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DEPT. OF THE TREASURY

UNITED STATES
GOVERNMENT

A **ANNUAL**
R **REPORT**

FISCAL YEAR 1994



Compiled and Published by

Department of the Treasury
Financial Management Service *fms*

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GOVERNMENT

A **NNUAL**
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FISCAL YEAR 1994

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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 of 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 the Government's financial manager 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 of 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 the 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 Reports Management 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 of 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 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. 351(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," the "Monthly Treasury Statement of Receipts and Outlays of the United States Government," and the "Treasury Bulletin."



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

December 23, 1994

SECRETARY OF THE TREASURY

**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, 1994.

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 \$1,257.5 billion, an increase of \$104.2 billion over 1993 receipts; total outlays of \$1,461.1 billion, an increase of \$52.5 billion over 1993 outlays; and a \$203.6 billion deficit, a decrease of \$51.7 billion from the 1993 deficit.

Sincerely,

Frank N. Newman
(Acting) Secretary

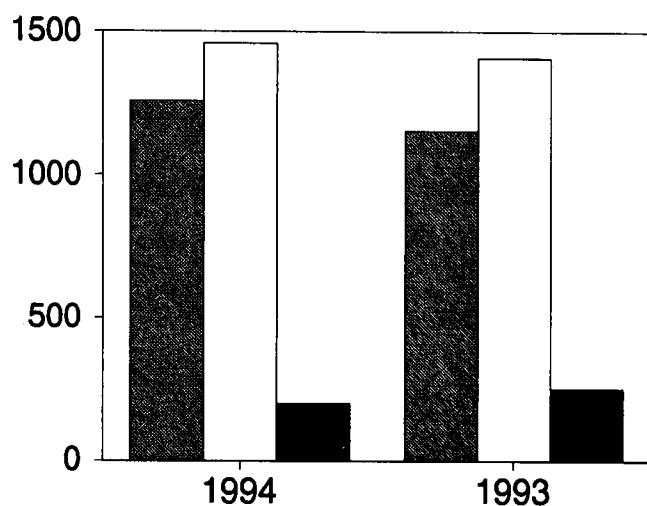
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FINANCIAL HIGHLIGHTS

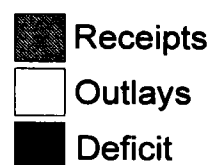
FINANCIAL HIGHLIGHTS

This report shows only those financial highlights of the U.S. Government that are directly related to the cash operations of the Department of the Treasury and

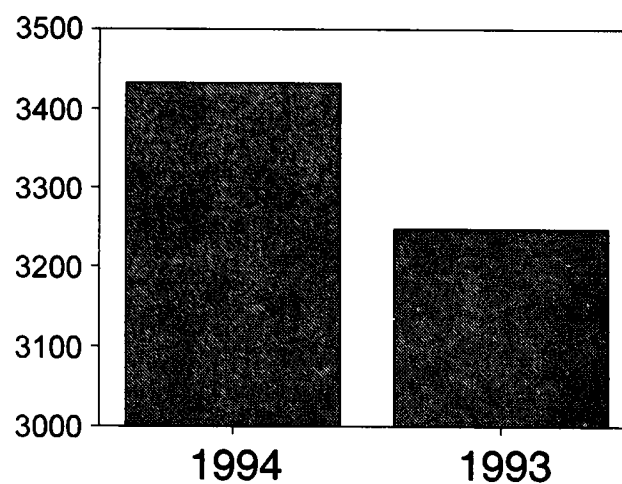
of the rest of the Federal Government. All figures and graphs are in billions of dollars.



Total Receipts, Outlays, and Deficit



Total Borrowing from the Public



	Fiscal 1994	Fiscal 1993	Percent change
Total receipts.....	1,257.453	1,153.226 r	9.0
Total outlays.....	1,461.067	1,408.532 r	3.7
Total deficit.....	203.615	255.306 r	-20.2
Total assets.....	72.915	88.109 r	-17.2
Total borrowing from the public....	3,432.575	3,247.354 r	5.7
Excess of liabilities over assets ...	3,422.391	3,219.491 r	6.3

