

# **Consolidating and Combining Financial Statements**

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Department of Defense  
Agency Wide  
**CONSOLIDATING BALANCE SHEET**  
As of September 30, 2004 and 2003  
(\$ in Millions)

	Army General Fund	Navy General Fund	Air Force General Fund
<b>ASSETS (Note 2)</b>			
Intragovernmental:			
Fund Balance with Treasury (Note 3)			
Entity	\$ 89,297.4	\$ 81,874.8	\$ 60,547.7
Non-Entity Seized Iraqi Cash	113.4	0.0	0.0
Non-Entity-Other	137.8	219.1	53.3
Investments (Note 4)	1.5	9.5	0.7
Accounts Receivable (Note 5)	461.8	250.6	690.0
Other Assets (Note 6)	556.4	272.7	443.9
Total Intragovernmental Assets	<u>\$ 90,568.3</u>	<u>\$ 82,626.7</u>	<u>\$ 61,735.6</u>
Cash and Other Monetary Assets (Note 7)	\$ 1,525.1	\$ 234.9	\$ 311.3
Accounts Receivable (Note 5)	492.4	2,896.0	978.9
Loans Receivable (Note 8)	0.0	0.0	0.0
Inventory and Related Property (Note 9)	37,647.7	53,340.7	51,340.2
General Property, Plant and Equipment (Note 10)	113,111.6	151,679.5	117,954.4
Investments (Note 4)	0.0	0.0	0.0
Other Assets (Note 6)	3,351.5	5,000.3	10,809.6
<b>TOTAL ASSETS</b>	<u><u>\$ 246,696.6</u></u>	<u><u>\$ 295,778.1</u></u>	<u><u>\$ 243,130.0</u></u>
<b>LIABILITIES (Note 11)</b>			
Intragovernmental:			
Accounts Payable (Note 12)	\$ 1,706.7	\$ 1,437.6	\$ 1,900.4
Debt (Note 13)	0.0	0.0	0.0
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	2,402.9	3,984.8	1,726.5
Total Intragovernmental Liabilities	<u>\$ 4,109.6</u>	<u>\$ 5,422.4</u>	<u>\$ 3,626.9</u>
Accounts Payable (Note 12)	\$ 9,460.2	\$ 1,395.0	\$ 7,707.2
Military Retirement Benefits and Other Employment-Related	1,632.8	1,575.8	1,163.4
Actuarial Liabilities (Note 17)			
Environmental Liabilities (Note 14)	40,366.2	16,032.0	7,387.2
Loan Guarantee Liability (Note 8)	12.3	0.0	0.0
Other Liabilities (Note 15 and Note 16)	8,669.2	4,020.8	4,602.5
Debt Held by Public	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<u>\$ 64,250.3</u>	<u>\$ 28,446.0</u>	<u>\$ 24,487.2</u>
<b>NET POSITION</b>			
Unexpended Appropriations (Note 18)	\$ 73,238.3	\$ 79,161.8	\$ 49,660.7
Cumulative Results of Operations	109,208.0	188,170.3	168,982.1
<b>TOTAL NET POSITION</b>	<u>\$ 182,446.3</u>	<u>\$ 267,332.1</u>	<u>\$ 218,642.8</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 246,696.6</u></u>	<u><u>\$ 295,778.1</u></u>	<u><u>\$ 243,130.0</u></u>

**Department of Defense**  
**Agency Wide**  
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**(\$ in Millions)**

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>ASSETS (Note 2)</b>			
Intragovernmental:			
Fund Balance with Treasury (Note 3)			
Entity	\$ 948.5	\$ 861.2	\$ 1,051.1
Non-Entity Seized Iraqi Cash	0.0	0.0	0.0
Non-Entity-Other	0.0	0.0	0.0
Investments (Note 4)	0.0	0.0	0.0
Accounts Receivable (Note 5)	444.9	857.6	576.4
Other Assets (Note 6)	0.1	0.0	0.0
<b>Total Intragovernmental Assets</b>	<b>\$ 1,393.5</b>	<b>\$ 1,718.8</b>	<b>\$ 1,627.5</b>
Cash and Other Monetary Assets (Note 7)	0.0	0.0	0.0
Accounts Receivable (Note 5)	13.5	26.2	103.1
Loans Receivable (Note 8)	0.0	0.0	0.0
Inventory and Related Property (Note 9)	13,916.7	19,239.2	21,025.5
General Property, Plant and Equipment (Note 10)	899.4	3,895.5	1,197.7
Investments (Note 4)	0.0	0.0	0.0
Other Assets (Note 6)	265.1	717.2	789.0
<b>TOTAL ASSETS</b>	<b>\$ 16,488.2</b>	<b>\$ 25,596.9</b>	<b>\$ 24,742.8</b>
<b>LIABILITIES (Note 11)</b>			
Intragovernmental:			
Accounts Payable (Note 12)	\$ 159.0	\$ 243.9	\$ 256.8
Debt (Note 13)	0.0	506.3	0.0
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	67.7	114.9	243.1
<b>Total Intragovernmental Liabilities</b>	<b>\$ 226.7</b>	<b>\$ 865.1</b>	<b>\$ 499.9</b>
Accounts Payable (Note 12)	\$ 372.1	\$ 1,862.6	\$ 497.5
Military Retirement Benefits and Other Employment-Related	305.0	1,168.2	238.7
Actuarial Liabilities (Note 17)			
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Loan Guarantee Liability (Note 8)	0.0	0.0	0.0
Other Liabilities (Note 15 and Note 16)	213.5	5,679.1	1,616.3
Debt Held by Public	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<b>\$ 1,117.3</b>	<b>\$ 9,575.0</b>	<b>\$ 2,852.4</b>
<b>NET POSITION</b>			
Unexpended Appropriations (Note 18)	\$ 0.1	\$ 0.0	\$ 0.0
Cumulative Results of Operations	15,370.8	16,021.9	21,890.4
<b>TOTAL NET POSITION</b>	<b>\$ 15,370.9</b>	<b>\$ 16,021.9</b>	<b>\$ 21,890.4</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 16,488.2</b>	<b>\$ 25,596.9</b>	<b>\$ 24,742.8</b>

Department of Defense  
Agency Wide  
**CONSOLIDATING BALANCE SHEET**  
As of September 30, 2004 and 2003  
(\$ in Millions)

	Military Retirement Fund	US Army Corps of Engineers	Other Defense Organizations General Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS (Note 2)</b>			
Intragovernmental:			
Fund Balance with Treasury (Note 3)			
Entity	\$ 20.7	\$ 2,378.4	\$ 47,825.5
Non-Entity Seized Iraqi Cash	0.0	0.0	0.0
Non-Entity-Other	0.0	8.2	1,381.6
Investments (Note 4)	187,962.5	2,741.9	1,768.4
Accounts Receivable (Note 5)	(0.1)	520.3	238.5
Other Assets (Note 6)	0.0	0.0	121.3
Total Intragovernmental Assets	<u>\$ 187,983.1</u>	<u>\$ 5,648.8</u>	<u>\$ 51,335.3</u>
Cash and Other Monetary Assets (Note 7)	\$ 0.0	\$ 1.0	\$ 7.0
Accounts Receivable (Note 5)	25.3	1,906.4	647.0
Loans Receivable (Note 8)	0.0	0.0	70.7
Inventory and Related Property (Note 9)	0.0	61.8	1,573.5
General Property, Plant and Equipment (Note 10)	0.0	28,448.5	19,473.8
Investments (Note 4)	0.0	0.0	406.5
Other Assets (Note 6)	0.0	0.0	302.8
<b>TOTAL ASSETS</b>	<u><u>\$ 188,008.4</u></u>	<u><u>\$ 36,066.5</u></u>	<u><u>\$ 73,816.6</u></u>
<b>LIABILITIES (Note 11)</b>			
Intragovernmental:			
Accounts Payable (Note 12)	\$ 0.0	\$ 103.4	\$ 705.3
Debt (Note 13)	0.0	15.4	70.1
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	0.9	2,058.6	343.4
Total Intragovernmental Liabilities	<u>\$ 0.9</u>	<u>\$ 2,177.4</u>	<u>\$ 1,118.8</u>
Accounts Payable (Note 12)	\$ 0.0	\$ 570.3	\$ 2,044.8
Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 17)	834,582.1	0.0	224,438.9
Environmental Liabilities (Note 14)	0.0	0.0	525.1
Loan Guarantee Liability (Note 8)	0.0	0.0	22.1
Other Liabilities (Note 15 and Note 16)	3,120.5	646.1	4,693.4
Debt Held by Public	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<u>\$ 837,703.5</u>	<u>\$ 3,393.8</u>	<u>\$ 232,843.1</u>
<b>NET POSITION</b>			
Unexpended Appropriations (Note 18)	\$ 0.0	\$ 396.4	\$ 40,827.5
Cumulative Results of Operations	(649,695.1)	32,276.3	(199,854.0)
<b>TOTAL NET POSITION</b>	<u>\$ (649,695.1)</u>	<u>\$ 32,672.7</u>	<u>\$ (159,026.5)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 188,008.4</u></u>	<u><u>\$ 36,066.5</u></u>	<u><u>\$ 73,816.6</u></u>

**Department of Defense**  
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**(\$ in Millions)**

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	Combined Total
<b>ASSETS (Note 2)</b>			
Intragovernmental:			
Fund Balance with Treasury (Note 3)			
Entity	\$ 2,875.2	\$ 5.0	\$ 287,685.5
Non-Entity Seized Iraqi Cash	0.0	0.0	113.4
Non-Entity-Other	0.0	0.0	1,800.0
Investments (Note 4)	0.0	38,585.2	231,069.7
Accounts Receivable (Note 5)	2,306.2	0.0	6,346.2
Other Assets (Note 6)	10.4	0.0	1,404.8
<b>Total Intragovernmental Assets</b>	<b>\$ 5,191.8</b>	<b>\$ 38,590.2</b>	<b>\$ 528,419.6</b>
Cash and Other Monetary Assets (Note 7)	\$ 98.8	\$ 0.0	\$ 2,178.1
Accounts Receivable (Note 5)	331.0	8.0	7,427.8
Loans Receivable (Note 8)	0.0	0.0	70.7
Inventory and Related Property (Note 9)	15,074.1	0.0	213,219.4
General Property, Plant and Equipment (Note 10)	4,238.2	0.0	440,898.6
Investments (Note 4)	0.0	0.0	406.5
Other Assets (Note 6)	250.8	0.0	21,486.3
<b>TOTAL ASSETS</b>	<b>\$ 25,184.7</b>	<b>\$ 38,598.2</b>	<b>\$ 1,214,107.0</b>
<b>LIABILITIES (Note 11)</b>			
Intragovernmental:			
Accounts Payable (Note 12)	\$ 596.5	\$ 0.1	\$ 7,109.7
Debt (Note 13)	0.0	0.0	591.8
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	183.6	0.0	11,126.4
<b>Total Intragovernmental Liabilities</b>	<b>\$ 780.1</b>	<b>\$ 0.1</b>	<b>\$ 18,827.9</b>
Accounts Payable (Note 12)	\$ 4,270.1	\$ 129.2	\$ 28,309.0
Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 17)	526.0	504,073.8	1,569,704.7
Environmental Liabilities (Note 14)	56.7	0.0	64,367.2
Loan Guarantee Liability (Note 8)	0.0	0.0	34.4
Other Liabilities (Note 15 and Note 16)	738.5	491.3	34,491.2
Debt Held by Public	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<b>\$ 6,371.4</b>	<b>\$ 504,694.4</b>	<b>\$ 1,715,734.4</b>
<b>NET POSITION</b>			
Unexpended Appropriations (Note 18)	\$ 529.1	\$ 0.0	\$ 243,813.9
Cumulative Results of Operations	18,284.2	(466,096.2)	(745,441.3)
<b>TOTAL NET POSITION</b>	<b>\$ 18,813.3</b>	<b>\$ (466,096.2)</b>	<b>\$ (501,627.4)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 25,184.7</b>	<b>\$ 38,598.2</b>	<b>\$ 1,214,107.0</b>

