

# PREFACE

## TREASURY PROFILE

The Treasury Department was created by an act of Congress approved on September 2, 1789, 31 U.S.C. 301. Many subsequent acts have influenced the development of the Department, delegating new duties and establishing numerous bureaus and divisions which now compose the Department. Today, the Treasury's mission can be categorized into four basic functions: formulating and recommending of economic, financial, tax, and fiscal policies; serving as financial agent for the U.S. Government; enforcing the law; and manufacturing coins and currency.

## FINANCIAL MANAGEMENT SERVICE

The Financial Management Service of the Department of the Treasury performs a critical role in fulfilling the Treasury's mission as the Government's financial manager through its responsibility for the Government's delivery systems for payments and collections, the central accounting and reporting systems, the Government's cash management programs, credit and debt collection activities, and various other financial services.

In its role as financial agent of the Government, the Financial Management Service publishes this Annual Report of the U.S. Government. This report presents an overview of the Government's cash basis financial position and results of operations. It summarizes selected data that are maintained in the central accounts based on data provided by Federal entities, disbursing officers, and the Federal Reserve banks. Details supporting the information presented in this report are contained in the Annual Report Appendix, which is available from Financial Management Service's Reports Management Division. An order form for the appendix is provided as the last page of this publication.

## LEGISLATIVE REQUIREMENT

The requirements for the preparation of a report on the receipts and outlays of the Government originated with Article 1, Section 9 of the Constitution of the

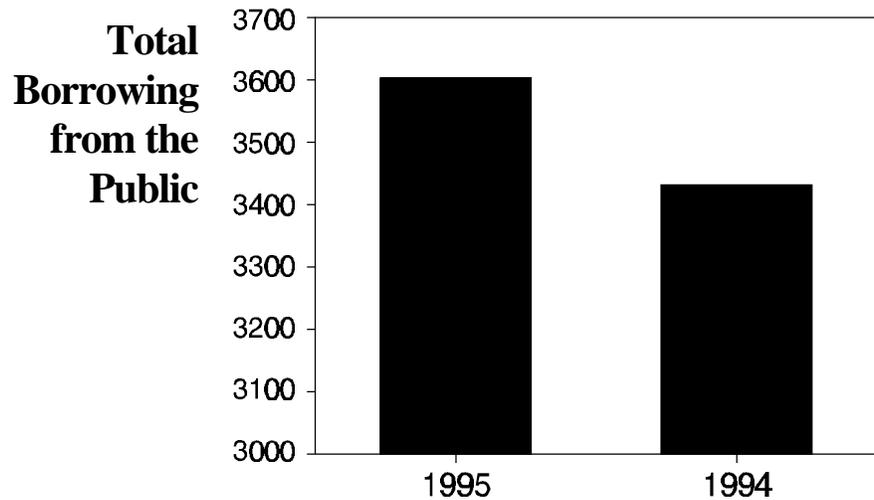
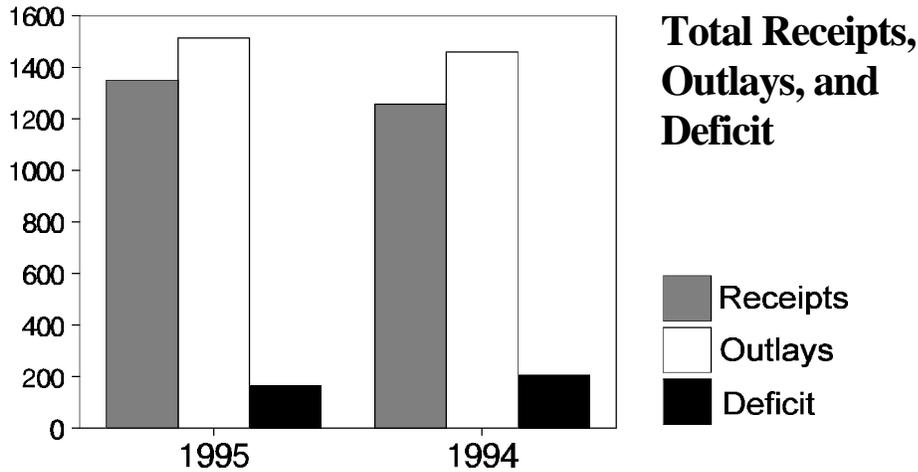
United States. It provides in part that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law, *and a regular Statement of Account of the Receipts and Expenditures of all public money shall be published from time to time.*" (*Emphasis provided*). This requirement was followed by a standing order of the House of Representatives, dated December 31, 1791, which required an annual report on receipts and outlays of the Government. This was superseded by the following:

- 31 U.S.C. 331(c) provides, "On the first day of each regular session of Congress, the Secretary shall submit to Congress a report for the prior fiscal year on the total amount of public receipts and public expenditures listing receipts, when practicable, by ports, districts, and States and the expenditures by each appropriation."
- 31 U.S.C. 351(a) provides, "The Secretary of the Treasury shall prepare reports that will inform the President, the Congress, and the public on the financial operations of the United States Government."

This Annual Report is recognized as the official publication of receipts and outlays with which all other reports containing similar data must be in agreement. It is used by the Congressional Budget Office in serving the needs of Congress; the Office of Management and Budget in reviewing the President's Budget programs; the General Accounting Office in performing its audit activities; the various departments and agencies of the Government in reconciling their accounts; and the general public in continually reviewing the operations of their Government. Other reports prepared by the Financial Management Service that contain related information include: the "Daily Treasury Statement," the "Monthly Treasury Statement of Receipts and Outlays of the United States Government," and the "Treasury Bulletin."

## FINANCIAL HIGHLIGHTS

This report shows only those financial highlights of the U.S. Government that are directly related to the cash operations of the Department of the Treasury and of the rest of the Federal Government. All figures and graphs are in billions of dollars.



