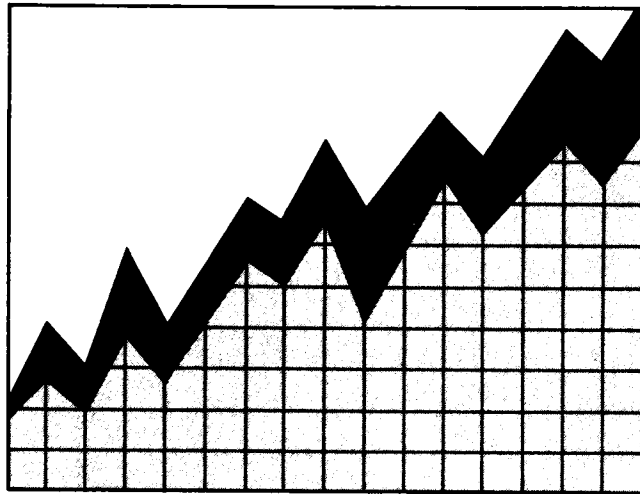




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DEPT. OF THE TREASURY

UNITED STATES GOVERNMENT



ANNUAL

1990

REPORT

COMPILED BY

**THE FINANCIAL MANAGEMENT
SERVICE**

U.S. DEPARTMENT OF THE TREASURY

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TREASURY DEPARTMENT

Preface

Treasury Profile

The Treasury Department was created by an act of Congress approved on September 2, 1789, 31 U.S.C. 301. Many subsequent acts have influenced the development of the Department, delegating new duties and establishing numerous bureaus and divisions which now compose the Department. Today, the Treasury's mission can be categorized into four basic functions: formulating and recommending economic, financial, tax and fiscal policies; serving as financial agent for the U.S. Government; enforcing the law; and manufacturing coins and currency.

Financial Management Service

The Financial Management Service of the Department of the Treasury performs a critical role in fulfilling the Treasury's mission as financial agent of the Government. The Service is committed to improving the quality of Government financial management through its responsibility for the Government's delivery systems for payments and collections, the central accounting and reporting systems, the Government's cash management programs, credit and debt collection activities and various other financial services.

In its role as financial agent for the government, the Financial Management Service publishes this Annual Report of the U.S. Government. This report presents an overview of the Government's cash basis financial position and results of operations. It summarizes selected data that are maintained in the central accounts based on data provided by Federal entities, disbursing officers and Federal Reserve banks. Details supporting the information presented in this report are contained in the Annual Report Appendix which is available from Financial Management Service's Financial Reporting Division. An order form for the appendix is provided as the last page of this publication.

Legislative Requirement

The requirements for the preparation of a report on the receipts and outlays of the Government originated with Article 1, Section 9 of the Constitution of the United States. It provides in part that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law, and a regular Statement and Account of the Receipts and Expenditures of all public money shall be published from time to time." (*Emphasis provided*). This requirement was followed by a standing order of the House of Representatives, dated December 31, 1791, which required an annual report on receipts and outlays of the Government. This requirement was superseded by the following:

- 31 U.S.C. 331 (c) provides, "On the first day of each regular session of Congress, the Secretary shall submit to Congress a report for the prior fiscal year on the total amount of public receipts and public expenditures listing receipts, when practicable, by ports, districts, and States and the expenditures by each appropriation."
- 31 U.S.C. 3513(a) provides, "The Secretary of the Treasury shall prepare reports that will inform the President, the Congress, and the public on the financial operations of the United States Government."

This Annual Report is recognized as the official publication of receipts and outlays with which all other reports containing similar data must be in agreement. It is used by the Congressional Budget Office in serving the needs of Congress; the Office of Management and budget in reviewing the President's Budget programs; the General Accounting Office in performing its audit activities; the various departments and agencies of the Government in reconciling their accounts; and the general public in continually reviewing the operations of their Government. Other reports prepared by the Financial Management Service that contain related information include: The Daily Treasury Statement; Monthly Treasury Statement of Receipts and Outlays of the United States Government; and the Treasury Bulletin.

SECRETARY'S LETTER



THE SECRETARY OF THE TREASURY
WASHINGTON

January 28, 1991

To: The President of the Senate
Speaker of the House of Representatives
Citizens of the United States of America

In accordance with the provisions of Section 15 of the Act of July 31, 1894, (31 U.S.C. 331(c)) and Section 114 of the Act of September 12, 1950, (31 U.S.C. 3513), I am transmitting herewith the United States Government Annual Report for the fiscal year ended September 30, 1990.

This report presents budget results and the cash-related assets and liabilities of the Federal Government with supporting details appearing in the Annual Report Appendix.

The financial results for the year include total receipts of \$1,031.5 billion, an increase of \$40.8 billion over 1989 receipts; total outlays of \$1,251.9 billion, an increase of \$107.9 billion over 1989 outlays; and a \$220.4 billion deficit, an increase of \$67.1 billion over the 1989 deficit.

Sincerely,

Nicholas F. Brady

Enclosure

*Financial
Highlights*

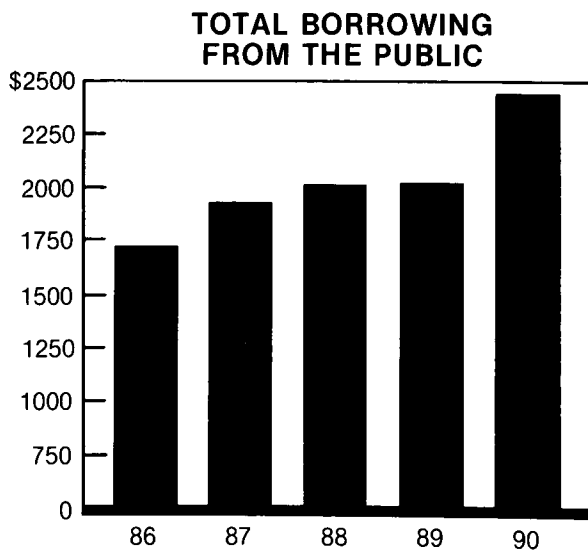
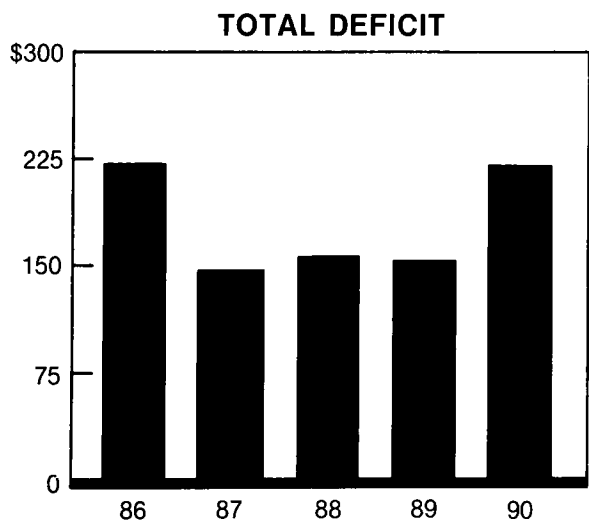
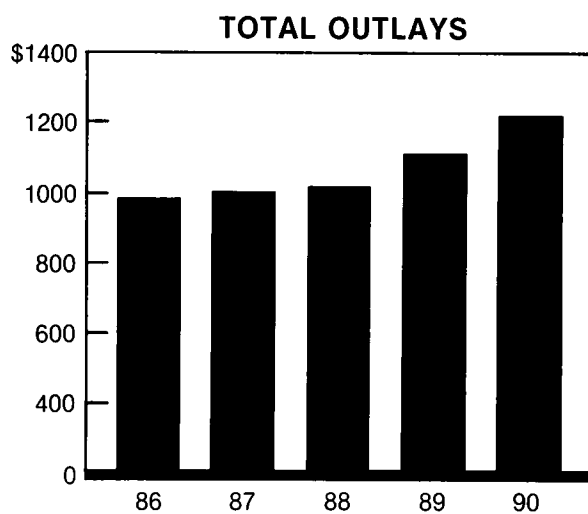
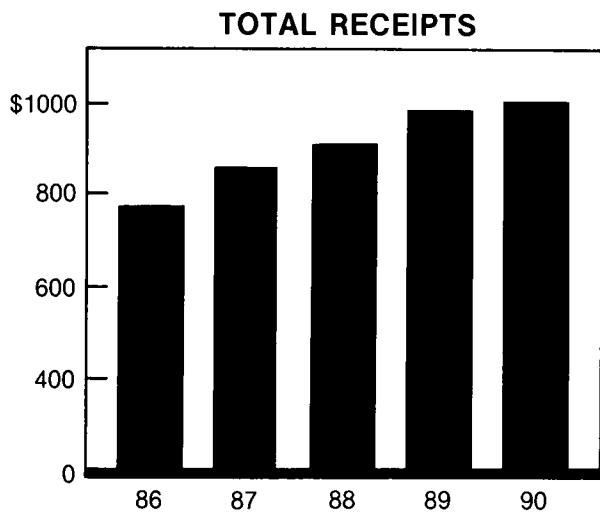
Financial Highlights

