

# Financial Statements of the United States Government for the Fiscal Years Ended September 30, 2018, and 2017

The consolidated financial statements of the U.S. government were prepared using GAAP. The consolidated financial statements include the accrual-based financial statements and the sustainability financial statements, which are discussed in more detail below, and the related notes to the consolidated financial statements. Collectively, the accrual-based financial statements, the sustainability financial statements, and the notes represent basic information that is deemed essential for the consolidated financial statements to be presented in conformity with GAAP.

## ACCRUAL-BASED FINANCIAL STATEMENTS

The accrual-based financial statements present historical information on what the federal government owns (assets) and owes (liabilities) at the end of the year, what came in (revenues) and what went out (net costs) during the year, and how accrual-based net operating costs of the federal government reconcile to the budget deficit and changes in its cash balance during the year. The following sections discuss each of the accrual-based financial statements.

## Statements of Net Cost

These statements present the net cost of the government operations for fiscal years 2018 and 2017, including the operations related to funds from dedicated collections. Costs and earned revenues are categorized on the Statement of Net Cost by significant entity, providing greater accountability by showing the relationship of the entities' net cost to the governmentwide net cost. Costs and earned revenues are presented in this *Financial Report* on an accrual basis, while the budget presents outlays and receipts, generally on a cash basis. The focus of the budget of the U.S. is by entity. Budgets are prepared, defended, and monitored by entity. In reporting by entity, we are assisting the external users in assessing the budget integrity, operating performance, stewardship, and systems and controls of the government.

The Statements of Net Cost contain the following four components:

- Gross cost—is the full cost of all the departments and entities excluding (gain)/loss from changes in assumptions. These costs are assigned on a cause-and-effect basis, or reasonably allocated to the corresponding entities.
- Earned revenue—is exchange revenue resulting from the government providing goods and services to the public at a price.
- (Gain)/loss from changes in assumptions—is the gain or loss from changes in long-term assumptions used to measure the liabilities reported for federal civilian and military employee pensions, other post-employment benefits, and other retirement benefits, including veterans' compensation.
- Net cost—is computed by subtracting earned revenue from gross cost, adjusted by the (gain)/loss from changes in assumptions.

Individual entity net cost amounts will differ from the entity's financial statements primarily because of reallocations completed at the governmentwide level which are listed below.

- Employee benefit costs.
- Intragovernmental eliminations, as adjusted for buy/sell costs and related revenues.
- Imputed costs.

Because of its specific function, most of the employee benefit costs originally associated with the OPM have been reallocated to the user entities for governmentwide reporting purposes. The remaining costs for OPM on the Statements of Net Cost are the administrative operating costs, the expenses from prior costs from health and pension plan amendments, and the actuarial gains and losses, if applicable.

GSA is the primary provider of goods and services to federal entities. GSA's net cost is adjusted for its intragovernmental buy/sell costs and related revenues. The remaining costs for GSA on the Statements of Net Cost are administrative operating costs. With regard to intragovernmental buy/sell costs and related revenues, the amounts recognized by each entity are added to, and subtracted from, respectively, the individual entity non-federal net cost amounts.

In addition, the intragovernmental imputed costs recognized for the receipt of goods and services, financed in whole or part by the providing entities, are added to the individual entity non-federal net cost amounts. The most significant types of imputed costs that are recorded relate to post-retirement and health benefits, FECA, and the Treasury Judgment Fund. The consolidated Statements of Net Cost is intended to show the full cost for each entity, therefore, the amount of these imputed costs are added back to the reporting entities' gross cost line item and subtracted from the applicable administering entities' gross cost line item. These imputed costs have a net effect of zero on the Statements of Net Cost in the *Financial Report*.

The interest on securities issued by the Treasury and held by the public is reported on Treasury's financial statements, but, because of its importance and the dollar amounts involved, it is reported separately in these statements.

## Statements of Operations and Changes in Net Position

These statements report the results of government operations, net operating costs, which include the results of operations for funds from dedicated collections. They include non-exchange revenues, which are generated from transactions that do not require a government entity to give value directly in exchange for the inflow of resources. The government does not "earn" the non-exchange revenue. These are generated principally by the government's sovereign power to tax, levy duties, and assess fines and penalties. These statements also include the net cost reported in the Statements of Net Cost. They further include certain adjustments and unreconciled transactions that affect the net position.

### Revenue

Inflows of resources to the government that the government demands or that it receives by donations are identified as non-exchange revenue. The inflows that it demands include individual income tax and tax withholdings, excise taxes, corporate income taxes, unemployment taxes, custom duties, and estate and gift taxes. The non-exchange revenue is recognized when collected and adjusted for the change in net measurable and legally collectable amounts receivable.

Individual income tax and tax withholdings include *Federal Insurance Contributions Act (FICA)/Self-Employment Contributions Act (SECA)* taxes and other taxes.

Excise taxes consist of taxes collected for various items, such as airline tickets, gasoline products, distilled spirits and imported liquor, tobacco, firearms, and other items.

Other taxes and receipts include FRBs earnings, tax related fines, penalties and interest, and railroad retirement taxes.

Miscellaneous earned revenues consist of earned revenues received from the public with virtually no associated cost. These revenues include rents and royalties on the Outer Continental Shelf Lands resulting from the leasing and development of mineral resources on public lands.

Generally, funds from dedicated collections are financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government's general revenue. See Note 20—Funds from Dedicated Collections for detailed information.

Intragovernmental interest represents interest earned from the investment of surplus dedicated collections, which finance the deficit spending of all other fund's non-dedicated operations. These investments are recorded as intragovernmental debt holdings and are included in Note 11—Federal Debt Securities Held by the Public and Accrued Interest, in the table titled Intragovernmental Debt Holdings: Federal Debt Securities Held as Investments by Government Accounts. These interest earnings and the associated investments are eliminated in the consolidation process.

## Net Cost of Government Operations

The net cost of government operations—gross cost (including gains/losses from changes in assumptions) less earned revenue—flows through from the Statements of Net Cost. The net cost and intragovernmental net cost associated with funds from dedicated collections activities are separately reported.

## Intragovernmental Transfers

Intragovernmental transfers reflect budgetary and other financing sources for funds from dedicated collections, excluding financing sources related to non-exchange revenues, intragovernmental interest, and miscellaneous revenues. These intragovernmental transfers include appropriations, transfers, and other financing sources. These amounts are labeled as “other changes in fund balance” in Note 20—Funds from Dedicated Collections. Some transfers reflect amounts required by statute to be transferred from the General Fund of the U.S. Government (General Fund) to funds from dedicated collections. For Supplementary Medical Insurance (SMI), transfers from the General Fund financed 72 percent and 70 percent of 2018 program costs to Part B and D, respectively.

## Unmatched Transactions and Balances

Unmatched transactions and balances are adjustments needed to bring the change in net position into balance due primarily to unreconciled intragovernmental differences. See Note 1.R—Unmatched Transactions and Balances for detailed information.

