

UNITED STATES
GOVERNMENT

ANNUAL
REPORT

FISCAL YEAR 2000



Compiled and Published by
Department of the Treasury
Financial Management Service *fms*

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PREFACE

TREASURY PROFILE

On September 2, 1789, an act of Congress created the Department of the Treasury. Many subsequent acts influenced the development of the Department. Those acts delegated new duties and established the numerous bureaus and divisions that now compose the Department. Today, the Treasury's mission can be categorized into four basic functions: formulating and recommending economic, financial, tax and fiscal policies; serving as financial manager and financial agent for the U.S. Government; enforcing the law; and manufacturing coins and currency.

FINANCIAL MANAGEMENT SERVICE

The Financial Management Service (FMS), which is a bureau of the Department of the Treasury, performs a critical role in fulfilling the Treasury's mission as the Government's financial manager. For example, FMS makes Federal payments and collections. It also maintains the Government's central accounting and reporting systems. In addition, FMS administers the Government's cash management programs, credit and debt collection activities, and various other financial services.

In its role as Federal financial agent, FMS publishes this "United States Government Annual Report." This report presents an overview of the Government's cash basis financial position and results of operations. It summarizes selected data maintained in the central accounts. Data provided by Federal entities, disbursing officers and the Federal Reserve Banks comprise those accounts.

The "United States Government Annual Report Appendix," available from FMS' Reports Management Division, provides details that support this document. The last page of the Annual Report contains an order form for the appendix. An electronic version of the report can be found on FMS' website at www.fms.treas.gov/annualreport.

LEGISLATIVE REQUIREMENT

The Constitution of the United States, Article 1, Section 9, clause 7, outlines requirements for a report on the

receipts and outlays of the Government. It provides, in part, that "No Money shall be drawn from the Treasury, but in Consequence of Appropriation made by law: *and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.*" (Emphasis added.) Current law provides:

- 31 U.S.C. 331(c) provides, "On the first day of each regular session of Congress, the Secretary shall submit to Congress a report for the prior fiscal year on the total amount of public receipts and public expenditures listing receipts, when practicable, by ports, districts, and States and the expenditures by each appropriation."
- 31 U.S.C. 3513(a) provides, in part, "The Secretary of the Treasury shall prepare reports that will inform the President, 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. Several major Government bodies rely on data found in the Annual Report. The Congressional Budget Office uses it to serve the needs of Congress; the Office of Management and Budget uses its data to review the President's Budget programs; the General Accounting Office uses it to perform audit activities; the various departments and agencies of the Government use it to reconcile their accounts; and the public uses it to review the operations of their Government. The budget figures presented in this report represent agency reporting for fiscal 2000 and adjustments to those year-end figures as reported through November 30, 2000. Revisions may be necessary once agencies have fully reconciled their data. Any such changes will be published in other reports prepared by FMS that contain related information. These include: the "Daily Treasury Statement," the "Monthly Treasury Statement of Receipts and Outlays of the United States Government" and the "Treasury Bulletin."

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

January 19, 2001

To: The President of the United States
The President of the Senate
Speaker of the U. S. 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(a) of the Act of September 12, 1950 (31 U.S.C. 3513(a)), I am transmitting herewith the United States Government Annual Report for the fiscal year ended September 30, 2000.

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 \$2,025.0 billion, an increase of \$197.7 billion over 1999 receipts; total outlays of \$1,788.1 billion, an increase of \$85.2 billion over 1999 outlays; and a \$236.9 billion surplus, an increase of \$112.5 billion over the 1999 surplus.

The budget figures presented in this report represent agency reporting for fiscal year 2000 and adjustments to those year-end figures as reported through November 30, 2000. Revisions may be necessary once agencies have fully reconciled their data.

Sincerely,

Lawrence H. Summers

Enclosure

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FINANCIAL HIGHLIGHTS

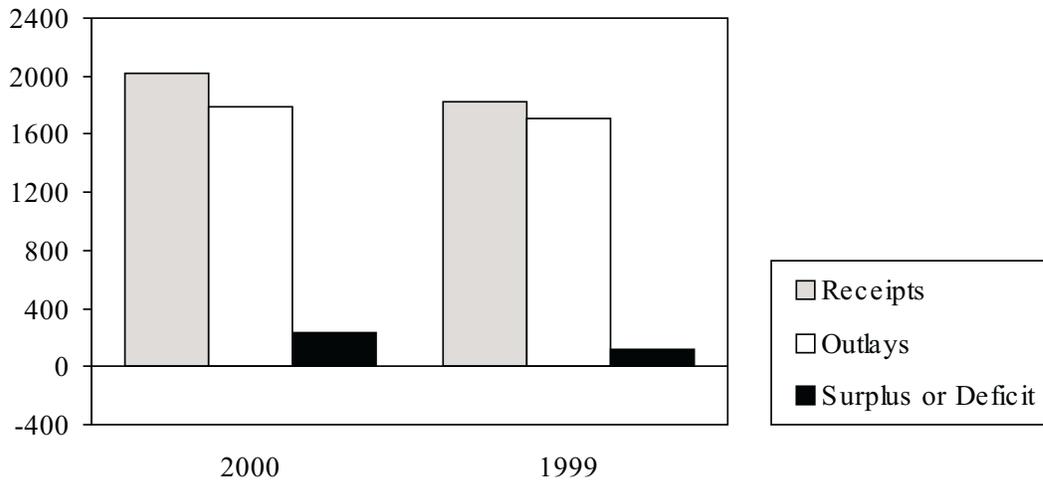
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FINANCIAL HIGHLIGHTS