**Department of Defense**  
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**(\$ in Millions)**

	Elimination	2004 Consolidated	2003 Consolidated
<b>ASSETS (Note 2)</b>			
Intragovernmental:			
Fund Balance with Treasury (Note 3)			
Entity	\$ 0.0	\$ 287,685.5	\$ 251,544.1
Non-Entity Seized Iraqi Cash	0.0	113.4	278.1
Non-Entity-Other	0.0	1,800.0	239.8
Investments (Note 4)	0.0	231,069.7	205,376.0
Accounts Receivable (Note 5)	5,227.9	1,118.3	1,066.6
Other Assets (Note 6)	392.9	1,011.9	105.0
<b>Total Intragovernmental Assets</b>	<b>\$ 5,620.8</b>	<b>\$ 522,798.8</b>	<b>\$ 458,609.6</b>
Cash and Other Monetary Assets (Note 7)	\$ 0.0	\$ 2,178.1	\$ 1,534.9
Accounts Receivable (Note 5)	0.0	7,427.8	7,299.9
Loans Receivable (Note 8)	0.0	70.7	64.0
Inventory and Related Property (Note 9)	0.0	213,219.4	205,544.6
General Property, Plant and Equipment (Note 10)	0.0	440,898.6	446,308.9
Investments (Note 4)	0.0	406.5	217.8
Other Assets (Note 6)	0.0	21,486.3	21,729.6
<b>TOTAL ASSETS</b>	<b>\$ 5,620.8</b>	<b>\$ 1,208,486.2</b>	<b>\$ 1,141,309.3</b>
<b>LIABILITIES (Note 11)</b>			
Intragovernmental:			
Accounts Payable (Note 12)	\$ 5,221.3	\$ 1,888.4	\$ 101.4
Debt (Note 13)	0.0	591.8	698.2
Environmental Liabilities (Note 14)	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	399.5	10,726.9	9,739.1
<b>Total Intragovernmental Liabilities</b>	<b>\$ 5,620.8</b>	<b>\$ 13,207.1</b>	<b>\$ 10,538.7</b>
Accounts Payable (Note 12)	\$ 0.0	\$ 28,309.0	\$ 27,863.8
Military Retirement Benefits and Other Employment-Related	0.0	1,569,704.7	1,429,565.5
Actuarial Liabilities (Note 17)			
Environmental Liabilities (Note 14)	0.0	64,367.2	61,490.6
Loan Guarantee Liability (Note 8)	0.0	34.4	25.9
Other Liabilities (Note 15 and Note 16)	0.0	34,491.2	30,154.0
Debt Held by Public	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<b>\$ 5,620.8</b>	<b>\$ 1,710,113.6</b>	<b>\$ 1,559,638.5</b>
<b>NET POSITION</b>			
Unexpended Appropriations (Note 18)	\$ 0.0	\$ 243,813.9	\$ 218,869.5
Cumulative Results of Operations	0.0	(745,441.3)	(637,198.7)
<b>TOTAL NET POSITION</b>	<b>\$ 0.0</b>	<b>\$ (501,627.4)</b>	<b>\$ (418,329.2)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 5,620.8</b>	<b>\$ 1,208,486.2</b>	<b>\$ 1,141,309.3</b>

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>Program Costs</b>			
<b>A. Military Personnel</b>			
Intragovernmental Gross Costs	\$ 8,816.1	\$ 7,398.5	\$ 319.2
(Less: Intragovernmental Earned Revenue)	(372.0)	(417.5)	(315.3)
Intragovernmental Net Costs	\$ 8,444.1	\$ 6,981.0	\$ 3.9
Gross Costs With the Public	38,206.5	29,004.4	29,708.4
(Less: Earned Revenue From the Public)	18.8	0.0	(106.6)
Net Costs With the Public	\$ 38,225.3	\$ 29,004.4	\$ 29,601.8
Total Net Cost	\$ 46,669.4	\$ 35,985.4	\$ 29,605.7
<b>B. Operation and Maintenance</b>			
Intragovernmental Gross Costs	\$ 8,721.6	\$ 1,862.7	\$ 16,887.0
(Less: Intragovernmental Earned Revenue)	(10,871.3)	(5,166.3)	(4,385.4)
Intragovernmental Net Costs	\$ (2,149.7)	\$ (3,303.6)	\$ 12,501.6
Gross Costs With the Public	62,739.8	44,129.8	28,465.4
(Less: Earned Revenue From the Public)	(832.2)	(47.3)	(644.5)
Net Costs With the Public	\$ 61,907.6	\$ 44,082.5	\$ 27,820.9
Total Net Cost	\$ 59,757.9	\$ 40,778.9	\$ 40,322.5
<b>C. Procurement</b>			
Intragovernmental Gross Costs	\$ 826.4	\$ 0.6	\$ 652.5
(Less: Intragovernmental Earned Revenue)	(778.5)	(767.2)	(265.4)
Intragovernmental Net Costs	\$ 47.9	\$ (766.6)	\$ 387.1
Gross Costs With the Public	17,237.5	33,100.3	27,232.0
(Less: Earned Revenue From the Public)	(64.6)	(249.0)	(401.5)
Net Costs With the Public	\$ 17,172.9	\$ 32,851.3	\$ 26,830.5
Total Net Cost	\$ 17,220.8	\$ 32,084.7	\$ 27,217.6

Department of Defense  
Agency Wide  
**CONSOLIDATING STATEMENT OF NET COST**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	Other Defense Organizations General Funds	Combined Total	Elimination
<b>Program Costs</b>			
<b>A. Military Personnel</b>			
Intragovernmental Gross Costs		\$ 16,533.8	\$ 0.0
(Less: Intragovernmental Earned Revenue)		(1,104.8)	0.0
Intragovernmental Net Costs		\$ 15,429.0	\$ 0.0
Gross Costs With the Public		96,919.3	0.0
(Less: Earned Revenue From the Public)		(87.8)	0.0
Net Costs With the Public		\$ 96,831.5	\$ 0.0
Total Net Cost		\$ 112,260.5	\$ 0.0
<b>B. Operation and Maintenance</b>			
Intragovernmental Gross Costs	\$ 14,129.0	\$ 41,600.3	\$ 4,037.5
(Less: Intragovernmental Earned Revenue)	(2,163.5)	(22,586.5)	(1,174.3)
Intragovernmental Net Costs	\$ 11,965.5	\$ 19,013.8	\$ 2,863.2
Gross Costs With the Public	37,483.9	172,818.9	0.0
(Less: Earned Revenue From the Public)	(372.8)	(1,896.8)	0.0
Net Costs With the Public	\$ 37,111.1	\$ 170,922.1	\$ 0.0
Total Net Cost	\$ 49,076.6	\$ 189,935.9	\$ 2,863.2
<b>C. Procurement</b>			
Intragovernmental Gross Costs	\$ 544.0	\$ 2,023.5	\$ 0.6
(Less: Intragovernmental Earned Revenue)	(13.2)	(1,824.3)	0.0
Intragovernmental Net Costs	\$ 530.8	\$ 199.2	\$ 0.6
Gross Costs With the Public	2,125.5	79,695.3	0.0
(Less: Earned Revenue From the Public)	0.3	(714.8)	0.0
Net Costs With the Public	\$ 2,125.8	\$ 78,980.5	\$ 0.0
Total Net Cost	\$ 2,656.6	\$ 79,179.7	\$ 0.6

**Department of Defense**  
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**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	2004 Consolidated	2003 Consolidated
<b>Program Costs</b>		
<b>A. Military Personnel</b>		
Intragovernmental Gross Costs	\$ 16,533.8	\$ 22,150.7
(Less: Intragovernmental Earned Revenue)	(1,104.8)	(1,053.1)
Intragovernmental Net Costs	\$ 15,429.0	\$ 21,097.6
Gross Costs With the Public	96,919.3	88,284.4
(Less: Earned Revenue From the Public)	(87.8)	(454.3)
Net Costs With the Public	\$ 96,831.5	\$ 87,830.1
Total Net Cost	\$ 112,260.5	\$ 108,927.7
<b>B. Operation and Maintenance</b>		
Intragovernmental Gross Costs	\$ 37,562.8	\$ 46,197.3
(Less: Intragovernmental Earned Revenue)	(21,412.2)	(14,568.5)
Intragovernmental Net Costs	\$ 16,150.6	\$ 31,628.8
Gross Costs With the Public	172,818.9	143,349.5
(Less: Earned Revenue From the Public)	(1,896.8)	(2,450.4)
Net Costs With the Public	\$ 170,922.1	\$ 140,899.1
Total Net Cost	\$ 187,072.7	\$ 172,527.9
<b>C. Procurement</b>		
Intragovernmental Gross Costs	\$ 2,022.9	\$ 3,106.4
(Less: Intragovernmental Earned Revenue)	(1,824.3)	(1,775.6)
Intragovernmental Net Costs	\$ 198.6	\$ 1,330.8
Gross Costs With the Public	79,695.3	59,034.8
(Less: Earned Revenue From the Public)	(714.8)	(380.3)
Net Costs With the Public	\$ 78,980.5	\$ 58,654.5
Total Net Cost	\$ 79,179.1	\$ 59,985.3

