>	<u>(65)</u>
10. Total Adjustments	<u>(\$10,627)</u>	<u>\$35,911</u>
11. Net Cash Provided (Used) by Operating Activities	<u>(\$33,799)</u>	<u>10,421</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
12. Sales of Property, Plant and Equipment	\$0	\$0
13. Purchase of Property, Plant and Equipment	(2,932)	(2,358)
14. Sale of Securities	0	0
15. Purchases of Securities	0	0
16. Collection of Loans Receivable	0	0
17. Creation of Loans Receivable	0	0
18. Other Investing Cash Provided (Used)	<u>0</u>	<u>0</u>
19. Net Cash Provided (Used) by Investing Activities	<u>(\$2,932)</u>	<u>(\$2,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
20. Appropriations (Current Warrants)	\$0	\$0
21. Add:		
a. Restorations	0	0
b. Transfers of Cash from Others	0	0
22. Deduct:		
a. Withdrawals	0	0
b. Transfers of Cash to Others	8,063	6,213
23. Net Appropriations	<u>(\$8,063)</u>	<u>(\$6,213)</u>

Principal Statements

Department of Defense
5P-Defense Technical Information Services
Statement of Cash Flows
as of September 30, 1995

(Thousands)

CASH FLOWS FROM FINANCING ACTIVITIES continued	1995	1994
24. Borrowing from the Public	\$0	\$0
25. Repayments on Loans to the Public	0	0
26. Borrowing from the Treasury and the Federal Financing Bank	0	0
27. Repayments on Loans from the Treasury and the Federal Financing Bank	0	0
28. Other Borrowings and Repayments	0	0
29. Net Cash Provided (Used) by Financing Activities	(\$8,063)	(\$6,213)
30. Net Cash Provided (Used) by Operating, Investing and Financing Activities	(\$44,794)	\$1,850
31. Fund Balance with Treasury, Cash, and Foreign Currency, Beginning	<u>\$8,063</u>	<u>\$6,213</u>
32. Fund Balance with Treasury, Cash, and Foreign Currency, Ending	<u>(\$36,731)</u>	<u>\$8,063</u>

Supplemental Disclosure of Cash Flow Information

	1995	1994
33. Total Interest Paid	\$0	\$0

Supplemental Schedule of Financing and Investing Activity:

	1995	1994
34. Property and Equipment Acquired Under Capital Lease Obligations	\$0	\$0
35. Property Acquired Under Long-term Financing Arrangements	\$0	\$0
36. Other Exchanges of Noncash Assets or Liabilities	\$0	\$0

Principal Statements

***DEFENSE TECHNICAL
INFORMATION CENTER***

***DEFENSE BUSINESS
OPERATIONS FUND***

***FOOTNOTES
TO THE
PRINCIPAL STATEMENTS***

Footnotes

**DEFENSE BUSINESS OPERATIONS FUND
NOTES TO THE TECHNICAL INFORMATION SERVICES
PRINCIPAL STATEMENTS**

Note 1. Significant Accounting Policies:

A. Basis of Presentation:

These financial statements have been prepared to report the financial position and results of operations of the Department of Defense (DoD), as required by the Chief Financial Officers Act of 1990. They have been prepared from the books and records of the Department in accordance with DoD Guidance on Form and Content of Financial Statements for FY 1994/1995 Financial Activity (as adopted from OMB Bulletin No. 94-01 of November 16, 1993, "Form and Content of Agency Financial Statements") and DoD's accounting policies which are summarized in this note. These statements, therefore, are different from the financial reports, also prepared by the DoD pursuant to OMB directives, that are used to monitor and control DoD's use of budgetary resources.

B. Reporting Entity:

The Technical Information Services business area consists of the Defense Technical Information Center and the Information Analysis Centers (IACs). The Defense Technical Information Center is the central point within the Department of Defense for acquiring, storing, retrieving and disseminating scientific and technical information to support the management and conduct of DoD research, development, engineering, acquisition, planning, and studies programs.

The Information Analysis Centers are research organizations chartered by OSD to collect, analyze, synthesize, and disseminate worldwide scientific and technical information in specialized fields and to promote standardization within these fields. There are 15 IACs which are staffed with subject experts to provide in-depth analysis services and create specialized technical information products.

