

Consolidating And Combining Statements

Fiscal Year 2002

This page intentionally left blank

Department of Defense Agency-wide CONSOLIDATING BALANCE SHEET (\$ in millions)

	General Fund			Working Capital Fund			Military Retirement Fund
	Army	Navy	Air Force	Army	Navy	Air Force	
ASSETS (Note 2)							
Intragovernmental							
Fund Balance with Treasury (Note 3)	\$ 39,510.5	\$ 68,250.0	\$ 47,942.8	\$ 251.0	\$ 1,709.7	\$ 463.3	\$ 19.4
Investments (Note 4)	5.2	9.6	0.7	0.0	0.0	0.0	176,496.5
Accounts Receivable (Note 5)	452.8	742.4	443.1	222.1	525.1	628.1	0.0
Other Assets (Note 6)	209.1	67.1	5.0	0.0	0.3	0.0	0.0
Total Intragovernmental Assets	\$ 40,177.6	\$ 69,069.1	\$ 48,391.6	\$ 473.1	\$ 2,235.1	\$ 1,091.4	\$ 176,515.9
Cash and Other Monetary Assets (Note 7)							
Accounts Receivable (Note 5)	\$ 301.7	\$ 130.7	\$ 140.6	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Loans Receivable (Note 8)	568.1	2,799.9	1,017.9	16.4	80.9	15.8	18.3
Inventory and Related Property (Note 9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Property, Plant and Equipment (Note 10)	27,259.4	33,003.6	28,817.6	11,319.3	17,655.9	13,992.0	0.0
Other Assets (Note 6)	18,700.6	26,109.4	24,247.2	1,250.2	4,190.8	1,320.8	0.0
	3,582.8	4,780.5	7,535.9	251.3	1,140.7	530.3	0.0
Total Assets	\$ 90,590.2	\$ 135,893.2	\$ 110,150.8	\$ 13,310.3	\$ 25,303.4	\$ 16,950.3	\$ 176,534.2
LIABILITIES (Note 11)							
Intragovernmental							
Accounts Payable (Note 12)	\$ 774.6	\$ 748.3	\$ 1,124.8	\$ 77.6	\$ 434.8	\$ 154.7	\$ 0.0
Debt (Note 13)	0.2	0.1	0.1	0.0	750.7	0.0	0.0
Environmental Liabilities (Note 14)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	876.4	3,489.5	2,179.1	262.0	177.8	11.4	0.2
Total Intragovernmental Liabilities	\$ 1,651.2	\$ 4,237.9	\$ 3,304.0	\$ 339.6	\$ 1,363.3	\$ 166.1	\$ 0.2
Accounts Payable (Note 12)	5,967.2	1,510.3	6,207.0	511.0	1,799.7	1,791.5	0.0
Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 17)	1,624.6	1,546.4	1,211.0	304.5	1,325.9	247.7	726,915.4
Environmental Liabilities (Note 14)	35,078.3	15,469.1	8,454.6	0.0	0.0	0.0	0.0
Loan Guarantee Liability (Note 8)	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities (Note 15 and Note 16)	9,008.7	4,185.5	3,987.2	212.1	2,807.8	3,151.1	3,135.3
Total Liabilities	\$ 53,330.7	\$ 26,949.2	\$ 23,163.8	\$ 1,367.2	\$ 7,296.7	\$ 5,356.4	\$ 730,050.9
NET POSITION							
Unexpended Appropriations (Note 18)	31,468.7	64,774.3	39,543.8	30.0	0.0	0.0	0.0
Cumulative Results of Operations	5,790.8	44,169.7	47,443.2	11,913.1	18,006.7	11,593.9	(553,516.7)
Total Net Position	\$ 37,259.5	\$ 108,944.0	\$ 86,987.0	\$ 11,943.1	\$ 18,006.7	\$ 11,593.9	\$ (553,516.7)
Total Liabilities and Net Position	\$ 90,590.2	\$ 135,893.2	\$ 110,150.8	\$ 13,310.3	\$ 25,303.4	\$ 16,950.3	\$ 176,534.2

Department of Defense Agency-wide CONSOLIDATING BALANCE SHEET

(\$ in millions)

As of September 30, 2002	US Army Corps of Engineers	ODO General Funds	ODO Working Capital Funds	Combined Total	Intra-entity Eliminations	2002 Consolidated	2001 Consolidated Restated	2001 Consolidated
ASSETS (Note 2)								
Intragovernmental								
Fund Balance with Treasury (Note 3)	\$ 2,544.0	\$ 43,006.0	\$ 2,119.5	\$ 205,816.2	\$ 0.0	\$ 205,816.2	\$ 190,129.1	\$ 190,129.1
Investments (Note 4)	2,269.1	2,023.8	0.0	180,804.9	0.4	180,804.5	173,288.2	173,288.2
Accounts Receivable (Note 5)	528.1	289.9	2,043.6	5,875.2	4,753.3	1,121.9	1,148.2	1,064.2
Other Assets (Note 6)	0.0	34.8	0.1	316.4	316.3	0.1	4.2	4.2
Total Intragovernmental Assets	\$ 5,341.2	\$ 45,354.5	\$ 4,163.2	\$ 392,812.7	\$ 5,070.0	\$ 387,742.7	\$ 364,569.7	\$ 364,485.7
Cash and Other Monetary Assets (Note 7)	0.8	43.7	125.2	742.7	0.0	742.7	636.1	1,014.1
Accounts Receivable (Note 5)	922.9	591.1	310.6	6,341.9	0.0	6,341.9	4,613.8	4,613.8
Loans Receivable (Note 8)	0.0	44.2	0.0	44.2	0.0	44.2	0.0	0.0
Inventory and Related Property (Note 9)	63.1	2,191.6	11,896.1	146,198.6	0.0	146,198.6	146,638.2	205,406.2
General Property, Plant and Equipment (Note 10)	36,874.0	5,695.2	3,949.9	122,338.1	0.0	122,338.1	113,850.8	113,826.8
Other Assets (Note 6)	0.1	147.9	276.3	18,245.8	0.0	18,245.8	17,834.4	17,834.4
Total Assets	\$ 43,202.1	\$ 54,068.2	\$ 20,721.3	\$ 686,724.0	\$ 5,070.0	\$ 681,654.0	\$ 648,143.0	\$ 707,181.0
LIABILITIES (Note 11)								
Intragovernmental								
Accounts Payable (Note 12)	\$ 83.7	\$ 1,233.3	\$ 207.2	\$ 4,839.0	\$ 4,753.3	\$ 85.7	\$ 188.4	\$ 124.4
Debt (Note 13)	24.7	56.8	42.1	874.7	0.4	874.3	986.2	986.2
Environmental Liabilities (Note 14)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities (Note 15 & Note 16)	1,146.9	275.6	1,111.0	8,529.9	316.3	8,213.6	7,197.9	6,092.9
Total Intragovernmental Liabilities	\$ 1,255.3	\$ 1,565.7	\$ 360.3	\$ 14,243.6	\$ 5,070.0	\$ 9,173.6	\$ 8,372.5	\$ 7,203.5
Accounts Payable (Note 12)	\$ 596.0	\$ 2,287.3	\$ 3,489.8	\$ 24,159.8	\$ 0.0	\$ 24,159.8	\$ 22,707.5	\$ 22,707.5
Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 17)	0.0	595,181.7	469.3	1,328,826.5	0.0	1,328,826.5	1,296,210.7	1,296,210.7
Environmental Liabilities (Note 14)	0.0	351.1	0.0	59,353.1	0.0	59,353.1	63,293.8	63,293.8
Loan Guarantee Liability (Note 8)	0.0	10.1	0.0	10.8	0.0	10.8	3.3	3.3
Other Liabilities (Note 15 and Note 16)	590.8	2,043.3	673.5	29,795.3	0.0	29,795.3	28,621.5	28,621.5
Total Liabilities	\$ 2,442.1	\$ 601,439.2	\$ 4,992.9	\$ 1,456,389.1	\$ 5,070.0	\$ 1,451,319.1	\$ 1,419,209.3	\$ 1,418,040.3
NET POSITION								
Unexpended Appropriations (Note 18)	1,064.9	40,441.2	(40.3)	177,282.6	0.0	177,282.6	164,743.6	163,190.6
Cumulative Results of Operations	39,695.1	(587,812.2)	15,768.7	(946,947.7)	0.0	(946,947.7)	(935,809.9)	(874,049.9)
Total Net Position	\$ 40,760.0	\$ (547,371.0)	\$ 15,728.4	\$ (769,665.1)	\$ 0.0	\$ (769,665.1)	\$ (771,066.3)	\$ (710,859.3)
Total Liabilities and Net Position	\$ 43,202.1	\$ 54,068.2	\$ 20,721.3	\$ 686,724.0	\$ 5,070.0	\$ 681,654.0	\$ 648,143.0	\$ 707,181.0

Department of Defense Agency-wide CONSOLIDATING STATEMENT OF NET COST (\$ in millions)

For the Years Ended September 30, 2002 and 2001

	General Fund		Air Force		Army	Working Capital Fund		Air Force	Military Retirement Fund
	Army	Navy	Army	Navy		Army	Navy		
Program Costs									
Military Personnel									
Intragovernmental Gross Cost	\$ 5,944.0	\$ 5,070.7	\$ 3,873.1		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(170.5)	(209.2)	(152.9)						
Intragovernmental Net Costs	\$ 5,773.5	\$ 4,861.5	\$ 3,720.2		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	26,580.7	25,061.6	20,842.1						
Less: Earned Revenues From The Public	(19.3)	(68.1)	(68.2)						
Net Cost with The Public	\$ 26,561.4	\$ 24,993.5	\$ 20,773.9		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 32,334.9	\$ 29,855.0	\$ 24,494.1		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Operation and Maintenance									
Intragovernmental Gross Cost	\$ 11,839.8	\$ 20,573.9	\$ 17,472.7		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(3,002.7)	(824.8)	(1,157.0)						
Intragovernmental Net Costs	\$ 8,837.1	\$ 19,749.1	\$ 16,315.7		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	18,813.8	15,215.2	19,969.1						
Less: Earned Revenues From The Public	(650.5)	(1,031.1)	(481.8)						
Net Cost with The Public	\$ 18,163.3	\$ 14,184.1	\$ 19,487.3		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 27,000.4	\$ 33,933.2	\$ 35,803.0		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Procurement									
Intragovernmental Gross Cost	\$ 759.5	\$ 4,108.0	\$ 321.7		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(427.6)	(100.1)	(153.1)						
Intragovernmental Net Costs	\$ 331.9	\$ 4,007.9	\$ 168.6		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	10,981.6	24,291.6	16,329.6						
Less: Earned Revenues From The Public	(25.3)	(463.3)	(10.4)						
Net Cost with The Public	\$ 10,956.3	\$ 23,828.3	\$ 16,319.2		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 11,288.2	\$ 27,836.2	\$ 16,487.8		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Research, Development, Test & Evaluation									
Intragovernmental Gross Cost	\$ 218.5	\$ 26.8	\$ 136.7		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(897.9)	(1.7)	(864.4)						
Intragovernmental Net Costs	\$ (679.4)	\$ 25.1	\$ (727.7)		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	7,292.4	10,376.8	15,364.9						
Less: Earned Revenues From The Public	(126.2)	(53.7)	(113.1)						
Net Cost with The Public	\$ 7,166.2	\$ 10,323.1	\$ 15,251.8		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 6,486.8	\$ 10,348.2	\$ 14,524.1		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Military Construction/Family Housing									
Intragovernmental Gross Cost	\$ 20.8	\$ 62.1	\$ 4.2		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(1,010.0)	(73.8)	0.0						
Intragovernmental Net Costs	\$ (989.2)	\$ (11.7)	\$ 4.2		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	2,993.6	647.7	417.4						
Less: Earned Revenues From The Public	(175.7)	(69.1)	0.0						
Net Cost with The Public	\$ 2,817.9	\$ 578.6	\$ 417.4		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 1,828.7	\$ 566.9	\$ 421.6		\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