(in Billions)

This financial statement is confined to showing only those financial highlights of the United States Government which are directly related to the cash operations of the Department of the Treasury and the rest of the Federal Government.

	FY 1990	FY 1989	PERCENTAGE CHANGE
Total Receipts	\$1,031.5	\$ 990.7 ^r	4.1%
Total Outlays	1,251.9	1,144.0 ^r	9.4
Total Deficit	220.4	153.3 ^r	43.7
Total Assets	70.4	68.8	2.3
Total Borrowing From The Public	2,470.4	2,190.3 ^r	10.0
Excess of Liabilities Over Assets	\$2,408.8	\$2,188.9 ^r	10.0%

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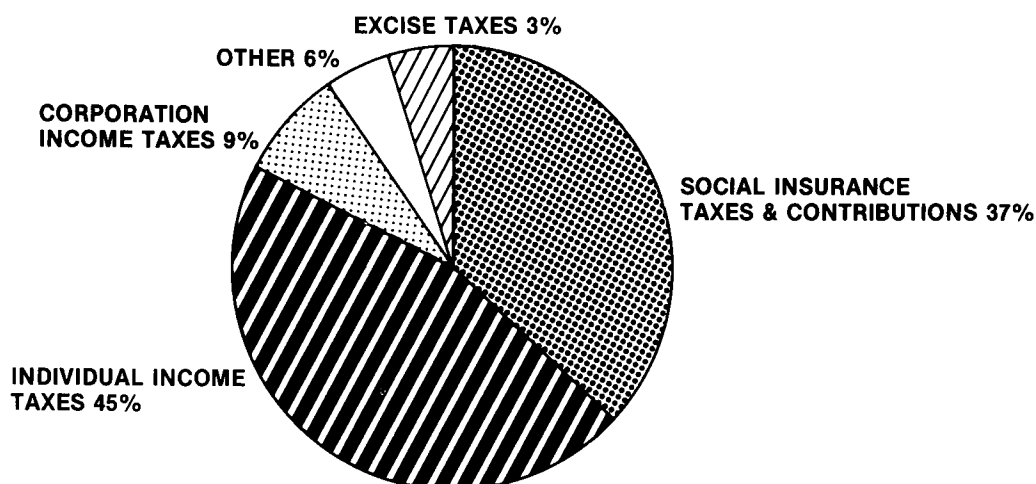


Financial Review

- Receipts by Source Category
 - Outlays by Function
 - Trust Fund Receipt and Outlay Summary
 - Revolving Fund Activity by Department
 - Appropriations, Outlays, and Balances by Department
 - Five-Year Summary of Financial Highlights
-

Receipts by Source Category

Total receipts amounted to \$1,031.5 billion in FY 1990, an increase of \$40.7 billion from FY 1989. The percentage distribution of 1990 receipts by source category is graphically depicted below.



Major changes in the amount of receipts by source category are described below. The table which follows shows the amount of receipts for FY 1990 and FY 1989 by source category, and the amount and percentage change from FY 1989.

- **Individual Income Taxes**—Individual income taxes were \$466.9 billion in FY 1990 an increase of \$21.2 billion, or 4.8%.
- **Corporation Income Taxes**—Corporation income taxes were \$93.5 billion, a decrease of \$9.8 billion from FY 1989 to FY 1990.
- **Social Insurance Taxes and Contributions**—Receipts from the three major forms of social insurance taxes and contributions increased from \$359.4 billion in FY 1989 to \$380.0 billion in FY 1990 an increase of \$20.6 billion, or 5.7%.
 - **Employment Taxes and Contributions**—Receipts from this source totaled \$353.9 billion a change of \$21.0 billion, or 6.3% over the prior year.
 - **Unemployment Insurance**—Unemployment insurance receipts were \$21.6 billion in FY 1990, a decrease from FY 1989 of \$3.8 billion, or 1.7%.
 - **Other Retirement Contributions**—Receipts in this category decreased by \$24 million to a total of \$4.5 billion in FY 1990.
- **Excise Taxes**—Receipts of excise taxes in FY 1990 were \$35.3 billion, an increase of \$1.0 billion from the prior year.
- **The Other Receipts category** consisting of Estate and Gift Taxes, Customs Duties, and Miscellaneous Receipts increased from \$47.9 billion in FY 1989 to \$55.7 billion in FY 1990. A discussion of the level of receipts for each of the components of this category is presented below.
 - **Estate and Gift Taxes**—Receipts in the Estate and Gift taxes category increased by \$2.8 billion in FY 1990 to \$11.5 billion.
 - **Customs Duties**—Customs Duties increased by \$3.3 billion in FY 1990 to \$16.7 billion.
 - **Miscellaneous Receipts**—These Receipts totaled \$27.5 billion in FY 1990, an increase of \$4.6 billion over the FY 1989 level.