r = revised

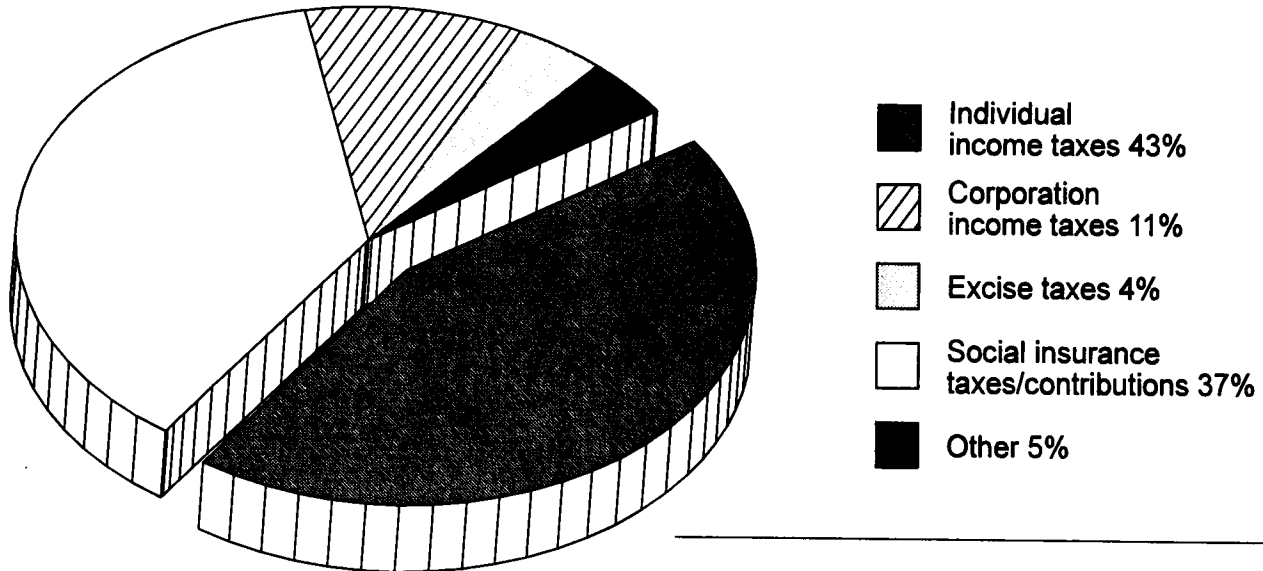
FINANCIAL REVIEW

- 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 \$1,257.5 billion in fiscal 1994, an increase of \$104.0 billion from fiscal 1993.

The percentage distribution of 1994 receipts by source category is graphically depicted below.



Major changes in the amount of receipts by source category are described below. The table that follows shows the amount of receipts for fiscal 1994 and 1993 by source category, and the amount and percentage change from fiscal 1993.

- **Individual income taxes** were \$543.1 billion in fiscal 1994, an increase of \$33.4 billion or 6.5 percent.
- **Corporation income taxes** were \$140.4 billion, an increase of \$22.9 billion from fiscal 1993 to fiscal 1994.
- Receipts from the three major forms of **social insurance taxes and contributions** increased from \$428.3 billion in fiscal 1993 to \$461.5 billion in fiscal 1994, an increase of \$33.2 billion or 7.7 percent.
 - **Employment taxes and contributions** receipts from this source totaled \$428.8 billion, a change of \$31.9 billion or 8.0 percent over the prior year.
 - **Unemployment insurance** receipts were \$28.0 billion in fiscal 1994, an increase from fiscal 1993 of \$1.4 billion or 5.5 percent.
 - **Other retirement contributions** receipts decreased by \$144.0 million to a total of \$4.7 billion in fiscal 1994.
- **Excise tax** receipts in fiscal 1994 were \$55.2 billion, an increase of \$7.1 billion from the prior year.
- **Other receipts**, including estate and gift taxes, customs duties, and miscellaneous receipts, increased from \$49.7 billion in fiscal 1993 to \$57.3 billion in fiscal 1994. A discussion of the level of the receipts for each of the components of this category is presented below.
 - **Estate and gift tax** receipts increased by \$2.6 billion in fiscal 1994 to \$15.2 billion.
 - **Customs duties** increased by \$1.3 billion in fiscal 1994 to \$20.1 billion.
 - **Miscellaneous receipts** totaled \$22.0 billion in fiscal 1994, an increase of \$3.7 billion over the fiscal 1993 level.

RECEIPTS BY SOURCE CATEGORY

IN MILLIONS OF DOLLARS

	Fiscal 1994	Fiscal 1993	Change from 1993	Percentage change
Individual income taxes	543,055	509,680	33,375	6.5
Corporate income taxes	140,385	117,520	22,865	19.5
Total income taxes	683,439	627,200	56,239	9.0
Social insurance taxes and contributions:				
Employment taxes and contributions	428,810	396,939	31,871	8.0
Unemployment insurance	28,004	26,556	1,448	5.5
Other retirement contributions	4,661	4,805	-144	-3.0
Total social insurance taxes and contributions	461,475	428,300	33,175	7.7
Excise taxes	55,225	48,057	7,168	14.9
Other:				
Estate and gift taxes	15,225	12,577	2,648	21.1
Customs duties	20,099	18,802	1,297	6.9
Miscellaneous receipts	21,990	18,290 r	3,700	20.2
Total other	57,313	49,669 r	7,644	15.4
Total receipts	1,257,453	1,153,226 r	104,227	9.0