The unmatched transactions and balances are included in net operating cost to make the sum of net operating costs and adjustments to beginning net position for the year equal to the change in the net position balance.

## Net Operating Cost

The net operating cost equals revenue less net cost of government operations (that flows from the Statement of Net Cost) adjusted by unmatched transactions and balances. See Note 1.R—Unmatched Transactions and Balances for detailed information.

## Net Position, Beginning of Period

The net position, beginning of period, reflects the amount reported on the prior year’s Balance Sheet as of the end of that fiscal year. The net position for funds from dedicated collections is shown separately.

Adjustments to beginning net position may include corrections of material errors or changes in accounting principles. See Note 1.S—Adjustments to Beginning Net Position for detailed information.

## Net Position, End of Period

The net position, end of period, reflects the amount as of the end of the fiscal year. The net position for funds from dedicated collections is separately shown.

## Reconciliations of Net Operating Cost and Budget Deficit

These statements reconcile the results of operations (net operating cost) on the Statements of Operations and Changes in Net Position to the budget deficit (result of outlays exceeding receipts during a particular fiscal year). The premise of the reconciliation is that the accrual and budgetary accounting basis share transaction data.

Receipts and outlays in the budget are measured primarily on a cash basis and differ from the accrual basis of accounting used in the *Financial Report*. Refer to Note 1.B—Basis of Accounting and Revenue Recognition for details. These statements begin with the net results of operations (net operating cost) and report activities where the basis of accounting for the components of net operating cost and the budget deficit differ.

Some presentations of the budget deficit make the distinction between on-budget and off-budget totals. On-budget totals reflect the transactions of all government entities, except those excluded from the budget by law. Off-budget totals reflect the transactions of government entities that are excluded from the on-budget totals by law. Under current law, the off-budget totals include the Social Security trust funds and the United States Postal Service (USPS). The budget deficit, as presented in the *Financial Report*, combines the on-budget and off-budget totals to derive consolidated totals for federal activity.

In fiscal year 2018, additional lines were included in the presentation of these statements to provide a further breakdown of certain categories of transactions.

### Components of Net Operating Cost Not Part of the Budget Deficit

This information includes the operating components, such as the changes in benefits payable for veterans, military and civilian employees, environmental and disposal liabilities, and depreciation expense, not included in the budget results.

### Components of the Budget Deficit Not Part of Net Operating Cost

This information includes the budget components, such as capitalized fixed assets (that are recorded as outlays in the budget when purchased and reflected in net operating cost through depreciation expense over the useful life of the asset) and increases in other assets that are not included in the operating results.

## Statements of Changes in Cash Balance from Budget and Other Activities

The primary purpose of these statements is to report how the annual budget deficit relates to the change in the government's cash and other monetary assets, as well as debt held by the public. It explains why the budget deficit normally would not result in an equivalent change in the government's cash and other monetary assets.

These statements reconcile the budget deficit to the change in cash and other monetary assets during the fiscal year. They also serve to explain how the budget deficits were financed. These statements show the adjustments for non-cash outlays included in the budget, and items affecting the cash balance not included in the budget, to explain the change in cash and other monetary assets.

The budget deficit is primarily financed through borrowings from the public. When receipts exceed outlays, the difference is a surplus. The budget treats borrowing and debt repayment as a means of financing, not as receipts and outlays. The budget records outlays for the interest on the public issues of Treasury debt securities as the interest accrues, not when the cash is paid.

Non-cash flow amounts in the budget related to loan financing account activity also reflect intragovernmental transactions such as interest expense paid or interest revenue received from Treasury, agency year-end credit reform subsidy reestimates, and the receipt of subsidy expense from program accounts. Cash flow from non-budget activities related to loan financing account activity includes all cash flows to and from the public, including direct loan disbursements/default payments to lenders, fees collected, principal and interest repayments, collections on defaulted guarantee loans, and sale proceeds of foreclosed property. The budget totals exclude the transactions of the financing

accounts because they are not a cost to the government. However, since loan financing accounts record all credit cash flows to and from the public, they affect the means of financing a budget deficit.

In fiscal year 2018, additional lines were included in the presentation of these statements to provide a further breakdown of certain categories of transactions.

## Balance Sheets

The Balance Sheets show the government's assets, liabilities, and net position. When combined with stewardship information, this information presents a more comprehensive understanding of the government's financial position. The net position for funds from dedicated collections is shown separately.

### Assets

Assets included on the Balance Sheets are resources of the government that remain available to meet future needs. The most significant assets that are reported on the Balance Sheets are loans receivable, net; PP&E, net; inventories and related property, net; and cash and other monetary assets. There are, however, other significant resources available to the government that extend beyond the assets presented in these Balance Sheets. Those resources include Stewardship Land and Heritage Assets in addition to the government's sovereign powers to tax and set monetary policy.

### Liabilities and Net Position

Liabilities are obligations of the government resulting from prior actions that will require financial resources. The most significant liabilities reported on the Balance Sheets are federal debt securities held by the public and accrued interest, and federal employee and veteran benefits payable. Liabilities also include environmental and disposal liabilities, benefits due and payable, as well as insurance and guarantee program liabilities.

As with reported assets, the government's responsibilities, policy commitments, and contingencies are much broader than these reported Balance Sheet liabilities. They include the social insurance programs reported in the Statements of Social Insurance and disclosed in the unaudited RSI—Social Insurance section, fiscal long-term projections of non-interest spending reported in the Statements of Long-Term Fiscal Projections, and a wide range of other programs under which the government provides benefits and services to the people of this nation, as well as certain future loss contingencies.

The government has entered into contractual commitments requiring the future use of financial resources and has unresolved contingencies where existing conditions, situations, or circumstances create uncertainty about future losses. Contingencies and commitments that do not meet the criteria for recognition as liabilities on the Balance Sheets, but for which there is at least a reasonable possibility that losses have been incurred, are disclosed in Note 18—Contingencies and Note 19—Commitments.

The collection of certain taxes and other revenue is credited to the corresponding funds from dedicated collections that will use these funds to meet a particular government purpose. If the collections from taxes and other sources exceed the payments to the beneficiaries, the excess revenue is invested in Treasury securities or deposited in the General Fund; therefore, the trust fund balances do not represent cash. An explanation of the trust funds for social insurance is included in Note 20—Funds from Dedicated Collections. That note also contains information about trust fund receipts, disbursements, and assets.

Due to its sovereign power to tax and borrow, and the country's wide economic base, the government has unique access to financial resources through generating tax revenues and issuing federal debt securities. This provides the government with the ability to meet present obligations and those that are anticipated from future operations, and are not reflected in net position.

The net position is the residual difference between assets and liabilities and is the cumulative results of operations since inception. For detailed components that comprise the net position, refer to the section "Statement of Operations and Changes in Net Position."

