consolidated financial statements of the united states government prototype 1992

THE FINANCIAL MANAGEMENT SERVICE

DEPARTMENT OF THE TREASURY

The mission of the Financial Management Service is to improve the quality of Government financial management. Our commitment and our responsibility is to help our Government customers achieve success. We do this by linking program and financial management objectives, and by providing financial services, information, advice, and assistance to our customers. We serve taxpayers, the Treasury Department, Federal program agencies, and Government policy makers.

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from the secretary of the treasury...

THE SECRETARY OF THE TREASURY
WASHINGTON

Statement of the Secretary of the Treasury

The Department of the Treasury is pleased to present these Consolidated Financial Statements of the United States Government, Prototype 1992 (CFS). Prepared by the Financial Management Service, the CFS provides Government decision-makers and the public with information about the financial condition and operations of the Federal Government on an accrual basis.

Treasury has a key role in maintaining the Nation's economic security. A significant part of carrying out that responsibility lies in analyzing the impact of fiscal policies. To assess the financial health of the Government, we must have access to current, accurate, and reliable data on the Government's assets, liabilities, expenses, and revenues.

The 1992 CFS is designed to offer a concise statement of the Government's financial condition and operations. The 1992 CFS is presented in the same format as prior years. Alternative formats will be considered for future statements as we continue to strive for improvements in content, quality, and timeliness.

This document is a result of significant progress toward the Government's goal of improving Federal financing reporting. In the past year, more and more Government agencies have moved toward compliance with the Chief Financial Officers Act by reporting more useful, complete, and reliable financial information. The Office of Management and Budget (OMB) has worked to improve agency financial statements through the issuance of guidance on financial statements preparation and audit requirements.

The Federal Accounting Standards Advisory Board (FASAB) also has made progress toward the goal of implementing better Government accounting practices. Recently, FASAB completed work on statements of recommended accounting standards for selected assets and liabilities, direct loans and loan guarantees, and inventory and related property. They also issued a statement of recommended accounting concepts entitled "Objectives of Federal Financial Reporting."

Also, Treasury is working with agencies toward full implementation of the U.S. Government Standard General Ledger, so agencies can electronically submit financial information directly from their accounting systems in lieu of submitting multiple reports.

The American public issued a resounding call for economic change. They made it clear that the number one priority for America is to reclaim our economic future and return our Nation to a course of growth and opportunity. An understanding of the financial health and strength of the Government is vital to the governed as well as those in the position of making policies that affect the economic health of the Nation. These statements are a step toward informing the public and facilitating the difficult decisions that lie ahead.

Lloyd Bentsen

Lloyd Bentsen

from the comptroller general...

STATEMENT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

For the past several years, we have cautioned that Treasury's prototype statements have been unreliable. Audits now being performed under the Chief Financial Officers Act of 1990 further confirm that many agency accounting systems produce inaccurate financial data and that many agency internal control systems do not adequately safeguard government assets or assure compliance with relevant laws and regulations. Such problems continue to seriously undermine the ability of our leaders to effectively run the government.

Substantial improvements are needed before consolidated financial statements will be useful and reliable. First, through the Federal Accounting Standards Advisory Board process, Treasury, OMB, and GAO recently adopted new accounting standards and broader reporting objectives which need to be addressed in preparing future consolidated statements. Second, government accounting and other information systems must be significantly upgraded. Accomplishing these challenges will require clear management direction, comprehensive governmentwide implementation strategies, and additional experienced staff.

The National Performance Review has targeted 1997 as the date for issuing the first annual audited consolidated accountability report on federal finances. While much has been done since passage of the Chief Financial Officers Act to improve the likelihood of meeting this goal, urgent action is needed to:

- extend the act's requirements for entity-wide audited financial statements to all major federal agencies,
- accelerate the establishment of comprehensive accounting and cost standards,
- develop cost and performance information,
- redirect approaches for improving systems and controls, and
- upgrade the experience level of financial management and systems staffs.

We will continue to work with the Congress, Treasury, and OMB in the interest of making informative and reliable consolidated financial reporting a reality.

Charles A. Bowsher

Charles A. Bowsher

discussion and analysis

Introduction

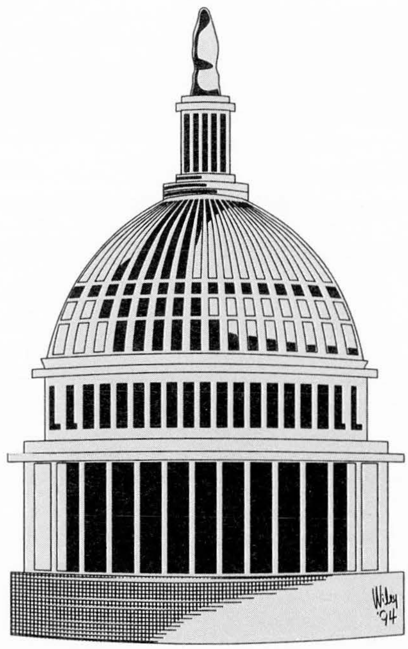
Data presented in this report are unaudited. The 1992 Consolidated Financial Statements (CFS) reflect a long-term effort to improve the credibility and reliability of Government financial reporting.

The primary source of data is unaudited financial reports submitted by agencies to Treasury's Financial Management Service (FMS). While Treasury does not control the quality of the data, efforts were made to question significant variances and incorporate major audit adjustments. We expect the accuracy of agencies' financial data will improve in the future as more agencies prepare audited financial statements on a timely basis.

The public accounting firm of Price Waterhouse reviewed FMS procedures for consolidating financial data submitted by agencies and the bases for Treasury's adjustments. Their views are presented on page 32.

Economic and Budget Results in Fiscal 1992

Fiscal 1992 was a year of modest recovery for the U.S. economy, following the recession that occurred during the prior fiscal year. Real gross domestic product (GDP) increased by just 1.7 percent in fiscal 1992 from the average for the prior fiscal year. That increase in real activity was too small to yield any improvement in labor markets. In fact, the unemployment rate increased to an average of 7.3 percent during the fiscal year from 6.5 percent in fiscal 1991, as employment rose by a meager 1/4 percent according to the survey of households and declined slightly based on the survey of business establishments and of governmental units.



In terms of GDP components, the only major sector of strength in fiscal 1992 was residential construction, which rose by 12 percent in real terms from the depressed level of the prior fiscal year. There were three major sectors of drag on economic activity in fiscal 1992. The most serious of these was the ongoing defense cutback. In real terms, Federal defense purchases of goods and services fell by 8-1/2 percent in the fiscal year, or enough to shave 1/2 percentage point off of the overall real GDP growth rate for the year. Also, private nonresidential construction continued to decline, in large part reflecting the overhang of vacant office buildings left over from the boom of the 1980s. A third negative element was deterioration of the real net export balance, as the modest recovery underway in this country began to draw in imports at an increasing rate, while our exports were being depressed by weakening economies abroad. This deterioration was most pronounced during the latter part of the fiscal year. Also in fiscal 1992, corporations faced the continuing need to repair financial balance sheets, and the financial positions of many households were still stretched.