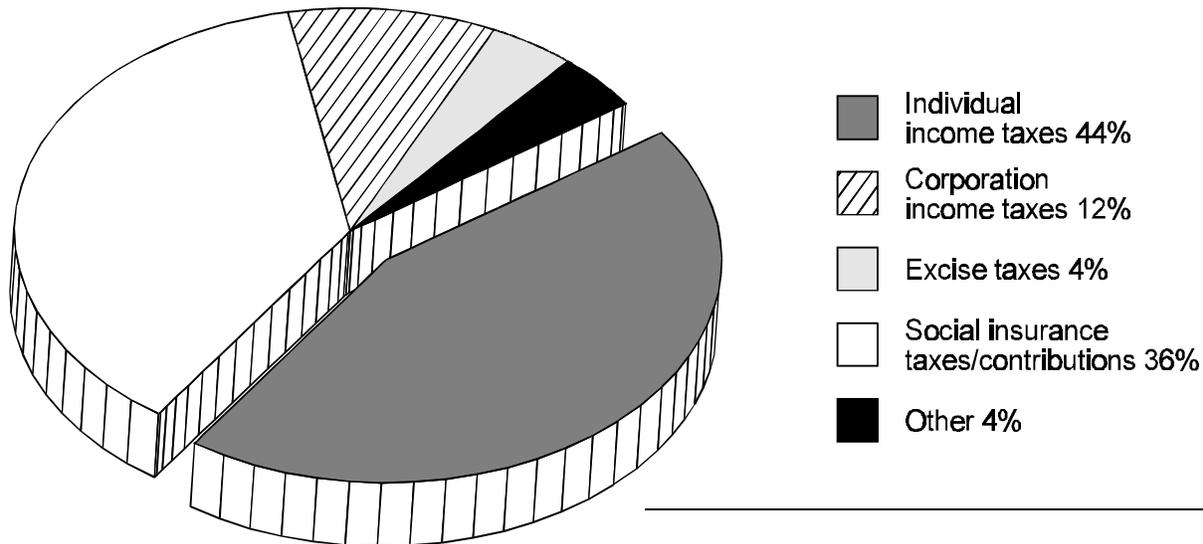
	Fiscal 1995	Fiscal 1994	Percent change
Total receipts . . . . .	1,350,576	1,257,451 r	7.4
Total outlays . . . . .	1,514,428	1,460,553 r	3.7
Total deficit . . . . .	163,852	203,102 r	-19.3
Total assets . . . . .	89,320	72,914 r	22.5
Total borrowing from the public . . .	3,603,338	3,432,050 r	5.0
Excess of liabilities over assets . . .	3,585,008	3,421,878 r	4.8

r = revised

## RECEIPTS BY SOURCE CATEGORY

Total receipts amounted to \$1,350.6 billion in fiscal 1995, an increase of \$93.1 billion from fiscal 1994.

The percentage distribution of 1995 receipts by source category is graphically depicted below.



Major changes in the amount of receipts by source category are described below. The table that follows shows the amount of receipts for fiscal 1995 and 1994 by source category, and the amount and percentage change from fiscal 1994.

- **Individual income taxes** were \$590.2 billion in fiscal 1995, an increase of \$47.2 billion or 8.7 percent.
- **Corporation income taxes** were \$157.0 billion, an increase of \$16.6 billion from fiscal 1994 to fiscal 1995.
- Receipts from the three major forms of **social insurance taxes and contributions** increased from \$461.5 billion in fiscal 1994 to \$484.5 billion in fiscal 1995, an increase of \$23.0 billion or 5.0 percent.
  - **Employment taxes and contributions** receipts totaled \$451.0 billion, a change of \$22.2 billion or 5.2 percent over the prior year.
  - **Unemployment insurance** receipts were \$28.9 billion in fiscal 1995, an increase

from fiscal 1994 of \$0.9 billion or 3.1 percent.

- **Other retirement contributions** receipts decreased by \$0.1 billion to a total of \$4.6 billion in fiscal 1995.
- **Excise tax** receipts in fiscal 1995 were \$57.5 billion, an increase of \$2.3 billion from the prior year.
- **Other receipts**, including estate and gift taxes, customs duties, and miscellaneous receipts, increased from \$57.3 billion in fiscal 1994 to \$61.4 billion in fiscal 1995. A discussion of the level of the receipts for each of the components of this category is presented below.
  - **Estate and gift tax** receipts decreased by \$0.5 billion in fiscal 1995 to \$14.8 billion.
  - **Customs duties** decreased by \$0.8 billion in fiscal 1995 to \$19.3 billion.
  - **Miscellaneous receipts** totaled \$27.3 billion in fiscal 1995, an increase of \$5.3 billion over the fiscal 1994 level.

# RECEIPTS BY SOURCE CATEGORY

IN MILLIONS OF DOLLARS

	Fiscal 1995	Fiscal 1994	Change from 1994	Percent change
Individual income taxes .....	\$590,243	\$543,055	\$47,189	8.7
Corporate income taxes .....	157,004	140,385	16,619	11.8
<b>Total income taxes</b> .....	<b>747,247</b>	<b>683,439</b>	<b>63,808</b>	<b>9.3</b>
<b>Social insurance taxes and contributions:</b>				
Employment taxes and contributions .....	451,046	428,810	22,236	5.2
Unemployment insurance .....	28,878	28,004	873	3.1
Other retirement contributions .....	4,550	4,661	-111	-2.4
<b>Total social insurance taxes and contributions</b> ..	<b>484,474</b>	<b>461,475</b>	<b>22,998</b>	<b>5.0</b>
Excise taxes .....	57,484	55,225	2,260	4.1
<b>Other:</b>				
Estate and gift taxes .....	14,763	15,225	-461	-3.0
Customs duties .....	19,300	20,099	-798	-4.0
Miscellaneous receipts .....	27,307	21,988 r	5,319	24.2
<b>Total other</b> .....	<b>61,370</b>	<b>57,311 r</b>	<b>4,059</b>	<b>7.1</b>
<b>Total receipts</b> .....	<b>\$1,350,576</b>	<b>\$1,257,451 r</b>	<b>\$93,125</b>	<b>7.4</b>

Details may not add to totals due to rounding.

