

Financial Statements of the United States Government for the Fiscal Years Ended September 30, 2021, and 2020

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

ACCRUAL-BASED FINANCIAL STATEMENTS

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

Statements of Net Cost

These statements present the net cost of the government operations for FYs 2021 and 2020. Costs and earned revenues are categorized on the Statement of Net Cost by significant entity, providing greater accountability by showing the relationship of the entities' net cost to the government-wide net cost. Costs and earned revenues are presented in this *Financial Report* on an accrual basis, while the budget presents outlays and receipts, generally on a cash basis. The focus of the Budget of the U.S. is by entity. In reporting the Statement of Net Cost by entity, we are assisting the external users in assessing the operating performance, budget integrity, stewardship, and systems and controls of the government.

The Statements of Net Cost contain the following four components:

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

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

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

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

With regard to intra-governmental buy/sell costs and related revenues, the amounts recognized by each entity are added to, and subtracted from, respectively, the individual entity non-federal net cost amounts in order to allocate the costs to the

entities that incurred the costs. GSA is the primary provider of goods and services to federal entities. GSA's net cost is adjusted for its intra-governmental buy/sell costs and related revenues. The remaining costs for GSA on the Statements of Net Cost are administrative operating costs.

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

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

Statements of Operations and Changes in Net Position

These statements report the results of government operations (net operating costs). They include non-exchange revenues, which are generated from transactions that do not require a government entity to give value directly in exchange for the inflow of resources. The government does not "earn" the non-exchange revenue. These are generated principally by the government's sovereign power to tax, levy duties, and assess fines and penalties. These statements also include the net cost reported in the Statements of Net Cost. They further include certain adjustments and unmatched transactions and balances that affect the net position. These statements present information for funds from dedicated collections and funds other than those from dedicated collections. Each of these types are presented on a consolidated basis whereby transactions within each fund type are eliminated. In order to present the activity on a government-wide basis, transactions between funds from dedicated collections and funds other than those from dedicated collections are eliminated.

Revenue

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

Individual income tax and tax withholdings include FICA/SECA taxes and other taxes.

Individual income tax and tax withholding and Corporate income tax include the TCJA, which imposed a one-time tax on previously unrepatriated foreign earnings at a reduced rate that taxpayers may elect to pay over an eight-year installment schedule.

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

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

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

Intra-governmental revenue represents interest earned from the investment of surplus dedicated collections, which finance the deficit spending of all other fund's non-dedicated operations. These investments are recorded as intra-governmental debt holdings and are included in Note 13—Federal Debt and Interest Payable, in the table titled Intra-governmental Debt Holdings: Federal Debt Securities Held as Investments by Government Accounts. These interest earnings and the associated investments are eliminated in the consolidation process.

Net Cost of Government Operations

The net cost of government operations—gross cost (including gains/losses from changes in assumptions) less earned revenue—flows through from the Statements of Net Cost.

Intra-governmental Transfers

Intra-governmental transfers are transfers between funds other than those from dedicated collections and funds from dedicated collections, such as intra-governmental interest and amounts required by statute to be transferred from the General Fund to funds from dedicated collections. These intra-governmental transfers include appropriations, transfers, and other financing sources. These amounts are labeled as “other changes in fund balance” in Note 23—Funds from Dedicated Collections.

Net Operating Cost

The net operating cost equals revenue less net cost of government operations (that flows from the Statement of Net Cost).

Net Position, Beginning of Period

The net position, beginning of period, reflects the amount reported on the prior year’s Balance Sheet as of the end of that fiscal year. The net position, beginning of period, is shown at the combined level by fund type for FY 2020 and adjusted through changes in accounting principle to report at a consolidated level by fund type. See Note 23—Funds from Dedicated Collections for additional information.

Adjustments to beginning net position may include corrections of material errors or changes in accounting principles. See Note 1.V—Changes in Accounting Principle and Note 1.W—Correction of Errors for additional information.

Unmatched transactions and balances are adjustments needed to bring the change in net position into balance due primarily to unresolved intra-governmental differences. See Note 1.U—Unmatched Transactions and Balances for additional information.

The unmatched transactions are to make the sum of net operating costs and adjustments to beginning net position for the year equal to the change in net position balance. The unmatched balances are included in the net position, funds other than those from dedicated collections on the Balance Sheet.

Net Position, End of Period

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

Reconciliations of Net Operating Cost and Budget Deficit

These statements reconcile the results of operations (net operating cost) on the Statements of Operations and Changes in Net Position to the budget deficit (result of outlays exceeding receipts during a particular fiscal year). The premise of the reconciliation is that accrual accounting and budgetary accounting often share much of the same transactional data. However, some transactions differ between the two bases of accounting and are presented as reconciling items from the net operating cost to the budget deficit.

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

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

Components of Net Operating Cost Not Part of the Budget Deficit

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

Components of the Budget Deficit Not Part of Net Operating Cost

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

Statements of Changes in Cash Balance from Budget and Other Activities

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

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

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

Non-cash flow amounts in the budget related to loan financing account activity also reflect intra-governmental transactions such as interest expense paid or interest revenue received from Treasury, entity year-end credit reform subsidy reestimates, and the receipt of subsidy expense from program accounts. Cash flow from non-budget activities related to loan financing account activity includes all cash flows to and from the public, including direct loan disbursements/default payments to lenders, fees collected, principal and interest repayments, collections on defaulted guarantee loans, and sale proceeds of foreclosed property. The budget totals exclude the transactions of the financing accounts because they are not a cost to the government. However, since loan financing accounts record all credit cash flows to and from the public, they affect the means of financing a budget deficit.

Balance Sheets

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

Assets

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

Liabilities and Net Position

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

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

The government has entered into contractual commitments requiring the future use of financial resources and has unresolved contingencies where existing conditions, situations, or circumstances create uncertainty about future losses. Commitments and contingencies that do not meet the criteria for recognition as liabilities on the Balance Sheets, but for which there is at least a reasonable possibility that losses have been incurred, are disclosed in Note 21—Commitments and Note 22—Contingencies.

Unmatched transactions and balances are adjustments needed to reconcile differences between assets and liabilities, that are primarily due to unresolved intra-governmental differences. See Note 1.U—Unmatched Transactions and Balances for additional information.