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

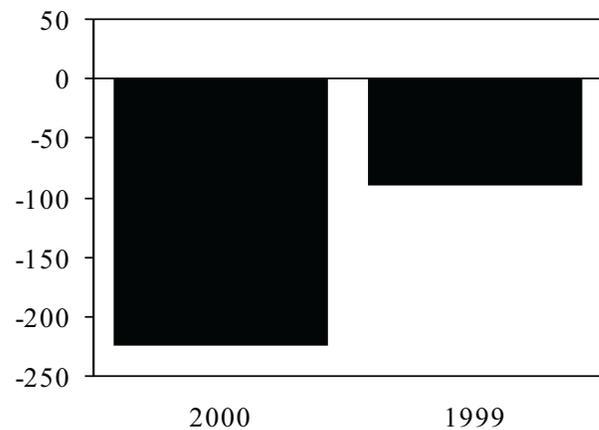
Total Receipts, Outlays and Surplus (+) or Deficit (-)

(In billions of dollars)



Total Increase (+) or Decrease (-) in Borrowing from the Public

(In billions of dollars)



(In millions of dollars)

	Fiscal 2000	Fiscal 1999	Percent change
Total receipts	2,025,037	1,827,302 r	10.8
Total outlays	1,788,140	1,702,942 r	5.0
Total surplus (+) or deficit (-)	236,897	124,360 r	90.5
Total increase (+) or decrease (-) in assets	10,419	34,505 r	-69.8
Total increase (+) or decrease (-) in borrowing from the public	-222,807	-88,694 r	-151.2
Excess of liabilities (+) or assets (-)	-233,690	-125,369 r	-86.4

r = revised

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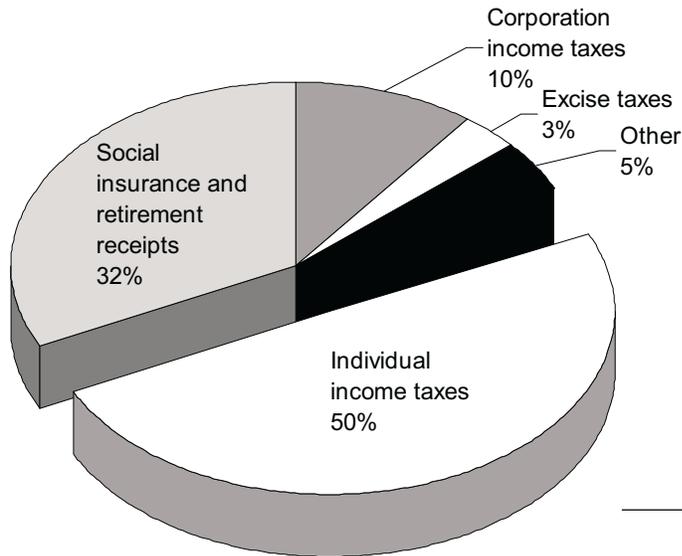
FINANCIAL REVIEW

- RECEIPTS BY SOURCE
 - 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
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RECEIPTS BY SOURCE

Total receipts increased by \$197.7 billion, totaling \$2,025.0 billion in fiscal 2000. The graph below shows receipts by source.



The text below describes major changes in the amount of receipts by source category. The table that follows shows the amount of receipts for fiscal 2000 and 1999 by source category. It also includes the amount and percentage change from fiscal 1999.

- **Individual income taxes** were \$1,004.5 billion in fiscal 2000. This was an increase of \$125.0 billion, or 14.2 percent.
- **Corporation income taxes** were \$207.3 billion, a \$22.6 billion increase from fiscal 1999 to fiscal 2000.
- Receipts from the three major forms of **social insurance taxes and contributions** increased from \$611.8 billion in fiscal 1999 to \$652.9 billion in fiscal 2000. This represents an increase of \$41.0 billion, or 6.7 percent.
 - **Employment and general retirement contributions** totaled \$620.4 billion, a change of \$39.6 billion, or 6.8 percent over the prior year.
 - **Unemployment insurance** receipts were \$27.6 billion in fiscal 2000. Receipts increased by \$1.2 billion from fiscal 1999, which amounts to 4.4 percent.
 - **Other retirement contributions** increased by 6.5 percent from fiscal 1999. Figures for fiscal 2000 totaled \$4.8 billion.
- **Excise tax** receipts in fiscal 2000 were \$68.9 billion, a decrease of 2.2 percent from the prior year.
- **Other receipts**, including estate and gift taxes, customs duties and miscellaneous receipts increased from \$80.9 billion in fiscal 1999 to \$91.6 billion in fiscal 2000. The major components are shown below.
 - **Estate and gift tax** receipts increased by \$1.2 billion in fiscal 2000 to \$29.0 billion.
 - **Customs duties** increased by \$1.6 billion in fiscal 2000 to \$19.9 billion.
 - **Miscellaneous receipts** totaled \$42.6 billion in fiscal 2000. This represents a \$7.9 billion increase from fiscal 1999.