**Department of Defense**  
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**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>D. Research, Development, Test &amp; Evaluation</b>			
Intragovernmental Gross Costs	\$ 2,588.3	\$ 0.0	\$ 791.7
(Less: Intragovernmental Earned Revenue)	(2,703.0)	(307.5)	(2,553.6)
Intragovernmental Net Costs	\$ (114.7)	\$ (307.5)	\$ (1,761.9)
Gross Costs With the Public	8,684.5	14,466.7	20,987.1
(Less: Earned Revenue From the Public)	(123.5)	0.0	(174.5)
Net Costs With the Public	\$ 8,561.0	\$ 14,466.7	\$ 20,812.6
Total Net Cost	\$ 8,446.3	\$ 14,159.2	\$ 19,050.7
<b>E. Military Construction/Family Housing</b>			
Intragovernmental Gross Costs	\$ 2,340.9	\$ 0.0	\$ 200.9
(Less: Intragovernmental Earned Revenue)	(3,267.7)	(741.2)	0.8
Intragovernmental Net Costs	\$ (926.8)	\$ (741.2)	\$ 201.7
Gross Costs With the Public	1,956.0	8,910.4	585.4
(Less: Earned Revenue From the Public)	(144.2)	(35.3)	0.0
Net Costs With the Public	\$ 1,811.8	\$ 8,875.1	\$ 585.4
Total Net Cost	\$ 885.0	\$ 8,133.9	\$ 787.1
<b>F. Military Retirement Fund</b>			
Intragovernmental Gross Costs			
(Less: Intragovernmental Earned Revenue)			
Intragovernmental Net Costs			
Gross Costs With the Public			
(Less: Earned Revenue From the Public)			
Net Costs With the Public			
Total Net Cost			



**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Combined Total	Elimination	2004 Consolidated
<b>D. Research, Development, Test &amp; Evaluation</b>			
Intragovernmental Gross Costs	\$ 6,591.7	\$ 9.3	\$ 6,582.4
(Less: Intragovernmental Earned Revenue)	(5,981.1)	0.0	(5,981.1)
Intragovernmental Net Costs	\$ 610.6	\$ 9.3	\$ 601.3
Gross Costs With the Public	56,536.7	0.0	56,536.7
(Less: Earned Revenue From the Public)	(293.4)	0.0	(293.4)
Net Costs With the Public	\$ 56,243.3	\$ 0.0	\$ 56,243.3
Total Net Cost	\$ 56,853.9	\$ 9.3	\$ 56,844.6
<b>E. Military Construction/Family Housing</b>			
Intragovernmental Gross Costs	\$ 2,717.1	\$ 0.5	\$ 2,716.6
(Less: Intragovernmental Earned Revenue)	(4,008.1)	0.0	(4,008.1)
Intragovernmental Net Costs	\$ (1,291.0)	\$ 0.5	\$ (1,291.5)
Gross Costs With the Public	11,982.1	0.0	11,982.1
(Less: Earned Revenue From the Public)	(178.9)	0.0	(178.9)
Net Costs With the Public	\$ 11,803.2	\$ 0.0	\$ 11,803.2
Total Net Cost	\$ 10,512.2	\$ 0.5	\$ 10,511.7
<b>F. Military Retirement Fund</b>			
Intragovernmental Gross Costs	\$ 1,380.7	\$ 1,380.7	\$ 0.0
(Less: Intragovernmental Earned Revenue)	(67,726.9)	(56,438.6)	(11,288.3)
Intragovernmental Net Costs	\$ (66,346.2)	\$ (55,057.8)	\$ (11,288.4)
Gross Costs With the Public	164,796.6	0.0	164,796.6
(Less: Earned Revenue From the Public)	0.0	0.0	0.0
Net Costs With the Public	\$ 164,796.6	\$ 0.0	\$ 164,796.6
Total Net Cost	\$ 98,450.4	\$ (55,057.8)	\$ 153,508.2

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

2003 Consolidated

<b>D. Research, Development, Test &amp; Evaluation</b>	
Intragovernmental Gross Costs	\$ 6,813.1
(Less: Intragovernmental Earned Revenue)	(5,607.8)
Intragovernmental Net Costs	\$ 1,205.3
Gross Costs With the Public	50,076.1
(Less: Earned Revenue From the Public)	(180.6)
Net Costs With the Public	\$ 49,895.5
Total Net Cost	\$ 51,100.8
<b>E. Military Construction/Family Housing</b>	
Intragovernmental Gross Costs	\$ 4,069.6
(Less: Intragovernmental Earned Revenue)	(2,242.4)
Intragovernmental Net Costs	\$ 1,827.2
Gross Costs With the Public	3,723.7
(Less: Earned Revenue From the Public)	(551.6)
Net Costs With the Public	\$ 3,172.1
Total Net Cost	\$ 4,999.3
<b>F. Military Retirement Fund</b>	
Intragovernmental Gross Costs	\$ 0.0
(Less: Intragovernmental Earned Revenue)	(10,393.5)
Intragovernmental Net Costs	\$ (10,393.5)
Gross Costs With the Public	111,921.6
(Less: Earned Revenue From the Public)	0.0
Net Costs With the Public	\$ 111,921.6
Total Net Cost	\$ 101,528.1





Department of Defense  
Agency Wide  
**CONSOLIDATING STATEMENT OF NET COST**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	US Army Corps of Engineers	Other Defense Organizations General Funds	Other Defense Organizations Working Capital Funds
<b>G. Civil Works</b>			
Intragovernmental Gross Costs	\$ 1,020.8		
(Less: Intragovernmental Earned Revenue)		(1,234.8)	
Intragovernmental Net Costs	\$ (214.0)		
Gross Costs With the Public		8,658.7	
(Less: Earned Revenue From the Public)		(368.0)	
Net Costs With the Public	\$ 8,290.7		
Total Net Cost	\$ 8,076.7		
<b>H. Working Capital Funds</b>			
Intragovernmental Gross Costs			\$ 3,684.6
(Less: Intragovernmental Earned Revenue)			(35,646.6)
Intragovernmental Net Costs			\$ (31,962.0)
Gross Costs With the Public			40,186.8
(Less: Earned Revenue From the Public)			(7,332.4)
Net Costs With the Public			\$ 32,854.4
Total Net Cost			\$ 892.4
<b>I. Other</b>			
Intragovernmental Gross Costs		\$ 31,646.8	
(Less: Intragovernmental Earned Revenue)		36.8	
Intragovernmental Net Costs		\$ 31,683.6	
Gross Costs With the Public		16,427.7	
(Less: Earned Revenue From the Public)		(1,651.4)	
Net Costs With the Public		\$ 14,776.3	
Total Net Cost		\$ 46,459.9	

Department of Defense  
Agency Wide  
**CONSOLIDATING STATEMENT OF NET COST**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	Combined Total	Elimination	2004 Consolidated
<b>G. Civil Works</b>			
Intragovernmental Gross Costs	\$ 1,020.8	\$ 127.5	\$ 893.3
(Less: Intragovernmental Earned Revenue)	(1,234.8)	(625.2)	(609.6)
Intragovernmental Net Costs	\$ (214.0)	\$ (497.7)	\$ 283.7
Gross Costs With the Public	8,658.7	0.0	8,658.7
(Less: Earned Revenue From the Public)	(368.0)	0.0	(368.0)
Net Costs With the Public	\$ 8,290.7	\$ 0.0	\$ 8,290.7
Total Net Cost	\$ 8,076.7	\$ (497.7)	\$ 8,574.4
<b>H. Working Capital Funds</b>			
Intragovernmental Gross Costs	\$ 17,367.4	\$ 13,986.5	\$ 3,380.9
(Less: Intragovernmental Earned Revenue)	(77,690.1)	(76,350.8)	(1,339.3)
Intragovernmental Net Costs	\$ (60,322.7)	\$ (62,364.3)	\$ 2,041.6
Gross Costs With the Public	74,938.5	0.0	74,938.5
(Less: Earned Revenue From the Public)	(13,788.4)	0.0	(13,788.4)
Net Costs With the Public	\$ 61,150.1	\$ 0.0	\$ 61,150.1
Total Net Cost	\$ 827.4	\$ (62,364.3)	\$ 63,191.7
<b>I. Other</b>			
Intragovernmental Gross Costs	\$ 83,782.3	\$ 129,900.5	\$ (46,118.2)
(Less: Intragovernmental Earned Revenue)	17,284.5	(14,854.2)	32,138.7
Intragovernmental Net Costs	\$ 101,066.8	\$ 115,046.3	\$ (13,979.5)
Gross Costs With the Public	(46,772.3)	0.0	(46,772.3)
(Less: Earned Revenue From the Public)	(5,026.3)	0.0	(5,026.3)
Net Costs With the Public	\$ (51,798.6)	\$ 0.0	\$ (51,798.6)
Total Net Cost	\$ 49,268.2	\$ 115,046.3	\$ (65,778.1)

**Department of Defense**  
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**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
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2003 Consolidated

<b>G. Civil Works</b>	
Intragovernmental Gross Costs	\$ 760.9
(Less: Intragovernmental Earned Revenue)	(481.1)
Intragovernmental Net Costs	\$ 279.8
Gross Costs With the Public	9,467.0
(Less: Earned Revenue From the Public)	(298.6)
Net Costs With the Public	\$ 9,168.4
Total Net Cost	\$ 9,448.2
<b>H. Working Capital Funds</b>	
Intragovernmental Gross Costs	\$ 3,160.4
(Less: Intragovernmental Earned Revenue)	(1,075.6)
Intragovernmental Net Costs	\$ 2,084.7
Gross Costs With the Public	71,205.9
(Less: Earned Revenue From the Public)	(7,632.6)
Net Costs With the Public	\$ 63,573.3
Total Net Cost	\$ 65,658.0
<b>I. Other</b>	
Intragovernmental Gross Costs	\$ (74,510.2)
(Less: Intragovernmental Earned Revenue)	23,958.7
Intragovernmental Net Costs	\$ (50,551.5)
Gross Costs With the Public	(10,774.6)
(Less: Earned Revenue From the Public)	(558.7)
Net Costs With the Public	\$ (11,333.3)
Total Net Cost	\$ (61,884.8)

**Department of Defense**  
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**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>J. Total Program Costs</b>			
Intragovernmental Gross Costs	\$ 35,460.1	\$ 39,171.8	\$ 28,910.0
(Less: Intragovernmental Earned Revenue)	(7,388.4)	(3,272.8)	(5,002.2)
Intragovernmental Net Costs	\$ 28,071.7	\$ 35,899.0	\$ 23,907.8
Gross Costs With the Public	108,861.8	96,846.4	96,506.0
(Less: Earned Revenue From the Public)	(1,152.1)	(3,302.7)	(1,724.5)
Net Costs With the Public	\$ 107,709.7	\$ 93,543.7	\$ 94,781.5
Total Net Cost	\$ 135,781.4	\$ 129,442.7	\$ 118,689.3
Cost Not Assigned to Programs	0.0	0.0	0.0
(Less: Earned Revenue Not Attributable to Programs)	0.0	0.0	0.0
Net Cost of Operations	\$ 135,781.4	\$ 129,442.7	\$ 118,689.3

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>J. Total Program Costs</b>			
Intragovernmental Gross Costs	\$ 2,848.0	\$ 5,435.0	\$ 5,399.8
(Less: Intragovernmental Earned Revenue)	(8,456.1)	(21,698.9)	(11,888.5)
Intragovernmental Net Costs	\$ (5,608.1)	\$ (16,263.9)	\$ (6,488.7)
Gross Costs With the Public	8,161.3	17,915.6	8,674.8
(Less: Earned Revenue From the Public)	(4,951.1)	(613.5)	(891.4)
Net Costs With the Public	\$ 3,210.2	\$ 17,302.1	\$ 7,783.4
Total Net Cost	\$ (2,397.9)	\$ 1,038.2	\$ 1,294.7
Cost Not Assigned to Programs	0.0	0.0	0.0
(Less: Earned Revenue Not Attributable to Programs)	0.0	0.0	0.0
Net Cost of Operations	\$ (2,397.9)	\$ 1,038.2	\$ 1,294.7