The collection of certain taxes and other revenue is credited to the corresponding funds from dedicated collections that will use these funds to meet a particular government purpose. If the collections from taxes and other sources exceed the payments to the beneficiaries, the excess revenue is invested in Treasury securities or deposited in the General Fund; therefore, the trust fund balances do not represent cash. An explanation of the trust funds for social insurance is included in Note 23—Funds from Dedicated Collections. That note also contains information about trust fund receipts, disbursements, and assets.

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

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

SUSTAINABILITY FINANCIAL STATEMENTS

The sustainability financial statements are comprised of the SLTFP, covering all federal government programs, and the SOSI and the SCSIA, covering social insurance programs (Social Security, Medicare, Railroad Retirement, and Black Lung programs). The sustainability financial statements are designed to illustrate the relationship between projected receipts and expenditures if current policy is continued over a 75-year time horizon.¹ In preparing the sustainability financial statements, management selects assumptions and data that it believes provide a reasonable basis to illustrate whether current policy is sustainable. Current policy is based on current law but includes several adjustments. In the SLTFP, notable adjustments to current law are: 1) projected spending, receipts, and borrowing levels assume raising or suspending the current statutory limit on federal debt; 2) continued discretionary appropriations are assumed throughout the projections period; 3) scheduled Social Security and Medicare Part A benefit payments are assumed to occur beyond the projected point of trust fund depletion; and 4) many mandatory programs with expiration dates prior to the end of the 75-year projection period are assumed to be reauthorized. In the Statement of Social Insurance, the one adjustment to current law is that scheduled Social Security and Medicare Part A benefit payments are assumed to occur beyond the projected point of trust fund depletions. Assumptions underlying such sustainability information do not consider changes in policy or all potential future events that could affect future income, future expenditures, and, hence, sustainability. The projections do not reflect any adverse economic consequences resulting from continuously rising debt levels. A large number of factors affect the sustainability financial statements and future events and circumstances cannot be estimated with certainty. Therefore, even if current policy is

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

continued, there will be differences between the estimates in the sustainability financial statements and actual results, and those differences may be material. The unaudited RSI section of this report includes PV projections using different assumptions to illustrate the sensitivity of the sustainability financial statements to changes in certain assumptions. The sustainability financial statements are intended to help citizens understand current policy and the importance and magnitude of policy reforms necessary to make it sustainable.

By accounting convention, General Fund transfers to Medicare Parts B and D reported in the SOSI are eliminated when preparing the government-wide consolidated financial statements. The SOSI shows the projected General Fund transfers as eliminations that, under current law, would be used to finance the remainder of the expenditures in excess of revenues for Medicare Parts B and D reported in the SOSI. The SLTFP include all revenues (including general revenues) of the federal government.

Statements of Long-Term Fiscal Projections

The SLTFP, including the corresponding Note and RSI, are intended to help readers of the government's financial statements assess the federal government's financial condition and how it has changed during the year and may change in the future. The statements and corresponding analysis are specifically designed to help readers assess whether future budgetary resources will be sufficient to sustain public services and to meet obligations as they come due, assuming that current policy for federal government services and taxation continues without change.

The SLTFP display the PV of 75-year projections by major category of receipts and non-interest spending. The projections show the extent to which future receipts of the government exceed or fall short of the government's non-interest spending and are presented both in terms of PV dollars and in terms of PV dollars as a percent of PV GDP. The projections reflect policies currently in place and are neither forecasts nor predictions. The projections are consistent with the projections for Social Security and Medicare presented in the SOSI and are based on the same economic and demographic assumptions that underlie the SOSI. The SLTFP display the fiscal gap, which is a summary measure of the change in receipts or non-interest spending that is necessary to reach a target ratio of debt held by the public to GDP at the end of the projection period. Note 26—Long-Term Fiscal Projections, explains the methods used to prepare the projections. Unaudited RSI further assesses the sustainability of current fiscal policy and provides results that are based on alternative assumptions to those used in the SLTFP.

As discussed further in Note 26, a sustainable policy is one where the debt-to-GDP ratio is stable or declining over the long term. Because GDP measures the size of the nation's economy in terms of the total value of all final goods and services that are produced in a year, the debt-to-GDP ratio is a useful indicator of the economy's capacity to support federal government's services.

Statements of Social Insurance and Changes in Social Insurance Amounts

SOSI provides estimates of the status of the most significant social insurance programs: Social Security, Medicare, Railroad Retirement, and Black Lung.² They are administered by SSA, HHS, RRB, and DOL, respectively. The SSA and HHS projections are based on the intermediate economic and demographic assumptions representing the Trustees' reasonable estimates of likely future economic and demographic conditions, as set forth in the applicable Social Security and Medicare Trustees' Reports as well as in the financial statements of HHS and SSA. RRB's projections are based on assumptions from the *28th Actuarial Valuation on the Assets and Liabilities Under the Railroad Retirement Acts of December 31, 2019*, as well as in RRB's financial statements and DOL's projections are based on assumptions disclosed in its financial statements.

The SCSIA show two reconciliations: 1) change from the period beginning on January 1, 2020 to the period beginning on January 1, 2021; and 2) change from the period beginning on January 1, 2019 to the period beginning on January 1, 2020. It reconciles the changes (between the current valuation and the prior valuation) in the PV of estimated future revenue less estimated future expenditures for current and future participants (the open group measure) over the next 75 years (except Black Lung which has a rolling 25-year projection period through September 30, 2046). The reconciliation identifies several components of the changes that are significant and provides reasons for the changes in Note 25—Social Insurance.

² In relation to the amounts presented in the SOSI and SCSIA, because the combined Railroad Retirement and Black Lung programs account for less than one-quarter of 1.0 percent of the statement totals, they are not material from the government-wide perspective.

This page is intentionally blank.