## SUSTAINABILITY FINANCIAL STATEMENTS

The sustainability financial statements are comprised of the Statements of Long-Term Fiscal Projections, covering all federal government programs, and the Statements of Social Insurance and the Statement of Changes in Social Insurance Amounts, covering social insurance programs (Social Security, Medicare, Railroad Retirement, and Black Lung programs). The sustainability financial statements are designed to illustrate the relationship between projected receipts and expenditures if current policy is continued over a 75 year time horizon.<sup>1</sup> In preparing the sustainability financial statements, management selects assumptions and data that it believes provide a reasonable basis to illustrate whether current policy is sustainable. Current policy is based on current law, but includes several adjustments. In the Statement of Long-Term Fiscal Projections, notable adjustments to current law are: (1) projected spending, receipts, and borrowing levels assume raising or suspending the current statutory limit on Federal debt, (2) continued discretionary appropriations are assumed throughout the projections period, (3) scheduled Social Security and Medicare Part A benefit payments are assumed to occur beyond the projected point of trust fund depletion, (4) discretionary spending after 2019 is assumed to not be limited by caps established by the BCA, (5) many mandatory programs with expiration dates prior to the end of the 75-year projection period are assumed to be reauthorized, and (6) tax changes under the TCJA of 2017 are assumed to continue beyond 2025. In the Statement of Social Insurance, the one adjustment to current law is that scheduled Social Security and Medicare part A benefit payments are assumed to occur beyond the projected point of trust fund depletions. Assumptions underlying such sustainability information do not consider changes in policy or all potential future events that could affect future income, future expenditures, and, hence, sustainability. The projections do not reflect any adverse economic consequences resulting from continuously rising debt levels. A large number of factors affect the sustainability financial statements and future events and circumstances cannot be estimated with certainty. Therefore, even if current policy is continued, there will be differences between the estimates in the sustainability financial statements and actual results, and those differences may be material. The unaudited Required Supplementary Information section of this report includes present value projections using different assumptions to illustrate the sensitivity of the sustainability financial statements to changes in certain assumptions. The sustainability financial statements are intended to help citizens understand current policy and the importance and magnitude of policy reforms necessary to make it sustainable.

By accounting convention, the Statements of Social Insurance do not include projected general revenues that, under current law, would be used to finance the remainder of the expenditures in excess of revenues for Medicare Parts B and D reported in the Statements of Social Insurance. The Statements of Long-Term Fiscal Projections include all revenues (including general revenues) of the federal government.

## Statements of Long-Term Fiscal Projections

The Statements of Long-Term Fiscal Projections are intended to assist readers of the government's financial statements in assessing the financial condition of the federal government and how the government's financial condition has changed (improved or deteriorated) during the year and may change in the future. They are also intended to assist readers in assessing whether future budgetary resources of the government will likely be sufficient to sustain public services and to meet obligations as they come due, assuming that current policy for federal government public services and taxation is continued without change.

The Statements of Long-Term Fiscal Projections display the present value of 75-year projections by major category of the federal government's receipts and non-interest spending. These projections show the extent to which future receipts of the government exceed or fall short of the government's non-interest spending. The projections are presented both in terms of present value dollars and in terms of present value dollars as a percent of present value GDP. The projections are on the basis of policies currently in place and are neither forecasts nor predictions. These projections are consistent with the projections for Social Security and Medicare presented in the Statements of Social Insurance and are based on the same economic and demographic assumptions as underlie the Statements of Social Insurance. These statements also display the fiscal gap, which is a summary measure of the change in receipts or non-interest spending necessary to hold the ratio of debt held by the public to GDP at the end of the projection period to its value at the beginning of the period. Note 23—Long-Term Fiscal Projections, further explains the methods used to prepare these projections and provides additional information. Unaudited

<sup>1</sup> With the exception of the Black Lung program, which has a rolling 25-year projection period that begins on the September 30 valuation date each year.



required supplementary information further assesses the sustainability of current fiscal policy and provides results based on alternative assumptions to those used in the basic statement.

As discussed further in Note 23, a sustainable policy is one where the debt-to-GDP ratio is stable or declining over the long term. GDP measures the size of the nation's economy in terms of the total value of all final goods and services that are produced in a year. Considering financial results relative to GDP is a useful indicator of the economy's capacity to sustain the government's many programs.

## Statements of Social Insurance and Changes in Social Insurance Amounts

The Statements of Social Insurance provide estimates of the status of the most significant social insurance programs: Social Security, Medicare, Railroad Retirement, and Black Lung<sup>2</sup>. They are administered by SSA, HHS, the Railroad Retirement Board (RRB), and DOL, respectively. The SSA and HHS projections are based on the economic and demographic assumptions representing the Trustees' reasonable estimates of likely future economic and demographic conditions, as set forth in the applicable Social Security and Medicare Trustees' reports as well as in the agency financial reports of HHS and SSA. RRB's projections are based on assumptions from the 27<sup>th</sup> *Valuation on the Assets and Liabilities Under the Railroad Retirement Acts of December 31, 2016 with Technical Supplement*, which was published in September 2018, as well as in RRB's performance and accountability report. DOL's (Black Lung) projections are based on assumptions included in its agency financial report. The SOSI projections, with one exception related to Medicare Part A and OASDI, are based on current law; that is, they assume that scheduled social insurance benefit payments would continue after related trust funds are projected to be depleted, contrary to current law. By law, once assets are depleted, expenditures cannot be made except to the extent covered by ongoing tax receipts and other trust fund income.

Note 22—Social Insurance describes the social insurance programs, reports long-range estimates that can be used to assess the financial condition of the programs, and explains some of the factors that impact the various programs. The Statements of Changes in Social Insurance Amounts show two reconciliations: (1) change from the period beginning on January 1, 2017 to the period beginning on January 1, 2018; and (2) change from the period beginning on January 1, 2016 to the period beginning on January 1, 2017.

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<sup>2</sup> In relation to the amounts presented in the Statements of Social Insurance and Changes in Social Insurance Amounts, the combined Railroad Retirement and Black Lung programs account for less than a quarter of one percent of the statement totals, and therefore, are not material from the consolidated perspective.

**United States Government  
Statement of Net Cost  
for the Year Ended September 30, 2018**

(In billions of dollars)	Gross Cost	Earned Revenue	Subtotal	(Gain)/Loss from Changes in Assumptions	Net Cost
Department of Health and Human Services .....	1,252.6	110.5	1,142.1	0.4	1,142.5
Social Security Administration.....	1,038.5	0.2	1,038.3	-	1,038.3
Department of Defense .....	719.8	38.2	681.6	16.8	698.4
Interest on Treasury Securities Held by the Public ....	357.3	-	357.3	-	357.3
Department of Veterans Affairs .....	272.5	4.8	267.7	79.2	346.9
Department of Energy .....	147.0	6.1	140.9	-	140.9
Department of Agriculture .....	137.0	6.6	130.4	-	130.4
Department of the Treasury.....	150.5	21.9	128.6	-	128.6
Office of Personnel Management .....	101.3	23.4	77.9	26.2	104.1
Department of Transportation .....	79.0	1.1	77.9	-	77.9
Department of Homeland Security .....	78.3	14.8	63.5	1.1	64.6
Department of Education .....	79.2	31.4	47.8	-	47.8
Department of Housing and Urban Development .....	43.3	1.8	41.5	-	41.5
Department of Labor.....	41.1	-	41.1	-	41.1
Security Assistance Accounts .....	37.9	-	37.9	-	37.9
Department of Justice .....	35.4	1.9	33.5	-	33.5
Department of State .....	32.3	4.8	27.5	1.5	29.0
National Aeronautics and Space Administration.....	20.3	0.2	20.1	-	20.1
Department of the Interior .....	20.4	2.9	17.5	-	17.5
U.S. Agency for International Development .....	13.1	-	13.1	-	13.1
Railroad Retirement Board.....	13.1	-	13.1	-	13.1
Federal Communications Commission.....	10.8	0.4	10.4	-	10.4
Department of Commerce.....	11.8	3.6	8.2	-	8.2
Environmental Protection Agency .....	8.3	0.4	7.9	-	7.9
National Science Foundation .....	7.3	-	7.3	-	7.3
U.S. Postal Service .....	71.4	69.7	1.7	-	1.7
Smithsonian Institution .....	1.5	0.5	1.0	-	1.0
Millennium Challenge Corporation .....	0.8	-	0.8	-	0.8
Small Business Administration .....	0.7	0.3	0.4	-	0.4
National Credit Union Administration .....	0.9	0.6	0.3	-	0.3
U.S. Nuclear Regulatory Commission.....	0.9	0.7	0.2	-	0.2
Farm Credit System Insurance Corporation .....	0.2	0.2	-	-	-
Overseas Private Investment Corporation .....	-	0.1	(0.1)	-	(0.1)
Export-Import Bank of the U.S. ....	-	0.5	(0.5)	-	(0.5)
Securities and Exchange Commission.....	1.8	2.3	(0.5)	-	(0.5)
General Services Administration .....	-	0.8	(0.8)	-	(0.8)
Tennessee Valley Authority.....	9.9	11.2	(1.3)	-	(1.3)
National Railroad Retirement Investment Trust.....	0.1	1.9	(1.8)	-	(1.8)
Federal Deposit Insurance Corporation.....	1.3	10.8	(9.5)	-	(9.5)
Pension Benefit Guaranty Corporation.....	(7.8)	16.7	(24.5)	-	(24.5)
All other entities .....	18.7	1.5	17.2	-	17.2
<b>Total.....</b>	<b>4,808.5</b>	<b>392.8</b>	<b>4,415.7</b>	<b>125.2</b>	<b>4,540.9</b>

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



**United States Government  
Statement of Net Cost  
for the Year Ended September 30, 2017 (Restated)**

(In billions of dollars)	Gross Cost	Earned Revenue	Subtotal	(Gain)/Loss from Changes in Assumptions	Net Cost
Department of Health and Human Services .....	1,186.8	101.1	1,085.7	0.4	1,086.1
Social Security Administration.....	999.1	0.3	998.8	-	998.8
Department of Defense .....	718.7	77.4	641.3	24.1	665.4
Interest on Treasury Securities Held by the Public ....	296.3	-	296.3	-	296.3
Department of Veterans Affairs .....	254.8	4.8	250.0	229.7	479.7
Department of Energy .....	46.9	5.6	41.3	-	41.3
Department of Agriculture .....	142.9	8.1	134.8	-	134.8
Department of the Treasury.....	179.5	37.9	141.6	-	141.6
Office of Personnel Management .....	90.1	22.3	67.8	102.5	170.3
Department of Transportation .....	79.6	0.9	78.7	-	78.7
Department of Homeland Security .....	77.3	12.3	65.0	(0.5)	64.5
Department of Education .....	84.4	30.6	53.8	-	53.8
Department of Housing and Urban Development .....	69.1	1.7	67.4	-	67.4
Department of Labor.....	43.5	-	43.5	-	43.5
Security Assistance Accounts .....	36.7	-	36.7	-	36.7
Department of Justice .....	34.2	1.6	32.6	-	32.6
Department of State .....	31.3	4.8	26.5	0.3	26.8
National Aeronautics and Space Administration.....	19.6	0.2	19.4	-	19.4
Department of the Interior .....	20.2	2.7	17.5	-	17.5
U.S. Agency for International Development .....	13.2	-	13.2	-	13.2
* Railroad Retirement Board.....	13.0	3.8	9.2	-	9.2
Federal Communications Commission.....	20.7	0.4	20.3	-	20.3
Department of Commerce.....	12.9	3.3	9.6	-	9.6
Environmental Protection Agency .....	8.8	0.4	8.4	-	8.4
National Science Foundation .....	7.1	-	7.1	-	7.1
U.S. Postal Service .....	71.9	68.7	3.2	-	3.2
Smithsonian Institution .....	0.9	-	0.9	-	0.9
Millennium Challenge Corporation .....	0.7	-	0.7	-	0.7
Small Business Administration .....	0.1	0.3	(0.2)	-	(0.2)
National Credit Union Administration .....	(0.1)	0.7	(0.8)	-	(0.8)
U.S. Nuclear Regulatory Commission.....	0.9	0.8	0.1	-	0.1
Farm Credit System Insurance Corporation .....	-	0.4	(0.4)	-	(0.4)
Overseas Private Investment Corporation .....	-	0.1	(0.1)	-	(0.1)
Export-Import Bank of the U.S. ....	0.4	1.2	(0.8)	-	(0.8)
Securities and Exchange Commission.....	1.9	2.1	(0.2)	-	(0.2)
General Services Administration .....	0.2	0.6	(0.4)	-	(0.4)
Tennessee Valley Authority.....	9.9	10.7	(0.8)	-	(0.8)
Federal Deposit Insurance Corporation.....	1.5	10.6	(9.1)	-	(9.1)
Pension Benefit Guaranty Corporation.....	9.8	14.1	(4.3)	-	(4.3)
All other entities .....	21.4	1.4	20.0	-	20.0
<b>Total.....</b>	<b>4,606.2</b>	<b>431.9</b>	<b>4,174.3</b>	<b>356.5</b>	<b>4,530.8</b>

\* Includes amounts from National Railroad Retirement Investment Trust (NRRIT) in 2017. In 2018, NRRIT amounts are reported separately.