The final quarter of fiscal 1992 represented the sixth quarter of recovery from the trough of the recession that occurred during the prior fiscal year. On average in past postwar recoveries, by the sixth quarter the economy had grown by more than 8 percent (nearly 5-1/2 percent at an annual rate). In the current recovery, the economy had grown by only 3.3 percent (an annual rate of 2.2 percent).

The sluggish pace of economic activity resulted in a widening of the budget deficit to $290.3 billion from $269.5 billion in fiscal 1991. The fiscal

1992 deficit was a record in dollar terms, though as a share of GDP, the figure of 4.9 percent was well short of the postwar high of 6.3 percent reached in fiscal 1983.

A major element behind swings in the budget balance in recent years has been spending for deposit insurance. These have little impact on aggregate economic activity, as they largely reflect a transfer of already existing assets and liabilities. Excluding deposit insurance outlays, the increase in the deficit in fiscal 1992 was much larger--from $202.4 billion (3.6 percent of GDP) in fiscal 1991 to $287.8 billion (4.8 percent of GDP) in fiscal 1992. Non-deposit insurance outlays rose by a sizable 9.7 percent, led by gains in spending for Medicare and other health care and for a broad range of income support programs. That increase in outlays far outpaced the 3.4 percent increase in total receipts, yielding the marked widening of the deficit exclusive of the deposit insurance account.

Previously in the postwar period, the deficit typically has widened in the initial year of recovery, as the economy remains relatively weak. Generally in the past, part of that widening included effects of fiscal actions taken to stimulate economic activity. As a legacy of the burgeoning deficits during the 1980s and the massive build-up of the Federal debt, fiscal policy was largely restricted to a passive role in fiscal 1992. The few actions taken to ease the impacts of sluggish economic activity, such as provision of extended unemployment insurance benefits and a reduction in tax withholding rates, were largely offset by the effects of deficit reduction measures in the Omnibus Budget Reconciliation Act of 1990. The Congressional Budget Office estimates that the high-employment deficit was little changed in fiscal 1992 from the prior year as a share of high-employment GDP.

Most Recent Developments

During fiscal 1992, the normal forces of recovery were being supplemented by additional easing of monetary policy by the Federal Reserve, which had already pushed the Federal funds rate down from 8 percent to just over 5 percent during the course of fiscal 1991. In fiscal 1992, the Federal funds rate fell another 200 basis points to about 3 percent by the end of the fiscal year, and other short-term rates generally declined in line with the funds rate. Long-term rates did not come down as rapidly, however, falling by 100 basis points or less during the course of fiscal 1992, as expectations of inflation moved downward only slowly and worries persisted as to the outlook for the Federal budget deficit.

Long-term interest rates moved downward in the initial quarter of fiscal 1993 as the election results signaled improved prospects for deficit reduction. They fell still more with the announcement in February of a firm package of deficit reduction and through the summer when the Omnibus Budget Reconciliation Act of 1993 was enacted. That Act put in place more than $500 billion of deficit reduction over the fiscal years 1994 through 1998.

Though still suffering from the drags resulting from the cutback in defense and weakening economies among many other industrialized nations, the recovery of the U.S. economy began to pick up some momentum. Interest-sensitive sectors, such as home building, business spending for equipment, and consumer purchases of durables, began to respond to the more favorable longer-term interest rates. By the summer of 1993, the unemployment rate had dipped to 6.7 percent from 7.5 percent at the end of fiscal 1992. The overall pace of recovery still remained relatively subdued, however, when compared with the paths of prior recoveries.

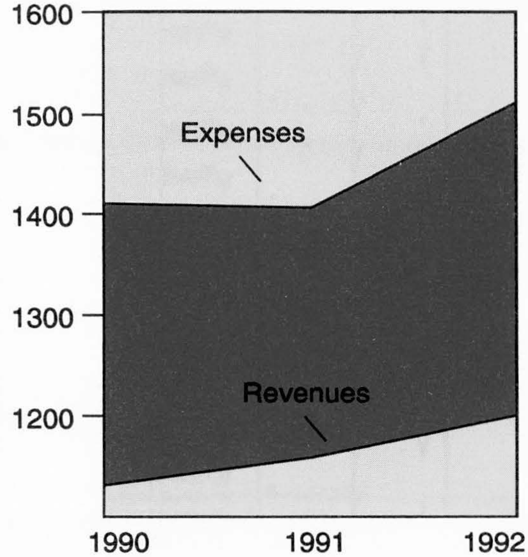
As fiscal 1993 progressed, it became increasingly evident that the deficit for the year would fall far short of the $290.3 billion figure for fiscal 1992. Much of the improved outlook related to a swing in deposit insurance outlays, partly reflecting lack of funding for the Resolution Trust Corporation but also in response to lower interest rates and vastly improved financial positions of depositary institutions. The more favorable outlook was not confined to the deposit insurance account. The firmer tone to economic activity was accompanied by faster growth of revenues and by a sharp slowdown of the rate of growth of income support payments. Also on the outlay side, defense spending continued to decline, while growth of health-related outlays slowed markedly, at least partly in response to slower growth of prices for medical care.

