

REQUIRED SUPPLEMENTARY INFORMATION

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**Combining Statement of Budgetary Resources
For the Year Ended September 30, 2008
(In Millions)**

	CMS			Other Agency Budgetary Accounts ¹	Agency Combined Totals
	Medicare HI	Medicare SMI	Medicaid		
Budgetary Resources:					
1. Unobligated balance, brought forward, October 1	\$ 13	\$ 12	\$ 3,816	\$ 20,408	\$ 24,249
2. Recoveries of prior year unpaid obligations	86	135	11,431	3,317	14,969
3. Budget Authority	233,776	200,551	207,282	378,796	1,020,405
4. Nonexpenditure transfers, net, anticipated & actual	95	(12)	(2,515)	4,691	2,259
5. Temporarily not available pursuant to Public Law	(6,555)	(9,580)	-	(281)	(16,416)
6. Permanently not available (-)	(24)	(37)	-	(12,125)	(12,186)
7. Total Budgetary Resources	<u>\$ 227,391</u>	<u>\$ 191,069</u>	<u>\$ 220,014</u>	<u>\$ 394,806</u>	<u>\$ 1,033,280</u>
Status of Budgetary Resources:					
8. Obligations Incurred	\$ 227,358	\$ 191,039	\$ 211,296	\$ 369,143	\$ 998,836
9. Unobligated Balances - Available	-	-	8,718	17,665	26,383
10. Unobligated Balances - Not Available	33	30	-	7,998	8,061
11. Total Status of Budgetary Resources	<u>\$ 227,391</u>	<u>\$ 191,069</u>	<u>\$ 220,014</u>	<u>\$ 394,806</u>	<u>\$ 1,033,280</u>
Relationship of Obligations to Outlays:					
12. Obligated Balance, Net	\$ 20,472	\$ 19,514	\$ 19,415	\$ 75,954	\$ 135,355
13. Obligations incurred, Net (+/-)	227,358	191,039	211,296	369,143	998,836
14. Less: Gross outlays	(225,725)	(189,947)	(198,870)	(366,356)	(980,898)
15. Obligated balance transferred, Net	-	-	-	5	5
16. Less: Recoveries of prior year unpaid obligations	(86)	(135)	(11,431)	(3,317)	(14,969)
17. Change in uncollected customer payments	(33)	(30)	-	(236)	(299)
18. Obligated balance, Net, end of period	<u>21,986</u>	<u>20,441</u>	<u>20,410</u>	<u>75,193</u>	<u>138,030</u>
19. Net Outlays	<u>\$205,902</u>	<u>\$ (53,376)</u>	<u>\$ 198,474</u>	<u>\$ 350,010</u>	<u>\$ 701,010</u>

Summary of Other Agency Budgetary Accounts

	Budgetary Resources	Status of Budgetary Resources	Net Outlays
ACF	\$ 52,380	\$ 52,380	\$ 47,437
AoA	1,419	1,419	1,399
AHRQ	367	367	(105)
CDC	10,246	10,246	8,782
CMS	268,841	268,841	245,578
FDA	2,707	2,707	1,147
HRSA	7,579	7,579	6,940
IHS	6,179	6,179	3,291
NIH	33,557	33,557	29,249
OS	6,599	6,599	2,764
PSC	1,356	1,356	432
SAMHSA	3,576	3,576	3,096
	<u>\$ 394,806</u>	<u>\$ 394,806</u>	<u>\$ 350,010</u>

¹ "Other Agency Budgetary Accounts" includes the budgetary accounts of the eleven HHS Agencies other than CMS, as well as the remaining budgetary accounts not reported by CMS under Medicare and Medicaid. This includes budgetary resources of \$2.99 billion and net outlays of \$2.95 billion for the Vaccine for Children Program which are appropriated to the Medicaid program and transferred to CDC.

Deferred Maintenance For the Year Ended September 30, 2008 and 2007

Deferred maintenance is maintenance that was not performed when it should have been, was scheduled and not performed, or was delayed for a future period. Maintenance is the act of keeping fixed assets in acceptable condition, including preventive maintenance, normal repairs, replacement of parts and structural components and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life. Maintenance does not include activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, those originally intended. Maintenance expense is recognized as incurred.

The Centers for Disease Control and Prevention, the National Institutes of Health, and the Food and Drug Administration all use the condition assessment survey for all classes of property. The Indian Health Service uses two types of surveys to assess installations – annual general inspections and deep look surveys.

Category of Asset	Condition	Cost to Return to Acceptable Condition	
		2008	2007
General PP&E			
Buildings	1 - 4	\$ 1,873	\$ 1,077
Equipment	4	8	8
Other Structures	1 - 4	52	55
Total		\$ 1,933	\$ 1,140

Asset Condition is assessed on a scale of 1-5 as follows: Excellent-1; Good-2; Fair-3; Poor-4; Very Poor-5. A “fair” or 3 rating is considered acceptable operating condition. Although PP&E categories may be rated as acceptable, individual assets within a category may require maintenance work to return them to acceptable operating condition. Therefore, asset categories with an overall rating of “fair” or above may still report necessary costs to return them to acceptable condition.

Stewardship Property, Plant, and Equipment For the Year Ended September 30, 2008

The HHS has Indian Trust Lands that are considered a type of property, plant, and equipment (PP&E) for stewardship reporting purposes.

Indian Trust lands are those lands that do not meet the definition of Stewardship land (i.e., land other than those acquired for or used in connection with general (capitalized) PP&E), but have always been held by IHS as separate and distinct, because of the Government's long-term trust responsibility. All Trust lands, when no longer needed by IHS in connection with its general use PP&E, must be returned to the Department of the Interior's Bureau of Indian Affairs, for continuing trust responsibilities and oversight.

For the purpose of Statement of Federal Financial Accounting Standards No. 29 requirements, Heritage Assets are any real property assets that are individually listed on the National Register of Historic Places. IHS has no individually listed properties in FY 2008.

The IHS accountability reports differentiate Indian Trust land parcels from general PP&E situated thereon. The Indian Trust land balances are removed from the HHS FY 2008 Balance Sheet and reported as Stewardship Assets - Indian Trust Lands.

The Distribution of Stewardship Assets by Type and Area as of September 30, 2008 is summarized below as of September 30, 2008:

Distribution of Stewardship Assets by Type and Area

	Indian Trust Lands	
	Number of Sites	Total Hectares
Aberdeen	9	75
Albuquerque	4	4
Bemidji	2	9
Billings	7	48
Navajo	35	255
Oklahoma City	1	2
Phoenix	13	19
Portland	3	1
Tucson	5	12
Total IHS	79	425

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