r = revised

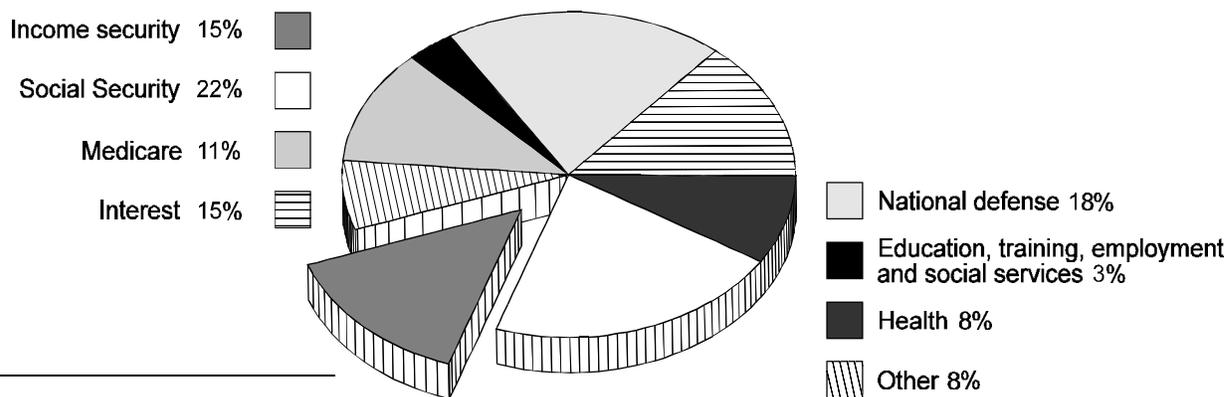
## OUTLAYS BY FUNCTION

Outlays are liquidations of the Government's obligation through the issuance of checks or disbursement of cash. Total outlays were \$1,514.4 billion in fiscal 1995, an increase of \$53.9 billion or 3.7 percent over the amount of the preceding fiscal year. Shown below is the percentage distribution of fiscal 1995 outlays among the 7 largest categories included in the Government's activities, so that all budget authority and outlays, loan guarantees, and tax expenditures can be presented according to the national needs being addressed.

National needs are grouped in 17 broad areas to provide a coherent and comprehensive basis for ana-

lyzing and understanding the budget. 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 many outlays serve more than one purpose.

Total outlays in fiscal 1995 were \$1,514.4 billion compared with \$1,460.6 billion in fiscal 1994. The percentage distribution of outlays among the seven largest functional classifications is shown graphically below.



The table that follows shows fiscal 1995 and fiscal 1994 outlays for each functional classification and the amount and percentage change in outlay levels between these two fiscal years. Changes in outlays for the largest functional classifications are briefly discussed below.

- National defense**—This function includes those activities that are directly related to the defense and security of the United States. National defense outlays for fiscal 1995 decreased by \$9.4 billion to \$272.2 billion. This amount encompasses Government spending for conventional forces, strategic forces, atomic energy defense activities and other defense related activities.
- Health**—The Federal Government helps to meet the nation's health care needs by financing and providing health care services, aiding disease prevention and supporting research and training. Outlays for this function were \$114.8 billion in fiscal 1995, an increase of \$7.9 billion over the prior fiscal year.
- Social Security**—Through Social Security the Federal Government contributes to the income security of aged and disabled Americans. This function's outlays were \$335.8 billion for fiscal 1995, an increase of 5.1 percent or \$16.3 billion over the fiscal 1994 outlays.
- Medicare**—Through Medicare the Federal Government contributes to the health and well being of aged and disabled Americans. The outlays for this function were \$159.9 billion in fiscal 1995, an increase of 10.4 percent or \$15.1 billion over the fiscal 1994 outlays.
- Income security**—Income security benefits are paid to the aged, the disabled, the unemployed and low income families. Outlays for these benefits were \$220.2 billion in fiscal 1995, an increase of 2.9 percent or \$6.2 billion from the fiscal 1994 level. Included within this classification are pro-

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

- **Interest**—This function includes interest paid by the Federal Government, offset by interest collections from the public and interest received by Government trust funds. Net interest outlays are very sensitive to both interest rates and the amount of debt outstanding. Net interest outlays increased in

fiscal 1995 to \$232.2 billion, a 14.4 percent increase over the prior fiscal year.

- **Education, training, employment and social services**—These programs provide assistance for the development and learning of skills for opportunities and job placement. Outlays for this function were \$52.7 billion for fiscal 1995, an increase of 13.8 percent or \$6.4 billion over fiscal 1994 outlays.

## OUTLAYS BY FUNCTION

### IN MILLIONS OF DOLLARS

	Fiscal 1995	Fiscal 1994	Change from 1994	Percent change
National defense . . . . .	272,179	281,563 r	-9,384	-3.3
International affairs . . . . .	16,448	17,083 r	-635	-3.7
General science, space, and technology . . . . .	17,563	16,227 r	1,336	8.2
Energy . . . . .	5,146	5,219 r	-73	-1.4
Natural resources and environment . . . . .	23,329	21,064 r	2,265	10.8
Agriculture . . . . .	9,763	15,057 r	-5,294	-35.2
Commerce and housing credit . . . . .	-18,740	-5,122 r	-13,618	265.9
Transportation . . . . .	38,555	38,134 r	421	1.1
Community and regional development . . . . .	11,000	10,454 r	546	5.2
Education, training, employment, and social services . . . . .	52,706	46,307 r	6,399	13.8
Health . . . . .	114,760	106,836 r	7,924	7.4
Medicare . . . . .	159,854	144,747	15,106	10.4
Income security . . . . .	220,214	214,036 r	6,178	2.9
Social security . . . . .	335,847	319,565	16,282	5.1
Veterans benefits and services . . . . .	37,935	37,642	293	0.8
Administration of justice . . . . .	16,255	15,238 r	1,017	6.7
General Government . . . . .	13,895	11,316 r	2,578	22.8
Interest . . . . .	232,175	202,957	29,217	14.4
Undistributed offsetting receipts . . . . .	-44,455	-37,772	-6,683	17.7
<b>Total outlays . . . . .</b>	<b>1,514,428</b>	<b>1,460,553 r</b>	<b>53,868</b>	<b>3.7</b>