**United States Government
Statement of Net Cost
for the Year Ended September 30, 2021**

| (In billions of dollars) | Gross Cost | Earned Revenue | Subtotal | (Gain)/Loss from Changes in Assumption | Net Cost |
|---|-----------------------|---------------------|-----------------------|---|-----------------------|
| Department of Health and Human Services | 1,644.9 | 137.7 | 1,507.2 | 0.7 | 1,507.9 |
| Social Security Administration | 1,194.1 | 0.3 | 1,193.8 | - | 1,193.8 |
| Department of Defense..... | 851.8 | 44.0 | 807.8 | 82.8 | 890.6 |
| Department of the Treasury | 854.6 | 23.8 | 830.8 | - | 830.8 |
| Department of Veterans Affairs | 351.0 | 3.9 | 347.1 | 346.3 | 693.4 |
| Department of Labor | 396.8 | - | 396.8 | - | 396.8 |
| Interest on Treasury Securities Held by the Public..... | 392.0 | - | 392.0 | - | 392.0 |
| Small Business Administration | 350.5 | 3.1 | 347.4 | - | 347.4 |
| Department of Agriculture | 239.4 | 8.8 | 230.6 | - | 230.6 |
| Department of Education | 243.0 | 34.4 | 208.6 | - | 208.6 |
| Office of Personnel Management..... | 134.0 | 26.3 | 107.7 | 84.9 | 192.6 |
| Department of Transportation | 102.9 | 1.0 | 101.9 | - | 101.9 |
| Department of Homeland Security | 101.0 | 12.9 | 88.1 | 1.6 | 89.7 |
| Security Assistance Accounts | 92.9 | 14.4 | 78.5 | - | 78.5 |
| Department of Justice | 41.4 | 2.6 | 38.8 | - | 38.8 |
| Department of State..... | 40.2 | 3.5 | 36.7 | 1.9 | 38.6 |
| Department of Energy | 43.2 | 6.2 | 37.0 | - | 37.0 |
| Department of Housing and Urban Development | 35.3 | 1.9 | 33.4 | - | 33.4 |
| National Aeronautics and Space Administration | 22.1 | 0.3 | 21.8 | - | 21.8 |
| Department of the Interior | 23.8 | 2.3 | 21.5 | - | 21.5 |
| Railroad Retirement Board | 17.3 | - | 17.3 | - | 17.3 |
| U.S. Agency for International Development..... | 16.0 | - | 16.0 | - | 16.0 |
| Department of Commerce | 15.5 | 3.6 | 11.9 | 0.1 | 12.0 |
| Federal Communications Commission | 11.7 | 0.4 | 11.3 | - | 11.3 |
| Environmental Protection Agency | 8.9 | 0.4 | 8.5 | - | 8.5 |
| National Science Foundation | 7.4 | - | 7.4 | - | 7.4 |
| U.S. Postal Service..... | 77.9 | 75.7 | 2.2 | - | 2.2 |
| Smithsonian Institution | 1.5 | 0.8 | 0.7 | - | 0.7 |
| Millennium Challenge Corporation | 0.7 | - | 0.7 | - | 0.7 |
| U.S. Nuclear Regulatory Commission | 0.9 | 0.7 | 0.2 | - | 0.2 |
| National Credit Union Administration | 0.2 | 0.1 | 0.1 | - | 0.1 |
| Securities and Exchange Commission | 2.4 | 2.5 | (0.1) | - | (0.1) |
| Export-Import Bank of the U.S. | 0.5 | 0.7 | (0.2) | - | (0.2) |
| U.S. International Development Finance Corporation | - | 0.2 | (0.2) | - | (0.2) |
| Farm Credit System Insurance Corporation | - | 0.4 | (0.4) | - | (0.4) |
| General Services Administration..... | (0.1) | 0.9 | (1.0) | - | (1.0) |
| Tennessee Valley Authority | 8.8 | 10.4 | (1.6) | - | (1.6) |
| Federal Deposit Insurance Corporation | 1.7 | 7.1 | (5.4) | - | (5.4) |
| National Railroad Retirement Investment Trust..... | 0.1 | 6.6 | (6.5) | - | (6.5) |
| Pension Benefit Guaranty Corporation | (56.5) | 22.6 | (79.1) | - | (79.1) |
| All other entities | 24.9 | 1.8 | 23.1 | 0.1 | 23.2 |
| Total | <u>7,294.7</u> | <u>462.3</u> | <u>6,832.4</u> | <u>518.4</u> | <u>7,350.8</u> |

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

**United States Government
Statement of Net Cost
for the Year Ended September 30, 2020 (Restated)**

| (In billions of dollars) | Gross Cost | Earned Revenue | Subtotal | (Gain)/Loss from Changes in Assumptions | Net Cost |
|--|----------------|-------------------|----------------|--|----------------|
| Department of Health and Human Services | 1,537.0 | 130.0 | 1,407.0 | 0.1 | 1,407.1 |
| Social Security Administration..... | 1,157.6 | 0.3 | 1,157.3 | - | 1,157.3 |
| Department of Defense | 803.0 | 39.8 | 763.2 | (17.4) | 745.8 |
| Department of the Treasury..... | 581.3 | 20.6 | 560.7 | - | 560.7 |
| Department of Veterans Affairs | 386.5 | 4.0 | 382.5 | 602.7 | 985.2 |
| Department of Labor..... | 493.2 | - | 493.2 | - | 493.2 |
| Interest on Treasury Securities Held by the Public | 371.1 | - | 371.1 | - | 371.1 |
| Small Business Administration | 562.1 | 3.1 | 559.0 | - | 559.0 |
| Department of Agriculture | 198.0 | 10.1 | 187.9 | - | 187.9 |
| Department of Education | 190.2 | 33.3 | 156.9 | - | 156.9 |
| Office of Personnel Management | 97.3 | 25.2 | 72.1 | 89.9 | 162.0 |
| Department of Transportation | 108.8 | 1.1 | 107.7 | - | 107.7 |
| Department of Homeland Security | 122.3 | 11.8 | 110.5 | 3.1 | 113.6 |
| Security Assistance Accounts..... | 154.8 | 42.8 | 112.0 | - | 112.0 |
| Department of Justice | 39.1 | 1.8 | 37.3 | - | 37.3 |
| Department of State | 34.6 | 2.8 | 31.8 | 1.1 | 32.9 |
| Department of Energy | 60.9 | 5.4 | 55.5 | - | 55.5 |
| Department of Housing and Urban Development | 36.3 | 2.2 | 34.1 | - | 34.1 |
| National Aeronautics and Space Administration..... | 22.3 | 0.2 | 22.1 | - | 22.1 |
| Department of the Interior | 23.0 | 2.4 | 20.6 | - | 20.6 |
| Railroad Retirement Board..... | 13.1 | - | 13.1 | - | 13.1 |
| U.S. Agency for International Development | 13.8 | - | 13.8 | - | 13.8 |
| Department of Commerce..... | 19.4 | 3.9 | 15.5 | - | 15.5 |
| Federal Communications Commission..... | 13.9 | 0.4 | 13.5 | - | 13.5 |
| Environmental Protection Agency | 9.1 | 0.4 | 8.7 | - | 8.7 |
| National Science Foundation | 7.3 | - | 7.3 | - | 7.3 |
| U.S. Postal Service | 79.2 | 71.7 | 7.5 | - | 7.5 |
| Smithsonian Institution | 1.5 | 0.5 | 1.0 | - | 1.0 |
| Millennium Challenge Corporation | 0.6 | - | 0.6 | - | 0.6 |
| U.S. Nuclear Regulatory Commission..... | 0.9 | 0.7 | 0.2 | - | 0.2 |
| National Credit Union Administration..... | 0.3 | 0.2 | 0.1 | - | 0.1 |
| Securities and Exchange Commission..... | 2.2 | 3.3 | (1.1) | - | (1.1) |
| Export-Import Bank of the U.S. | 0.8 | 0.4 | 0.4 | - | 0.4 |
| U.S. International Development Finance Corporation..... | - | 0.1 | (0.1) | - | (0.1) |
| Farm Credit System Insurance Corporation | 0.1 | 0.2 | (0.1) | - | (0.1) |
| General Services Administration | 0.3 | 0.8 | (0.5) | - | (0.5) |
| Tennessee Valley Authority | 8.8 | 10.1 | (1.3) | - | (1.3) |
| Federal Deposit Insurance Corporation..... | 1.7 | 6.5 | (4.8) | - | (4.8) |
| National Railroad Retirement Investment Trust..... | 0.1 | 1.8 | (1.7) | - | (1.7) |
| Pension Benefit Guaranty Corporation..... | 19.2 | 22.0 | (2.8) | - | (2.8) |
| All other entities | 23.4 | 1.7 | 21.7 | - | 21.7 |
| Total..... | 7,195.1 | 461.6 | 6,733.5 | 679.5 | 7,413.0 |

