

SUPPLEMENT

Section VI

USSGL Crosswalk - Reclassified Balance Sheet

Line No.	USSGL Acct.	USSGL Account Title	Begin/End	Fed/NonFed	Fund Type	Reporting Type Code	DOD GTAS	FR	Others GTAS	FR
2.400		Inventories and related property, net					255,289,848,855.52	255,300,000,000.00	59,026,190,432.52	59,000,000,000.00
This lines is calculated. Equals Sum of line 2.401 through 2.412										
2.401		Inventory purchased for resale								
2.401	152100	Inventory Purchased for Resale	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	60,836,966,470.33	61,900,000,000.00	364,810,424.63	500,000,000.00
2.402		Inventory held in reserve for future sale to the public								
2.402	152200	Inventory Held in Reserve for Future Sale	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	1,040,210,453.33	0.00	20,761,065.80	
2.403		Inventory and operating materials and supplies held for repair								
2.403	151400	Operating Materials and Supplies Held for Repair	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	88,060,007,449.58	88,100,000,000.00	1,218,735,612.73	1,200,000,000.00
2.403	152300	Inventory Held for Repair	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.404		Inventory - excess, obsolete, and unserviceable								
2.404	152400	Inventory - Excess, Obsolete, and Unserviceable	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	1,087,282,827.50	1,100,000,000.00	23,830,114.80	0.00
2.405		Operating materials and supplies held for use								
2.405	151100	Operating Materials and Supplies Held for Use	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	90,641,359,869.69	105,000,000,000.00	3,430,649,326.18	3,500,000,000.00
2.406		Operating materials and supplies held in reserve for future use								
2.406	151200	Operating Materials and Supplies Held in Reserve for Future Use	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	14,343,612,522.97	0.00	144,181,080.80	200,000,000.00
2.407		Operating materials and supplies excess, obsolete, and unserviceable								
2.407	151300	Operating Materials and Supplies - Excess, Obsolete, and Unserviceable	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	2,149,565,586.78	2,100,000,000.00	24,833,448.20	0.00
2.408		Stockpile materials								
2.408	157100	Stockpile Materials Held in Reserve	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	1,148,588,173.60	1,100,000,000.00	47,259,870,556.14	47,300,000,000.00
2.409		Stockpile materials held for sale								
2.409	157200	Stockpile Materials Held for Sale	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	4,245,676.53	0.00	5,623,643,932.00	5,600,000,000.00
2.410		Forfeited property								
2.410	154100	Forfeited Property Held for Sale	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	0.00		215,999,463.88	part of below
2.410	154200	Forfeited Property Held for Donation or Use	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.411		Other related property								
2.411	152500	Inventory - Raw Materials	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	2,344,847,750.27	2,400,000,000.00	1,185,009,393.28	1,200,000,000.00
2.411	152600	Inventory - Work-in-Process	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.411	152700	Inventory - Finished Goods	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.411	156100	Commodities Held Under Price Support and Stabilization Support Programs	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.411	159100	Other Related Property	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.412		Total allowance for inventories and related property								
2.412	151900	Operating Materials and Supplies - Allowance	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U	-6,366,707,925.06	-6,400,000,000.00	-486,133,985.92	-500,000,000.00
2.412	152900	Inventory - Allowance	E		CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.412	154900	Forfeited Property - Allowance	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.412	156900	Commodities - Allowance	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				
2.412	159900	Other Related Property - Allowance	E	N	CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/U				

## Note 5. Inventories and Related Property, Net

### Inventories and Related Property, Net as of September 30, 2016, and 2015

(In billions of dollars)	All			All		
	Defense	Others	Total	Defense	Others	Total
	2016			2015		
Inventory purchased for resale .....	61.9	0.5	62.4	61.3	0.4	61.7
Inventory and operating material and supplies held for repair.....	88.1	1.2	89.3	79.6	1.5	81.1
Inventory—excess, obsolete, and unserviceable .....	1.1	-	1.1	1.4	-	1.4
Operating materials and supplies held for use .....	105.0	3.5	108.5	121.9	3.5	125.4
Operating materials and supplies held in reserve for future use .....	-	0.2	0.2	-	0.2	0.2
Operating materials and supplies—excess, obsolete, and unserviceable .....	2.1	-	2.1	2.0	-	2.0
Stockpile materials held in reserve for future use.....	1.1	47.3	48.4	0.4	52.8	53.2
Stockpile materials held for sale .....	-	5.6	5.6	-	-	-
Other related property .....	2.5	1.2	3.6	1.5	1.1	2.6
Allowance for loss .....	(6.4)	(0.5)	(6.9)	(6.4)	(0.6)	(7.0)
Total inventories and related property, net.....	55.3	59.0	314.3	261.7	58.9	320.6

Inventory purchased for resale is the cost or value of tangible personal property purchased by an agency for resale. As of September 30, 2016, DOD values approximately 98 percent of its resale inventory using the moving average cost (MAC) method. DOD reports the remaining 2 percent of resale inventories at an approximation of historical cost using LAC adjusted for holding gains and losses. The LAC method is used because DOD's legacy inventory systems do not maintain historical cost data. DOD improved its capability to distinguish between held for use and held for repair for operating materials and supplies which resulted in an increase for inventory and operating material and supplies held for repair, and a decrease for operating materials and supplies held for use for fiscal year 2016. Please refer to the individual financial statements of DOD for significant detailed information regarding its inventories.

Inventory and operating materials and supplies held for repair are damaged inventory that require repair to make them suitable for sale (inventory) or is more economical to repair than to dispose of (operating materials and supplies). Excess, obsolete, and unserviceable inventory is reported at net realizable value. Inventory—excess, obsolete, and unserviceable consists of:

- Excess inventory that exceeds the demand expected in the normal course of operations and which does not meet management's criteria to be held in reserve for future sale.
- Obsolete inventory that is no longer needed due to changes in technology, laws, customs, or operations.
- Unserviceable inventory that is damaged beyond economic repair.

Operating materials and supplies held for use are tangible personal property to be consumed in normal operations.

Operating materials and supplies held in reserve for future use are materials retained because they are not readily available in the market or because they will not be used in the normal course of operations, but there is more than a remote chance they will eventually be needed. DOD, which accounts for most of the reported operating materials and supplies held for use, uses LAC and MAC, and expenses a significant amount when purchased instead of when consumed.

Operating materials and supplies—excess, obsolete, and unserviceable consists of: