U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATED BALANCE SHEETS
As of September 30, 2005 and 2004
(In Millions)

	2005	2004
ASSETS		
Intragovernmental:		
Fund Balance with Treasury [Note 2]	$1,189	$962
Investments [Note 3]	712,050	679,904
Accounts Receivable [Note 4]	1,366	1,222
Total Intragovernmental	714,605	682,088
Accounts Receivable from the Public, Net [Note 4]	1,036	946
General Property and Equipment, Net	12	10
Other [Note 1L]	732	686
TOTAL ASSETS	$716,385	$683,730
LIABILITIES		
Intragovernmental	$586	$453
Federal Employee Benefits:		
Benefits Due and Payable	8,572	8,154
Pension Liability [Note 5A]	1,214,900	1,174,500
Postretirement Health Benefits Liability [Note 5B]	281,558	261,556
Actuarial Life Insurance Liability [Note 5C]	32,263	30,830
Total Federal Employee Benefits	1,537,293	1,475,040
Other [Notes 6 and 12]	1,025	1,002
Total Liabilities	1,538,904	1,476,495
NET POSITION		
Unexpended Appropriations	82	49
Cumulative Results of Operations	(822,601)	(792,814)
Total Net Position	(822,519)	(792,765)
TOTAL LIABILITIES AND NET POSITION	$716,385	$683,730

The accompanying notes are an integral part of the financial statements.

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2005 and 2004

(In Millions)

		2005	2004
Provide CSRS Benefits	Intragovernmental Gross Costs [Note 1D]	—	—
	Gross Costs with the Public	$68,461	$68,626
	Total Gross Costs	68,461	68,626
	Intragovernmental Earned Revenue	(28,381)	(29,070)
	Earned Revenue with the Public	(3,112)	(3,294)
	Total Earned Revenue	(31,493)	(32,364)
	Total Net Cost	$36,968	$36,262
Provide FERS Benefits	Intragovernmental Gross Costs [Note 1D]	—	—
	Gross Costs with the Public	$26,629	$21,913
	Total Gross Costs	26,629	21,913
	Intragovernmental Earned Revenue	(25,413)	(22,912)
	Earned Revenue with the Public	(958)	(883)
	Total Earned Revenue	(26,371)	(23,795)
	Total Net Cost	$258	($1,882)
Provide Health Benefits	Intragovernmental Gross Costs [Note 1D]	—	—
	Gross Costs with the Public	$49,766	$49,453
	Total Gross Costs	49,766	49,453
	Intragovernmental Earned Revenue	(15,174)	(13,967)
	Earned Revenue with the Public	(8,448)	(7,951)
	Total Earned Revenue	(23,622)	(21,918)
	Total Net Cost	$26,144	$27,535
Provide Life Insurance Benefits	Intragovernmental Gross Costs [Note 1D]	—	—
	Gross Costs with the Public	$3,585	$3,640
	Total Gross Costs	3,585	3,640
	Intragovernmental Earned Revenue	(1,651)	(1,645)
	Earned Revenue with the Public	(1,907)	(1,806)
	Total Earned Revenue	(3,558)	(3,451)
	Total Net Cost	$27	$189
Provide Human Resource Services	Intragovernmental Gross Costs	$136	$39
	Gross Costs with the Public	754	577
	Total Gross Costs	890	616
	Intragovernmental Earned Revenue	(687)	(546)
	Earned Revenue with the Public	(1)	(2)
	Total Earned Revenue	(688)	(548)
	Total Net Cost	$202	$68
Total Net Cost of Operations	Intragovernmental Gross Costs	$136	$39
	Gross Costs with the Public	149,195	144,209
	Total Gross Costs	149,331	144,248
	Intragovernmental Earned Revenue	(71,306)	(68,140)
	Earned Revenue with the Public	(14,426)	(13,936)
	Total Earned Revenue	(85,732)	(82,076)
	Total Net Cost	$63,599	$62,172

The accompanying notes are an integral part of the financial statements.

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2005 and 2004

(In Millions)

	2005			2004		
	Cumulative Results of Operations	Unexpended Appropri-ations	Net Position	Cumulative Results of Operations	Unexpended Appropri-ations	Net Position
BEGINNING BALANCES	($792,814)	$49	($792,765)	($764,092)	$64	($764,028)
BUDGETARY FINANCING SOURCES						
Appropriations received	—	8,019	8,019	—	7,515	7,515
Appropriations used	8,070	(8,070)	—	7,483	(7,483)	—
Transfers-in Without Reimbursement	6	—	6	—	—	—
Other Budgetary Financing Sources	—	84	84	—	(47)	(47)
Total Budgetary Financing Sources	8,076	33	8,109	7,483	(15)	7,468
OTHER FINANCING SOURCES						
Transfer-in from General Fund	25,618	—	25,618	25,921	—	25,921
Other	118	0	118	46	0	46
Total Other Financing Sources	25,736	0	25,736	25,967	0	25,967
NET COST OF OPERATIONS	63,599	—	63,599	62,172	—	62,172
NET CHANGE	(29,787)	33	(29,754)	(28,722)	(15)	(28,737)
ENDING BALANCES	($822,601)	$82	($822,519)	($792,814)	$49	($792,765)

The accompanying notes are an integral part of the financial statements.

U.S. OFFICE OF PERSONNEL MANAGEMENT

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2005 and 2004

(In Millions)

	2005	2004
BUDGETARY RESOURCES		
Appropriations:		
Received	$8,019	$7,515
Other	60	(32)
Trust Fund Receipts:		
Appropriated	83,691	82,414
Temporarily Precluded from Obligation [Note 7]	(28,649)	(29,940)
Transfers-in Without Reimbursement	6	0
Unobligated Balance - Beginning of Period	36,083	32,815
Spending Authority from Offsetting Collections:		
Collected	35,841	33,307
Changes in Receivables from Federal Sources and Unfilled Customer Orders	66	151
Subtotal	35,907	33,458
Recissions and Recoveries of Prior-Year Obligations	32	39
Total Budgetary Resources	$135,149	$126,269
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred: [Note 9]		
Direct	$95,182	$89,703
Reimbursable	684	483
Subtotal	95,866	90,186
Unobligated Balance:		
Available	126	222
Not available	39,157	35,861
Subtotal	39,283	36,083
Total Status of Budgetary Resources	$135,149	$126,269
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS		
Obligations Incurred	$95,866	$90,186
Plus: Obligated Balance, Net - Beginning of Period	7,901	7,785
Plus: Obligated Balance Transferred-in	10	0
Less: Obligated Balance, Net - End of Period:		
Accounts Payable and Undelivered Orders	10,332	9,885
Accounts Receivable and Unfilled Customer Orders	(2,042)	(1,984)
Subtotal	8,290	7,901
Less: Changes in Receivables from Federal Sources and Unfilled Customer Orders	66	151
Recoveries of Prior-Year Obligations	34	0
Outlays:		
Disbursements	95,387	89,919
Collections	(35,841)	(33,307)
Subtotal	59,546	56,612
Less: Distributed Offsetting Receipts	25,652	25,958
Net Outlays	$33,894	$30,654

The accompanying notes are an integral part of the financial statements.

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATED STATEMENTS OF FINANCING

For the Years Ended September 30, 2005 and 2004

(In Millions)

	2005	2004
RESOURCES USED TO FINANCE ACTIVITIES		
Budgetary Resources Obligated:		
Obligations Incurred	$95,866	$90,186
Spending Authority from Offsetting Collections	(35,907)	(33,458)
Appropriated Trust Fund Receipts	(83,691)	(82,414)
Offsetting Receipts	25,652	25,958
Net Budgetary Resources Obligated	1,920	272
Other	(33)	(11)
Total Resources Used to Finance Activities	1,887	261
RESOURCES USED TO FINANCE ITEMS NOT PART OF NET COST OF OPERATIONS	49	27
COMPONENTS OF NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD		
Components Requiring or Generating Resources in Future Periods:		
Increase in Actuarial Liabilities	61,835	61,912
Exchange Revenue not in the Budget	(225)	(50)
Components not Requiring or Generating Resources	53	22
Total Components of Net Cost of Operations that Will Not Require or Generate Resources in the Current Period	61,663	61,884
NET COST OF OPERATIONS	$63,599	$62,172

The accompanying notes are an integral part of the financial statements.

U.S. Office Of Personnel Management

Part 5: Notes To Financial Statements

September 30, 2005 and 2004
[In millions]

NOTE 1 — Summary Of Significant Accounting Policies

A. Reporting Entity

The United States Office of Personnel Management (OPM) is the Federal Government's human resources agency. It was created as an independent agency of the Executive Branch of Government on January 1, 1979. Many of the functions of the former Civil Service Commission were transferred to OPM at that time.

The accompanying financial statements present OPM's financial position, net cost of operations, change in net position, status of budgetary resources, and a reconciliation of its net cost of operations to its budgetary obligations as required by the Chief Financial Officers Act of 1990 (CFO Act) and the Government Management Reform Act of 1994 (GMRA). The financial statements include all accounts — appropriation, trust, trust revolving and revolving funds — under OPM's control. The financial statements do not include the effect of any centrally-administered assets and liabilities related to the Federal Government as a whole, which may in part be attributable to OPM.

The financial statements are comprised of the following major programs administered by OPM:

Retirement Program. The Program is comprised of two defined-benefit pension plans: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). Together, the two plans cover substantially all full-time, permanent civilian Federal employees. The CSRS, implemented in 1921, is a stand-alone plan, providing benefits to most Federal employees hired before 1984. The FERS, established in 1986, uses Social Security as its base and provides an additional defined benefit and a voluntary thrift savings plan to most employees entering the Federal service after 1983; OPM does not administer the Thrift Savings Plan. Both plans are operated via the Civil Service Retirement and Disability Fund (CSRDF), a trust fund.

Health Benefits Program. The Program provides hospitalization and major medical protection to Federal employees, retirees, former employees, family members, and former spouses. The Program, implemented in 1960, is operated through two trust revolving funds: the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. To provide benefits, OPM contracts with two types of health benefits carriers: *fee-for-service*, whose participants or their health care providers are reimbursed for the cost of services, and *health maintenance organizations* (HMOs), which provide or arrange for services on a prepaid basis through designated providers. Most of the contracts of carriers that provide fee-for-service benefits are *experience-rated*, with the amount contributed by and for participants affected by, among other things, the number and size of claims. Most HMO contracts are *community-rated*, so that the amount paid by and for participants is essentially the same as that paid by and for participants in similarly-sized subscriber groups.

Life Insurance Program. The Program provides group term life insurance coverage to Federal employees and retirees. The Program was implemented in 1954 and significantly modified in 1980. It is operated through the Employees Group Life Insurance Fund, a trust revolving fund, and is administered, virtually in its entirety, by the Metropolitan

Life Insurance Company under contract with OPM. The Program provides Basic life insurance (which includes accidental death and dismemberment coverage) and three packages of optional coverage.

Revolving Fund Programs. OPM provides a variety of human resource-related services to other Federal agencies, such as pre-employment testing, security investigations, and employee training. These activities are financed through an intragovernmental revolving fund.

Salaries and Expenses. *Salaries and Expenses* provides the budgetary resources used by OPM to administer the Agency. These resources are furnished by annual, multiple-year, and no-year appropriations. Annual appropriations are made for a specified fiscal year and are available for obligation only during that fiscal year. Multiple-year appropriations are available for a definite period in excess of one fiscal year. No-year appropriations are available for obligation without fiscal year limitation.

B. Basis of Accounting and Presentation

These financial statements have been prepared to report the financial position, net cost, changes in net position, budgetary resources and reconciliation of net cost to budgetary obligations of OPM as required by the CFO Act and GMRA. These financial statements have been prepared from the books and records of OPM in accordance with accounting principles generally accepted in the United States of America (GAAP) and Office of Management Budget (OMB) Circular No. A-136, "Financial Reporting Requirements." GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official standard-setting body for the Federal Government. These financial statements present proprietary and budgetary information. OPM, pursuant to OMB directives, prepares additional financial reports that are used to monitor and control OPM's use of budgetary resources.

OPM has presented comparative financial statements for the Consolidated and Consolidating Balance Sheets, Consolidated and Consolidating Statements of Net Cost, Consolidated and Consolidating Statements of Changes in Net Position, Combined and Combining Statements of Budgetary Resources, and Consolidated and Consolidating Statements of Financing, in accordance with OMB financial statement reporting guidelines. Certain prior year amounts have been reclassified to conform to current year presentation.

The financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.

The accounting structure of Federal agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of Federal funds.

C. Use of Management's Estimates

The preparation of financial statements in accordance with GAAP requires management to make certain estimates. These estimates affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of earned revenues and costs during the reporting period. Actual results could differ from those estimates.

D. Financial Statement Classifications

Entity vs. Non-entity Assets. Entity assets are those that the reporting entity has the legal authority to use in its operations. Accordingly, all of OPM's assets are entity assets.

Intragovernmental and Other Balances. Throughout these financial statements, intragovernmental assets, liabilities, revenues and costs have been classified according to the type of entity with which the transactions are associated. OPM classifies as intragovernmental, those transactions with other Federal entities, including the U.S. Postal Service (USPS). In accordance with Federal accounting standards, OPM classifies employee contributions to the Retirement, Health Benefits and Life Insurance Programs as exchange revenues "from the public." OPM's entire gross cost to provide Retirement, Health and Life Insurance benefits, however, is classified as costs "with the public" because the recipients of these benefits are Federal employees, retirees, and their survivors and families. As a consequence, on the accompanying consolidated Statements of Net Cost and in other notes to OPM's financial statements, OPM reports that there are no intragovernmental gross costs to provide Retirement, Health and Life Insurance benefits. The consolidated Statement of Net Cost provides its users with the ability to ascertain whether OPM's exchange revenues are sufficient to cover the total cost it has incurred to provide Retirement, Health and Life Insurance benefits.

Exchange vs. Non-exchange Revenue. Exchange or earned revenue is an inflow of resources to a Government entity that the entity has earned; it arises when each party to a transaction sacrifices value and receives value in return. All of OPM's revenues are classified as exchange revenues. Federal reporting standards require that earnings on investments be classified in the same manner as the entity's "predominant source of revenue;" OPM, therefore, classifies it as earned revenue. Employing agency and participant contributions to the Retirement, Health Benefits and Life Insurance Programs (as well as the special contributions by the USPS) are classified as exchange revenues, since they represent exchanges of money and services in return for current and future benefits.

Liabilities Covered by Budgetary Resources. OPM has no authority to liquidate a liability, unless budgetary resources have been made specifically available to do so. Where budgetary resources have not been made available, the liability is disclosed as being "not covered by budgetary resources." Since no budgetary resources have been made available to liquidate the Pension, Postretirement Health Benefits, and Actuarial Life Insurance Liabilities, they are disclosed as being "not covered by budgetary resources." With minor exception, all other OPM liabilities are disclosed as being "covered by budgetary resources."

Net Position. OPM's Net Position is classified into two separate balances. The *Cumulative Results of Operations* comprises OPM's net results of operations since its inception. *Unexpended Appropriations* is the balance of appropriated authority granted to OPM against which no outlays have been made.

Obligated vs. Unobligated Balance. OPM's Combined Statements of Budgetary Resources present its unobligated and obligated balances as of the end of the fiscal year. The obligated balance reflects the budgetary resources against which OPM has incurred obligations, but has not made outlays. The unobligated balance is the portion of budgetary resources against which OPM has not yet incurred obligations. OPM's unexpended balance is the total of its obligated and unobligated balances.

Direct vs. Reimbursable Obligations. A reimbursable obligation reflects the costs incurred to perform services or provide goods that must be paid back by the recipients. OPM classifies all of its incurred obligations as direct, except those of the Revolving Fund Programs.

E. Net Cost of Operations

To derive its net cost of operations, OPM deducts the earned revenues associated with its gross cost of providing benefits and services on the accompanying Consolidated Statements of Net Cost.

Gross Cost of Providing Benefits and Services. OPM's gross cost of providing benefits and services is classified by responsibility segment. All Program costs (including Salaries and Expenses) are directly traced, assigned, or allocated on a reasonable and consistent basis to one of five responsibility segments. The following table associates OPM's gross cost by Program to its responsibility segments:

Program	Responsibility Segment
Retirement Program	Provide CSRS Benefits Provide FERS Benefits
Health Benefits Program	Provide Health Benefits
Life Insurance Program	Provide Life Insurance Benefits
Revolving Fund Programs Salaries and Expenses	Provide Human Resources Services

Earned Revenue. OPM has two major sources of earned revenues: earnings on its investments and the contributions to the Retirement, Health Benefits and Life Insurance Programs by and for participants.

F. Program Funding

Retirement Program. Service cost represents an estimate of the amount of contributions which, if accumulated and invested over the careers of participants, will be sufficient to fund fully their future CSRS or FERS benefits. For fiscal years 2005 and 2004, the service cost for most or "regular" CSRS participants is 25.0 percent of pay; for most or "regular" FERS participants, 12.0 percent of pay. Federal accounting standards require that employing agencies recognize an imputed cost for the difference between the amount contributed by and for their participating employees and the service cost of the CSRS and FERS.

CSRS. Both CSRS participants and their employing agencies are required by statute to make contributions to CSRS coverage. Regular CSRS participants and their employers each contributed 7.0 percent of pay in both fiscal years 2005 and 2004. The combined 14.0 percent of pay does not cover the service cost of a CSRS benefit. To lessen the shortfall, the Treasury is required by statute to transfer an amount annually from the General Fund of the United States to the CSRDF [See Note 1G.]; for fiscal years 2005 and 2004, this amount was $25.6 and $25.9 billion, respectively. Additionally, the USPS is required by statute to contribute an amount equal to the service cost of the CSRS less the amount actually contributed by USPS participants. Accordingly, the USPS contributed 18.0 percent of the pay of its participating employees in both 2005 and 2004. The statute also requires the USPS to contribute annually an amount that would amortize over 40 years the "supplemental liability" that has resulted from the CSRS benefits earned by its employees.

FERS. Both FERS participants and their employing agencies are required by statute to make contributions for FERS coverage. The FERS participant contribution rate is equal to the CSRS participant contribution rate less the prevailing Old Age Survivor and Disability Insurance deduction rate; 0.8 percent for most participants for fiscal years 2005 and 2004. The employer contribution rate is equal to the FERS service cost less the participant contribution rate [11.2 percent of pay in fiscal years 2005 and 2004 for most participants]. The total contributions by and for FERS participants [12.0 percent], therefore, fully funded the FERS service cost in both fiscal years 2005 and 2004.

Health Benefits Program. The Program is funded on a "pay-as-you-go" basis, with both participants and their employing agencies making contributions on approximately a one-quarter to three-quarters basis (OPM contributes the "employer" share for Retirement Program annuitants via an appropriation). The Program continues to provide benefits to active employees (or their survivors) after they retire (postretirement benefits). With the exception of the USPS, agencies are not required to make contributions for the postretirement coverage of their active employees. These agencies, therefore, must recognize the service cost of providing postretirement health benefits for active employees [$4,903 and $4,420 per participant for fiscal years 2005 and 2004, respectively] as an imputed cost.

Life Insurance Program. The Program is funded on a "pay-as-you-go" basis, with both participants and their employing agencies making contributions to Basic life insurance coverage, generally on a two-thirds to one-third basis (OPM contributes the "employer" share for Retirement Program annuitants via an appropriation). The Program is funded

by means of the "level premium" method, where contributions paid by and for participants remain fixed until age 65, but overcharge during early years of coverage to compensate for higher rates of expected outflows at later years. A portion of postretirement life insurance coverage (0.02 percent of the pay of participating employees in fiscal years 2005 and 2004) is not funded. Employing agencies must recognize this amount as an imputed cost.

Revolving Fund Programs. OPM's Revolving Fund Programs provide for a continuing cycle of human resource services primarily to Federal agencies on a reimbursable basis. Each program is operated at rates established by OPM to be adequate to recover costs over a reasonable period of time. Receipts derived from operations are, by law, available in their entirety for use of the fund without further action by Congress. Since the Revolving Fund Programs charge full cost, customer agencies, as well as responsibility segments within OPM, do not recognize imputed costs.

G. Financing Sources Other Than Earned Revenue

OPM receives inflows of assets from financing sources other than earned revenue. These financing sources are not deducted from OPM's gross cost of providing benefits and services on the Consolidated Statements of Net Cost, but added to its net position on the Consolidated Statements of Changes in Net Position. OPM's major financing sources other than earned revenue are:

Transfer-in from the General Fund. The U.S. Treasury is required by law to transfer an amount annually to the Retirement Program from the General Fund of the U.S. to subsidize in part the under-funding of the CSRS.

Appropriations Used. By an act of Congress, OPM receives appropriated authority allowing it to incur obligations and make expenditures to cover the operating costs of the agency ("Salaries and Expenses") and the Government's share of the cost of Health and Life Insurance benefits for Retirement Program annuitants. OPM recognizes appropriations as "used" at the time it incurs these obligations against its appropriated authority.

H. Budgetary Resources

Budgetary resources reflect OPM's authority to incur obligations that will result in the outlay of monies. OPM receives new budgetary resources each fiscal year in the form of appropriations, trust fund receipts, and spending authority from offsetting collections. In addition, OPM normally carries-over a balance of unobligated budgetary resources from the prior fiscal year, which is generally unavailable for obligation, but may be drawn-upon should new budgetary resources be insufficient to cover obligations incurred.

Appropriations. By act of Congress, OPM receives budgetary resources in the form of appropriations that allow it to incur obligations to pay (1) the Government's share of the cost of Health and Life Insurance benefits for Retirement Program annuitants and (2) in part, the administrative and operating expenses of the Agency. At fiscal year-end, any unobligated balances in the appropriations that fund the Government's share of the cost of Health and Life Insurance benefits are cancelled.

Trust Fund Receipts. The amounts collected by OPM and credited to the CSRDF generate budgetary resources in the form of trust fund receipts. Trust fund receipts are considered to be immediately appropriated and available to cover the valid obligations of the Retirement Program as they are incurred. At the end of each fiscal year, the amount by which OPM's trust fund receipts have exceeded its incurred obligations are temporarily precluded from obligation and added to OPM's trust fund balance [See Note 7].

Spending Authority from Offsetting Collections. The amount collected by OPM and credited to the Health Benefits, Life Insurance and Revolving Fund Programs generates budgetary resources in the form of "spending authority from offsetting collections" (SAOC). During the fiscal year, the obligations incurred by OPM for these Programs may not exceed their SAOC or the amounts apportioned by OMB, whichever is less. At year-end, the balance of SAOC in excess of obligations incurred is brought forward into the subsequent fiscal year, but is generally unavailable for obligation.

I. Fund Balance with Treasury

Fund Balance with Treasury (FBWT) comprises the aggregate total of OPM's unexpended, uninvested balances in its appropriation, trust, revolving, and trust revolving accounts. All of OPM's collections are deposited into and its expenditures paid from one of its FBWT accounts. OPM invests FBWT balances associated with the Retirement, Health Benefits, and Life Insurance Program that are not immediately needed to cover expenditures.

J. Investments

OPM invests the excess FBWT for the Retirement, Health Benefits, and Life Insurance Programs in securities guaranteed by the United States as to principal and interest. Retirement Program monies are invested initially in Certificates of Indebtedness ("Certificates"), which are issued by the Treasury at par value and mature on the following June 30. The Certificates are routinely redeemed at face value to pay for authorized Program expenditures. Each June 30, all outstanding Certificates are "rolled over" into special Government account series (GAS) securities that are issued by the Treasury at par-value, with a yield equaling the average of all marketable Public Debt securities with four or more years to maturity. The Retirement Program also carries, but does not routinely invest in, securities issued by the Federal Financing Bank (FFB) and a small amount of other securities. All Health Benefits and Life Insurance Program monies are invested in GAS securities.

K. Accounts Receivable, Net

Accounts receivable consist of amounts owed to OPM by Federal entities ("intragovernmental") and amounts owed by the public ("from the public"). The balance of accounts receivable from the public is stated net of an allowance for uncollectible amounts, which is based on past collection experience and an analysis of outstanding amounts. OPM regards its intragovernmental accounts receivable balance as fully collectible.

L. Other Assets

This represents the balance of assets held by the experience-rated carriers participating in the Health Benefits Program and by the Life Insurance Program carrier, pending disposition on behalf of OPM.

M. General Property and Equipment

OPM capitalizes major long-lived software and equipment. Software costing over $10 thousand is capitalized at the cost of either purchase or development, and is amortized using a straight-line method over a useful life of five years. Equipment costing over $10 thousand is capitalized at purchase cost and depreciated using the straight-line method over five years. The cost of minor purchases, repairs and maintenance is expensed as incurred.

N. Benefits Due and Payable

Benefits due and payable is comprised of two categories of accrued expenses. The first reflects claims filed by participants in the Retirement, Health Benefits and Life Insurance Programs that are unpaid in the current reporting period and includes an estimate of Health Benefits and Life Insurance claims incurred but not yet reported. The second is a liability for the amount owed as premiums to community-rated carriers participating in the Health Benefits Program that are unpaid in the current reporting period.

O. Actuarial Liabilities and Associated Expenses

OPM records actuarial liabilities [the Pension Liability, Postretirement Health Benefits Liability, and the Actuarial Life Insurance Liability] and associated expenses. These liabilities are measured as of the first day of the year, with a "roll-forward" or projection to the end of the year. The "roll-forward" considers all major factors that affect the measurement that occurred during the reporting year, including pay raises, cost of living allowances, and material changes in the number of participants.

P. Cumulative Results of Operations

The balance of OPM's Cumulative Results of Operations is negative because of the recognition of actuarial liabilities that will be liquidated in future periods.

Q. Tax Status

As an agency of the Federal Government, OPM is generally exempt from all income taxes imposed by any governing body, whether it be a Federal, state, commonwealth, local, or foreign government.

NOTE 2 — Fund Balance With Treasury

Fund Balances. OPM's FBWT balances by account type at the end of fiscal years 2005 and 2004 are:

2005	Retirement Program	Health Benefits Program	Life Insurance Program	Other	Total
Trust Fund	$23	–	–	–	$23
Revolving Fund	–	–	–	$233	233
Appropriated Funds	–	$826	$4	99	929
Trust Revolving Funds	–	3	1	–	4
Total	*$23*	*$829*	*$5*	*$332*	*$1,189*
2004					
Trust Fund	$13	–	–	–	$13
Revolving Fund	–	–	–	$77	77
Appropriated Funds	–	$760	$4	106	870
Trust Revolving Funds	–	1	1	–	2
Total	*$13*	*$761*	*$5*	*$183*	*$962*

Status of Unexpended Balances. OPM's unexpended balances are comprised of its FBWT and its investments (at par, net of original discount). The following table presents the portions of OPM's unexpended balances that are obligated, unobligated and precluded from obligation at the end of fiscal years 2005 and 2004:

2005	Retirement Program	Health Benefits Program	Life Insurance Program	Other	Total
UNEXPENDED BALANCES					
FBWT	$23	$829	$5	$332	$1,189
Investments	660,749	12,506	29,050	-	702,305
Total, Unexpended Balance	*$660,772*	*$13,335*	*$29,055*	*$332*	*$703,494*
STATUS OF UNEXPENDED BALANCES					
Obligated	$4,851	$3,219	$338	($118)	$8,290
Unobligated:					
Available	-	-	-	126	126
Unavailable	-	10,116	28,717	324	39,157
Precluded (See Note 7)	655,921	-	-	-	655,921
Total, Status of Unexpended Balances	*$660,772*	*$13,335*	*$29,055*	*$332*	*$703,494*

2004	Retirement Program	Health Benefits Program	Life Insurance Program	Other	Total
UNEXPENDED BALANCES					
FBWT	$13	$761	$5	$183	$962
Investments	631,858	10,757	27,679	-	670,294
Total, Unexpended Balances	*$631,871*	*$11,518*	*$27,684*	*$183*	*$671,256*
STATUS OF UNEXPENDED BALANCES					
Obligated	$4,599	$3,110	$314	($122)	$7,901
Unobligated:					
Available	-	-	-	222	222
Unavailable	-	8,408	27,370	83	35,861
Precluded (See Note 7)	627,272	-	-	-	627,272
Total, Status of Unexpended Balances	*$631,871*	*$11,518*	*$27,684*	*$183*	*$671,256*

NOTE 3 – Investments

All of OPM's investments are in securities issued by other Federal entities and are therefore classified as intragovernmental. See Note 1J for the amortization method. The following tables summarize OPM's investments by Program at the end of fiscal years 2005 and 2004:

As of September 30, 2005	Cost	Amortized Discount/ (Premium)	Investments	Unamortized Discount/ (Premium)	Market Value
Retirement Program:					
Par-value GAS securities	$619,277	-	$619,277	-	$619,277
Certificates of Indebtedness	27,473	-	27,473	-	27,473
FFB Securities	14,000	-	14,000	-	14,000
Subtotal	660,750	-	660,750	-	660,750
Interest Receivable	-	-	8,967	-	-
Total Retirement Program	660,750	-	669,717	-	660,750
Health Benefits Program:					
GAS securities	12,576	($13)	12,563	$31	12,412
Interest Receivable	-	-	43	-	-
Total Health Benefits Program	12,576	($13)	12,606	31	12,412
Life Insurance Program					
GAS securities	29,129	303	29,432	(53)	29,102
Interest Receivable	-	-	295	-	-
Total Life Insurance Program	29,129	303	29,727	(53)	29,102
Total Investments	*$702,455*	*$290*	*$712,050*	*($22)*	*$702,264*

As of September 30, 2004	Cost	Amortized Discount/ (Premium)	Investments	Unamortized Discount/ (Premium)	Market Value
Retirement Program:					
Par-value GAS securities	$600,162	-	$600,162	-	$600,162
Certificates of Indebtedness	31,587	-	31,587	-	31,587
Other	110	-	110	-	114
Subtotal	631,859	-	631,859	-	631,863
Interest Receivable	-	–	8,901	–	–
Total Retirement Program	631,859	-	640,760	-	631,863
Health Benefits Program:					
GAS securities	10,826	($6)	10,820	$46	10,828
Interest Receivable	-	-	33	-	-
Total Health Benefits Program	10,826	(6)	10,853	46	10,828
Life Insurance Program:					
GAS securities	27,781	207	27,988	(119)	28,365
Interest Receivable	-	-	303	-	-
Total Life Insurance Program	27,781	207	28,291	(119)	28,365
Total Investments	*$670,466*	*$201*	*$679,904*	*($73)*	*$671,056*

NOTE 4 – Accounts Receivable, Net

Intragovernmental. The balances comprising OPM's intragovernmental accounts receivable as of September 30, 2005 and 2004 are:

2005	Retirement Program	Health Benefits Program	Life Insurance Program	Other	Total
Employer contributions receivable	$717	$520	$16	-	$1,253
Other	-	-	-	$113	113
Total	*$717*	*$520*	*$16*	*$113*	*$1,366*
2004					
Employer contributions receivable	$624	$438	$14	-	$1,076
Other	-	-	-	$146	146
Total	*$624*	*$438*	*$14*	*$146*	*$1,222*

From the Public. The balances comprising the accounts receivable OPM classifies as "from the public" at September 30, 2005 and 2004 are presented, in the following table. See Note 1K. for the methodology used to determine the allowance.

2005	Retirement Program	Health Benefits Program	Life Insurance Program	Other	Total
Participant contributions receivable	$154	$528	$103	-	$785
Overpayment of benefits *[net of allowance of $52]*	122	-	-	-	122
Due from carriers *[net of allowance of $2]*	-	44	-	-	44
Other	-	-	-	$85	85
Total	*$276*	*$572*	*$103*	*$85*	*$1,036*
2004					
Employer contributions receivable	$143	$484	$91	-	$718
Overpayment of benefits *[net of allowance of $54]*	115	-	-	-	115
Due from carriers *[net of allowance of $5]*	-	27	-	-	27
Other	-	-	-	$86	86
Total	$258	$511	$91	$86	$946

NOTE 5 — Federal Employee Benefits

A. Pensions

OPM's actuary, in computing the Pension Liability and associated expense, applies economic assumptions to historical cost information to estimate the Government's future cost to provide CSRS and FERS benefits to current and future retirees. The estimate is adjusted by the time value of money and the probability of having to pay benefits due to assumed decrements for mortality, morbidity, and terminations. Actuarial gains or losses occur to the extent that actual experience differs from these assumptions.

Economic Assumptions. The economic assumptions used to calculate the Pension Liability and related expense were consistent with those for fiscal year 2004. The following table presents the significant economic assumptions used to compute the Pension Liability in fiscal years 2005 and 2004:

	2005	2004
Interest rate	6.25%	6.25%
Rate of inflation	3.25%	3.25%
Rate of increases in salary	4.00%	4.00%

Pension Expense. The following tables present Pension Expense by cost component for fiscal years 2005 and 2004:

2005	CSRS	FERS	TOTAL
Service cost	$11,145	$13,833	$24,978
Interest cost	60,137	12,341	72,478
Actuarial (gain)/loss	(2,821)	455	(2,366)
Pension Expense	*$68,461*	*$26,629*	*$95,090*
2004			
Service cost	$11,707	$12,733	$24,440
Interest cost	59,059	11,082	70,141
Actuarial (gain)	(2,140)	(1,902)	(4,042)
Pension Expense	*$68,626*	*$21,913*	*$90,539*

Pension Liability. The following tables present the Pension Liability at September 30:

2005	CSRS	FERS	TOTAL
Pension Liability at October 1, 2004	$982,700	$191,800	$1,174,500
Plus: Pension Expense	68,461	26,629	95,090
Less: Costs applied to Pension Liability	52,161	2,529	54,690
Pension Liability at September 30, 2005	*$999,000*	*$215,900*	*$1,214,900*
2004			
Pension Liability at October 1, 2003	$964,100	$172,000	$1,136,100
Plus: Pension Expense	68,626	21,913	90,539
Less: Costs applied to Pension Liability	50,026	2,113	52,139
Pension Liability at September 30, 2004	*$982,700*	*$191,800*	*$1,174,500*

Costs Applied to the Pension Liability. In accordance with Federal accounting standards, the Pension Liability is reduced by the total operating costs of the Retirement Program. The following table presents the costs applied to the Pension Liability in fiscal years 2005 and 2004:

2005	CSRS	FERS	TOTAL
Annuities	$51,840	$2,400	$54,240
Refunds of contributions	204	89	293
Administrative and other expenses	117	40	157
Costs applied to the Pension Liability	*$52,161*	*$2,529*	*$54,690*
2004			
Annuities	$49,690	$2,005	$51,695
Refunds of contributions	220	83	303
Administrative and other expenses	116	25	141
Costs applied to the Pension Liability	*$50,026*	*$2,113*	*$52,139*

B. Postretirement Health Benefits

OPM's actuary, in computing the Postretirement Health Benefits (PRHB) Liability and associated expense, applies economic assumptions to historical cost information to estimate the Government's future cost of providing postretirement health benefits to current employees and retirees. The estimate is adjusted by the time value of money and the probability of having to pay benefits due to assumed decrements for mortality, morbidity, and terminations. Actuarial gains or losses will occur to the extent that actual experience differs from the assumptions used to compute the PRHB Liability and associated expense.

Economic Assumptions. The following table presents the significant economic assumptions used to compute the PRHB Liability as of the September 30 measurement date:

	2005	2004
Interest rate	6.25%	6.25%
Increase in per capita cost of covered benefits	7.00%	7.00%

PRHB Expense. The following presents the PRHB Expense by cost component for fiscal years 2005 and 2004:

	2005	2004
Service cost	$11,074	$10,288
Interest cost	16,532	15,337
Actuarial loss	2,955	5,865
PRHB Expense	$30,561	$31,490

PRHB Liability. The following table presents the PRHB Liability at the September 30 measurement date:

	2005	2004
PRHB Liability at the beginning of the year	$261,556	$239,525
Plus: PRHB Expense	30,561	31,490
Less: Costs applied to the PRHB Liability	10,559	9,459
PRHB Liability at the end of the year	*$281,558*	*$261,556*

Costs Applied to PRHB Liability. In accordance with Federal accounting standards, OPM reduces the PRHB Liability by applying certain Program costs. The following table presents the costs that have been applied to the PRHB Liability in fiscal years 2005 and 2004:

	2005	2004
Current benefits	$7,726	$6,866
Premiums	2,078	1,861
Administrative and other expenses	755	732
Total costs applied to the PRHB Liability	*$10,559*	*$9,459*

Effect of Assumptions. The increase in the per capita cost of covered benefits assumed by OPM's actuaries (7.0 percent in fiscal years 2005 and 2004) has a significant effect on the amounts reported as the PRHB Liability and associated expense. A one percentage point change in the per capita cost of covered benefits assumption would have the following effects in fiscal years 2005 and 2004:

	2005		2004	
	8.0% [One Percent Increase]	6.0% [One Percent Decrease]	8.0% [One Percent Increase]	6.0% [One Percent Decrease]
Interest cost component	$18,868	$14,575	$17,547	$13,490
Service cost component	13,818	8,923	12,870	8,270
PRHB Liability	$323,940	$246,216	$301,640	$228,209

C. Life Insurance

Actuarial Life Insurance Liability. The Actuarial Life Insurance Liability (ALIL) is the expected present value (EPV) of future benefits to be paid to, or on behalf of, existing Life Insurance Program participants, less the EPV of future contributions to be collected from those participants. In calculating it, OPM's actuary uses assumptions that are consistent with those used in computing the Pension Liability [See Note 5A].

The following table presents the ALIL as of the September 30 measurement date:

	2005	2004
EPV of future benefits	$68,365	$63,505
EPV of future contributions by participants	(36,102)	(32,675)
ALIL	*$32,263*	*$30,830*

Future Life Insurance Benefits Expense. The Future Life Insurance Benefits Expense for fiscal years 2005 and 2004 is:

	2005	2004
ALIL at the end of the year	$32,263	$30,830
ALIL at the beginning of the year	(30,830)	(29,349)
Future Life Insurance Benefits Expense	*$1,433*	*$1,481*

NOTE 6 — Other Liabilities

The following liabilities, all current and "with the public," are classified as "other" on the balance Sheet as of September 30, 2005 and 2004:

2005	Withheld from benefits	Accrued Carrier Liabilities Other Than Benefits	Accrued administrative expenses	Contingencies	Total
Retirement	$529	-	-	-	$529
Health Benefits	-	$374	-	$7	381
Revolving Fund	-	-	$76	-	76
Salaries and Expenses	-	-	39	-	39
Total Other Liabilities	*$529*	*$374*	*$115*	*$7*	*$1,025*
2004					
Retirement	$487	-	-	-	$487
Health Benefits	-	$369	-	$53	422
Revolving Fund	-	-	$28	-	28
Salaries and Expenses	-	-	65	-	65
Total Other Liabilities	*$487*	*$369*	*$93*	*$53*	*$1,002*

NOTE 7 — Availability Of Unobligated Balances

Retirement Program. Historically, OPM's trust fund receipts have exceeded the amount needed to cover the Retirement Program's obligations. The excess of trust fund receipts over incurred obligations is classified as being temporarily precluded from obligation. These receipts, however, remain assets of the CSRDF and will become immediately available, if circumstances dictate, to meet obligations to be incurred in the future. The following table presents the unobligated balance of the CSRDF that is temporarily precluded from obligation as of September 30, 2005 and 2004:

	2005	2004
Temporarily precluded from obligation at the beginning of the year	$627,272	$597,332
Plus: Trust fund receipts during the year	83,691	82,414
Less: Obligations incurred during the year	55,042	52,474
Excess of trust fund receipts over obligations incurred during the year	28,649	29,940
Temporarily Precluded from Obligation at the End of the Year	*$655,921*	*$627,272*

Health Benefits and Life Insurance Programs. OPM administers the Health Benefits and Life Insurance Programs through three trust revolving funds. A trust revolving fund is a single account that is authorized to be credited with receipts and incur obligations and expenditures in support of a continuing cycle of business-type operations in accordance with the provisions of statute. The unobligated balance in OPM's trust revolving funds is available for obligation and expenditure, upon apportionment by OMB, without further action by Congress.

Revolving Fund Programs. OPM's Revolving Fund Programs are administered through an intragovernmental revolving fund. An intragovernmental revolving fund is designed to carry-out a cycle of business-type operations with other Federal agencies or separately funded components of the same agency. The unobligated balance in OPM's intragovernmental revolving fund is available for obligation and expenditure, upon apportionment by OMB, without further action by Congress.