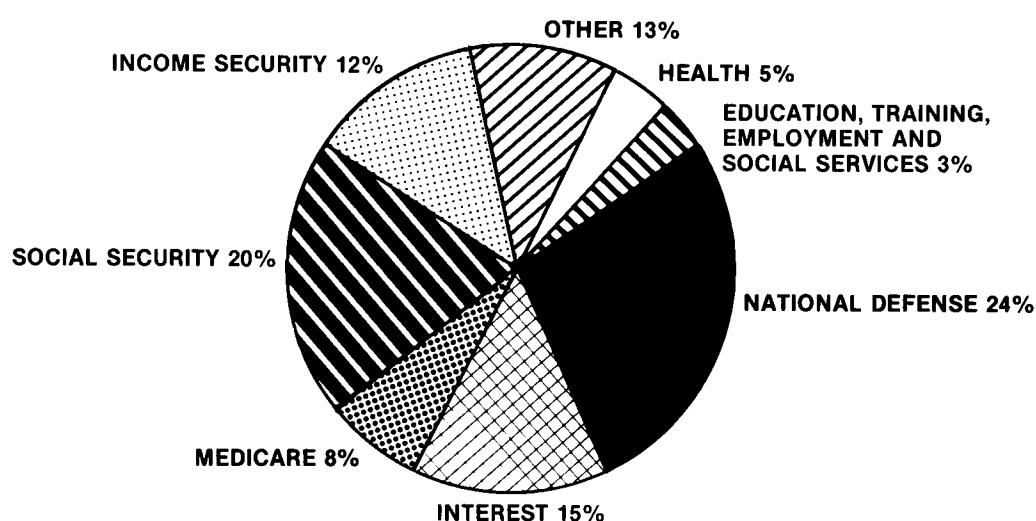
RECEIPTS BY SOURCE CATEGORY
(IN MILLIONS)

	FY 1990	FY 1989	CHANGE FROM 1989	PERCENTAGE CHANGE
Individual Income Taxes	\$466,884	\$445,690	\$21,194	4.8%
Corporation Income Taxes	93,507	103,291	-9,784	-9.5
Total Income Taxes	560,391	548,981	11,410	2.1
Social Insurance Taxes and Contributions:				
Employment Taxes and Contributions	353,891	332,859	21,032	6.3
Unemployment Insurance	21,635	22,011	-376	-1.7
Other Retirement Contributions	4,522	4,546	-24	-5.3
Total Social Insurance Taxes and Contributions	380,048	359,416	20,632	5.7
Excise Taxes	35,345	34,386	959	2.7
Other:				
Estate and Gift Taxes	11,500	8,745	2,755	31.5
Customs Duties	16,707	16,334	373	2.3
Miscellaneous Receipts	27,470	22,839 ^r	4,631	20.3
Total Other	55,677	47,918 ^r	7,759	16.2
Total Receipts	1,031,462	990,701 ^r	40,761	4.1%
Details may not add to totals due to rounding. r—revised				

Outlays by Function

Outlays are liquidations of the Government's obligations through the issuance of checks or disbursement of cash. Total outlays were \$1,251.9 billion in FY 1990, an increase of \$107.9 billion or 9.4% over the amount of the preceding fiscal year. Shown below is the percentage distribution of FY 1990 outlays among the seven largest categories included in the government's functional classification system. The functional classification system is a way of grouping the government's activities so that all budget authority and outlays, loan guarantees, and tax expenditures can be presented according to the national needs being addressed. National needs are grouped in 17 broad areas to provide a coherent and comprehensive basis for analyzing and understanding the budget. Three additional categories—Interest, Allowances and Undistributed Offsetting Receipts—do not address specific national needs but are included to cover the entire budget. Under the functional classification system, each outlay is assigned to a classification that best defines its most important purpose, even though many outlays serve more than one purpose.

Total outlays in FY 1990 were \$1,251.9 billion compared with \$1,144.0 billion in FY 1989. The percentage distribution of outlays among the seven largest functional classifications is shown graphically below.



The table that follows shows FY 1990 and FY 1989 outlays for each functional classification and the amount and percentage change in outlay levels between these two fiscal years. Changes in outlays for the largest functional classifications are briefly discussed below.

- **National Defense**—This function includes those activities that are directly related to the defense and security of the United States. National Defense outlays for FY 1990 decreased by \$4.2 billion to \$299.3 billion. This amount encompasses government spending for conventional forces, strategic forces, atomic energy defense activities and other defense related activities.
- **Health**—The Federal Government helps to meet the nation's health care needs by financing and providing health care services, aiding disease prevention and supporting research and training. Outlays for this function were \$58.1 billion in FY 1990, an increase of \$9.7 billion over the prior fiscal year.
- **Social Security**—Through social security the Federal Government contributes to the income security of aged and disabled Americans. This function's outlays were \$248.6 billion for FY 1990, an increase of 6.9% or \$16.1 billion over the FY 1989 outlays.
- **Medicare**—Through medicare the Federal Government contributes to the health and well being of aged and disabled Americans. The outlays for this function were \$97.7 billion in FY 1990, an increase of 15% or \$12.8 billion over the FY 1989 outlays.

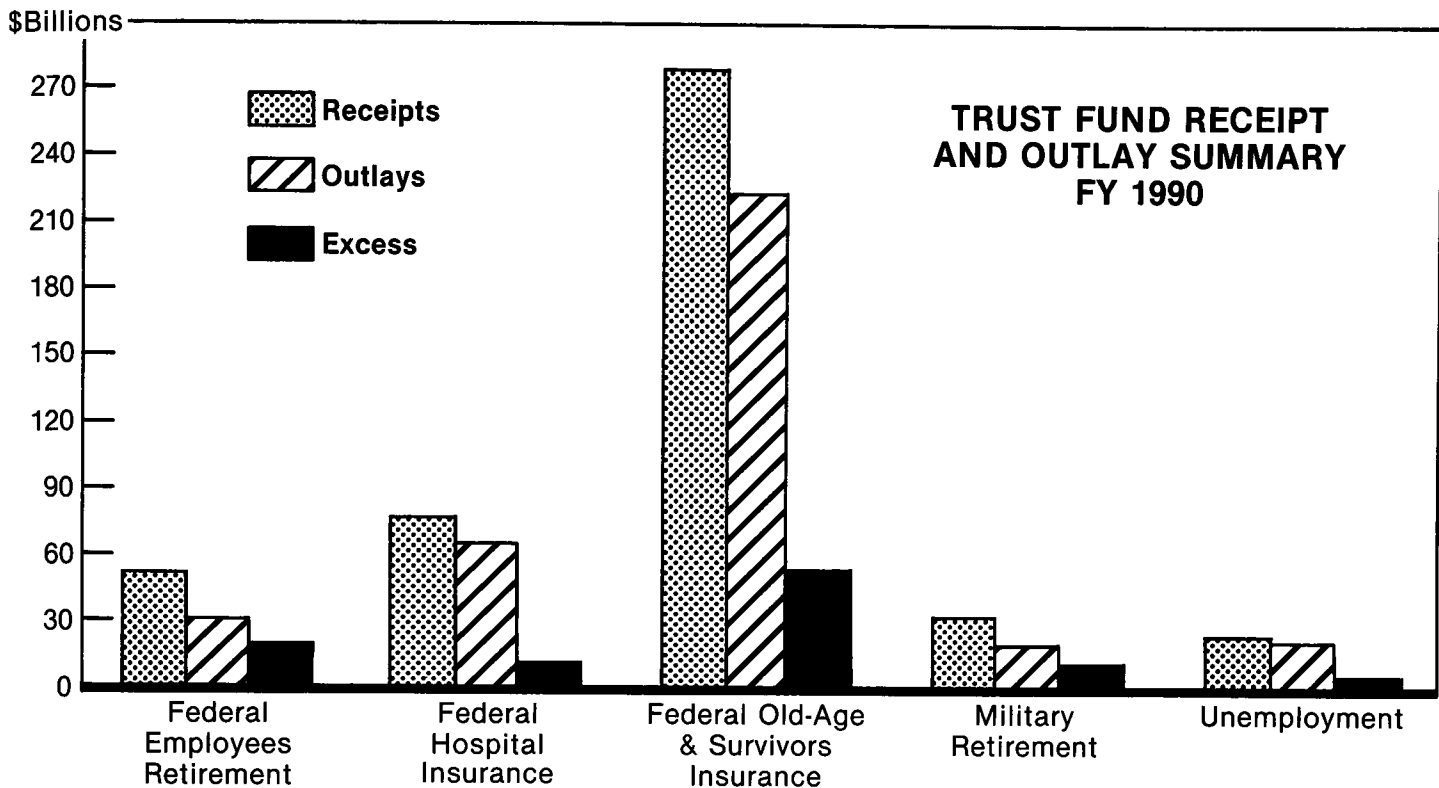
- **Income Security**—Income security benefits are paid to the aged, the disabled, the unemployed and low income families. Outlays for these benefits were \$148.3 billion in FY 1990 an increase of 9.0% or \$12.3 billion from the FY 1989 level. Included within this classification are programs such as general retirement and disability, public assistance and unemployment compensation.
- **Commerce and Housing Credit**—These programs supplement financing for private business and housing by providing assistance for mortgage credit, deposit insurance, and other subsidies for business. Outlays for these programs increased by 132% to \$67.5 billion in FY 1990.
- **Interest**—This function includes interest paid by the federal Government, offset by interest collections from the public and interest received by Government Trust Funds. Net interest outlays are very sensitive to both interest rates and the amount of debt outstanding. Net interest outlays increased in FY 1990 to \$183.8 billion, an 8.7% increase over the prior fiscal year.