Revenues and Expenses

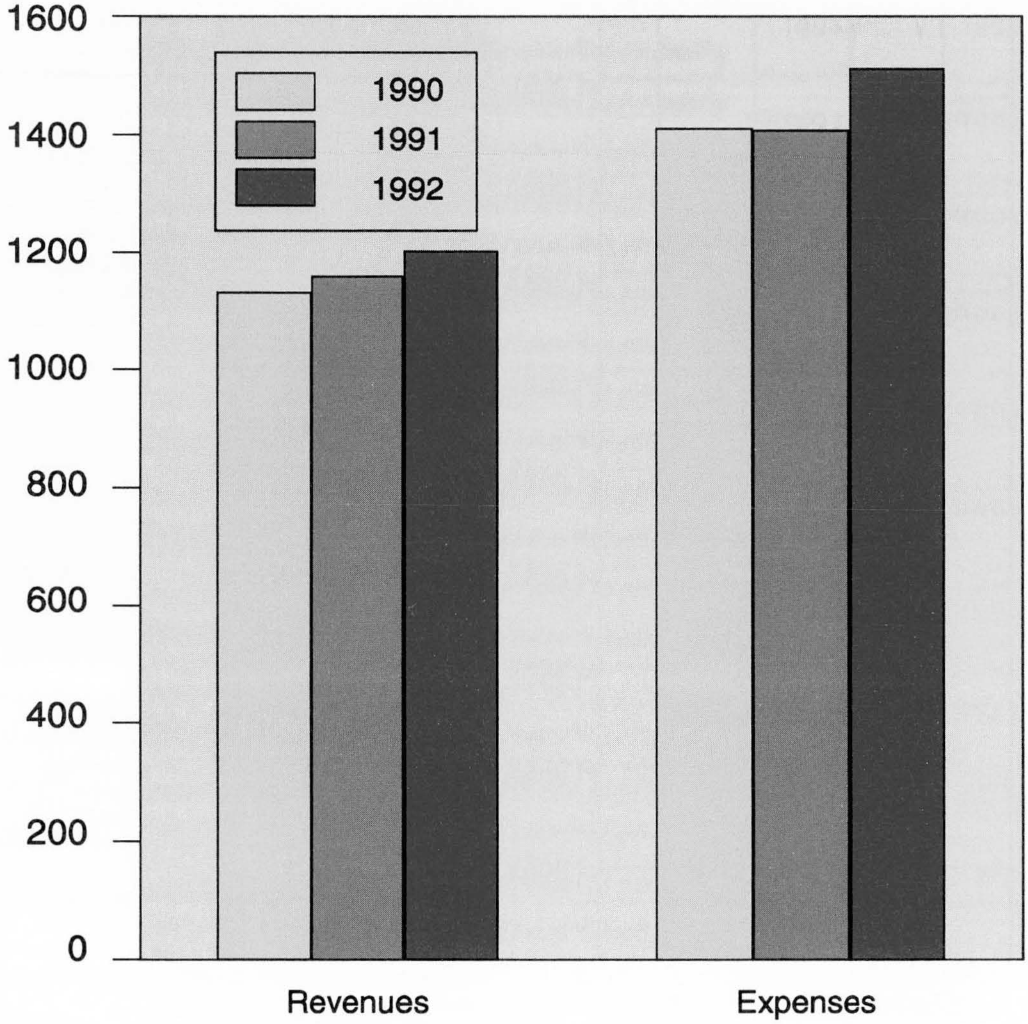
The graphs on this page show, in two different ways, the amounts of U.S. Federal Government revenues and expenses for fiscal 1990 through fiscal 1992.

On page 7, the first graph further illuminates revenue figures for 1991 and 1992 by separating them into major categories of revenues by sources. The next graph then provides a breakdown of Government expenses for those years by agency. Revenues levied under the Government's sovereign power are reported on the cash basis.

Amounts earned through Government business-type operations and the data supporting the graph of expenses by agency are reported on the accrual basis.



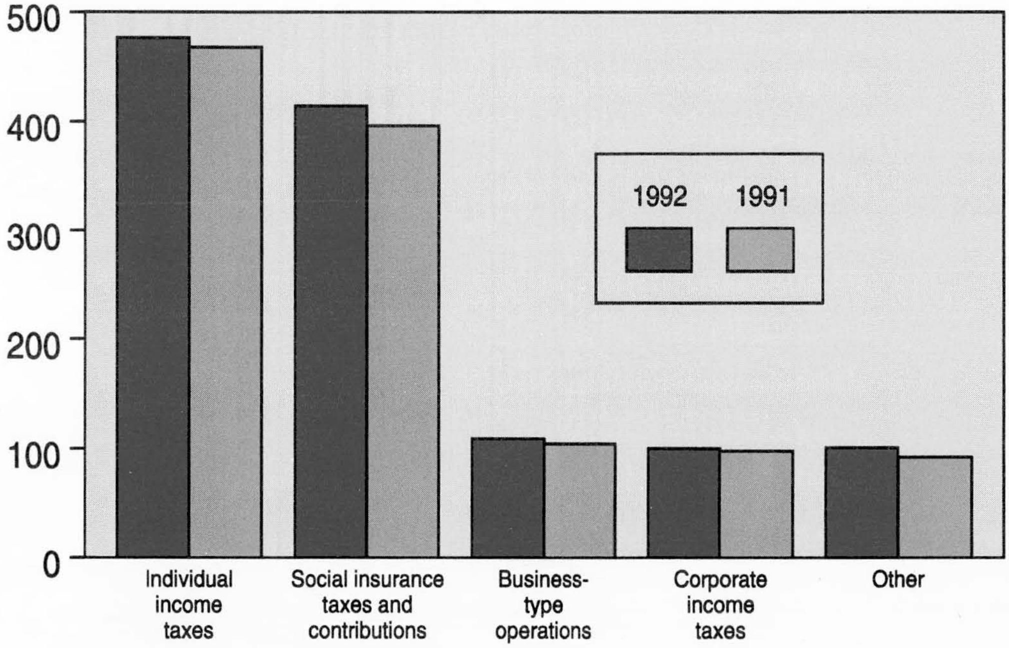
(Charts are in billions of dollars.)



FOR MORE INFORMATION SEE PAGE 14

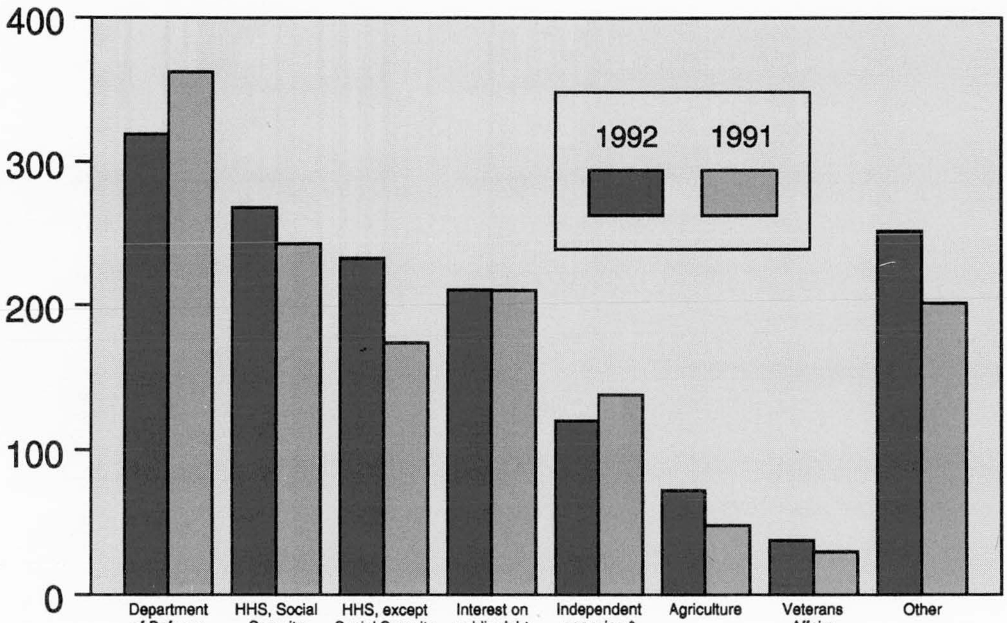
Sources of Revenues

(In billions of dollars)