Department of Defense Agency-wide CONSOLIDATING STATEMENT OF NET COST (\$ in millions)

	For the Years Ended September 30, 2002 and 2001		General Fund			Working Capital Fund			Military Retirement Fund	
	Army	Navy	Air Force	Army	Navy	Air Force	Army	Navy	Air Force	Military Retirement Fund
Program Costs										
Military Retirement Fund										
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue										(42,380.1)
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ (42,380.1)
Gross Costs With the Public										56,855.8
Less: Earned Revenues From The Public										0.0
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 56,855.8
Total Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 14,475.7
Civil Works										
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue										
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public										
Less: Earned Revenues From The Public										
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Working Capital Funds										
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1,424.5	\$ 5,382.3	\$ 4,864.1	\$ 0.0
Less: Intragovernmental Earned Revenue							(6,849.9)	(20,916.3)	(10,907.4)	
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	(5,425.4)	(15,534.0)	(6,043.3)	\$ 0.0
Gross Costs With the Public							6,358.7	18,837.4	5,367.3	
Less: Earned Revenues From The Public							(345.2)	(862.7)	(308.0)	
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	6,013.5	17,974.7	5,059.3	\$ 0.0
Total Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	588.1	2,440.7	(984.0)	\$ 0.0
Other										
Intragovernmental Gross Cost	\$ 259.6	\$ 69.7	\$ 12.4	\$ 0.0	\$ 12.4	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	(22.4)	(0.4)	(0.1)		(0.1)					
Intragovernmental Net Costs	\$ 237.2	\$ 69.3	\$ 12.3	\$ 0.0	\$ 12.3	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Gross Costs With the Public	631.2	43.1	4.1		4.1					
Less: Earned Revenues From The Public	(212.3)	(36.3)	(7.2)		(7.2)					
Net Cost with The Public	\$ 843.5	\$ 6.8	\$ (3.1)	\$ 0.0	\$ (3.1)	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Net Costs	\$ 1,080.7	\$ 76.1	\$ 9.2	\$ 0.0	\$ 9.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total Program Costs										
Intragovernmental Gross Cost	\$ 19,042.2	\$ 29,911.2	\$ 21,820.8	\$ 0.0	\$ 21,820.8	\$ 0.0	\$ 1,424.5	\$ 5,382.3	\$ 4,864.1	\$ 0.0
Less: Intragovernmental Earned Revenue	(5,531.1)	(1,210.0)	(2,327.5)		(2,327.5)		(6,849.9)	(20,916.3)	(10,907.4)	
Intragovernmental Net Costs	\$ 13,511.1	\$ 28,701.2	\$ 19,493.3	\$ 0.0	\$ 19,493.3	\$ 0.0	(5,425.4)	(15,534.0)	(6,043.3)	\$ 0.0
Gross Costs With the Public	67,293.3	75,636.0	72,927.2		72,927.2		6,358.7	18,837.4	5,367.3	
Less: Earned Revenues From The Public	(784.7)	(1,721.6)	(680.7)		(680.7)		(345.2)	(862.7)	(308.0)	
Net Cost with The Public	\$ 66,508.6	\$ 73,914.4	\$ 72,246.5	\$ 0.0	\$ 72,246.5	\$ 0.0	6,013.5	17,974.7	5,059.3	\$ 0.0
Total Net Costs	\$ 80,019.7	\$ 102,615.6	\$ 91,739.8	\$ 0.0	\$ 91,739.8	\$ 0.0	588.1	2,440.7	(984.0)	\$ 0.0
Cost Not Assigned to Programs	0.0	0.0	0.0		0.0		0.0	0.0	0.0	0.0
(Less: Earned Revenue Not Attributable to Programs)	0.0	0.0	0.0		0.0		0.0	0.0	0.0	0.0
Net Costs of Operations	\$ 80,019.7	\$ 102,615.6	\$ 91,739.8	\$ 0.0	\$ 91,739.8	\$ 0.0	588.1	2,440.7	(984.0)	\$ 0.0

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF NET COST
(\$ in millions)**

	For the Years Ended September 30, 2002 and 2001				2001 Consolidated Restated	2001 Consolidated
	US Army Corps of Engineers	ODO General Funds	ODO Working Capital Funds	Combined Total		
Program Costs						
Military Personnel						
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 0.0	\$ 14,887.8	\$ 14,888.0	\$ (0.2)
Less: Intragovernmental Earned Revenue				(532.6)	(324.6)	(208.0)
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 14,355.2	\$ 14,563.4	\$ (208.2)
Gross Costs With the Public				72,484.4	0.0	72,484.4
Less: Earned Revenues From The Public				(155.6)	0.0	(155.6)
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 72,328.8	\$ 0.0	\$ 72,328.8
Total Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 86,684.0	\$ 14,563.4	\$ 72,120.6
Operation and Maintenance						
Intragovernmental Gross Cost	\$ 0.0	\$ 10,718.9	\$ 0.0	\$ 60,605.3	\$ 53,745.0	\$ 6,860.3
Less: Intragovernmental Earned Revenue		(930.0)		(5,914.5)	(5,059.3)	(855.2)
Intragovernmental Net Costs	\$ 0.0	\$ 9,788.9	\$ 0.0	\$ 54,690.8	\$ 48,685.7	\$ 6,005.1
Gross Costs With the Public		34,795.2		88,793.3	0.0	88,793.3
Less: Earned Revenues From The Public		(807.8)		(2,971.2)	0.0	(2,971.2)
Net Cost with The Public	\$ 0.0	\$ 33,987.4	\$ 0.0	\$ 85,822.1	\$ 0.0	\$ 85,822.1
Total Net Costs	\$ 0.0	\$ 43,776.3	\$ 0.0	\$ 140,512.9	\$ 48,685.7	\$ 91,827.2
Procurement						
Intragovernmental Gross Cost	\$ 0.0	\$ 269.4	\$ 0.0	\$ 5,458.6	\$ 5,457.9	\$ 0.7
Less: Intragovernmental Earned Revenue		(0.8)		(681.6)	(644.5)	(37.1)
Intragovernmental Net Costs	\$ 0.0	\$ 268.6	\$ 0.0	\$ 4,777.0	\$ 4,813.5	\$ (36.5)
Gross Costs With the Public		2,006.2		53,609.0	0.0	53,609.0
Less: Earned Revenues From The Public		(58.1)		(57.1)	0.0	(57.1)
Net Cost with The Public	\$ 0.0	\$ 1,948.1	\$ 0.0	\$ 53,051.9	\$ 0.0	\$ 53,051.9
Total Net Costs	\$ 0.0	\$ 2,216.7	\$ 0.0	\$ 57,828.9	\$ 4,813.5	\$ 53,015.4
Research, Development, Test & Evaluation						
Intragovernmental Gross Cost	\$ 0.0	\$ 699.4	\$ 0.0	\$ 1,081.4	\$ 1,253.5	\$ (172.1)
Less: Intragovernmental Earned Revenue		(215.3)		(1,979.3)	(1,765.6)	(213.7)
Intragovernmental Net Costs	\$ 0.0	\$ 484.1	\$ 0.0	\$ (897.9)	\$ (512.1)	\$ (385.8)
Gross Costs With the Public		11,017.6		44,051.7	0.0	44,051.7
Less: Earned Revenues From The Public		(238.1)		(531.1)	0.0	(531.1)
Net Cost with The Public	\$ 0.0	\$ 10,779.5	\$ 0.0	\$ 43,520.6	\$ 0.0	\$ 43,520.6
Total Net Costs	\$ 0.0	\$ 11,263.6	\$ 0.0	\$ 42,622.7	\$ (512.1)	\$ 43,134.8
Military Construction/Family Housing						
Intragovernmental Gross Cost	\$ 0.0	\$ 54.0	\$ 0.0	\$ 141.1	\$ 140.9	\$ 0.2
Less: Intragovernmental Earned Revenue		0.0		(1,083.8)	(1,068.7)	(15.1)
Intragovernmental Net Costs	\$ 0.0	\$ 54.0	\$ 0.0	\$ (942.7)	\$ (927.8)	\$ (14.9)
Gross Costs With the Public		600.8		4,659.5	0.0	4,659.5
Less: Earned Revenues From The Public		(0.3)		(245.1)	0.0	(245.1)
Net Cost with The Public	\$ 0.0	\$ 600.5	\$ 0.0	\$ 4,414.4	\$ 0.0	\$ 4,414.4
Total Net Costs	\$ 0.0	\$ 654.5	\$ 0.0	\$ 3,471.7	\$ (927.8)	\$ 4,399.5

Department of Defense Agency-wide CONSOLIDATING STATEMENT OF NET COST (\$ in millions)