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

United States Government
Statement of Operations and Changes in Net Position
for the Year Ended September 30, 2021 (Consolidated)

| | Funds other than those from Dedicated Collections | Funds from Dedicated Collections (Note 23) | Eliminations | Total |
|---|--|---|----------------|-------------------|
| (In billions of dollars) | 2021 | | | |
| Revenue (Note 20): | | | | |
| Individual income tax and tax withholdings | 2,002.0 | 1,274.3 | - | 3,276.3 |
| Corporate income taxes | 456.2 | - | - | 456.2 |
| Excise taxes | 28.6 | 52.0 | - | 80.6 |
| Unemployment taxes | 6.1 | 44.2 | - | 50.3 |
| Customs duties | 80.0 | 0.1 | - | 80.1 |
| Estate and gift taxes | 27.1 | - | - | 27.1 |
| Other taxes and receipts | 163.4 | 27.3 | - | 190.7 |
| Miscellaneous earned revenues | 94.4 | 0.2 | - | 94.6 |
| Intra-governmental revenue | - | 106.1 | (106.1) | - |
| Total revenue | <u>2,857.8</u> | <u>1,504.2</u> | <u>(106.1)</u> | <u>4,255.9</u> |
| Net Cost of Government Operations: | | | | |
| Net cost | 5,165.3 | 2,185.5 | - | 7,350.8 |
| Intra-governmental cost | 106.1 | - | (106.1) | - |
| Total net cost | <u>5,271.4</u> | <u>2,185.5</u> | <u>(106.1)</u> | <u>7,350.8</u> |
| Intra-governmental transfers | <u>(693.7)</u> | <u>693.7</u> | <u>-</u> | <u>-</u> |
| Net operating (cost)/revenue | <u>(3,107.3)</u> | <u>12.4</u> | <u>-</u> | <u>(3,094.9)</u> |
| Net position, beginning of period | (30,265.8) | 3,474.4 | - | (26,791.4) |
| Adjustments to beginning net position | | | | |
| Changes in accounting principle (Note 1.V) | 0.7 | - | - | 0.7 |
| Net operating (cost)/revenue | (3,107.3) | 12.4 | - | (3,094.9) |
| Unmatched transactions and balances (Note 1.U) | (0.2) | - | - | (0.2) |
| Net position, end of period | <u>(33,372.6)</u> | <u>3,486.8</u> | <u>-</u> | <u>(29,885.8)</u> |

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

United States Government
Statement of Operations and Changes in Net Position
for the Year Ended September 30, 2020 (Consolidated) (Restated)

| (In billions of dollars) | Funds other than those from Dedicated Collections | Funds from Dedicated Collections (Note 23) | Eliminations | Total |
|---|--|---|----------------|-------------------|
| | 2020 | | | |
| Revenue (Note 20): | | | | |
| Individual income tax and tax withholdings | 1,570.8 | 1,283.8 | - | 2,854.6 |
| Corporate income taxes | 317.1 | - | - | 317.1 |
| Excise taxes | 40.8 | 52.2 | - | 93.0 |
| Unemployment taxes | 6.2 | 34.5 | - | 40.7 |
| Customs duties | 66.2 | 0.1 | - | 66.3 |
| Estate and gift taxes | 17.6 | - | - | 17.6 |
| Other taxes and receipts | 147.0 | 18.9 | - | 165.9 |
| Miscellaneous earned revenues | 16.3 | 0.1 | - | 16.4 |
| Intra-governmental revenue | - | 107.7 | (107.7) | - |
| Total revenue | <u>2,182.0</u> | <u>1,497.3</u> | <u>(107.7)</u> | <u>3,571.6</u> |
| Net Cost of Government Operations: | | | | |
| Net cost | 5,329.9 | 2,083.1 | - | 7,413.0 |
| Intra-governmental cost | 107.7 | - | (107.7) | - |
| Total net cost | <u>5,437.6</u> | <u>2,083.1</u> | <u>(107.7)</u> | <u>7,413.0</u> |
| Intra-governmental transfers | <u>(555.6)</u> | <u>555.6</u> | <u>-</u> | <u>-</u> |
| Net operating (cost)/revenue | <u>(3,811.2)</u> | <u>(30.2)</u> | <u>-</u> | <u>(3,841.4)</u> |
| Net position, beginning of period* | (26,484.6) | 3,517.1 | - | (22,967.5) |
| Adjustments to beginning net position | | | | |
| Changes in accounting principle (Note 1.V) | 12.5 | (12.5) | - | - |
| Correction of errors (Note 1.W) | 6.0 | - | - | 6.0 |
| Net operating (cost)/revenue | (3,811.2) | (30.2) | - | (3,841.4) |
| Unmatched transactions and balances (Note 1.U) | 11.5 | - | - | 11.5 |
| Net position, end of period | <u>(30,265.8)</u> | <u>3,474.4</u> | <u>-</u> | <u>(26,791.4)</u> |

*Net position, beginning of period is presented above as combined.