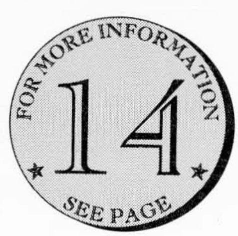


Categories of Expenses

(In billions of dollars)



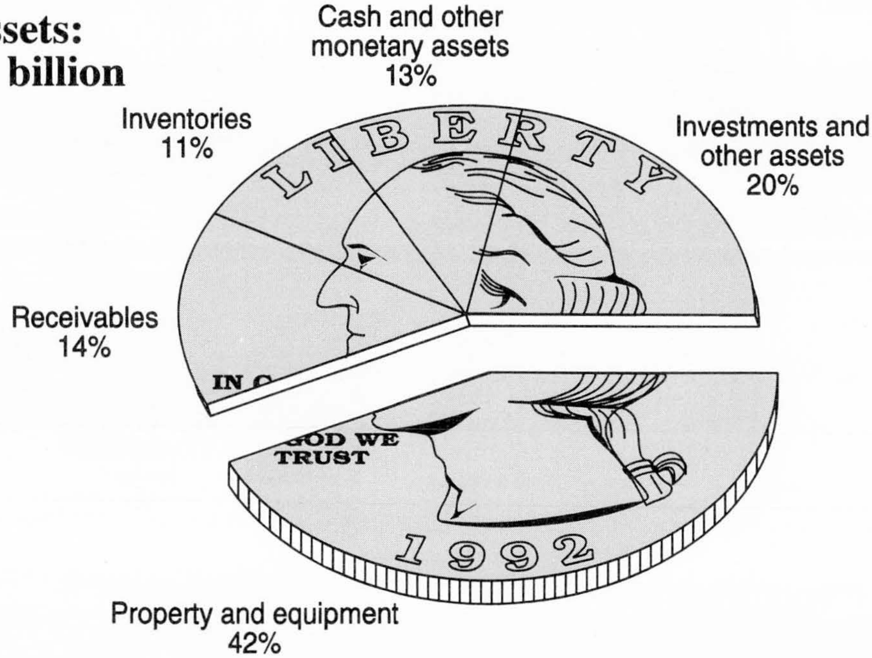
* Includes EPA, GSA, NASA, OPM, SBA, and independent agencies.



Major Categories of Assets, as of September 30, 1992

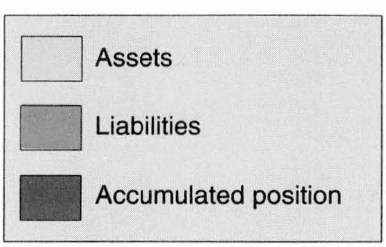
Assets are resources owned by the Federal Government available to pay liabilities or to provide future public services. The next chart is derived from the Statements of Financial Position (page 13). It depicts the major categories of assets as of September 30, 1992, as a percent of total assets. The components for each of these major categories are contained in Notes to Financial Statements (pages 19 through 31).

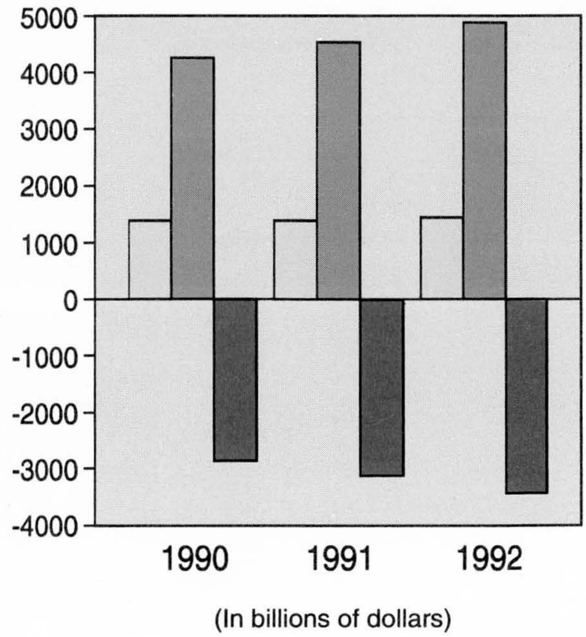
Total Assets: $1,444.2 billion



Assets, Liabilities, and Accumulated Position, as of September 30, 1990-1992

The adjacent graph depicts assets, liabilities, and accumulated position reported in the Statements of Financial Position, as of September 30, 1990 through 1992.