Program Costs	For the Years Ended September 30, 2002 and 2001		2001		2001	
	US Army Corps of Engineers	ODO General Funds	ODO Working Capital Funds	Combined Total	2002 Consolidated	2001 Consolidated
Military Retirement Fund						
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Less: Intragovernmental Earned Revenue	\$ 0.0	\$ 0.0	\$ 0.0	\$ (42,380.1)	\$ (12,397.8)	\$ (13,182.9)
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ (42,380.1)	\$ (12,397.8)	\$ (13,182.9)
Gross Costs With the Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 56,855.8	\$ 56,855.8	\$ 51,872.1
Less: Earned Revenues From The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 0.0	\$ 56,855.8	\$ 56,855.8	\$ 51,872.1
Total Net Costs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 14,475.7	\$ 44,458.0	\$ 38,689.2
Civil Works						
Intragovernmental Gross Cost	\$ 786.6	\$ 0.0	\$ 0.0	\$ 786.6	\$ 731.3	\$ 923.8
Less: Intragovernmental Earned Revenue	\$ (616.4)	\$ 0.0	\$ 0.0	\$ (616.4)	\$ (608.2)	\$ (454.6)
Intragovernmental Net Costs	\$ 170.2	\$ 0.0	\$ 0.0	\$ 170.2	\$ 123.1	\$ 469.2
Gross Costs With the Public	\$ 3,645.3	\$ 0.0	\$ 0.0	\$ 3,645.3	\$ 3,645.3	\$ 3,768.7
Less: Earned Revenues From The Public	\$ (121.7)	\$ 0.0	\$ 0.0	\$ (121.7)	\$ (121.7)	\$ (102.1)
Net Cost with The Public	\$ 3,523.6	\$ 0.0	\$ 0.0	\$ 3,523.6	\$ 3,523.6	\$ 3,666.6
Total Net Costs	\$ 3,693.8	\$ 0.0	\$ 0.0	\$ 3,693.8	\$ 3,646.7	\$ 4,135.8
Working Capital Funds						
Intragovernmental Gross Cost	\$ 0.0	\$ 0.0	\$ 2,535.1	\$ 14,206.0	\$ 3,068.5	\$ 2,848.1
Less: Intragovernmental Earned Revenue	\$ 0.0	\$ 0.0	\$ (28,351.7)	\$ (67,025.3)	\$ (1,136.8)	\$ (2,738.2)
Intragovernmental Net Costs	\$ 0.0	\$ 0.0	\$ (25,816.6)	\$ (52,819.3)	\$ 1,931.7	\$ 90.0
Gross Costs With the Public	\$ 0.0	\$ 0.0	\$ 31,347.5	\$ 61,910.9	\$ 61,910.9	\$ 56,637.8
Less: Earned Revenues From The Public	\$ 0.0	\$ 0.0	\$ (6,488.7)	\$ (8,004.6)	\$ (8,004.6)	\$ (7,684.6)
Net Cost with The Public	\$ 0.0	\$ 0.0	\$ 24,858.8	\$ 53,906.3	\$ 53,906.3	\$ 48,953.2
Total Net Costs	\$ 0.0	\$ 0.0	\$ (957.8)	\$ 1,087.0	\$ 55,838.0	\$ 49,043.2
Other						
Intragovernmental Gross Cost	\$ 0.0	\$ 18,382.7	\$ 0.0	\$ 18,724.4	\$ 239.2	\$ 218.6
Less: Intragovernmental Earned Revenue	\$ 0.0	\$ (513.5)	\$ 0.0	\$ (536.4)	\$ (114.9)	\$ (276.5)
Intragovernmental Net Costs	\$ 0.0	\$ 17,869.2	\$ 0.0	\$ 18,188.0	\$ 124.3	\$ (37.9)
Gross Costs With the Public	\$ 0.0	\$ 12,463.6	\$ 0.0	\$ 13,142.0	\$ 13,142.0	\$ 4,971.7
Less: Earned Revenues From The Public	\$ 0.0	\$ (1,459.1)	\$ 0.0	\$ (1,290.3)	\$ (1,290.3)	\$ (1,165.1)
Net Cost with The Public	\$ 0.0	\$ 11,004.5	\$ 0.0	\$ 11,851.7	\$ 11,851.7	\$ 3,806.6
Total Net Costs	\$ 0.0	\$ 28,873.7	\$ 0.0	\$ 30,039.7	\$ 11,976.0	\$ 3,748.7
Total Program Costs						
Intragovernmental Gross Cost	\$ 786.6	\$ 30,124.4	\$ 2,535.1	\$ 115,891.2	\$ 10,728.0	\$ 10,235.2
Less: Intragovernmental Earned Revenue	\$ (616.4)	\$ (1,659.6)	\$ (28,351.7)	\$ (120,750.0)	\$ (15,586.8)	\$ (17,480.2)
Intragovernmental Net Costs	\$ 170.2	\$ 28,464.8	\$ (25,816.6)	\$ (4,838.8)	\$ (4,838.8)	\$ (7,245.0)
Gross Costs With the Public	\$ 3,645.3	\$ 60,883.4	\$ 31,347.5	\$ 399,151.9	\$ 399,151.9	\$ 754,851.0
Less: Earned Revenues From The Public	\$ (121.7)	\$ (2,563.4)	\$ (6,488.7)	\$ (13,876.7)	\$ (13,876.7)	\$ (12,590.8)
Net Cost with The Public	\$ 3,523.6	\$ 58,320.0	\$ 24,858.8	\$ 385,275.2	\$ 385,275.2	\$ 738,513.2
Total Net Costs	\$ 3,693.8	\$ 86,784.8	\$ (957.8)	\$ 380,416.4	\$ 380,416.4	\$ 735,015.2
Cost Not Assigned to Programs	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
(Less: Earned Revenue Not Attributable to Programs)	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Net Costs of Operations	\$ 3,693.8	\$ 86,784.8	\$ (957.8)	\$ 380,416.4	\$ 380,416.4	\$ 735,015.2

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
(\$ in millions)**

For the Years Ended September 30, 2002 and 2001

	Army			General Fund Navy			Air Force		
	Cumulative	Unexpended	Cumulative	Cumulative	Unexpended	Cumulative	Results of	Unexpended	Results of
	Results of	Appropriations	Results of	Results of	Appropriations	Results of	Operations	Appropriations	Operations
Beginning Balance	\$ 8,776.6	\$ 28,895.6	\$ 74,443.9	\$ 61,982.5	\$ 70,732.4	\$ 39,006.8			
Prior Period Adjustments (+/-)	(7,114.2)	0.0	(27,802.5)	1,553.3	(31,869.7)	0.0			
Beginning Balance, as adjusted	\$ 1,662.4	\$ 28,895.6	\$ 46,641.4	\$ 63,535.8	\$ 38,862.7	\$ 39,006.8			
Budgetary Financing Sources									
Appropriation Received	0.0	80,338.4	0.0	99,524.5	0.0	96,952.1			
Appropriations Transferred in/out (+/-)	0.0	4,903.5	0.0	2,727.3	0.0	5,084.8			
Other Adjustments (rescissions, etc) (+/-)	0.0	(114.8)	0.0	(1,363.6)	0.0	(2,062.4)			
Appropriations Used	82,553.9	(82,553.9)	99,612.7	(99,649.7)	99,437.4	(99,437.4)			
Nonexchange Revenue	205.6	0.0	0.0	0.0	0.0	0.0			
Donations and Forfeitures of Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0	0.0			
Transfers in/out Without Reimbursement (+/-)	0.0	0.0	0.0	0.0	0.0	0.0			
Other Budgetary Financing Sources (+/-)	743.5	0.0	0.0	0.0	246.5	0.0			
Other Financing Sources:									
Donations and forfeitures of property	0.0	0.0	0.0	0.0	0.0	0.0			
Transfers-in/out without reimbursement (+/-)	(43.2)	0.0	5.9	0.0	26.7	0.0			
Imputed financing from costs absorbed by others	688.3	0.0	525.3	0.0	597.1	0.0			
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0			
Total Financing Sources	\$ 84,148.1	\$ 2,573.2	\$ 100,143.9	\$ 1,238.5	\$ 100,320.4	\$ 537.1			
Net Cost of Operations (+/-)	\$ 80,019.7	\$ 0.0	\$ 102,615.6	\$ 0.0	\$ 91,739.8	\$ 0.0			
Ending Balances	\$ 5,790.8	\$ 31,468.8	\$ 44,169.7	\$ 64,774.3	\$ 47,443.3	\$ 39,543.9			

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
(\$ in millions)**

For the Years Ended September 30, 2002 and 2001

	Army		Working Capital Fund Navy		Air Force	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
Beginning Balance	\$ 11,767.9	\$ 38.9	\$ 17,718.6	\$ 0.0	\$ 8,784.0	\$ 0.0
Prior Period Adjustments (+/-)	0.0	0.0	1,952.4	0.0	1,628.8	0.0
Beginning Balance, as adjusted	\$ 11,767.9	\$ 38.9	\$ 19,671.0	\$ 0.0	\$ 10,412.8	\$ 0.0
Budgetary Financing Sources						
Appropriation Received	0.0	167.4	0.0	0.0	0.0	32.9
Appropriations Transferred in/out (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Other Adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations Used	176.2	(176.2)	0.0	0.0	32.9	(32.9)
Nonexchange Revenue	170.0	0.0	0.0	0.0	0.0	0.0
Donations and Forfeitures of Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Transfers in/out Without Reimbursement (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Other Budgetary Financing Sources (+/-)	202.8	0.0	312.1	0.0	0.0	0.0
Other Financing Sources:						
Donations and forfeitures of property	0.0	0.0	0.0	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	74.3	0.0	(1.1)	0.0	36.9	0.0
Imputed financing from costs absorbed by others	109.9	0.0	465.6	0.0	127.2	0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Total Financing Sources	\$ 733.2	\$ (8.8)	\$ 776.6	\$ 0.0	\$ 197.0	\$ 0.0
Net Cost of Operations (+/-)	\$ 588.1	\$ 0.0	\$ 2,440.7	\$ 0.0	\$ (984.0)	\$ 0.0
Ending Balances	\$ 11,913.0	\$ 30.1	\$ 18,006.9	\$ 0.0	\$ 11,593.8	\$ 0.0

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
(\$ in millions)**

For the Years Ended September 30, 2002 and 2001

	Military Retirement Fund		U.S. Army Corps of Engineers		ODO General Fund	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
Beginning Balance	\$ (539,041.0)	\$ 0.0	\$ 37,604.2	\$ 1,214.9	\$ (576,990.1)	\$ 32,138.5
Prior Period Adjustments (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Beginning Balance, as adjusted	\$ (539,041.0)	\$ 0.0	\$ 37,604.2	\$ 1,214.9	\$ (576,990.1)	\$ 32,138.5
Budgetary Financing Sources						
Appropriation Received	0.0	0.0	0.0	4,325.0	0.0	83,203.5
Appropriations Transferred in/out (+/-)	0.0	0.0	0.0	198.4	0.0	(3,599.8)
Other Adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0	(153.4)	0.0	986.8
Appropriations Used	0.0	0.0	4,704.8	(4,520.0)	73,574.9	(72,287.8)
Nonexchange Revenue	0.0	0.0	836.0	0.0	41.6	0.0
Donations and Forfeitures of Cash and Cash Equivalents	0.0	0.0	0.0	0.0	11.4	0.0
Transfers in/out Without Reimbursement (+/-)	0.0	0.0	(706.7)	0.0	0.0	0.0
Other Budgetary Financing Sources (+/-)	0.0	0.0	(3.2)	0.0	1,864.2	0.0
Other Financing Sources:						
Donations and forfeitures of property	0.0	0.0	0.3	0.0	0.0	0.0
Transfers-in/out without reimbursement (+/-)	0.0	0.0	744.3	0.0	(37.8)	0.0
Imputed financing from costs absorbed by others	0.0	0.0	209.0	0.0	508.4	0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Total Financing Sources	\$ 0.0	\$ 0.0	\$ 5,784.5	\$ (150.0)	\$ 75,962.8	\$ 8,302.7
Net Cost of Operations (+/-)	\$ 14,475.7	\$ 0.0	\$ 3,693.8	\$ 0.0	\$ 86,784.8	\$ 0.0
Ending Balances	\$ (553,516.7)	\$ 0.0	\$ 39,694.9	\$ 1,064.9	\$ (587,812.1)	\$ 40,441.2