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

**United States Government**  
**Statement of Operations and Changes in Net Position**  
**for the Year Ended September 30, 2018**

	Funds other than those from Dedicated Collections (Combined)	Funds from Dedicated Collections (Note 20) (Combined)	Eliminations	Consolidated
(In billions of dollars)	<b>2018</b>			
<b>Revenue (Note 17):</b>				
Individual income tax and tax withholdings .....	1,655.5	1,137.7	-	2,793.2
Corporate income taxes .....	208.9	-	-	208.9
Excise taxes .....	31.9	64.9	-	96.8
Unemployment taxes .....	-	43.2	-	43.2
Customs duties .....	41.5	-	-	41.5
Estate and gift taxes .....	23.0	-	-	23.0
Other taxes and receipts .....	133.4	30.7	-	164.1
Miscellaneous earned revenues .....	9.2	4.4	-	13.6
Intragovernmental interest .....	-	98.5	(98.5)	-
<b>Total Revenue</b> .....	<b>2,103.4</b>	<b>1,379.4</b>	<b>(98.5)</b>	<b>3,384.3</b>
<b>Net Cost of Government Operations:</b>				
Net cost .....	2,838.4	1,702.5	-	4,540.9
Intragovernmental net cost .....	(9.8)	9.8	-	-
Intragovernmental interest .....	98.5	-	(98.5)	-
<b>Total net cost</b> .....	<b>2,927.1</b>	<b>1,712.3</b>	<b>(98.5)</b>	<b>4,540.9</b>
<b>Intragovernmental transfers</b> .....	<b>(372.8)</b>	<b>372.8</b>	<b>-</b>	<b>-</b>
Unmatched transactions and balances (Note 1.R) .....	(2.4)	-	-	(2.4)
<b>Net operating (cost)/revenue</b> .....	<b>(1,198.9)</b>	<b>39.9</b>	<b>-</b>	<b>(1,159.0)</b>
<b>Net position, beginning of period</b> .....	<b>(23,781.4)</b>	<b>3,419.5</b>	<b>-</b>	<b>(20,361.9)</b>
Adjustments to beginning net position (Note 1.S) .....	(2.5)	2.6	-	0.1
Net operating (cost)/revenue .....	(1,198.9)	39.9	-	(1,159.0)
<b>Net position, end of period</b> .....	<b>(24,982.8)</b>	<b>3,462.0</b>	<b>-</b>	<b>(21,520.8)</b>

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

**United States Government  
Statement of Operations and Changes in Net Position  
for the Year Ended September 30, 2017 (Restated)**

(In billions of dollars)	Funds other than those from Dedicated Collections (Combined)	Funds from Dedicated Collections (Note 20) (Combined)	Eliminations	Consolidated
	<b>2017</b>			
<b>Revenue (Note 17):</b>				
Individual income tax and tax withholdings .....	1,560.1	1,127.8	-	2,687.9
Corporate income taxes .....	299.1	-	-	299.1
Excise taxes .....	24.7	62.6	-	87.3
Unemployment taxes .....	-	44.1	-	44.1
Customs duties .....	33.2	-	-	33.2
Estate and gift taxes .....	22.8	-	-	22.8
Other taxes and receipts .....	135.9	36.2	-	172.1
Miscellaneous earned revenues .....	24.0	4.1	-	28.1
Intragovernmental interest .....	-	99.6	(99.6)	-
<b>Total Revenue .....</b>	<b>2,099.8</b>	<b>1,374.4</b>	<b>(99.6)</b>	<b>3,374.6</b>
<b>Net Cost of Government Operations:</b>				
Net cost .....	2,882.7	1,648.1	-	4,530.8
Intragovernmental net cost .....	(8.5)	8.5	-	-
Intragovernmental interest .....	99.6	-	(99.6)	-
<b>Total net cost .....</b>	<b>2,973.8</b>	<b>1,656.6</b>	<b>(99.6)</b>	<b>4,530.8</b>
<b>Intragovernmental transfers .....</b>	<b>(327.2)</b>	<b>327.2</b>	<b>-</b>	<b>-</b>
Unmatched transactions and balances (Note 1.R) .....	2.6	-	-	2.6
<b>Net operating (cost)/revenue .....</b>	<b>(1,198.6)</b>	<b>45.0</b>	<b>-</b>	<b>(1,153.6)</b>
<b>Net position, beginning of period .....</b>	<b>(22,619.9)</b>	<b>3,374.3</b>	<b>-</b>	<b>(19,245.6)</b>
Adjustments to beginning net position (Note 1.S) .....	37.1	0.2	-	37.3
Net operating (cost)/revenue .....	(1,198.6)	45.0	-	(1,153.6)
<b>Net position, end of period .....</b>	<b>(23,781.4)</b>	<b>3,419.5</b>	<b>-</b>	<b>(20,361.9)</b>

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

**United States Government  
Reconciliations of Net Operating Cost and Budget Deficit  
for the Years Ended September 30, 2018, and 2017**

(In billions of dollars)	<b>2018</b>	<b>Restated 2017</b>
<b>Net operating cost</b> .....	(1,159.0)	(1,153.6)
<b>Components of net operating cost not part of the budget deficit</b>		
<b>Excess of accrual-basis expenses over budget outlays</b>		
* Federal employee and veteran benefits payable		
Pension and accrued benefits .....	88.4	180.5
Veterans compensation and burial benefits .....	146.3	313.7
Post-retirement health and accrued benefits .....	33.0	5.3
Other benefits .....	14.5	(8.8)
Subtotal - federal employee and veteran benefits payable .....	282.2	490.7
* Insurance and guarantee program liabilities .....	(32.3)	15.5
* Environmental and disposal liabilities .....	112.8	17.9
* Accounts payable .....	15.9	8.4
* Benefits due and payable .....	(7.7)	0.6
* Other liabilities .....	5.9	4.4
Subtotal - excess of accrual-basis expenses over budget outlays .....	376.8	537.5
<b>Amortized expenses not included in budget outlays</b>		
Property, plant, and equipment depreciation expense .....	72.7	33.6
<b>Other expenses that are not reported as budget outlays</b>		
Property, plant, and equipment disposals and revaluations .....	(4.0)	(10.0)
<b>Excess of accrual-basis revenue over budget receipts</b>		
Accounts receivable, net .....	6.2	(7.3)
Taxes receivable, net .....	(7.8)	(2.8)
<b>Other losses/(gains) and cost/(revenue) that are not budget receipts</b>		
* Investments in government-sponsored enterprises .....	(20.6)	16.0
Subtotal - components of net operating cost not part of budget deficit .....	423.3	567.0
<b>Components of the budget deficit that are not part of net operating cost</b>		
<b>Budget receipts not included in net operating cost</b>		
Credit reform and other loan activities .....	5.0	(9.5)
<b>Budget outlays not included in net operating cost</b>		
Acquisition of capital assets .....	(72.2)	(79.9)
* Debt and equity securities .....	5.9	(8.0)
* Inventories and related property .....	(10.8)	(12.4)
* Other assets .....	34.0	(2.2)
Subtotal - components of the budget deficit that are not part of net operating cost .....	(38.1)	(112.0)
<b>Adjustments to beginning net position</b>	0.1	37.3
<b>Other</b>		
All other reconciling items .....	(5.3)	(4.4)
<b>Budget deficit</b> .....	<u>(779.0)</u>	<u>(665.7)</u>

\* The amounts represent the year over year net change in the Balance Sheet line items.

