

Note 24. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, investment and disposition by the government of cash or other assets in which non-federal individuals or entities have an ownership interest that the government must uphold. Fiduciary cash and other assets are not assets of the government and are not recognized on the consolidated Balance Sheet. The government's fiduciary activities include the TSP, which is administered by the FRTIB, and the Indian Tribal and individual Indian Trust Funds, which are administered by the DOI.

Schedule of Fiduciary Net Assets as of September 30, 2021, and 2020

(In billions of dollars)	2021	2020
Thrift Savings Plan.....	784.2	661.9
Department of the Interior.....	6.4	5.9
All other	6.0	6.2
Total fiduciary net assets	<u>796.6</u>	<u>674.0</u>

In accordance with the requirements of SFFAS No. 31, *Accounting for Fiduciary Activities*, fiduciary investments in Treasury securities and fund balance with Treasury held by fiduciary funds are to be recognized on the Balance Sheet as federal debt and interest payable and a liability for fiduciary fund balance with Treasury, respectively.

As of September 30, 2021, total fiduciary investments in Treasury securities and in non-Treasury securities are \$119.8 billion and \$507.8 billion, respectively. As of September 30, 2020, total fiduciary investments in Treasury securities and in non-Treasury securities were \$292.1 billion and \$394.4 billion, respectively. The decrease in Treasury securities relates to the delay in raising the statutory debt limit that was ongoing as of September 30, 2021. See the Thrift Savings Plan section below. Refer to Note 13—Federal Debt and Interest Payable for more information on Treasury securities.

As of September 30, 2021, and 2020, the total fiduciary fund balance with Treasury is \$3.4 billion and \$2.6 billion, respectively. A liability for this fiduciary fund balance with Treasury is reflected as other miscellaneous liabilities in Note 19—Other Liabilities.

As of September 30, 2021, and 2020, collectively, the fiduciary investments in Treasury securities and fiduciary fund balance with Treasury held by all government entities represent \$164.2 billion and \$7.5 billion, respectively, of unrestricted cash included within cash held by Treasury for government-wide operations shown in Note 2—Cash and Other Monetary Assets. This increase relates to the delay in raising the statutory debt limit that was ongoing as of September 30, 2021. See the Thrift Savings Plan section below.

Thrift Savings Plan

The TSF maintains and holds in trust the assets of the TSP. The TSP is administered by an independent government entity, the FRTIB, which is charged with operating the TSP prudently and solely in the interest of the participants and their beneficiaries.

The TSP is a retirement savings and investment plan for federal employees and members of the uniformed services. It was authorized by the U.S. Congress in the *Federal Employees' Retirement System Act of 1986*. The plan provides federal employees and members of the uniformed services with a savings and tax benefit similar to what many private sector employers offer their employees under 401(k) plans. This includes two fixed income funds, three stock funds and ten lifecycle funds. The plan was primarily designed to be a key part of the retirement package (along with a basic annuity benefit and Social Security) for employees who are covered by FERS.

As of September 30, 2021, and 2020, the TSP held \$784.2 billion and \$661.9 billion, respectively, in net assets, which included \$116.1 billion and \$287.1 billion, respectively, of nonmarketable Treasury securities. The TSF combines the net assets of the TSP and the FRTIB in its financial statements. Only the TSP net assets of the TSF financial statements are disclosed in this note. The most recent audited financial statements for the TSF are as of December 31, 2020, and 2019. For

additional information about FRTIB, the TSP and the investment options of the TSP, please refer to the FRTIB website at <https://www.frtib.gov>.

A delay in raising the statutory debt limit existed as of September 30, 2021. When delays in raising the statutory debt limit occur, Treasury often must deviate from its normal debt management operations and take a number of extraordinary measures consistent with relevant laws and regulations to meet the government's obligations as they come due without exceeding the debt limit. Many extraordinary measures taken by Treasury during the period August 2, 2021 through September 30, 2021 resulted in federal debt securities not being issued to certain federal government accounts. As reported in Note 19, as a result of Treasury securities not being issued to the TSP's G Fund, Treasury reported other liabilities in the amount of \$157.0 billion that represent uninvested principal and related interest for TSP's G Fund that would have been reported as federal debt securities had there not been a delay in raising the statutory debt limit as of September 30, 2021, and had the securities been issued.

On October 14, 2021, P. L. 117-50 was enacted which raised the statutory debt limit by \$480.0 billion, from \$28,401.5 billion to \$28,881.5 billion. Even with this increase, extraordinary measures continued in order for Treasury to manage below the debt limit. On December 16, 2021, P.L. 117-73 was enacted, raising the debt limit by \$2.5 trillion from \$28,881.5 billion to \$31,381.5 billion. On this date, Treasury discontinued its use of extraordinary measures and resumed normal debt management operations.

Department of Interior–Indian Trust Funds

As stated above, DOI has responsibility for the assets held in trust on behalf of American Indian Tribes and individuals. DOI maintains accounts for Tribal and Other Trust Funds (including the Alaska Native Escrow Fund) and IIM Trust Funds in accordance with the *American Indian Trust Fund Management Reform Act of 1994*. The fiduciary balances that have accumulated in these funds have resulted from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment awards, settlements of claims, and investment income. These funds are maintained by the BTFA (formerly the Office of the Special Trustee for American Indians). Indian trust assets, including Tribal and Other Trust Funds and IIM Trust Funds, are primarily managed under the delegated authority of BTFA and BIA. Management of Indian trust assets on behalf of the trust beneficiaries is dependent upon the processing of trust-related transactions within certain information systems of the department, including but not limited to BTFA, BIA, ONRR, and other departmental bureaus and offices. BIA and other departmental bureaus and offices are responsible for managing the natural resources located within the boundaries of Indian reservations and trust lands, as well as the processing of data regarding the ownership and leasing of Indian lands. The allocation of receipts and disbursements by BTFA to trust beneficiaries are significantly dependent and reliant upon the receipt of timely and accurate information derived from records maintained by BIA, ONRR, and other departmental bureaus and offices. DOI maintains separate financial statements for these trust funds, which are prepared using a cash or modified cash basis of accounting, a comprehensive basis of accounting other than GAAP. The independent auditors' reports on the Tribal and Other Trust Funds were qualified as it was not practical to extend audit procedures sufficiently to satisfy themselves as to the fairness of the trust fund balances. The IIM Trust Funds received an unmodified opinion from the auditors. As of September 30, 2021, and 2020, the DOI held \$6.4 billion and \$5.9 billion, respectively, in net assets. For additional information related to these assets, please refer to the DOI website at <https://www.doi.gov>.

All Other Entities with Fiduciary Activities

The government is responsible for the management of other fiduciary net assets on behalf of various non-federal entities. The entities presented individually in the table on the previous page represent the vast majority of the government's fiduciary net assets. All other component entities with fiduciary net assets are aggregated in accordance with SFFAS No. 31. As of September 30, 2021, and 2020, including TSP and DOI, there are a total of 20 federal entities with fiduciary activities at a grand total of 67 fiduciary funds. SBA and DOD are the largest entities relating to the fiduciary activities of the remaining entities within the "all other" aggregate balance. As of September 30, 2021, "all other" fiduciary net assets were \$6.0 billion, compared to \$6.2 billion as of September 30, 2020.