Salaries and Expenses. OPM funds the administrative costs of the Agency through annual, multiple-year, and "no-year" appropriations. For its annual appropriations, the unobligated balance expires at the end of the applicable fiscal year. For OPM's multiple-year appropriations, the unobligated balance remains available for obligation and expenditure for a specified period in excess of a fiscal year. For its no-year appropriations, the unobligated balance is carried forward and is available for obligation and expenditure indefinitely until the objectives for which it was intended have been accomplished.

NOTE 8 — Health Benefits/Life Insurance Program Concentrations

During fiscal years 2005 and 2004, approximately half of the Health Benefits Program's benefits were administered by the Blue Cross and Blue Shield Association, a fee-for-service carrier that provides experience-rated benefits. For the Life Insurance Program, virtually all of the benefits were administered by the Metropolitan Life Insurance Company.

NOTE 9 — Apportionment Categories Of Incurred Obligations

An apportionment is a distribution by OMB, either quarterly [Category A] or annually [Category B] of OPM's budgetary resources. The following chart details the direct and reimbursable obligations that have been incurred against each apportionment category during fiscal years 2005 and 2004:

FY 2005	Category	Direct	Reimbursable	Total
Retirement	B	$55,042	–	$55,042
Health Benefits	B	37,646	–	37,646
Life Insurance	B	2,202	–	2,202
Revolving Fund	A	–	$622	622
Revolving Fund	B	25	–	25
Salaries and Expenses	A	267	62	329
Total		*$95,182*	*$684*	*$95,866*
FY 2004	Category	Direct	Reimbursable	Total
Retirement	B	$52,474	–	$52,474
Health Benefits	B	34,692	–	34,692
Life Insurance	B	2,203	–	2,203
Revolving Fund	A	–	$483	483
Salaries and Expenses	A	334	–	334
Total		*$89,703*	*$483*	*$90,186*

NOTE 10 – Intragovernmental Gross Costs And Earned Revenue

The following table presents the portion of OPM's gross costs and earned revenue that was classified as intragovernmental and "with the public" in fiscal years 2005 and 2004:

FY 2005	Gross Costs			Earned Revenue		
	Intragov ernmental	With the Public	Total	Intragov ernmental	With the Public	Total
Provide CSRS Benefits	–	$68,461	$68,461	$28,381	$3,112	$31,493
Provide FERS Benefits	–	26,629	26,629	25,413	958	26,371
Provide Health Benefits	–	49,766	49,766	15,174	8,448	23,622
Provide Life Insurance Benefits	–	3,585	3,585	1,651	1,907	3,558
Provide Human Resources Services	$136	754	890	687	1	688
Total	*$136*	*$149,195*	*$149,331*	*$71,306*	*$14,426*	*$85,732*
FY 2004						
Provide CSRS Benefits	–	$68,626	$68,626	$29,070	$3,294	$32,364
Provide FERS Benefits	–	21,913	21,913	22,912	883	23,795
Provide Health Benefits	–	49,453	49,453	13,967	7,951	21,918
Provide Life Insurance Benefits	–	3,640	3,640	1,645	1,806	3,451
Provide Human Resources Services	$39	577	616	546	2	548
Total	*$39*	*$144,209*	*$144,248*	*$68,140*	*$13,936*	*$82,076*

NOTE 11 – Dedicated Collections

OPM collects and credits monies to the CSRDF for the purpose of paying retirement benefits to employees and their survivors after they establish entitlement. As the CSRDF is a trust fund, the monies collected and credited to it are considered to be "dedicated collections." For financial reporting purposes, the CSRDF and Retirement Program are interchangeable; the financial position and results of the Retirement Program are presented separately in the accompanying Consolidating Balance Sheets and Statements of Net Cost.

NOTE 12 – Contingencies

Health Benefits Program Carriers. OPM is a party to litigation in which certain Health Benefits Program carriers are seeking relief for alleged underpayments of premiums. Although OPM is contesting these allegations, any underpayments that have occurred will have stemmed from inaccuracies in the amount of contributions by and for participants remitted to OPM by employing agencies and retirement systems. OPM has recorded a liability of $7 and $53 at September 30, 2005 and 2004, respectively, for the estimated amount of losses it will probably incur from this litigation. In addition, OPM has determined that, at September 30, 2005, it is reasonably possible that an additional $2.4 will result in losses. All losses involving this litigation will be paid from the Treasury Judgment Fund (TJF); OPM, however, does not have the budgetary resources to and is precluded by law from reimbursing the TJF. Although it is impossible to ascertain the ultimate legal liability with respect to contingent liabilities, OPM believes that the outcome of this litigation, either pending or known to be threatened, will not have a material adverse effect on OPM's financial position or results of operations.

Other Litigation. OPM is often involved in other legal and administrative proceedings that arise in the ordinary course of business. OPM management, based upon the opinion of its General Counsel, believes that the combined outcome of all such proceedings, either pending or known to be threatened, will have no material adverse effect on OPM's financial position or results of operations.

NOTE 13 — Comparison Of Combined Statements Of Budgetary Resources To The President's Budget

OPM reports information about its budgetary resources on the accompanying Combined Statements of Budgetary Resources and for presentation in the Budget of the U.S. Government (the "President's Budget"). The President's Budget for fiscal year 2007, which will contain budgetary resource information for fiscal year 2005, will be published in February 2006. The President's Budget for fiscal year 2006, containing budgetary resource information for fiscal year 2004, was released on February 3, 2005.

As shown below, OPM has reconciled its total budgetary resources, obligations incurred, and net outlays, as presented in the accompanying Combined Statements of Budgetary Resources, with the amounts presented in the President's Budget for fiscal year 2004:

	Statement of Budgetary Resources	President s Budget	Difference
Combined:			
Total budgetary resources	$126,269	$152,227	$(25,958)
Obligations incurred	90,186	116,144	(25,958)
Disbursements	89,919	115,877	(25,958)
Retirement Program:			
Total budgetary resources	$52,474	$78,432	$(25,958)
Obligations incurred	52,474	78,432	(25,958)
Disbursements	52,277	78,235	(25,958)

The $25,958 difference in total budgetary resources, obligations incurred and disbursements between the accompanying Combined Statements of Budgetary Resources and the President's Budget is associated with the presentation of the Transfer-in from the General Fund [the "transfer"]. The President's Budget reflects the transfer as a separate appropriation, including it in the budgetary resources, obligations incurred and disbursements of the separate appropriation as well as the CSRDF. The accompanying Combined Statements of Budgetary Resources, on the other hand, reflects the transfer as direct financing of the CSRDF and, thus, includes it as budgetary resources, obligations incurred, and disbursements of the CSRDF *only*.

NOTE 14 – Net Cost By Strategic Goal

The following tables present a cross-walk of OPM's net cost by responsibility segment to its net cost by strategic goal for fiscal years 2005 and 2004:

Strategic Goals 2005		Provide CSRS Benefits	Provide FERS Benefits	Provide Health Benefits	Provide Life Insurance Benefits	Provide Human Resource Services	Total
I	Total program cost	–	–	–	–	$34	$34
	Less earned revenue	–	–	–	–	19	19
	Net program cost	–	–	–	–	$15	$15
II	Total program cost	–	–	–	–	$42	$42
	Less earned revenue	–	–	–	–	24	24
	Net program cost	–	–	–	–	$18	$18
III	Total program cost	$68,461	$26,629	$49,766	$ 3,585	$649	$149,090
	Less earned revenue	31,493	26,371	23,622	3,558	553	85,597
	Net program cost	$36,968	$258	$26,144	$27	$96	$63,493
Management Strategy	Total program cost	–	–	–	–	$164	$164
	Less earned revenue	–	–	–	–	92	92
	Net program cost	–	–	–	–	$72	$72
Total	Total program cost	$68,461	$26,629	$49,766	$ 3,585	$890	$149,331
	Less earned revenue	31,493	26,371	23,622	3,558	688	85,732
	Net program cost	$36,968	$258	$26,144	$27	$202	$63,599

Strategic Goals 2004		Provide CSRS Benefits	Provide FERS Benefits	Provide Health Benefits	Provide Life Insurance Benefits	Provide Human Resource Services	Total
I	Total program cost	-	–	–	–	$26	$26
	Less earned revenue	–	–	–	–	17	17
	Net program cost	–	–	–	–	$9	$9
II	Total program cost	–	–	–	–	$40	$40
	Less earned revenue	–	–	–	–	26	26
	Net program cost	–	–	–	–	$14	$14
III	Total program cost	$68,626	$21,913	$49,453	$3,640	$439	$144,071
	Less earned revenue	32,364	23,795	21,918	3,451	432	81,960
	Net program cost	$36,262	($1,882)	$27,535	$189	$7	$62,111
Management Strategy	Total program cost	–	–	–	–	$111	$111
	Less earned revenue	–	–	–	–	73	73
	Net program cost	–	–	–	–	$38	$38
Total	Total program cost	$68,626	$21,913	$49,453	$3,640	$616	$144,248
	Less earned revenue	32,364	23,795	21,918	3,451	548	82,076
	Net program cost	$36,262	($1,882)	$27,535	$189	$68	$62,172

Strategic Goal I: Federal agencies adopt human resources management systems that improve their ability to build successful, high-performance organizations.

Strategic Goal II: Federal agencies use effective merit-based human capital strategies to create a rewarding work environment that accomplishes the mission.

Strategic Goal III: Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.

Management Strategy: OPM creates an environment that fosters the delivery of services to its customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

Schedule 1

U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATING BALANCE SHEET
As of September 30, 2005
(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2005
ASSETS							
Intragovernmental:							
Fund Balance with Treasury [Note 2]	$23	$829	$5	$233	$99	—	$1,189
Investments [Note 3]	669,717	12,606	29,727	—	—	—	712,050
Accounts Receivable [Note 4]	717	520	16	116	2	($5)	1,366
Total Intragovernmental	670,457	13,955	29,748	349	101	(5)	714,605
Accounts Receivable from the Public, Net [Note 4]	276	572	103	84	1	—	1,036
General Property and Equipment, Net	—	—	—	9	3	—	12
Other [Note 1L]	—	78	654	—	—	—	732
TOTAL ASSETS	$670,733	$14,605	$30,505	$442	$105	($5)	$716,385

Schedule 1 - continued

U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATING BALANCE SHEET
As of September 30, 2005
(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2005
LIABILITIES							
Intragovernmental	$3	$249	—	$331	$8	($5)	$586
Federal Employee Benefits:							
Benefits Due and Payable	4,323	3,600	649	—	—	—	8,572
Pension Liability [Note 5A]	1,214,900	—	—	—	—	—	1,214,900
Postretirement Health Benefits Liability [Note 5B]	—	281,558	—	—	—	—	281,558
Actuarial Life Insurance Liability [Note 5C]	—	—	32,263	—	—	—	32,263
Total Federal Employee Benefits	1,219,223	285,158	32,912	—	—	—	1,537,293
Other [Notes 6 and 12]	529	381	—	76	39	—	1,025
Total Liabilities	1,219,755	285,788	32,912	407	47	(5)	1,538,904
NET POSITION							
Unexpended Appropriations	—	—	—	5	77	—	82
Cumulative Results of Operations	(549,022)	(271,183)	(2,407)	30	(19)	—	(822,601)
Total Net Position	(549,022)	(271,183)	(2,407)	35	58	—	(822,519)
TOTAL LIABILITIES AND NET POSITION	$670,733	$14,605	$30,505	$442	$105	($5)	$716,385

The accompanying notes are an integral part of the financial statements.

