

Required Supplementary Information

Heritage Assets

Department of Defense Consolidated Heritage Assets For Fiscal Year Ended September 30, 2007					
Categories	Measure Quantity	As of 10/01/06	Additions	Deletions	As of 9/30/07
Buildings and Structures	Each	23,444	1,304	7,631	17,117
Archeological Sites	Site	97,911	992	70,948	27,955
Museums	Each	103	5	5	103
Monuments and Memorials	Each	2,022	47	54	2,015

Heritage Assets are real and personal property with significance in American history due to their architectural, archeological, and cultural value. In FY 2007, the archeological sites reflect those sites identified, evaluated, and determined eligible for or listed on the National Register of Historic Places. The FY 2007 categories are defined as follows:

Buildings and Structures. Buildings and structures that are listed on, or eligible for listing on, the National Register of Historic Places, including Multi-Use Heritage Assets.

Archeological Sites. Sites that have been identified, evaluated, and determined to be eligible for or are listed on the National Register of Historic Places in accordance with Section 110 of the National Historic Preservation Act.

Museums. Buildings, places, or institutions devoted to the acquisition, conservation, study, exhibition, and educational interpretation of objects having scientific, historical, or artistic value.

Monuments and Memorials. Sites and structures built to honor and preserve the memory of significant individuals or events in history.

Stewardship Land

Department of Defense Consolidated Stewardship Land For Fiscal Year Ended September 30, 2007 (Acres in Thousands)				
Land Use	As of 10/01/06	Additions	Deletions	As of 9/30/07
Mission	16,015	1,387	15	17,387
Parks and Historic Sites	1			1
Totals	16,016	1,387	15	17,388

Stewardship Land is land and land rights owned by the Department of Defense but not acquired for, or in connection with, items of General Property, Plant and Equipment. All land provided to the Department from the public domain, or at no cost, regardless of its use is classified as Stewardship Land. Stewardship Land is reported in acres rather than at cost or fair value. The FY 2007 categories are defined as follows:

Mission. Stewardship Land is land used for military bases, test and training ranges, or other military mission related functions.

Parks and Historic Sites. This category includes battlefields, cemeteries, and parks.

Real Property Deferred Maintenance

Department of Defense Real Property Deferred Maintenance For Fiscal Year Ended September 30, 2007 (In Millions of Dollars)			
Property Type	Current Fiscal Year (CFY)		
	Plant Replacement Value	Required Work (deferred maintenance)	Percentage
Category 1	\$514,304.5	\$61,634.5	12%
Category 2	\$42,154.0	\$8,881.6	21%
Category 3	\$14,411.3	\$1,503.1	10%

This year, the Department changed its methodology for reporting deferred maintenance. In previous reports, the amount was based upon the Department's Facilities Sustainment Model and represented the annual deferred sustainment (maintenance). This year, the amount is based upon facility Q-ratings found in the Department's real property inventory that represent the cumulative deferred amount for facility restoration and modernization, and thus are significantly larger than previous years. While restoration and modernization is not precisely equivalent to deferred maintenance, the values are generally representative of the magnitude of the deferred maintenance requirements. Over the next year, the Department will be transitioning the Q-ratings to more precisely represent deferred maintenance requirements.

Q-ratings represent work needed to bring a facility to a fully serviceable condition with no repair needs. The reported deferred maintenance is the difference between the facility Q rating and the target Q rating, representing the acceptable operating condition. Acceptable operating condition levels vary by Component within the Department. The low value is the mid-point of the Q-2 rating band, representing deferred work valued at 15% of the facility replacement value. This point equates to the Department minimum goal for average facility condition. The high value is fully serviceable condition, representing a facility with no deferred requirements. The reported deferred maintenance for the Department reflects the mixture of acceptable operating condition values.

Facility Categories are as follows:

- Category 1: Buildings, Structures, and Utilities that are enduring and required to support an ongoing mission including multi-use Heritage Assets
- Category 2: Buildings, Structures, and Utilities that are excess to requirements or planned for replacement or disposal including multi-use Heritage Assets
- Category 3: Buildings, Structures, and Utilities that are Heritage Assets

Deferred Maintenance of Military Equipment

Depot maintenance requirements for military equipment are developed during the annual budget process. The table below displays the deferred unfunded requirements for the depot maintenance program. The Department Components' FY 2008 Budget Estimates, contain detailed information on each program.