Details may not add to totals due to rounding.
r = revised

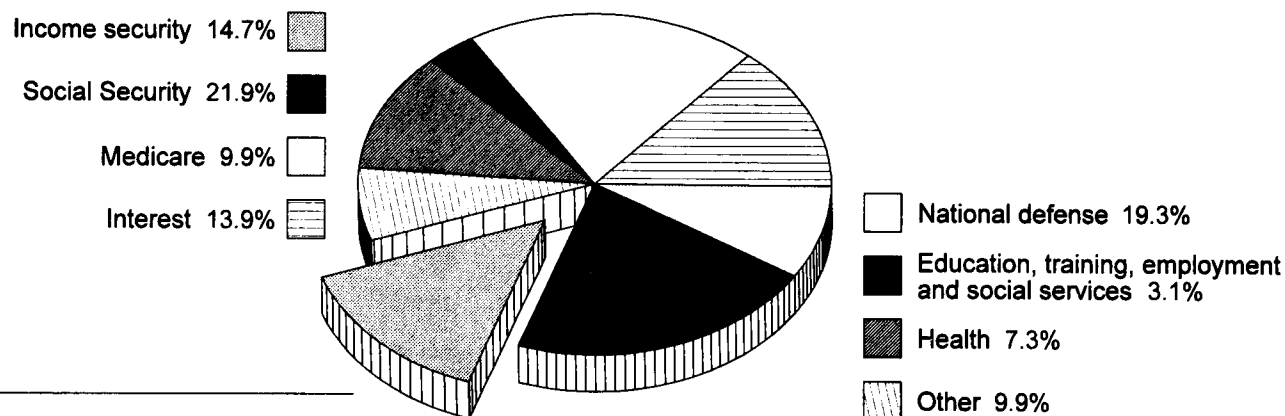
OUTLAYS BY FUNCTION

Outlays are liquidations of the Government's obligation through the issuance of checks or disbursement of cash. Total outlays were \$1,461.1 billion in fiscal 1994, an increase of \$52.0 billion or 3.7 percent over the amount of the preceding fiscal year. Shown below is the percentage distribution of fiscal 1994 outlays among the seven largest categories included in 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 ana-

lyzing and understanding the budget. Three additional categories--interest, allowances and undistributed off-setting 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 fiscal 1994 were \$1,461.1 billion compared with \$1,408.5 billion in fiscal 1993. The percentage distribution of outlays among the seven largest functional classifications is shown graphically below.



The table that follows shows fiscal 1994 and fiscal 1993 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 fiscal 1994 decreased by \$9.6 billion to \$281.5 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 \$106.8 billion in fiscal 1994 an increase of \$7.2 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 \$319.6 billion for fiscal 1994, an increase of 4.9 percent or \$15.0 billion over the fiscal 1993 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 \$144.7 billion in fiscal 1994, an increase of 10.9 percent or \$14.2 billion over the fiscal 1993 outlays.
- **Income security**—Income security benefits are paid to the aged, the disabled, the unemployed and low income families. Outlays for these benefits were \$214.2 billion in fiscal 1994 an increase of 3.3 percent or \$6.9 billion from the fiscal 1993 level. Included within this classification are pro-

grams such as general retirement and disability, public assistance and unemployment compensation.

- **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

fiscal 1994 to \$203.0 billion, a 2.1 percent increase over the prior fiscal year.

- **Education, training, employment and social services**—These programs provide assistance for the development and learning of skills for opportunities and job placement. The outlays for this function were \$44.7 billion for fiscal 1994, a decrease of \$10.6 or \$5.3 billion over fiscal 1993 outlays.

OUTLAYS BY FUNCTION

IN MILLIONS OF DOLLARS

	Fiscal 1994	Fiscal 1993	Change from 1993	Percentage change
National defense	281,465	291,086 r	-9,621	-3.3
International affairs	17,097	16,826 r	271	1.6
General science, space, and technology	17,602	17,030 r	572	3.4
Energy	5,398	4,467 r	931	20.9
National resources and environment	20,914	20,239 r	675	3.3
Agriculture	15,223	20,443 r	-5,220	-25.5
Commerce and housing credit	-4,773	-22,725 r	17,952	-79.0
Transportation	36,772	35,004 r	1,768	5.0
Community and regional development	11,877	9,071 r	2,806	30.9
Education, training, employment, and social services ..	44,730	50,012 r	-5,282	-10.6
Health	106,812	99,576 r	7,236	7.3
Medicare	144,747	130,552	14,195	10.9
Income security	214,184	207,257 r	6,927	3.3
Social Security	319,565	304,585	14,980	4.9
Veterans benefits and services	37,642	35,720 r	1,922	5.4
Administration of justice	15,283	14,955 r	328	2.2
General Government	11,342	13,009 r	-1,667	-12.8
Interest	202,957	198,811 r	4,146	2.1
Undistributed offsetting receipts	-37,772	-37,386	-386	-1.0
Total outlays	<u>1,461,067</u>	<u>1,408,532 r</u>	<u>52,535</u>	<u>3.7</u>

Details may not add to totals due to rounding.