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

**United States Government  
Statements of Changes in Cash Balance from Budget and Other Activities  
for the Years Ended September 30, 2018, and 2017**

(In billions of dollars)	2018	Reclassified 2017
<b>Cash flow from budget activities</b>		
Total budget receipts .....	3,328.7	3,314.9
Total budget outlays .....	(4,107.7)	(3,980.6)
<i>Budget deficit</i> .....	(779.0)	(665.7)
<b>Adjustments for non-cash outlays included in the budget</b>		
Non-cash flow amounts in the budget related to federal debt securities		
Accrued interest .....	268.5	248.4
Net amortization .....	41.9	19.0
Other .....	1.1	22.1
<i>Subtotal - adjustments for non-cash flow amounts in the budget related to federal debt securities</i> .....	311.5	289.5
Non-cash flow amounts in the budget related to loan financing account activity		
Interest revenue on uninvested funds.....	7.9	8.4
Interest expense on entity borrowings .....	(42.1)	(41.6)
Entities' downward reestimates/negative subsidy payments.....	(37.3)	(34.6)
Entities' subsidy expense/upward reestimates .....	35.8	84.9
<i>Subtotal - adjustments for non-cash flow amounts in the budget related to loan financing account activity</i> .....	(35.7)	17.1
<i>Total of adjustments for non-cash outlays included in the budget</i> .....	275.8	306.6
<b>Cash flow from activities not included in the budget</b>		
Cash flow from non-budget activities related to federal debt securities		
Interest paid .....	(260.4)	(240.0)
<i>Subtotal - cash flow from non-budget activities related to federal debt securities</i> .....	(260.4)	(240.0)
Cash flow from non-budget activities related to loan financing account activity		
Loan disbursements/default payments .....	(194.9)	(213.2)
Fees .....	25.0	26.3
Principal & interest repayments .....	117.7	121.0
Other collections on defaulted loans receivable and sale of foreclosed property .....	5.7	8.1
Other loan financing account activities .....	0.6	-
<i>Subtotal - cash flow from non-budget activities related to loan financing account activity</i> .....	(45.9)	(57.8)
Cash flow from financing federal debt securities		
Borrowings .....	10,080.1	8,700.8
Repayments .....	(8,993.5)	(8,222.9)
Discount/premium .....	(54.7)	(24.0)
<i>Subtotal - cash flow from financing federal debt securities</i> .....	1,031.9	453.9
<i>Total cash flow from activities not included in the budget</i> .....	725.6	156.1
<b>Other</b>		
<i>Total other</i> .....	13.9	6.3
Change in cash and other monetary assets balance .....	236.3	(196.7)
Beginning cash and other monetary assets balance .....	271.2	467.9
Ending cash and other monetary assets balance .....	507.5	271.2

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

**United States Government  
Balance Sheets  
as of September 30, 2018, and 2017**

(In billions of dollars)	<b>2018</b>	<b>Restated 2017</b>
<b>Assets:</b>		
Cash and other monetary assets (Note 2) .....	507.5	271.2
Accounts and taxes receivable, net (Note 3) .....	144.9	143.3
Loans receivable, net (Note 4) .....	1,419.1	1,350.2
Inventories and related property, net (Note 5) .....	337.5	326.7
Property, plant and equipment, net (Note 6) .....	1,090.5	1,087.0
Debt and equity securities (Note 7) .....	110.3	116.2
Investments in government-sponsored enterprises (Note 8) .....	113.2	92.6
Other assets (Note 9) .....	113.7	147.7
<b>Total assets</b> .....	<u>3,836.7</u>	<u>3,534.9</u>
Stewardship land and heritage assets (Note 24)		
<b>Liabilities:</b>		
Accounts payable (Note 10) .....	86.7	70.8
Federal debt securities held by the public and accrued interest (Note 11) .....	15,812.7	14,724.1
Federal employee and veteran benefits payable (Note 12) .....	7,982.3	7,700.1
Environmental and disposal liabilities (Note 13) .....	577.3	464.5
Benefits due and payable (Note 14) .....	211.1	218.8
Insurance and guarantee program liabilities (Note 15) .....	170.2	202.5
Loan guarantee liabilities (Note 4) .....	38.2	42.9
Other liabilities (Note 16) .....	479.0	473.1
<b>Total liabilities</b> .....	<u>25,357.5</u>	<u>23,896.8</u>
Contingencies (Note 18) and Commitments (Note 19)		
<b>Net Position:</b>		
Funds from Dedicated Collections (Note 20) .....	3,462.0	3,419.5
Funds other than those from Dedicated Collections .....	<u>(24,982.8)</u>	<u>(23,781.4)</u>
<b>Total net position</b> .....	<u>(21,520.8)</u>	<u>(20,361.9)</u>
<b>Total liabilities and net position</b> .....	<u>3,836.7</u>	<u>3,534.9</u>

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



**United States Government**  
**Statements of Long-Term Fiscal Projections (Note 23)**  
**Present Value of 75-Year Projections as of September 30, 2018 and 2017<sup>1</sup>**

	In trillions of dollars			Percent of GDP <sup>2</sup>		
	2018	2017	Change	2018	2017	Change
<b>Receipts:</b>						
Social Security payroll taxes .....	60.6	58.0	2.6	4.3	4.3	-
Medicare payroll taxes.....	20.3	19.4	0.9	1.4	1.4	-
Individual income taxes .....	143.8	141.9	1.9	10.2	10.5	(0.3)
Corporate income taxes.....	18.8	- <sup>3</sup>	- <sup>3</sup>	1.3	- <sup>3</sup>	- <sup>3</sup>
Other receipts <sup>3</sup> .....	18.5	49.0	(11.7)	1.3	3.6	(1.0)
Total receipts.....	262.0	268.4	(6.4)	18.6	19.9	(1.3)
<b>Non-interest spending:</b>						
Social Security.....	82.5	78.7	3.9	5.9	5.8	-
Medicare Part A <sup>4</sup> .....	29.1	26.6	2.5	2.1	2.0	0.1
Medicare Parts B & D <sup>5</sup> .....	35.7	32.3	3.4	2.5	2.4	0.1
Medicaid.....	34.1	32.1	2.0	2.4	2.4	-
Other mandatory .....	41.0	40.5	0.4	2.9	3.0	(0.1)
Defense discretionary.....	42.9	39.1	3.8	3.0	2.9	0.1
Non-defense discretionary .....	42.9	35.3	7.6	3.1	2.6	0.4
Total non-interest spending .....	308.2	284.6	23.6	21.9	21.1	0.8
<b>Receipts less non-interest spending .....</b>	<b>(46.2)</b>	<b>(16.2)</b>	<b>(30.0)</b>	<b>(3.3)</b>	<b>(1.2)</b>	<b>(2.1)</b>
<b>Fiscal gap<sup>6</sup>.....</b>				<b>(4.1)</b>	<b>(2.0)</b>	<b>(2.1)</b>

<sup>1</sup>75-year present value projections for 2018 are as of 9/30/2018 for fiscal years 2019-2093; projections for 2017 are as of 9/30/2017 for fiscal years 2018-2092.