Department of Defense  
Agency Wide  
**CONSOLIDATING STATEMENT OF NET COST**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	Combined Total
<b>J. Total Program Costs</b>			
Intragovernmental Gross Costs	\$ 3,684.6	\$ 1,380.7	\$ 173,017.6
(Less: Intragovernmental Earned Revenue)	(35,646.6)	(25,342.4)	(164,872.1)
Intragovernmental Net Costs	\$ (31,962.0)	\$ (23,961.7)	\$ 8,145.5
Gross Costs With the Public	40,186.8	29,133.7	619,573.8
(Less: Earned Revenue From the Public)	(7,332.4)	0.0	(22,354.4)
Net Costs With the Public	\$ 32,854.4	\$ 29,133.7	\$ 597,219.4
Total Net Cost	\$ 892.4	\$ 5,172.0	\$ 605,364.9
Cost Not Assigned to Programs	0.0	0.0	0.0
(Less: Earned Revenue Not Attributable to Programs)	0.0	0.0	0.0
<b>Net Cost of Operations</b>	<b>\$ 892.4</b>	<b>\$ 5,172.0</b>	<b>\$ 605,364.9</b>

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF NET COST**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Elimination	2004 Consolidated	2003 Consolidated
<b>J. Total Program Costs</b>			
Intragovernmental Gross Costs	\$ 149,443.1	\$ 23,574.5	\$ 11,748.3
(Less: Intragovernmental Earned Revenue)	(149,443.1)	(15,429.0)	(13,239.0)
Intragovernmental Net Costs	\$ 0.0	\$ 8,145.5	\$ (1,490.7)
Gross Costs With the Public	0.0	619,573.8	526,288.4
(Less: Earned Revenue From the Public)	0.0	(22,354.4)	(12,507.1)
Net Costs With the Public	\$ 0.0	\$ 597,219.4	\$ 513,781.3
Total Net Cost	\$ 0.0	\$ 605,364.9	\$ 512,290.6
Cost Not Assigned to Programs	0.0	0.0	0.0
(Less: Earned Revenue Not Attributable to Programs)	0.0	0.0	0.0
Net Cost of Operations	\$ 0.0	\$ 605,364.9	\$ 512,290.6

Department of Defense  
Agency Wide  
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	Army General Fund	Navy General Fund	Air Force General Fund
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			
Beginning Balances	\$ 100,631.6	\$ 222,565.2	\$ 161,327.7
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	(25,913.7)	0.0
Beginning Balance, Restated	100,631.6	196,651.5	161,327.7
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
<b>Beginning Balances, as adjusted</b>	<b>100,631.6</b>	<b>196,651.5</b>	<b>161,327.7</b>
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	0.0	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0
Appropriations used	127,335.1	120,198.1	124,687.0
Nonexchange revenue	5.1	0.0	8.8
Donations and forfeitures of cash and cash equivalents	4.7	0.0	2.2
Transfers-in/out without reimbursement (+/-)	13,189.6	166.0	671.0
Other budgetary financing sources (+/-)	2,540.4	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	400.8	11.9	311.1
Imputed financing from costs absorbed by others	882.1	585.2	663.6
Other (+/-)	0.0	0.0	0.0
<b>Total Financing Sources</b>	<b>144,357.8</b>	<b>120,961.2</b>	<b>126,343.7</b>
<b>Net Cost of Operations (+/-)</b>	<b>135,781.4</b>	<b>129,442.7</b>	<b>118,689.3</b>
<b>Ending Balances</b>	<b>\$ 109,208.0</b>	<b>\$ 188,170.0</b>	<b>\$ 168,982.1</b>
<b>UNEXPENDED APPROPRIATIONS</b>			
Beginning Balances	\$ 47,674.7	\$ 50,781.2	\$ 50,742.3
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	25,913.7	0.0
Beginning Balance, Restated	47,674.7	76,694.9	50,742.3
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
<b>Beginning Balances, as adjusted</b>	<b>47,674.7</b>	<b>76,694.9</b>	<b>50,742.3</b>
<b>Budgetary Financing Sources:</b>			
Appropriations received	149,547.7	123,918.0	125,480.7
Appropriations transferred-in/out (+/-)	4,745.3	455.1	(454.5)
Other adjustments (rescissions, etc) (+/-)	(1,394.4)	(1,708.0)	(1,420.9)
Appropriations used	(127,335.1)	(120,198.1)	(124,687.0)
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Other budgetary financing sources (+/-)	0.0	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Imputed financing from costs absorbed by others	0.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0
<b>Total Financing Sources</b>	<b>25,563.5</b>	<b>2,467.0</b>	<b>(1,081.7)</b>
<b>Net Cost of Operations (+/-)</b>			
<b>Ending Balances</b>	<b>\$ 73,238.2</b>	<b>\$ 79,161.9</b>	<b>\$ 49,660.6</b>

**Department of Defense**

**Agency Wide**

**CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION**

**For the periods ended September 30, 2004 and 2003**

**(\$ in Millions)**

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			
<b>Beginning Balances</b>	\$ 13,883.7	\$ 18,136.8	\$ 11,537.1
<b>Prior period adjustments (+/-)</b>			
Prior Period Adjustments - Restated (+/-)	0.0	(1,044.7)	11,370.5
<b>Beginning Balance, Restated</b>	13,883.7	17,092.1	22,907.6
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	699.4
<b>Beginning Balances, as adjusted</b>	13,883.7	17,092.1	23,607.0
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	0.0	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0
Appropriations used	231.2	130.4	0.0
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	(1,448.6)	(287.8)	(580.9)
Other budgetary financing sources (+/-)	175.9	(419.8)	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.1	0.0
Imputed financing from costs absorbed by others	130.8	544.9	159.0
Other (+/-)	0.0	0.0	0.0
<b>Total Financing Sources</b>	(910.7)	(32.2)	(421.9)
<b>Net Cost of Operations (+/-)</b>	(2,397.9)	1,038.2	1,294.7
<b>Ending Balances</b>	\$ 15,370.9	\$ 16,021.7	\$ 21,890.4
<b>UNEXPENDED APPROPRIATIONS</b>			
<b>Beginning Balances</b>	\$ 12.0	\$ 0.0	\$ 0.0
<b>Prior period adjustments (+/-)</b>			
Prior Period Adjustments - Restated (+/-)	0.0	0.0	0.0
Beginning Balance, Restated	12.0	0.0	0.0
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
<b>Beginning Balances, as adjusted</b>	12.0	0.0	0.0
<b>Budgetary Financing Sources:</b>			
Appropriations received	219.3	130.4	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0
Appropriations used	(231.2)	(130.4)	0.0
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Other budgetary financing sources (+/-)	0.0	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Imputed financing from costs absorbed by others	0.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0
<b>Total Financing Sources</b>	(11.9)	0.0	0.0
<b>Net Cost of Operations (+/-)</b>			
<b>Ending Balances</b>	\$ 0.1	\$ 0.0	\$ 0.0

Department of Defense

Agency Wide

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

For the periods ended September 30, 2004 and 2003

(\$ in Millions)

	Military Retirement Fund	US Army Corps of Engineers	Other Defense Organizations General Funds
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			
Beginning Balances	\$ (556,416.7)	\$ 34,289.5	\$ (186,977.2)
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	0.0	(0.1)
Beginning Balance, Restated	(556,416.7)	34,289.5	(186,977.3)
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.1
Beginning Balances, as adjusted	(556,416.7)	34,289.5	(186,977.2)
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	0.0	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0
Appropriations used	0.0	4,079.0	99,256.5
Nonexchange revenue	0.0	1,434.5	0.1
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.1
Transfers-in/out without reimbursement (+/-)	0.0	315.0	6.1
Other budgetary financing sources (+/-)	0.0	(3.9)	2,100.4
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.4	0.0
Transfers-in/out without reimbursement (+/-)	0.0	(1.6)	(726.0)
Imputed financing from costs absorbed by others	0.0	239.5	583.3
Other (+/-)	0.0	0.6	0.0
Total Financing Sources	0.0	6,063.5	101,220.5
Net Cost of Operations (+/-)	93,278.4	8,076.7	114,097.0
Ending Balances	\$ (649,695.1)	\$ 32,276.3	\$ (199,853.7)
<b>UNEXPENDED APPROPRIATIONS</b>			
Beginning Balances	\$ 0.0	\$ 636.8	\$ 43,245.7
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	0.0	0.0
Beginning Balance, Restated	0.0	636.8	43,245.7
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
Beginning Balances, as adjusted	0.0	636.8	43,245.7
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	3,854.1	105,674.5
Appropriations transferred-in/out (+/-)	0.0	18.4	(4,278.7)
Other adjustments (rescissions, etc) (+/-)	0.0	(33.9)	(4,557.4)
Appropriations used	0.0	(4,079.0)	(99,256.5)
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Other budgetary financing sources (+/-)	0.0	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Imputed financing from costs absorbed by others	0.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0
Total Financing Sources	0.0	(240.4)	(2,418.1)
Net Cost of Operations (+/-)			
Ending Balances	\$ 0.0	\$ 396.4	\$ 40,827.6

Department of Defense

Agency Wide

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION  
For the periods ended September 30, 2004 and 2003

(\$ in Millions)

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	Combined Total
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			
Beginning Balances	\$ 17,492.5	\$ (458,080.9)	\$ (621,610.7)
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	0.0	(15,588.0)
Beginning Balance, Restated	17,492.5	(458,080.9)	(637,198.7)
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	699.5
Beginning Balances, as adjusted	17,492.5	(458,080.9)	(636,499.2)
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	0.0	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0
Appropriations used	2,703.7	0.0	478,621.1
Nonexchange revenue	21.2	0.0	1,469.7
Donations and forfeitures of cash and cash equivalents	0.0	0.0	7.0
Transfers-in/out without reimbursement (+/-)	(1,461.8)	0.0	10,568.6
Other budgetary financing sources (+/-)	118.5	0.0	4,511.5
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.4
Transfers-in/out without reimbursement (+/-)	(1.6)	(2,843.3)	(2,848.6)
Imputed financing from costs absorbed by others	304.1	0.0	4,092.5
Other (+/-)	0.0	0.0	0.6
Total Financing Sources	1,684.1	(2,843.3)	496,422.8
Net Cost of Operations (+/-)	892.4	5,172.0	605,364.9
Ending Balances	\$ 18,284.2	\$ (466,096.2)	\$ (745,441.3)
<b>UNEXPENDED APPROPRIATIONS</b>			
Beginning Balances	\$ (136.9)	\$ 0.0	\$ 192,955.8
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	0.0	25,913.7
Beginning Balance, Restated	(136.9)	0.0	218,869.5
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
Beginning Balances, as adjusted	(136.9)	0.0	218,869.5
<b>Budgetary Financing Sources:</b>			
Appropriations received	3,369.8	0.0	512,194.5
Appropriations transferred-in/out (+/-)	0.0	0.0	485.6
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	(9,114.6)
Appropriations used	(2,703.7)	0.0	(478,621.1)
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Other budgetary financing sources (+/-)	0.0	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Imputed financing from costs absorbed by others	0.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0
Total Financing Sources	666.1	0.0	24,944.4
Net Cost of Operations (+/-)			
Ending Balances	\$ 529.2	\$ 0.0	\$ 243,813.9