Schedule 1

U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATING BALANCE SHEET
As of September 30, 2004
(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2004
ASSETS							
Intragovernmental:							
Fund Balance with Treasury [Note 2]	$13	$761	$5	$77	$106	—	$962
Investments [Note 3]	640,760	10,853	28,291	—	—	—	679,904
Accounts Receivable [Note 4]	624	438	14	147	3	($4)	1,222
Total Intragovernmental	641,397	12,052	28,310	224	109	(4)	682,088
Accounts Receivable from the Public, Net [Note 4]	258	511	91	85	1	—	946
General Property and Equipment, Net	—	—	—	1	9	—	10
Other [Note 1L]	—	45	641	—	—	—	686
TOTAL ASSETS	$641,655	$12,608	$29,042	$310	$119	($4)	$683,730

Schedule 1 - continued

U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATING BALANCE SHEET
As of September 30, 2004
(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2004
LIABILITIES							
Intragovernmental	$2	$199	—	$251	$5	($4)	$453
Federal Employee Benefits:							
Benefits Due and Payable	4,114	3,410	630	—	—	—	8,154
Pension Liability [Note 5A]	1,174,500	—	—	—	—	—	1,174,500
Postretirement Health Benefits Liability [Note 5B]	—	261,556	—	—	—	—	261,556
Actuarial Life Insurance Liability [Note 5C]	—	—	30,830	—	—	—	30,830
Total Federal Employee Benefits	1,178,614	264,966	31,460	—	—	—	1,475,040
Other [Notes 6 and 12]	487	422	—	28	65	—	1,002
Total Liabilities	1,179,103	265,587	31,460	279	70	(4)	1,476,495
NET POSITION							
Unexpended Appropriations	—	—	—	—	49	—	49
Cumulative Results of Operations	(537,448)	(252,979)	(2,418)	31	—	—	(792,814)
Total Net Position	(537,448)	(252,979)	(2,418)	31	49	—	(792,765)
TOTAL LIABILITIES AND NET POSITION	$641,655	$12,608	$29,042	$310	$119	($4)	$683,730

The accompanying notes are an integral part of the financial statements.

Schedule 2

U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATING STATEMENT OF NET COST
For the Year Ended September 30, 2005
(In Millions)

	Retirement Program			Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2005
	CSRS	FERS	Total						
GROSS COSTS									
Intragovernmental [Note 1D]	—	—	—	—	—	$139	$229	($232)	$136
With the Public:									
Pension Expense [Note 5A]	$68,461	$26,629	$95,090	—	—	—	—	—	95,090
Postretirement Health Benefits [Note 5B]	—	—	—	30,561	—	—	—	—	30,561
Future Life Insurance Benefits [Note 5C]	—	—	—	—	1,433	—	—	—	1,433
Current Benefits and Premiums	—	—	—	18,377	2,150	—	—	—	20,527
Other	—	—	—	828	2	634	120	—	1,584
Total Gross Costs with the Public	68,461	26,629	95,090	49,766	3,585	634	120	—	149,195
Total Gross Costs	68,461	26,629	95,090	49,766	3,585	773	349	(232)	149,331
EARNED REVENUE									
Intragovernmental:									
Employer Contributions	4,379	13,154	17,533	14,794	419	—	—	—	32,746
Earnings on Investments	24,002	12,259	36,261	380	1,232	—	—	—	37,873
Other	—	—	—	—	—	724	195	(232)	687
Total Intragovernmental Earned Revenue	28,381	25,413	53,794	15,174	1,651	724	195	(232)	71,306
With the Public:									
Participant Contributions	3,112	958	4,070	8,448	1,906	—	—	—	14,424
Other	—	—	—	—	1	1	—	—	2
Total Earned Revenue with the Public	3,112	958	4,070	8,448	1,907	1	—	—	14,426
Total Earned Revenue	31,493	26,371	57,864	23,622	3,558	725	195	(232)	85,732
Net Cost of Operations	$36,968	$258	$37,226	$26,144	$27	$48	$154	—	$63,599

The accompanying notes are an integral part of the financial statements.

Schedule 2

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATING STATEMENT OF NET COST

For the Year Ended September 30, 2004

(In Millions)

	Retirement Program			Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	Eliminations	2004
	CSRS	FERS	Total						
GROSS COSTS									
Intragovernmental [Note 1D]	—	—	—	—	—	$24	$199	($184)	$39
With the Public:									
Pension Expense [Note 5A]	$68,626	$21,913	$90,539	—	—	—	—	—	90,539
Postretirement Health Benefits [Note 5B]	—	—	—	31,490	—	—	—	—	31,490
Future Life Insurance Benefits [Note 5C]	—	—	—	—	1,481	—	—	—	1,481
Current Benefits and Premiums	—	—	—	17,196	2,158	—	—	—	19,354
Other	—	—	—	767	1	476	101	—	1,345
Total Gross Costs with the Public	68,626	21,913	90,539	49,453	3,640	476	101	—	144,209
Total Gross Costs	68,626	21,913	90,539	49,453	3,640	$500	$300	($184)	144,248
EARNED REVENUE									
Intragovernmental:									
Employer Contributions	4,581	11,628	16,209	13,697	400	—	—	—	30,306
Earnings on Investments	24,489	11,284	35,773	270	1,245	—	—	—	37,288
Other	—	—	—	—	—	534	196	(184)	546
Total Intragovernmental Earned Revenue	29,070	22,912	51,982	13,967	1,645	534	196	(184)	68,140
With the Public:									
Participant Contributions	3,294	883	4,177	7,951	1,806	—	—	—	13,934
Other	—	—	—	—	—	2	—	—	2
Total Earned Revenue with the Public	3,294	883	4,177	7,951	1,806	2	—	—	13,936
Total Earned Revenue	32,364	23,795	56,159	21,918	3,451	536	196	(184)	82,076
Net Cost of Operations (Excess of Earned Revenue over Cost)	$36,262	($1,882)	$34,380	$27,535	$189	($36)	$104	—	$62,172

The accompanying notes are an integral part of the financial statements.

Schedule 3

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended September 30, 2005

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2005
CUMULATIVE RESULTS OF OPERATIONS						
Beginning Balance	($537,448)	($252,979)	($2,418)	$31	0	($792,814)
Budgetary Financing Sources:						
Appropriations Used	–	7,889	38	20	$123	8,070
Transfers-in Without Reimbursement	–	–	–	6	–	6
Other Financing Sources:						
Transfer-in from General Fund	25,618	–	–	–	–	25,618
Other	34	51	–	21	12	118
Total Financing Sources	25,652	7,940	38	47	135	33,812
Net Cost of Operations	37,226	26,144	27	48	154	63,599
Ending Balance	($549,022)	($271,183)	($2,407)	$30	($19)	($822,601)
UNEXPENDED APPROPRIATIONS						
Beginning Balance	–	–	–	–	$49	$49
Budgetary Financing Sources:						
Approriations Received	–	$7,831	$36	$25	127	8,019
Appropriations Used	–	(7,889)	(38)	(20)	(123)	(8,070)
Other Budgetary Financing Sources	–	58	2	–	24	84
Total Financing Sources	–	–	–	5	28	33
Ending Balance	–	–	–	$5	$77	$82
NET POSITION, END OF THE YEAR	($549,022)	($271,183)	($2,407)	$35	$58	($822,519)

The accompanying notes are an integral part of the financial statements.

Schedule 3

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended September 30, 2004

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2004
CUMULATIVE RESULTS OF OPERATIONS						
Beginning Balance	($529,025)	($232,775)	($2,264)	($8)	($20)	($764,092)
Budgetary Financing Sources:						
Appropriations Used	–	7,326	35	–	122	7,483
Other Financing Sources						
Transfers-in from General Fund	25,921	–	–	–	–	25,921
Other	36	5		3	2	46
Total Financing Sources	25,957	7,331	35	3	124	33,450
Net Cost of Operations	34,380	27,535	189	(36)	104	62,172
Ending Balance	($537,448)	($252,979)	($2,418)	$31	–	($792,814)
UNEXPENDED APPROPRIATIONS						
Beginning Balance	–	–	–	–	$64	$64
Budgetary Financing Sources:						
Appropriations Received	–	$7,358	$35	–	122	7,515
Appropriations Used	–	(7,326)	(35)	–	(122)	(7,483)
Other Budgetary Financing Sources	–	(32)	–	–	(15)	(47)
Total Financing Sources	–	–	–	–	(15)	(15)
Ending Balance	–	–	–	–	$49	$49
NET POSITION, END OF THE YEAR	($537,448)	($252,979)	($2,418)	$31	$49	($792,765)

The accompanying notes are an integral part of the financial statements.