RECEIPTS BY SOURCE

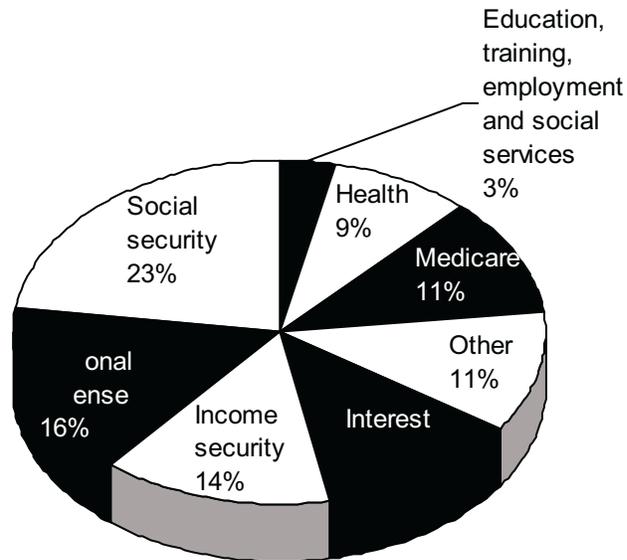
IN MILLIONS OF DOLLARS

	Fiscal 2000	Fiscal 1999	Amount change from 1999	Percent change
Income taxes:				
Individual income taxes	1,004,461	879,480	124,982	14.2
Corporate income taxes	207,288	184,680	22,608	12.2
Total income taxes	1,211,750	1,064,159	147,590	13.9
Social insurance and retirement receipts:				
Employment and general retirement	620,447	580,880	39,568	6.8
Unemployment insurance	27,641	26,480	1,161	4.4
Other retirement	4,763	4,472	291	6.5
Total social insurance and retirement receipts	652,851	611,832	41,019	6.7
Excise taxes	68,866	70,412 r	-1,546	-2.2
Other:				
Estate and gift taxes	29,010	27,782	1,228	4.4
Customs duties	19,913	18,336	1,578	8.6
Miscellaneous receipts	42,647	34,781 r	7,866	22.6
Total other	91,570	80,898 r	10,672	13.2
Total receipts	<u>2,025,037</u>	<u>1,827,302 r</u>	<u>197,735</u>	<u>10.8</u>

Details may not add to totals due to rounding.

r = revised

OUTLAYS BY FUNCTION



Outlays occur when the Government pays its obligations, whether with cash, check or electronic funds transfer. Total outlays were \$1,788.1 billion in fiscal 2000, an increase of \$85.2 billion or 5 percent over the amount from fiscal 1999. The text below shows how outlays were divided in fiscal 2000. The seven largest categories of outlays are detailed below. These seven categories directly corre-

spond to the Government's functional classification system.

The functional classification system groups Government activities—budget authority and outlays, loan guarantees and tax expenditures—into categories that reflect the national need addressed by each transaction. The system identifies 17 broad categories that address national needs. This provides a coherent and comprehensive basis for ana-

lyzing and understanding the budget. Two additional categories—interest and undistributed offsetting receipts—do not address specific national needs but are included to cover the entire budget. Under the functional classification system, each outlay is assigned to a classification that best defines its most important purpose, even though the outlay may serve more than one purpose.

The table that follows shows fiscal 2000 and fiscal 1999 outlays for each functional classification. It also shows the amount and percentage change in outlay levels between these 2 fiscal years. Changes in outlays for the largest functional classifications are briefly discussed below.

- **National defense**—This function includes those activities directly related to the defense and security of the United States. This amount encompasses Government spending for conventional forces, strategic forces, atomic energy defense activities and other defense related activities. National defense outlays for fiscal 2000 increased by \$19.0 billion, to \$293.9 billion.

- **Education, training, employment and social services**—These programs assist citizens in developing and learning skills to expand their potential opportunities and job placement possibilities. Outlays for this function were \$58.4 billion for fiscal 2000, an increase of 3.6 percent or \$2.0 billion from fiscal 1999 outlays.

- **Health**—The Federal Government helps 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 \$154.2 billion in fiscal 2000. This represents an increase of \$13.3 billion over the prior fiscal year.

- **Medicare**—Through Medicare, the Federal Government contributes to the health and well-being of aged and disabled Americans. Outlays for this function were \$197.1 billion in fiscal 2000. That is an increase of 3.5 percent or \$6.7 billion over fiscal 1999 outlays.
- **Income security**—Income security benefits are paid to the aged, the disabled, the unemployed and low-income families. Included within this classification are programs such as general retirement and disability, public assistance and unemployment compensation. Outlays for these benefits were \$247.4 billion in fiscal 2000—an increase of 4.3 percent, or \$9.7 billion, over the fiscal 1999 level.
- **Social security**—Through social security, the Federal Government contributes to the income security of aged and disabled Americans. This function's outlays were \$409.4 billion for fiscal 2000. That represents an increase of 5 percent, or \$19.4 billion, over fiscal 1999 outlays.
- **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 decreased in fiscal 2000 to \$223.2 billion. This is a 2.8 percent decrease from the prior fiscal year.

OUTLAYS BY FUNCTION

IN MILLIONS OF DOLLARS

	Fiscal 2000	Fiscal 1999	Amount change from 1999	Percent change
National defense	293,857	274,873 r	18,984	6.9
International affairs	17,253	15,243 r	2,010	13.2
General science, space and technology	19,707	18,125 r	1,582	8.7
Energy	-1,020	912 r	-1,932	-211.8
Natural resources and environment	23,301	23,968 r	-667	-2.8
Agriculture	38,291	23,011 r	15,280	66.4
Commerce and housing credit	3,329	2,647 r	682	25.8
Transportation	46,141	42,531 r	3,610	8.5
Community and regional development	11,587	11,870 r	-283	-2.4
Education, training, employment and social services	58,363	56,402 r	1,961	3.5
Health	154,215	140,931 r	13,284	9.4
Medicare	197,115	190,447 r	6,668	3.5
Income security	247,384	237,723 r	9,661	4.1
Social security	409,437	390,041 r	19,396	5.0
Veterans benefits and services	47,084	43,212 r	3,872	9.0
Administration of justice	27,704	25,924 r	1,780	6.9
General Government	13,748	15,791 r	-2,043	-12.9
Net interest	223,226	229,735 r	-6,509	-2.8
Undistributed offsetting receipts	-42,581	-40,445	-2,136	-5.3
Total outlays	1,788,140	1,702,942 r	85,199	5.0

Details may not add to totals due to rounding.

