

Note 16. Other Liabilities

Other Liabilities as of September 30, 2018, and 2017	2018	Restated 2017
(In billions of dollars)		
Unearned revenue and assets held for others:		
Unearned fees for nuclear waste disposal (DOE) and other unearned revenue	59.5	60.0
Assets held on behalf of others	117.3	111.4
Subtotal	<u>176.8</u>	<u>171.4</u>
Employee-related liabilities:		
Accrued federal employees' wages and benefits	42.1	37.4
Selected DOE contractors' and D.C. employees' pension benefits	53.7	51.5
Subtotal	<u>95.8</u>	<u>88.9</u>
International monetary liabilities and gold certificates:		
Exchange Stabilization Fund	54.5	55.1
Gold certificates	11.0	11.0
Subtotal	<u>65.5</u>	<u>66.1</u>
Subsidies and grants:		
Farm and other subsidies	9.4	13.2
Grant payments due to state and local governments and others	21.3	22.1
Subtotal	<u>30.7</u>	<u>35.3</u>
Miscellaneous liabilities:		
Legal and other contingencies	52.4	56.5
Non-federal power projects and capital lease liabilities, and disposal liabilities	11.4	12.1
Other miscellaneous	46.4	42.8
Subtotal	<u>110.2</u>	<u>111.4</u>
Total	<u><u>479.0</u></u>	<u><u>473.1</u></u>

Other liabilities represent liabilities that are not separately identified on the Balance Sheet and are presented on a comparative basis by major category.

Unearned Revenue and Assets Held for Others

The government recognizes a liability when it receives money in advance of providing goods and services or assumes custody of money belonging to others. Advances and prepayments include USPS customer deposits used for future mailings. The government's unearned revenue from fees DOE has collected from utility companies for the future cost of managing the disposal of nuclear waste and interest income received is about \$41.9 billion and \$40.3 billion as of September 30, 2018, and 2017, respectively. Other unearned revenue includes USPS income for prepaid postage and prepaid P.O. Box rentals. Assets held on behalf of others include funds collected in advance for such things as outstanding postal money orders and undelivered Defense articles. SAA holds \$89.1 billion and \$85.6 billion as of September 30, 2018, and 2017, respectively for articles and services for future delivery to foreign governments.

Employee-Related Liabilities

This category includes amounts owed to employees at year-end and actuarial liabilities for certain non-federal employees. Actuarial liabilities for federal employees and veteran benefits are included in Note 12—Federal Employee and Veteran Benefits Payable. The largest liability in the employee-related liabilities category is the amount owed at the end of the fiscal year to federal employees for wages and benefits (including accrued annual leave). In addition, DOE is liable to certain contractors for contractor employee pension and postretirement benefits, which is about \$21.3 billion and \$23.1 billion as of September 30, 2018 and 2017, respectively. Also, the government owed about \$8.4 billion and \$8.7 billion as of September 30, 2018, and 2017 respectively, for estimated future pension benefits of the District of Columbia's judges, police, firefighters, and teachers.

International Monetary Liabilities and Gold Certificates

Consistent with U.S. obligations in the IMF on orderly exchange arrangements and a stable system of exchange rates, the Secretary of the Treasury, with the approval of the President, may use the ESF to deal in gold, foreign exchange, and other instruments of credit and securities. As of September 30, 2018, and 2017, other liabilities includes \$49.3 billion and \$49.9 billion, respectively, of interest-bearing liability to the IMF for SDR allocations.

Gold certificates are issued in nondefinitive or book-entry form to the Federal Reserve Bank of New York (FRBNY). The government's liability incurred by issuing the gold certificates, as reported on the Balance Sheet, is limited to the gold being held by Treasury at the standard value established by law. Upon issuance of gold certificates to the FRBNY, the proceeds from the certificates are deposited into the operating cash of the U.S. government. All of the Treasury certificates issued are payable to the FRBNY. Gold certificates were valued at \$11.0 billion as of September 30, 2018, and 2017, respectively.

See Note 2—Cash and Other Monetary Assets for additional information.

Subsidies and Grants

The government supports the public good through a wide variety of subsidy and grant programs in such areas as agriculture, medical and scientific research, education, and transportation. USDA programs such as Conservation Reserve, and Agricultural Risk Coverage and Price Loss Coverage account for the majority of the subsidies due, about \$4.8 billion and \$8.9 billion as of September 30, 2018 and 2017, respectively.

The government awards hundreds of billions of dollars in grants annually. These include project grants that are competitively awarded for entity-specific projects, such as HHS grants to fund projects to "enhance the independence, productivity, integration, and inclusion into the community of people with developmental disabilities." Other grants are formula grants, such as matching grants. Formula grants go to state governments for such things as education and transportation programs. These grants are paid in accordance with distribution formulas that have been provided by law or administrative regulations. Of the total liability reported for grants as of September 30, 2018, and 2017, DOT, Education, HHS and USDA collectively owed their grantees about \$20.4 billion and \$20.6 billion, respectively. Refer to the financial statements of the respective entities for additional information.

Miscellaneous Liabilities

Some of the more significant liabilities included in this category are for (1) legal and other contingencies (see Note 18—Contingencies), (2) Bonneville Power Administration liability to pay annual budgets of several power projects for its electrical generating capacity, (3) payables upon return of securities loaned and (4) September 11th Victim Compensation Fund. Certain HUD amounts have been restated. Refer to Note 1.U—Restatements for more information.

In addition, many federal entities reported relatively small amounts of miscellaneous liabilities that are not otherwise classified.