Schedule 4

U.S. OFFICE OF PERSONNEL MANAGEMENT

COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2005

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2005
BUDGETARY RESOURCES						
Appropriations:						
Received	—	$7,831	$36	$25	$127	$8,019
Other	—	58	2	—	—	60
Trust Fund Receipts:						
Appropriated	$83,691	—	—	—	—	83,691
Temporarily Precluded from Obligation [Note 7]	(28,649)	—	—	—	—	(28,649)
Transfers-in Without Reimbursement	—	—	—	6	—	6
Unobligated Balance - Beginning of Period	—	8,408	27,370	242	63	36,083
Spending Authority from Offsetting Collections:						
Collected	—	31,307	3,516	819	199	35,841
Changes in Receivables from Federal Sources and Unfilled Customer Orders	—	158	(5)	(129)	42	66
Subtotal	—	31,465	3,511	690	241	35,907
Recissions and Recoveries of Prior-Year Obligations	—	—	—	33	(1)	32
Total Budgetary Resources	$55,042	$47,762	$30,919	$996	$430	$135,149
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred: [Note 9]						
Direct	$55,042	$37,646	$2,202	$25	$267	$95,182
Reimbursable	—	—	—	622	62	684
Subtotal	55,042	37,646	2,202	647	329	95,866
Unobligated Balance:						
Available	—	—	—	70	56	126
Not Available	—	10,116	28,717	279	45	39,157
Subtotal	—	10,116	28,717	349	101	39,283
Total Status of Budgetary Resources	$55,042	$47,762	$30,919	$996	$430	$135,149

Schedule 4 - continued

U.S. OFFICE OF PERSONNEL MANAGEMENT

COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2005

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2005
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS						
Obligations Incurred	$55,042	$37,646	$2,202	$647	$329	$95,866
Plus: Obligated Balance, Net - Beginning of the Period	4,599	3,110	314	(165)	43	7,901
Plus: Obligated Balance Transferred-in	—	—	—	10	—	10
Less: Obligated Balance, Net - End of the Period:						
Accounts Payable and Undelivered Orders	4,851	4,607	653	132	89	10,332
Accounts Receivable and Unfilled Customer Orders	—	(1,388)	(315)	(248)	(91)	(2,042)
Subtotal	4,851	3,219	338	(116)	(2)	8,290
Less: Changes in Receivables from Federal Sources and Unfilled Customer Orders	—	158	(5)	(129)	42	66
Recoveries of Prior-Year Obligations	—	—	—	33	1	34
Outlays:						
Disbursements	54,790	37,379	2,183	704	331	95,387
Collections	—	(31,307)	(3,516)	(819)	(199)	(35,841)
Subtotal	54,790	6,072	(1,333)	(115)	132	59,546
Less: Distributed Offsetting Receipts	25,652	—	—	—	—	25,652
Net Outlays	$29,138	$6,072	($1,333)	($115)	$132	$33,894

The accompanying notes are an integral part of the financial statements.

Schedule 4 - continued

U.S. OFFICE OF PERSONNEL MANAGEMENT

COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2004

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2004
BUDGETARY RESOURCES						
Appropriations:						
Received	—	$7,358	$35	—	$122	$7,515
Other	—	(32)	—	—	—	(32)
Trust Fund Receipts:						
Appropriated	$82,414	—	—	—	—	82,414
Temporarily Precluded from Obligation [Note 7]	(29,940)	—	—	—	—	(29,940)
Unobligated Balance - Beginning of Period	—	$6,554	$26,039	$165	$57	$32,815
Spending Authority from Offsetting Collections:						
Collected	—	29,140	3,516	$479	172	33,307
Changes in Receivables from Federal Sources and Unfilled Customer Orders	—	80	(17)	77	11	151
Subtotal	—	29,220	3,499	556	183	33,458
Recissions and Recoveries of Prior-Year Obligations	—	—	—	4	35	39
Total Budgetary Resources	$52,474	$43,100	$29,573	$725	$397	$126,269
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred: [Note 9]						
Direct	$52,474	$34,692	$2,203	—	$334	$89,703
Reimbursable	—	—	—	$483	—	483
Subtotal	52,474	34,692	2,203	483	334	90,186
Unobligated Balance:						
Available	—	—	—	175	47	222
Not Available	—	8,408	27,370	67	16	35,861
Subtotal	—	8,408	27,370	242	63	36,083
Total Status of Budgetary Resources	$52,474	$43,100	$29,573	$725	$397	

Schedule 4 - continued

U.S. OFFICE OF PERSONNEL MANAGEMENT

COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2004

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2004
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS						
Obligations Incurred	$52,474	$34,692	$2,203	$483	$334	$90,186
Plus: Obligated Balance, Net - Beginning of the Period	4,402	3,158	247	(56)	34	7,785
Less: Obligated Balance, Net - End of the Period:						
Accounts Payable and Undelivered Orders	4,599	4,340	634	212	100	9,885
Accounts Receivable and Unfilled Customer Orders	—	(1,230)	(320)	(377)	(57)	(1,984)
Subtotal	4,599	3,110	314	(165)	43	7,901
Less: Changes in Receivables from Federal Sources and Unfilled Customer Orders	—	80	(17)	77	11	151
Outlays:						
Disbursements	52,277	34,660	2,153	515	314	89,919
Collections	—	(29,140)	(3,516)	(479)	(172)	(33,307)
Subtotal	52,277	5,520	(1,363)	36	142	56,612
Less: Distributed Offsetting Receipts	25,958	—	—	—	—	25,958
Net Outlays	$26,319	$5,520	($1,363)	$36	$142	$30,654

The accompanying notes are an integral part of the financial statements.

Schedule 5

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATING STATEMENT OF FINANCING

For the Year Ended September 30, 2005

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2005
RESOURCES USED TO FINANCE ACTIVITIES						
Budgetary Resources Obligated:						
Obligations Incurred	$55,042	$37,646	$2,202	$647	$329	$95,866
Spending Authority from Offsetting Collections	—	(31,465)	(3,511)	(690)	(241)	(35,907)
Appropriated Trust Fund Receipts	(83,691)	—	—	—	—	(83,691)
Offsetting Receipts	25,652	—	—	—	—	25,652
Net Budgetary Resources Obligated	(2,997)	6,181	(1,309)	(43)	88	1,920
Other	—	—	—	(48)	15	(33)
Total Resources Used to Finance Activities	(2,997)	6,181	(1,309)	(91)	103	1,887
RESOURCES USED TO FINANCE ITEMS NOT PART OF NET COST OF OPERATIONS	0	(34)	(85)	136	32	49
COMPONENTS OF NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD						
Components Requiring or Generating Resources *in Future Periods:*						
Increase in Actuarial Liabilities	40,400	20,002	1,433	—	—	61,835
Exchange Revenue not in the Budget	(170)	(44)	(12)	1	—	(225)
Components not Requiring or Generating Resources	(7)	39	—	2	19	53
Total Components of Net Cost of Operations that Will Not Require or Generate Resource in the Current Period	40,223	19,997	1,421	3	19	61,663
NET COST OF OPERATIONS	$37,226	$26,144	$27	$48	$154	$63,599

The accompanying notes are an integral part of the financial statements.

Schedule 5

U.S. OFFICE OF PERSONNEL MANAGEMENT

CONSOLIDATING STATEMENT OF FINANCING

For the Year Ended September 30, 2004

(In Millions)

	Retirement Program	Health Benefits Program	Life Insurance Program	Revolving Fund Programs	Salaries and Expenses	2004
RESOURCES USED TO FINANCE ACTIVITIES						
Budgetary Resources Obligated:						
Obligations Incurred	$52,474	$34,692	$2,203	$483	$334	$90,186
Spending Authority from Offsetting Collections	—	(29,220)	(3,499)	(556)	(183)	(33,458)
Appropriated Trust Fund Receipts	(82,414)	—	—	—	—	(82,414)
Offsetting Receipts	25,958	—	—	—	—	25,958
Net Budgetary Resources Obligated	(3,982)	5,472	(1,296)	(73)	151	272
Other	—	—	—	(1)	(10)	(11)
Total Resources Used to Finance Activities	(3,982)	5,472	(1,296)	(74)	141	261
RESOURCES USED TO FINANCE ITEMS NOT PART OF NET COST OF OPERATIONS	(1)	31	4	36	(43)	27
COMPONENTS OF NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD						
Components Requiring or Generating Resources *in Future Periods:*						
Increase in Actuarial Liabilities	38,400	22,031	1,481	—	—	61,912
Exchange Revenue not in the Budget	(32)	(19)	—	1	—	(50)
Components not Requiring or Generating Resources	(5)	20	—	1	6	22
Total Components of Net Cost of Operations that Will Not Require or Generate Resource in the Current Period	38,363	22,032	1,481	2	6	61,884
NET COST OF OPERATIONS (EXCESS OF EARNED REVENUE OVER COST)	$34,380	$27,535	$189	($36)	$104	$62,172

The accompanying notes are an integral part of the financial statements.

INTRAGOVERNMENTAL BALANCES

ASSETS AND LIABILITIES [Unaudited]
as of September 30, 2005 and 2004
(In millions)

Trading Partner	Fund Balance with Treasury	Investments	Accounts Receivable
2005:			
Agriculture	–	–	$45
Air Force	–	–	50
Army	–	–	59
Commerce	–	–	16
Energy	–	–	8
Environmental Protection Agency	–	–	9
General Services Administration	–	–	8
Health and Human Services	–	–	28
Homeland Security	–	–	46
Interior	–	–	28
Labor	–	–	8
Justice	–	–	71
National Aeronautics and Space Agency	–		10
Navy	–	–	44
Social Security Administration	–	–	26
Transportation	–	–	61
Treasury	$1,189	$712,050	46
U. S. Courts	–	–	18
United States Postal Service	–	–	343
Veterans	–	–	89
Other Defense	–	–	134
Other	–	–	219
Total 2005	*$1,189*	*$712,050*	*$1,366*
2004:			
Agriculture	–	–	$38
Air Force	–	–	41
Army	–	–	48
Commerce	–	–	13
Energy	–	–	7
Environmental Protection Agency	–	–	8
General Services Administration	–	–	5
Health and Human Services	–	–	23
Homeland Security Administration	–	–	37
Interior	–	–	24
Labor	–	–	6
Justice	–	–	58
National Aeronautics and Space Agency	–	–	9
Navy	–	–	53
Social Security Administration	–	–	21
Transportation	–	–	51
Treasury	$962	$679,904	38
U. S. Courts	–	–	15
United States Postal Service	–	–	293
Veterans	–	–	73
Other Defense	–	–	120
Other	–	–	241
Total 2004	*$962*	*$679,904*	*$1,222*

INTRAGOVERNMENTAL LIABILITIES

Trading Partner	2005	2004
Treasury	$249	$199
Other	337	254
Total	*$586*	*$453*

INTRAGOVERNMENTAL EARNED REVENUE

EARNED REVENUE AND RELATED COST [Unaudited]
for the Years ended September 30, 2005 and 2004
(In millions)