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Elimination	2004 Consolidated	2003 Consolidated
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			
Beginning Balances	\$ 0.0	\$ (621,610.7)	\$ (946,947.7)
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	(15,588.0)	10,534.8
Beginning Balance, Restated	0.0	(637,198.7)	(936,412.9)
Prior Period Adjustments - Not Restated (+/-)	0.0	699.5	383,074.9
<b>Beginning Balances, as adjusted</b>	<b>0.0</b>	<b>(636,499.2)</b>	<b>(553,338.0)</b>
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	0.0	0.0
Appropriations transferred-in/out (+/-)	0.0	0.0	0.0
Other adjustments (rescissions, etc) (+/-)	0.0	0.0	(13.0)
Appropriations used	0.0	478,621.1	431,548.0
Nonexchange revenue	0.0	1,469.7	931.2
Donations and forfeitures of cash and cash equivalents	0.0	7.0	24.4
Transfers-in/out without reimbursement (+/-)	0.0	10,568.6	1,329.2
Other budgetary financing sources (+/-)	0.0	4,511.5	(2,867.4)
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.4	4.6
Transfers-in/out without reimbursement (+/-)	0.0	(2,848.6)	(6,702.1)
Imputed financing from costs absorbed by others	0.0	4,092.5	3,866.9
Other (+/-)	0.0	0.6	308.1
<b>Total Financing Sources</b>	<b>0.0</b>	<b>496,422.8</b>	<b>428,429.9</b>
<b>Net Cost of Operations (+/-)</b>	<b>0.0</b>	<b>605,364.9</b>	<b>512,290.6</b>
<b>Ending Balances</b>	<b>\$ 0.0</b>	<b>\$ (745,441.3)</b>	<b>\$ (637,198.7)</b>
<b>UNEXPENDED APPROPRIATIONS</b>			
Beginning Balances	\$ 0.0	\$ 192,955.8	\$ 177,282.6
Prior period adjustments (+/-)			
Prior Period Adjustments - Restated (+/-)	0.0	25,913.7	0.0
Beginning Balance, Restated	0.0	218,869.5	177,282.6
Prior Period Adjustments - Not Restated (+/-)	0.0	0.0	0.0
<b>Beginning Balances, as adjusted</b>	<b>0.0</b>	<b>218,869.5</b>	<b>177,282.6</b>
<b>Budgetary Financing Sources:</b>			
Appropriations received	0.0	512,194.5	477,036.7
Appropriations transferred-in/out (+/-)	0.0	485.6	1,217.8
Other adjustments (rescissions, etc) (+/-)	0.0	(9,114.6)	(5,137.1)
Appropriations used	0.0	(478,621.1)	(431,530.5)
Nonexchange revenue	0.0	0.0	0.0
Donations and forfeitures of cash and cash equivalents	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Other budgetary financing sources (+/-)	0.0	0.0	0.0
<b>Other Financing Sources:</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	0.0
Imputed financing from costs absorbed by others	0.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0
<b>Total Financing Sources</b>	<b>0.0</b>	<b>24,944.4</b>	<b>41,586.9</b>
<b>Net Cost of Operations (+/-)</b>			
<b>Ending Balances</b>	<b>\$ 0.0</b>	<b>\$ 243,813.9</b>	<b>\$ 218,869.5</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>BUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 149,559.9	\$ 123,948.5	\$ 125,483.8
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	0.0
Net transfers (+/-)	2,517.1	425.1	(29.4)
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	8,212.9	14,695.1	9,190.0
Net transfers, actual (+/-)	4,698.3	196.0	245.9
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	18,740.0	7,706.7	8,117.6
Receivable from Federal sources	412.7	(360.3)	317.6
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	306.6	56.0	188.1
Without advance from Federal sources	1,896.9	467.5	(110.0)
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	21,356.2	7,869.9	8,513.3
Recoveries of prior year obligations	13,996.7	13,757.0	1,431.1
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	(1,394.4)	(1,708.8)	(1,437.7)
<b>Total Budgetary Resources</b>	<b>\$ 198,946.7</b>	<b>\$ 159,182.8</b>	<b>\$ 143,397.0</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 152,590.9	\$ 132,268.5	\$ 129,913.3
Reimbursable	23,475.0	8,886.3	4,447.4
Subtotal	176,065.9	141,154.8	134,360.7
Unobligated balance:			
Apportioned	21,458.6	13,973.1	8,072.6
Exempt from apportionment	13.4	0.0	2.7
Other available	0.1	0.0	0.0
Unobligated Balances Not Available	1,408.7	4,054.9	961.0
<b>Total, Status of Budgetary Resources</b>	<b>\$ 198,946.7</b>	<b>\$ 159,182.8</b>	<b>\$ 143,397.0</b>
<b>Relationship of Obligations to Outlays:</b>			
Obligated Balance, Net - beginning of period	\$ 46,482.9	\$ 63,520.9	\$ 50,541.6
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	(1,893.4)	(537.6)	(1,476.6)
Unfilled customer order from Federal sources	(12,713.2)	(2,803.0)	(827.4)
Undelivered orders	56,509.6	63,723.8	42,309.8
Accounts payable	15,119.4	3,473.0	11,505.4
Outlays:			
Disbursements	149,220.1	126,955.3	131,752.4
Collections	(19,046.6)	(7,762.7)	(8,305.7)
Subtotal	130,173.5	119,192.6	123,446.7
Less: Offsetting receipts	(63.3)	(115.0)	(115.4)
<b>Net Outlays</b>	<b>\$ 130,110.2</b>	<b>\$ 119,077.6</b>	<b>\$ 123,331.3</b>

Department of Defense  
Agency Wide  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>BUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 219.3	\$ 130.4	\$ 0.0
Borrowing authority	0.0	0.0	0.0
Contract authority	2,106.4	355.2	684.4
Net transfers (+/-)	(1,448.6)	0.0	0.0
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	2,093.6	4,513.4	607.1
Net transfers, actual (+/-)	0.0	(287.8)	(580.9)
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	12,265.9	23,926.8	17,824.8
Receivable from Federal sources	(53.8)	249.3	(186.4)
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	(17.2)	90.1	(173.2)
Without advance from Federal sources	(128.9)	(1,724.7)	(733.9)
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	12,066.0	22,541.5	16,731.3
Recoveries of prior year obligations	499.7	0.0	3.2
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	0.0	(186.5)	(36.7)
<b>Total Budgetary Resources</b>	<b>\$ 15,536.4</b>	<b>\$ 27,066.2</b>	<b>\$ 17,408.4</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 0.0	\$ 0.0	\$ 2.0
Reimbursable	14,006.2	24,316.4	17,271.9
Subtotal	14,006.2	24,316.4	17,273.9
Unobligated balance:			
Apportioned	1,530.2	2,650.8	134.4
Exempt from apportionment	0.0	0.0	0.0
Other available	0.0	0.1	0.1
Unobligated Balances Not Available	0.0	98.9	0.0
<b>Total, Status of Budgetary Resources</b>	<b>\$ 15,536.4</b>	<b>\$ 27,066.2</b>	<b>\$ 17,408.4</b>
<b>Relationship of Obligations to Outlays:</b>			
Obligated Balance, Net - beginning of period	\$ 1,898.3	\$ 3,274.1	\$ 3,317.3
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	(462.6)	(590.4)	(958.8)
Unfilled customer order from Federal sources	(4,522.7)	(7,031.5)	(3,265.5)
Undelivered orders	8,334.7	6,892.1	6,610.2
Accounts payable	618.7	4,968.6	2,370.0
Outlays:			
Disbursements	11,619.4	24,827.2	16,752.4
Collections	(12,248.6)	(24,016.9)	(17,651.6)
Subtotal	(629.2)	810.3	(899.2)
Less: Offsetting receipts	0.0	0.0	0.0
<b>Net Outlays</b>	<b>\$ (629.2)</b>	<b>\$ 810.3</b>	<b>\$ (899.2)</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Military Retirement Fund	US Army Corps of Engineers	Other Defense Organizations General Funds
	_____	_____	_____
<b>BUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 42,256.8	\$ 5,141.2	\$ 106,800.7
Borrowing authority	0.0	0.1	0.0
Contract authority	0.0	0.0	496.5
Net transfers (+/-)	0.0	206.9	(2,190.4)
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	176,029.0	1,850.2	17,664.3
Net transfers, actual (+/-)	0.0	28.5	(2,062.8)
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	0.0	5,212.1	4,494.0
Receivable from Federal sources	0.0	64.1	233.6
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	0.0	29.7	17.7
Without advance from Federal sources	0.0	272.6	404.5
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	0.0	5,578.5	5,149.8
Recoveries of prior year obligations	0.0	0.0	3,941.1
Temporarily not available pursuant to Public Law	0.0	(10.0)	0.0
Permanently not available	0.0	(29.1)	(4,567.6)
<b>Total Budgetary Resources</b>	<b>\$ 218,285.8</b>	<b>\$ 12,766.3</b>	<b>\$ 125,231.6</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 37,152.6	\$ 5,615.2	\$ 104,208.3
Reimbursable	0.0	5,457.8	3,992.4
Subtotal	37,152.6	11,073.0	108,200.7
Unobligated balance:			
Apportioned	0.0	1,234.1	8,403.6
Exempt from apportionment	181,133.1	459.1	1,716.7
Other available	0.1	0.0	(0.1)
Unobligated Balances Not Available	0.0	0.1	6,910.7
<b>Total, Status of Budgetary Resources</b>	<b>\$ 218,285.8</b>	<b>\$ 12,766.3</b>	<b>\$ 125,231.6</b>
<b>Relationship of Obligations to Outlays:</b>			
Obligated Balance, Net - beginning of period	\$ 2,963.0	\$ 1,007.6	\$ 32,302.0
Obligated Balance transferred, net (+/-)	0.0	0.0	(14.1)
Obligated Balance, Net - end of period:			
Accounts receivable	0.0	(224.7)	(1,066.7)
Unfilled customer order from Federal sources	0.0	(1,907.8)	(1,367.2)
Undelivered orders	0.0	2,022.9	29,705.5
Accounts payable	3,120.2	1,148.3	5,149.6
Outlays:			
Disbursements	36,995.4	10,705.3	103,488.0
Collections	0.0	(5,241.7)	(4,511.8)
Subtotal	36,995.4	5,463.6	98,976.2
Less: Offsetting receipts	(18,189.0)	(1,592.3)	(1,129.0)
<b>Net Outlays</b>	<b>\$ 18,806.4</b>	<b>\$ 3,871.3</b>	<b>\$ 97,847.2</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	2004 Combined
<b>BUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 3,369.8	\$ 25,100.3	\$ 582,010.7
Borrowing authority	0.0	0.0	0.1
Contract authority	31,213.3	0.0	34,855.8
Net transfers (+/-)	0.0	0.0	(519.3)
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	3,621.0	18,182.4	256,659.0
Net transfers, actual (+/-)	(1,455.2)	0.0	782.0
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	47,986.4	0.0	146,274.3
Receivable from Federal sources	(756.5)	0.0	(79.7)
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	(137.3)	0.0	360.5
Without advance from Federal sources	636.0	0.0	980.0
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	47,728.6	0.0	147,535.1
Recoveries of prior year obligations	53.1	0.0	33,681.9
Temporarily not available pursuant to Public Law	0.0	0.0	(10.0)
Permanently not available	(30,977.2)	0.0	(40,338.0)
<b>Total Budgetary Resources</b>	<b>\$ 53,553.4</b>	<b>\$ 43,282.7</b>	<b>\$ 1,014,657.3</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 1,106.1	\$ 5,196.8	\$ 568,053.7
Reimbursable	50,805.5	0.0	152,658.9
Subtotal	51,911.6	5,196.8	720,712.6
Unobligated balance:			
Apportioned	967.0	206.6	58,631.0
Exempt from apportionment	163.1	0.0	183,488.1
Other available	0.0	0.0	0.3
Unobligated Balances Not Available	511.7	37,879.3	51,825.3
<b>Total, Status of Budgetary Resources</b>	<b>\$ 53,553.4</b>	<b>\$ 43,282.7</b>	<b>\$ 1,014,657.3</b>
<b>Relationship of Obligations to Outlays:</b>			
Obligated Balance, Net - beginning of period	\$ 8,796.4	\$ 267.8	\$ 214,371.9
Obligated Balance transferred, net (+/-)	0.0	0.0	(14.1)
Obligated Balance, Net - end of period:			
Accounts receivable	(2,926.0)	0.0	(10,136.8)
Unfilled customer order from Federal sources	(4,963.7)	0.0	(39,402.0)
Undelivered orders	12,559.9	132.8	228,801.3
Accounts payable	5,868.2	129.2	53,470.6
Outlays:			
Disbursements	50,237.1	5,202.5	667,755.1
Collections	(47,849.1)	0.0	(146,634.7)
Subtotal	2,388.0	5,202.5	521,120.4
Less: Offsetting receipts	0.0	(25,342.4)	(46,546.4)
<b>Net Outlays</b>	<b>\$ 2,388.0</b>	<b>\$ (20,139.9)</b>	<b>\$ 474,574.0</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