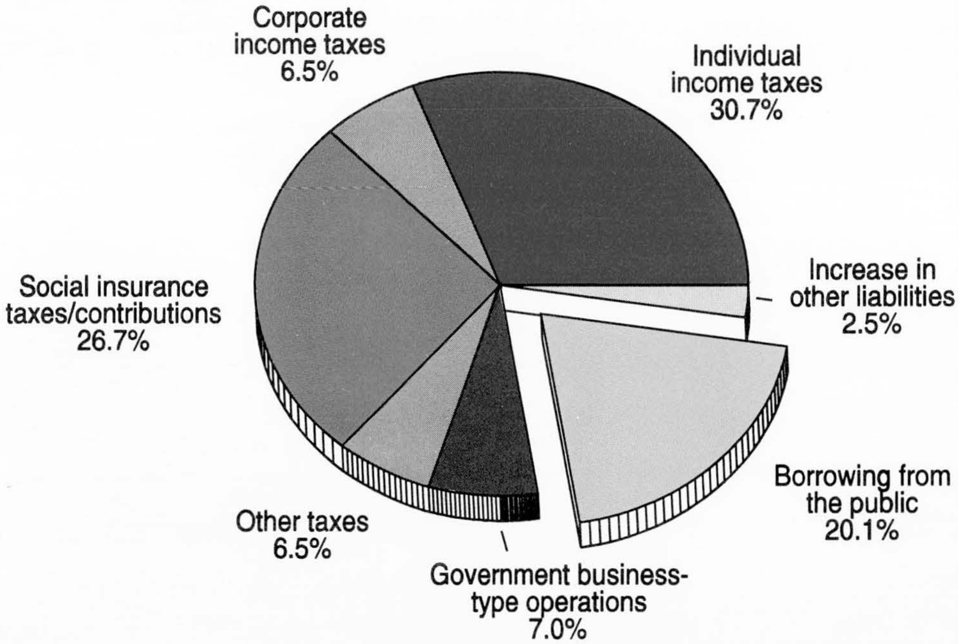


FOR MORE INFORMATION 13,20 SEE PAGES

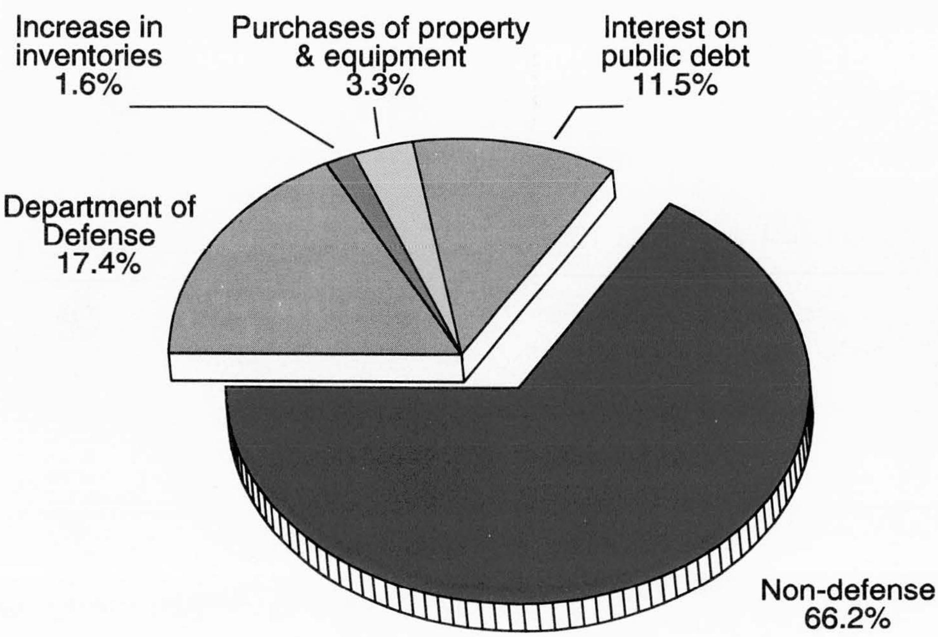
Sources of Funds Provided and Applied

The charts on this page are derived from the Statements of Operations (page 14) and the Statements of Cash Flows (page 15). Figures represent percentages for fiscal 1992.

Funds Provided



Funds Applied

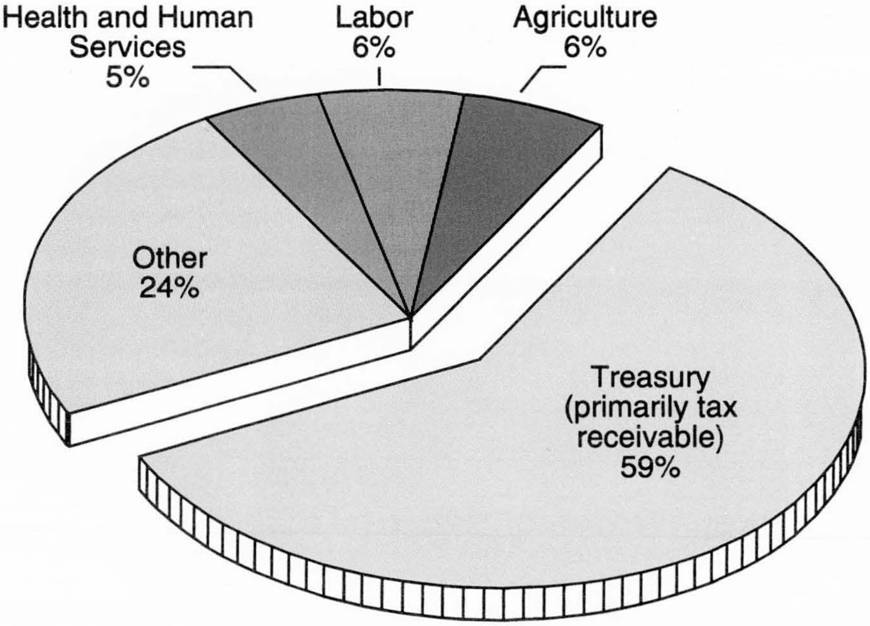


FOR MORE INFORMATION SEE PAGES 14,15

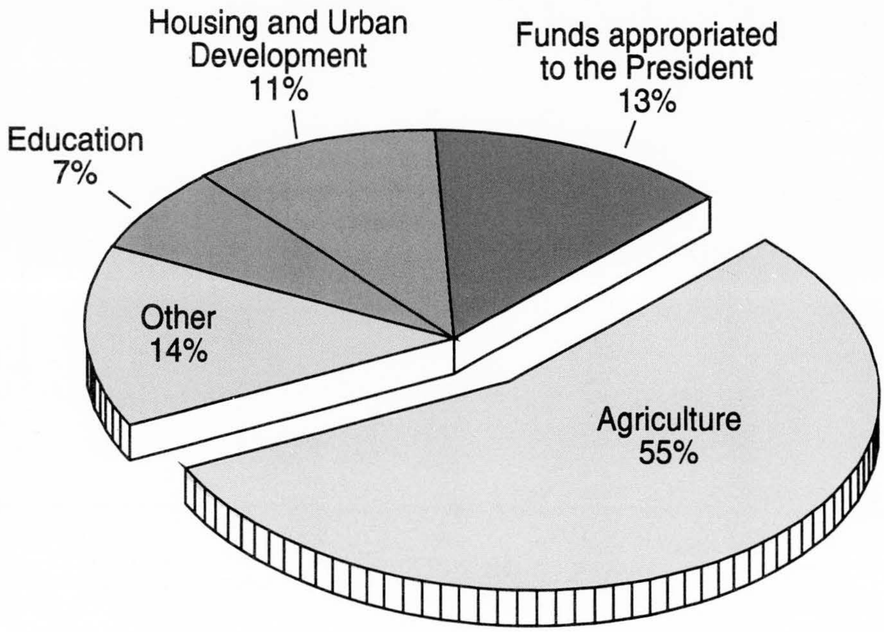
Gross Accounts and Loans Receivable

The amounts in these graphs were summarized from Treasury's Reports on Accounts and Loans Receivable Due from the Public. This schedule reflects all receivables reported by Federal agencies.

Gross Accounts Receivable Total: $122.9 billion



Gross Loans Receivable Total: $197.2 billion



FOR MORE INFORMATION SEE PAGE 36

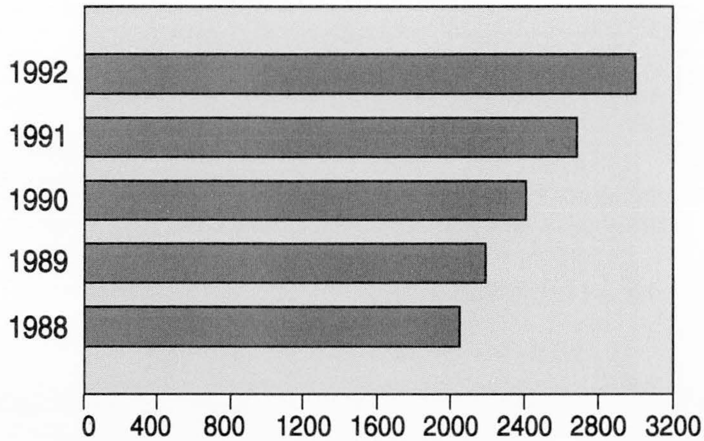
Federal Debt

The following tables represent different facets of the Federal debt.