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
(\$ in millions)**

For the Years Ended September 30, 2002 and 2001

	ODO Working Capital Fund		2002 Combined Total		Intra-entity Eliminations
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	
Beginning Balance	\$ 12,153.6	\$ (86.6)	\$ (874,049.9)	\$ 163,190.6	\$ 0.0
Prior Period Adjustments (+/-)	1,445.2	0.0	(61,760.0)	1,553.3	0.0
Beginning Balance, as adjusted	\$ 13,598.8	\$ (86.6)	\$ (935,809.9)	\$ 164,743.9	\$ 0.0
Budgetary Financing Sources					
Appropriation Received	0.0	1,092.6	0.0	365,636.4	0.0
Appropriations Transferred in/out (+/-)	0.0	75.0	0.0	9,389.2	0.0
Other Adjustments (rescissions, etc) (+/-)	0.0	0.0	0.0	(2,707.4)	0.0
Appropriations Used	1,125.0	(1,121.3)	361,217.9	(359,779.5)	0.0
Nonexchange Revenue	0.0	0.0	1,253.2	0.0	0.0
Donations and Forfeitures of Cash and Cash Equivalents	0.0	0.0	24.1	0.0	0.0
Transfers in/out Without Reimbursement (+/-)	0.0	0.0	(706.7)	0.0	0.0
Other Budgetary Financing Sources (+/-)	(140.4)	0.0	3,225.5	0.0	0.0
Other Financing Sources:					
Donations and forfeitures of property	0.0	0.0	0.3	0.0	0.0
Transfers-in/out without reimbursement (+/-)	(61.7)	0.0	744.3	0.0	0.0
Imputed financing from costs absorbed by others	289.2	0.0	3,520.0	0.0	0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0
Total Financing Sources	\$ 1,212.1	\$ 46.3	\$ 369,278.6	\$ 12,538.7	\$ 0.0
Net Cost of Operations (+/-)	\$ (957.8)	\$ 0.0	\$ 380,416.4	\$ 0.0	\$ (0.0)
Ending Balances	\$ 15,768.7	\$ (40.3)	\$ (946,947.7)	\$ 177,282.6	\$ 0.0

**Department of Defense Agency-wide
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
(\$ in millions)**

	2002 Consolidated		2001 Consolidated Restated		2001 Consolidated	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
For the Years Ended September 30, 2002 and 2001						
Beginning Balance	\$ (874,049.9)	\$ 163,190.6	\$ (541,621.6)	\$ 155,603.9	\$ (541,621.6)	\$ 155,603.9
Prior Period Adjustments (+/-)	(61,760.0)	1,553.3	(825.6)	1,553.0	60,934.4	0.0
Beginning Balance, as adjusted	\$ (935,809.9)	\$ 164,743.9	\$ (546,227.2)	\$ 157,156.9	\$ (480,687.2)	\$ 155,603.9
Budgetary Financing Sources						
Appropriation Received	0.0	365,636.4	0.0	7,586.7	0.0	7,586.7
Appropriations Transferred in/out (+/-)	0.0	9,389.2	0.0	0.0	0.0	0.0
Other Adjustments (rescissions, etc) (+/-)	0.0	(2,707.4)	0.0	0.0	0.0	0.0
Appropriations Used	361,217.9	(359,779.5)	318,537.3	0.0	318,537.0	0.0
Nonexchange Revenue	1,253.2	0.0	1,144.1	0.0	1,144.1	0.0
Donations and Forfeitures of Cash and Cash Equivalents	24.1	0.0	5.9	0.0	5.9	0.0
Transfers in/out Without Reimbursement (+/-)	(706.7)	0.0	(445.6)	0.0	(445.6)	0.0
Other Budgetary Financing Sources (+/-)	3,225.5	0.0	18,236.4	0.0	18,236.4	0.0
Other Financing Sources:						
Donations and forfeitures of property	0.3	0.0	0.3	0.0	0.3	0.0
Transfers-in/out without reimbursement (+/-)	744.3	0.0	752.9	0.0	752.9	0.0
Imputed financing from costs absorbed by others	3,520.0	0.0	3,421.5	0.0	3,421.5	0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Total Financing Sources	\$ 369,278.6	\$ 12,538.7	\$ 341,652.5	\$ 7,586.7	\$ 341,652.8	\$ 7,586.7
Net Cost of Operations (+/-)	\$ 380,416.4	\$ 0.0	\$ 735,015.2	\$ 0.0	\$ 735,015.2	\$ 0.0
Ending Balances	\$ (946,947.7)	\$ 177,282.6	\$ (935,809.9)	\$ 164,743.6	\$ (874,049.9)	\$ 163,190.6

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	General Fund			Air Force
	Army	Navy	Non-Budgetary Financing Accounts	
For the Years Ended September 30, 2002 and 2001				
BUDGETARY RESOURCES				
<u>Budget Authority</u>				
Appropriations Received	\$ 81,067.3	\$ 99,561.2	\$ 0.0	\$ 96,329.9
Borrowing Authority				
Contract Authority				
Net Transfers (+/-)	5,290.6	2,676.2		4,954.6
Other				
<u>Unobligated Balance</u>				
Beginning Of Period	5,701.7	13,835.9	0.7	7,203.2
Net Transfers, Actual (+/-)	409.0	51.1		130.2
Anticipated Transfers Balances				
<u>Spending Authority From Offsetting Collections</u>				
<u>Earned</u>				
Collected	12,012.6	6,490.0		6,551.6
Receivable From Federal Sources	(146.3)	(263.5)		274.5
<u>Change In Unfilled Customer Orders</u>				
Advance Received	87.1	1.3		106.5
Without Advance From Federal Sources	1,164.8	186.5		(1.2)
Anticipated For The Rest Of Year, Without Advances				
Transfers From Trust Funds				
Subtotal	\$ 13,118.2	\$ 6,414.3	\$ 0.0	\$ 6,931.4
Recoveries Of Prior Year Obligations	8,287.4	2,286.8		1,051.6
Temporarily Not Available Pursuant To Public Law				
Permanently Not Available	(1,569.2)	(1,400.0)		(2,062.4)
Total Budgetary Resources	\$ 112,305.0	\$ 123,425.5	\$ 0.7	\$ 114,538.5

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	Working Capital Fund			Air Force
	Army		Navy	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	
For the Years Ended September 30, 2002 and 2001				
BUDGETARY RESOURCES				
<u>Budget Authority</u>				
Appropriations Received	\$ 167.4 \$	0.0 \$	0.0 \$	32.9 \$
Borrowing Authority				
Contract Authority	66.6	818.9		362.7
Net Transfers (+/-)				
Other				
<u>Unobligated Balance</u>				
Beginning Of Period	1,505.5	3,106.6		191.2
Net Transfers, Actual (+/-)				78.0
Anticipated Transfers Balances				
<u>Spending Authority From Offsetting Collections</u>				
<u>Earned</u>				
Collected	6,145.5	24,242.3		15,835.5
Receivable From Federal Sources	(55.1)	(478.5)		102.2
<u>Change In Unfilled Customer Orders</u>				
Advance Received	128.9	58.7		(262.2)
Without Advance From Federal Sources	177.2	773.4		591.2
Anticipated For The Rest Of Year, Without Advances				
Transfers From Trust Funds				
Subtotal	\$ 6,396.5 \$	0.0 \$	24,595.9 \$	16,266.7 \$
Recoveries Of Prior Year Obligations				
Temporarily Not Available Pursuant To Public Law				
Permanently Not Available			(417.2)	(141.0)
Total Budgetary Resources	\$ 8,539.9 \$	0.0 \$	28,104.2 \$	16,790.5 \$

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	Military Retirement Fund		US Army Corp of Engineers		ODO General Fund	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001						
BUDGETARY RESOURCES						
Budget Authority	\$ 43,047.6	\$ 0.0	\$ 4,325.0	\$ 0.0	\$ 89,402.0	\$ 44.2
Appropriations Received						
Borrowing Authority					491.3	
Contract Authority			1,006.2		(12,938.9)	
Net Transfers (+/-)						
Other						
<u>Unobligated Balance</u>						
Beginning Of Period	161,409.6		1,713.3		12,975.2	5.3
Net Transfers, Actual (+/-)			(23.1)		8,462.5	
Anticipated Transfers Balances						
<u>Spending Authority From Offsetting Collections</u>						
<u>Earned</u>						
Collected			4,837.6		4,467.5	22.3
Receivable From Federal Sources			(53.5)		(1,031.6)	90.6
<u>Change In Unfilled Customer Orders</u>						
Advance Received			37.3		40.2	
Without Advance From Federal Sources			115.6		84.0	
Anticipated For The Rest Of Year, Without Advances						
Transfers From Trust Funds						
Subtotal	\$ 0.0	\$ 0.0	\$ 4,937.0	\$ 0.0	\$ 3,560.1	\$ 112.9
Recoveries Of Prior Year Obligations						
Temporarily Not Available Pursuant To Public Law					3,251.0	
Permanently Not Available			(16.5)		(2,166.0)	
Total Budgetary Resources	\$ 204,457.2	\$ 0.0	\$ 11,941.9	\$ 0.0	\$ 103,037.2	\$ 162.4

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES**
(\$ in millions)

	ODO Working Capital Fund		2002 Combined	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001				
BUDGETARY RESOURCES				
<u>Budget Authority</u>				
Appropriations Received	\$ 1,180.6 \$	0.0 \$	415,113.9 \$	44.2
Borrowing Authority				
Contract Authority	578.5		2,318.0	
Net Transfers (+/-)	(2.1)		986.6	
Other				
<u>Unobligated Balance</u>				
Beginning Of Period	2,486.7		210,128.9	6.0
Net Transfers, Actual (+/-)			9,107.7	
Anticipated Transfers Balances				
<u>Spending Authority From Offsetting Collections</u>				
<u>Earned</u>				
Collected	37,359.8		117,942.4	22.3
Receivable From Federal Sources	535.2		(1,116.6)	90.6
<u>Change In Unfilled Customer Orders</u>				
Advance Received	(11.9)		185.9	
Without Advance From Federal Sources	484.7		3,576.2	
Anticipated For The Rest Of Year, Without Advances				
Transfers From Trust Funds				
Subtotal	\$ 38,367.8 \$	0.0 \$	120,587.9 \$	112.9
Recoveries Of Prior Year Obligations				
Temporarily Not Available Pursuant To Public Law	12.4		15,293.1	
Permanently Not Available	(182.4)		(7,954.7)	
Total Budgetary Resources	\$ 42,441.5 \$	0.0 \$	765,581.4 \$	163.1

