

Note 18. Advances from Others and Deferred Revenue

Advances from Others and Deferred Revenue as of September 30, 2021, and 2020

(In billions of dollars)

	2021	2020
Security Assistance Accounts	125.7	100.2
Department of Energy	48.8	47.1
All other	27.5	26.9
Total advances from others and deferred revenue	<u>202.0</u>	<u>174.2</u>

In FY 2021, the presentation for advances from others and deferred revenue was modified to present the line item separately on the Balance Sheet. The FY 2020 presentation was modified to conform to the FY 2021 presentation. Advances from others and deferred revenue consists of payments received in advance of performance of activities for which revenue has not been earned and other deferred revenue or income received but not yet earned not otherwise classified as advances or repayments. Some examples include deferred project revenue funded in advance, funds received in advance under the terms of a settlement agreement, prepaid postage, and unearned fees, assessments, and surcharges.

SAA contracts authorize progress payments based on cost and increased to \$125.7 billion during FY 2021, compared to \$100.2 billion in FY 2020. This increase was due to improved financial reporting from a large Navy case management system. In accordance with contract terms, specific rights to the contractors' work vest when a specific type of contract financing payment is made. Due to the probability the contractors will complete their efforts and deliver satisfactory products, and because the amount of potential future payments are estimable, the SAA has recognized a contingent liability for estimated future payments which are conditional pending delivery and government acceptance.

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