

Department of Defense
 Department of the Air Force
CONSOLIDATED BALANCE SHEET
 As of June 30, 2010 and 2009

| | <u>2010 Consolidated</u> | <u>2009 Consolidated</u> |
|---|-------------------------------------|-------------------------------------|
| 1. ASSETS (Note 2) | | |
| A. Intragovernmental: | | |
| 1. Fund Balance with Treasury (Note 3) | \$ 143,275,443,120.70 | \$ 142,001,278,462.03 |
| 2. Investments (Note 4) | 1,081,815.59 | 963,734.21 |
| 3. Accounts Receivable (Note 5) | 288,044,916.48 | 115,656,875.15 |
| 4. Other Assets (Note 6) | 106,132,476.69 | 302,889,109.11 |
| 5. Total Intragovernmental Assets | <u>\$ 143,670,702,329.46</u> | <u>\$ 142,420,788,180.50</u> |
| B. Cash and Other Monetary Assets (Note 7) | \$ 100,197,663.93 | \$ 91,789,594.73 |
| C. Accounts Receivable, Net (Note 5) | 497,029,480.69 | 495,944,417.32 |
| E. Inventory and Related Property, Net (Note 9) | 49,476,905,982.31 | 47,325,378,867.75 |
| F. General Property, Plant and Equipment, Net (Note 10) | 149,092,008,417.67 | 155,795,244,153.55 |
| H. Other Assets (Note 6) | 11,586,767,464.40 | 12,071,389,333.53 |
| 2. TOTAL ASSETS | <u><u>\$ 354,423,611,338.46</u></u> | <u><u>\$ 358,200,534,547.38</u></u> |
| 3. STEWARDSHIP PROPERTY, PLANT & EQUIPMENT (Note 10) | | |
| 4. LIABILITIES (Note 11) | | |
| A. Intragovernmental: | | |
| 1. Accounts Payable (Note 12) | \$ 3,280,215,293.81 | \$ 2,037,135,852.18 |
| 3. Other Liabilities (Note 15 & 16) | 1,866,968,832.34 | 2,027,617,145.96 |
| 4. Total Intragovernmental Liabilities | <u>\$ 5,147,184,126.15</u> | <u>\$ 4,064,752,998.14</u> |
| B. Accounts Payable (Note 12) | \$ 3,560,368,569.28 | \$ 4,300,460,819.35 |
| C. Military Retirement and Other Federal Employment Benefits (Note 17) | 1,076,965,505.67 | 1,161,095,944.95 |
| D. Environmental and Disposal Liabilities (Note 14) | 8,422,278,596.42 | 7,914,254,808.75 |
| F. Other Liabilities (Note 15 & Note 16) | 6,361,701,498.92 | 6,403,172,049.87 |
| 5. TOTAL LIABILITIES | <u>\$ 24,568,498,296.44</u> | <u>\$ 23,843,736,621.06</u> |
| 6. COMMITMENTS AND CONTINGENCIES (NOTE 16) | | |
| 7. NET POSITION | | |
| B. Unexpended Appropriations - Other Funds | 143,981,251,467.09 | 143,724,456,659.20 |
| C. Cumulative Results of Operations - Earmarked Funds | 18,249,025.10 | 10,719,093.52 |
| D. Cumulative Results of Operations - Other Funds | 185,855,612,549.83 | 190,621,622,173.60 |
| 8. TOTAL NET POSITION | <u>\$ 329,855,113,042.02</u> | <u>\$ 334,356,797,926.32</u> |
| 9. TOTAL LIABILITIES AND NET POSITION | <u><u>\$ 354,423,611,338.46</u></u> | <u><u>\$ 358,200,534,547.38</u></u> |

Department of Defense
Department of the Air Force
CONSOLIDATED STATEMENT OF NET COST
For the periods ended June 30, 2010 and 2009

| | <u>2010 Consolidated</u> | <u>2009 Consolidated</u> |
|--|------------------------------|------------------------------|
| 1. Program Costs | | |
| A. Gross Costs | \$ 123,674,941,557.05 | \$ 106,552,348,647.41 |
| Military Personnel | 27,394,029,837.07 | 25,997,084,763.85 |
| Operations, Readiness & Support | 41,857,945,290.68 | 39,105,006,762.77 |
| Procurement | 31,145,085,092.68 | 18,407,578,126.10 |
| Research, Development, Test & Evaluation | 21,950,979,721.82 | 22,609,236,948.46 |
| Family Housing & Military Construction | 1,326,901,614.80 | 433,442,046.23 |
| C. (Less: Earned Revenue) | (3,824,665,428.26) | (4,018,589,020.15) |
| 2. Net Cost of Operations | <u>\$ 119,850,276,128.79</u> | <u>\$ 102,533,759,627.26</u> |