r = revised

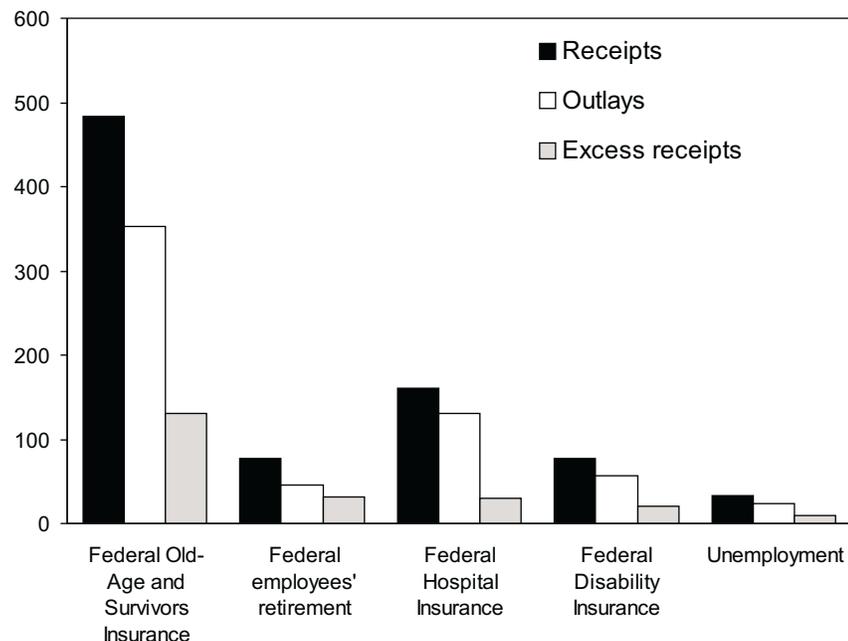
TRUST FUND RECEIPT AND OUTLAY SUMMARY

Trust fund accounts record the receipt and outlay of moneys held 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 major trust funds and their operations for fiscal 2000. Some trust funds, such as the Federal Old-Age and Survivors Insurance Trust Fund, the Federal employees' retirement trust funds, the Federal

Hospital Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Unemployment Trust Fund, accumulated excess receipts in fiscal 2000. Only those trust fund receipts derived from taxes and payroll contributions contribute to the overall level of receipts of the Federal Government. The chart presented below summarizes the operations of the major trust funds in fiscal 2000.

Trust Fund Receipt and Outlay Summary, Fiscal 2000

(In billions of dollars)



The table on the following page summarizes trust fund operations in fiscal 2000 and fiscal 1999. It also presents dollar changes between these 2 fiscal years. Presented below is a description of the receipts and outlays of the major trust funds for fiscal 2000.

- **Federal Old-Age and Survivors Insurance Trust Fund**—Receipts in this fund were \$484.3 billion and outlays were \$353.4 billion. Excess receipts amounted to \$130.8 billion.
- **Federal employees' retirement trust funds**—Receipts of the Federal employees' retirement trust funds were \$77.1 billion. The funds' outlays were \$45.8 billion, which put excess receipts at \$31.4 billion.
- **Federal Hospital Insurance Trust Fund**—Receipts in this fund were \$159.7 billion and outlays were \$130.0 billion—an excess of receipts of \$29.7 billion.
- **Federal Disability Insurance Trust Fund**—Federal Disability Insurance Trust Fund receipts were \$77.1 billion while outlays totaled \$56.0 billion. Excess receipts for the fiscal year were \$21.0 billion.
- **Unemployment Trust Fund**—The Unemployment Trust Fund accumulated \$33.3 billion in receipts and \$24.2 billion in outlays. That put excess receipts at \$9.0 billion.

TRUST FUND RECEIPT AND OUTLAY SUMMARY

IN MILLIONS OF DOLLARS

	2000			1999			Change		
	Receipts	Outlays	Excess	Receipts	Outlays	Excess	Receipts	Outlays	Excess
Trust fund									
Airport and airway	10,544	9,043	1,501	11,090	8,056	3,034	-546	986	-1,533
Black lung disability	520	1,008	-488	598	1,000	-401	-78	8	-86
Federal disability insurance	77,061	56,046	21,014	67,792	52,142	15,650	9,268	3,904	5,364
Federal employees life and health	-	-1,641	1,641	-	-961	961	-	-680	680
Federal employees' retirement	77,135	45,784	31,351	75,714	44,497	31,216	1,421	1,287	134
Federal hospital insurance	159,681	130,031	29,649	153,015	131,501	21,514	6,666	-1,469	8,136
Federal old-age and survivors insurance	484,259	353,427	130,832	446,977	337,916	109,062	37,282	15,511	21,771
Federal supplement-ary medical insurance	89,239	88,992	247	85,278	80,518	4,760	3,962	8,474	-4,513
Hazardous substance superfund	1,163	1,603	-441	876	1,577	-700	286	27	259
Highway	35,499	32,831	2,668	39,301 r	28,910 r	10,391 r	-3,802	3,921	-7,723
Military advances	11,362	11,085	277	11,624	12,159	-535	-262	-1,074	812
Military retirement	38,956	32,808	6,148	38,227	31,889	6,338	728	919	-190
Railroad retirement	9,654	8,440	1,215	8,763	8,389	374	891	50	841
Unemployment	33,259	24,228	9,030	31,681	24,938	6,743	1,578	-710	2,288
Veterans life insurance	1,095	1,211	-116	1,152	1,176	-24	-57	35	-92
All other trust funds	4,108	9,870	-5,762	7,422 r	8,316 r	-894 r	-3,314	1,554	-4,868
Total trust fund receipts and outlays	1,033,534	804,766	228,768	979,512 r	772,024 r	207,488 r	54,023	32,743	21,280
Total Federal fund receipts and outlays	1,325,205	1,317,076	8,129	1,164,382 r	1,247,509 r	-83,127 r	160,824	69,567	91,256

