

DEPARTMENT OF VETERANS AFFAIRS

CONSOLIDATED STATEMENTS OF NET COST (DOLLARS IN MILLIONS)

FOR THE YEARS ENDED SEPTEMBER 30,

	2004	2003
NET PROGRAM COSTS (NOTE 18)		
Medical Care	\$ 25,396	\$ 23,576
Medical Education	1,111	1,036
Medical Research	898	826
Compensation	27,306	25,546
Pension	3,526	3,491
Education	2,037	1,740
Vocational Rehabilitation and Employment	676	649
Loan Guaranty	1,141	(988)
Insurance	63	91
Burial	332	325
NET PROGRAM COSTS BEFORE CHANGES IN VETERANS BENEFITS ACTUARIAL LIABILITIES	62,486	56,292
Compensation	(30,100)	105,800
Burial	100	(200)
SUBTOTAL	(30,000)	105,600
NET NON-PROGRAM COSTS	781	582
NET COST OF OPERATIONS (NOTE 18)	\$ 33,267	\$ 162,474

The accompanying Notes are an integral part of these financial statements.