LIMITATIONS OF THE FINANCIAL STATEMENTS

- The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b).

- While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

- The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

U.S. Department of Transportation
Consolidated Balance Sheet
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Assets (Note 2)		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	$	14,200,212
Investments (Note 4)		43,024,251
Accounts Receivable, Net (Note 5)		423,102
Other Assets (Note 6)		341,140
Total Intragovernmental Assets:	$	57,998,705
Investments (Note 4)		27
Accounts Receivable, Net (Note 5)		115,656
Loans Receivable and Related Foreclosed Property, Net (Note 7)		475,162
Cash and Other Monetary Assets (Note 8)		67,536
Inventory and Related Property, Net (Note 9)		2,174,179
General Property, Plant and Equipment, Net (Note 10)		15,176,965
Other Assets (Note 6)		230,944
Total Assets	$	76,229,174

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Balance Sheet
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Liabilities (Note 11)		
Intragovernmental:		
Accounts Payable (Note 12)	$	198,447
Environmental and Disposal Liabilities (Note 13)		328,992
Debt (Note 14)		436,360
Other Intragovernmental Liabilities (Note 15)		757,442
Total Intragovernmental Liabilities:	$	1,721,241
Accounts Payable (Note 12)		1,120,342
Loan Guarantees (Note 7)		77,422
Federal Employee and Veterans' Benefits Payable		21,153,247
Environmental and Disposal Liabilities (Note 13)		1,101,120
Other Liabilities (Note 15, 17 & 18)		4,467,438
Total Liabilities	$	29,640,810
Net Position		
Unexpended Appropriations (Note 19)	$	10,394,671
Cumulative Results of Operations		36,193,693
Total Net Position		46,588,364
Total Liabilities and Net Position	$	76,229,174

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Statement of Net Cost
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Program Costs (Notes 20 & 21)		
Surface Transportation:		
Intragovernmental	$	722,987
Public		27,853,843
Total		286,576,830
Less Earned Revenues		(170,654)
Net Program Costs	$	28,406,176
Air Transportation:		
Intragovernmental	$	990,102
Public		8,311,176
Total		9,301,278
Less Earned Revenues		(106,376)
Net Program Costs	$	9,194,902
Maritime Transportation:		
Intragovernmental	$	1,172,109
Public		4,125,143
Total		5,297,252
Less Earned Revenues		(614,318)
Net Program Costs	$	4,682,934
Cross-Cutting Programs		
Intragovernmental	$	47,099
Public		1,396
Total		48,495
Less Earned Revenues		(48,241)
Net Program Costs	$	254
Cost Not Assigned to Programs	$	237,060
Less Earned Revenues Not Attributed to Programs		(63,903)
Net Cost of Operations	$	42,457,423

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Statement of Changes in Net Position
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Net Cost of Operations	$	(42,457,423)
Financing Sources:		
Appropriations Used		7,030,801
Taxes and Other Non-Exchange Revenue (Note 22)		50,936,744
Donations		185,064
Imputed Financing		419,085
Transfers-In		30,978,158
Transfers-Out		(31,235,607)
Other		5,419
Net Results of Operations	$	15,862,241
Prior Period Adjustments (Note 23)		687,315
Net Change in Cumulative Results of Operations	$	16,549,556
Increase (Decrease) in Unexpended Appropriations		1,431,064
Change in Net Position	$	17,980,620
Net Position, Beginning of Period		28,607,744
Net Position, End of Period	$	46,588,364

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Statement of Budgetary Resources
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Budgetary Resources (Note 24):		
Budget Authority	$	56,947,478
Unobligated Balances – Beginning of Period		58,556,607
Net Transfers Prior-Year Balance, Actual		(3,913)
Spending Authority From Offsetting Collections		9,729,935
Adjustments		(58,480,088)
Total Budgetary Resources	$	66,750,019
Status of Budgetary Resources:		
Obligations Incurred	$	56,699,081
Unobligated Balances - Available		9,110,387
Unobligated Balances - Not Available		940,551
Total Status of Budgetary Resources	$	66,750,019
Outlays:		
Obligations Incurred	$	56,699,081
Less: Spending Authority From Offsetting Collections and Adjustments		(10,228,080)
Subtotal		46,471,001
Obligated Balance, Net - Beginning of Period		48,613,201
Obligated Balance Transferred, Net		-
Less: Obligated Balance, Net - End of Period		(52,760,555)
Total Outlays	$	42,323,647

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Statement of Financing
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Obligations and Nonbudgetary Resources:		
Obligations Incurred	$	56,699,081
Less: Spending Authority for Offsetting Collections & Adjustments		(10,228,080)
Donations Not in Budget		179,693
Financing Imputed for Cost Subsidies		419,085
Transfers-In (Out)		(16,881)
Exchange Revenue Not in Budget		(38,191)
Non-Exchange Revenue Not in Budget		35,522
Less: Related Trust or Special Funds Receipts		(137,203)
Other FAA Resources		150,504
Credit Reform Transfer		46,135
Other Miscellaneous Resources		8,683
Total Obligations as Adjusted, and Non-Budgetary Resources	$	47,118,348
Resources That Do Not Fund Net Cost of Operations:		
Change in Amount of Goods, Services, & Benefits Ordered But Not Yet Received or Provided	$	(3,804,432)
Costs Capitalized on the Balance Sheet		(3,950,867)
Financing Sources That Fund Costs of Prior Periods		(1,927,889)
Other FAA Resources		3,718,407
Prior Period Expense Adjustment		(203,993)
MARAD Increases to Loan Guarantee Liability		(58,198)
USCG Trust Fund Transfers		25,144
Other Miscellaneous Resources		21,058
Total Resources That Do Not Fund Cost of Operations	$	(6,180,770)

The accompanying notes are an integral part of these statements.

U.S. Department of Transportation
Consolidated Statement of Financing
For the Period Ended September 30, 1999
(Dollars in Thousands)

		1999 DOT Total
Cost That Do Not Require Resources:		
Depreciation & Amortization	$	857,260
Revaluation of Assets and Liabilities		414,199
Federal Employees Compensation Act		17,376
Environmental Liability		1,191
Other Miscellaneous Costs		1,337
Total Costs That Do Not Require Resources	$	1,291,363
Financing Sources Yet To Be Provided	$	228,482
Net Cost of Operations	$	42,457,423

The accompanying notes are an integral part of these statements.