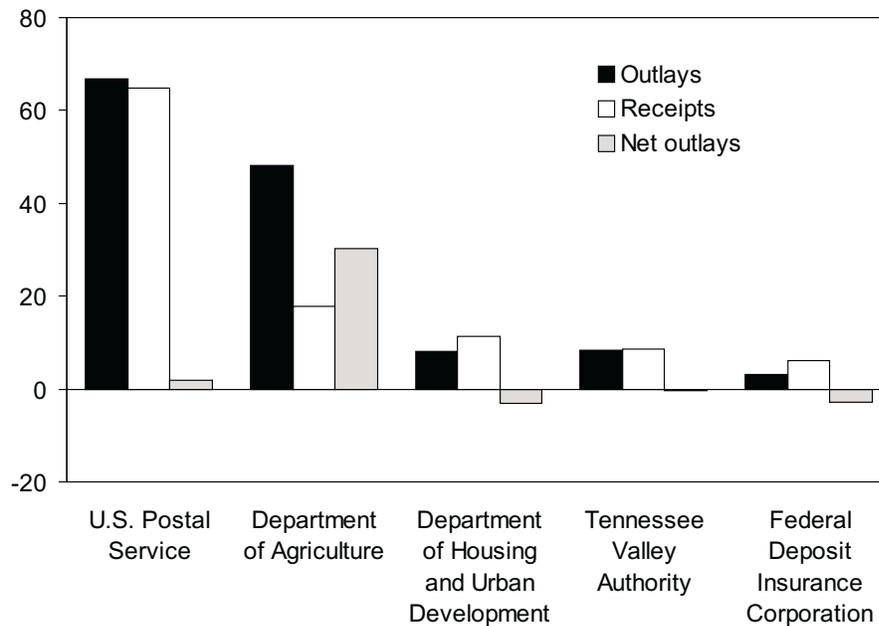
¹ Includes receipt and outlay activity for the Tax Court Judges' Survivors' Annuity Trust Fund, the Judicial Survivors' Annuities Trust Fund, the Judicial Officers' Retirement Trust Fund, the United States Court of Federal Claims Judges' Retirement Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Civil Service Retirement and Disability Fund .

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

REVOLVING FUND ACTIVITY BY DEPARTMENT

Specific provisions of law authorize public enterprise revolving funds. These funds finance a continuing cycle of operations in which outlays generate receipts and the receipts are available for outlays without further action

by Congress. The chart below summarizes fiscal 2000 receipt and outlay activity for the departments of the Government with the largest revolving fund operations.



Revolving Fund Activity by Department, Fiscal 2000

(In billions of dollars)

Below is a summary of receipts and outlays for the major revolving funds. The table on page 18 shows revolving fund activity by department for fiscal 2000.

- **U.S. Postal Service**—In fiscal 2000, revolving funds of the U.S. Postal Service generated \$66.9 billion in gross outlays and \$64.8 billion in gross receipts.
- **Department of Agriculture**—In fiscal 2000, gross outlays of revolving funds operated by the Department of Agriculture totaled \$48.2 billion and gross receipts totaled \$17.9 billion. Net outlays were \$30.3 billion.
- **Department of Housing and Urban Development**—In fiscal 2000, the gross outlays of revolving funds totaled \$8.2 billion, while gross receipts were \$11.3 billion.
- **Tennessee Valley Authority**—In fiscal 2000, gross outlays of \$8.3 billion and gross receipts of \$8.6 billion were generated by the Tennessee Valley Authority.
- **Federal Deposit Insurance Corporation**—In fiscal 2000, gross outlays of revolving funds totaled \$3.2 billion and gross receipts were \$6.1 billion.

REVOLVING FUND ACTIVITY BY DEPARTMENT

IN MILLIONS OF DOLLARS

	Fiscal 2000 gross outlays	Fiscal 2000 gross receipts	Fiscal 2000 net outlays	Fiscal 1999 net outlays	Dif- ference
Legislative Branch	15	15	*	-1	1
Departments:					
Agriculture	48,227	17,948	30,279	17,765	12,513
Commerce	47	74	-26	-18	-8
Defense-Military	49	24	25	40	-15
Education	-2	37	-40	-34	-5
Energy	2,106	2,388	-282	-231	-51
Health and Human Services	23	29	-6	-3	-4
Housing and Urban Development	8,166	11,260	-3,094	-593	-2,501
Interior	183	233	-50	-77 r	27
Labor	1,345	2,489	-1,144	-665	-479
Transportation	48	152	-104	-69 r	-34
Treasury	1,090	2,386	-1,296	-1,364	67
Veterans Affairs	646	889	-242	-378	136
Environmental Protection Agency	23	19	4	4	*
Executive Office of the President	-	-	-	*	*
Federal Emergency Management Agency	660	778	-117	-63	-54
International Assistance Program	601	2,231	-1,630	-1,565	-65
Small Business Administration	164	641	-477	-471	-6
Other independent agencies:					
Export-Import Bank	44	1,079	-1,034	-892	-142
Federal Deposit Insurance Corporation	3,206	6,074	-2,867	-5,053	2,185
National Credit Union Administration	3,421	3,624	-203	-261	58
U.S. Postal Service	66,877	64,848	2,029	1,021	1,007
Tennessee Valley Authority	8,264	8,571	-307	2	-309
All other	577	612	-35	168 r	-203
Total other independent agencies	82,388	84,807	-2,418	-5,015	2,596
Total revolving fund receipts and outlays	145,779	126,398	19,381	7,260 r	12,120