<sup>2</sup>The 75-year present value of nominal Gross Domestic Product (GDP), which drives the calculations above is \$1,406.3 trillion starting in fiscal year 2019, and was \$1,347.0 trillion starting in fiscal year 2018.

<sup>3</sup>In fiscal year 2017, Corporate Income Taxes were included as part of Other Receipts. To incorporate the effects of the *Tax Cuts and Jobs Act of 2017*, Corporate Income Taxes are modeled separately in fiscal year 2018. Directly comparable data are not available for fiscal year 2017. The \$11.7 trillion decrease in Other Receipts is the total of 2018 Corporate Income Taxes (\$18.8 trillion) and Other Receipts (\$18.5 trillion) less the 2017 Other Receipts (\$49.0 trillion).

<sup>4</sup>Represents portions of Medicare supported by payroll taxes.

<sup>5</sup>Represents portions of Medicare supported by general revenues. Consistent with the President's Budget, outlays for Parts B & D are presented net of premiums.

<sup>6</sup>To prevent the debt-to-GDP ratio from rising over the next 75 years, a combination of non-interest spending reductions and receipts increases that amounts to 4.1 percent of GDP on average is needed (2.0 percent of GDP on average in 2017). See Note 23—Long-Term Fiscal Projections.

Totals may not equal the sum of components due to rounding.

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

**United States Government  
Statements of Social Insurance (Note 22)  
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections**

(In trillions of dollars)	2018	2017	2016	2015	2014
<b>Federal Old-Age, Survivors and Disability Insurance (Social Security):<sup>11</sup></b>					
<i>Revenue (Contributions and Dedicated Taxes) from:</i>					
Participants who have attained eligibility age (age 62 and over) ..	1.5	1.4	1.3	1.2	1.0
Participants who have not attained eligibility age.....	31.8	30.3	29.3	27.8	25.4
Future participants.....	31.8	30.5	29.7	26.6	24.6
All current and future participants .....	65.1	62.1	60.3	55.5	51.0
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 62 and over) ..	(15.9)	(14.7)	(13.6)	(12.8)	(11.9)
Participants who have not attained eligibility age.....	(52.2)	(50.2)	(48.4)	(45.3)	(42.4)
Future participants.....	(13.0)	(12.6)	(12.4)	(10.9)	(10.0)
All current and future participants .....	(81.1)	(77.5)	(74.4)	(69.0)	(64.3)
<i>Present value of future expenditures in excess of future revenue .....</i>	(16.1) <sup>1</sup>	(15.4) <sup>2</sup>	(14.1) <sup>3</sup>	(13.4) <sup>4</sup>	(13.3) <sup>5</sup>
<b>Federal Hospital Insurance (Medicare Part A):<sup>11</sup></b>					
<i>Revenue (Contributions and Dedicated Taxes) from:</i>					
Participants who have attained eligibility age (age 65 and over) ..	0.5	0.5	0.5	0.4	0.3
Participants who have not attained eligibility age.....	11.3	10.7	10.3	9.1	8.4
Future participants.....	11.0	10.6	10.0	8.4	7.8
All current and future participants .....	22.8	21.7	20.7	17.9	16.5
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over) ..	(5.0)	(4.5)	(4.3)	(3.8)	(3.5)
Participants who have not attained eligibility age.....	(18.6)	(17.2)	(16.8)	(14.5)	(14.1)
Future participants.....	(3.9)	(3.5)	(3.4)	(2.8)	(2.8)
All current and future participants .....	(27.5)	(25.3)	(24.5)	(21.1)	(20.4)
<i>Present value of future expenditures in excess of future revenue .....</i>	(4.7) <sup>1</sup>	(3.5) <sup>2</sup>	(3.8) <sup>3</sup>	(3.2) <sup>4</sup>	(3.8) <sup>5</sup>
<b>Federal Supplementary Medical Insurance (Medicare Part B):<sup>11</sup></b>					
<i>Revenue (Premiums) from:</i>					
Participants who have attained eligibility age (age 65 and over) ..	1.3	1.1	1.0	0.9	0.8
Participants who have not attained eligibility age.....	6.6	5.9	5.3	4.6	4.5
Future participants.....	1.5	1.4	1.2	1.0	1.1
All current and future participants .....	9.4	8.4	7.5	6.5	6.5
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over) ..	(5.2)	(4.5)	(4.0)	(3.6)	(3.2)
Participants who have not attained eligibility age.....	(23.8)	(21.4)	(19.2)	(16.8)	(17.0)
Future participants.....	(5.4)	(4.9)	(4.3)	(3.5)	(4.1)
All current and future participants .....	(34.4)	(30.8)	(27.5)	(24.0)	(24.3)
<i>Present value of future expenditures in excess of future revenue <sup>6</sup> .....</i>	(25.0) <sup>1</sup>	(22.4) <sup>2</sup>	(20.0) <sup>3</sup>	(17.5) <sup>4</sup>	(17.9) <sup>5</sup>

Totals may not equal the sum of components due to rounding.

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

**United States Government  
Statements of Social Insurance (Note 22), continued  
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections**

(In trillions of dollars)	2018	2017	2016	2015	2014
<b>Federal Supplementary Medical Insurance (Medicare Part D):<sup>11</sup></b>					
<i>Revenue (Premiums and State Transfers) from:</i>					
Participants who have attained eligibility age (age 65 and over) ..	0.3	0.3	0.3	0.3	0.2
Participants who have not attained eligibility age.....	2.1	2.0	2.2	1.8	1.6
Future participants.....	0.8	0.8	1.0	0.8	0.7
All current and future participants .....	<u>3.2</u>	<u>3.1</u>	<u>3.5</u>	<u>2.9</u>	<u>2.5</u>
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over) ..	(1.0)	(1.0)	(1.0)	(0.9)	(0.8)
Participants who have not attained eligibility age.....	(7.2)	(6.9)	(7.7)	(6.4)	(5.9)
Future participants.....	(2.9)	(2.9)	(3.6)	(2.8)	(2.6)
All current and future participants .....	<u>(11.1)</u>	<u>(10.8)</u>	<u>(12.2)</u>	<u>(10.2)</u>	<u>(9.3)</u>
<i>Present value of future expenditures in excess of future revenue<sup>6</sup> .....</i>	<u>(7.9)<sup>1</sup></u>	<u>(7.6)<sup>2</sup></u>	<u>(8.7)<sup>3</sup></u>	<u>(7.3)<sup>4</sup></u>	<u>(6.8)<sup>5</sup></u>
<b>Other:<sup>7</sup></b>					
Present value of future expenditures in excess of future revenues <sup>8, 9, 10</sup> .....	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
<i>Total present value of future expenditures in excess of future revenue .....</i>	<u>(53.8)</u>	<u>(49.0)</u>	<u>(46.7)</u>	<u>(41.5)</u>	<u>(41.9)</u>

Totals may not equal the sum of components due to rounding.