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	2001 Combined Restated		2001 Combined	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001				
BUDGETARY RESOURCES				
Budget Authority				
Appropriations Received	\$ 366,707.7	\$ 0.0	\$ 366,707.7	\$ 0.0
Borrowing Authority				
Contract Authority	4,488.4		4,488.4	
Net Transfers (+/-)	8,622.7		8,622.7	
Other				
Unobligated Balance				
Beginning Of Period	201,966.5		201,966.5	
Net Transfers, Actual (+/-)	(2,846.2)		(2,846.2)	
Anticipated Transfers Balances				
Spending Authority From Offsetting Collections				
Earned				
Collected	104,953.3		104,953.3	
Receivable From Federal Sources	(817.1)		(817.1)	
Change In Unfilled Customer Orders				
Advance Received	(844.1)		(844.1)	
Without Advance From Federal Sources	497.1		497.1	
Anticipated For The Rest Of Year, Without Advances				
Transfers From Trust Funds				
Subtotal	\$ 103,789.2	\$ 0.0	\$ 103,789.2	\$ 0.0
Recoveries Of Prior Year Obligations	18,522.4		18,522.4	
Temporarily Not Available Pursuant To Public Law				
Permanently Not Available	(7,727.8)		(7,727.8)	
Total Budgetary Resources	\$ 693,522.9	\$ 0.0	\$ 693,522.9	\$ 0.0

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES**
(\$ in millions)

	General Fund					
	Army		Navy		Air Force	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001						
STATUS OF BUDGETARY RESOURCES						
<u>Obligations Incurred</u>						
Direct	\$ 91,731.9	0.0	\$ 99,307.8	0.0	\$ 100,622.1	0.0
Reimbursable	14,715.0		12,208.8		7,849.9	
Subtotal	\$ 106,446.9	0.0	\$ 111,516.6	0.0	\$ 108,472.0	0.0
<u>Unobligated Balance</u>						
Apportioned	4,788.5	0.7	10,590.6		5,268.2	
Exempt From Apportionment					4.6	
Other Available	1,069.6	(0.1)			793.7	
Unobligated Balances Not Available			1,318.4			
Total, Status of Budgetary Resources	\$ 112,305.0	0.7	\$ 123,425.5	0.0	\$ 114,538.5	0.0
Relationship of Obligations to Outlays						
Obligated Balance, Net – Beginning Of Period	\$ 31,626.6	0.0	\$ 52,333.8	0.0	\$ 37,049.2	0.0
Obligated Balance Transferred, Net (+/-)	(1,467.7)		(2,109.4)		(1,482.0)	
Obligated Balance, Net – End Of Period:	(7,161.0)		(2,027.2)		(465.2)	
Accounts Receivable	30,611.3		55,633.8		34,030.7	
Unfilled Customer Order From Federal Sources	11,679.7		4,603.0		9,738.7	
Undelivered Orders						
Accounts Payable						
<u>Outlays</u>	\$ 95,105.4	0.0	\$ 105,540.3	0.0	\$ 102,374.1	0.0
Disbursements	(12,099.7)		(6,491.2)		(6,658.1)	
Collections	\$ 83,005.7	0.0	\$ 99,049.1	0.0	\$ 95,716.0	0.0
Subtotal	(184.8)		(213.3)		(121.2)	
<u>Less: Offsetting Receipts</u>						
Net Outlays	\$ 82,820.9	0.0	\$ 98,835.8	0.0	\$ 95,594.8	0.0

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	Army			Working Capital Fund			Air Force		
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Navy	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	
For the Years Ended September 30, 2002 and 2001									
STATUS OF BUDGETARY RESOURCES									
<u>Obligations Incurred</u>									
Direct	\$ 171.7	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 32.9	\$ 0.0	\$ 0.0	\$ 0.0
Reimbursable	6,660.0		23,987.0			16,451.8			
Subtotal	\$ 6,831.7	\$ 0.0	\$ 23,987.0	\$ 0.0	\$ 0.0	\$ 16,484.7	\$ 0.0	\$ 0.0	\$ 0.0
<u>Unobligated Balance</u>									
Apportioned	1,708.2		4,117.2			305.8			
Exempt From Apportionment									
Other Available									
Unobligated Balances Not Available									
Total, Status of Budgetary Resources	\$ 8,539.9	\$ 0.0	\$ 28,104.2	\$ 0.0	\$ 0.0	\$ 16,790.5	\$ 0.0	\$ 0.0	\$ 0.0
Relationship of Obligations to Outlays									
Obligated Balance, Net – Beginning Of Period	\$ 1,129.5	\$ 0.0	\$ 2,421.1	\$ 0.0	\$ 0.0	\$ 3,490.4	\$ 0.0	\$ 0.0	\$ 0.0
Obligated Balance Transferred, Net (+/-)									
Obligated Balance, Net – End Of Period:									
Accounts Receivable	(280.2)		(773.3)			(1,061.4)			
Unfilled Customer Order From Federal Sources	(2,300.5)		(6,792.0)			(3,798.8)			
Undelivered Orders	2,770.0		7,328.0			5,698.6			
Accounts Payable	729.3		3,223.1			2,665.7			
<u>Outlays</u>									
Disbursements	\$ 6,516.4	\$ 0.0	\$ 23,127.4	\$ 0.0	\$ 0.0	\$ 15,775.5	\$ 0.0	\$ 0.0	\$ 0.0
Collections	(6,274.4)		(24,300.9)			(15,573.4)			
Subtotal	\$ 242.0	\$ 0.0	\$ (1,173.5)	\$ 0.0	\$ 0.0	\$ 204.1	\$ 0.0	\$ 0.0	\$ 0.0
<u>Less: Offsetting Receipts</u>									
Net Outlays	\$ 242.0	\$ 0.0	\$ (1,173.5)	\$ 0.0	\$ 0.0	\$ 204.1	\$ 0.0	\$ 0.0	\$ 0.0

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES
(\$ in millions)**

	Military Retirement Fund		US Army Corp of Engineers		ODO General Fund	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001						
STATUS OF BUDGETARY RESOURCES						
<u>Obligations Incurred</u>						
Direct	\$ 35,188.0 \$	0.0 \$	5,415.4 \$	0.0 \$	86,666.7 \$	142.4
Reimbursable			4,785.5		3,773.3	
Subtotal	<u>\$ 35,188.0 \$</u>	<u>0.0 \$</u>	<u>10,200.9 \$</u>	<u>0.0 \$</u>	<u>90,440.0 \$</u>	<u>142.4</u>
<u>Unobligated Balance</u>						
Apportioned			1,246.1		9,153.6	
Exempt From Apportionment	169,269.2		495.0		1,791.7	
Other Available			(0.1)		0.1	
Unobligated Balances Not Available					1,651.8	20.0
Total, Status of Budgetary Resources	<u>\$ 204,457.2 \$</u>	<u>0.0 \$</u>	<u>11,941.9 \$</u>	<u>0.0 \$</u>	<u>103,037.2 \$</u>	<u>162.4</u>
Relationship of Obligations to Outlays						
Obligated Balance, Net – Beginning Of Period	\$ 3,006.8 \$	0.0 \$	1,098.0 \$	0.0 \$	22,388.8 \$	0.0
Obligated Balance Transferred, Net (+/-)						
Obligated Balance, Net – End Of Period:						
Accounts Receivable			(235.4)		(697.4)	90.6
Unfilled Customer Order From Federal Sources			(1,373.1)		(636.6)	
Undelivered Orders			1,475.2		29,232.1	89.6
Accounts Payable	3,135.1		1,180.7		4,222.8	0.7
<u>Outlays</u>						
Disbursements	\$ 35,059.7 \$		10,189.4		78,404.4	52.0
Collections			(4,875.0)		(4,507.7)	(22.3)
Subtotal	<u>\$ 35,059.7 \$</u>	<u>0.0 \$</u>	<u>5,314.4 \$</u>	<u>0.0 \$</u>	<u>73,896.7 \$</u>	<u>29.7</u>
Less: Offsetting Receipts	(42,380.1)		(819.3)		(1,875.1)	
Net Outlays	<u>\$ (7,320.4) \$</u>	<u>0.0 \$</u>	<u>4,495.1 \$</u>	<u>0.0 \$</u>	<u>72,021.6 \$</u>	<u>29.7</u>

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES**
(\$ in millions)

	2002 Combined	
	ODO Working Capital Fund	Non-Budgetary Financing Accounts
	Budgetary Financing Accounts	Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001		
STATUS OF BUDGETARY RESOURCES		
<u>Obligations Incurred</u>		
Direct	\$ 1,103.1 \$	0.0 \$
Reimbursable	37,614.0	128,045.3
Subtotal	\$ 38,717.1 \$	0.0 \$
<u>Unobligated Balance</u>		
Apportioned	3,724.5	40,902.7
Exempt From Apportionment		171,560.5
Other Available	(0.1)	(0.2)
Unobligated Balances Not Available		4,833.5
Total, Status of Budgetary Resources	\$ 42,441.5 \$	0.0 \$
		163.1
Relationship of Obligations to Outlays		
Obligated Balance, Net - Beginning Of Period	\$ 8,285.1 \$	0.0 \$
Obligated Balance Transferred, Net (+/-)		162,829.3 \$
Obligated Balance, Net - End Of Period:		0.0
Accounts Receivable	(2,822.5)	(10,929.3)
Unfilled Customer Order From Federal Sources	(2,866.7)	(27,421.1)
Undelivered Orders	9,441.6	176,221.3
Accounts Payable	4,588.3	45,766.4
<u>Outlays</u>		
Disbursements	\$ 37,629.1 \$	\$ 509,723.7 \$
Collections	37,347.8	(118,128.2)
Subtotal	\$ 281.3 \$	0.0 \$
Less: Offsetting Receipts		391,595.5 \$
		(45,593.8)
Net Outlays	\$ 281.3 \$	0.0 \$
		346,001.7 \$
		29.7

**Department of Defense Agency-wide
COMBINING STATEMENT OF BUDGETARY RESOURCES**
(\$ in millions)

	2001 Combined Restated		2001 Combined	
	Budgetary Financing Accounts	Non- Budgetary Financing Accounts	Budgetary Financing Accounts	Non- Budgetary Financing Accounts
For the Years Ended September 30, 2002 and 2001				
STATUS OF BUDGETARY RESOURCES				
<u>Obligations Incurred</u>				
Direct	\$ 378,580.4 \$	0.0 \$	378,580.4 \$	0.0
Reimbursable	104,466.9		104,466.9	
Subtotal	\$ 483,047.3 \$	0.0 \$	483,047.3 \$	0.0
<u>Unobligated Balance</u>				
Apportioned	40,513.5		40,513.5	
Exempt From Apportionment	164,030.6		164,030.6	
Other Available	(0.2)		(0.2)	
Unobligated Balances Not Available	5,931.7		5,931.7	
Total, Status of Budgetary Resources	\$ 693,522.9 \$	0.0 \$	693,522.9 \$	0.0
Relationship of Obligations to Outlays				
Obligated Balance, Net - Beginning Of Period	\$ 150,690.2 \$	0.0 \$	150,690.2 \$	0.0
Obligated Balance Transferred, Net (+/-)				
Obligated Balance, Net - End Of Period:				
Accounts Receivable	(12,028.1)		(12,028.1)	
Unfilled Customer Order From Federal Sources	(23,844.7)		(23,844.7)	
Undelivered Orders	154,659.4		154,659.4	
Accounts Payable	43,679.1		43,679.1	
<u>Outlays</u>				
Disbursements	\$ 453,069.1 \$	\$	453,069.1 \$	
Collections	(104,109.1)	2.5	(104,109.1)	2.5
Subtotal	\$ 348,960.0 \$	2.5 \$	348,960.0 \$	2.5
Less: Offsetting Receipts				
Net Outlays	\$ 348,960.0 \$	2.5 \$	348,960.0 \$	2.5

