



Consolidated Financial Statements

DEPARTMENT OF VETERANS AFFAIRS

CONSOLIDATED BALANCE SHEETS (dollars in millions)

As of September 30,	2008	2007
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury (Note 3)	\$ 26,292	\$ 22,213
Investments (Note 5)	11,924	12,427
Accounts Receivable, Net (Note 6)	52	79
Other Assets	593	42
TOTAL INTRAGOVERNMENTAL ASSETS	38,861	34,761
PUBLIC		
Investments (Note 5)	183	177
Accounts Receivable, Net (Note 6)	1,760	1,329
Loans Receivable, Net (Note 7)	2,908	2,858
Cash (Note 4)	40	34
Inventories and Related Properties, Net (Note 8)	61	54
General Property, Plant and Equipment, Net (Note 9)	13,068	12,176
Other Assets	33	28
TOTAL PUBLIC ASSETS	18,053	16,656
TOTAL ASSETS	\$ 56,914	\$ 51,417
Heritage Assets (Note 10)		
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable	\$ 79	\$ 115
Debt	1,580	1,052
Other Liabilities (Note 14)	1,903	2,140
TOTAL INTRAGOVERNMENTAL LIABILITIES	3,562	3,307
PUBLIC		
Accounts Payable	4,141	3,938
Liabilities for Loan Guarantees (Note 7)	3,452	3,769
Federal Employee and Veterans Benefits Liability (Note 12)	1,468,605	1,129,527
Environmental and Disposal Liabilities (Note 13)	928	558
Insurance Liabilities (Note 16)	10,751	11,217
Other Liabilities (Note 14)	7,433	7,710
TOTAL PUBLIC LIABILITIES	1,495,310	1,156,719
TOTAL LIABILITIES	1,498,872	1,160,026
NET POSITION		
Unexpended Appropriations – Earmarked Funds (Note 18)	(11,627)	(9,184)
Unexpended Appropriations – All Other Funds	15,621	11,291
Cumulative Results of Operations – Earmarked Funds (Note 18)	12,983	10,076
Cumulative Results of Operations – All Other Funds	(1,458,935)	(1,120,792)
TOTAL NET POSITION	(1,441,958)	(1,108,609)
TOTAL LIABILITIES AND NET POSITION	\$ 56,914	\$ 51,417

The accompanying Notes are an integral part of these financial statements.



DEPARTMENT OF VETERANS AFFAIRS		
CONSOLIDATED STATEMENTS OF NET COST (dollars in millions)		
for the Years Ended September 30,	2008	2007
NET PROGRAM COSTS (NOTE 20)		
Medical Care	\$ 35,019	\$ 32,013
Medical Education	1,367	1,267
Medical Research	917	843
Compensation	37,869	34,897
Pension	3,978	3,902
Education	2,537	2,348
Vocational Rehabilitation and Employment	787	722
Loan Guaranty	(565)	(200)
Insurance	118	94
Burial	448	355
NET PROGRAM COSTS BEFORE CHANGES IN VETERANS BENEFITS ACTUARIAL LIABILITIES	82,475	76,241
Compensation	338,100	(26,000)
Burial	900	(100)
SUBTOTAL	339,000	(26,100)
NET NON-PROGRAM COSTS	1,147	953
NET COST OF OPERATIONS (NOTE 20)	\$ 422,622	\$ 51,094

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DEPARTMENT OF VETERANS AFFAIRS
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION (dollars in millions)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Earmarked Funds	All Other Funds	Eliminations	FY 2008 Consolidated Total
Cumulative Results of Operations				
Beginning Balance	\$ 10,156	\$ (1,120,792)	\$ (80)	\$ (1,110,716)
Budgetary Financing Sources				
Appropriations Used	-	87,147	-	87,147
Nonexchange Revenue	-	12	-	12
Donations	36	-	-	36
Transfer without Reimbursement	33	-	(33)	-
Other Financing Sources (Non-Exchange)				
Donations of Property	20	1	-	21
Transfers In/Out Reimbursement	-	(335)	96	(239)
Imputed Financing	-	1,375	-	1,375
Other	-	(870)	(96)	(966)
Total Financing Sources	89	87,330	(33)	87,386
Net Cost of Operations	(2,738)	425,360	-	422,622
Net Change	2,827	(338,030)	(33)	(335,236)
Ending Balance – Cumulative Results	12,983	(1,458,822)	(113)	(1,445,952)
Unexpended Appropriations				
Beginning Balance	(9,184)	11,211	80	2,107
Budgetary Financing Sources				
Appropriations Received	-	89,084	-	89,084
Appropriations Transferred In/Out	(2,443)	2,455	33	45
Other Adjustments	-	(95)	-	(95)
Appropriations Used	-	(87,147)	-	(87,147)
Total Budgetary Financing Sources	(2,443)	4,297	33	1,887
Total Unexpended Appropriations	(11,627)	15,508	113	3,994
Total Net Position	\$ 1,356	\$ (1,443,314)	\$ -	\$ (1,441,958)