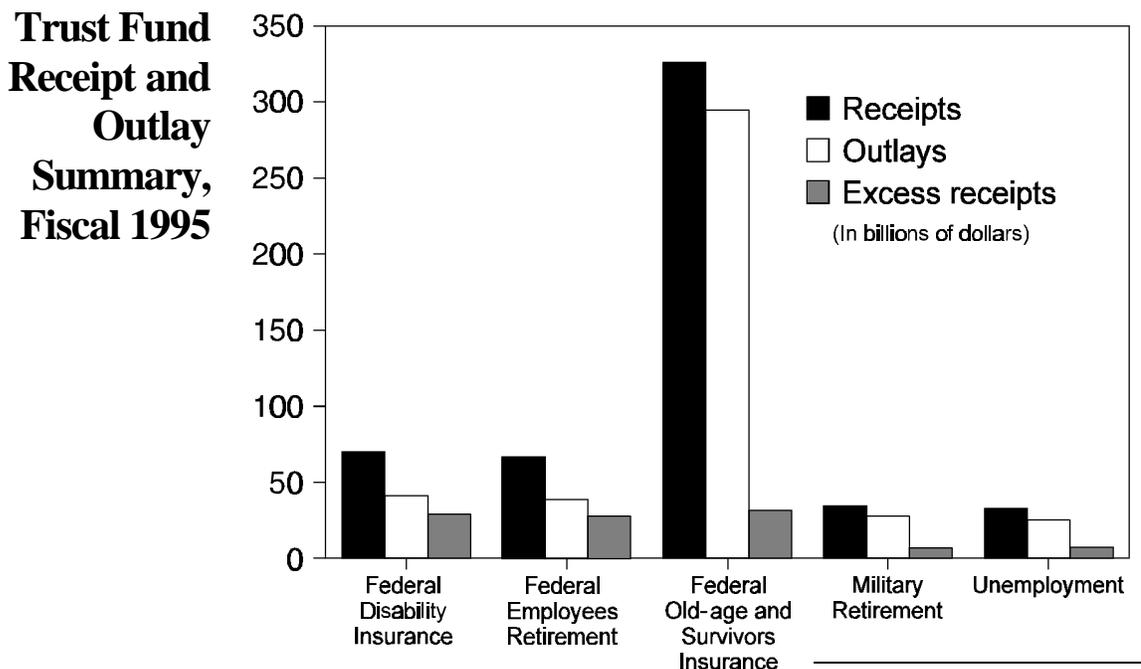
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## TRUST FUND RECEIPT AND OUTLAY SUMMARY

Trust fund accounts are maintained to record the receipt and outlay of moneys held in trust by the Government for use in carrying out specific purposes or programs in accordance with the terms of a trust agreement or statute. This section summarizes how trust fund operations contribute to the overall level of receipts and outlays of the Federal Government. This section also demonstrates the variety of trust funds

and their operations. Some trust funds such as the Federal Disability Insurance Fund, the Federal Employees Retirement Fund, the Federal Old-age and Survivors Insurance Fund, the Military Retirement Fund, and the Unemployment Trust Fund accumulated excess receipts in fiscal 1995. The chart presented below summarizes the operations of the major trust funds in fiscal 1995.



The table on the following page summarizes trust fund operations in fiscal 1995 and fiscal 1994 and the dollar change between these 2 fiscal years. Presented below is a description of the receipts and outlays of the major trust funds for fiscal 1995.

- **Federal Disability Insurance Fund**—In fiscal 1995, Federal Disability Insurance Fund receipts were \$70.2 billion while outlays totaled \$41.4 billion for an excess of receipts over outlays of \$28.8 billion.
- **Federal Employees Retirement Fund**—In fiscal 1995, the receipts of the Federal Employees Retirement Fund were \$66.8 billion. The fund's outlays were \$38.9 billion for an excess of receipts over outlays of \$27.9 billion.
- **Federal Old-age and Survivors Insurance Fund**—In fiscal 1995, receipts in this fund were \$326.1 billion and outlays were \$294.5 billion. The excess of receipts over outlays amounted to \$31.6 billion.
- **Military Retirement Fund**—In fiscal 1995, the Military Retirement Fund accumulated \$34.6 billion in receipts and \$27.8 billion in outlays for an excess of receipts over outlays of \$6.8 billion.
- **Unemployment Trust Fund**—The fiscal 1995 receipts of the Unemployment Trust Fund were \$32.8 billion and outlays were \$25.3 billion for an excess of receipts over outlays of \$7.5 billion.

# TRUST FUND RECEIPT AND OUTLAY SUMMARY

IN MILLIONS OF DOLLARS

Trust fund	1995			1994			Change		
	Receipts	Outlays	Excess	Receipts	Outlays	Excess	Receipts	Outlays	Excess
Airport and airway . . . . .	6,291	7,242	-950	6,027	6,423	-396	264	819	-554
Black lung disability . . . . .	987	987	*	985	987	-3	2	*	2
Federal disability insurance . . . . .	70,215	41,380	28,835	34,049	37,984	-3,935	36,166	3,396	32,770
Federal employees life and health . . . . .	-	-1,240	1,240	-	-1,800 r	1,800 r	-	560	-560
Federal employees retirement . . . . .	66,806	38,899	27,908	64,548	36,810	27,738	2,258	2,089	170
Federal hospital insurance . . . . .	114,847	114,883	-36	106,195	102,770	3,425	8,653	12,113	-3,460
Federal old-age and survivors insurance . . . . .	326,084	294,474	31,611	342,278	281,586	60,691	-16,193	12,888	-29,081
Federal supplementary medical insurance . . . . .	58,169	65,213	-7,044	57,367	59,724	-2,357	802	5,489	-4,687
Highway . . . . .	23,780	22,691	1,089	18,106	22,412 r	-4,306 r	5,674	279	5,395
Military advances . . . . .	12,469	13,417	-948	13,036	13,221	-185	-566	196	-763
Railroad retirement . . . . .	9,093	7,924	1,169	8,075 r	7,803 r	272 r	1,018	121	897
Military retirement . . . . .	34,624	27,797	6,827	34,860	26,717	8,142	-236	1,079	-1,315
Unemployment . . . . .	32,820	25,282	7,539	33,816	30,458	3,358	-996	-5,176	4,180
Veterans life insurance . . . . .	1,356	1,231	126	1,427	1,195	232	-71	36	-107
All other trust funds . . . . .	6,056	4,514	1,542	5,523 r	4,700 r	823 r	533	-186	719
<b>Total trust fund receipts and outlays . . . . .</b>	<b>763,599</b>	<b>664,692</b>	<b>98,907</b>	<b>726,291 r</b>	<b>630,990 r</b>	<b>95,301 r</b>	<b>37,308</b>	<b>33,702</b>	<b>3,606</b>
<b>Total Federal fund receipts and outlays . . . . .</b>	<b>834,887</b>	<b>1,097,647</b>	<b>-262,759</b>	<b>771,216 r</b>	<b>1,069,619 r</b>	<b>-298,403 r</b>	<b>63,671</b>	<b>28,028</b>	<b>35,644</b>

Details may not add to totals due to rounding.