FY 2007	
Military Equipment Type	Unfunded Deferred Requirement (In Millions of Dollars)
Ship	\$136
Aircraft	\$1,225
Combat Vehicles	\$358
Other	\$1,048
Total	\$2,767

Statement of Disaggregated Budgetary Resources

Department of Defense

STATEMENT OF DISAGGREGATED BUDGETARY RESOURCES

For the Years Ended September 30, 2007 and 2006

(\$ in Millions)

	Military Retirement Fund	Medicare-Eligible Retiree Health Care Fund	Research, Development, Test & Evaluation
BUDGETARY FINANCING ACCOUNTS			
Budgetary Resources			
Unobligated balance, brought forward, October 1	\$ 0.0	\$ 0.0	\$ 12,249.8
Recoveries of prior year unpaid obligations	0.0	0.0	3,094.8
Budget authority			
Appropriation	53,452.7	31,200.6	73,593.5
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	0.0
Spending authority from offsetting collections			
Earned			
Collected	0.0	0.0	9,339.6
Change in receivables from Federal sources	0.0	0.0	72.1
Change in unfilled customer orders			
Advance received	0.0	0.0	224.1
Without advance from Federal sources	0.0	0.0	(201.6)
Subtotal	53,452.7	31,200.6	83,027.7
Nonexpenditure transfers, net, anticipated and actual	0.0	186.0	1,086.9
Temporarily not available pursuant to Public Law	(9,822.6)	(23,810.9)	0.0
Permanently not available	0.0	0.0	(848.6)
Total Budgetary Resources	\$ 43,630.1	\$ 7,575.7	\$ 98,610.6
Status of Budgetary Resources			
Obligations incurred:			
Direct	\$ 43,630.1	\$ 7,575.7	\$ 74,880.1
Reimbursable	0.0	0.0	9,906.7
Subtotal	43,630.1	7,575.7	84,786.8
Unobligated balance:			
Apportioned	0.0	0.0	12,740.5
Exempt from apportionment	0.0	0.0	0.0
Subtotal	0.0	0.0	12,740.5
Unobligated balance not available	0.0	0.0	1,083.3
Total Status of Budgetary Resources	\$ 43,630.1	\$ 7,575.7	\$ 98,610.6
Change in Obligated Balance			
Obligated balance, net			
Unpaid obligations, brought forward, October 1	\$ 3,409.8	\$ 397.2	\$ 36,267.7
Less: Uncollected customer payments from Federal sources, brought forward, October 1	0.0	0.0	(5,766.6)
Total unpaid obligated balance	3,409.8	397.2	30,501.1
Obligations incurred net	43,630.1	7,575.7	84,786.8
Less: Gross outlays	(43,509.7)	(7,604.1)	(78,922.2)
Obligated balance transferred, net:			
Actual transfers, unpaid obligations	0.0	0.0	0.0
Actual transfers, uncollected customer payments from Federal sources	0.0	0.0	0.0
Total Unpaid obligated balance transferred, net	0.0	0.0	0.0
Less: Recoveries of prior year unpaid obligations, actual	0.0	0.0	(3,094.8)
Change in uncollected customer payments from Federal sources	0.0	0.0	129.6
Obligated balance, net, end of period:			
Unpaid obligations	3,530.2	368.8	39,037.5
Less: Uncollected customer payments from Federal sources	0.0	0.0	(5,637.0)
Total, unpaid obligated balance, net, end of period	3,530.2	368.8	33,400.5
Net Outlays:			
Gross outlays	\$ 43,509.7	\$ 7,604.1	\$ 78,922.2
Less: Offsetting collections	0.0	0.0	(9,563.7)
Less: Distributed Offsetting receipts	(26,048.0)	(19,653.2)	0.0
Net Outlays	\$ 17,461.7	\$ (12,049.1)	\$ 69,358.5

Department of Defense
STATEMENT OF DISAGGREGATED BUDGETARY RESOURCES
For the Years Ended September 30, 2007 and 2006
(\$ in Millions)