2003 Combined

**BUDGETARY FINANCING ACCOUNTS**

**BUDGETARY RESOURCES**

Budget Authority:	
Appropriations received	\$ 546,761.4
Borrowing authority	0.0
Contract authority	28,109.0
Net transfers (+/-)	1,000.3
Other	0.0
Unobligated balance:	
Beginning of period	217,722.3
Net transfers, actual (+/-)	204.3
Anticipated Transfers Balances	0.0
Spending authority from offsetting collections:	
Earned	0.0
Collected	135,587.2
Receivable from Federal sources	(714.6)
Change in unfilled customer orders	0.0
Advance received	(30.6)
Without advance from Federal sources	11,000.9
Anticipated for the rest of year, without advances	0.0
Transfers from trust funds	0.0
Subtotal	145,842.9
Recoveries of prior year obligations	22,841.9
Temporarily not available pursuant to Public Law	0.0
Permanently not available	(33,730.4)
<b>Total Budgetary Resources</b>	<b>\$ 928,751.7</b>

**STATUS OF BUDGETARY RESOURCES**

Obligations incurred:	
Direct	\$ 522,562.4
Reimbursable	147,147.8
Subtotal	669,710.2
Unobligated balance:	
Apportioned	55,052.0
Exempt from apportionment	180,704.3
Other available	(0.1)
Unobligated Balances Not Available	23,285.3
<b>Total, Status of Budgetary Resources</b>	<b>\$ 928,751.7</b>

**Relationship of Obligations to Outlays:**

Obligated Balance, Net - beginning of period	\$ 181,919.4
Obligated Balance transferred, net (+/-)	(23.9)
Obligated Balance, Net - end of period:	
Accounts receivable	(10,216.4)
Unfilled customer order from Federal sources	(38,422.1)
Undelivered orders	213,597.8
Accounts payable	49,412.6
Outlays:	
Disbursements	604,105.8
Collections	(135,556.8)
Subtotal	468,549.0
Less: Offsetting receipts	(43,294.0)
<b>Net Outlays</b>	<b>\$ 425,255.0</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>NONBUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 0.0	\$ 0.0	\$ 0.0
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	0.0
Net transfers (+/-)	0.0	0.0	0.0
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	1.2	0.0	0.0
Net transfers, actual (+/-)	0.0	0.0	0.0
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	0.2	0.0	0.0
Receivable from Federal sources	0.0	0.0	0.0
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	0.0	0.0	0.0
Without advance from Federal sources	0.0	0.0	0.0
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	0.2	0.0	0.0
Recoveries of prior year obligations	0.0	0.0	0.0
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	0.0	0.0	0.0
<b>Total Budgetary Resources</b>	<b>\$ 1.4</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 0.0	\$ 0.0	\$ 0.0
Reimbursable	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
Unobligated balance:			
Apportioned	1.4	0.0	0.0
Exempt from apportionment	0.0	0.0	0.0
Other available	0.0	0.0	0.0
Unobligated Balances Not Available	0.0	0.0	0.0
<b>Total, Status of Budgetary Resources</b>	<b>\$ 1.4</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
Relationship of Obligations to Outlays:			
Obligated Balance, Net ? beginning of period	\$ 0.0	\$ 0.0	\$ 0.0
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	0.0	0.0	0.0
Unfilled customer order from Federal sources	0.0	0.0	0.0
Undelivered orders	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0
Outlays:			
Disbursements	0.0	0.0	0.0
Collections	(0.2)	0.0	0.0
Subtotal	(0.2)	0.0	0.0
Less: Offsetting receipts	0.0	0.0	0.0
<b>Net Outlays</b>	<b>\$ (0.2)</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>NONBUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 0.0	\$ 0.0	\$ 0.0
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	0.0
Net transfers (+/-)	0.0	0.0	0.0
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	0.0	0.0	0.0
Net transfers, actual (+/-)	0.0	0.0	0.0
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	0.0	0.0	0.0
Receivable from Federal sources	0.0	0.0	0.0
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	0.0	0.0	0.0
Without advance from Federal sources	0.0	0.0	0.0
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
Recoveries of prior year obligations	0.0	0.0	0.0
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	0.0	0.0	0.0
<b>Total Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 0.0	\$ 0.0	\$ 0.0
Reimbursable	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
Unobligated balance:			
Apportioned	0.0	0.0	0.0
Exempt from apportionment	0.0	0.0	0.0
Other available	0.0	0.0	0.0
Unobligated Balances Not Available	0.0	0.0	0.0
<b>Total, Status of Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
Relationship of Obligations to Outlays:			
Obligated Balance, Net ? beginning of period	\$ 0.0	\$ 0.0	\$ 0.0
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	0.0	0.0	0.0
Unfilled customer order from Federal sources	0.0	0.0	0.0
Undelivered orders	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0
Outlays:			
Disbursements	0.0	0.0	0.0
Collections	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
Less: Offsetting receipts	0.0	0.0	0.0
<b>Net Outlays</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Military Retirement Fund	US Army Corps of Engineers	Other Defense Organizations General Funds
	_____	_____	_____
<b>NONBUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 0.0	\$ 0.0	\$ 0.0
Borrowing authority	0.0	0.0	114.6
Contract authority	0.0	0.0	0.0
Net transfers (+/-)	0.0	0.0	0.0
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	0.0	0.0	20.6
Net transfers, actual (+/-)	0.0	0.0	0.0
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	0.0	0.0	17.2
Receivable from Federal sources	0.0	0.0	(0.6)
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	0.0	0.0	0.0
Without advance from Federal sources	0.0	0.0	47.2
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	0.0	0.0	63.8
Recoveries of prior year obligations	0.0	0.0	0.0
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	0.0	0.0	20.7
<b>Total Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 219.7</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 0.0	\$ 0.0	\$ 196.6
Reimbursable	0.0	0.0	0.0
Subtotal	0.0	0.0	196.6
Unobligated balance:			
Apportioned	0.0	0.0	0.0
Exempt from apportionment	0.0	0.0	0.0
Other available	0.0	0.0	0.0
Unobligated Balances Not Available	0.0	0.0	23.1
<b>Total, Status of Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 219.7</b>
Relationship of Obligations to Outlays:			
Obligated Balance, Net ? beginning of period	\$ 0.0	\$ 0.0	\$ 29.9
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	0.0	0.0	0.0
Unfilled customer order from Federal sources	0.0	0.0	(83.1)
Undelivered orders	0.0	0.0	238.8
Accounts payable	0.0	0.0	0.0
Outlays:			
Disbursements	0.0	0.0	24.1
Collections	0.0	0.0	(17.2)
Subtotal	0.0	0.0	6.9
Less: Offsetting receipts	0.0	0.0	0.0
<b>Net Outlays</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 6.9</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	2004 Combined
<b>NONBUDGETARY FINANCING ACCOUNTS</b>			
<b>BUDGETARY RESOURCES</b>			
Budget Authority:			
Appropriations received	\$ 0.0	\$ 0.0	\$ 0.0
Borrowing authority	0.0	0.0	114.6
Contract authority	0.0	0.0	0.0
Net transfers (+/-)	0.0	0.0	0.0
Other	0.0	0.0	0.0
Unobligated balance:			
Beginning of period	0.0	0.0	21.8
Net transfers, actual (+/-)	0.0	0.0	0.0
Anticipated Transfers Balances	0.0	0.0	0.0
Spending authority from offsetting collections:			
Earned	0.0	0.0	0.0
Collected	0.0	0.0	17.4
Receivable from Federal sources	0.0	0.0	(0.6)
Change in unfilled customer orders	0.0	0.0	0.0
Advance received	0.0	0.0	0.0
Without advance from Federal sources	0.0	0.0	47.2
Anticipated for the rest of year, without advances	0.0	0.0	0.0
Transfers from trust funds	0.0	0.0	0.0
Subtotal	0.0	0.0	64.0
Recoveries of prior year obligations	0.0	0.0	0.0
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	0.0	0.0	20.7
<b>Total Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 221.1</b>
<b>STATUS OF BUDGETARY RESOURCES</b>			
Obligations incurred:			
Direct	\$ 0.0	\$ 0.0	\$ 196.6
Reimbursable	0.0	0.0	0.0
Subtotal	0.0	0.0	196.6
Unobligated balance:			
Apportioned	0.0	0.0	1.4
Exempt from apportionment	0.0	0.0	0.0
Other available	0.0	0.0	0.0
Unobligated Balances Not Available	0.0	0.0	23.1
<b>Total, Status of Budgetary Resources</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 221.1</b>
Relationship of Obligations to Outlays:			
Obligated Balance, Net ? beginning of period	\$ 0.0	\$ 0.0	\$ 29.9
Obligated Balance transferred, net (+/-)	0.0	0.0	0.0
Obligated Balance, Net - end of period:			
Accounts receivable	0.0	0.0	0.0
Unfilled customer order from Federal sources	0.0	0.0	(83.1)
Undelivered orders	0.0	0.0	238.8
Accounts payable	0.0	0.0	0.0
Outlays:			
Disbursements	0.0	0.0	24.1
Collections	0.0	0.0	(17.4)
Subtotal	0.0	0.0	6.7
Less: Offsetting receipts	0.0	0.0	0.0
<b>Net Outlays</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 6.7</b>