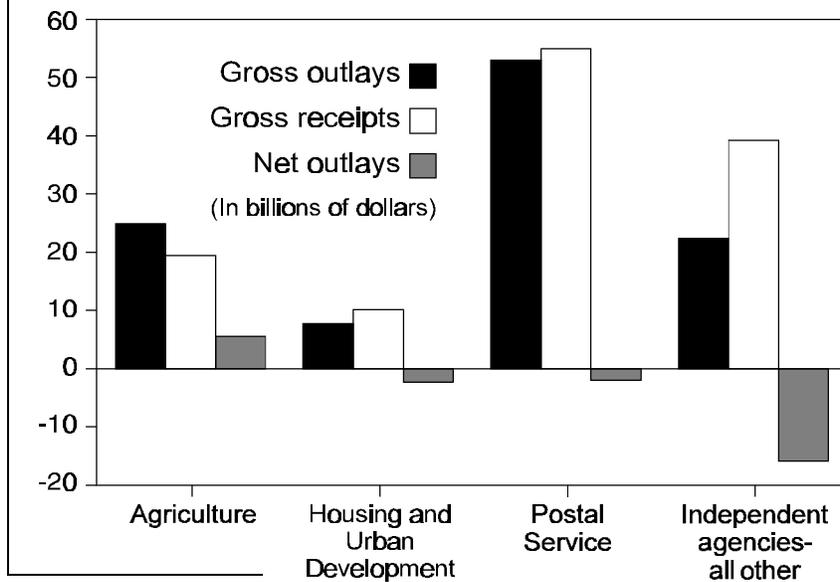
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\* Less than \$500,000.

## REVOLVING FUND ACTIVITY BY DEPARTMENT

Public enterprise revolving funds are authorized by specific provisions of law to finance a continuing cycle of operations in which outlays generate receipts and the receipts are available for outlays without fur-

ther action by Congress. The chart below summarizes fiscal 1995 receipt and outlay activity for the departments of the Government with the largest revolving fund operations.



### Revolving Fund Activity by Department, Fiscal 1995

Below is a summary of receipts and outlays of the major revolving funds. The table on page 18 shows revolving fund activity by department for fiscal 1995.

- **Department of Agriculture**—In fiscal 1995, gross outlays of revolving funds operated by the Department of Agriculture totaled \$24.9 billion and gross receipts totaled \$19.4 billion. Net outlays were \$5.5 billion.
- **Department of Housing and Urban Development**—In fiscal 1995, the gross outlays of revolving funds of this department totaled \$7.8 billion, while gross receipts were \$10.1 billion. Net revolving fund outlays in fiscal 1995 were -\$2.3 billion.
- **Postal Service**—In fiscal 1995, revolving funds of the Postal Service generated \$53.0 billion in gross outlays, \$54.9 billion in gross receipts, and net outlays of -\$2.0 billion.

- **Independent agencies-all others**—The net outlays of revolving funds maintained by these agencies amounted to -\$16.9 billion in fiscal 1995. This total consisted of \$22.3 billion in gross outlays and \$39.2 billion in gross receipts, and includes:

- Export-Import Bank, which had gross outlays of \$0.9 billion and gross receipts of \$1.1 billion;
- Federal Deposit Insurance Corporation, which had gross outlays of \$4.8 billion and gross receipts of \$1.7 billion, and
- Tennessee Valley Authority, which had gross outlays of \$9.2 billion and gross receipts of \$7.9 billion.

# REVOLVING FUND ACTIVITY BY DEPARTMENT

IN MILLIONS OF DOLLARS

	Fiscal 1995 gross outlays	Fiscal 1995 gross receipts	Fiscal 1995 net outlays	Fiscal 1994 net outlays	Difference
Legislative Branch.....	13	13	*	-2	2
The Judiciary.....	-	-	-	-	-
Executive Office of the President.....	-	-	-	-	-
Funds Appropriated to the President.....	1,102	1,334	-232	-12	-220
<b>Departments:</b>					
Agriculture.....	24,915	19,431	5,484	10,240	-4,756
Commerce.....	58	69	-11	4	-15
Defense, military.....	139	62	77	67	9
Defense, civil.....	-	-	-	-	-
Education.....	19	60	-42	-40	-2
Energy.....	1,693	1,809	-116	178	-294
Health and Human Services.....	16	5	11	18	-7
Housing and Urban Development.....	7,790	10,097	-2,307	-1,057	-1,249
Interior.....	306	195	110	158	-48
Justice.....	-	-	-	-	-
Labor.....	1,328	1,758	-430	-385	-45
State.....	-	-	-	-	-
Transportation.....	263	345	-82	-172 r	90
Treasury.....	-2,287	177	-2,464	-1,318	-1,146
Veterans Affairs.....	1,126	1,394	-267	124	-391
Environmental Protection Agency.....	2	1	1	6	-4
General Services Administration.....	-	-	-	-	-
National Aeronautics and Space Administration ..	-	-	-	-	-
Office of Personnel Management.....	-	-	-	-	-
Small Business Administration.....	114	769	-655	-499	-156
Social Security Administration.....	-	-	-	-	-
<b>Independent agencies:</b>					
Export-Import Bank.....	870	1,074	-204	-1,014	810
Federal Deposit Insurance Corporation.....	4,819	11,746	-6,927	-11,400	4,473
Postal Service.....	52,975	54,943	-1,969	1,103	-3,072
Tennessee Valley Authority.....	9,169	7,855	1,313	1,210	103
All other.....	7,411	18,481	-11,070	-3,321 r	-14,391
<b>Total independent agencies.....</b>	<b>75,243</b>	<b>94,000</b>	<b>-18,857</b>	<b>-6,780 r</b>	<b>-12,077</b>
<b>Total revolving fund receipts and outlays.....</b>	<b>111,839</b>	<b>131,618</b>	<b>-19,779</b>	<b>530 r</b>	<b>-20,308</b>