For a breakdown of the Federal debt see the tables on pages 37 through 39.

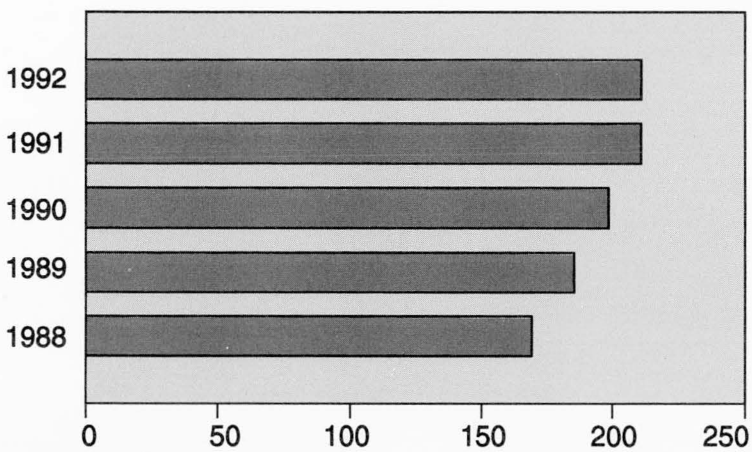
Federal Debt Held by the Public, Fiscal 1988-1992

(In billions of dollars)



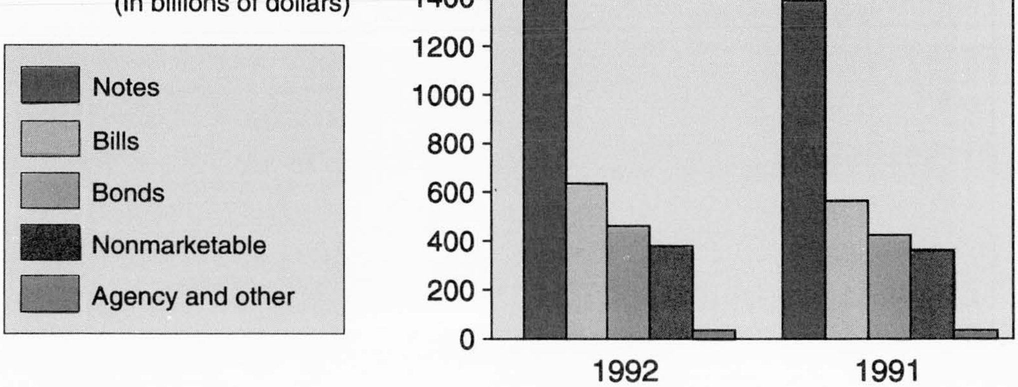
Interest Expense, Fiscal 1988-1992

(In billions of dollars)



Types of Securities

(In billions of dollars)

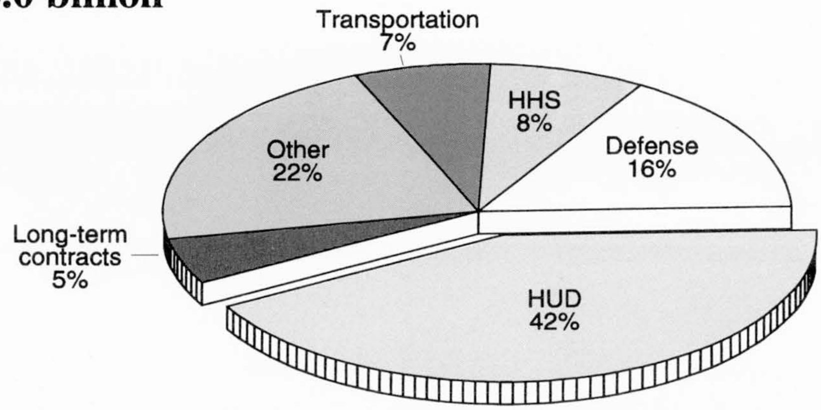


FOR MORE INFORMATION SEE PAGES 37-39

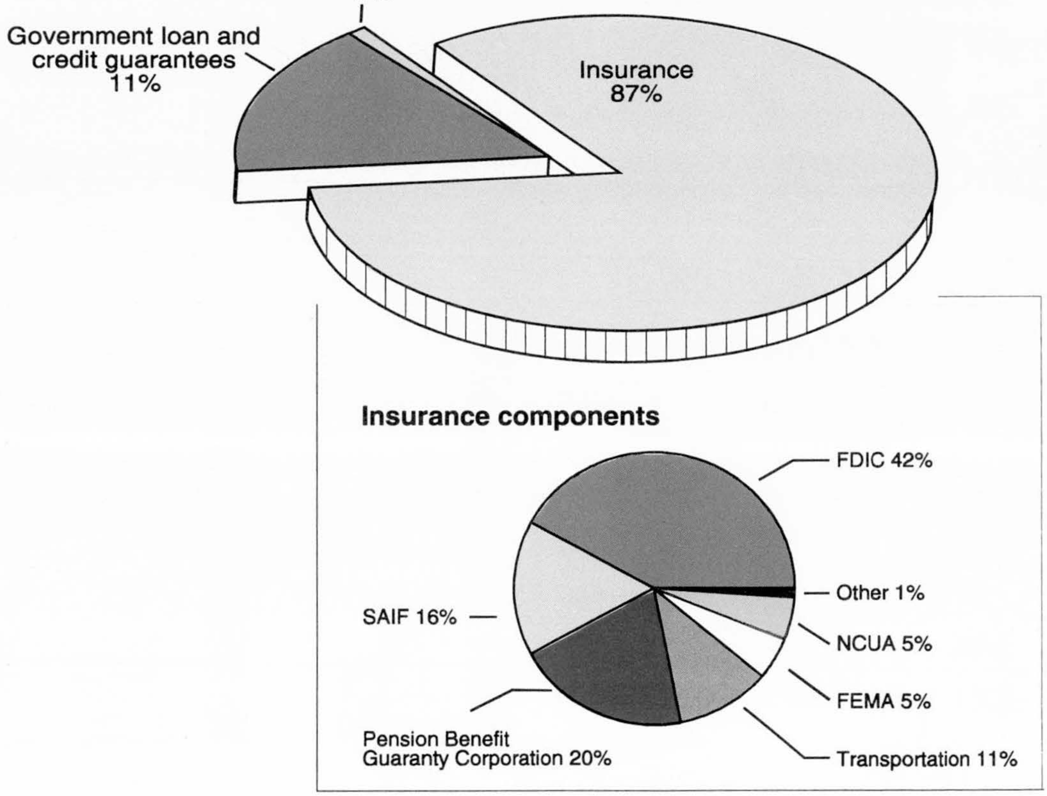
Commitments and Contingencies

For a breakdown of the figures illustrated in these charts, see Commitments and Contingencies of the United States Government for the Years Ended September 30, 1992 and 1991, on pages 40 and 41.