	Civil Works	Operation and Maintenance	Procurement
BUDGETARY FINANCING ACCOUNTS			
Budgetary Resources			
Unobligated balance, brought forward, October 1	\$ 9,368.3	\$ 9,551.0	\$ 32,821.6
Recoveries of prior year unpaid obligations	0.0	17,339.0	16,631.1
Budget authority			
Appropriation	7,503.6	230,456.3	127,235.9
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	0.0
Spending authority from offsetting collections			
Earned			
Collected	10,401.3	26,496.0	2,803.9
Change in receivables from Federal sources	(1,504.5)	(55.9)	(79.7)
Change in unfilled customer orders			
Advance received	(4.1)	125.1	138.7
Without advance from Federal sources	(780.4)	1,281.7	230.2
Subtotal	15,615.9	258,303.2	130,329.0
Nonexpenditure transfers, net, anticipated and actual	78.6	941.7	2,906.0
Temporarily not available pursuant to Public Law	(10.0)	0.0	0.0
Permanently not available	(0.8)	(2,555.3)	(1,547.0)
Total Budgetary Resources	\$ 25,052.0	\$ 283,579.6	\$ 181,140.7
Status of Budgetary Resources			
Obligations incurred:			
Direct	\$ 6,924.6	\$ 245,220.3	\$ 132,550.7
Reimbursable	8,479.2	28,475.6	2,222.2
Subtotal	15,403.8	273,695.9	134,772.9
Unobligated balance:			
Apportioned	8,742.9	2,812.3	45,241.5
Exempt from apportionment	895.1	0.0	0.0
Subtotal	9,638.0	2,812.3	45,241.5
Unobligated balance not available	10.2	7,071.4	1,126.3
Total Status of Budgetary Resources	\$ 25,052.0	\$ 283,579.6	\$ 181,140.7
Change in Obligated Balance			
Obligated balance, net			
Unpaid obligations, brought forward, October 1	\$ 5,478.1	\$ 91,784.7	\$ 104,210.1
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(6,421.1)	(10,646.6)	(2,602.8)
Total unpaid obligated balance	(943.0)	81,138.1	101,607.3
Obligations incurred net	15,403.8	273,695.9	134,772.9
Less: Gross outlays	(14,836.2)	(240,581.6)	(101,699.0)
Obligated balance transferred, net:			
Actual transfers, unpaid obligations	0.0	0.0	0.0
Actual transfers, uncollected customer payments from Federal sources	0.0	0.0	0.0
Total Unpaid obligated balance transferred, net	0.0	0.0	0.0
Less: Recoveries of prior year unpaid obligations, actual	0.0	(17,339.0)	(16,631.1)
Change in uncollected customer payments from Federal sources	2,284.9	(1,225.7)	(150.5)
Obligated balance, net, end of period:			
Unpaid obligations	6,045.7	107,560.0	120,652.9
Less: Uncollected customer payments from Federal sources	(4,136.2)	(11,872.3)	(2,753.3)
Total, unpaid obligated balance, net, end of period	1,909.5	95,687.7	117,899.6
Net Outlays:			
Gross outlays	\$ 14,836.2	\$ 240,581.6	\$ 101,699.0
Less: Offsetting collections	(10,397.2)	(26,621.1)	(2,942.6)
Less: Distributed Offsetting receipts	(521.9)	(1.8)	0.0
Net Outlays	\$ 3,917.1	\$ 213,958.7	\$ 98,756.4

Department of Defense
STATEMENT OF DISAGGREGATED BUDGETARY RESOURCES
For the Years Ended September 30, 2007 and 2006
(\$ in Millions)