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 . . . . .	1,316	2,694	-17	2,621	-20	1,180
The Judiciary . . . . .	467	3,000	-	2,903	97	588
Executive Office of the President . . . . .	27	195	-	213	-18	22
Funds Appropriated to the President . . . . .	28,226	28,178	-292	11,164	16,722	31,680
<b>Departments:</b>						
Agriculture . . . . .	23,577	112,532	-39,215	56,667	16,651	35,852
Commerce . . . . .	1,056	3,979	-	3,403	575	842
Defense . . . . .	172,796	293,260	-47	291,229	1,984	169,533
Education . . . . .	4,671	32,350	-53	31,321	976	5,165
Energy . . . . .	8,908	15,909	-392	17,618	-2,101	8,012
Health and Human Services . . . . .	155,418	298,357	-30	303,075	-4,749	148,387
Housing and Urban Development . . . . .	35,127	20,721	-874	29,045	-9,199	27,933
Interior . . . . .	4,659	7,755	-1	7,416	338	4,809
Justice . . . . .	2,488	12,999	-	10,781	2,218	3,440
Labor . . . . .	48,433	39,424	-	32,169	7,254	55,977
State . . . . .	8,135	5,876	-	5,347	529	8,659
Transportation . . . . .	41,138	43,758	-2	38,776	4,980	41,646
Treasury . . . . .	18,687	351,311	-7	348,480	2,824	21,605
Veterans Affairs . . . . .	17,182	37,707	-	37,769	-62	16,837
Environmental Protection Agency . . . . .	8,940	6,794	*	6,349	445	8,828
General Services Administration . . . . .	4,253	-128	-68	709	-905	3,434
National Aeronautics and Space Administration . . . . .	1,936	14,217	-	13,377	839	1,691
Office of Personnel Management . . . . .	365,360	70,002	-	41,279	28,724	394,533
Small Business Administration . . . . .	1,565	1,402	-219	678	505	1,138
Social Security Administration . . . . .	395,567	424,187	-	362,226	61,962	452,918
Independent agencies . . . . .	62,831	25,877	-20,731	-2,556	7,702	66,195
<b>Total . . . . .</b>	<b>1,412,766</b>	<b>1,852,355</b>	<b>-61,950</b>	<b>1,652,059</b>	<b>138,271</b>	<b>1,510,905</b>

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r = revised

\* Less than \$500,000.

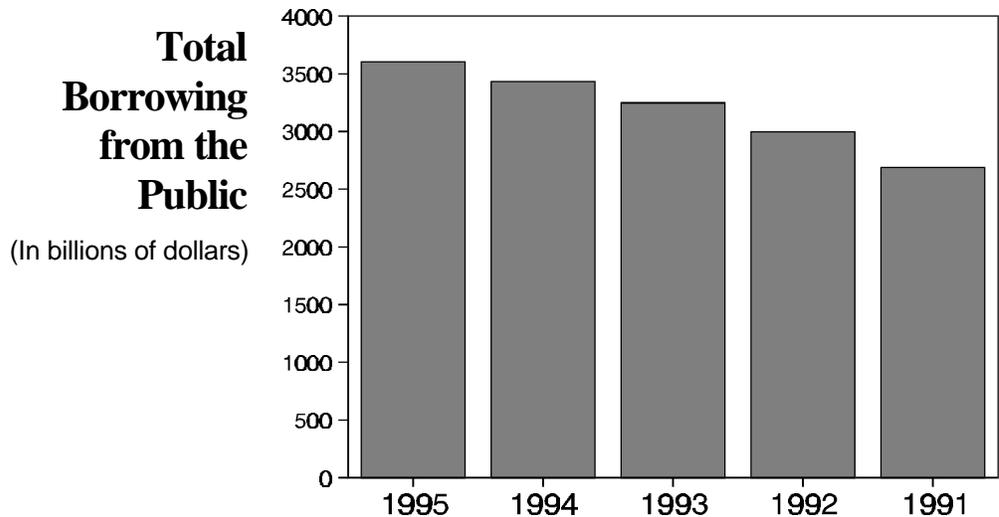
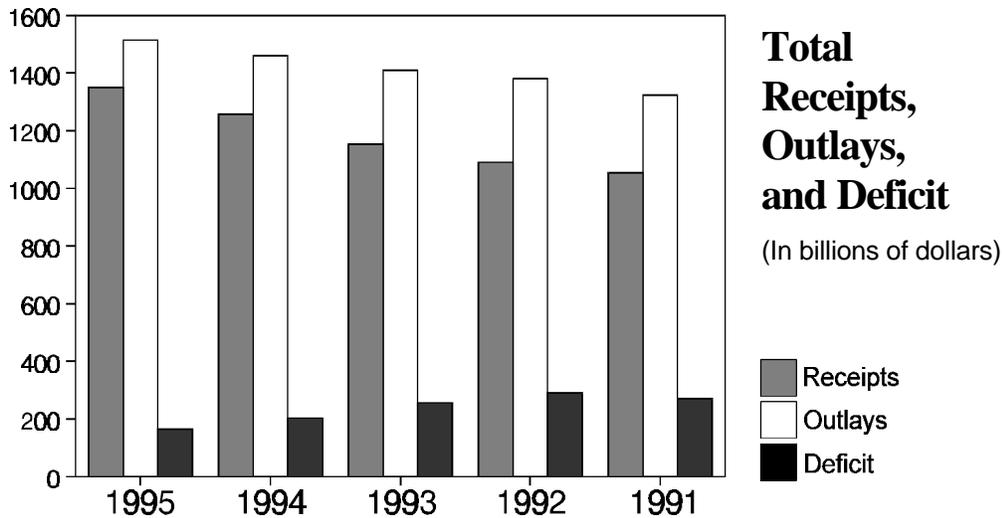
# FIVE-YEAR SUMMARY OF FINANCIAL HIGHLIGHTS

## IN MILLIONS OF DOLLARS

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

	Fiscal 1995	Fiscal 1994	Fiscal 1993	Fiscal 1992	Fiscal 1991
Total receipts .....	1,350,576	1,257,451 r	1,153,226	1,090,453	1,054,265
Total outlays .....	1,514,428	1,460,553 r	1,408,532	1,380,794	1,323,757
Total deficit .....	163,852	203,102 r	255,306	290,340	269,492
Total assets .....	89,320	72,914 r	88,109	94,218	74,253
Total borrowing from the public .....	3,603,338	3,432,050 r	3,247,354	2,998,565	2,687,832
Excess of liabilities over assets .....	3,585,008	3,421,878 r	3,219,491	2,964,341	2,674,098