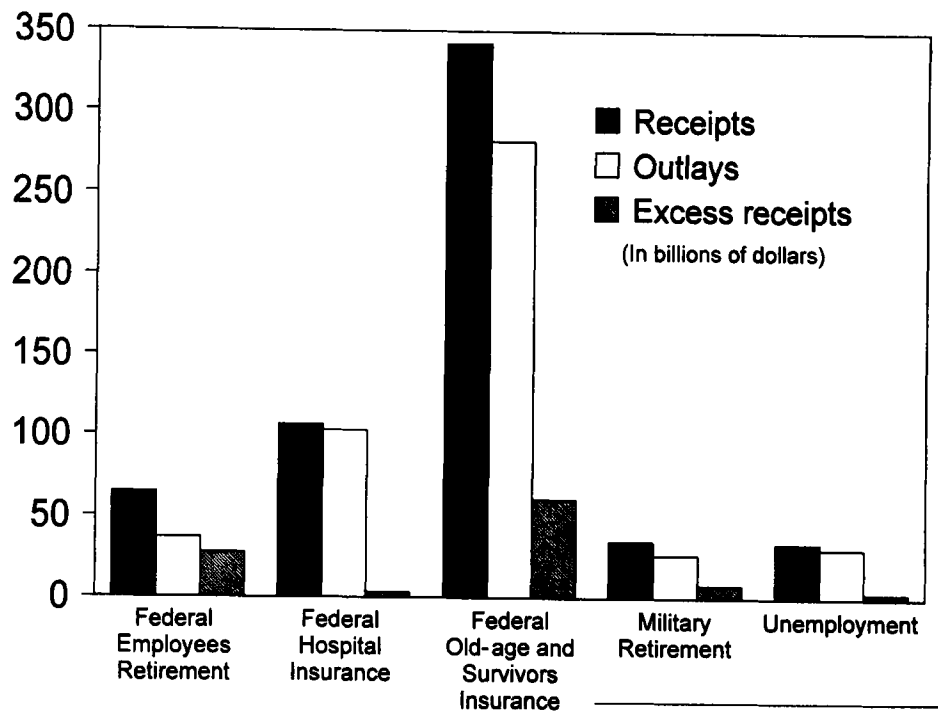
r = revised

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 Fund, Military Retirement Fund, and Unemployment Trust Fund accumulated excess receipts in fiscal 1994. The chart presented below summarizes the operations of the major trust funds in fiscal 1994.

Trust Fund Receipt and Outlay Summary, Fiscal 1994



The table on the following page summarizes trust fund operations in fiscal 1994 and fiscal 1993 and the dollar change between these 2 fiscal years. Presented below is a description of the receipts and outlays of the major trust funds for fiscal 1994.

- Federal Employees Retirement Fund**—In fiscal 1994, the receipts of the Federal Employees Retirement Fund were \$64.5 billion. The fund's outlays were \$36.8 billion for an excess of receipts over outlays of \$27.7 billion.
- Federal Hospital Insurance Fund**—In fiscal 1994, Federal Hospital Insurance Fund receipts were \$106.2 billion while outlays totaled \$102.8 billion for an excess of receipts over outlays of \$3.4 billion.
- Federal Old-age and Survivors Insurance Fund**—In fiscal 1994, receipts in this fund were \$342.3 billion and outlays were \$281.6 billion. The excess of receipts over outlays amounted to \$60.7 billion.
- Military Retirement Fund**—In fiscal 1994, the Military Retirement Fund accumulated \$34.9 billion in receipts and \$26.7 billion in outlays for an excess of receipts over outlays of \$8.1 billion.
- Unemployment Trust Fund**—The fiscal 1994 receipts of the Unemployment Trust Fund were \$33.8 billion and outlays were \$30.5 billion for an excess of receipts over outlays of \$3.4 billion.

TRUST FUND RECEIPT AND OUTLAY SUMMARY

IN MILLIONS OF DOLLARS

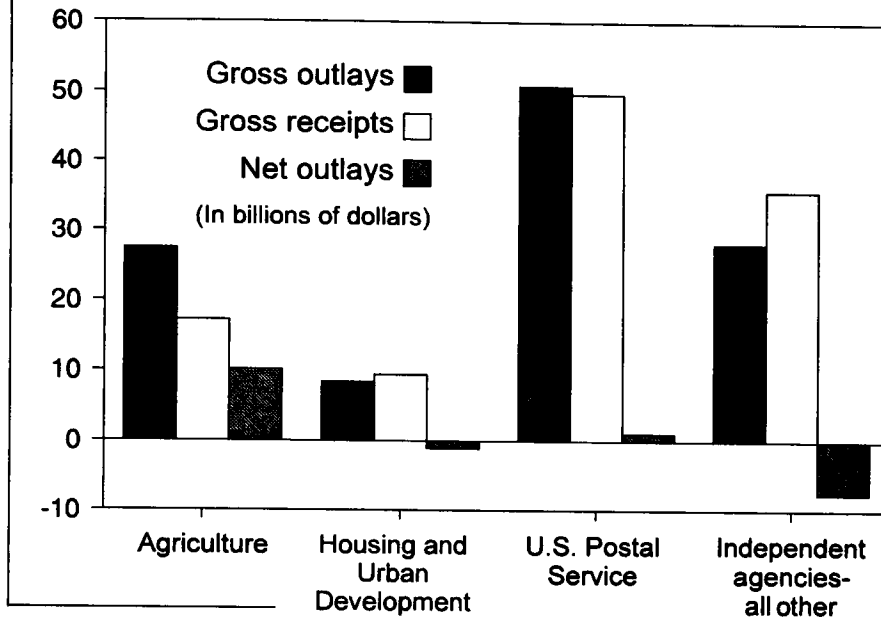
Trust fund	Fiscal 1994			Fiscal 1993			Change		
	Receipts	Outlays	Excess	Receipts	Outlays	Excess	Receipts	Outlays	Excess
Airport	6,027	6,423	-396	4,302	6,589	-2,288	1,725	-167	1,892
Black lung disability ...	985	987	-3	979	978	2	5	10	-4
Federal disability insurance.....	34,049	37,984	-3,935	32,065	34,641	-2,576	1,984	3,343	-1,359
Federal employees life and health	-	-1,440	1,440	-	-1,639	1,639	-	199	-199
Federal employees retirement	64,548	36,810	27,738	63,301	35,329	27,972	1,247	1,481	-234
Federal hospital insurance.....	106,195	102,770	3,425	95,297	91,604	3,693	10,898	11,166	-268
Federal old-age and survivors insurance ..	342,278	281,586	60,691	319,325	269,960	49,364	22,953	11,626	11,327
Federal supplementary medical insurance ..	57,367	59,724	-2,357	60,799	54,254	6,545	-3,431	5,470	-8,902
Highway	18,106	22,378	-4,272	19,599	18,577 r	1,022 r	-1,493	3,801	-5,294
Military advances	13,036	13,221	-185	13,239	13,162	78	-204	59	-263
Railroad retirement	8,091	7,800	292	8,001	7,677	325	90	123	-33
Military retirement.....	34,860	26,717	8,142	35,284	25,708	9,576	-424	1,010	-1,434
Unemployment	33,816	30,458	3,358	42,235	39,869	2,365	-8,418	-9,411	993
Veterans life insurance.	1,427	1,195	232	1,490	1,092	399	-63	103	-166
All other trust funds ...	5,438	4,311	1,127	6,944 r	4,051 r	2,893	-1,506	260	-1,766
Total trust fund receipts and outlays	726,222	630,924	95,298	702,859 r	601,851 r	101,008 r	23,363	29,073	-5,709
Total Federal fund receipts and outlays	771,202	1,070,115	-298,913	700,566 r	1,056,880 r	-356,313 r	70,636	13,235	57,401