OUTLAYS BY FUNCTION				
(in millions)				
	FY 1990	FY 1989	CHANGE FROM 1989	PERCENTAGE CHANGE
National Defense	\$299,335	\$303,559 ^r	\$ - 4,224	- 1.4%
International Affairs	13,760	9,574 ^r	4,186	43.7
General Science, Space, and Technology	14,420	12,838 ^r	1,582	12.3
Energy	2,470	3,702 ^r	- 1,232	-33.3
National Resources and Environment	17,009	16,182 ^r	827	5.1
Agriculture	11,998	16,948	- 4,950	-29.2
Commerce and Housing Credit	67,495	29,091 ^r	38,404	132.0
Transportation	29,495	27,608 ^r	1,887	6.8
Community and Regional Development	8,466	5,361 ^r	3,105	57.9
Education, Training, Employment and Social Services	37,479	36,694 ^r	785	2.1
Health	58,101	48,390 ^r	9,711	20.1
Medicare	97,717	84,964	12,753	15.0
Income Security	148,299	136,031 ^r	12,268	9.0
Social Security	248,623	232,542	16,081	6.9
Veterans Benefits and Services	29,112	30,066	- 954	-3.2
Administration of Justice	10,076	9,422 ^r	654	6.9
General Government	10,822	9,124 ^r	1,698	18.6
Interest	183,790	169,137 ^r	14,653	8.7
Undistributed Offsetting Receipts	- 36,615	- 37,212	597	1.6
Total Outlays	1,251,852	1,144,021^r	107,831	9.4

r—revised

Trust Fund Receipt and Outlay Summary

Trust fund accounts are maintained to record the receipt and outlay of moneys held in trust by the Government for use in carrying out specific purposes or programs in accordance with the terms of a trust agreement or statute. This section summarizes how trust fund operations contribute to the overall level of receipts and outlays of the Federal Government. This section also demonstrates the variety of trust funds and their operations. Some trust funds such as the Federal Employees Retirement Fund, Federal Hospital Insurance Fund, Federal Old-Age and Survivors Insurance, Military Retirement Fund and Unemployment Fund accumulated sizable excess receipts in FY 1990. The chart presented below summarizes the operations of the major trust funds in FY 1990.



The table on the following page summarizes trust fund operations in FY 1990 and FY 1989 and the dollar change between these two fiscal years. Presented below is a description of the receipt and outlay of the major trust funds for FY 1990.

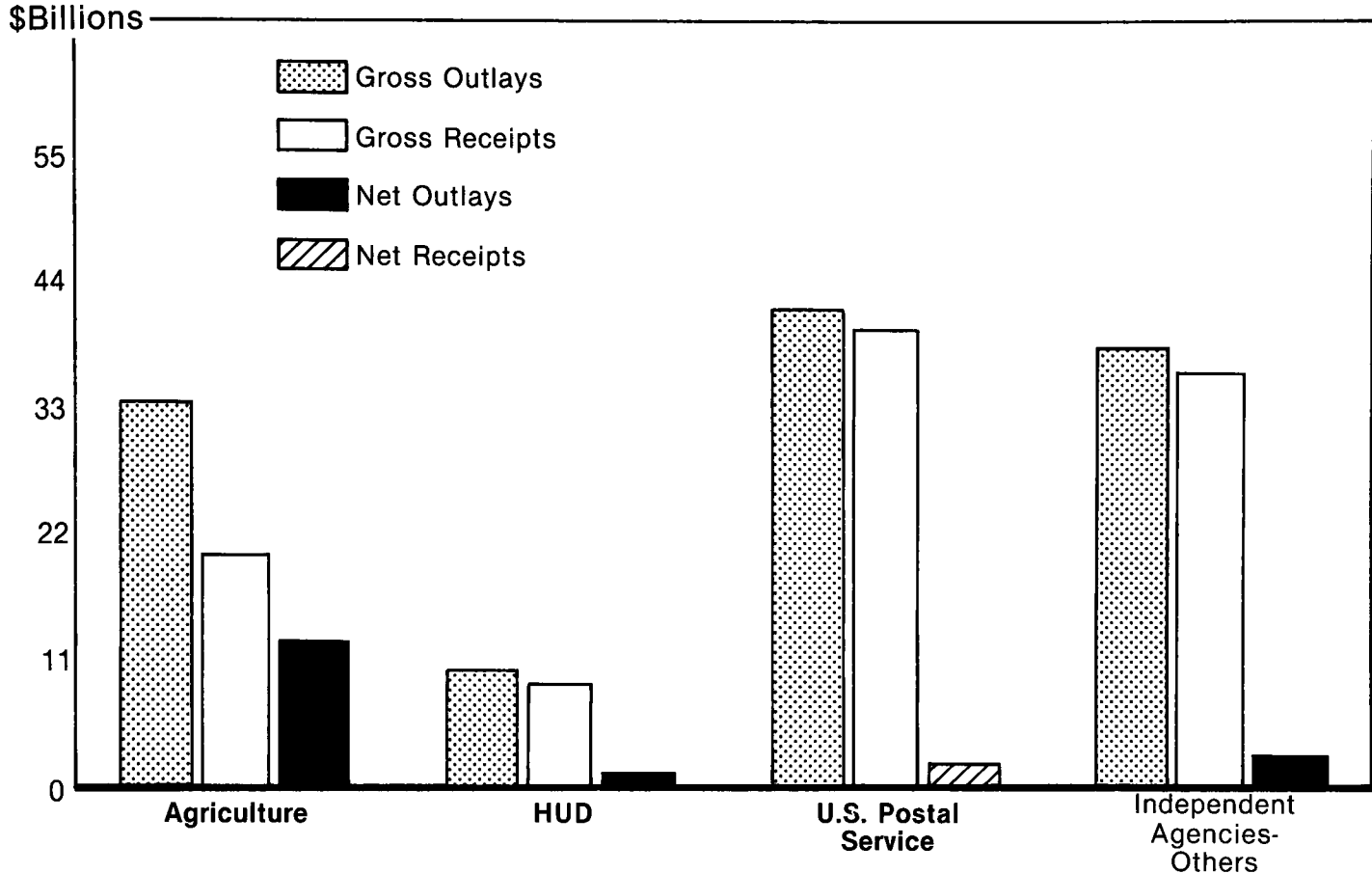
- **Federal Employees Retirement**—In FY 1990, the receipts of the Federal Employees Retirement Fund were \$53.0 billion. The fund's outlays were \$31.5 billion for an excess of receipts over outlays of \$21.5 billion.
- **Federal Hospital Insurance**—In FY 1990 Federal Hospital Insurance Fund receipts were \$79.6 billion while outlays totaled \$66.7 for an excess of receipts over outlays of \$12.9 billion.
- **Federal Old-Age & Survivors Insurance**—In FY 1990 receipts in this fund were \$279.6 billion and outlays were \$224.5 billion. The excess of receipts over outlays amounted to \$55.1 billion.
- **Military Retirement**—In FY 1990 the Military Retirement Fund accumulated \$34.0 billion in receipts and \$21.5 billion in outlays for an excess of receipts over outlays of \$12.5 billion.
- **Unemployment**—The FY 1990 receipts of the Unemployment Trust Fund were \$25.9 billion and outlays were \$20.3 billion for an excess of receipts over outlays of \$5.6 billion.