The Technical Information Services business area is a component of the Office of the Under Secretary of Defense for Acquisition and Technology, Office of the Director for Defense Research and Engineering.

In FY 1994 this mission was funded through the Defense Business Operations Fund (DBOF). The appropriation symbol was 97X4930.5P. In FY 1995 it converted back to RDT&E appropriation (See Note 30).

Footnotes

C. Budgets and Budgetary Accounting:

DTIC's DBOF operating budget consisted of four lines: Primary Products and Services; Research and Development (R&D); Research, Development and Acquisition (RD&A); and Information Analysis Centers (IACs). The R&D, RD&A, and IAC operating budgets are a set dollar amount that cannot be exceeded. The Primary Products and Services authority is not a set amount and was earned through workunits. Primary Products and Services authority equals DTIC workunits times unit cost. This authority increased or decreased parallel with workunits.

This business area also received a capital budget that provided the obligation authority for investment items, (such as the purchase of equipment, ADP, and telecommunications) with a purchase price of \$50,000 or greater and with an expect life of greater than two years.

D. Basis of Accounting:

Transactions are recorded on an accrual basis and on a budgetary basis. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred rather than when paid. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal Funds.

E. Revenues and Other Financing Sources:

Revenues and financing sources for this DBOF business consisted of proceeds from the sale of services to its customers. DTIC services are available to DoD and its contractors and to other U.S. Government organizations and their contractors. Others register for DTIC services under the Potential Defense Contractors Program, the Historically Black Colleges and Universities Program, the University Research Initiative, and the Small Business Innovation Research Program. During FY 1994, the Technical Information Services business area was not fully reimbursed for services provided to the Department of the Army and to Defense Agencies: -\$9.7M. Army and -\$7.6M, Defense Agencies.

F. Accounting for Intra-Governmental Activities:

DTIC, as a component of the DoD and an entity of the Federal Government, interacts with, and is dependent upon, other financial activities of the government as a whole. therefore, these financial statements do no reflect the results of all financial decisions applicable to the business area as though it was a stand alone entity.

G. Funds with the U.S. Treasury and Cash:

DBOF business areas do not maintain nor manage cash. All DBOF cash is maintained at the appropriation level. Cash receipts and disbursements are processed by the Treasury, and the balance with the Treasury only represents the impact on DBOF (appropriation level) cash.

I. Accounts Receivable:

As presented in the consolidated statement of financial position, accounts receivable include accounts, claims, and refund receivable and advance payments to other entities.

M. Property and Equipment:

This business area capitalizes equipment according to DBOF policy, when the following criteria are met:

- a. Acquisition cost, book value, or when applicable, an estimated fair market value is \$50,000 or more.
- b. estimated useful life is two years or more.

Capital assets/equipment in the Technical Information Services business are accounted for in the Appropriation Accounting Subsystem of DBMS (Defense Business Management System). Capital assets are reported at their net book value, i.e., the acquisition cost less any accumulated depreciation. The acquisition cost includes all the costs necessary to put the asset in place and in the form in which it will be used. Depreciation is recorded on a straight-line basis. The capital assets for this business area includes such items as APDE, telecommunications, and equipment replacement (See Note 15).

DTIC does not have any real property

N. Prepaid and Deferred Charges:

Payments in advance of the receipt of goods and services are recorded as prepaid charges and reported on lines 1.a.(5) of the Statement of Financial Position at the time of prepayment and recognized as expenditures and expenses when the related goods and services are received.

R. Equity:

Equity consists of invested capital, cumulative results of operations, and unexpended appropriations less unfunded liabilities. Invested capital, as presented in the consolidated Statement of Financial Position, represents the value of DTIC's capital assets are reported as average or actual costs. Increases to invested capital are recorded when capital assets are acquired. Decreases occur as capital assets are depreciated or consumed in operations, or when average costs are decreased.

Cumulative results of operations for working capital funds represents the excess of revenues over expenses since fund inception, less refunds to consumers and returns to the U.S. Treasury.

Footnotes

Unexpended appropriations represents amounts of authority which are unobligated and have not been rescinded or withdrawn, and amounts obligated but for which neither legal liabilities for payments have been incurred nor actual payment made.