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	1,675 r	2,867	-17	2,913	-80	1,503
The Judicial Branch	693	4,095	-	4,087	8	760
Departments:						
Agriculture	23,219	123,121	-38,865	75,658	8,533	22,008
Commerce	961 r	8,881	-4	7,931	945	1,536
Defense-Military	40,509 r	290,206	-91	281,234	8,881	43,783
Education	8,146 r	37,030	-45	33,308	3,676	2,385
Energy	12,495	17,448	-231	15,010	2,207	14,153
Health and Human Services	198,807 r	422,127	-4	382,627	39,496	227,987
Housing and Urban Development	36,787	-13,520	-1,024	30,829	-45,373	38,020
Interior	5,262	9,355	-325	8,020	1,010	5,758
Justice	4,666	20,036	4	19,561	479	4,711
Labor	90,210 r	39,883	-30	31,355	8,499	98,661
State	12,696	8,766	-25	6,849	1,886	13,277
Transportation	58,922 r	57,801	-75	45,965	11,761	63,642
Treasury	21,583 r	515,373	-8,067	391,244	116,062	17,807
Veterans Affairs	16,099	45,365	-	47,087	-1,723	15,745
Corps of Engineers	4,008 r	4,213	86	4,334	-35	3,626
Other Defense Civil Programs	149,860	39,028	-	32,861	6,167	155,930
Environmental Protection Agency	8,015	7,277	-	7,240	37	7,757
Executive Office of the President	328	281	-21	284	-23	305
Federal Emergency Management Agency	795 r	4,451	-548	3,143	761	3,611
General Services Administration	3,768	168	-87	25	57	4,325
International Assistance Program	35,985	16,399	-252	12,084	4,064	32,762
National Aeronautics and Space Administration	864	13,603	-	13,442	161	712
National Science Foundation	187	4,000	1	3,487	514	247
Office of Personnel Management	502,832	81,096	-	48,660	32,436	542,724
Small Business Administration	672	100	-35	-422	488	137
Social Security Administration	819,615	593,410	-	441,810	151,601	965,659
Other independent agencies	73,708 r	16,418	2,557	10,361	8,697	78,390
Total appropriations, outlays and balances	2,133,369 r	2,369,278	-47,095	1,960,984	361,192	2,367,924

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

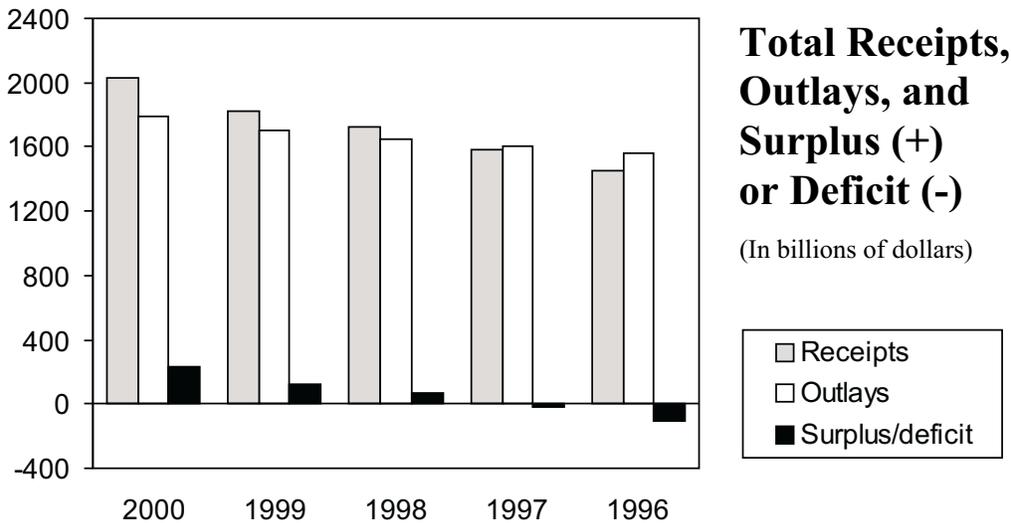
FIVE-YEAR SUMMARY OF FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS *

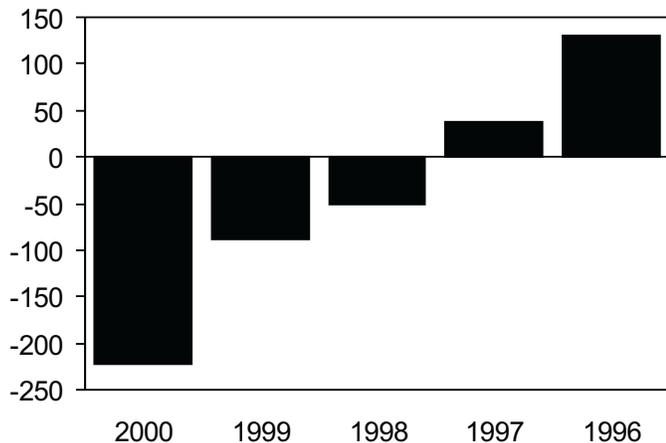
	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996
Total receipts	2,025,037	1,827,302 r	1,721,465	1,578,953	1,452,765
Total outlays	1,788,140	1,702,942 r	1,652,224	1,600,910	1,560,210
Total surplus (+) or deficit (-).....	236,897	124,360 r	69,242	-21,957	-107,445
Total increase (+) or decrease (-) in assets ...	10,419	34,505 r	17,157	17,849	14,075
Total increase (+) or decrease (-) in borrowing from the public.....	-222,807	-88,694 r	-51,211	38,185	129,657
Excess of liabilities (+) or assets (-)	-233,690	-125,369 r	-69,811	21,484	106,830

r = revised

*This financial statement shows only those financial highlights of the U.S. Government directly related to the cash operations of the Department of the Treasury and the rest of the Federal Government.