Department of Defense
 Department of the Air Force
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
 For the periods ended June 30, 2010 and 2009

| | <u>2010 Earmarked Funds</u> | <u>2010 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 10,431,960.06 | \$ 184,330,401,881.06 |
| 2. Prior Period Adjustments: | | |
| 2.B. Corrections of errors (+/-) | 0.00 | 0.00 |
| 3. Beginning balances, as adjusted | <u>10,431,960.06</u> | <u>184,330,401,881.06</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 119,591,101,385.67 |
| 4.C. Nonexchange revenue | 1,224,488.60 | 0.00 |
| 4.D. Donations and forfeitures of cash | 9,302,983.80 | 0.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | 129,844,212.50 |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 493,412,640.65 |
| 5.D. Other (+/-) | 0.00 | 1,158,418,151.38 |
| 6. Total Financing Sources | <u>10,527,472.40</u> | <u>121,372,776,390.20</u> |
| 7. Net Cost of Operations (+/-) | <u>2,710,407.36</u> | <u>119,847,565,721.43</u> |
| 8. Net Change | <u>7,817,065.04</u> | <u>1,525,210,668.77</u> |
| 9. Cumulative Results of Operations | <u>18,249,025.10</u> | <u>185,855,612,549.83</u> |
| UNEXPENDED APPROPRIATIONS | | |
| 10. Beginning Balances | \$ 0.00 | \$ 105,252,116,852.76 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>105,252,116,852.76</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 159,726,371,000.00 |
| 13.B. Appropriations transferred-in/out | 0.00 | 101,618,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | (1,507,753,000.00) |
| 13.D. Appropriations used | 0.00 | (119,591,101,385.67) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>38,729,134,614.33</u> |
| 15. Unexpended Appropriations | <u>0.00</u> | <u>143,981,251,467.09</u> |
| 16. Net Position | \$ 18,249,025.10 | \$ 329,836,864,016.92 |

Department of Defense
Department of the Air Force
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the periods ended June 30, 2010 and 2009

| | <u>2010 Eliminations</u> | <u>2010 Consolidated</u> |
|--|--------------------------|---------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 184,340,833,841.12 |
| 2. Prior Period Adjustments: | | |
| 2.B. Corrections of errors (+/-) | 0.00 | 0.00 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>184,340,833,841.12</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 119,591,101,385.67 |
| 4.C. Nonexchange revenue | 0.00 | 1,224,488.60 |
| 4.D. Donations and forfeitures of cash | 0.00 | 9,302,983.80 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | 129,844,212.50 |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 493,412,640.65 |
| 5.D. Other (+/-) | 0.00 | 1,158,418,151.38 |
| 6. Total Financing Sources | <u>0.00</u> | <u>121,383,303,862.60</u> |
| 7. Net Cost of Operations (+/-) | 0.00 | 119,850,276,128.79 |
| 8. Net Change | <u>0.00</u> | <u>1,533,027,733.81</u> |
| 9. Cumulative Results of Operations | 0.00 | 185,873,861,574.93 |
| UNEXPENDED APPROPRIATIONS | | |
| 10. Beginning Balances | \$ 0.00 | \$ 105,252,116,852.76 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>105,252,116,852.76</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 159,726,371,000.00 |
| 13.B. Appropriations transferred-in/out | 0.00 | 101,618,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | (1,507,753,000.00) |
| 13.D. Appropriations used | 0.00 | (119,591,101,385.67) |
| 14. Total Budgetary Financing Sources | 0.00 | 38,729,134,614.33 |
| 15. Unexpended Appropriations | <u>0.00</u> | <u>143,981,251,467.09</u> |
| 16. Net Position | \$ 0.00 | \$ 329,855,113,042.02 |