TRUST FUND RECEIPT AND OUTLAY SUMMARY
(IN MILLIONS)

TRUST FUND	RECEIPTS	FY 1990 OUTLAYS	EXCESS	RECEIPTS	FY 1989 OUTLAYS	EXCESS	RECEIPTS	CHANGE OUTLAYS	EXCESS
Airport	\$ 4,945	\$ 3,528	\$ 1,418	\$ 4,674	\$ 2,856	\$ 1,817	\$ 271	\$ 671	\$ -400
Black Lung disability	673	611	62	628	627	1	45	-16	61
FDIC	—	4,306	-4,306	—	856	-856	—	3,451	-3,451
Federal Disability Insurance	28,322	25,230	3,091	24,577	23,487	1,090	3,745	1,744	2,001
Federal employees life and health	—	-2,107	2,107	—	-2,716	2,716	—	609	-609
Federal employees retirement	53,025	31,490	21,535	49,607	29,555	20,052	3,418	1,935	1,482
Federal hospital insurance	79,563	66,687	12,876	75,117	58,238	16,880	4,446	8,449	-4,004
Federal old-age and survivors insurance	279,599	224,475	55,125	261,495	210,141	51,354	18,104	14,334	3,771
Federal supplementary medical insurance	45,142	42,971	2,171	42,147	38,215	3,932	2,995	4,756	-1,761
FSMI catastrophic coverage	407	51	356	1,135	102	1,033	-728	-50	-677
Highways	15,430	15,252	178	16,873	14,450	2,423	-1,443	802	-2,245
Military advances	10,293	9,308	985	8,154	8,431	-278	2,139	877	1,262
Railroad retirement	7,512	6,993	519	7,413	6,667	746	99	326	-227
Military retirement	34,028	21,544	12,484	33,994	20,182	13,812	33	1,361	-1,328
Unemployment	25,866	20,250	5,615	25,507	18,730	6,777	359	1,520	-1,161
Veterans life insurance	1,456	1,190	266	1,445	1,143	303	10	47	-37
All other trusts	4,495	3,050	1,445	4,135	2,339	1,796	360	711	-351
Total Trust Fund Receipts and Outlays	590,754	474,830	115,924	556,900	433,302	123,598	33,854	41,528	-7,674
Total Federal Government Receipts and Outlays	\$631,503	\$967,816	\$-336,313	\$611,089	\$888,006	\$-276,917	\$20,414	\$79,810	\$-59,396
Details may not add to totals due to rounding.									
** Less than \$500,000.									
r—revised									

Revolving Fund Activity by Department

Public enterprise revolving funds are authorized by specific provisions of law to finance a continuing cycle of operations in which outlays generate receipts and the receipts are available for outlays with further action by the Congress. The following chart summarizes FY 1990 receipt and outlay activity for the departments of the Government that have the most sizable revolving fund operations.



The table on the following page presents revolving fund activity by department for FY 1990. Summarized below are the receipt and outlay levels of those departments with the most sizable revolving fund operations.

- Department of Agriculture—FY 1990 gross outlays of revolving funds operated by Agriculture totaled \$33.3 billion and gross receipts totaled \$20.2 billion. The net outlays were \$13.1 billion.
- Department of Housing and Urban Development—In FY 1990 the gross outlays of revolving funds of this Department totaled \$10.2 billion while gross receipts were \$9.1 billion. Net revolving fund outlays in FY 1990 were \$1.1 billion.
- U.S. Postal Service—In FY 1990, revolving funds of the U.S. Postal Service generated \$4.2 billion gross outlays, \$40.4 billion in gross receipts and net outlays of \$1.6 billion.
- Independent Agencies-Others—The net outlays of revolving funds maintained by these agencies amounted to \$2.1 billion in FY 1990. This consisted of \$37.7 billion in gross outlays and \$35.6 billion in gross receipts.

REVOLVING FUND ACTIVITY BY DEPARTMENT
(IN MILLIONS)

	FY 1990 GROSS OUTLAYS	FY 1990 GROSS RECEIPTS	FY 1990 NET OUTLAYS	FY 1989 NET OUTLAYS	DIFFERENCE
Legislative Branch	10	10	**	(1)	1
The Judiciary	0	0	0	0	0
Executive Office of the President	0	0	0	0	0
Funds Appropriated to the President	1,093	1,288	(195)	463 ^r	(658)
Department of Agriculture	33,338	20,215	13,123	18,472 ^r	(5,349)
Department of Commerce	30	44	(14)	4 ^r	(18)
Department of Defense—Military	9	7	2	1	1
Department of Defense—Civil	0	0	0	0	0
Department of Education	24	81	(57)	(31)	(26)
Department of Energy	978	1,372	(394)	(219) ^r	(175)
Department of Health and Human Services, except Social Security	4	3	1	14	(13)
Department of Health and Human Services, Social Security	0	0	0	0	0
Department of Housing and Urban Development	10,220	9,082	1,138	2,047 ^r	(909)
Department of the Interior	433	106	327	291	36
Department of Justice	**	0	0	**	0
Department of Labor	745	1,425	(680)	(149) ^r	(531)
Department of State	0	0	0	0	0
Department of Transportation	214	501	(287)	(351) ^r	64
Department of the Treasury	(2,751)	288	(3,039)	(1,120) ^r	(1,919)
Environmental Protection Agency	13	29	(16)	(16) ^r	0
General Services Administration	0	0	0	0	0
National Aeronautics and Space Administration	0	0	0	0	0
Office of Personnel Management	0	0	0	0	0
Small Business Administration	1,733	1,426	307	(228) ^r	535
Veterans Administration	2,926	2,438	488	869	(381)
Independent Agencies					
Export-Import Bank of the United States	2,168	1,811	357	47	310
Tennessee Valley Authority	6,768	7,079	(311)	322 ^r	(633)
Postal Service	41,978	40,352	1,626	(310)	1,936
Others	37,768	35,583	2,185	30,649 ^r	(28,464)
Total Revolving Fund Receipts and Outlays	137,701	123,140	14,561	50,754^r	(36,193)
Details may not add to totals due to rounding.					
**Less than \$500,000.					
r—revised					

Appropriations, Outlays and Balances by Department

The following table summarizes the FY 1990 appropriations, outlays and balances for each major department of the Federal Government.