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

United States Government
Reconciliations of Net Operating Cost and Budget Deficit
for the Years Ended September 30, 2021, and 2020

| (In billions of dollars) | 2021 | Restated 2020 |
|---|------------------|--------------------------|
| Net operating cost | (3,094.9) | (3,841.4) |
| Components of net operating cost not part of the budget deficit | | |
| Excess of accrual-basis expenses over budget outlays | | |
| * Federal employee and veteran benefits payable | | |
| Pension and accrued benefits | 282.0 | 160.1 |
| Veterans compensation and burial benefits | 439.2 | 733.3 |
| Post-retirement health and accrued benefits | 28.7 | 22.0 |
| Other benefits | 17.6 | 59.8 |
| Subtotal - federal employee and veteran benefits payable | 767.5 | 975.2 |
| * Insurance and guarantee program liabilities | (69.5) | 4.8 |
| * Environmental and disposal liabilities..... | 10.6 | 7.3 |
| * Accounts payable | 24.1 | 1.0 |
| * Benefits due and payable | 17.6 | 32.7 |
| * Advances from others and deferred revenue | 27.8 | (0.8) |
| * Other liabilities | 283.1 | 58.7 |
| Subtotal - excess of accrual-basis expenses over budget outlays | 1,061.2 | 1,078.9 |
| Amortized expenses not included in budget outlays | | |
| Property, plant, and equipment depreciation expense | 91.2 | 77.2 |
| Other expenses that are not reported as budget outlays | | |
| Property, plant, and equipment disposals and revaluations | (9.8) | (50.2) |
| Excess of accrual-basis revenue over budget receipts | | |
| Accounts receivable, net | (11.8) | 7.9 |
| Taxes receivable, net | (68.0) | (91.1) |
| Other losses/(gains) and cost/(revenue) that are not budget receipts | | |
| * Investments in government-sponsored enterprises | (112.0) | 3.2 |
| Subtotal - components of net operating cost not part of budget deficit | 950.8 | 1,025.9 |
| Components of the budget deficit that are not part of net operating cost | | |
| Budget receipts not included in net operating cost | | |
| Credit reform and other loan activities | (75.1) | 44.9 |
| Budget outlays not included in net operating cost | | |
| Acquisition of capital assets..... | (118.4) | (60.0) |
| * Investments | (5.4) | (11.5) |
| * Inventory and related property, net | (17.3) | (26.2) |
| * Advances and prepayments | (150.7) | (150.6) |
| * Other assets | 4.0 | (0.1) |
| Subtotal - components of the budget deficit that are not part of net operating cost | (362.9) | (203.5) |
| Adjustments to beginning net position | | |
| Other | | |
| Allocations of special drawing rights | (112.1) | (1.5) |
| Effect of uninvested principal from the Thrift Savings Plan's G Fund | (156.7) | - |
| All other reconciling items | (0.5) | (117.4) |
| Total other | (269.3) | (118.9) |
| Budget deficit ¹ | <u>(2,775.6)</u> | <u>(3,131.9)</u> |

¹The FY 2021 budget deficit differs from the FY 2021 budget deficit reported in the MTS because of approximately \$3.4 billion of outlays that were not recorded in the MTS until FY 2022.

*The amounts represent the year over year net change in the Balance Sheet line items.
The accompanying notes are an integral part of these financial statements.

United States Government
Statements of Changes in Cash Balance from Budget and Other Activities
for the Years Ended September 30, 2021, and 2020

| (In billions of dollars) | 2021 | 2020 |
|--|------------------|------------------|
| Cash flow from budget activities | | |
| Total budget receipts..... | 4,046.0 | 3,420.0 |
| Total budget outlays ¹ | <u>(6,821.6)</u> | <u>(6,551.9)</u> |
| <i>Budget deficit¹</i> | <u>(2,775.6)</u> | <u>(3,131.9)</u> |
| Adjustments for non-cash outlays included in the budget | | |
| Non-cash flow amounts in the budget related to federal debt | | |
| Accrued interest..... | 293.4 | 312.1 |
| Net amortization..... | 12.1 | 40.9 |
| Other..... | 82.3 | 63.1 |
| <i>Subtotal - adjustments for non-cash flow amounts in the budget related to federal debt</i> | <u>387.8</u> | <u>416.1</u> |
| Non-cash flow amounts in the budget related to loan financing account activity | | |
| Interest revenue on uninvested funds..... | 12.8 | 23.3 |
| Interest expense on entity borrowings..... | (47.4) | (57.6) |
| Downward reestimates /negative subsidy payments..... | (58.1) | (28.9) |
| Subsidy expense/upward reestimates..... | 456.4 | 713.6 |
| <i>Subtotal - adjustments for non-cash flow amounts in the budget related to loan financing account activity</i> | <u>363.7</u> | <u>650.4</u> |
| <i>Total of adjustments for non-cash outlays included in the budget</i> | <u>751.5</u> | <u>1,066.5</u> |
| Cash flow from activities not included in the budget | | |
| Cash flow from non-budget activities related to federal debt | | |
| Interest paid..... | (294.8) | (314.7) |
| <i>Subtotal - cash flow from non-budget activities related to federal debt</i> | <u>(294.8)</u> | <u>(314.7)</u> |
| Cash flow from non-budget activities related to loan financing account activity | | |
| Loan disbursements/default payments..... | (823.0) | (387.0) |
| Fees..... | 27.5 | 26.6 |
| Principal & interest repayments..... | 78.1 | 112.0 |
| Other collections on defaulted loans receivable and sale of foreclosed property..... | 2.2 | 4.3 |
| Special purpose vehicle disbursements..... | (14.9) | (105.5) |
| Repayments of special purpose vehicle investments..... | 77.7 | - |
| <i>Subtotal - cash flow from non-budget activities related to loan financing account activity</i> | <u>(652.4)</u> | <u>(349.6)</u> |
| Cash flow from financing federal debt | | |
| Borrowings..... | 20,375.7 | 18,969.1 |
| Repayments..... | (19,194.0) | (14,822.4) |
| Discount/premium..... | (11.7) | (32.5) |
| Effect of uninvested principal from the Thrift Saving Plan's G Fund..... | 156.7 | - |
| <i>Subtotal - cash flow from financing federal debt</i> | <u>1,326.7</u> | <u>4,114.2</u> |
| <i>Total cash flow from activities not included in the budget</i> | <u>379.5</u> | <u>3,449.9</u> |
| Other | | |
| Allocations of special drawing rights..... | 112.1 | 1.5 |
| All other reconciling items..... | 80.6 | 16.3 |
| <i>Total other</i> | <u>192.7</u> | <u>17.8</u> |
| Change in cash and other monetary assets balance..... | (1,451.9) | 1,402.3 |
| Beginning cash and other monetary assets balance..... | 1,926.9 | 524.6 |
| Ending cash and other monetary assets balance..... | <u>475.0</u> | <u>1,926.9</u> |

¹The FY 2021 budget deficit differs from the FY 2021 budget deficit reported in the MTS because of approximately \$3.4 billion of outlays that were not recorded in the MTS until FY 2022.