V. Restatement of Prior Year Principal Statements:

The Statement of Financial Position, Statement of Operations and Changes in Financial Position and Statement of Cash Flows for FY 1994/1995 have been restated to permit the preparation of comparative statements due to significant changes in reporting requirements by the Office of Management and Budget.

W. Undelivered Orders:

This business area is obligated for goods and services that have been ordered but not yet received (undelivered orders). Total gross undelivered orders amounted to \$12,321 as of September 30, 1995. Undelivered orders amount is high due to posting backlog at DFAS-CO of Transactions by Other (TBO) vouchers.

Note 2. Fund Balances with Treasury:

A. Business Operations Fund (DoD Comptroller) and All Other Funds and Accounts:

	-Entity Assets				Total
	Trust Funds	Revolv- ing Funds	Appro- priated Funds	Other Fund Types	
Unobligated Balance Available:					
Available	0	0	0	0	0
Restricted	0	0	0	0	0
Reserve For Anticipated Resources	0	0	0	0	0
Obligated (but not expenses)	0	0	0	0	0
Unfunded Contract Authority	0	0	0	0	0
Unused Borrowing Authority	0	0	0	0	0
Treasury Balance	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

B. Business Operations Fund Activities Below DoD Comptroller Level:

	----- Funds Collected -----	Entity Assets	----- Funds Disbursed -----
Beginning Balance	70,221		62,158
Transfers of Cash to Others	(70,221)		(62,158)
Transfers of Cash from Others	0		0
Funds Collected	14,533		0
Funds Disbursed	0		51,264
Ending Balance	14,533		51,264
	=====		=====

C. Business Operations Fund Activities and All Other Funds and Accounts:

	-----NonEntity Assets-----		-----
	Funds Collected -----		Funds Disbursed -----
Beginning Balance	0		0
Funds Collected	0		0
Funds Disbursed	0		0
Ending Balance	N/A		N/A
	=====		=====

D. Other Information: Based on an overstatement of collections for FY 94 consisting of an Army document in the amount of \$5,480 for 5P01 that was a reverse collection, not a true collection and a decrease of \$250 to 5P02 the collections have been adjusted in FY 95 by \$11,210 for that overstatement. Also due to an error in collection reporting for FY 92, an adjustment was made in August 1995 in the amount of \$12,381 on 5P01 and \$3,503 on 5P02.

Footnotes

Note 5. Accounts Receivable:

	(1) Gross Amount Due	(2) Allowance For Estimated Uncollectibles	(3) Allowance Method Used	(4) Net Amount Due
	-----	-----	-----	-----
A. Entity Receivables:				
Intragovernmental	10,578	0	-----	10,578
Governmental	0	0	-----	0
B. Non-Entity Receivables:				
Intragovernmental	0	0	-----	0
Governmental	0	0	-----	0

C. Other Information: Adjusted by \$6,000 due to Cashbook Collections versus General Ledger Trial Balance Collections. This also explains the huge adjustment to Accts Receivables based on NOTE 2D.

Note 15. Property, Plant and Equipment, Net:

	(1)	(2)	(3)	(4)	(5)
	Depreci- ation Method*	Service Life*	Acquisition Value	Accumulated Depreciation	Net Book Value
	-----	-----	-----	-----	-----
Classes of Fixed Assets					
A. Land			0		0
B. Structures, Facilities, & Leasehold Improvements	-----	-----	0	0	0
C. Military Equipment	-----	-----	0	0	0
D. ADP Software	-----	-----	0	0	0
E. Equipment	SL	6 - 10	12,387	5,298	7,089
F. Assets Under Capital Lease	-----	-----	0	0	0
G. Other	-----	-----	0	0	0
H. Natural Resources	-----	-----	0		0
I. Construction in Progress	-----	-----	0		0
			-----	-----	-----
Total			12,387	5,298	7,089
			=====	=====	=====

* Keys:

Depreciation Methods

SL - Straight Line

DD - Double-Declining Balance

SY - Sum of the Years' Digits

IN - Interest (sinking fund)

PR - Production (activity or use method)

OT - Other (describe)