Department of Defense
 Department of the Air Force
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
 For the periods ended June 30, 2010 and 2009

| | <u>2009 Earmarked Funds</u> | <u>2009 All Other Funds</u> |
|--|-----------------------------|-----------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 5,354,879.21 | \$ 185,017,169,049.93 |
| 2. Prior Period Adjustments: | | |
| 2.B. Corrections of errors (+/-) | 0.00 | 523,052,576.00 |
| 3. Beginning balances, as adjusted | <u>5,354,879.21</u> | <u>185,540,221,625.93</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 110,132,423,134.85 |
| 4.C. Nonexchange revenue | 457,669.31 | 0.00 |
| 4.D. Donations and forfeitures of cash | 7,141,605.34 | 0.00 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (183,365,634.51) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 532,817,964.83 |
| 5.D. Other (+/-) | 0.00 | (2,868,950,350.58) |
| 6. Total Financing Sources | <u>7,599,274.65</u> | <u>107,612,925,114.59</u> |
| 7. Net Cost of Operations (+/-) | <u>2,235,060.34</u> | <u>102,531,524,566.92</u> |
| 8. Net Change | <u>5,364,214.31</u> | <u>5,081,400,547.67</u> |
| 9. Cumulative Results of Operations | <u>10,719,093.52</u> | <u>190,621,622,173.60</u> |
| UNEXPENDED APPROPRIATIONS | | |
| 10. Beginning Balances | \$ 0.00 | \$ 92,171,365,794.05 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>92,171,365,794.05</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 163,967,087,000.00 |
| 13.B. Appropriations transferred-in/out | 0.00 | 353,200,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | (2,634,773,000.00) |
| 13.D. Appropriations used | 0.00 | (110,132,423,134.85) |
| 14. Total Budgetary Financing Sources | <u>0.00</u> | <u>51,553,090,865.15</u> |
| 15. Unexpended Appropriations | <u>0.00</u> | <u>143,724,456,659.20</u> |
| 16. Net Position | \$ 10,719,093.52 | \$ 334,346,078,832.80 |

Department of Defense

Department of the Air Force

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

| | <u>2009 Eliminations</u> | <u>2009 Consolidated</u> |
|--|--------------------------|------------------------------|
| CUMULATIVE RESULTS OF OPERATIONS | | |
| 1. Beginning Balances | \$ 0.00 | \$ 185,022,523,929.14 |
| 2. Prior Period Adjustments: | | |
| 2.B. Corrections of errors (+/-) | 0.00 | 523,052,576.00 |
| 3. Beginning balances, as adjusted | <u>0.00</u> | <u>185,545,576,505.14</u> |
| 4. Budgetary Financing Sources: | | |
| 4.B. Appropriations used | 0.00 | 110,132,423,134.85 |
| 4.C. Nonexchange revenue | 0.00 | 457,669.31 |
| 4.D. Donations and forfeitures of cash | 0.00 | 7,141,605.34 |
| 5. Other Financing Sources: | | |
| 5.B. Transfers-in/out without reimbursement (+/-) | 0.00 | (183,365,634.51) |
| 5.C. Imputed financing from costs absorbed by others | 0.00 | 532,817,964.83 |
| 5.D. Other (+/-) | 0.00 | (2,868,950,350.58) |
| 6. Total Financing Sources | <u>0.00</u> | <u>107,620,524,389.24</u> |
| 7. Net Cost of Operations (+/-) | 0.00 | 102,533,759,627.26 |
| 8. Net Change | <u>0.00</u> | <u>5,086,764,761.98</u> |
| 9. Cumulative Results of Operations | 0.00 | 190,632,341,267.12 |
| UNEXPENDED APPROPRIATIONS | | |
| 10. Beginning Balances | \$ 0.00 | \$ 92,171,365,794.05 |
| 12. Beginning balances, as adjusted | <u>0.00</u> | <u>92,171,365,794.05</u> |
| 13. Budgetary Financing Sources: | | |
| 13.A. Appropriations received | 0.00 | 163,967,087,000.00 |
| 13.B. Appropriations transferred-in/out | 0.00 | 353,200,000.00 |
| 13.C. Other adjustments (rescissions, etc) | 0.00 | (2,634,773,000.00) |
| 13.D. Appropriations used | 0.00 | (110,132,423,134.85) |
| 14. Total Budgetary Financing Sources | 0.00 | 51,553,090,865.15 |
| 15. Unexpended Appropriations | 0.00 | 143,724,456,659.20 |
| 16. Net Position | <u>\$ 0.00</u> | <u>\$ 334,356,797,926.32</u> |