Department of Defense  
Agency Wide  
**COMBINING STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended September 30, 2004 and 2003  
(\$ in Millions)

2003 Combined

NONBUDGETARY FINANCING ACCOUNTS		
<b>BUDGETARY RESOURCES</b>		
Budget Authority:		
Appropriations received	\$	0.0
Borrowing authority		50.5
Contract authority		0.0
Net transfers (+/-)		0.0
Other		0.0
Unobligated balance:		
Beginning of period		104.0
Net transfers, actual (+/-)		0.0
Anticipated Transfers Balances		0.0
Spending authority from offsetting collections:		
Earned		0.0
Collected		56.2
Receivable from Federal sources		(90.0)
Change in unfilled customer orders		0.0
Advance received		0.0
Without advance from Federal sources		35.8
Anticipated for the rest of year, without advances		0.0
Transfers from trust funds		0.0
Subtotal		2.0
Recoveries of prior year obligations		1.9
Temporarily not available pursuant to Public Law		0.0
Permanently not available		(0.2)
<b>Total Budgetary Resources</b>	<b>\$</b>	<b>158.2</b>
<b>STATUS OF BUDGETARY RESOURCES</b>		
Obligations incurred:		
Direct	\$	136.4
Reimbursable		0.0
Subtotal		136.4
Unobligated balance:		
Apportioned		1.3
Exempt from apportionment		0.0
Other available		(0.1)
Unobligated Balances Not Available		20.6
<b>Total, Status of Budgetary Resources</b>	<b>\$</b>	<b>158.2</b>
<b>Relationship of Obligations to Outlays:</b>		
Obligated Balance, Net ? beginning of period	\$	(95.1)
Obligated Balance transferred, net (+/-)		0.0
Obligated Balance, Net - end of period:		
Accounts receivable		(0.6)
Unfilled customer order from Federal sources		(35.8)
Undelivered orders		66.3
Accounts payable		0.0
Outlays:		
Disbursements		63.6
Collections		(56.2)
Subtotal		7.4
Less: Offsetting receipts		0.0
<b>Net Outlays</b>	<b>\$</b>	<b>7.4</b>

**Department of Defense**

**Agency Wide**

**COMBINING STATEMENT OF FINANCING**

**For the periods ended September 30, 2004 and 2003**

**(\$ in Millions)**

	Army General Fund	Navy General Fund	Air Force General Fund
<b>Resources Used to Finance Activities:</b>			
<b>Budgetary Resources Obligated</b>			
Obligations incurred	\$ 176,066.0	\$ 141,154.9	\$ 134,360.7
Less: Spending authority from offsetting collections and recoveries (-)	(35,353.0)	(21,626.9)	(9,944.3)
Obligations net of offsetting collections and recoveries	140,713.0	119,528.0	124,416.4
Less: Offsetting receipts (-)	(63.3)	(115.0)	(115.4)
Net obligations	140,649.7	119,413.0	124,301.0
<b>Other Resources</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers in/out without reimbursement (+/-)	400.8	11.9	311.1
Imputed financing from costs absorbed by others	882.1	585.2	663.6
Other (+/-)	0.0	0.0	0.0
Net other resources used to finance activities	1,282.9	597.1	974.7
<b>Total resources used to finance activities</b>	<b>141,932.6</b>	<b>120,010.1</b>	<b>125,275.7</b>
<b>Resources Used to Finance Items not Part of the Net Cost of Operations</b>			
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided			
Undelivered Orders (-)	(12,185.1)	1,796.2	201.3
Unfilled Customer Orders	2,203.4	523.5	78.1
Resources that fund expenses recognized in prior periods	(870.8)	(115.1)	(896.1)
Budgetary offsetting collections and receipts that do not affect net cost of operations	63.4	0.0	115.4
Resources that finance the acquisition of assets	(9,901.0)	(12,412.2)	(16,068.4)
Other resources or adjustments to net obligated resources that do not affect net cost of operations	0.0	0.0	0.0
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget (-)	(400.8)	(11.9)	(311.1)
Other (+/-)	(400.8)	(11.9)	(311.1)
<b>Total resources used to finance items not part of the net cost of operations</b>	<b>(21,090.9)</b>	<b>(10,219.5)</b>	<b>(16,880.8)</b>
<b>Total resources used to finance the net cost of operations</b>	<b>120,841.7</b>	<b>109,790.6</b>	<b>108,394.9</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>			
<b>Components Requiring or Generating Resources in Future Period:</b>			
Increase in annual leave liability	95.3	188.3	137.7
Increase in environmental and disposal liability	3,103.7	427.5	0.0
Upward/Downward reestimates of credit subsidy expense (+/-)	10.9	0.0	0.0
Increase in exchange revenue receivable from the the public (-)	0.0	0.0	0.0
Other (+/-)	63.6	193.2	53.2
<b>Total components of Net Cost of Operations that will require or generate resources in future periods</b>	<b>3,273.5</b>	<b>809.0</b>	<b>190.9</b>
<b>Components not Requiring or Generating Resources:</b>			
Depreciation and amortization	9,815.6	17,475.9	9,847.7
Revaluation of assets or liabilities (+/-)	515.0	1,114.0	(938.1)
Other (+/-)			
Trust Fund Exchange Revenue	0.0	(30.3)	0.0
Cost of Goods Sold	0.0	0.0	0.0
Operating Material & Supplies Used	0.0	271.0	3,919.0
Other	1,335.8	12.3	(2,725.1)
<b>Total components of Net Cost of Operations that will not require or generate resources</b>	<b>11,666.4</b>	<b>18,842.9</b>	<b>10,103.5</b>
<b>Total components of net cost of operations that will not require or generate resources in the current period</b>	<b>14,939.9</b>	<b>19,651.9</b>	<b>10,294.4</b>
<b>Net Cost of Operations</b>	<b>135,781.6</b>	<b>129,442.5</b>	<b>118,689.3</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF FINANCING**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Army Working Capital Fund	Navy Working Capital Fund	Air Force Working Capital Fund
<b>Resources Used to Finance Activities:</b>			
<b>Budgetary Resources Obligated</b>			
Obligations incurred	\$ 14,006.2	\$ 24,316.4	\$ 17,274.0
Less: Spending authority from offsetting collections and recoveries (-)	(12,565.7)	(22,541.6)	(16,734.5)
Obligations net of offsetting collections and recoveries	1,440.5	1,774.8	539.5
Less: Offsetting receipts (-)	0.0	0.0	0.0
Net obligations	1,440.5	1,774.8	539.5
<b>Other Resources</b>			
Donations and forfeitures of property	0.0	0.0	0.0
Transfers in/out without reimbursement (+/-)	0.0	0.1	0.0
Imputed financing from costs absorbed by others	130.8	544.9	159.0
Other (+/-)	0.0	0.0	0.0
Net other resources used to finance activities	130.8	545.0	159.0
<b>Total resources used to finance activities</b>	<b>1,571.3</b>	<b>2,319.8</b>	<b>698.5</b>
<b>Resources Used to Finance Items not Part of the Net Cost of Operations</b>			
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided			
Undelivered Orders (-)	(2,497.7)	1,142.5	(951.1)
Unfilled Customer Orders	(146.1)	(1,634.6)	(907.1)
Resources that fund expenses recognized in prior periods	(23.3)	(241.6)	(36.4)
Budgetary offsetting collections and receipts that do not affect net cost of operations	0.0	0.0	0.0
Resources that finance the acquisition of assets	(6,214.5)	(5,045.2)	(2,686.2)
Other resources or adjustments to net obligated resources that do not affect net cost of operations			
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget (-)	0.0	0.0	0.0
Other (+/-)	6.9	(0.1)	0.0
<b>Total resources used to finance items not part of the net cost of operations</b>	<b>(8,874.7)</b>	<b>(5,779.0)</b>	<b>(4,580.8)</b>
<b>Total resources used to finance the net cost of operations</b>	<b>(7,303.4)</b>	<b>(3,459.2)</b>	<b>(3,882.3)</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>			
<b>Components Requiring or Generating Resources in Future Period:</b>			
Increase in annual leave liability	1.4	0.0	0.0
Increase in environmental and disposal liability	0.0	0.0	0.0
Upward/Downward reestimates of credit subsidy expense (+/-)	0.0	0.0	0.0
Increase in exchange revenue receivable from the the public (-)	0.0	0.0	0.0
Other (+/-)	0.2	0.0	0.0
<b>Total components of Net Cost of Operations that will require or generate resources in future periods</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>
<b>Components not Requiring or Generating Resources:</b>			
Depreciation and amortization	82.9	255.2	259.3
Revaluation of assets or liabilities (+/-)	257.5	42.9	(5,660.4)
Other (+/-)			
Trust Fund Exchange Revenue	0.0	0.0	0.0
Cost of Goods Sold	5,003.8	4,160.7	5,866.5
Operating Material & Supplies Used	0.0	0.0	325.6
Other	(440.1)	38.4	4,386.0
<b>Total components of Net Cost of Operations that will not require or generate resources</b>	<b>4,904.1</b>	<b>4,497.2</b>	<b>5,177.0</b>
<b>Total components of net cost of operations that will not require or generate resources in the current period</b>	<b>4,905.7</b>	<b>4,497.2</b>	<b>5,177.0</b>
<b>Net Cost of Operations</b>	<b>(2,397.7)</b>	<b>1,038.0</b>	<b>1,294.7</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF FINANCING**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Military Retirement Fund	US Army Corps of Engineers	Other Defense Organizations General Funds
<b>Resources Used to Finance Activities:</b>			
<b>Budgetary Resources Obligated</b>			
Obligations incurred	\$ 37,152.6	\$ 11,073.0	\$ 108,397.0
Less: Spending authority from offsetting collections and recoveries (-)	0.0	(5,578.4)	(9,155.0)
Obligations net of offsetting collections and recoveries	37,152.6	5,494.6	99,242.0
Less: Offsetting receipts (-)	(18,189.0)	(1,592.3)	(1,129.0)
<b>Net obligations</b>	<b>18,963.6</b>	<b>3,902.3</b>	<b>98,113.0</b>
<b>Other Resources</b>			
Donations and forfeitures of property	0.0	0.4	0.0
Transfers in/out without reimbursement (+/-)	0.0	(1.6)	(726.0)
Imputed financing from costs absorbed by others	0.0	239.5	583.3
Other (+/-)	0.0	0.6	0.0
<b>Net other resources used to finance activities</b>	<b>0.0</b>	<b>238.9</b>	<b>(142.7)</b>
<b>Total resources used to finance activities</b>	<b>18,963.6</b>	<b>4,141.2</b>	<b>97,970.3</b>
<b>Resources Used to Finance Items not Part of the Net Cost of Operations</b>			
<b>Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided</b>			
Undelivered Orders (-)	0.0	(400.2)	377.2
Unfilled Customer Orders	0.0	302.2	469.4
Resources that fund expenses recognized in prior periods	0.0	(55.3)	(306.3)
Budgetary offsetting collections and receipts that do not affect net cost of operations	0.0	1,592.3	874.3
Resources that finance the acquisition of assets	0.0	(1,684.0)	(3,542.1)
Other resources or adjustments to net obligated resources that do not affect net cost of operations	0.0	(10.0)	6.1
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget (-)	0.0	1.6	726.0
Other (+/-)	0.0	(253.4)	(1,395.4)
<b>Total resources used to finance items not part of the net cost of operations</b>	<b>0.0</b>	<b>(253.4)</b>	<b>(1,395.4)</b>
<b>Total resources used to finance the net cost of operations</b>	<b>18,963.6</b>	<b>3,887.8</b>	<b>96,574.9</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>			
<b>Components Requiring or Generating Resources in Future Period:</b>			
Increase in annual leave liability	0.0	0.0	92.1
Increase in environmental and disposal liability	0.0	0.0	333.4
Upward/Downward reestimates of credit subsidy expense (+/-)	0.0	0.0	4.0
Increase in exchange revenue receivable from the the public (-)	0.0	0.0	1.4
Other (+/-)	98,520.5	51.0	14,853.2
<b>Total components of Net Cost of Operations that will require or generate resources in future periods</b>	<b>98,520.5</b>	<b>51.0</b>	<b>15,284.1</b>
<b>Components not Requiring or Generating Resources:</b>			
Depreciation and amortization	0.0	2,373.5	1,610.0
Revaluation of assets or liabilities (+/-)	0.0	(822.2)	(475.4)
Other (+/-)	(24,195.5)	0.0	(59.6)
Trust Fund Exchange Revenue	(24,195.5)	0.0	(59.6)
Cost of Goods Sold	0.0	0.0	370.7
Operating Material & Supplies Used	0.0	0.0	32.1
Other	(10.3)	2,586.6	760.0
<b>Total components of Net Cost of Operations that will not require or generate resources</b>	<b>(24,205.8)</b>	<b>4,137.9</b>	<b>2,237.8</b>
<b>Total components of net cost of operations that will not require or generate resources in the current period</b>	<b>74,314.7</b>	<b>4,188.9</b>	<b>17,521.9</b>
<b>Net Cost of Operations</b>	<b>93,278.3</b>	<b>8,076.7</b>	<b>114,096.8</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF FINANCING**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