Range of service Life

1-5 - 1 to 5 years

6-10 - 6 to 10 years

11-20 - 11 to 20 years

>20 - Over 20 years

Footnotes

Note 20. Net Position:

	Revolving Funds	Trust Funds	Appropriated Funds	Total
	-----	-----	-----	-----
A. Unexpended Appropriations:				
(1) Unobligated,				
a. Available	0	0	0	0
b. Unavailable	0	0	0	0
(2) Undelivered Orders	0	0	0	0
B. Invested Capital:	4,070	0	0	4,070
C. Cumulative Results of Operations:	(5,570)	0	0	(5,570)
D. Other	(16,172)	0	0	(16,172)
E. Future Funding Requirements	0	0	0	0
	-----	-----	-----	-----
F. Total	(17,672)	0	0	(17,672)

G. Other Information: Unobligated cannot be determined by available or unavailable.

Note 24. Cost of Goods and Services Sold:

A. Cost of Services Sold:	<u>1995</u>
(1) Beginning Work-in-Process	0
(2) Plus: Operating Expenses	11,703
(3) Minus: Ending Work-in-Process	0
(4) Minus: Completed Work for Activity Retention	0

Cost of Services Sold	11,703

B. Cost of Material Sold from Inventory:

(1) Beginning Inventory L.A.C.	<u>1995</u>
(a) Plus: Purchases at Cost	0
(b) Less: Beginning Allowance for Holding Gains/Losses	0
(c) Plus: Inventory Gains	0
(d) Minus: Inventory Losses	0
(2) Less: Ending Inventory L.A.C.	0
Plus: Ending Allowance for Holding Gains/Losses	0
(3) Plus Operating Expenses	0

Cost of Goods Sold	11,703
	=====

Note 25. Other Expenses:

	<u>1995</u>	<u>1994</u>
A. Other Expenses:		
(1) Unfunded A/L Prior Year	(1,110)	0
(2)	0	0
(3)	0	0
	-----	-----
Total	(1,110)	N/A
	=====	=====

B. Other Information: Prior year unfunded was shown annual leave was shown last year as Note 24 (cost of 1 leave was shown last year under operating expenses, not other expenses, this year it has been shown separately).

Note 27. Prior Period Adjustments:

	<u>1995</u>	<u>1994</u>
A. Prior Period Adjustments:		
(1) Prior Year Expense Adj.	0	11
(2)	0	0
(3)	0	0
	-----	-----
Total	0	11
	=====	=====

B. Other Information:

Note 28. Non-Operating Changes - (Transfers and Donations):

	<u>1994/5</u>	<u>1993/4</u>
A. Increases:		
(1) Transfers-In:		
(a) _____	0	0
(b) _____	0	0
(c) _____	0	0
(2) Donations Received	0	0
(3) Other Increases	0	0
	-----	-----
(4) Total Increases	N/A	N/A
	=====	=====

Footnotes

	1995	1994
	-----	-----
B. Decreases:		
(1) Transfers-Out:		
(a)GLAC 310 Capital Assets	4,070	3,569
(b)GLAC 310 prior year balances	(3,569)	(1,988)
(c)prior year fund balance transfer	(8,063)	(6,213)
(2) Donations	0	0
(3) Other Decreases	0	0
	-----	-----
(4) Total Decreases	(7,562)	(4,632)
	=====	=====
C. Net Non-Operating Changes (Transfers):	(7,562)	(4,632)
	=====	=====

Note 30. Other Disclosures:

Effective in FY 1995, The DBOF Improvement Plan moved Technical Information Services from the Defense Business Operations Fund (DBOF) to the Research, Development, Test and Evaluation Appropriation. The Improvement Plan removed DTIC/IACs from the DBOF because it was decided that it was in the best interest of DoD to disseminate DTIC's products at minimal cost in order to maintain the maximum use of the services available.

Note 31. Disbursement Disclosures:

	<u>1995</u>
Unmatched Disbursement September 1995	(7,806)
Aged In-Transit Disbursements September 1995	(255)

Line 30C 1307	(8,061)

No information available for September 1994 at this time

Footnotes 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 21, 22, 23, 26, and 29 are not applicable to the Certified Financial Statements for Defense Technical Information Center.