Department of Defense Agency-wide COMBINING STATEMENT OF FINANCING

(\$ in millions)

	For the Years Ended September 30, 2002 and 2001				General Fund		Working Capital Fund		Military Retirement Fund	
	Army	Navy	Air Force	Army	Navy	Air Force	Army	Navy	Air Force	Military Retirement Fund
Resources Used To Finance Activities										
Budgetary Resources Obligated	\$ 106,446.9	\$ 111,516.5	\$ 108,472.0	\$ 6,831.6	\$ 23,987.0	\$ 16,484.7	\$	\$	\$	\$ 35,188.0
Less: Spending Authority From Offsetting Collections And Recoveries (-)	(21,405.6)	(8,701.1)	(7,983.0)	(6,800.4)	(24,595.8)	(16,266.8)				0.0
Obligations Net Of Offsetting Collections And Recoveries	\$ 85,041.3	\$ 102,815.4	\$ 100,489.0	\$ 31.2	\$ (608.8)	\$ 217.9				\$ 35,188.0
Less: Offsetting Receipts (-)	(184.8)	(213.3)	(121.2)	0.0	0.0	0.0				(42,380.1)
Net Obligations	\$ 84,856.5	\$ 102,602.1	\$ 100,367.8	\$ 31.2	\$ (608.8)	\$ 217.9				\$ (7,192.1)
Other Resources										
Donations And Forfeitures Of Property	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0				\$ 0.0
Transfers In/Out Without Reimbursement (+/-)	0.0	0.0	26.7	0.0	0.0	0.0				0.0
Imputed Financing From Costs Absorbed By Others	688.3	525.3	597.1	109.9	465.6	127.2				0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0				0.0
Net Other Resources Used To Finance Activities	\$ 688.3	\$ 525.3	\$ 623.8	\$ 109.9	\$ 465.6	\$ 127.2				\$ 0.0
Total Resources Used To Finance Activities	\$ 85,544.8	\$ 103,127.4	\$ 100,991.6	\$ 141.1	\$ (143.2)	\$ 345.1				\$ (7,192.1)
Resources Used To Finance Items Not Part Of The Net Cost Of Operations										
Change In Budgetary Resources Obligated For Goods, Services And Benefits Ordered But Not Yet Provided	\$ (2,138.9)	\$ (10,676.3)	\$ (2,222.8)	\$ 259.2	\$ (3,023.6)	\$ (385.9)				\$ 0.0
Undelivered Orders (-)	1,251.9	187.9	105.3	306.1	832.1	329.1				0.0
Unfilled Customer Orders	(5,656.7)	(620.2)	(651.9)	(4.1)	(46.7)	0.0				0.0
Resources That Fund Expenses Recognized In Prior Periods										0.0
Budgetary Offsetting Collections And Receipts That Do Not Affect Net Cost Of Operations	0.0	0.0	0.0	0.0	0.0	0.0				0.0
Resources That Finance The Acquisition Of Assets	(152.2)	7,487.8	(10,860.0)	(338.3)	5,167.2	(1,402.5)				0.0
Other Resources Or Adjustments To Net Obligated Resources That Do Not Affect Net Cost Of Operations										
Less: Trust Or Special Fund Receipts Related To Exchange In The Entity's Budget (-)	0.0	0.0	0.0	0.0	0.0	0.0				0.0
Other (+/-)	0.0	0.0	0.0	0.0	0.0	0.0				0.0
Total Resources Used To Finance Items Not Part Of The Net Cost Of Operations	\$ (6,695.9)	\$ (3,620.9)	\$ (13,629.4)	\$ 222.9	\$ 2,929.0	\$ (1,459.3)				\$ 0.0
Total Resources Used To Finance The Net Cost Of Operations	\$ 78,848.9	\$ 99,506.5	\$ 87,362.2	\$ 364.0	\$ 2,785.8	\$ (1,114.2)				\$ (7,192.1)

Department of Defense Agency-wide COMBINING STATEMENT OF FINANCING (\$ in millions)

For the Years Ended September 30, 2002 and 2001	US Army Corps of Engineers	ODO General Funds	ODO Working Capital Funds	2002 Combined	2001 Combined Restated	2001 Combined
Resources Used To Finance Activities						
Budgetary Resources Obligated						
Obligations Incurred	\$ 10,200.9	\$ 90,582.3	\$ 38,717.1	\$ 548,427.0	\$ 483,047.1	\$ 483,047.1
Less: Spending Authority From Offsetting Collections And Recoveries (-)	(4,937.1)	(6,924.0)	(38,380.1)	(135,993.9)	(122,311.5)	(122,311.5)
Net Obligations	\$ 5,263.8	\$ 83,658.3	\$ 337.0	\$ 412,433.1	\$ 360,735.6	\$ 360,735.6
Other Resources						
Donations And Forfeitures Of Property	0.3	0.0	0.0	0.3	0.3	0.3
Transfers In/Out Without Reimbursement (+/-)	1.2	0.0	(3.8)	24.1	(946.4)	(946.4)
Imputed Financing From Costs Absorbed By Others	209.0	508.4	289.2	3,520.0	3,421.5	3,421.5
Other (+/-)	16.7	(492.4)	0.2	(475.5)	(513.6)	(513.6)
Net Other Resources Used To Finance Activities	\$ 227.2	\$ 16.0	\$ 285.6	\$ 3,068.9	\$ 1,961.8	\$ 1,961.8
Total Resources Used To Finance Activities	\$ 4,671.7	\$ 81,799.2	\$ 622.6	\$ 369,908.2	\$ 321,411.4	\$ 321,411.4
Resources Used To Finance Items Not Part Of The Net Cost Of Operations						
Change In Budgetary Resources Obligated For Goods, Services And Benefits Ordered But Not Yet Provided	\$ (2.7)	\$ (8,931.8)	\$ (1,257.2)	\$ (28,380.0)	\$ (2,585.2)	\$ (2,585.2)
Undelivered Customer Orders	153.0	124.2	472.8	3,762.3	(347.2)	(347.2)
Resources That Fund Expenses Recognized In Prior Periods	0.0	(252.9)	(84.9)	(7,317.4)	(803.0)	(803.0)
Budgetary Offsetting Collections And Receipts That Do Not Affect Net Cost Of Operations	819.3	0.0	0.0	819.3	0.0	0.0
Resources That Finance The Acquisition Of Assets	(2,461.6)	(438.9)	(1,162.1)	(4,160.6)	(15,543.3)	(16,363.3)
Other Resources Or Adjustments To Net Obligated Resources That Do Not Affect Net Cost Of Operations						
Less: Trust Or Special Fund Receipts Related To Exchange In The Entity's Budget (-)	0.0	0.0	0.0	0.0	0.0	0.0
Other (+/-)	0.0	(1.1)	0.0	(1.1)	3,350.7	3,350.7
Total Resources Used To Finance Items Not Part Of The Net Cost Of Operations	\$ (1,492.0)	\$ (9,500.5)	\$ (2,031.4)	\$ (35,277.5)	\$ (15,908.0)	\$ (16,728.0)
Total Resources Used To Finance The Net Cost Of Operations	\$ 3,179.7	\$ 72,298.7	\$ (1,408.8)	\$ 334,630.7	\$ 305,503.4	\$ 304,683.4

**Department of Defense Agency-wide
COMBINING STATEMENT OF FINANCING
(\$ in millions)**

	General Fund			Working Capital Fund		Military Retirement Fund
	Army	Navy	Air Force	Navy	Air Force	
For the Years Ended September 30, 2002 and 2001						
Components Of The 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 Annual Leave Liability	\$ 276.7	\$ 263.1	\$ (71.3)	\$ 0.0	\$ 0.0	\$ 0.0
Increase In Environmental And Disposal Liability	0.0	595.5	1,117.4	0.0	0.0	0.0
Upward/Downward Reestimates Of Credit Subsidy Expense (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Increase In Exchange Revenue Receivable From The Public (-/+)	0.0	0.0	0.0	0.0	0.0	0.0
Other (+/-)	1,486.9	117.6	73.2	0.0	5.6	21,666.5
Total Components Of Net Cost Of Operations That Will	\$ 1,763.6	\$ 976.2	\$ 1,119.3	\$ 0.0	\$ 5.6	\$ 21,666.5
Require Or Generate Resources In Future Periods						
Components Not Requiring Or Generating Resources						
Depreciation And Amortization	\$ 596.8	\$ 916.4	\$ 1,795.1	\$ 210.5	\$ 124.6	\$ 0.0
Revaluation Of Assets Or Liabilities (+/-)	(1,793.3)	(1,684.4)	3,715.5	(555.4)	0.0	0.0
Other (+/-)	603.9	2,900.8	(2,252.3)	0.0	0.0	1.3
Total Components Of Net Cost Of Operations That Will	\$ (592.6)	\$ 2,132.8	\$ 3,258.3	\$ (344.9)	\$ 124.6	\$ 1.3
Not Require Or Generate Resources						
Total Components Of Net Cost Of Operations That Will						
Not Require Or Generate Resources In The Current Period	1,171.0	3,109.0	4,377.6	(344.9)	130.2	21,667.8
Net Cost Of Operations	\$ 80,019.9	\$ 102,615.5	\$ 91,739.8	\$ 2,440.9	\$ (984.0)	\$ 14,475.7