	Other Defense Organizations Working Capital Funds	DoD Medicare-Eligible Retiree Health Care Fund	2004 Combined
<b>Resources Used to Finance Activities:</b>			
<b>Budgetary Resources Obligated</b>			
Obligations incurred	\$ 51,911.6	\$ 5,196.8	\$ 720,909.2
Less: Spending authority from offsetting collections and recoveries (-)	(47,781.6)	0.0	(181,281.0)
Obligations net of offsetting collections and recoveries	4,130.0	5,196.8	539,628.2
Less: Offsetting receipts (-)	0.0	(25,342.4)	(46,546.4)
Net obligations	4,130.0	(20,145.6)	493,081.8
<b>Other Resources</b>			
Donations and forfeitures of property	0.0	0.0	0.4
Transfers in/out without reimbursement (+/-)	(1.6)	(2,843.3)	(2,848.6)
Imputed financing from costs absorbed by others	304.1	0.0	4,092.5
Other (+/-)	0.0	0.0	0.6
Net other resources used to finance activities	302.5	(2,843.3)	1,244.9
Total resources used to finance activities	4,432.5	(22,988.9)	494,326.7
<b>Resources Used to Finance Items not Part of the Net Cost of Operations</b>			
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided			
Undelivered Orders (-)	(1,437.7)	29.0	(13,925.6)
Unfilled Customer Orders	498.6	0.0	1,387.4
Resources that fund expenses recognized in prior periods	(92.5)	0.0	(2,637.4)
Budgetary offsetting collections and receipts that do not affect net cost of operations	0.0	0.0	2,645.4
Resources that finance the acquisition of assets	(29,390.0)	0.0	(86,943.6)
Other resources or adjustments to net obligated resources that do not affect net cost of operations			
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget (-)	(6.1)	0.0	(10.0)
Other (+/-)	1.6	2,843.3	2,855.5
Total resources used to finance items not part of the net cost of operations	(30,426.1)	2,872.3	(96,628.3)
Total resources used to finance the net cost of operations	(25,993.6)	(20,116.6)	397,698.4
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>			
<b>Components Requiring or Generating Resources in Future Period:</b>			
Increase in annual leave liability	0.0	0.0	514.8
Increase in environmental and disposal liability	0.0	0.0	3,864.6
Upward/Downward reestimates of credit subsidy expense (+/-)	0.0	0.0	14.9
Increase in exchange revenue receivable from the the public (-)	(75.2)	0.0	(73.8)
Other (+/-)	33.3	25,296.7	139,064.9
Total components of Net Cost of Operations that will require or generate resources in future periods	(41.9)	25,296.7	143,385.4
<b>Components not Requiring or Generating Resources:</b>			
Depreciation and amortization	529.1	0.0	42,249.2
Revaluation of assets or liabilities (+/-)	254.1	0.0	(5,712.6)
Other (+/-)			
Trust Fund Exchange Revenue	0.0	0.0	(24,285.4)
Cost of Goods Sold	26,020.1	0.0	41,421.8
Operating Material & Supplies Used	108.2	0.0	4,655.9
Other	16.6	(8.0)	5,952.2
Total components of Net Cost of Operations that will not require or generate resources	26,928.1	(8.0)	64,281.1
Total components of net cost of operations that will not require or generate resources in the current period	26,886.2	25,288.7	207,666.5
<b>Net Cost of Operations</b>	<b>892.6</b>	<b>5,172.1</b>	<b>605,364.9</b>

**Department of Defense**  
**Agency Wide**  
**COMBINING STATEMENT OF FINANCING**  
**For the periods ended September 30, 2004 and 2003**  
**(\$ in Millions)**

2003 Combined

<b>Resources Used to Finance Activities:</b>	
<b>Budgetary Resources Obligated</b>	
Obligations incurred	\$ 669,846.5
Less: Spending authority from offsetting collections and recoveries (-)	(168,688.6)
Obligations net of offsetting collections and recoveries	501,157.9
Less: Offsetting receipts (-)	(43,294.0)
<b>Net obligations</b>	<b>457,863.9</b>
<b>Other Resources</b>	
Donations and forfeitures of property	4.6
Transfers in/out without reimbursement (+/-)	(6,702.1)
Imputed financing from costs absorbed by others	3,866.9
Other (+/-)	308.1
Net other resources used to finance activities	(2,522.5)
<b>Total resources used to finance activities</b>	<b>455,341.4</b>
<b>Resources Used to Finance Items not Part of the Net Cost of Operations</b>	
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	
Undelivered Orders (-)	(37,435.1)
Unfilled Customer Orders	11,006.1
Resources that fund expenses recognized in prior periods	(686.3)
Budgetary offsetting collections and receipts that do not affect net cost of operations	929.3
Resources that finance the acquisition of assets	(72,984.9)
Other resources or adjustments to net obligated resources that do not affect net cost of operations	
Less: Trust or Special Fund Receipts Related to Exchange in the Entity's Budget (-)	0.0
Other (+/-)	6,623.6
<b>Total resources used to finance items not part of the net cost of operations</b>	<b>(92,547.3)</b>
<b>Total resources used to finance the net cost of operations</b>	
	<b>362,794.1</b>
<b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>	
<b>Components Requiring or Generating Resources in Future Period:</b>	
Increase in annual leave liability	662.7
Increase in environmental and disposal liability	2,033.6
Upward/Downward reestimates of credit subsidy expense (+/-)	0.0
Increase in exchange revenue receivable from the the public (-)	(6.6)
Other (+/-)	95,403.2
<b>Total components of Net Cost of Operations that will require or generate resources in future periods</b>	<b>98,092.9</b>
<b>Components not Requiring or Generating Resources:</b>	
Depreciation and amortization	55,274.7
Revaluation of assets or liabilities (+/-)	6,299.4
Other (+/-)	
Trust Fund Exchange Revenue	(23,792.5)
Cost of Goods Sold	0.0
Operating Material & Supplies Used	0.0
Other	13,622.0
<b>Total components of Net Cost of Operations that will not require or generate resources</b>	<b>51,403.6</b>
<b>Total components of net cost of operations that will not require or generate resources in the current period</b>	<b>149,496.5</b>
<b>Net Cost of Operations</b>	<b>512,290.6</b>

Department of Defense

Agency Wide

COMBINING STATEMENT OF CUSTODIAL ACTIVITY

For the periods ended September 30, 2004 and 2003 (\$ in Millions)

	Army General Fund	Military Retirement Fund	Other Defense Organizations General Funds	2004 Combined	2003 Combined
<b>SOURCE OF COLLECTIONS</b>					
Deposits by Foreign Governments	\$ 0.0	0.0	11,237.5	11,237.5	9,971.6
Seized Iraqi Cash	118.3	0.0	0.0	118.3	808.9
Other Collections	0.0	0.0	0.0	0.0	0.0
Total Cash Collections	\$ 118.3	0.0	11,237.5	11,355.8	10,780.5
Accrual Adjustments (+/-)	\$ 0.0	0.9	0.0	0.9	0.7
Total Custodial Collections	\$ 118.3	0.9	11,237.5	11,356.7	10,781.2
<b>DISPOSITION OF COLLECTIONS</b>					
Disbursed on Behalf of Foreign Governments and International Organizations	\$ 0.0	0.0	9,998.8	9,998.8	10,118.8
Seized Assets Disbursed on behalf of Iraqi People	283.1	0.0	0.0	283.1	530.8
Increase (Decrease) in Amounts to be Transferred	0.0	0.9	1,238.6	1,239.5	-146.5
Collections Used for Refunds and Other Payments	0.0	0.0	0.0	0.0	0.0
Retained by The Reporting Entity	0.0	0.0	0.0	0.0	0.0
Seized Assets Retained for Support of the Iraqi People	-164.7	0.0	0.0	-164.7	278.1
Total Disposition of Collections	\$ 118.4	0.9	11,237.4	11,356.7	10,781.2
<b>NET CUSTODIAL COLLECTION ACTIVITY</b>	\$ -0.1	0.0	0.1	0.0	0.0

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