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

**United States Government
Balance Sheets
as of September 30, 2021, and 2020**

| (In billions of dollars) | 2021 | Restated 2020 |
|--|-------------------|--------------------------|
| Assets: | | |
| Cash and other monetary assets (Note 2) | 475.0 | 1,926.9 |
| Accounts receivable, net (Note 3) | 401.0 | 321.2 |
| Loans receivable, net (Note 4) | 1,651.0 | 1,577.4 |
| Inventory and related property, net (Note 5) | 399.2 | 381.9 |
| General property, plant and equipment, net (Note 6) | 1,176.9 | 1,139.9 |
| Investments (Note 7) | 135.2 | 129.8 |
| Investments in special purpose vehicles (Note 8) | 26.4 | 108.4 |
| Investments in government-sponsored enterprises (Note 9) | 220.9 | 108.9 |
| Advances and prepayments (Note 10) | 369.3 | 218.6 |
| Other assets (Note 11) | 38.7 | 42.7 |
| Total assets | <u>4,893.6</u> | <u>5,955.7</u> |
| Stewardship property, plant, and equipment (Note 27) | | |
| Liabilities: | | |
| Accounts payable (Note 12) | 123.1 | 99.0 |
| Federal debt and interest payable (Note 13) | 22,344.8 | 21,082.9 |
| Federal employee and veteran benefits payable (Note 14) | 10,183.0 | 9,415.5 |
| Environmental and disposal liabilities (Note 15) | 613.3 | 602.7 |
| Benefits due and payable (Note 16) | 273.9 | 256.3 |
| Loan guarantee liabilities (Note 4) | 230.7 | 520.1 |
| Insurance and guarantee program liabilities (Note 17) | 129.8 | 199.3 |
| Advances from others and deferred revenues (Note 18) | 202.0 | 174.2 |
| Other liabilities (Note 19) | 677.1 | 394.0 |
| Total liabilities | <u>34,777.7</u> | <u>32,744.0</u> |
| Commitments (Note 21) and Contingencies (Note 22) | | |
| Unmatched transactions and balances (Note 1.U) | 1.7 | 3.1 |
| Net Position: | | |
| Funds from Dedicated Collections (Note 23) | 3,486.8 | 3,474.4 |
| Funds other than those from Dedicated Collections | <u>(33,372.6)</u> | <u>(30,265.8)</u> |
| Total net position | <u>(29,885.8)</u> | <u>(26,791.4)</u> |
| Total liabilities and net position* | <u>4,893.6</u> | <u>5,955.7</u> |

*Total liabilities and net position equals Total liabilities, Total net position and Unmatched transactions and balances.
The accompanying notes are an integral part of these financial statements.

**United States Government
Statements of Long-Term Fiscal Projections (Note 26)
Present Value of 75-Year Projections as of September 30, 2021 and 2020¹**

| | In trillions of dollars | | | Percent of GDP ² | | |
|--|-------------------------|---------------|---------------|-----------------------------|--------------|--------------|
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Receipts: | | | | | | |
| Social Security payroll taxes | 72.9 | 68.5 | 4.4 | 4.2 | 4.2 | 0.1 |
| Medicare payroll taxes..... | 24.5 | 22.9 | 1.5 | 1.4 | 1.4 | - |
| Individual income taxes | 190.9 | 164.4 | 26.5 | 11.1 | 10.0 | 1.1 |
| Corporation income taxes | 23.0 | 21.0 | 2.0 | 1.3 | 1.3 | 0.1 |
| Other receipts..... | 21.6 | 18.6 | 3.0 | 1.3 | 1.1 | 0.1 |
| Total receipts..... | 332.8 | 295.4 | 37.3 | 19.3 | 18.0 | 1.3 |
| Non-interest spending: | | | | | | |
| Social Security..... | 102.9 | 95.2 | 7.7 | 6.0 | 5.8 | 0.2 |
| Medicare Part A ³ | 34.9 | 32.6 | 2.3 | 2.0 | 2.0 | - |
| Medicare Parts B & D ⁴ | 48.6 | 45.2 | 3.4 | 2.8 | 2.7 | 0.1 |
| Medicaid..... | 51.7 | 37.4 | 14.2 | 3.0 | 2.3 | 0.7 |
| Other mandatory | 70.6 | 58.5 | 12.1 | 4.1 | 3.6 | 0.5 |
| Defense discretionary..... | 54.4 | 53.6 | 0.8 | 3.2 | 3.3 | (0.1) |
| Non-defense discretionary | 67.3 | 52.4 | 14.9 | 3.9 | 3.2 | 0.7 |
| Total non-interest spending | 430.4 | 374.9 | 55.4 | 25.0 | 22.8 | 2.2 |
| Receipts less non-interest spending | (97.6) | (79.5) | (18.1) | (5.7) | (4.8) | (0.8) |
| Fiscal gap⁵ | | | | (6.2) | (5.4) | (0.8) |

¹75-year present value projections for 2021 are as of 9/30/2021 for FYs 2022-2096; projections for 2020 are as of 9/30/2020 for FYs 2021-2095.

²The 75-year present value of nominal GDP, which drives the calculations above is \$1,724.4 trillion starting in FY 2022, and was \$1,645.1 trillion starting in FY 2021.

³Represents portions of Medicare supported by payroll taxes.

⁴Represents portions of Medicare supported by general revenues. Consistent with the President's Budget, outlays for Parts B & D are presented net of premiums.

⁵To prevent the debt-to-GDP ratio from rising over the next 75 years, a combination of non-interest spending reductions and receipt increases that amounts to 6.2 percent of GDP on average is needed (5.4 percent of GDP on average in 2020). See Note 26—Long-Term Fiscal Projections.

