

# Required Supplementary Information

## I. Deferred Maintenance

Deferred maintenance is classified as not performed when it should have been or as scheduled but delayed to a future period. It is VA policy to ensure that medical equipment and critical facility equipment systems are maintained and managed in a safe and effective manner; therefore, deferred maintenance is not applicable to them.

VA facilities reported their cost estimates for deferred maintenance by utilizing either the Condition Assessment Survey or the Total Life-Cycle Cost Method.

### Deferred Maintenance

As of September 30,	2003	2002
General PP&E	\$ 1,433	\$ 1,045
Heritage Assets	30	37
<b>Total Deferred Maintenance</b>	<b>\$ 1,463</b>	<b>\$ 1,082</b>

### Balances with Other Federal Entities

#### Intragovernmental Assets as of September 30, 2003

	Fund Balance with Treasury	Investments	Accounts Receivable	Other Assets
Trading Partners				
Treasury	\$ 17,795	\$ 13,941	\$ -	\$ 7
DoD - Defense Agencies			97	
All Other			99	89
<b>Total Intragovernmental Assets</b>	<b>\$ 17,795</b>	<b>\$ 13,941</b>	<b>\$ 196</b>	<b>\$ 96</b>

#### Intragovernmental Liabilities as of September 20, 2003

	Accounts Payable	Debt	Other
Trading Partners			
Treasury	\$ 39	\$ 2,854	\$ 2,348
Other	22		1,158
<b>Total Intragovernmental Liabilities</b>	<b>\$ 61</b>	<b>\$ 2,854</b>	<b>\$ 3,506</b>

#### Intragovernmental Earned Revenue and Related Cost (trade activity)

##### For the Year Ended September 30, 2003

Trading Partner	Earned Revenue
DoD - Defense Agencies	\$ 460
Air Force	59
Justice	25
All Other	234
<b>Total Earned Revenue</b>	<b>\$ 778</b>
<b>Related Cost</b>	<b>\$ 723</b>

Intragovernmental Non-Exchange Revenue  
 For the Year Ended September 30, 2003  
 Trading Partner

Treasury

Transfers-Out

\$ 878

Schedule of Budgetary Activity  
 For the Year Ended September 30, 2003

	Total Outlays	Budgetary Resources	Obligations Incurred	Spending Authority from Offsetting Collections and Adjustments	Obligated Balance Sept. 30, 2002	Obligated Balance Sept. 30, 2003
<b>VHA</b>						
0160 Medical Care	\$ 24,856	\$ 26,726	\$ 25,645	\$ 254	\$ 2,716	\$ 3,351
0161 Medical & Prosthetic Research	364	479	421	57	118	119
All Other	376	1,769	908	283	500	649
<b>Total</b>	<b>\$ 25,596</b>	<b>\$ 28,974</b>	<b>\$ 26,974</b>	<b>\$ 594</b>	<b>\$ 3,334</b>	<b>\$ 4,119</b>
<b>VBA</b>						
0102 Compensation, Pension, & Burial Benefits	\$ 28,021	\$ 29,369	\$ 28,191	\$ -	\$ 2,095	\$ 2,266
0137 Readjustment Benefits	2,364	3,041	2,630	256	63	72
4025 Housing Credit Liquidating	(61)	81	53	141	4	(23)
4127 Direct Loan Financing	(167)	1,351	1,131	1,298	78	78
4129 Guaranteed Loan Financing	(967)	7,684	1,972	2,944	25	20
8132 National Service Life Insurance Fund	1,178	11,421	1,627	435	1,447	1,461
All Other	1,621	5,414	3,068	1,425	376	399
<b>Total</b>	<b>\$ 31,989</b>	<b>\$ 58,361</b>	<b>\$ 38,672</b>	<b>\$ 6,499</b>	<b>\$ 4,088</b>	<b>\$ 4,273</b>
<b>NCA</b>						
0129 National Cemetery Adm.	\$ 125	\$ 135	\$ 129	\$ -	\$ 21	\$ 25
All Other	25	10	27	-	35	37
<b>Total</b>	<b>\$ 150</b>	<b>\$ 145</b>	<b>\$ 156</b>	<b>\$ -</b>	<b>\$ 56</b>	<b>\$ 62</b>
<b>ADM</b>						
0151 General Operating Expenses	\$ 1,221	\$ 1,864	\$ 1,719	\$ 481	\$ 227	\$ 244
All Other	(277)	2,385	1,828	1,999	217	323
<b>Total</b>	<b>\$ 944</b>	<b>\$ 4,249</b>	<b>\$ 3,547</b>	<b>\$ 2,480</b>	<b>\$ 444</b>	<b>\$ 567</b>
<b>Total of all Business Lines</b>	<b>\$ 58,679</b>	<b>\$ 91,729</b>	<b>\$ 69,349</b>	<b>\$ 9,573</b>	<b>\$ 7,922</b>	<b>\$ 9,021</b>