Commitments
Total: $446.0 billion



Contingencies
(Maximum exposure)
Total: $5,476.6 billion



FOR MORE INFORMATION SEE PAGES 30, 40,41

United States Government Consolidated Statements of Financial Position, as of September 30, 1992 and 1991 (Unaudited)

(In billions of dollars)

Assets	**1992**	**1991**
Cash	58.8	41.5
Other monetary assets (Note 3)	135.3	118.6
Accounts receivable, net of allowances	65.7	57.4
Inventories, net of allowances	157.9	127.8
Loans receivable, net of allowances	143.0	147.9
Property, plant, and equipment, net of accumulated depreciation	601.0	600.3
Investments in international organizations	28.2	26.7
Deferred retirement costs	26.8	25.2
Financial assets (Note 8)	69.8	83.1
Other assets	157.7	165.2
Total assets	1,444.2	1,393.7
Liabilities		
Checks outstanding (Note 10)	27.2	34.4
Accounts payable	125.1	99.6
Interest payable	44.8	43.6
Accrued payroll and benefits	22.4	18.2
Unearned revenue	76.8	66.7
Debt issued under financing authority (Note 12)	2,998.8	2,687.2
Pensions and actuarial liabilities (Note 13)	1,451.8	1,468.0
Financial liabilities (Note 14)	41.9	47.4
Other liabilities	99.1	59.8
Total liabilities	4,887.9	4,524.9
Accumulated position	-3,443.7	-3,131.2

FOR MORE INFORMATION
8,20
SEE PAGES

The accompanying notes are an integral part of these statements.

United States Government Consolidated Statements of Operations for the Years Ended September 30, 1992 and 1991 (Unaudited)

(In billions of dollars)

Revenues	1992	1991
Levied under the Government's sovereign power:		
Individual income taxes	476.5	467.8
Corporate income taxes	100.3	98.1
Social insurance taxes and contributions	413.7	396.0
Excise taxes	45.6	42.4
Estate and gift taxes	11.1	11.2
Customs duties	17.3	15.9
Miscellaneous	27.2	22.9
	1,091.7	1,054.3
Earned through Government business-type operations:		
Sale of goods and services	94.2	82.8
Interest	11.7	14.5
Other	3.3	7.3
Total revenues	1,200.9	1,158.9

Expenses by agency	1992	1991
Legislative branch	2.6	1.9
Judicial branch	2.3	1.7
Executive branch:		
Executive Office of the President	.2	.2
Funds appropriated to the President	23.2	27.2
Departments:		
Agriculture	72.0	47.6
Commerce	4.5	3.8
Defense (military)	286.7	328.3
Defense (civil)	32.5	34.3
Education	35.2	19.0
Energy	19.9	16.4
Health and Human Services, except Social Security	232.6	174.4
Health and Human Services, Social Security	267.8	242.6
Housing and Urban Development	27.8	23.6
Interior	7.4	8.5
Justice	12.9	9.9
Labor	48.4	33.0
State	6.5	5.5
Transportation	32.5	30.0
Treasury:		
Interest on debt held by the public	210.9	210.8
Other	28.0	21.0
Veterans Affairs	37.2	29.3
Independent agencies*	120.7	138.2
Total expenses	1,511.8	1,407.2
Excess expenses over revenues	-310.9	-248.3

For more information ★ 6,7 ★ see pages

The accompanying notes are an integral part of these statements.
* Includes EPA, GSA, NASA, OPM, SBA, and other independent agencies.

United States Government Consolidated Statements of Cash Flows for the Years Ended September 30, 1992 and 1991 (Unaudited)

(In billions of dollars)

Cash flows from operating activities	1992	1991
Expenses in excess of revenues	-310.9	-248.3
Adjustments to reconcile expenses in excess of revenues for the year to net cash used in operations:		
Noncash items:		
Depreciation	59.9	57.5
Decrease in the value of gold	-1.6	-13.0
Allowances for doubtful accounts	111.4	101.9
Additions to accounts receivable, net of collections	-65.5	-17.2
Increase of inventories	-30.1	-6.0
Increase in deferred retirement costs	-1.6	-3.8
Increase/decrease in financial assets	13.3	-30.2
Increase in other assets	7.5	14.1
Decrease in checks outstanding	-7.2	-14.3
Increase in accounts payable	25.5	1.7
Increase/decrease in interest payable	1.2	-4.6
Increase in accrued payroll and benefits	4.2	.6
Increase in unearned revenue	10.1	4.4
Decrease/increase in pensions and actuarial liabilities	-16.2	46.9
Decrease in financial liabilities	-5.5	-35.1
Increase/decrease in other liabilities	39.3	-4.6
Total adjustments	144.7	98.3
Net cash used in operating activities	-166.2	-150.0

Cash flows from investing activities	1992	1991
Changes in property and equipment	-60.6	-117.6
Investment in international organizations	-1.5	-1.5
Additions to gross loans receivable	-24.9	-31.1
Repayments and reclassifications of loans receivable	-24.4	7.7
Net cash used in investing activities	-111.4	-142.5

Cash flows from financing activities	1992	1991
Debt issued	311.6	276.8
Net cash provided by financing activities	311.6	276.8
Net decrease/increase in cash and other monetary assets	34.0	-15.7
Cash and other monetary assets, beginning of year	160.1	175.8
Cash and other monetary assets, end of year	194.1	160.1

FOR MORE INFORMATION SEE PAGE 9

The accompanying notes are an integral part of these statements.

United States Government Consolidated Statements of Budget Receipts and Outlays for the Years Ended September 30, 1992 and 1991*

(In billions of dollars)