r = revised



# BALANCE SHEET

## IN MILLIONS OF DOLLARS

	September 30, 1995	September 30, 1994
<b>Assets</b>		
<b>Cash and monetary assets:</b>		
<b>U.S. Treasury operating cash:</b>		
Federal reserve account .....	8,620	6,848
Tax and loan note accounts .....	29,329	29,094
<b>Special drawing rights:</b>		
Total holdings .....	11,035	9,971
Special drawing rights certificates issued to Federal Reserve banks .....	-10,168	-8,018
Monetary assets with International Monetary Fund (IMF) ..	14,682	12,069
<b>Other cash and monetary assets:</b>		
U.S. Treasury monetary assets .....	356	415
Cash and other assets held outside the Treasury Account .....	29,641	20,638 r
U.S. Treasury time deposits .....	528	362
Total cash and monetary assets .....	84,023	71,379 r
<b>Loan financing accounts:</b>		
Guaranteed loans .....	-12,714	-9,806
Direct loans .....	19,732	12,726
Miscellaneous asset accounts .....	-1,721	-1,385 r
<b>Total assets</b> .....	<b>89,320</b>	<b>72,914 r</b>
<b>Excess of liabilities over assets</b>		
Excess of liabilities over assets at beginning of fiscal year .....	3,421,878	3,219,491 r
Add: Total deficit for fiscal year .....	163,852	203,102 r
Subtotal .....	3,585,730	3,422,593 r
Deduct: Other transactions not applied to surplus or deficit .....	722	715
Excess of liabilities over assets at close of fiscal year .....	3,585,008	3,421,878 r
Total assets and excess of liabilities over assets .....	<b>3,674,329</b>	<b>3,494,792 r</b>
<b>Liabilities</b>		
<b>Borrowing from the public:</b>		
Public debt securities outstanding .....	4,973,985	4,692,752
Premium and discount on public debt securities .....	-79,996	-77,298
Total public debt securities .....	4,893,989	4,615,453
Agency Securities Outstanding .....	26,962	28,185 r
Total Federal securities .....	4,920,950	4,643,638 r
Deduct: Net federal securities held as investments by Government accounts .....	1,317,612	1,211,588 r
Total borrowing from the public .....	3,603,338	3,432,050 r
Accrued interest payable .....	50,611	43,287
Special drawing rights allocated by IMF .....	7,380	7,189
Deposit fund liabilities .....	8,186	7,327 r
Miscellaneous liability accounts (checks outstanding, etc.) ..	4,813	4,938
<b>Total liabilities</b> .....	<b>3,674,329</b>	<b>3,494,792 r</b>

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

# STATEMENT OF OPERATIONS

## IN MILLIONS OF DOLLARS

	Fiscal 1995	Fiscal 1994
<b>Receipts</b>		
Individual income taxes .....	590,243	543,055
Corporation income taxes .....	157,004	140,385
<b>Social insurance taxes and contributions:</b>		
Employment taxes and contributions (off-budget) .....	351,080	335,026
Employment taxes and contributions (on-budget) .....	99,966	93,784
Unemployment insurance .....	28,878	28,004
Other retirement contributions .....	4,550	4,661
Excise taxes .....	57,484	55,225
Estate and gift taxes .....	14,763	15,225
Custom duties .....	19,300	20,099
Miscellaneous receipts .....	27,307	21,988 r
<b>Total receipts</b> .....	<b>1,350,576</b>	<b>1,257,451 r</b>
<b>Outlays</b>		
Legislative branch .....	2,621	2,552 r
The Judiciary .....	2,903	2,659
Executive Office of the President .....	213	229
Funds appropriated to the President .....	11,164	10,511
<b>Departments:</b>		
Agriculture .....	56,667	60,753
Commerce .....	3,403	2,915
Defense-Military .....	259,565	268,646 r
Defense-Civil .....	31,664	30,407
Education .....	31,321	24,699
Energy .....	17,618	17,840
Health and Human Services .....	303,075	278,901 r
Housing and Urban Development .....	29,045	25,845
Interior .....	7,416	6,900 r
Justice .....	10,781	10,005
Labor .....	32,169	37,130
State .....	5,347	5,718
Transportation .....	38,776	37,228 r
Treasury .....	348,480	307,577
Veterans Affairs .....	37,769	37,401
Environmental Protection Agency .....	6,349	5,855
General Service Administration .....	709	334
National Aeronautics and Space Administration .....	13,377	13,695 r
Office of Personnel Management .....	41,279	38,596
Small Business Administration .....	678	779
Social Security Administration .....	362,226	345,817 r
Independent agencies .....	-2,556	11,030 r
Undistributed offsetting receipts .....	-137,631	-123,469 r
<b>Total outlays</b> .....	<b>1,514,428</b>	<b>1,460,553 r</b>
<b>Surplus (+) or deficit (-)</b> .....	<b>-163,852</b>	<b>-203,102 r</b>
<b>Other transactions not applied to current year's surplus or deficit</b>		
Seigniorage (gain on coin production) .....	-722	-693
Profit on sale of gold .....	*	-21
<b>Total other transactions not applied to current year's surplus (+) or deficit (-)</b> .....	<b>-722</b>	<b>-715</b>

Details may not add to totals due to rounding.

\* Less than \$500,000.

r = revised

# STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS

IN MILLIONS OF DOLLARS

	Fiscal 1995	Fiscal 1994
<b>Sources</b>		
<b>Increases in liabilities:</b>		
Borrowing from the public .....	171,288	184,696 r
Accrued interest payable to the public .....	7,324	-
Special drawing rights allocated by International Monetary Fund (IMF) .....	191	240
Deposit fund liabilities .....	859	1,078 r
Miscellaneous liabilities (checks outstanding, etc.) .....	-	1,709
<b>Decreases in assets:</b>		
<b>U.S. Treasury operating cash:</b>		
Federal reserve account .....	-	10,441
Tax and loan note accounts .....	-	6,123
<b>Special drawing rights (SDRs):</b>		
SDR certificates issued to Federal Reserve banks .....	2,150	-
Funds available with IMF .....	-	35
Net activity, guaranteed loan financing .....	2,908	3,486
Other cash and monetary assets .....	-	993 r
Miscellaneous assets .....	335	749
Other transactions not applied to surplus or deficit .....	722	715
<b>Total sources</b> .....	<b>185,775</b>	<b>210,266 r</b>
<b>Applications</b>		
<b>Deficit</b> .....	<b>163,852</b>	<b>203,102 r</b>
<b>Increases in assets:</b>		
<b>U.S. Treasury operating cash:</b>		
Federal reserve account .....	1,772	-
Tax and loan note accounts .....	235	-
<b>Special drawing rights (SDRs):</b>		
Total holdings .....	1,064	768
Funds available with IMF .....	2,614	-
Net activity, direct loan financing .....	7,005	5,864
Other cash and monetary assets .....	9,109	-
<b>Decreases in liabilities:</b>		
Accrued interest payable to the public .....	-	531
Miscellaneous liabilities (checks outstanding, etc.) .....	124	-
<b>Total applications</b> .....	<b>185,775</b>	<b>210,266 r</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. *Description of Accounts Related to Cash Operations*

The classes of accounts maintained in connection with the cash operations of the Government include:

- The accounts of fiscal officers or agents who receive money for deposit in the U.S. Treasury or for other authorized disposition or who make expenditures by drawing checks on the Treasury;
- The accounts of administrative agencies that classify receipt and outlay transactions according to the individual receipt, appropriation, or fund account, and
- The accounts of the Treasury of the United States, which is responsible for the receipt and custody of money deposited by fiscal officers or agents.