Details may not add to totals due to rounding.
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 Congress. The chart below summarizes fiscal 1994 receipt and outlay activity for the departments of the Government with the largest revolving fund operations.



Revolving Fund Activity by Department, Fiscal 1994

Below is a summary of receipts and outlays of the major revolving funds. The table on page 18 shows revolving fund activity by department for fiscal 1994.

- **Department of Agriculture**—In fiscal 1994, gross outlays of revolving funds operated by the Department of Agriculture totaled \$27.5 billion and gross receipts totaled \$17.2 billion. Net outlays were \$10.2 billion.
- **Department of Housing and Urban Development**—In fiscal 1994, the gross outlays of revolving funds of this department totaled \$8.4 billion,

while gross receipts were \$9.4 billion. Net revolving fund outlays in fiscal 1994 were -\$1.1 billion.

- **U.S. Postal Service**—In fiscal 1994, revolving funds of the U.S. Postal Service generated \$50.9 billion in gross outlays, \$49.8 billion in gross receipts, and net outlays of \$1.1 billion.
- **Independent agencies-all other**—The net outlays of revolving funds maintained by these agencies amounted to -\$7.6 billion in fiscal 1994. This total consisted of \$28.1 billion in gross outlays and \$35.8 billion in gross receipts.

REVOLVING FUND ACTIVITY BY DEPARTMENT

IN MILLIONS OF DOLLARS

	Fiscal 1994 gross outlays	Fiscal 1994 gross receipts	Fiscal 1994 net outlays	Fiscal 1993 net outlays	Difference
Legislative branch.....	23	25	-2	*	-2
The Judiciary.....	-	-	-	-	-
Executive Office of the President.....	-	-	-	-	-
Funds Appropriated to the President.....	1,249	1,261	-12	173	-185
Departments:					
Agriculture.....	27,461	17,221	10,240	14,931	-4,691
Commerce.....	69	65	4	-49	53
Defense, Military.....	107	39	67	32 r	35
Defense, Civil.....	-	-	-	-	-
Education.....	3	43	-40	-42	2
Energy.....	1,728	1,550	178	631	-453
Health and Human Services, except Social Security.....	22	4	18	32	-14
Health and Human Services, Social Security.....	-	-	-	-	-
Housing and Urban Development.....	8,358	9,416	-1,057	256 r	-1,313
Interior.....	356	198	158	171	-13
Justice.....	-	-	-	-	-
Labor.....	1,129	1,514	-385	-1,508	1,123
State.....	-	-	-	-	-
Transportation.....	209	395	-186	-39	-147
Treasury.....	-1,141	177	-1,318	-1,366 r	49
Veterans Affairs.....	1,822	1,698	124	271	-147
Environmental Protection Agency.....	9	3	6	9	-4
General Services Administration.....	-	-	-	-	-
National Aeronautics and Space Administration.....	-	-	-	-	-
Office of Personnel Management.....	-	-	-	-	-
Small Business Administration.....	192	691	-499	-317	-182
Independent agencies:					
Export-Import Bank.....	839	1,853	-1,014	-958 r	-56
U.S. Postal Service.....	50,896	49,793	1,103	1,441 r	-338
Tennessee Valley Authority.....	9,572	8,362	1,210	1,629	-419
All other.....	28,112	35,750	-7,639	-30,256 r	22,617
Total revolving fund receipts and outlays.....	131,015	130,059	956	-14,958 r	15,914

Details may not add to totals due to rounding.

r = revised

* Less than \$500,000.