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DEPARTMENT OF VETERANS AFFAIRS
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION (dollars in millions)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Earmarked Funds	All Other Funds	Eliminations	FY 2007 Consolidated Total
Cumulative Results of Operations				
Beginning Balance	\$ 7,887	\$ (1,146,470)	\$ (38)	\$ (1,138,621)
Budgetary Financing Sources				
Appropriations Used	-	78,983	-	78,983
Nonexchange Revenue	-	9	-	9
Donations	27	-	-	27
Transfer without Reimbursement	42	-	(42)	-
Other Financing Sources (Non-Exchange)				
Donations of Property	19	1	-	20
Transfers In/Out Reimbursement	-	(1,448)	1,206	(242)
Imputed Financing	-	1,408	-	1,408
Other	-	-	(1,206)	(1,206)
Total Financing Sources	88	78,953	(42)	78,999
Net Cost of Operations	(2,181)	53,275	-	51,094
Net Change	2,269	25,678	(42)	27,905
Ending Balance – Cumulative Results	10,156	(1,120,792)	(80)	(1,110,716)
Unexpended Appropriations				
Beginning Balance	(6,965)	8,201	38	1,274
Budgetary Financing Sources				
Appropriations Received	-	79,817	-	79,817
Appropriations Transferred In/Out	(2,219)	2,210	42	33
Other Adjustments	-	(35)	-	(35)
Appropriations Used	-	(78,982)	-	(78,982)
Total Budgetary Financing Sources	(2,219)	3,010	42	833
Total Unexpended Appropriations	(9,184)	11,211	80	2,107
Total Net Position	\$ 972	\$ (1,109,581)	\$ -	\$ (1,108,609)

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DEPARTMENT OF VETERANS AFFAIRS
COMBINED STATEMENT OF BUDGETARY RESOURCES (NOTE 21) (dollars in millions)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Non-Budgetary Budgetary Credit Program	
Budgetary Resources		
Unobligated Balance at the Beginning of the Period	\$ 18,312	\$ 2,950
Recoveries of Prior Year Obligations	3	-
Budget Authority		
Appropriations Received	92,718	-
Borrowing Authority	-	1,294
Spending Authority from Offsetting Collections		
Earned	5,120	2,872
Unfilled Customer Orders	(133)	-
Subtotal	<u>116,020</u>	<u>7,116</u>
Nonexpenditure Transfers, net	45	-
Temporarily Not Available Pursuant to Public Law (Note 23)	(8,352)	-
Permanently Not Available	<u>(126)</u>	<u>(766)</u>
Total Budgetary Resources	<u>\$ 107,587</u>	<u>\$ 6,350</u>
Status of Budgetary Resources		
Obligations Incurred	\$ 97,028	\$ 3,065
Unobligated Balance Available	7,907	-
Unobligated Balance Not Yet Available	<u>2,652</u>	<u>3,285</u>
Total Status of Budgetary Resources	<u>\$ 107,587</u>	<u>\$ 6,350</u>
Change in Obligated Balance		
Obligated Balance, Net Beginning of Period	\$ 12,911	\$ 87
Obligations Incurred	97,028	3,065
Less Gross Outlays	(94,170)	(3,157)
Less Recoveries of Prior Year Unpaid Obligations, Actual	(3)	-
Change in Uncollected Customer Payments from Federal Sources	<u>158</u>	<u>67</u>
Obligated Balance, Net End of Period	<u>\$ 15,924</u>	<u>\$ 62</u>
Net Outlays		
Gross Outlays	\$ 94,170	\$ 3,157
Less Offsetting Collections	(5,145)	(2,938)
Less Distributed Offsetting Receipts	<u>(2,879)</u>	<u>(1,364)</u>
Net Outlays	<u>\$ 86,146</u>	<u>\$ (1,145)</u>

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DEPARTMENT OF VETERANS AFFAIRS
COMBINED STATEMENT OF BUDGETARY RESOURCES (NOTE 21) (dollars in millions)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

		Non-Budgetary Budgetary Credit Program
Budgetary Resources		
Unobligated Balance at the Beginning of the Period	\$ 16,958	\$ 3,560
Recoveries of Prior Year Obligations	6	-
Budget Authority		
Appropriations Received	82,630	-
Borrowing Authority	-	590
Spending Authority from Offsetting Collections		
Earned	5,261	1,522
Change in Unfilled Customer Orders	(250)	-
Subtotal	104,605	5,672
Nonexpenditure Transfers, net	33	-
Permanently Not Available	(77)	(521)
Total Budgetary Resources	\$ 104,561	\$ 5,151
Status of Budgetary Resources		
Obligations Incurred	\$ 86,249	\$ 2,201
Unobligated Balance Available	15,702	-
Unobligated Balance Not Yet Available	2,610	2,950
Total Status of Budgetary Resources	\$ 104,561	\$ 5,151
Change in Obligated Balance		
Obligated Balance, Net Beginning of Period	\$ 8,109	\$ 127
Obligations Incurred	86,249	2,201
Less Gross Outlays	(81,747)	(2,267)
Less Recoveries of Prior Year Unpaid Obligations, Actual	(6)	-
Change in Uncollected Customer Payments from Federal Sources	306	26
Obligated Balance, Net End of Period	\$ 12,911	\$ 87
Net Outlays		
Gross Outlays	\$ 81,747	\$ 2,267
Less Offsetting Collections	(5,317)	(1,548)
Less Distributed Offsetting Receipts	(2,560)	(1,050)
Net Outlays	\$ 73,870	\$ (331)

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