A set of central accounts is maintained by the Financial Management Service for the purpose of consolidating financial data reported periodically from these three sources, in order to permit the results of cash operations in central financial reports, for the Government as a whole and as a means of internal control.

The central accounts relating to cash operations disclose monthly and fiscal year information on:

- The Government's receipts by principal sources, and its outlays according to the different appropriations and other funds involved, and
- The cash transactions, classified by type, together with certain directly related assets and liabilities that underlie such receipts and outlays.

Accounting for receipts is on the basis of collections; refunds of receipts are treated as deductions from gross receipts. Accounting for outlays is on the basis of checks issued and cash payments made (cash basis). Revolving and management fund receipts and reimbursements of moneys previously expended are treated as deductions from gross outlays. The interest on the public debt, public issues, is recognized on the

accrual basis; however, the interest on special issues is on the cash basis. The structure of the accounts provides for a reconciliation, on a firm accounting basis, between the published reports of receipts and outlays for the Government as a whole and changes in the Treasury cash balance by means of such factors as checks outstanding, deposits in transit, and cash held outside the Treasury. Within the central accounts, receipt and outlay accounts are classified as:

- General fund receipt accounts;
- Special fund receipt accounts;
- General fund expenditure accounts;
- Revolving fund accounts;
- Consolidated working fund accounts;
- Management fund accounts;
- Trust fund accounts, and
- Transfer appropriation accounts.

These accounts are described in detail in the Annual Report Appendix.

### 2. *U.S. Treasury Operating Cash*

Major sources of information used by the Financial Management Service to determine Treasury's operating cash include the Daily Balance Wires from the Federal Reserve banks, reporting from the Bureau of the Public Debt, and electronic funds transfers and reconciling wires from the Internal Revenue Service Centers. Operating cash is presented on a modified cash basis: deposits are reflected as received and withdrawals are reflected as processed.

### 3. *Special Drawing Rights (SDR's)*

The special drawing rights act of 1968 and the Bretton Woods Agreements Act of 1945 authorize the United States to participate in the Special Drawing Rights Department of the International Monetary Fund

and accept the resulting financial obligations of the Fund. The Special Drawing Rights Act provides the permanent authority for the United States to meet its financing requirements in connection with the acquisition and use of SDR's (the unit of account for fund transactions) by the issuance of SDR certificates to Federal Reserve banks.

4. *Miscellaneous Asset Accounts*

Included in miscellaneous assets are gold assets and their related certificates in the following amounts:

	Fiscal 1995	Fiscal 1994
Gold assets	\$11,051	\$11,054
Liabilities	\$11,051	\$11,054

5. *Other Transactions Not Applied to Surplus or Deficit*

Seigniorage is the difference between the value of coins as money and their cost of production. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a deficit or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in a year with a surplus.

Profit resulting from the sale of gold as a monetary asset is treated like seigniorage, since the value of gold is determined by its value as a monetary asset rather than as a commodity.

6. *Federal Securities Outstanding*

These consist of public debt and include all public and agency issues outstanding.

- Public debt is that portion of the Federal debt incurred when the Treasury or the Federal Financing Bank (FFB) borrows funds directly from the public or another fund or account. To avoid double counting, FFB borrowing from the Treasury is not included in the public debt. (The Treasury borrowing required to obtain the money to lend to the FFB is already part of the public debt.)

- Agency debt is that portion of the Federal debt incurred when a Federal agency, other than the Treasury or the FFB, is authorized by law to borrow funds directly from the public or another fund or account. To avoid double counting, agency borrowing from Treasury or the FFB and Federal fund advances to trust funds are not included in the Federal debt. (The Treasury or FFB borrowing required to obtain the money to lend to the agency is already part of the public debt.)

7. *Deposit Fund Liabilities*

These include certain accounts established to record amounts either (a) held in suspense temporarily and later refunded or paid upon administrative or legal determination as to proper disposition thereof, or (b) held by the Government as agent for others (for example, State and local income taxes withheld from Federal employees' salaries and payroll deductions for the purchase of savings bonds by civilian employees of the Government).

8. *Undistributed Offsetting Receipts*

These receipts are composed of the following types of payments:

- Payments to trust funds by Government agencies for their employees' retirement;
- Interest paid to trust funds on their investments in Government securities; and
- Proprietary receipts from rent royalties on the Outer Continental Shelf lands.

Undistributed offsetting receipts are not deducted from outlays at the function, subfunction, or agency levels. They are deducted from the budget totals.

9. *Where applicable, prior year amounts have been revised to reflect realignment to the current Budget of the U.S. Government.*

## PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY

Secretary of the Treasury . . . . .	Robert E. Rubin
Deputy Secretary of the Treasury . . . . .	Lawrence H. Summers
Under Secretary for International Affairs . . . . .	Jeffrey R. Shafer
Under Secretary for Domestic Finance . . . . .	John D. Hawke, Jr.
Under Secretary for Enforcement . . . . .	Ronald K. Noble
Assistant Secretary for Financial Institutions . . . . .	Richard S. Carnell
Assistant Secretary for Economic Policy . . . . .	Daniel Sichel (acting)
Assistant Secretary for Enforcement . . . . .	VACANT
Fiscal Assistant Secretary . . . . .	Gerald Murphy
General Counsel . . . . .	Edward S. Knight
Inspector General . . . . .	Valerie Lau
Assistant Secretary for International Affairs . . . . .	David Lipton
Assistant Secretary for Legislative Affairs . . . . .	Linda L. Robertson
Assistant Secretary for Management/Chief Financial Officer . . . . .	George Munoz
Assistant Secretary for Public Affairs and Public Liaison . . . . .	Howard M. Schloss
Assistant Secretary for Tax Policy . . . . .	Leslie Samuels
Treasurer of the United States . . . . .	Mary Ellen Withrow
Comptroller of the Currency . . . . .	Eugene A. Ludwig
Commissioner of Financial Management Service . . . . .	Russell D. Morris
Commissioner of Internal Revenue Service . . . . .	Margaret M. Richardson
Commissioner of the Bureau of the Public Debt . . . . .	Richard L. Gregg

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## **ANNUAL REPORT APPENDIX ORDER FORM**

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

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

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

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