Total Increase (+) or Decrease (-) in Borrowing from the Public
(In billions of dollars)



FINANCIAL STATEMENTS

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

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BALANCE SHEET

IN MILLIONS OF DOLLARS

	September 30, 2000	September 30, 1999
Assets:		
Cash and monetary assets:		
U.S. Treasury operating cash:		
Federal Reserve account	8,459	6,641
Tax and loan note accounts	44,199	49,817
Special drawing rights (SDRs):		
Total holdings	10,316	10,284
SDR certificates issued to Federal Reserve Banks	-3,200	-7,200
Monetary assets with International Monetary Fund (IMF).	13,690	19,982
Other cash and monetary assets:		
U.S. Treasury monetary assets	-	30
Cash and other assets held outside the Treasury account.	18,960	18,341 r
U.S. Treasury time deposits	5,977	5,612 r
Total cash and monetary assets	98,401	103,507 r
Loan financing accounts:		
Guaranteed loan financing	-22,956	-18,518
Direct loan financing	105,459	83,894
Miscellaneous asset accounts	-107	1,496 r
Total assets	<u>180,798</u>	<u>170,378 r</u>
Excess of liabilities over assets:		
Excess of liabilities over assets at beginning of fiscal year	3,520,361	3,645,730 r
Add: Total surplus (-) or deficit (+) for fiscal year.	-236,897	-124,360 r
Subtotal	3,283,464	3,521,370 r
Deduct: Other transactions not applied to surplus or deficit	-3,207	1,009
Excess of liabilities over assets at close of fiscal year	<u>3,286,671</u>	<u>3,520,361 r</u>
Total assets and excess of liabilities over assets	<u>3,467,468</u>	<u>3,690,740 r</u>
Liabilities:		
Borrowing:		
Treasury debt securities outstanding	5,674,178	5,656,271 r
Premium and discount on Treasury debt securities	-72,842	-78,696
Total Treasury debt securities	5,601,336	5,577,575
Agency securities outstanding	27,672	28,505 r
Total Federal securities	5,629,009	5,606,080 r
Deduct: Net Federal securities held as investments by Government accounts.	2,218,896	1,973,160
Total borrowing from the public	3,410,113	3,632,920 r
Accrued interest payable	44,211	42,603
SDRs allocated by IMF	6,359	6,799
Deposit fund liabilities	2,826	3,998 r
Miscellaneous liability accounts (checks outstanding, etc.).	3,959	4,420
Total liabilities	<u>3,467,468</u>	<u>3,690,740 r</u>

Details may not add to totals due to rounding.

r = revised

STATEMENT OF OPERATIONS

IN MILLIONS OF DOLLARS

	Fiscal 2000	Fiscal 1999
Receipts:		
Individual income taxes	1,004,461	879,480
Corporation income taxes	207,288	184,680
Social insurance and retirement receipts:		
Employment and general retirement (off-budget)	480,583	444,468
Employment and general retirement (on-budget)	139,865	136,411
Unemployment insurance	27,641	26,480
Other retirement	4,763	4,472
Excise taxes	68,866	70,412 r
Estate and gift taxes	29,010	27,782
Customs duties	19,913	18,336
Miscellaneous receipts	42,647	34,781 r
Total receipts	2,025,037	1,827,302 r
Outlays:		
Legislative Branch	2,913	2,612 r
Judicial Branch	4,087	3,793
Departments:		
Agriculture	75,658	62,839
Commerce	7,931	5,036
Defense-Military	281,234	261,379
Education	33,308	32,435
Energy	15,010	16,054 r
Health and Human Services	382,627	359,700
Housing and Urban Development	30,829	32,736
Interior	8,020	7,814 r
Justice	19,561	18,318
Labor	31,355	32,459
State	6,849	6,463
Transportation	45,965	41,836 r
Treasury:		
Interest on the debt held by the public ¹	233,207	234,878 r
Other	29,125	33,191 r
Veterans Affairs	47,087	43,169

See footnotes at end of table.

STATEMENT OF OPERATIONS, continued

IN MILLIONS OF DOLLARS

Corps of Engineers	4,334	4,186
Other Defense Civil Programs	32,861	32,008
Environmental Protection Agency	7,240	6,752
Executive Office of the President	284	416
Federal Emergency Management Agency	3,143	4,040
General Services Administration	25	-46
International Assistance Program	12,084	10,061
National Aeronautics and Space Administration	13,442	13,665 r
National Science Foundation	3,487	3,285
Office of Personnel Management	48,660	47,515
Small Business Administration	-422	58
Social Security Administration	441,810	419,790
Other independent agencies	10,361	6,943 r
Undistributed offsetting receipts ²	-43,933	-40,446
Total outlays	1,788,140	1,702,942 r
Surplus (+) or deficit (-)	236,897	124,360 r
Other transactions not applied to current year's surplus (+) or deficit (-):		
Seigniorage (gain on coin production)	2,281	1,018
Premium/discount on buyback of U.S. Treasury Securities	-5,519	-
Profit on sale of gold	3	9
Net gain/loss for IMF loan valuation adjustments	-	-19
Reclassification of aged unreconciled accounts	28	-
Total other transactions not applied to current year's surplus (+) or deficit (-)	-3,207	1,009

¹ Interest on the debt held by the public is net of interest received by government trust funds.

² Excludes interest received by government trust funds.

Details may not add to totals due to rounding.

r = revised

STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS

IN MILLIONS OF DOLLARS

	Fiscal 2000	Fiscal 1999
Sources:		
Surplus	236,897	124,360 r
Increases in liabilities:		
Accrued interest payable	1,608	-
Special drawing rights (SDRs) allocated by International Monetary Fund (IMF)	-	80
Deposit fund liabilities	-	97 r
Miscellaneous liability accounts (checks outstanding, etc.)	-	498
Decreases in assets:		
U.S. Treasury operating cash:		
Tax and loan note accounts	5,618	-
Monetary assets with IMF	6,292	1,173
Loans to IMF	-	495
Guaranteed loan financing accounts	4,438	4,156
Miscellaneous asset accounts	1,603	-
Other transactions not applied to surplus (+) or deficit (-)	-	1,009
Total sources	256,456	131,867 r
Applications:		
Increases in assets:		
U.S. Treasury operating cash:		
Federal Reserve account	1,818	1,689
Tax and loan note accounts	-	15,891
SDRs:		
Total holdings	33	178
SDR certificates issued to Federal Reserve Banks	4,000	2,000
Other cash and monetary assets	954	386 r
Direct loan financing accounts	21,566	18,605
Miscellaneous asset accounts	-	1,579 r
Decreases in liabilities:		
Borrowing from the public	222,807	88,694 r
Accrued interest payable to the public	-	2,845
SDRs allocated by IMF	440	-
Deposit fund liabilities	1,171	-
Miscellaneous liability accounts (checks outstanding, etc.)	461	-
Other transactions not applied to current year's surplus (+) or deficit (-)	3,207	-
Total applications	256,456	131,867 r