APPROPRIATIONS, OUTLAYS, AND BALANCES BY DEPARTMENT

IN MILLIONS OF DOLLARS

	Unobligated balances beginning of fiscal year	Appropriated and other obligational authority	Transfers, borrowings, and investments	Outlays	Balances withdrawn and other transactions	Unobligated balances end of fiscal year
Legislative branch.....	1,309	2,605	-	2,561	11	1,316
The Judiciary.....	335	2,832	-	2,659	173	467
Executive Office of the President.....	16	232	-	229	3	27
Funds Appropriated to the President.....	29,296	23,319	-298	10,511	12,510	28,239
Departments:						
Agriculture.....	16,638	119,354	-41,596	60,753	17,006	23,577
Commerce.....	893	3,790	-	2,915	875	1,056
Defense.....	177,213	288,211	-49	299,042	-10,880	172,778
Education.....	4,686	31,430	-4,845	24,699	1,886	4,671
Energy.....	8,776	17,667	-108	17,840	-280	8,908
Health and Human Services, except Social Security.....	149,750	330,770	-21	310,837	19,912	156,892
Health and Human Services, Social Security.....	338,602	370,638	-	313,881	56,757	394,093
Housing and Urban Development.....	33,387	25,934	-652	25,845	-563	35,127
Interior.....	4,420	7,559	-1	6,923	635	4,683
Justice.....	3,297	10,277	-	10,005	273	2,488
Labor.....	44,389	41,665	-	37,130	4,535	48,433
State.....	7,659	6,417	-	5,718	699	8,135
Transportation.....	43,450	38,226	-2	37,229	994	41,138
Treasury.....	17,472	309,311	-	307,577	1,735	18,687
Veterans Affairs.....	16,612	37,675	-	37,401	274	17,502
Environmental Protection Agency.....	7,251	7,115	-	5,855	1,259	8,940
General Services Administration.....	4,639	379	-64	334	-19	4,253
National Aeronautics and Space Administration.....	1,456	14,570	-	13,694	875	1,936
Office of Personnel Management	335,938	67,389	-	38,596	28,793	365,360
Small Business Administration..	1,009	1,374	-89	779	599	949
Independent agencies.....	50,965	35,198	-9,732	11,525	15,620	62,638
Total.....	1,299,460	1,793,937	-57,457	1,584,537	153,682	1,412,295

Details may not add to totals due to rounding.

r = revised

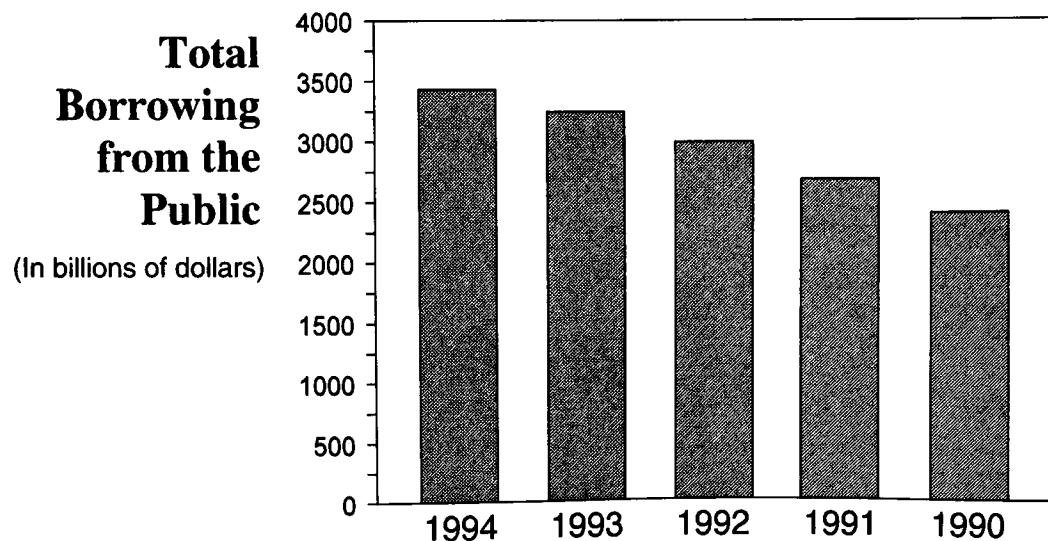
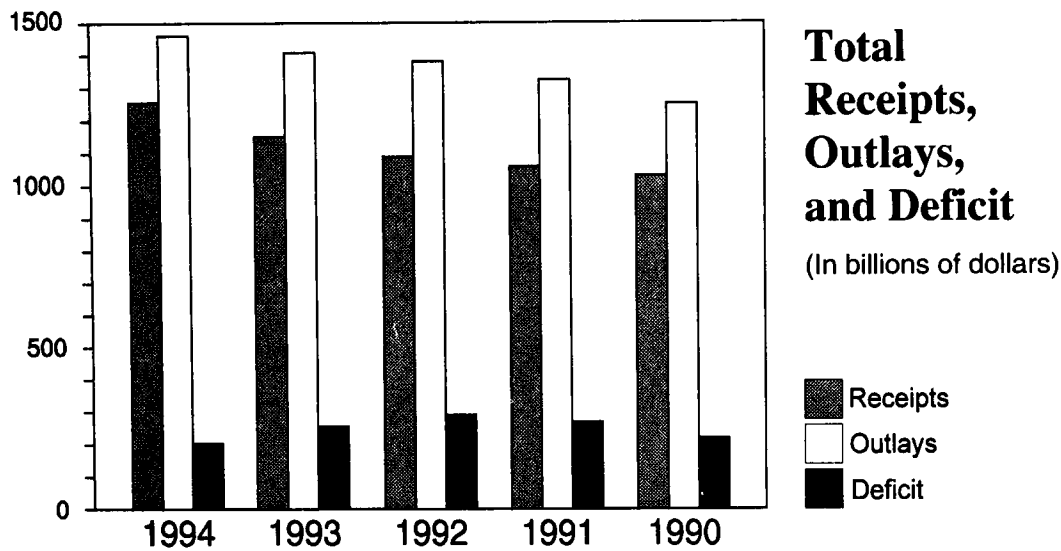
FIVE-YEAR SUMMARY OF FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS

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

	Fiscal 1994	Fiscal 1993	Fiscal 1992	Fiscal 1991	Fiscal 1990
Total receipts.....	1,257,453	1,153,226 r	1,090,453	1,054,265	1,031,308
Total outlays.....	1,461,067	1,408,532 r	1,380,794	1,323,757	1,251,776
Total deficit.....	203,615	255,306 r	290,340	269,492	220,469
Total assets.....	72,915	88,109 r	94,218	74,253	70,345
Total borrowing from the public.....	3,432,575	3,247,354 r	2,998,565	2,687,832	2,410,339
Excess of liabilities over assets.....	3,422,391	3,219,491 r	2,964,341	2,674,098	2,409,658

r = revised



FINANCIAL STATEMENTS

- BALANCE SHEET
 - STATEMENT OF OPERATIONS
 - STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS
-

BALANCE SHEET

IN MILLIONS OF DOLLARS

	September 30, 1994	September 30, 1993
Assets		
Cash and monetary assets:		
U.S. Treasury operating cash:		
Federal reserve account	6,848	17,289
Tax and loan note accounts	29,094	35,217
Special drawing rights, total holdings	9,971	9,203
Less: Special drawing rights certificates issued to Federal Reserve banks	-8,018	-8,018
Monetary assets with International Monetary Fund (IMF) ..	12,069	12,103
Other cash and monetary assets:		
U.S. Treasury monetary assets	415	433
Cash and other assets held outside the Treasury account .	20,639	21,592 r
U.S. Treasury time deposits	362	384 r
Total cash and monetary assets	71,380	88,203 r
Loan financing accounts:		
Guaranteed loans	-9,806	-6,320
Direct loans	12,726	6,862
Miscellaneous asset accounts	-1,386	-636
Total assets	72,915	88,109 r
Excess of liabilities over assets		
Excess of liabilities over assets at beginning of fiscal year ..	3,219,491	2,964,535 r
Add: Total deficit for fiscal year	203,615	255,306 r
Subtotal	3,423,106	3,219,841 r
Deduct: Other transactions not applied to surplus or deficit .	715	351
Excess of liabilities over assets at close of fiscal year	3,422,391	3,219,491 r
Total assets and excess of liabilities over assets	3,495,306	3,307,600 r
Liabilities		
Borrowing from the public:		
Public debt securities outstanding	4,692,752	4,411,491 r
Premium and discount on public debt securities	-77,298	-85,025
Total public debt securities	4,615,453	4,326,466
Agency securities outstanding	28,543	24,877 r
Total Federal securities	4,643,996	4,351,343 r
Deduct: Net Federal securities held as Investments by Government accounts	1,211,421	1,103,989 r
Total borrowing from the public	3,432,575	3,247,354 r
Accrued interest payable	43,287	43,819
Special drawing rights allocated by IMF	7,189	6,950
Deposit fund liabilities	7,316	6,249 r
Miscellaneous liability accounts (checks outstanding, etc.) .	4,938	3,228 r
Total liabilities	3,495,306	3,307,600 r

Details may not add to totals due to rounding.