APPROPRIATIONS, OUTLAYS AND BALANCES BY DEPARTMENT (IN MILLIONS)

	Unobligated Balances Beginning of Fiscal Year	Appropriation and Other Obligational Authority	Transfers Borrowings and Investments	Outlays	Balances Withdrawn and Other Transactions	Unobligated Balances End of Fiscal Year
Legislative Branch	\$ 761	\$ 2,229	—	\$ 2,233	— \$9	\$ 716
The Judiciary	174	1,736	—	1,641	95	201
Executive Office of the President	3	262	—	157	105	88
Funds Appropriated to the President	24,408	12,769	— \$409	10,086	2,274	22,665
Department of Agriculture	16,419	66,898	— 36,773	46,012	— 15,886	11,420
Department of Commerce	429	3,687	—	3,734	— 48	354
Department of Defense	105,408	329,542	— 51	314,731	14,760	122,772
Department of Education	2,295	24,716	— 92	23,109	1,514	3,136
Department of Energy	3,506	14,753	— 150	12,028	2,575	4,375
Department of Health and Human Services, except Social Security	95,924	213,298	— 11	193,679	19,609	106,547
Department of Health and Human Services, Social Security	137,064	303,214	—	244,998	58,216	193,403
Department of Housing and Urban Development	40,135	17,742	— 1,092	20,167	— 3,518	41,859
Department of the Interior	1,913	6,778	— 2	5,795	981	2,736
Department of Justice	1,216	8,845	—	6,739	2,106	2,717
Department of Labor	48,076	32,165	—	25,316	6,849	53,845
Department of State	5,269	4,380	—	3,979	401	5,691
Department of Transportation	44,391	29,031	— 111	28,637	— 29,544	36,575
Department of the Treasury	10,208	259,362	—	255,268	4,094	11,444
Department of Veterans Affairs	14,039	30,461	—	28,998	1,463	14,200
Environmental Protection Agency	3,806	5,490	—	5,106	385	4,256
General Services Administration	1,872	265	— 11	— 122	376	1,992
National Aeronautics and Space Administration	1,997	12,223	101	12,429	— 105	1,197
Office of Personnel Management	223,021	55,947	—	31,949	23,998	246,935
Small Business Administration	1,292	928	— 234	692	2	1,044
Independent Agencies	39,527	25,114	42,820	73,514	— 26,070	27,017
Total Appropriations, Outlays and Balances	823,153	1,461,836	3,986	1,350,875	64,624	917,186

Details may not add to totals due to rounding.
**Less than \$500,000.

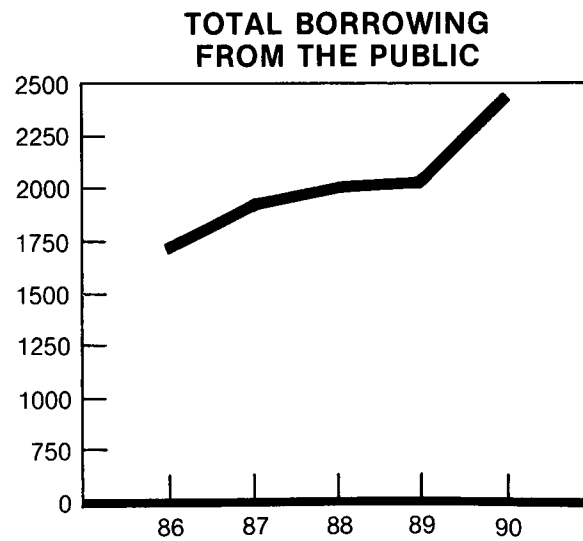
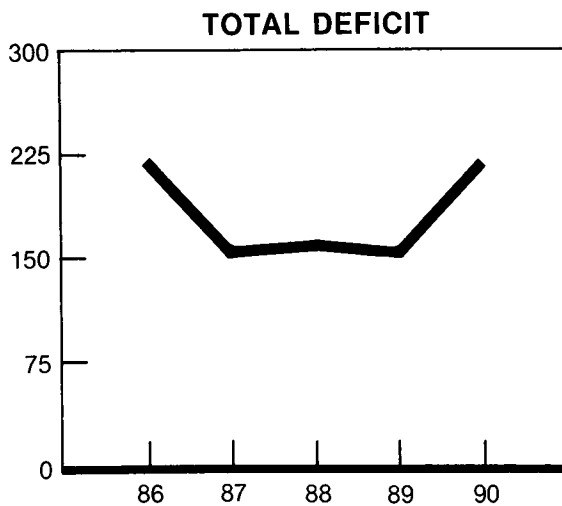
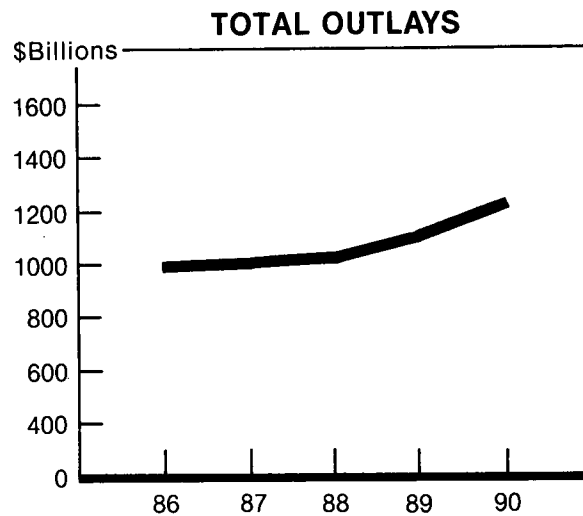
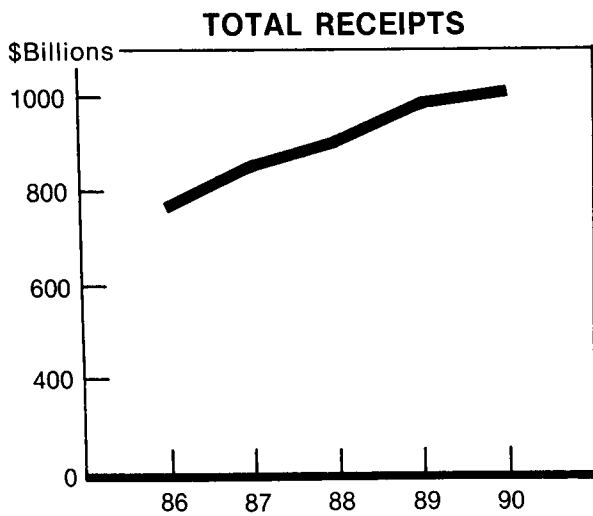
Five-Year Summary of Financial Highlights

(In Millions)

This financial statement is confined to showing only those financial highlights of the United States Government which are directly related to the cash operations of the Department of the Treasury and the rest of the Federal Government.