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

**United States Government**  
**Statements of Social Insurance (Note 22), continued**  
**Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections**

(In trillions of dollars)	2018	2017	2016	2015	2014
<b>Social Insurance Summary<sup>11</sup></b>					
<i>Participants who have attained eligibility age:</i>					
Revenue (e.g., contributions and dedicated taxes) .....	3.6	3.3	3.1	2.8	2.3
Expenditures for scheduled future benefits .....	(27.1)	(24.7)	(22.9)	(21.3)	(19.4)
Present value of future expenditures in excess of future revenue.....	(23.5)	(21.4)	(19.8)	(18.5)	(17.1)
<i>Participants who have not attained eligibility age:</i>					
Revenue (e.g., contributions and dedicated taxes) .....	51.8	48.9	47.1	43.4	40.0
Expenditures for scheduled future benefits .....	(101.8)	(95.7)	(92.2)	(83.1)	(79.6)
Present value of future expenditures in excess of future revenue.....	(50.0)	(46.8)	(45.1)	(39.7)	(39.6)
<b>Closed-group - Total present value of future expenditures in excess of future revenue.....</b>	<b>(73.5)</b>	<b>(68.2)</b>	<b>(64.9)</b>	<b>(58.2)</b>	<b>(56.7)</b>
<i>Future participants:</i>					
Revenue (e.g., contributions and dedicated taxes) .....	45.1	43.3	41.9	36.8	34.3
Expenditures for scheduled future benefits .....	(25.2)	(24.0)	(23.7)	(20.1)	(19.6)
Present value of future revenue in excess of future expenditure .....	19.9	19.3	18.2	16.8	14.8
<b>Open-group - Total present value of future expenditures in excess of future revenue .....</b>	<b>(53.8)</b>	<b>(49.0)</b>	<b>(46.7)</b>	<b>(41.5)</b>	<b>(41.9)</b>

<sup>1</sup> The projection period for Social Security and Medicare is 1/1/2018-12/31/2092 and the valuation date is 1/1/2018.

<sup>2</sup> The projection period for Social Security and Medicare is 1/1/2017-12/31/2091 and the valuation date is 1/1/2017.

<sup>3</sup> The projection period for Social Security and Medicare is 1/1/2016-12/31/2090 and the valuation date is 1/1/2016.

<sup>4</sup> The projection period for Social Security and Medicare is 1/1/2015-12/31/2089 and the valuation date is 1/1/2015.

<sup>5</sup> The projection period for Social Security and Medicare is 1/1/2014-12/31/2088 and the valuation date is 1/1/2014.

<sup>6</sup> These amounts represent the present value of the future transfers from the General Fund to the SMI Trust Fund. These future intragovernmental transfers are included as income in both HHS' and the Centers for Medicare and Medicaid Services' Financial Reports but, by accounting convention, are not income from the governmentwide perspective of this report.

<sup>7</sup> Includes Railroad Retirement and Black Lung.

<sup>8</sup> These amounts do not include the present value of the financial interchange between the railroad retirement and social security systems, which is included as income in the Railroad Retirement Financial Report, but is not included from the governmentwide perspective of this report. (See discussion of Railroad Retirement Program in the unaudited required supplementary information section of this report).

<sup>9</sup> Does not include interest expense accruing on the outstanding debt of the Black Lung Disability Trust Fund.

<sup>10</sup> For information on the projection periods and valuation dates for the Railroad Retirement and Black Lung programs, refer to the financial statements of RRB and DOL, respectively.

<sup>11</sup> Current participants for the Social Security and Medicare programs are assumed to be the "closed-group" of individuals who are at least 15 years of age at the start of the projection period, and are participating as either taxpayers, beneficiaries, or both.

Totals may not equal the sum of components due to rounding.

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

**United States Government**  
**Statement of Changes in Social Insurance Amounts**  
**for the Year Ended September 30, 2018 (Note 22)**

(In trillions of dollars)	<b>Social Security<sup>1</sup></b>	<b>Medicare HI<sup>1</sup></b>	<b>Medicare SMI<sup>1</sup></b>	<b>Other<sup>2</sup></b>	<b>Total</b>
Net present value (NPV) of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year .....	(15.4)	(3.5)	(30.0)	(0.1)	(49.0)
Reasons for changes in the NPV during the year:					
Changes in valuation period .....	(0.6)	(0.2)	(1.1)	-	(1.9)
Changes in demographic data, assumptions, and methods .....	0.1	0.4	0.2	-	0.7
Changes in economic data, assumptions, and methods .....	(0.5)	-	-	-	(0.5)
Changes in law or policy .....	-	(0.5)	(0.5)	-	(1.0)
Changes in methodology and programmatic data .....	0.2	-	-	-	0.2
Changes in economic and other health care assumptions .....	-	-	(1.5)	-	(1.5)
Change in projection base .....	-	(0.9)	-	-	(0.9)
Net change in open group measure .....	(0.8)	(1.2)	(2.9)	-	(4.8)
Open group measure, end of year.....	<u>(16.1)</u>	<u>(4.7)</u>	<u>(32.9)</u>	<u>(0.1)</u>	<u>(53.8)</u>

<sup>1</sup> Amounts represent changes between valuation dates 1/1/2017 and 1/1/2018.

<sup>2</sup> Includes Railroad Retirement changes between valuation dates 10/1/2016 and 10/1/2017 and Black Lung changes between 9/30/2017 and 9/30/2018.

Totals may not equal the sum of components due to rounding.

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

**United States Government**  
**Statement of Changes in Social Insurance Amounts**  
**for the Year Ended September 30, 2017 (Note 22)**

(In trillions of dollars)	<b>Social Security<sup>1</sup></b>	<b>Medicare HI<sup>1</sup></b>	<b>Medicare SMI<sup>1</sup></b>	<b>Other<sup>2</sup></b>	<b>Total</b>
Net present value (NPV) of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year .....	(14.1)	(3.8)	(28.7)	(0.1)	(46.7)
Reasons for changes in the NPV during the year:					
Changes in valuation period.....	(0.6)	(0.2)	(1.2)	-	(2.0)
Changes in demographic data, assumptions, and methods .....	(0.1)	(0.1)	-	-	(0.2)
Changes in economic data, assumptions, and .....	(0.6)	-	-	-	(0.6)
Changes in law or policy .....	-	-	-	-	-
Changes in economic and other health care assumptions .....	-	0.2	(0.5)	-	(0.3)
Change in projection base .....	-	0.3	0.4	-	0.7
Net change in open group measure .....	(1.2)	0.3	(1.4)	-	(2.3)
Open group measure, end of year.....	<u>(15.4)</u>	<u>(3.5)</u>	<u>(30.0)</u>	<u>(0.1)</u>	<u>(49.0)</u>

<sup>1</sup> Amounts represent changes between valuation dates 1/1/2016 and 1/1/2017.

<sup>2</sup> Includes Railroad Retirement changes between valuation dates 10/1/2015 and 10/1/2016 and Black Lung changes between 9/30/2016 and 9/30/2017.

Totals may not equal the sum of components due to rounding.

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