Department of Defense
 Department of the Air Force
COMBINED STATEMENT OF BUDGETARY RESOURCES
 For the periods ended June 30, 2010 and 2009

| | <u>2010 Combined</u> | <u>2009 Combined</u> |
|--|-------------------------------------|-------------------------------------|
| BUDGETARY FINANCING ACCOUNTS | | |
| BUDGETARY RESOURCES: | | |
| 1. Unobligated balance, brought forward, October 1 | \$ 29,211,347,118.08 | \$ 26,676,890,262.94 |
| 2. Recoveries of prior year unpaid obligations | 3,389,850,713.86 | 3,578,873,623.17 |
| 3. Budget authority | | |
| 3.A. Appropriation | 159,736,895,656.11 | 163,975,046,218.49 |
| 3.D. Spending authority from offsetting collections | | |
| 3.D.1 Earned | | |
| 3.D.1.a. Collected | 6,737,015,095.03 | 6,279,684,079.26 |
| 3.D.1.b. Change in receivables from Federal sources | (163,309,353.35) | (187,630,745.93) |
| 3.D.2 Change in unfilled customer orders | | |
| 3.D.2.a. Advance received | 30,346,876.95 | 130,724,652.74 |
| 3.D.2.b. Without advance from Federal sources | 1,534,184,958.09 | 1,648,492,999.48 |
| 3.D.3. Anticipated for rest of year, without advances | 2,778,450,794.44 | 1,914,459,639.40 |
| 3.E. Subtotal | <u>170,653,584,027.27</u> | <u>173,760,776,843.44</u> |
| 4. Nonexpenditure transfers, net, anticipated and actual | 101,618,000.00 | 353,200,000.00 |
| 6. Permanently not available | (1,507,753,000.00) | (2,634,773,000.00) |
| 7. Total Budgetary Resources | <u><u>\$ 201,848,646,859.21</u></u> | <u><u>\$ 201,734,967,729.55</u></u> |

Department of Defense
Department of the Air Force
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the periods ended June 30, 2010 and 2009

| | <u>2010 Combined</u> | <u>2009 Combined</u> |
|---|-------------------------------------|-------------------------------------|
| Status of Budgetary Resources: | | |
| 8. Obligations incurred: | | |
| 8.A. Direct | \$ 118,144,775,607.29 | \$ 120,636,157,772.56 |
| 8.B. Reimbursable | 6,988,941,580.73 | 6,450,353,501.56 |
| 8.C. Subtotal | <u>125,133,717,188.02</u> | <u>127,086,511,274.12</u> |
| 9. Unobligated balance: | | |
| 9.A. Apportioned | 72,154,276,668.87 | 71,024,850,711.75 |
| 9.B. Exempt from apportionment | 12,757,326.03 | 4,641,906.60 |
| 9.C. Subtotal | <u>72,167,033,994.90</u> | <u>71,029,492,618.35</u> |
| 10. Unobligated balance not available | 4,547,895,676.29 | 3,618,963,837.08 |
| 11. Total status of budgetary resources | <u><u>\$ 201,848,646,859.21</u></u> | <u><u>\$ 201,734,967,729.55</u></u> |
| Change in Obligated Balance: | | |
| 12. Obligated balance, net | | |
| 12.A. Unpaid obligations, brought forward, October 1 | \$ 76,097,415,182.12 | \$ 67,813,257,839.74 |
| 12.B. Less: Uncollected customer payments from Federal sources, brought forward, October 1 | (2,457,298,906.89) | (2,051,639,069.15) |
| 12.C. Total unpaid obligated balance | <u>73,640,116,275.23</u> | <u>65,761,618,770.59</u> |
| 13. Obligations incurred net (+/-) | 125,133,717,188.02 | 127,086,511,274.12 |
| 14. Less: Gross outlays | (125,051,475,280.36) | (119,049,872,259.39) |
| 16. Less: Recoveries of prior year unpaid obligations, actual | (3,389,850,713.86) | (3,578,873,623.17) |
| 17. Change in uncollected customer payments from Federal sources (+/-) | (1,370,875,604.74) | (1,460,862,253.55) |
| 18. Obligated balance, net, end of period | | |
| 18.A. Unpaid obligations | 72,789,806,375.92 | 72,271,023,231.30 |
| 18.B. Less: Uncollected customer payments from Federal sources (-) | (3,828,174,511.63) | (3,512,501,322.70) |
| 18.C. Total, unpaid obligated balance, net, end of period | <u>68,961,631,864.29</u> | <u>68,758,521,908.60</u> |
| Net Outlays | | |
| 19. Net Outlays: | | |
| 19.A. Gross outlays | 125,051,475,280.36 | 119,049,872,259.39 |
| 19.B. Less: Offsetting collections | (6,767,361,971.98) | (6,410,408,732.00) |
| 19.C. Less: Distributed Offsetting receipts | 43,603,287.38 | (63,617,165.88) |
| 19.D. Net Outlays | <u><u>\$ 118,327,716,595.76</u></u> | <u><u>\$ 112,575,846,361.51</u></u> |