	FY 1990	FY 1989	FY 1988	FY 1987	FY 1986
Total Receipts	\$1,031,462	\$ 990,701 ^r	\$ 908,166 ^r	\$ 854,143	\$ 769,091
Total Outlays	1,251,850	1,144,020 ^r	1,063,318 ^r	1,003,804 ^r	990,231 ^r
Total Deficit	220,388	153,319 ^r	155,151 ^r	149,661 ^r	221,140 ^r
Total Assets	70,415	68,827 ^r	73,038	66,525 ^r	75,621
Total Borrowing from the Public	2,410,355	2,190,264 ^r	2,049,998 ^r	1,897,761 ^r	1,746,044 ^r
Excess of Liabilities Over Assets	\$2,408,750	\$2,188,926 ^r	\$2,036,266 ^r	\$1,882,263 ^r	\$1,733,270 ^r

r—revised



Financial Statements

- *Balance Sheet*
 - *Statement of Operations*
 - *Statement of Sources and
Applications of Funds*
-

Balance Sheet

This financial statement is confined to showing only those assets and liabilities of the United States Government which are directly related to the cash operations of the Department of the Treasury and the rest of the Federal Government.

	September 30, 1990	September 30, 1989
	(in millions)	
ASSETS		
Cash and Monetary Assets:		
U.S. Treasury Operating Cash:		
Federal Reserve Account	\$ 7,638	\$ 13,452
Tax and Loan Note Accounts	32,517	27,521
Special Drawing Rights	10,666	9,487
Less: Special Drawing Rights Certificates		
Issued to Federal Reserve Banks	8,518	8,518
Monetary Assets with International Monetary	8,883	8,785
Other Cash and Monetary Assets:		
U.S. Treasury Monetary Assets	1,572	1,495
Cash and Other Assets held Outside the Treasury		
Account	8,079	8,101
Time Deposits Supported by 2% Depository Bonds	2	2
Total Cash and Monetary Assets	60,839	60,249 ^r
Miscellaneous Asset Accounts	9,576	8,578 ^r
TOTAL ASSETS	70,415	68,827^r
EXCESS OF LIABILITIES OVER ASSETS		
Excess of Liabilities Over Assets at Beginning of Fiscal Year	2,188,926	2,036,273
Add: Total Deficit for Fiscal Year	220,388	153,319 ^r
Subtotal	2,409,314	2,189,593
Deduct: Other Transactions not Applied to Surplus or Deficit	564	667
Excess of Liabilities Over Assets at Close of Fiscal Year	2,408,750	2,188,925
TOTAL ASSETS AND EXCESS OF LIABILITIES OVER ASSETS	2,479,165	2,257,753^r
LIABILITIES		
Borrowing from the Public:		
Public Debt Securities Outstanding	3,233,313	2,857,431
Agency Securities Outstanding	32,758	25,480 ^r
Total Federal Securities Outstanding	3,266,073	2,882,912 ^r
Deduct: Federal Securities held by Government Accounts	795,907	677,199 ^r
Total Borrowing from the Public	2,470,166	2,205,713 ^r
Premium and Discount on Public Debt Securities	59,811	15,448
Total Borrowing less Premium and Discount	2,410,355	2,190,264 ^r
Accrued Interest Payable to the Public	43,799	40,747
Special Drawing Rights Allocated by International Monetary Fund	6,823	6,270
Deposit Fund Liabilities	8,306	9,249 ^r
Miscellaneous Liability Accounts (Checks Outstanding, Etc.)	9,882	11,223 ^r
TOTAL LIABILITIES	\$2,479,165	\$2,257,753^r
Details may not add to totals due to rounding.		
r—revised		

Statement of Operations

(in Millions)

	Fiscal Year 1990	Fiscal Year 1989
RECEIPTS		
Individual Income Taxes	\$ 466,884	\$ 445,690
Corporation Income Taxes	93,507	103,291
Social Insurance Taxes and Contributions:		
Employment taxes and contributions (off-budget)	281,656	263,666
Employment taxes and contributions (on-budget)	72,235	69,193
Unemployment Insurance	21,635	22,011
Other retirement contributions	4,522	4,546
Excise Taxes	35,345	34,386
Estate and Gift Taxes	11,500	8,745
Customs Duties	16,707	16,334
Miscellaneous Receipts	27,470	22,839 ^r
Total Receipts	1,031,462	990,701
OUTLAYS		
Legislative Branch	2,233	2,095 ^r
The Judiciary	1,641	1,492 ^r
Executive Office of the President	157	124
Funds Appropriated to the President	10,087	4,257 ^r
Agriculture	46,012	48,316 ^r
Commerce	3,734	2,571
Defense—Military	289,755	294,881 ^r
Defense—Civil	24,975	23,450 ^r
Education	23,109	21,608
Energy	12,028	11,387
Health and Human Services, except Social Security	193,679	172,301
Health and Human Services, Social Security	244,998	227,473
Housing and Urban Development	20,167	19,680
Interior	5,794	5,308
Justice	6,739	6,232
Labor	25,316	22,657
State	3,979	3,722
Transportation	28,637	26,607 ^r
Treasury	255,268	230,566 ^r
Veteran Affairs	28,998	30,041
Environmental Protection Agency	5,106	4,906
General Services Administration	- 122	- 462
National Aeronautics and Space Administration	12,429	11,036
Office of Personnel Management	31,949	29,073
Small Business Administration	692	85 ^r
Independent Agencies	73,514	33,770 ^r
Undistributed offsetting receipts	-99,025	- 89,155
Total Outlays	1,251,850	1,144,020^r
Total Deficit	- 220,388	- 153,319^r
OTHER TRANSACTIONS NOT APPLIED TO CURRENT YEAR'S SURPLUS OR DEFICIT		
Seigniorage (Gain on coin Production)	- 547	- 594
Profit on Sale of Gold	- 5	- 15
Proceeds from sale of loan assets	—	- 24
Net gain (-)/loss for IMF loan valuation adjustment	- 12	- 34
Total Other Transactions not Applied to Current Year's Surplus or Deficit	\$ - 564	\$ - 667
Details may not add to totals due to rounding.		
r—revised		

Statement of Sources and Applications of Funds

(in Millions)

	Fiscal Year 1990	Fiscal Year 1989
SOURCES		
Increases in Liabilities:		
Borrowing from the Public	\$264,453	\$141,806 ^r
Premium and Discount on public debt securities	- 44,362	- 1,546
Accrued Interest Payable to the Public	3,052	6,680
Deposit Fund Liabilities	- 943	788 ^r
Miscellaneous Liabilities (Checks Outstanding Etc.)	- 1,341	855 ^r
Special Drawing Rights Allocated by International Monetary Fund	552	- 52
Decreases in Assets:		
Other Cash and Monetary Assets:		
Other U.S. Treasury Monetary Assets	—	—
Cash and Other Assets held Outside the Treasury Account	- 131	792 ^r
Special Drawing Rights (SDRs)	- 1,179	- 413
Less: SDR Certificates Issued to Federal Reserve Banks	—	3,500
Net Change, SDRs	- 1,179	3,087
Other Transactions not Applied to Surplus or Deficit	564	667
Total Sources	220,665	153,077 ^r
APPLICATIONS		
Deficits	220,388	153,319 ^r
Increases in Assets		
U.S. Treasury Operating Cash:		
Federal Reserve Account	- 5,814	428
Tax and Loan Note Accounts	4,996	- 3,854
Other Cash and Monetary Assets:		
Other U.S. Treasury Monetary Assets	—	—
Cash and Other Assets held Outside the Treasury Account	—	—
Special Drawing Rights (SDRs)	—	—
Less: SDR Certificates Issued to Federal Reserve Banks	—	—
Net Change, SDRs	—	—
Funds Available with International Monetary Fund	172	- 636
Loans to International Monetary Fund	- 74	- 214
Miscellaneous Assets	998	4,032 ^r
Total Applications	\$220,665	\$153,077 ^r
Details may not add to totals due to rounding.		
r—revised		

*Notes to the
Financial Statements*

Notes to the Financial Statements

1. *Description of Accounts Related to Cash Operations*

The classes of accounts maintained in connection with the cash operations of the Government include:

- The accounts of fiscal officers or agents who receive money for deposit in the U.S. Treasury or for other authorized disposition or who make expenditures by drawing checks on the Treasury;
- The accounts of administrative agencies which classify receipt and outlay transactions according to the individual receipt, appropriation or fund account; and
- The accounts of the Treasury of the United States which office is responsible for the receipt and custody of money deposited by fiscal officers or agents.