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

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

**United States Government
Statements of Social Insurance (Note 25)
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections**

| (In trillions of dollars) | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Federal Old-Age, Survivors and Disability Insurance (Social Security):¹¹ | | | | | |
| <i>Revenue (Contributions and Dedicated Taxes) from:</i> | | | | | |
| Participants who have attained eligibility age (age 62 and over) ... | 1.8 | 1.7 | 1.5 | 1.5 | 1.4 |
| Participants who have not attained eligibility age..... | 37.5 | 35.2 | 33.6 | 31.6 | 30.2 |
| Future participants..... | 39.3 | 37.0 | 35.3 | 31.8 | 30.5 |
| All current and future participants | 78.6 | 73.9 | 70.4 | 64.9 | 62.1 |
| <i>Expenditures for Scheduled Future Benefits for:</i> | | | | | |
| Participants who have attained eligibility age (age 62 and over) .. | (19.8) | (18.3) | (16.9) | (15.9) | (14.7) |
| Participants who have not attained eligibility age..... | (64.9) | (59.8) | (55.8) | (52.2) | (50.2) |
| Future participants..... | (16.6) | (15.5) | (14.5) | (13.0) | (12.6) |
| All current and future participants | (101.3) | (93.6) | (87.2) | (81.1) | (77.5) |
| <i>Present value of future expenditures in excess of future revenue</i> | (22.7) ¹ | (19.7) ² | (16.8) ³ | (16.2) ⁴ | (15.4) ⁵ |
| Federal Hospital Insurance (Medicare Part A):¹¹ | | | | | |
| <i>Revenue (Contributions and Dedicated Taxes) from:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) ... | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 |
| Participants who have not attained eligibility age..... | 13.0 | 12.5 | 12.0 | 11.3 | 10.6 |
| Future participants..... | 13.0 | 12.5 | 11.8 | 11.0 | 10.6 |
| All current and future participants | 26.7 | 25.6 | 24.4 | 22.8 | 21.7 |
| <i>Expenditures for Scheduled Future Benefits for:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) .. | (6.2) | (6.1) | (5.3) | (5.0) | (4.5) |
| Participants who have not attained eligibility age..... | (20.9) | (20.1) | (20.0) | (18.6) | (17.2) |
| Future participants..... | (4.6) | (4.2) | (4.5) | (3.9) | (3.5) |
| All current and future participants | (31.7) | (30.4) | (29.8) | (27.5) | (25.2) |
| <i>Present value of future expenditures in excess of future revenue</i> | (5.0) ¹ | (4.8) ² | (5.4) ³ | (4.7) ⁴ | (3.5) ⁵ |
| Federal Supplementary Medical Insurance (Medicare Part B):¹¹ | | | | | |
| <i>Revenue (Premiums) from:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) ... | 1.9 | 1.7 | 1.5 | 1.3 | 1.1 |
| Participants who have not attained eligibility age..... | 10.0 | 9.3 | 7.5 | 6.6 | 5.9 |
| Future participants..... | 2.6 | 2.5 | 1.9 | 1.5 | 1.4 |
| General Fund transfers..... | 35.5 | 33.1 | 28.8 | 25.1 | 22.4 |
| All current and future participants | 50.0 | 46.6 | 39.7 | 34.5 | 30.8 |
| <i>Expenditures for Scheduled Future Benefits for:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) ... | (6.9) | (6.2) | (5.8) | (5.2) | (4.5) |
| Participants who have not attained eligibility age..... | (34.1) | (31.8) | (27.3) | (23.9) | (21.4) |
| Future participants..... | (9.0) | (8.6) | (6.6) | (5.4) | (4.9) |
| All current and future participants | (50.0) | (46.6) | (39.7) | (34.5) | (30.8) |
| <i>Eliminations.....</i> | (35.5) | (33.1) | (28.8) | (25.1) | (22.4) |
| <i>Present value of future expenditures in excess of future revenue (after eliminations)⁶.....</i> | (35.5) ¹ | (33.1) ² | (28.8) ³ | (25.1) ⁴ | (22.4) ⁵ |

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

United States Government
Statements of Social Insurance (Note 25), continued
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections

| (In trillions of dollars) | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Federal Supplementary Medical Insurance (Medicare Part D):¹¹ | | | | | |
| <i>Revenue (Premiums and State Transfers) from:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) ... | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 |
| Participants who have not attained eligibility age..... | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 |
| Future participants..... | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 |
| General Fund transfers..... | 7.7 | 7.8 | 8.0 | 7.9 | 7.6 |
| All current and future participants | <u>10.9</u> | <u>11.0</u> | <u>11.2</u> | <u>11.1</u> | <u>10.8</u> |
| <i>Expenditures for Scheduled Future Benefits for:</i> | | | | | |
| Participants who have attained eligibility age (age 65 and over) ... | (1.1) | (1.0) | (1.0) | (1.0) | (1.0) |
| Participants who have not attained eligibility age..... | (6.9) | (7.0) | (7.2) | (7.2) | (6.9) |
| Future participants..... | (2.9) | (3.0) | (3.0) | (2.9) | (2.9) |
| All current and future participants | <u>(10.9)</u> | <u>(11.0)</u> | <u>(11.2)</u> | <u>(11.1)</u> | <u>(10.8)</u> |
| <i>Eliminations</i> | <u>(7.7)</u> | <u>(7.8)</u> | <u>(8.0)</u> | <u>(7.9)</u> | <u>(7.6)</u> |
| <i>Present value of future expenditures in excess of future revenue (after eliminations)⁶</i> | <u>(7.7)¹</u> | <u>(7.8)²</u> | <u>(8.0)³</u> | <u>(7.9)⁴</u> | <u>(7.6)⁵</u> |
| Other: | | | | | |
| <i>Present value of future expenditures in excess of future revenue⁷</i> | <u>(0.1)</u> | <u>(0.1)</u> | <u>(0.1)</u> | <u>(0.1)</u> | <u>(0.1)</u> |
| <i>Total present value of future expenditures in excess of future revenue^{8, 9, 10}</i> | <u>(71.0)</u> | <u>(65.5)</u> | <u>(59.1)</u> | <u>(54.0)</u> | <u>(49.0)</u> |

