**Note 6 – Inventory**

Our inventory consisted of the following (in millions):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **September 30,** | |  |  | **December 31,** | |  |
|  |  | **{{ cur\_year }}** | |  |  | **{{ prior\_year }}** | |  |
| Raw materials |  | $ | {{ cyr }} |  |  | $ | {{ pyr }} |  |
| Work in process |  |  | {{ cyw }} |  |  |  | {{ pyw }} |  |
| Finished goods |  |  | {{ cyf }} |  |  |  | {{ pyf }} |  |
| Service parts |  |  | {{ cys }} |  |  |  | {{ pys }} |  |
| Total |  | $ | {{ cyt }} |  |  | $ | {{ pyt }} |  |

Finished goods inventory included vehicles in transit to fulfill customer orders, new vehicles available for immediate sale at our retail and service center locations, used vehicles and energy storage products.

For solar energy systems, we commence transferring component parts from inventory to construction in progress, a component of solar energy systems, once a lease contract with a customer has been executed and installation has been initiated. Additional costs incurred on the leased systems, including labor and overhead, are recorded within construction in progress.

We write-down inventory for any excess or obsolete inventories or when we believe that the net realizable value of inventories is less than the carrying value. During the three and nine months ended September 30, {{ cur\_year }}, we recorded write-downs of ${{ cy\_wd\_3 }} million and ${{ cy\_wd\_9 }} million, respectively, in cost of revenues. During the three and nine months ended September 30, {{ prior\_year }}, we recorded write-downs of ${{ py\_wd\_3 }} million and ${{ py\_wd\_9}} million, respectively, in cost of revenues.