	Military Personnel	Military Construction/Family Housing	Working Capital Funds
BUDGETARY FINANCING ACCOUNTS			
Budgetary Resources			
Unobligated balance, brought forward, October 1	\$ 900.1	\$ 7,007.9	\$ 5,709.7
Recoveries of prior year unpaid obligations	4,020.1	849.7	1,695.9
Budget authority			
Appropriation	129,988.0	9,753.3	2,461.5
Borrowing authority	0.0	0.0	0.0
Contract authority	0.0	0.0	68,624.5
Spending authority from offsetting collections			
Earned			
Collected	1,030.2	4,505.9	108,366.2
Change in receivables from Federal sources	31.2	79.3	295.1
Change in unfilled customer orders			
Advance received	0.0	259.8	(307.4)
Without advance from Federal sources	14.1	1,337.8	4,120.3
Subtotal	131,063.5	15,936.1	183,560.2
Nonexpenditure transfers, net, anticipated and actual	267.5	(559.6)	(527.7)
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	(259.6)	(221.3)	(69,281.8)
Total Budgetary Resources	\$ 135,991.6	\$ 23,012.8	\$ 121,156.3
Status of Budgetary Resources			
Obligations incurred:			
Direct	\$ 133,986.4	\$ 8,249.2	\$ 1,177.3
Reimbursable	1,122.4	5,971.1	113,165.2
Subtotal	135,108.8	14,220.3	114,342.5
Unobligated balance:			
Apportioned	50.0	8,646.0	6,645.2
Exempt from apportionment	0.0	0.0	130.6
Subtotal	50.0	8,646.0	6,775.8
Unobligated balance not available	832.8	146.5	38.0
Total Status of Budgetary Resources	\$ 135,991.6	\$ 23,012.8	\$ 121,156.3
Change in Obligated Balance			
Obligated balance, net			
Unpaid obligations, brought forward, October 1	\$ 3,628.0	\$ 15,046.7	\$ 49,276.3
Less: Uncollected customer payments from Federal sources, brought forward, October 1	23.0	(5,596.6)	(24,259.9)
Total unpaid obligated balance	3,651.0	9,450.1	25,016.4
Obligations incurred net	135,108.8	14,220.3	114,342.5
Less: Gross outlays	(127,405.2)	(11,914.4)	(107,939.0)
Obligated balance transferred, net:			
Actual transfers, unpaid obligations	0.0	0.0	0.0
Actual transfers, uncollected customer payments from Federal sources	0.0	0.0	0.0
Total Unpaid obligated balance transferred, net	0.0	0.0	0.0
Less: Recoveries of prior year unpaid obligations, actual	(4,020.1)	(849.7)	(1,695.9)
Change in uncollected customer payments from Federal sources	(45.4)	(1,417.1)	(4,415.4)
Obligated balance, net, end of period:			
Unpaid obligations	7,311.5	16,502.9	53,983.9
Less: Uncollected customer payments from Federal sources	(22.4)	(7,013.7)	(28,675.3)
Total, unpaid obligated balance, net, end of period	7,289.1	9,489.2	25,308.6
Net Outlays:			
Gross outlays	\$ 127,405.2	\$ 11,914.4	\$ 107,939.0
Less: Offsetting collections	(1,030.2)	(4,765.6)	(108,058.9)
Less: Distributed Offsetting receipts	0.0	0.0	0.0
Net Outlays	\$ 126,375.0	\$ 7,148.8	\$ (119.9)

Department of Defense
STATEMENT OF DISAGGREGATED BUDGETARY RESOURCES
For the Years Ended September 30, 2007 and 2006
(\$ in Millions)

	Other	2007 Combined	Restated 2006 Combined
BUDGETARY FINANCING ACCOUNTS			
Budgetary Resources			
Unobligated balance, brought forward, October 1	\$ 8,184.7	85,793.1	\$ 68,608.6
Recoveries of prior year unpaid obligations	1,248.6	44,879.2	30,252.3
Budget authority			
Appropriation	96,996.0	762,641.4	686,284.4
Borrowing authority	0.0	0.0	0.0
Contract authority	48,065.7	116,690.2	59,451.7
Spending authority from offsetting collections			
Earned			
Collected	1,684.7	164,627.8	164,718.1
Change in receivables from Federal sources	(115.2)	(1,227.6)	649.0
Change in unfilled customer orders			
Advance received	12.7	448.9	313.9
Without advance from Federal sources	(8.1)	5,994.0	179.1
Subtotal	146,635.8	1,049,124.7	911,596.2
Nonexpenditure transfers, net, anticipated and actual	(4,497.8)	(118.4)	(156.2)
Temporarily not available pursuant to Public Law	(176.0)	(33,819.5)	(35,746.3)
Permanently not available	(15,883.8)	(90,598.2)	(71,908.9)
Total Budgetary Resources	\$ 135,511.5	1,055,260.9	\$ 902,645.7
Status of Budgetary Resources			
Obligations incurred:			
Direct	\$ 118,225.2	772,419.6	\$ 651,019.8
Reimbursable	1,507.9	170,850.3	165,521.3
Subtotal	119,733.1	943,269.9	816,541.1
Unobligated balance:			
Apportioned	13,707.3	98,585.7	74,623.8
Exempt from apportionment	24.8	1,050.5	1,220.4
Subtotal	13,732.1	99,636.2	75,844.4
Unobligated balance not available	2,046.3	12,354.8	10,260.4
Total Status of Budgetary Resources	\$ 135,511.5	1,055,260.9	\$ 902,645.7
Change in Obligated Balance			
Obligated balance, net			
Unpaid obligations, brought forward, October 1	\$ 40,275.9	349,774.5	\$ 302,427.0
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(144.3)	(55,414.9)	(54,586.9)
Total unpaid obligated balance	40,131.6	294,359.8	247,840.1
Obligations incurred net	119,733.1	943,269.9	816,541.1
Less: Gross outlays	(80,176.7)	(814,588.1)	(768,310.0)
Obligated balance transferred, net:			
Actual transfers, unpaid obligations	0.0	0.0	0.0
Actual transfers, uncollected customer payments from Federal sources	0.0	0.0	0.0
Total Unpaid obligated balance transferred, net	0.0	0.0	0.0
Less: Recoveries of prior year unpaid obligations, actual	(1,248.6)	(44,879.2)	(30,252.3)
Change in uncollected customer payments from Federal sources	123.2	(4,716.4)	(827.8)
Obligated balance, net, end of period:			
Unpaid obligations	78,583.7	433,577.1	320,405.8
Less: Uncollected customer payments from Federal sources	(21.1)	(60,131.3)	(55,414.7)
Total, unpaid obligated balance, net, end of period	78,562.6	373,445.8	264,991.1
Net Outlays:			
Gross outlays	\$ 80,176.7	814,588.1	\$ 768,310.0
Less: Offsetting collections	(1,697.9)	(165,077.2)	(165,031.7)
Less: Distributed Offsetting receipts	(17,880.1)	(64,105.0)	(48,222.1)
Net Outlays	\$ 60,598.7	585,405.9	\$ 555,056.2

