

## Note 2. Cash and Other Monetary Assets

### Cash and Other Monetary Assets as of September 30, 2017, and 2016

(In billions of dollars)	2017	Restated 2016
<b>Unrestricted cash:</b>		
Cash held by Treasury for governmentwide operations .....	153.3	347.0
Other .....	3.7	11.6
Restricted.....	26.1	25.6
Total cash .....	<u>183.1</u>	<u>384.2</u>
International monetary assets .....	63.3	59.6
Gold and silver .....	11.1	11.1
Foreign currency.....	13.7	13.0
Total cash and other monetary assets .....	<u><u>271.2</u></u>	<u><u>467.9</u></u>

Unrestricted cash includes cash held by Treasury for governmentwide operations (Operating Cash) and all other unrestricted cash held by the federal agencies. Operating Cash represents balances from tax collections, other revenue, federal debt receipts, and other various receipts net of cash outflows for budget outlays and other payments. Treasury checks outstanding are netted against Operating Cash until they are cleared by the Federal Reserve System. Other unrestricted cash not included in Treasury's Operating Cash balance includes balances representing cash, cash equivalents, and other funds held by agencies, such as undeposited collections, deposits in transit, demand deposits, amounts held in trust, and imprest funds. Operating Cash held by the Treasury decreased by \$193.7 billion (a decrease of approximately 56 percent) in fiscal year 2017 due to Treasury's investment and borrowing decisions to manage the balance and timing of the Government's cash position.

Restrictions on cash are due to the imposition on cash deposits by law, regulation, or agreement. Restricted cash is primarily composed of cash held by the DSCA. The Foreign Military Sales Program - DSCA included \$21.3 billion and \$20.7 billion as of September 30, 2017, and 2016, respectively.

International monetary assets include the United States (U.S.) reserve position in the International Monetary Fund (IMF) and U.S. holdings of Special Drawing Rights (SDRs). The U.S. reserve position in the IMF is an interest-bearing claim on the IMF that includes the reserve asset portion of the financial subscription that the U.S. has paid in as part of its participation in the IMF as well as any amounts drawn by the IMF from a letter of credit made available by the U.S. as part of its financial subscription to the IMF. The IMF promotes international monetary cooperation and a stable payments system to facilitate growth in the world economy. Its primary activities are surveillance of members' economies, financial assistance, as appropriate, and technical assistance.

Only a portion of the U.S. financial subscription to the IMF is made in the form of reserve assets; the remainder is provided in the form of a letter of credit from the U.S. to the IMF. The balance available under the letter of credit totaled \$105.3 billion and \$105.8 billion as of September 30, 2017, and 2016 respectively. The current participation in the IMF is authorized in accordance with the *Consolidated Appropriations Act of 2016* (P.L. 114-113). The U.S. reserve position in the IMF had a U.S. dollar equivalent of \$11.5 billion and \$9.6 billion as of September 30, 2017, and 2016, respectively.

The SDR is an international reserve asset created by the IMF to supplement the existing reserve assets of its members. These interest-bearing assets can be obtained by IMF allocations, transactions with IMF member countries, or in the form of interest earnings on SDR holdings and reserve positions in the IMF. U.S. SDR holdings are an interest-bearing asset of Treasury's Exchange Stabilization Fund (ESF). The total amount of SDR holdings of the U.S. was the equivalent of \$51.5 billion and \$50.1 billion as of September 30, 2017, and 2016, respectively.

The IMF allocates SDRs to its members in proportion to each member's quota in the IMF. *The SDR Act*, enacted in 1968, authorized the Secretary of the Treasury to issue SDR Certificates (SDRCs) to the Federal Reserve in exchange for dollars. The amount of SDRCs outstanding cannot exceed the dollar value of SDR holdings. The Secretary of the Treasury

determines when Treasury will issue or redeem SDRCs. SDRCs outstanding totaled \$5.2 billion as of September 30, 2017, and 2016, and are included in Note 16—Other Liabilities.

As of September 30, 2017, and 2016, other liabilities included \$49.9 billion and \$49.3 billion, respectively, of interest-bearing liability to the IMF for SDR allocations. The SDR allocation item represents the cumulative total of SDRs distributed by the IMF to the U.S. in allocations. The U.S. has received no SDR allocations since 2009.

Gold is valued at the statutory price of \$42.2222 per fine troy ounce. The number of fine troy ounces of gold was 261,498,927 as of September 30, 2017, and 2016. The market value of gold on the London Fixing was \$1,283 and \$1,323 per fine troy ounce as of September 30, 2017, and 2016, respectively. In addition, silver is valued at the statutory price of \$1.2929 per fine troy ounce. The number of fine troy ounces of silver was 16,000,000 as of September 30, 2017, and 2016. The market value of silver on the London Fixing was \$16.86 and \$19.35 per fine troy ounce as of September 30, 2017, and 2016, respectively. Gold totaling \$11.0 billion as of September 30, 2017, and 2016, was pledged as collateral for gold certificates issued and authorized to the FRBs by the Secretary of the Treasury. Gold certificates were valued at \$11.0 billion as of September 30, 2017, and 2016, which are included in Note 16—Other Liabilities. Treasury may redeem the gold certificates at any time. Foreign currency is translated into U.S. dollars at the exchange rate at fiscal year-end. The foreign currency is maintained by the ESF and various U.S. federal agencies as well as foreign banks.

Certain PBGC amounts have been restated. Refer to Note 1.V—Restatements for more information.