Details may not add to totals due to rounding.

r = revised

**NOTES TO THE FINANCIAL
STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS

1. Description of Accounts Related to Cash Operations

The Government maintains several classes of accounts connected to its cash operations. They include:

- The accounts of fiscal officers or agents who receive money for deposit in the U.S. Treasury or 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.
- The accounts of the Treasury, which are responsible for the receipt and custody of money deposited by fiscal officers or agents.

FMS maintains a set of central accounts used to consolidate financial data reported by the above sources. This allows FMS to publish the results of cash operations for the Government as a whole. The Government also uses this data as a means of internal control.

The central accounts related 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.
- Cash transactions, classified by type, together with certain directly related assets and liabilities that underlie such receipts and outlays.

The Government accounts for receipts on the basis of collections; it treats refunds of receipts as deductions from gross receipts. The Government accounts for outlays on the basis of checks issued, electronic funds transferred and cash payments made (cash basis). It treats revolving and management fund receipts and reimbursements of moneys previously expended as

deductions from gross outlays. The Government recognizes interest on the debt held by the public, public issues, on the accrual basis; however, it recognizes interest on special issues 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. It does that by using such factors as checks outstanding, deposits in transit and cash held outside the Treasury. Within the central accounts, the Government classifies receipt and outlay accounts as:

- General fund receipt accounts.
- Special fund accounts.
- General fund expenditure accounts.
- Revolving fund accounts.
- Consolidated working fund accounts.
- Management fund accounts.
- Trust fund accounts.

The "United States Government Annual Report Appendix" describes these reports in detail.

2. U.S. Treasury Operating Cash

FMS uses several sources of information to determine Treasury's operating cash. The major sources 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. The Government presents operating cash on a modified cash basis. These reports reflect deposits as they are received and withdrawals as they are processed.

3. *Special Drawing Rights (SDRs)*

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

4. *Miscellaneous Asset Accounts*

Miscellaneous assets include gold assets and their related certificates, in the following amounts:

	Fiscal 2000	Fiscal 1999
Gold assets	\$11,046	\$11,050
Liabilities (certificates)	\$11,046	\$11,050

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. It differs from receipts coming from the public because there is no corresponding payment by another party. Therefore, the Government excludes seigniorage from receipts and treats it as a means of financing a deficit or as a supplementary amount to be applied to reduce debt. It also is used to increase the cash in the Treasury during a year with a surplus.

The Government treats profit resulting from the sale of gold as a monetary asset. Gold is treated like seigniorage because the value of gold is determined by its value as a monetary asset rather than a commodity.

6. *Federal Securities Outstanding*

Federal securities include all Treasury and agency issues outstanding.

- Treasury 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,

the Government does not include FFB borrowing from the Treasury in the Treasury debt. (Treasury debt already includes money borrowed by Treasury and lent to the FFB.)

- 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, the Government does not include agency borrowing from Treasury or the FFB, and Federal fund advances to trust funds in the Federal debt. (Treasury debt already includes money borrowed by Treasury or FFB and lent to an agency.)

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, 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.
- Proprietary receipts from rent royalties on the Outer Continental Shelf lands.

The Government does not deduct undistributed offsetting receipts from outlays at the function, subfunction or agency levels. It does deduct them 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	Lawrence H. Summers
Deputy Secretary of the Treasury	Stuart Eizenstat
Under Secretary for Domestic Finance	Gary Gensler
Under Secretary for Enforcement	James E. Johnson
Under Secretary for International Affairs	Timothy F. Geithner
General Counsel	Neal S. Wolin
Inspector General	Jeffrey Rush, Jr.
Assistant Secretary for Economic Policy	David Wilcox
Assistant Secretary for Enforcement	Elisabeth A. Bresee
Assistant Secretary for Financial Institutions	Gregory A. Baer
Assistant Secretary for Financial Markets	Lee Sachs
Fiscal Assistant Secretary	Donald V. Hammond
Assistant Secretary for International Affairs	Edwin Truman
Assistant Secretary for Legislative Affairs and Public Liaison	Marti Thomas
Assistant Secretary for Management/Chief Financial Officer	Lisa Ross
Assistant Secretary for Public Affairs	Michelle A. Smith
Assistant Secretary for Tax Policy	Jonathan Talisman
Treasurer of the United States	Mary Ellen Withrow
Director, Bureau of Alcohol, Tobacco and Firearms	Bradley A. Buckles
Commissioner of U.S. Customs	Raymond W. Kelly
Director, Bureau of Engraving and Printing	Thomas A. Ferguson
Director, Federal Law Enforcement Training Center	W. Ralph Basham
Director, U.S. Mint	Jay W. Johnson
Director, U.S. Secret Service	Brian L. Stafford
Comptroller of the Currency	John D. Hawke, Jr.
Commissioner of Financial Management Service	Richard L. Gregg
Commissioner of Internal Revenue Service	Charles O. Rossotti
Commissioner of Bureau of the Public Debt	Van Zeck
Director, Office of Thrift Supervision	Ellen Seidman

**UNITED STATES GOVERNMENT
ANNUAL REPORT APPENDIX
ORDER FORM**

Details pertaining to the information presented in this publication are contained in the "United States 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

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