**Department of Defense Agency-wide
COMBINING STATEMENT OF FINANCING
(\$ in millions)**

	US Army Corps of Engineers	ODO General Funds	ODO Working Capital Funds	2002 Combined	2001 Combined Restated	2001 Combined
For the Years Ended September 30, 2002 and 2001						
Components Of The 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 Annual Leave Liability	\$ 0.0	\$ (0.4)	\$ 8.0	\$ 478.3	\$ 0.0	\$ 0.0
Increase In Environmental And Disposal Liability	0.0	0.0	0.0	1,712.9	0.0	0.0
Upward/Downward Re-estimates Of Credit Subsidy Expense (+/-)	0.0	0.0	0.0	0.0	0.0	0.0
Increase In Exchange Revenue Receivable From The Public (-/+)	(3.4)	(1.6)	1.7	(3.3)	(0.7)	(0.7)
Other (+/-)	41.5	10,871.8	5.6	34,269.8	411,921.9	411,921.9
Total Components Of Net Cost Of Operations That Will Require Or Generate Resources In Future Periods	\$ 38.1	\$ 10,869.8	\$ 15.3	\$ 36,457.7	\$ 411,921.2	\$ 411,921.2
Components Not Requiring Or Generating Resources						
Depreciation And Amortization	\$ 475.5	\$ 419.7	\$ 572.1	\$ 5,215.8	\$ 6,453.9	\$ 6,453.9
Revaluation Of Assets Or Liabilities (+/-)	0.0	0.0	(167.5)	(377.4)	2,861.4	2,861.4
Other (+/-)	0.5	3,196.3	31.1	4,489.6	4,192.3	4,192.3
Total Components Of Net Cost Of Operations That Will Not Require Or Generate Resources	\$ 476.0	\$ 3,616.0	\$ 435.7	\$ 9,328.0	\$ 13,507.6	\$ 13,507.6
Total Components Of Net Cost Of Operations That Will Not Require Or Generate Resources In The Current Period						
	\$ 514.1	\$ 14,485.8	\$ 451.0	\$ 45,785.7	\$ 425,428.8	\$ 425,428.8
Net Cost Of Operations	\$ 3,693.8	\$ 86,784.5	\$ (957.8)	\$ 380,416.4	\$ 730,932.2	\$ 730,112.2

This page intentionally left blank

**Required Supplementary Stewardship
Information**

Fiscal Year 2002

This page intentionally left blank

National Defense Property, Plant and Equipment

The Federal Accounting Standards Advisory Board (FASAB) amended the Statement of Federal Financial Accounting Standard No. 6 to require the capitalization and depreciation of military equipment (formerly known as National Defense Property, Plant and Equipment) for fiscal years (FY) 2003 and beyond, and encouraged early implementation. Accordingly, the Department began the process of developing and reporting values for these assets in notes to the Balance Sheet, beginning in FY 2002.

Heritage Assets

DEPARTMENT OF DEFENSE CONSOLIDATED HERITAGE ASSETS For Fiscal Year Ended September 30, 2002

<u>Categories</u>	<u>Unit of Measure</u>	<u>As of 10/01/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>As of 9/30/02</u>
Museums	Each	257	16	12	261
Monuments & Memorials	Each	1,281	207	24	1,464
Cemeteries & Archeological Sites	Sites	25,253	348	9	25,592
Buildings & Structures	Each	19,237	129	437	18,929
Major Collections	Each	10	0	0	10

Heritage Assets are property, plant and equipment items that are unique due to their historical or natural significance; cultural, educational or artistic importance; and/or significant architectural characteristics. The FY 2002 beginning balances were changed to reflect Military Department-level adjustments.

The processes used to establish items as having heritage significance vary among categories and type of assets. Subject matter experts, criteria such as listing on the National Register of Historic Places, and Federal statutes, all play a significant role in characterizing these assets.

The condition assessment of Heritage Assets is based on whether the assets are being cared for and safeguarded in accordance with relevant regulations. The Department's Heritage Assets are in acceptable or good condition, and are appropriately safeguarded.

Heritage assets that are also used for general government operations, such as the Pentagon, are classified as Multi-Use Heritage Assets and are reported as both Heritage Assets and Balance Sheet items

The FY 2002 categories are defined as follows:

- Museums - Buildings that house collection-type items including artwork, archeological artifacts, archival materials, and other historical artifacts. The primary use of such buildings is the preservation, maintenance and display of collection-type Heritage Assets.
- Monuments and Memorials - Sites and structures built to honor and preserve the memory of significant individuals and/or events in history.
- Cemeteries and Archeological Sites - Land on which gravesites of prominent historical figures and/or items of significance are located.
- Buildings and Structures - Includes buildings and structures that are listed on, or are eligible for listing on, the National Register of Historic Places, including Multi-Use Heritage Assets. These buildings do not include museums.
- Major Collections - Significant collections that are maintained outside of a museum.

Supplemental information pertaining to Army, Navy and Air Force Heritage Assets follows.

Department of the Army

The opening balance for the Major Collection category was increased because the Army Tank-Automotive and Armaments Command identified six major collections not reported previously. Additions and deletions, in the number of cemeteries and historical structures that are reported, result primarily from CFO audits.

Department of the Navy

The FY 2001 ending balance for Monuments and Memorials was decreased by 704 resulting in an FY 2002 beginning balance of 475. This adjustment resulted from a Department of the Navy decision to utilize the Navy Facility Assets Data Store to collect Heritage Asset information.

Department of the Air Force

The Air Force Museum located at Wright-Patterson Air Force Base, Ohio, houses the main collection of historical artifacts that are registered as historical property in the U.S. Air Force Museum System. The other Air Force museums are considered Air Force Field Museums or Heritage Centers, which also contain items of historical interest; some however, are specific to the general locality.

Except for 28 memorials that are located on various Air Force bases throughout the United States, the memorials and monuments reported by the Air Force are located at the Air Force Academy in the Air Gardens and Honor Court. Most of these monuments and memorials honor specific individuals or cadet wings for various accomplishments.

The Air Force has administrative and curatorial responsibilities for 39 cemeteries on its bases. The cemeteries are maintained by the bases and are in good condition. The Air Force has 1,685 listed archeological sites. The Air Force also has 9,779 potentially eligible archeological sites and 2,464 non-eligible sites, none of which are listed on this report.

The Air Force currently considers 4,074 buildings and structures as Heritage Assets. Most of these buildings and structures are considered Multi-use Heritage Assets and, as such, are reported as General Property, Plant and Equipment on the Balance Sheet. The buildings and structures are maintained by each base civil engineering group and are considered to be in good condition.

The Air Force has four significant or major collections consisting of: (a) the Air Force Art Collection, and (b) three collections at the Air Force Academy containing historical items and memorabilia as well as distinctive works of art. The Air Force Art collection consists of original oils, drawings, sketches and sculptures.

Stewardship Land

**DEPARTMENT OF DEFENSE CONSOLIDATED
STEWARDSHIP LAND
For Fiscal Year Ended September 30, 2002
(Acres in Thousands)**

Land Use	As of <u>10/01/01</u>	<u>Additions</u>	<u>Deletions</u>	As of <u>9/30/02</u>
1. Mission	16,844	--	97	16,747
2. Parks and Historic Sites	<u>1</u>	--	--	<u>1</u>
Total	<u>16,845</u>			<u>16,748</u>

Stewardship Land is land that is not acquired for, or in connection with, items of General Property, Plant and Equipment. All land, regardless of its use, provided to the Department from the Public Domain, or at no cost, is classified as Stewardship Land. Stewardship Land is reported in physical units (acres) rather than cost or fair value.

Stewardship Land transactions during the year consisted of deletions through the disposal of property using the Base Realignment and Closure process.

Nonfederal Physical Property

**DEPARTMENT OF DEFENSE CONSOLIDATED
NONFEDERAL PHYSICAL PROPERTY
Annual Investments in State and Local Governments
For Fiscal Years 1998 through 2002
(In Millions of Dollars)**

Categories	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Transferred Assets:					
National Defense Mission Related	\$34	\$20	\$5	\$95	\$7
Funded Assets:					
National Defense Mission Related	--	17	7	20	21
Total	\$34	\$37	\$12	\$115	\$28

The Department incurs investments in Nonfederal Physical Property for the purchase, construction, or major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets. In addition, Nonfederal Physical Property Investments include federally owned physical property transferred to state and local governments.

Investment values included in this report are based on Nonfederal Physical Property outlays (expenditures). Outlays are used because current DoD accounting systems are unable to capture and summarize costs in accordance with Federal Accounting Standards Advisory Board requirements.

Department of the Army

The total reported transferred asset values are for non-cash items that were transferred to state and local governments by the Department of the Army. These properties are essential in accomplishing the mission of the Army National Guard. The Army National Guard funds maintenance costs for these nonfederal assets.

Department of the Air Force

The total reported funded asset values are Air National Guard investments in Military Construction Cooperative Agreements. These agreements involve the transfer of funds and allow joint participation with states, counties, and airport authorities for construction or repair of airfield pavements and facilities required to support the flying mission assigned to civilian airfields.

Investments in Research and Development

DEPARTMENT OF DEFENSE CONSOLIDATED INVESTMENTS IN RESEARCH AND DEVELOPMENT Annual Investments in Research and Development For Fiscal Years 1998 through 2002

(In Millions of Dollars)

Categories	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
1. Basic Research	\$1,258	\$1,115	\$812	\$1,311	\$1,356
2. Applied Research	2,756	2,985	3,095	3,843	4,311
3. Development					
A. Advanced Technology Development	3,861	4,444	3,753	4,383	4,604
B. Demonstration and Validation	6,762	6,564	6,557	8,166	10,525
C. Engineering and Manufacturing Development	8,336	7,934	8,353	8,831	9,500
D. Research, Development, Test & Evaluation Management Support	3,331	3,146	2,954	2,946	3,351
E. Operational Systems Development	9,850	9,801	10,124	11,000	11,804
4. Other	1,585	1,636	1,906	--	--
Total	\$37,739	\$37,625	\$37,554	\$40,480	\$45,451

DoD Research and Development programs are classified in the following categories:

Basic Research is the systematic study to gain knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications, processes, or products in mind. Basic Research involves the gathering of a fuller knowledge or understanding of the subject under study. Major outputs are scientific studies and research papers.

Applied Research is the systematic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met. This research points toward specific military needs with a view toward developing and evaluating the feasibility and practicality of proposed solutions. Major outputs are scientific studies, investigations, and research papers, hardware components, software codes, and limited construction of, or part of, a weapon system to include non-system specific development efforts.

Development takes what has been discovered or learned from basic and applied research and uses it to establish technological feasibility, assessment of operability and production capability. Development is comprised of five stages defined below:

1. Advanced Technology Development (ATD) is the systematic use of the knowledge or understanding gained from research directed toward proof of technological feasibility and assessment of operability and producibility rather than the development of hardware for service use. ATD typically employs demonstration activities intended to prove or test a technology or method.
2. Demonstration and Validation evaluates integrated technologies in as realistic an operating environment as possible to assess the performance or cost reduction potential of advanced technology. Programs in this phase are generally system specific. Major outputs of Demonstration and Validation are hardware and software components or complete weapons systems, ready for operational and developmental testing and field use.
3. Engineering and Manufacturing Development concludes the program or project and prepares it for production. It consists primarily of pre-production efforts, such as logistics and repair studies. Major outputs are weapons systems finalized for complete operational and developmental testing.
4. Management Support is support for installations and operations for general research and development use. This category includes test ranges, military construction, maintenance support for laboratories, operations and maintenance of test aircraft and ships, and studies and analyses in support of the Research and Development program.
5. Operational Systems Development is concerned with development projects in support of programs or upgrades still in engineering and manufacturing development, which have received approval for production, for which production funds have been budgeted in subsequent fiscal years.