## Segment Information

Condensed Balance Sheet as of September 30	Supply Fund		Enterprise Fund	
	2003	2002	2003	2002
<b>Assets</b>				
Fund Balance with Treasury	\$ 775	\$ 462	\$ 90	\$ 73
Accounts Receivable, Net	220	146	28	14
General Property, Plant and Equipment	5	5	24	22
Other Assets Including Inventory	25	34	8	4
<b>Total Assets</b>	<b>\$ 1,025</b>	<b>\$ 647</b>	<b>\$ 150</b>	<b>\$ 113</b>
<b>Liabilities and Net Position</b>				
Accounts Payable	\$ 49	\$ 32	\$ 8	\$ 3
Deferred Revenues	438	226	-	-
Other Liabilities	380	251	34	30
<b>Total Liabilities</b>	<b>867</b>	<b>509</b>	<b>42</b>	<b>33</b>
Cumulative Results of Operations	158	138	108	80
<b>Total Liabilities and Net Position</b>	<b>\$ 1,025</b>	<b>\$ 647</b>	<b>\$ 150</b>	<b>\$ 113</b>
<b>Condensed Net Cost Information</b>				
<b>Total Program Costs</b>	<b>\$ 1,375</b>	<b>\$ 1,095</b>	<b>\$ 188</b>	<b>\$ 115</b>
<b>Earned Revenues</b>				
Intra-Departmental	(448)	(447)	(185)	(129)
Other Federal Entities	(911)	(627)	(29)	(8)
Non-Federal	(36)	(44)	-	-
<b>Total Earned Revenues</b>	<b>\$ (1,395)</b>	<b>\$ (1,118)</b>	<b>\$ (214)</b>	<b>\$ (137)</b>
<b>Net Program Costs</b>	<b>\$ (20)</b>	<b>\$ (23)</b>	<b>\$ (26)</b>	<b>\$ (22)</b>

## 2. Enterprise Fund Services

VA was approved by OMB in May 1996 as one of six pilot franchise fund agencies operating within the Executive Branch of Government. VA's Franchise Fund was established as a revolving fund and began operations in FY 1997. By law, the business lines within the Fund can only sell to Federal entities.

The VA Franchise Fund supports VA's mission by supplying common administrative services to both VA and other federal entities at competitive prices. Most of our cus-

tomers come from within VA, which accounted for 86 percent of our FY 2003 revenue. VHA is the largest customer of five of the six VA Enterprise Centers (Austin Automation Center, Financial Services Center, Law Enforcement Training Center, Security and Investigations Center and VA Records Center and Vault), and VBA is the largest customer for the Debt Management Center.

The Fund accounts for its funds in six lines of business (VA Enterprise Centers) and one administrative organization. A brief description of each center is listed below:

### **Austin Automation Center (AAC)**

Located in Austin, TX, the AAC provides comprehensive e-government solutions to match the critical needs of VA and other Federal agency customers, from managing data to automating business processes. The AAC supports over 100 customer applications that provide mission-critical data for financial management, payroll, human resources, logistics, medical records, eligibility benefits and supply functions. In addition, the AAC offers a full complement of technical solutions (platform-hosting, acquisition services, application management, total information assurance, customer business continuity,

configuration management, and data conversion and data interfacing) to best meet customer's varied information technology projects.

#### **Debt Management Center (DMC)**

Located in St. Paul, MN, the DMC is a centralized facility that provides direct collection of delinquent consumer debt owed to VA. The DMC also provides administrative support for a local Cooperative Administrative Support Unit.

#### **Financial Services Center (FSC)**

Located in Austin, TX, the FSC provides a full-range of financial services for VA and other Federal agencies including financial reports and accounting, invoice payments, credit card payments, discount subsistence purchases, payroll processing, travel payment processing, electronic commerce/electronic data interchange, automated document management, audit recovery, consulting, and training.

#### **Law Enforcement Training Center (LETC)**

Located in Little Rock, AR, the LETC provides special training for police officers working in a health care or service-oriented environment. Emphasizing training in medical center patient situations, the LETC is available to approximately 2,400 law enforcement personnel working at VHA health care facilities and to

Federal law enforcement professionals at other Federal agencies.

#### **VA Records Center and Vault (VA RC&V)**

Located in the Midwest, the VA RC&V provides records storage, protection, and retrieval services for official Federal records. The facility has been certified by the NARA to operate as an agency records center, approved by the Defense Logistics Agency to store classified material, and certified by the Department of Energy to store restricted records.

#### **Security and Investigations Center (S&I)**

Located in Washington, DC, the S&I provides quality and timely background investigations and adjudications for employees and contractors in sensitive positions for all VA entities nationwide. The S&I also issues and manages employee identification badges and provides fingerprint processing for VA employees and other Federal customers in the Washington, DC area.

#### **Enterprise Fund Office (EFO)**

The VA Enterprise Centers are supported by the EFO, which is responsible for the overall fund operations including administering the financial resources of the fund, coordinating all business activities, and serving as the liaison between the Enterprise Centers, their customers, and the Board of Directors.

Its services allow VA and other government agency customers to conserve their budgetary resources through new innovative methods and/or efficiencies of scale with the same or lower unit costs, while improving the quality of services provided. As the Fund successfully markets its services to other Federal agencies, programs in those agencies will derive similar benefits.

For more information, visit the VA Enterprise Centers online at [www.va.gov/fund](http://www.va.gov/fund).

### **3. Supply Fund Services**

Supply Fund functions include contracting for medical supplies, equipment and services; stocking, repairing, and distributing supplies, medical equipment, and devices; providing forms, publications, and a full range of printing and reproduction services; training VA medical acquisition, supply, processing, and distribution personnel; and increasing small and disadvantaged business participation in VA contracts. The two largest customers for the Supply Fund are VA and DoD, but the Fund also has significant sales to other Federal agencies including the Department of Health and Human Services.