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

United States Government
Statements of Social Insurance (Note 25), continued
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections

| (In trillions of dollars) | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|
| Social Insurance Summary¹¹ | | | | | |
| <i>Participants who have attained eligibility age:</i> | | | | | |
| Revenue (e.g., contributions and dedicated taxes) | 4.7 | 4.3 | 3.8 | 3.6 | 3.3 |
| Expenditures for scheduled future benefits | (34.0) | (31.6) | (29.1) | (27.2) | (24.8) |
| Present value of future expenditures in excess of future revenue..... | (29.3) | (27.3) | (25.3) | (23.6) | (21.5) |
| <i>Participants who have not attained eligibility age:</i> | | | | | |
| Revenue (e.g., contributions and dedicated taxes) | 62.5 | 59.0 | 55.2 | 51.6 | 48.8 |
| Expenditures for scheduled future benefits | (126.8) | (118.7) | (110.3) | (101.9) | (95.7) |
| Present value of future expenditures in excess of future revenue..... | (64.3) | (59.7) | (55.1) | (50.3) | (46.9) |
| Closed-group - Total present value of future expenditures in excess of future revenue | | | | | |
| | (93.6) | (87.0) | (80.4) | (73.9) | (68.4) |
| <i>Future participants:</i> | | | | | |
| Revenue (e.g., contributions and dedicated taxes) | 55.8 | 52.9 | 49.9 | 45.1 | 43.3 |
| Expenditures for scheduled future benefits | (33.2) | (31.4) | (28.6) | (25.2) | (23.9) |
| Present value of future revenue in excess of future expenditure | 22.6 | 21.5 | 21.3 | 19.9 | 19.4 |
| Open-group - Total present value of future expenditures in excess of future revenue..... | | | | | |
| | (71.0) | (65.5) | (59.1) | (54.0) | (49.0) |

¹ The projection period for Social Security and Medicare is 1/1/2021 - 12/31/2095 and the valuation date is 1/1/2021.

² The projection period for Social Security and Medicare is 1/1/2020 - 12/31/2094 and the valuation date is 1/1/2020.

³ The projection period for Social Security and Medicare is 1/1/2019 - 12/31/2093 and the valuation date is 1/1/2019.

⁴ The projection period for Social Security and Medicare is 1/1/2018 - 12/31/2092 and the valuation date is 1/1/2018.

⁵ The projection period for Social Security and Medicare is 1/1/2017 - 12/31/2091 and the valuation date is 1/1/2017.

⁶ These amounts represent the PV of the future transfers from the General Fund to the SMI Trust Funds. These future intra-governmental are included as income in both HHS's and the CMS's financial statements but, by accounting convention, are not income from the government-wide perspective of this report.

⁷ Includes Railroad Retirement and Black Lung.

⁸ These amounts do not include the PV of the financial interchange between the railroad retirement and social security systems, which is included as income in the Railroad Retirement Financial Report, but is not included from the government-wide perspective of this report (See discussion of RRB in the unaudited RSI section of this report).

⁹ Does not include interest expense accruing on the outstanding debt of the BLDTF.

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

¹¹ Current participants for the Social Security and Medicare programs are assumed to be the "closed-group" of individuals who are at least 15 years of age at the start of the projection period, and are participating as either taxpayers, beneficiaries, or both. Amounts shown exclude General Fund transfers for Medicare's Parts B and D.

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

United States Government
Statement of Changes in Social Insurance Amounts
for the Year Ended September 30, 2021 (Note 25)

| (In trillions of dollars) | Social Security¹ | Medicare HI¹ | Medicare SMI¹ | Other² | Total |
|--|--|------------------------------------|-------------------------------------|--------------------------|---------------|
| NPV of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year..... | (19.7) | (4.8) | (40.9) | (0.1) | (65.5) |
| Reasons for changes in the NPV during the year: | | | | | |
| Changes in valuation period..... | (0.7) | (0.1) | (1.4) | - | (2.2) |
| Changes in demographic data, assumptions, and methods | 0.2 | 0.7 | 0.6 | - | 1.5 |
| Changes in economic data, assumptions, and methods | (1.2) | - | - | - | (1.2) |
| Changes in law or policy | (0.1) | - | (0.1) | - | (0.2) |
| Changes in methodology and programmatic data | (1.2) | - | - | - | (1.2) |
| Changes in economic and other health care assumptions | - | (1.0) | (2.8) | - | (3.8) |
| Change in projection base | - | 0.2 | 1.4 | - | 1.6 |
| Net change in open group measure | (3.0) | (0.2) | (2.3) | - | (5.5) |
| Open group measure, end of year..... | <u>(22.7)</u> | <u>(5.0)</u> | <u>(43.2)</u> | <u>(0.1)</u> | <u>(71.0)</u> |

¹ Amounts represent changes between valuation dates 1/1/2020 and 1/1/2021.

² Includes Railroad Retirement changes between valuation dates 10/1/2019 and 10/1/2020 and Black Lung changes between 9/30/2020 and 9/30/2021.

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

United States Government
Statement of Changes in Social Insurance Amounts
for the Year Ended September 30, 2020 (Note 25)

| (In trillions of dollars) | Social Security¹ | Medicare HI¹ | Medicare SMI¹ | Other² | Total |
|--|--|------------------------------------|-------------------------------------|--------------------------|---------------|
| NPV of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year..... | (16.8) | (5.4) | (36.8) | (0.1) | (59.1) |
| Reasons for changes in the NPV during the year: | | | | | |
| Changes in valuation period..... | (0.6) | (0.2) | (1.4) | - | (2.2) |
| Changes in demographic data, assumptions, and methods | (0.4) | 2.6 | 1.1 | - | 3.3 |
| Changes in economic data, assumptions, and methods | (1.8) | - | - | - | (1.8) |
| Changes in law or policy | (0.3) | (0.5) | 0.2 | - | (0.6) |
| Changes in methodology and programmatic data | 0.2 | - | - | - | 0.2 |
| Changes in economic and other health care assumptions | - | (1.7) | (3.7) | - | (5.4) |
| Change in projection base | - | 0.4 | (0.3) | - | 0.1 |
| Net change in open group measure | (2.9) | 0.6 | (4.1) | - | (6.4) |
| Open group measure, end of year..... | <u>(19.7)</u> | <u>(4.8)</u> | <u>(40.9)</u> | <u>(0.1)</u> | <u>(65.5)</u> |

¹ Amounts represent changes between valuation dates 1/1/2019 and 1/1/2020.

² Includes Railroad Retirement changes between valuation dates 10/1/2018 and 10/1/2019 and Black Lung changes between 9/30/2019 and 9/30/2020.

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