Investment values included in this report are based on research, development, test and evaluation (RDT&E) outlays (expenditures). Outlays are used because current DoD accounting systems are unable to capture and summarize costs in accordance with the Federal Accounting Standards Advisory Board requirements.

Representative program examples for each of the major Research and Development categories are provided below:

Department of the Army

- **Basic Research**

Defense Research Sciences: This program sustains scientific and technological superiority in land warfighting capability, provides new concepts and technologies for the Army's Objective Force, and the means to exploit scientific breakthroughs and avoid technological surprise. This program responds to the scientific and technological requirements of the DoD Basic Research Plan, the Army Science and Technology Master Plan, and the Army Modernization Plan, enabling technologies that can significantly improve joint warfighting capabilities. The in-house portion of the program capitalizes on the Army's scientific talent

and specialized facilities to expeditiously transition knowledge and technology into the appropriate developmental activities.

University and Industry Research Centers: This program leverages research in the private sector through Federated Laboratories, Collaborative Technology Alliances (CTA), Centers of Excellence, and the University Affiliated Research Centers. A significant portion of the work performed within this program directly supports Objective Force requirements, providing the enabling technologies that make Objective Force equipment development possible. CTAs are innovative alliances among government, industry and academic organizations, built to exploit scientific and technological breakthroughs, and to transition them to exploratory development and applied research. CTAs will be competitively established in the areas of Advanced Sensors, Advanced Decision Architecture, Communications and Networks, Power and Energy, and Robotics.

- **Applied Research**

Combat Vehicle and Automotive Technology: This program develops component technology to improve automotive and survival capabilities of Army ground vehicle systems for the Objective Force and funds a portion of the Army's share of the Army/Defense Advanced Research Project Agency (DARPA) collaborative Future Combat Systems (FCS) program. Funding supports both the FCS design and demonstration activities, and critical enabling technologies at DARPA. To achieve the Army vision, systems must be more strategically deployable and agile, with a smaller logistical footprint. These lighter ground vehicles must also be more lethal, survivable, and tactically mobile.

- **Development**

Medical Technology: This program supports focused research for healthy, medically protected soldiers, and research consistent with the Medical Survivability and Future Warrior technology areas of the Objective Force. The primary goal of this program is to provide, with minimum adverse effects, maximum soldier survivability and sustainability on the integrated battlefield, as well as in military operations other than war. This program funds advanced technology development for the DoD core Vaccine and Drug Program, field medical protective devices, and combat injury management.

Comanche: This program provides for the development, operational testing and evaluation of the RAH-66 Comanche and the T800-801 growth engine. The Comanche is a multi-mission aircraft optimized for the critical battlefield mission of tactical armed reconnaissance. It provides a globally self-deployable attack platform for light/contingency forces. Comanche provides the solution to reconnaissance deficiencies (i.e. no night/adverse weather/high/hot/ stand-off capability) and is a key component on the digitized battlefield in winning the information war. The Comanche is the Army's technology leader and provides significant horizontal technology transfer within the Army and DoD. This program also provides for the continued development and qualification of the T800-801 growth engine and air vehicle support for integration into the Comanche aircraft. It includes funding for the

operational testing of Comanche, as well as modeling and simulation accreditation for Early User Test, Limited User Test and Initial Operational Test and Evaluation.

Department of the Navy

- **Basic Research**

Partial Differential Equation-Based Interpolation of Lost Image Regions: Scientists and researchers have developed computer techniques that can interpolate images of lost regions based on partial differential equations and computer algorithms. Utilizing the relationships between art, image processing, applied mathematics, and fluid dynamics, the computer techniques automatically fill-in the lost pieces of an image by using information from neighboring available regions. The technology may increase the quality of imagery and video surveillance by overcoming obstacles associated with bandwidth and noisy channels.

Controlled Biological and Biometric Systems (Robotic Fly Project): Scientists formed a joint military and university research project team to develop a tiny winged robot modeled after a housefly and successfully invented the mechanical wings necessary to give the robotic fly flight. Upon completion of the robotic insect, the faux fly will likely become the lightest weight autonomous robot in existence at a mere tenth of a gram. The robotic fly project is part of an overall study by the Defense Advanced Research Project Agency and the Office of Naval Research.

- **Applied Research**

Robotic Gliders: Scientists and researchers are developing two gliders that move through the water instead of the air. The two ocean gliders, autonomous underwater vehicles powered by changes in their buoyancy or by different temperature layers in the ocean, collect high resolution profiles of physical, chemical, and bio-optical properties of the ocean. The gliders could potentially provide data necessary for mine countermeasures and other tasks important to expeditionary warfare.

Supersonic Combustion Ramjet (SCRAMJET): The SCRAMJET is a cruise missile engine capable of speeds of up to MACH 6.5 at an altitude of 90,000 feet and a range of 600 nautical miles. Ultimately, missiles powered by SCRAMJET will launch from ships, submarines, and aircraft. The SCRAMJET powered missiles will reach their targets more quickly, thus reducing the possibility that enemies will intercept them on the way in.

- **Development**

High Strength, Low Alloy Steel (HSLA): A new high strength, low alloy steel, HSLA-65, is undergoing certification tests to determine whether it could be used in the Navy's next generation aircraft carrier. If the HSLA-65 passes the certification tests, the steel could provide equal or greater service life than traditional high-strength steel and weigh less. This will enable the carrier room for normal growth for new weapons, aircraft, sensors, communications, and maintenance equipment.

MV-22 Osprey: Technicians and engineers are continuing their development in support of the “Return to Flight” of the MV-22. The MV-22 has undergone a broad range of modifications per recommendations from the DoD and National Aeronautics and Space Administration (NASA) panels. Chief among the modifications was to the 5,000-psi high-pressure hydraulic system and rerouting of electrical lines. Software upgrades will be a part of the next Osprey production blocks.

Department of the Air Force

- **Basic Research**

The Air Force’s (AF) Basic Research program funded basic scientific disciplines that are core to developing future warfighting capabilities. One example is the development of technology that could be the breakthrough for a new generation of computers (quantum computers). The AF Research Lab (AFRL) demonstrated the ability to stop light and release it again without losing any of its original characteristics. This development could lead to a breakthrough in nonlinear optics with applications from telecommunications to imaging. As another example, AFRL researchers developed a new mathematical theory that would result in a new radar wave that would aid in rapid and accurate target identification through foliage and beneath soil, which is better than any radar currently in use.

- **Applied Research:**

The AF’s Applied Research program is developing technologies to support the Air and Space Force of the future. Technology developments are focused in those areas that are essential to warfighting capabilities. This investment strategy allows the AF to focus on those military-relevant technologies that are not being developed by industry. One example is the F119 turbine engine case redesign using a new casting process, with a predicted lifecycle cost savings of 35 percent. The redesign makes extensive use of thin-wall castings in place of the existing complex, multi-walled, and diffusion-bonded sheet metal assemblies. The AF is now looking at this technology for use on other aircraft engines. As another example, AFRL recently achieved a milestone in wireless Internet communications with the first commercial installation of the Space Communications Protocol Standards (SCPS) transport gateway over National Aeronautics and Space Administration’s Advanced Communications Technology Satellite. The SCPS transport gateway offers up to several times the bandwidth utilization efficiency of the well-known Internet protocols.

- **Development**

The AF’s Advanced Technology Development program demonstrates, in a realistic operational environment, integrated sets of technology to prove military worth and utility. One example is the AF and the Defense Advanced Research Projects Agency accomplishing the first Unmanned Combat Air Vehicle (UCAV) flight. This successful flight test demonstrated the command and control links between the aircraft and a mission-oriented

ground station. As another example, AFRL demonstrated a 330 Gigahertz detector that operates at frequencies billions of times faster than the blink of an eye. This technology will be used to produce compact solid-state circuits operating at Terahertz frequencies. A likely technology application would be to enable a new generation of sensors to enhance homeland security.

Defense Advanced Research Projects Agency (DARPA)

- **Basic Research**

Metamaterials: Metamaterials are engineered nanocomposites that exhibit superior properties that are not observed in the constituent materials or nature. These superior properties are derived from the inclusion of artificially fabricated, extrinsic, low dimensional inhomogeneities. The objective of the DARPA Metamaterials program is to develop, fabricate, and implement new, bulk metamaterials for a number of applications that are of critical importance to the Military Services. DARPA has made considerable progress in understanding the physics of nanocomposite permanent magnets for achieving increased energy product, a figure-of-merit that determines the amount of work that can be extracted from a permanent magnet motor/generator.

BioSPICE: DARPA unveiled the first release of BioSPICE, a suite of software tools used to construct sophisticated computer models that simulate the complex behavior of living cells. BioSPICE Version 1.0 provides life science researchers with a powerful set of open source software modules that can be used to create computer models of many different cellular processes, thereby allowing investigators to explore research questions that are not currently amenable to direct experimentation. It is expected to prove particularly useful in simulating the effects of heretofore unknown pathogenic agents in order to rapidly respond to new biological threats.

- **Applied Research**

Augmented Cognition (AugCog): The AugCog program will extend, by an order-of-magnitude or more, the information management capacity of the “human-computer” combination by developing and demonstrating enhancements to human cognitive ability in diverse and stressful operational environments. Specifically, this program will develop the technologies needed to measure and track a subject’s cognitive state in real-time. Military operators are often placed in complex human-machine interactive environments that fail when a stressful situation is encountered. The technologies under development in AugCog have the potential to enhance operational capability, support reduction in the numbers of persons required to perform current functions and improve human performance in stressful environments.

Babylon: The goal of the Babylon program is to develop rapid, two-way, natural language speech translation interfaces and platforms for users in combat and other field environments with constrained military task domains of force protection, refugee processing, and medical triage. Although this technology is immature and unstable due to the vast complexities of

human-to-human communications and open-domain (multitask), and unconstrained dialog translation in multiple environments is still five to ten years away, DARPA's research is the stimulus to make sure that that capability becomes a reality.

- **Development**

A160 Hummingbird Unmanned Air Vehicle: The DARPA/Frontier Systems Inc. (Irvine, Calif.) Hummingbird A160 vertical takeoff and landing unmanned aerial vehicle successfully conducted its first forward flight. All flight systems, including avionics, flight control, power plant and drive train, fuel systems, electrical power generation, data link and telemetry performed completely as planned.

Unmanned Combat Air Vehicle (UCAV): The DARPA/Air Force/Boeing X-45A UCAV technology demonstration aircraft completed its first flight. The 14-minute flight is a key first step to provide a transformational combat capability for the Air Force later this decade. Flight characteristics and basic aspects of aircraft operations, particularly the command and control link between the aircraft and mission-control station, were successfully demonstrated. The UCAV program is a joint DARPA/Air Force System Demonstration Program (SDP). The overall purpose of the UCAV SDP is to design, develop, integrate, and demonstrate the critical technologies, processes, and system attributes pertinent to an operational UCAV system.

This page intentionally left blank

Department Of Defense

Required Supplementary Information

Fiscal Year 2002