Department of Defense
STATEMENT OF DISAGGREGATED BUDGETARY RESOURCES
For the Years Ended September 30, 2007 and 2006
(\$ in Millions)

	Other	2007 Combined	2006 Combined
NONBUDGETARY FINANCING ACCOUNTS			
Budgetary Resources			
Unobligated balance, brought forward, October 1	\$ 46.8	\$ 46.8	\$ 83.0
Recoveries of prior year unpaid obligations	0.0	0.0	0.0
Budget authority			
Appropriation	13.1	13.1	16.0
Borrowing authority	381.8	381.8	119.4
Contract authority	0.0	0.0	0.0
Spending authority from offsetting collections			
Earned			
Collected	867.5	867.5	1,169.6
Change in receivables from Federal sources	0.0	0.0	0.0
Change in unfilled customer orders			
Advance received	0.0	0.0	0.0
Without advance from Federal sources	53.5	53.5	(46.8)
Subtotal	1,315.9	1,315.9	1,258.2
Nonexpenditure transfers, net, anticipated and actual	0.0	0.0	0.0
Temporarily not available pursuant to Public Law	0.0	0.0	0.0
Permanently not available	(791.1)	(791.1)	(1,083.2)
Total Budgetary Resources	\$ 571.6	\$ 571.6	\$ 258.0
Status of Budgetary Resources			
Obligations incurred:			
Direct	\$ 512.4	\$ 512.4	\$ 211.3
Reimbursable	0.0	0.0	0.0
Subtotal	512.4	512.4	211.3
Unobligated balance:			
Apportioned	23.2	23.2	1.2
Exempt from apportionment	0.0	0.0	0.0
Subtotal	23.2	23.2	1.2
Unobligated balance not available	36.0	36.0	45.5
Total Status of Budgetary Resources	\$ 571.6	\$ 571.6	\$ 258.0
Change in Obligated Balance			
Obligated balance, net			
Unpaid obligations, brought forward, October 1	\$ 3,417.8	\$ 3,417.8	\$ 3,863.8
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(76.9)	(76.9)	(123.7)
Total unpaid obligated balance	3,340.9	3,340.9	3,740.1
Obligations incurred net	512.4	512.4	211.3
Less: Gross outlays	(421.8)	(421.8)	(657.3)
Obligated balance transferred, net:			
Actual transfers, unpaid obligations	0.0	0.0	0.0
Actual transfers, uncollected customer payments from Federal sources	0.0	0.0	0.0
Total Unpaid obligated balance transferred, net	0.0	0.0	0.0
Less: Recoveries of prior year unpaid obligations, actual	0.0	0.0	0.0
Change in uncollected customer payments from Federal sources	(53.5)	(53.5)	(46.8)
Obligated balance, net, end of period:			
Unpaid obligations	3,508.4	3,508.4	3,417.8
Less: Uncollected customer payments from Federal sources	(130.4)	(130.4)	(76.9)
Total, unpaid obligated balance, net, end of period	3,378.0	3,378.0	3,340.9
Net Outlays:			
Gross outlays	\$ 421.8	\$ 421.8	\$ 657.3
Less: Offsetting collections	(867.7)	(867.7)	(1,169.4)
Less: Distributed Offsetting receipts	0.0	0.0	0.0
Net Outlays	\$ (445.9)	\$ (445.9)	\$ (512.1)