Trading Partner	Employer Contribution	Earnings on Investments	Other	Total
2005:				
Agriculture	$1,138	–	–	$1,138
Air Force	1,283	–	–	1,283
Army	1,488	–	–	1,488
Health and Human Services	711	–	–	711
Homeland Security	1,226	–	–	1,226
Interior	727	–	–	727
Justice	1,813	–	–	1,813
Navy	913	–	–	913
Social Security Administration	667	–	–	667
Transportation	1,528	–	–	1,528
Treasury	1,189	$37,873	–	39,062
United States Postal Service	10,673	–	–	10,673
Veterans Affairs	2,292	–	–	2,292
Other Defense	3,342	–	–	3,342
Other	3,756	–	$687	4,443
Total 2005	*$32,746*	*$37,873*	*$687*	*$71,306*
2004:				
Agriculture	$910	–	–	$910
Air Force	1,175	–	–	1,175
Army	1,352	–	–	1,352
Health and Human Services	652	–	–	652
Homeland Security	1,078	–	–	1,078
Interior	676	–	–	676
Justice	1,678	–	–	1,678
Navy	870	–	–	870
Social Security Administration	611	–	–	611
Transportation	1,455	–	–	1,455
Treasury	1,155	$37,288	–	38,443
United States Postal Service	10,064	–	–	10,064
Veterans Affairs	2,074	–	–	2,074
Other Defense	3,104	–	–	3,104
Other	3,452	–	$546	3,998
Total 2004	*$30,306*	*$37,288*	*$546*	*$68,140*

BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT

SCHEDULE OF BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT (Unaudited)
for the Year Ended September 30, 2005
(In millions)

	CSRDF	HBF	LIF	RF	S&E	Feeder	2005
BUDGETARY RESOURCES							
Appropriations:							
Received	–	–	–	$25	$127	$7,867	$8,019
Other	–	–	–	–	–	60	60
Trust Fund Receipts:							
Appropriated	$83,691	–	–	–	–	–	83,691
Temporarily Precluded from Obligation	(28,649)	–	–	–	–	–	(28,649)
Transfer-in Without Reimbursement	–	–	–	6	–	–	6
Unobligated Balance – Beginning of the Period	–	8,408	27,370	242	63	–	36,083
Spending Authority from Offsetting Collections:							
Collected	–	$31,307	$3,516	$819	199	–	35,841
Changes in Receivables from Federal Sources and Unfilled Customer Orders	–	158	(5)	(129)	42	–	66
Subtotal	–	31,465	3,511	690	241	–	35,907
Recissions and Recoveries of Prior–Year Obligations	–	–	–	33	(1)	–	32
Total Budgetary Resources	$55,042	$39,873	$30,881	$996	$430	$7,927	$135,149
STATUS OF BUDGETARY RESOURCES							
Obligations Incurred:							
Direct	$55,042	$29,757	$2,164	$25	$267	$7,927	$95,182
Reimbursable	–	–	–	622	62	–	684
Subtotal	55,042	29,757	2,164	647	329	7,927	95,866
Unobligated Balance:							
Available	–	–	–	70	56	–	126
Not available	–	10,116	28,717	279	45	–	39,157
Subtotal	–	10,116	28,717	349	101	–	39,283
Total Status of Budgetary Resources	$55,042	$39,873	$30,881	$996	$430	$7,927	$135,149

BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT

SCHEDULE OF BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT (Unaudited)
for the Year Ended September 30, 2005
(In millions)

	CSRDF	HBF	LIF	RF	S&E	Feeder	2005
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS							
Obligations Incurred	$55,042	$29,757	$2,164	$647	$329	$7,927	$95,866
Plus: Obligated Balance, Net —							
Beginning of the Period	4,599	2,350	310	(165)	43	764	7,901
Plus: Obligated Balance Transferred-in	–	–	–	10	–	–	10
Less: Obligated Balance, Net — End of the Period:							
Accounts Payable and Undelivered Orders	4,851	3,781	649	132	89	830	10,332
Accounts Receivable and							
Unfilled Customer Orders	–	(1,388)	(315)	(248)	(91)	–	(2,042)
Subtotal	4,851	2,393	334	(116)	(2)	830	8,290
Less: Changes in Receivables from Federal Sources							
and Unfilled Customer Orders	–	158	(5)	(129)	42	–	66
Recoveries of Prior-Year Obligations	–	–	–	33	1	–	34
Outlays							
Disbursements	54,790	29,556	2,145	704	331	7,861	95,387
Collections	–	(31,307)	(3,516)	(819)	(199)	–	(35,841)
Subtotal	54,790	(1,751)	(1,371)	(115)	132	7,861	59,546
Less: Distributed Offsetting Receipts	25,652	–	–	–	–	–	25,652
Net Outlays	$29,138	($1,751)	($1,371)	($115)	$132	$7,861	$33,894

LEGEND:

Civil Service Retirement and Disability Fund	CSRDF
Employees Health Benefits Fund	HBF
Employees Group Life Insurance Fund	LIF
Revolving Fund	RF
Salaries and Expenses account	S&E
Trust Fund feeder accounts	Feeder

BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT

SCHEDULE OF BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT (Unaudited)
for the Year Ended September 30, 2004
(In millions)

	CSRDF	HBF	LIF	RF	S&E	Feeder	2004
BUDGETARY RESOURCES							
Appropriations:							
Received	–	–	–	–	$122	$7,393	$7,515
Other	–	–	–	–	–	(32)	(32)
Trust Fund Receipts:							
Appropriated	$82,414	–	–	–	–	–	82,414
Temporarily Precluded from Obligation	(29,940)	–	–	–	–	–	(29,940)
Unobligated Balance – Beginning of the Period	–	6,554	26,039	165	57	–	32,815
Spending Authority from Offsetting Collections:							
Collected	–	$29,140	$3,516	$479	172	–	33,307
Changes in Receivables from Federal Sources and Unfilled Customer Orders	–	80	(17)	77	11	–	151
Subtotal	–	29,220	3,499	556	183	–	33,458
Recissions and Recoveries of Prior–Year Obligations	–	–	–	4	35	–	39
Total Budgetary Resources	$52,474	$35,774	$29,538	$725	$397	$7,361	$126,269
STATUS OF BUDGETARY RESOURCES							
Obligations Incurred:							
Direct	$52,474	$27,366	$2,168	–	$334	$7,361	$89,703
Reimbursable	–	–	–	$483	–	–	483
Subtotal	52,474	27,366	2,168	483	334	7,361	90,186
Unobligated Balance:							
Available	–	–	–	175	47	–	222
Not available	–	8,408	27,370	67	16	–	35,861
Subtotal	–	8,408	27,370	242	63	–	36,083
Total, Status of Budgetary Resources	$52,474	$35,774	$29,538	$725	$397	$7,361	$126,269

BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT

SCHEDULE OF BUDGETARY RESOURCES BY MAJOR BUDGETARY ACCOUNT (Unaudited)
for the Year Ended September 30, 2004
(In millions)

	CSRDF	HBF	LIF	RF	S&E	Feeder	2004
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS							
Obligations Incurred	$52,474	$27,366	$2,168	$483	$334	$7,361	$90,186
Plus: Obligated Balance, Net — Beginning of the Period	4,402	2,483	243	(56)	34	679	7,785
Less: Obligated Balance, Net — End of the Period:							
Accounts Payable and Undelivered Orders	4,599	3,580	630	212	100	764	9,885
Accounts Receivable and Unfilled Customer Orders	—	(1,230)	(320)	(377)	(57)	—	(1,984)
Subtotal	4,599	2,350	310	(165)	43	764	7,901
Less: Changes in Receivables from Federal Sources and Unfilled Customer Orders	—	80	(17)	77	11	—	151
Outlays							
Disbursements	52,277	27,419	2,118	515	314	7,276	89,919
Collections	—	(29,140)	(3,516)	(479)	(172)	—	(33,307)
Subtotal	52,277	(1,721)	(1,398)	36	142	7,276	56,612
Less: Distributed Offsetting Receipts	25,958	—	—	—	—	—	25,958
Net Outlays	$26,319	($1,721)	($1,398)	$36	$142	$7,276	$30,654

LEGEND:

Civil Service Retirement and Disability Fund	CSRDF
Employees Health Benefits Fund	HBF
Employees Group Life Insurance Fund	LIF
Revolving Fund	RF
Salaries and Expenses account	S&E
Trust Fund feeder accounts	Feeder

SEGMENT INFORMATION (UNAUDITED)

OPM's Revolving Fund provides financing on a reimbursable basis for a variety of human resource services. Each segment or line-of-business charges its customers a rate that is expected to recover the full cost of the service provided over a reasonable period of time. The Department of Defense (DoD) is by far the largest customer for OPM's human resource services, followed by the Departments of Energy and Homeland Security.

The following are OPM's major Revolving Fund lines-of-business:

- *Investigations.* OPM conducts background investigations to provide agencies with the information necessary to determine whether to grant security clearances to individuals occupying or being appointed to sensitive national security positions or for public trust positions.
- *Training and assistance.* OPM provides human resource services intended to enhance workforce productivity and effectiveness through research, innovation, education, and training.
- *Employment services.* OPM provides a variety of operational and consultative human resources services to agencies in such areas as: automated examining, organizational assessment, personnel records processing, and employment information.
- *Executive resources.* OPM administers programs to develop management skills, improve understanding of important public issues and stimulate Federal management awareness.
- *GOLearn.* OPM created GoLearn as part of its e-Training Initiative, one of the e-government initiatives on the President's Management Agenda. GoLearn offers Federal agency employees a wide range of online learning and career growth opportunities, including academic, technical, executive and organizational training.
- *Testing.* OPM administers military recruitment and other testing for DoD.

The following is a summary by each above-described line-of-business of the full cost of the service provided; the related exchange revenue, and the excess of full costs over exchange revenue (in $ millions):

Line-of-business	Full Cost of Services Provided	Related Exchange Revenues	Excess of Full Costs over Exchange Revenues
Investigations	$532.1	$523.8	$8.3
Training and Assistance	75.1	77.4	(2.3)
Employment Services	48.4	45.0	3.4
Executive Resources	46.1	44.3	1.8
GoLearn	23.7	22.1	1.6
Testing	8.3	8.0	0.3