r = revised

STATEMENT OF OPERATIONS

IN MILLIONS OF DOLLARS

	Fiscal 1994	Fiscal 1993
Receipts		
Individual income taxes	543,055	509,680
Corporation income taxes	140,385	117,520
Social insurance taxes and contributions:		
Employment taxes and contributions (off-budget)	335,026	311,934
Employment taxes and contributions (on-budget)	93,784	85,005
Unemployment insurance	28,004	26,556
Other retirement contributions	4,661	4,805
Excise taxes	55,225	48,057
Estate and gift taxes	15,225	12,577
Custom duties	20,099	18,802
Miscellaneous receipts	21,990	18,290 r
Total receipts	1,257,453	1,153,226 r
Outlays		
Legislative branch	2,561	2,406
The Judiciary	2,659	2,628 r
Executive Office of the President	229	194
Funds appropriated to the President	10,511	11,526
Departments:		
Agriculture	60,753	63,112
Commerce	2,915	2,798
Defense, Military	268,635	278,586
Defense, Civil	30,407	29,266 r
Education	24,699	30,290
Energy	17,840	16,801
Health and Human Services, except Social Security	310,837	282,781
Health and Human Services, Social Security	313,881	298,349
Housing and Urban Development	25,845	25,181
Interior	6,923	6,720 r
Justice	10,005	10,170
Labor	37,130	44,738
State	5,718	5,385 r
Transportation	37,229	34,457
Treasury	307,577	298,802 r
Veterans Affairs	37,401	35,487
Environmental Protection Agency	5,855	5,930 r
General Service Administration	334	743
National Aeronautics and Space Administration	13,694	14,305
Office of Personnel Management	38,596	36,794
Small Business Administration	779	785
Independent agencies	11,525	-9,992 r
Undistributed offsetting receipts	-123,470	-119,711 r
Total outlays	1,461,067	1,408,532 r
Total deficit	-203,615	-255,306 r
Other transactions not applied to current year's surplus or deficit		
Seigniorage (gain on coin production)	-693	-351
Profit on sale of gold	-21	*
Total other transactions not applied to current year's surplus or deficit	-715	-351

Details may not add to totals due to rounding.

* Less than \$500,000.

r = revised

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS

IN MILLIONS OF DOLLARS

	Fiscal 1994	Fiscal 1993
Sources		
Increases in liabilities:		
Borrowing from the public	185,221	248,594 r
Special drawing rights allocated by International Monetary Fund (IMF)	240	-
Deposit fund liabilities	1,067	-
Miscellaneous liabilities (checks outstanding, etc.)	1,709	1,086 r
Decreases in assets:		
U.S. Treasury operating cash:		
Federal reserve account	10,441	7,297
Tax and loan note accounts	6,123	-
Special drawing rights (SDRs):		
Total holdings	-	2,908
Funds available with IMF	35	-
Net activity, guaranteed loan financing	3,486	4,577
Other cash and monetary assets	992	1,433 r
Miscellaneous assets	749	-
Other transactions not applied to surplus or deficit	715	351
Total sources	210,778	266,245 r
Applications		
Deficit	203,615	255,306 r
Increases in assets:		
U.S. Treasury operating cash:		
Tax and loan note accounts	-	1,014
Special drawing rights (SDRs):		
Total holdings	768	-
SDR certificates issued to Federal Reserve banks	-	2,000
Funds available with IMF	-	2,333
Net activity, direct loan financing	5,864	3,810
Miscellaneous assets	-	948
Decreases in liabilities:		
Accrued interest payable to the public	531	394
Special drawing rights allocated by IMF	-	267
Deposit fund liabilities	-	173 r
Total applications	210,778	266,245 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 that 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 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 that underlie such receipts and outlays.

Accounting for receipts is on the basis of collections; refunds 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 and reimbursements of moneys 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, receipt and outlay accounts are classified as:

- General fund receipt accounts;
- Special fund receipt accounts;
- General 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 to determine Treasury's operating cash include the Daily Balance Wires from the Federal Reserve banks, reporting from the Bureau of the Public Debt, and electronic funds transfers and reconciling wires from the 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 (SDR's)*

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 of 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 SDR's (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:

	Fiscal 1994	Fiscal 1993
Gold assets	\$11,054	\$11,057
Liabilities	\$11,054	\$11,057

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 include all public and agency issues outstanding.

- Public debt is 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 is that portion of the Federal debt incurred when a Federal agency, other than the Treasury or the FFB, 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, or agency levels. 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	VACANT
Deputy Secretary of the Treasury	Frank N. Newman
Under Secretary for International Affairs	Lawrence H. Summers
Under Secretary for Domestic Finance	VACANT
Assistant Secretary for Financial Institutions	Richard S. Carnell
Assistant Secretary for Economic Policy	Alicia H. Munnell
Assistant Secretary for Enforcement	Ronald K. Noble
Fiscal Assistant Secretary	Gerald Murphy
General Counsel	Edward Knight
Inspector General	Valerie Lau
Assistant Secretary for International Affairs	Jeffrey Shafer
Assistant Secretary for Legislative Affairs	Michael B. Levy
Assistant Secretary for Management/Chief Financial Officer	George Munoz
Assistant Secretary for Public Affairs and Public Liaison	Joan Logue-Kinder
Assistant Secretary for Tax Policy	Les Samuels
Treasurer of the United States	Mary Ellen Withrow
Comptroller of the Currency	Eugene A. Ludwig
Commissioner of Financial Management Service	Russell D. Morris
Commissioner of Internal Revenue Service	Margaret M. Richardson
Commissioner of the Bureau of the Public Debt	Richard L. Gregg

ANNUAL REPORT APPENDIX ORDER FORM

Details pertaining to the information presented in this publication are contained in the U.S. Government Annual Report Appendix. The Appendix includes details of receipts, outlays, appropriations, and balances, including summary General Ledger account balances.

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

Financial Management Service
Reports Management Division
Budget Reports Branch, Room 518D
3700 East West Highway
Hyattsville, MD 20782

Name _____

Address _____