A set of central accounts is maintained by the Financial Management Service for the purpose of consolidating financial data reported periodically from these three sources in order to permit the results of cash operations in central financial reports, for the Government as a whole and as a means of internal control.

The central accounts relating to cash operations disclose monthly and fiscal year information on:

- The Government's receipts by principal sources, and its outlays according to the different appropriations and other funds involved; and
- The cash transactions, classified by type, together with certain directly related assets and liabilities which underlie such receipts and outlays.

Accounting for receipts is on the basis of collections; refund of receipts are treated as deductions from gross receipts. Accounting for outlays is on the basis of checks issued and cash payments made (cash basis); revolving and management fund receipts, reimbursements of monies previously expended are treated as deductions from gross outlays. The interest on the public debt, public issues, is recognized on the accrual basis however, the interest on special issues is on the cash basis. The structure of the accounts provides for a reconciliation, on a firm accounting basis, between the published reports of receipts and outlays for the Government as a whole and changes in the Treasury cash balance by means of such factors as checks outstanding, deposits in transit, and cash held outside the Treasury. Within the central accounts, receipts and outlay accounts are classified as:

- General fund receipt accounts;
- Special fund receipt accounts;
- General fund expenditure accounts;
- Special fund expenditure accounts;
- Revolving fund accounts;
- Consolidated working fund accounts;
- Management fund accounts;
- Trust fund accounts; and
- Transfer appropriation accounts.

These accounts are described in detail in the Annual Report Appendix.

2. U.S. Treasury Operating Cash

Major sources of information used by the Financial Management Service (FMS) to determine Treasury's operating cash include the Daily Balance Wires from the Federal Reserve Banks, reporting from the Bureau of the Public Debt, electronic funds transfers and reconciling wires from Internal Revenue Service Centers. Operating cash is presented on a modified cash basis: deposits are reflected as received; and withdrawals are reflected as processed.

3. Special Drawing Rights (SDRs)

The Special Drawing Rights Act of 1968 and the Bretton Woods Agreements Act of 1945 authorize the United States to participate in the Special Drawing Rights Department of the International Monetary Fund and accept the resulting financial obligations in the Fund. The Special Drawing Rights Act provides the permanent authority for the United States to meet its financing requirements in connection with the acquisition and use of SDRs (which is the unit of account for Fund transactions), by the issuance of SDR certificates to Federal Reserve Banks.

4. Miscellaneous Asset Accounts

Included in miscellaneous assets are gold assets and their related certificates in the following amounts:

	FY 1990	FY 1989
Gold assets	\$11,063 million	\$11,065 million
Liabilities (certificates)	\$11,063 million	\$11,065 million

5. Other Transactions not Applied to Surplus or Deficit

Seigniorage is the difference between the value of coins as money and their cost of production. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a deficit or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in a year with a surplus.

Profit resulting from the sale of gold as a monetary asset is treated like seigniorage, since the value of gold is determined by its value as a monetary asset rather than as a commodity.

6. Federal Securities Outstanding

These consist of public debt and agency debt and include all public and agency debt issues outstanding.

- **Public Debt**—That portion of the Federal debt incurred when the Treasury or the Federal Financing Bank (FFB) borrows funds directly from the public or another fund or account. To avoid double counting, FFB borrowing from the Treasury is not included in the public debt. (The Treasury borrowing required to obtain the money to lend to the FFB is already part of the public debt.)
- **Agency Debt**—That portion of the Federal debt incurred when a Federal agency, other than the Treasury or the Federal Financing Bank, is authorized by law to borrow funds directly from the public or another fund or account. To avoid double counting, agency borrowing from Treasury or the FFB and Federal fund advances to trust funds are not included in the Federal debt. (The Treasury or FFB borrowing required to obtain the money to lend to the agency is already part of the public debt.)

7. *Deposit Fund Liabilities*

These include certain accounts established to record amounts either (a) held in suspense temporarily and later refunded or paid upon administrative or legal determination as to proper disposition thereof, or (b) held by the Government as agent for others (for example, State and local income taxes withheld from Federal employees' salaries and payroll deductions for the purchase of savings bonds by civilian employees of the Government).

8. *Undistributed Offsetting Receipts*

These receipts are composed of the following types of payments:

- Payments to trust funds by Government agencies for their employees' retirement;
- Interest paid to trust funds on their investments in Government securities; and
- Proprietary receipts from rent royalties on the Outer Continental Shelf lands.

Undistributed offsetting receipts are not deducted from outlays at the function, subfunction and agency levels. However, they are deducted from the budget totals.

9. Where applicable, prior year amounts have been revised to reflect realignment to the current Budget of the U.S. Government.

Principal Administrative and Staff Officers of the Treasury

Secretary of the Treasury	Nicholas F. Brady
Deputy Secretary of the Treasury	John E. Robson
Under Secretary for International Affairs	David C. Mulford
Under Secretary for Finance	Robert R. Glauber
Assistant Secretary for Domestic Finance	Jerome H. Powell
Assistant Secretary for Economic Policy	Sidney L. Jones
Assistant Secretary for Enforcement	Peter K. Nunez
Fiscal Assistant Secretary	Gerald Murphy
General Counsel	Jeanne S. Archibald
Inspector General	Donald E. Kirkendall
Assistant Secretary for International Affairs	Charles H. Dallara
Assistant Secretary for Legislative Affairs	Bryce L. Harlow
Assistant Secretary for Management	Linda M. Combs
Assistant Secretary for Public Affairs and Public Liaison	Roger Bolton
Assistant Secretary for Tax Policy	Kenneth W. Gideon
Treasurer of the United States	Catalina Vasquez Villalpando
Comptroller of the Currency	Robert L. Clarke
Commissioner of Financial Management Service	William E. Douglas
Commissioner of Internal Revenue	Fred T. Goldberg
Commissioner of the Bureau of the Public Debt	Richard L. Gregg

ANNUAL REPORT APPENDIX
ORDER FORM

Detail pertaining to the information presented in this publication is contained in the U.S. Government Annual Report Appendix. The Appendix contains Summary General Ledger Account Balances, Details of Receipts and Details of Appropriations, Outlays, and Balances.

For a copy of the Appendix, mail this order form to:

Financial Management Service
Financial Reporting Division
Budget Reports Branch
Liberty Center
Attn: UCP, Room 749
401 14th Street, S.W.
Washington, D.C. 20227

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