

Note 21. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, investment and disposition by the Government of cash or other assets in which non-federal individuals or entities have an ownership interest that the Government must uphold. Fiduciary cash and other assets are not assets of the Government and are not recognized on the consolidated Balance Sheet. Examples of the Government's fiduciary activities include the Thrift Savings Plan (TSP), which is administered by the Federal Retirement Thrift Investment Board (FRTIB), and the Indian Tribal and individual Indian Trust Funds, which are administered by the DOI.

Schedule of Fiduciary Net Assets as of September 30, 2017, and 2016

(In billions of dollars)	2017	2016
Thrift Savings Fund.....	531.5	472.1
Department of the Interior.....	5.2	5.1
All other	6.6	5.3
Total fiduciary net assets	<u>543.3</u>	<u>482.5</u>

In accordance with the requirements of SFFAS No. 31, *Accounting for Fiduciary Activities*, fiduciary investments in Treasury securities and fund balance with Treasury held by fiduciary funds are to be recognized on the Balance Sheet as debt held by the public and a liability for fiduciary fund balance with Treasury, respectively.

As of September 30, 2017, total fiduciary investments in Treasury securities and in non-Treasury securities are \$223.7 billion and \$317.9 billion, respectively. As of September 30, 2016, total fiduciary investments in Treasury securities and in non-Treasury securities were \$226.2 billion and \$268.9 billion, respectively. Refer to Note 11—Federal Debt Securities Held by the Public and Accrued Interest for more information on the Treasury securities.

As of September 30, 2017, and 2016, the total fiduciary fund balance with Treasury is \$1.2 billion and \$1.1 billion, respectively. A liability for this fiduciary fund balance with Treasury is reflected as other miscellaneous liabilities in Note 16—Other Liabilities.

As of September 30, 2017, and 2016, collectively, the fiduciary investments in Treasury securities and fiduciary fund balance with Treasury held by all Government entities represent \$7.0 billion and \$6.4 billion, respectively, of unrestricted cash included within cash held by Treasury for Governmentwide Operations shown in Note 2—Cash and Other Monetary Assets.

Thrift Savings Fund

The Thrift Savings Fund (TSF) maintains and holds in trust the assets of the TSP. The TSP is administered by an independent Government agency, the Federal Retirement Thrift Investment Board, which is charged with operating the TSP prudently and solely in the interest of the participants and their beneficiaries.

The TSP is a retirement savings and investment plan for federal employees and members of the uniformed services. It was authorized by the United States Congress in the *Federal Employees' Retirement System Act of 1986*. The Plan provides federal employees and members of the uniformed services with a savings and tax benefit similar to what many private sector employers offer their employees under 401(k) plans. The Plan was primarily designed to be a key part of the retirement package (along with a basic annuity benefit and Social Security) for employees who are covered by FERS.

Federal employees, who are participants of FERS, the CSRS, or equivalent retirement systems, as provided by statute, and members of the uniformed services, are eligible to join the Plan immediately upon being hired. Generally, FERS employees are those employees hired on or after January 1, 1984, while CSRS employees are employees hired before January 1, 1984, who have not elected to convert to FERS. Each group has different rules that govern contribution rates. As of December 31, 2016, and 2015, there were approximately 5.0 million and 4.8 million participants in the TSP, respectively, with approximately 3.3 million for both years contributing their own money. For further information about FRTIB and the TSP, please refer to the FRTIB website at <https://www.frtib.gov>.

As of September 30, 2017, and 2016, the TSF held \$531.5 billion and \$472.1 billion, respectively, in net assets, which included \$217.9 billion and \$220.9 billion, respectively, of U.S. Government Securities (amounts are unaudited). The most recent audited financial statements for the TSF are as of December 31, 2016, and 2015. As of December 31, 2016, and 2015, the TSF held \$483.3 billion and \$443.2 billion, respectively, in net assets, which included \$222.3 billion and \$206.9 billion, respectively, of U.S. Government Securities. These unaudited amounts above are included to enhance comparability of the TSF net assets with the remainder of the Government's fiduciary net assets as of September 30, 2017, and 2016.

DOI–Indian Trust Funds

As stated above, DOI has responsibility for the assets held in trust on behalf of American Indian Tribes and individuals, and these account for all of DOI's fiduciary net assets. DOI maintains accounts for Tribal and Other Trust Funds (including the Alaska Native Escrow Fund and Individual Indian Money Trust Funds) in accordance with the *American Indian Trust Fund Management Reform Act of 1994*. The fiduciary balances that have accumulated in these funds have resulted from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment awards, settlements of claims, and investment income. These funds are maintained for the benefit of individual Native Americans as well as for designated Indian tribes. DOI maintains separate financial statements for these trust funds which were prepared using the cash or modified cash basis of accounting, a comprehensive basis of accounting other than GAAP. The independent auditors' reports were qualified as it was not practical to extend audit procedures sufficiently to satisfy themselves as to the fairness of the trust fund balances. For further information related to these assets, please refer to the DOI website at <https://www.doi.gov>.

All Other Entities with Fiduciary Activities

The Government is responsible for the management of other fiduciary net assets on behalf of various non-federal entities. The component entities presented individually in the table on the previous page represent the vast majority of the Government's fiduciary net assets. All other component entities with fiduciary net assets are aggregated in accordance with SFFAS No. 31. As of September 30, 2017, and 2016, including TSF and DOI, there are a total of 20 and 20 federal entities, respectively, with fiduciary activities at a grand total of 67 and 68 fiduciary funds, respectively. SBA and LOC are the significant agencies relating to the fiduciary activities of the remaining component entities within the "all other" aggregate balance. As of September 30, 2017, "all other" fiduciary net assets were \$6.6 billion, compared to \$5.3 billion as of September 30, 2016.