	1992			1991		
Budget receipts	Actual [1]	Budget [2] 7/24	Budget [3] 1/29	Actual	Budget [4] 7/15	Budget [5] 2/4
Individual income taxes	476.5	472.1	478.8	467.8	481.9	492.6
Corporate income taxes	100.3	94.2	89.0	98.1	98.5	95.9
Social insurance taxes and contributions	413.6	410.4	410.8	396.0	395.1	402.0
Excise taxes	45.6	46.0	46.1	42.4	42.3	44.8
Estate and gift taxes	11.1	11.5	12.1	11.2	11.5	12.2
Customs duties	17.4	17.1	17.3	15.9	17.0	17.7
Miscellaneous receipts	27.2	22.3	21.6	22.9	22.4	26.2
Total budget receipts	1,091.7	1,073.6	1,075.7	1,054.3	1,068.7	1,091.4
Budget outlays						
Legislative branch	2.7	2.7	2.8	2.3	2.6	2.5
Judicial branch	2.3	2.4	2.4	2.0	2.1	2.1
Executive branch:						
Executive Office of the President	.2	.2	.2	.2	.3	.3
Funds appropriated to the President	11.1	11.1	11.5	11.7	12.1	11.3
Departments:						
Agriculture	56.4	59.3	61.8	54.1	55.9	55.4
Commerce	2.6	2.9	2.9	2.6	2.8	2.8
Defense	314.9	319.3	322.3	288.5	288.6	313.9
Education	26.0	26.7	26.5	25.3	24.6	24.8
Energy	15.4	15.7	15.7	12.5	13.5	13.5
Health and Human Services, except Social Security	258.0	263.1	263.4	218.0	225.2	222.4
Health and Human Services, Social Security	281.4	281.1	280.6	266.4	263.3	263.8
Housing and Urban Development	24.5	25.2	24.2	22.8	23.5	23.5
Interior	6.6	7.1	7.1	6.1	6.4	6.4
Justice	9.8	9.6	9.4	8.2	8.7	8.7
Labor	47.2	46.2	44.1	34.0	34.6	34.5
State	5.0	4.9	4.5	4.3	4.5	4.3
Transportation	32.6	33.5	33.4	30.5	30.8	30.8
Treasury	293.4	292.9	289.0	276.9	275.7	277.0
Veterans Affairs	33.7	33.9	33.6	31.2	31.6	31.3
Independent agencies**	75.2	85.2	155.6	136.0	153.9	189.6
Undistributed offsetting receipts	-117.1	-116.0	-116.0	-110.6	-109.8	-109.4
Total budget outlays	1,381.9	1,407.0	1,475.0	1,323.0	1,350.9	1,409.5
Total budget deficit	-290.2	-333.4	-399.3	-268.7	-282.2	-318.1

The accompanying notes are an integral part of these statements.
* Source: "Monthly Treasury Statement" as of September 30, 1992
**Includes EPA, GSA, NASA, OPM, SBA, and other independent agencies.
[1] The receipts and outlays figures may differ from the fiscal 1994 budget of the U.S. Government, due to adjustments made later to the fiscal 1994 budget of the U.S.Government.
[2] Mid-session review of the fiscal 1993 budget, released July 24, 1992.
[3] Fiscal 1993 budget, released January 29, 1992.
[4] Mid-session review of the fiscal 1992 budget, released July 15, 1991.
[5] Fiscal 1992 budget, released February 4, 1991.

FOR MORE INFORMATION SEE PAGE 17

United States Government Consolidated Statements of Reconciliation of Accrual Operating Results to the Cash Basis Budget for the Years Ended September 30, 1992 and 1991

(In billions of dollars)

	1992	1991
Excess of expenses over revenues (current-period results on accrual basis)	310.9	248.3
Additions [1]		
Changes in property and equipment	60.6	117.6
Net loan disbursements	5.2	5.0
Seigniorage	.3	.4
Total additions	66.1	123.0
Deductions [2]		
Decrease/increase in actuarial liabilities	-16.2	46.9
Increase in allowances	9.2	48.8
Depreciation expense	59.9	57.5
Net accrual adjustments	33.9	-50.6
Total deductions	86.8	102.6
Reported budget outlays over receipts (cash basis)	290.2	268.7

The accompanying notes are an integral part of these statements.

[1] Addition of items that are not included as expenses in accrual operating results, but are included in the cash basis budget.

[2] Deduction of items that are included as expenses in accrual operating results, but are not included in the cash budget.

FOR MORE INFORMATION SEE PAGE 16

notes to financial statements

1. Summary of significant accounting policies

Reporting entities

The CFS reports on the legislative, judicial, and executive branches of the Federal Government and includes Federal Government corporations (see the U.S. Government organizational chart on the inside back cover).

Significant intragovernmental transactions were eliminated in consolidation.

Federal Reserve banks were excluded because they operate independently and are owned by member banks through the issuance of stock. Certain congressional activities also were excluded as were privately owned Government-sponsored enterprises, such as the Federal National Mortgage Association.

Basis of accounting policies

The data presented in this report are unaudited.

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States [who comprise the Joint Financial Management Improvement Program (JFMIP) principals] established the Federal Accounting Standards Advisory Board (FASAB) in October 1990. The FASAB recommends accounting standards to the JFMIP principals for approval. If approved, the standards become effective after being published by GAO and OMB.

In March 1993, the JFMIP principals approved the FASAB's recommended changes to interim accounting standards used in preparing financial statements for audit. The revised recommended guidance is as follows:

"Until a sufficiently comprehensive set of accounting standards is agreed to and published by the JFMIP principals, which will constitute 'generally accepted accounting principles for the federal government,' the following hierarchy shall constitute an 'other comprehensive basis of accounting' and shall be used for preparing federal agency financial statements:

1. Individual standards agreed to and published by the JFMIP principals.

2. Form and Content requirements included in OMB Bulletin 93-02, dated October 22, 1992.

3. Accounting standards contained in an agency accounting policy, procedures manuals and/or related guidance as of March 29, 1991, so long as they are prevalent practices.

4. Accounting principles published by authoritative standard-setting bodies and other authoritative sources (1) in the absence of other guidance in the first three parts of this hierarchy, and (2) if the use of such accounting standards improves the meaningfulness of the financial statements."

In March 1993, the JFMIP principals approved the FASAB's "Statement of Recommended Accounting Standards No. 1, Accounting for Selected Assets and Liabilities."

The Statements of Financial Position, Operations, and Cash Flows are presented on the accrual basis of accounting. Revenues levied under the Government's sovereign power are reported on the cash basis. Some cash inflows and outflows, such as debt issued, were netted due to the unavailability of certain relevant information.

Principal financial statements

These consist of the Statements of Financial Position, Statements of Operations, Statements of Cash Flows, Statements of Budget Receipts and Outlays, and Statements of Reconciliation of Accrual Operating Results to the Cash Basis Budget.

The Statements of Budget Receipts and Outlays display the budget deficit on a cash basis. The Statements of Reconciliation of Accrual Operating Results to the Cash Basis Budget present a reconciliation of the operating results on the accrual basis to the operating results on the cash basis. Certain prior year balances were reclassified to conform with the current year's presentation.

Fiscal year

The fiscal year of the U.S. Government ends on September 30.

Sources of information

The fiscal 1992 Consolidated Statements of Financial Position and the Consolidated Statements of Operations were compiled from agency and Treasury reports. The Consolidated Statements of Budget Receipts and Outlays were taken from the "Monthly Treasury Statement of the U.S. Government."

Certain adjustments have been made to supplement information supplied by the agencies, such as other monetary assets, unearned revenue, depreciation, other assets, pensions and actuarial liabilities, other liabilities, and allowance for losses.

2. Cash

Cash represents balances of tax collections, customs duties, other revenues, miscellaneous receipts, public debt receipts, and a variety of other receipts maintained in accounts at Federal Reserve banks as well as in the U.S. Treasury tax and loan accounts.

Federal Reserve banks act as fiscal agents for the Government and report this information on a daily basis.

The tax and loan accounts refer to accounts of special depositaries. These special depositaries hold the proceeds of certain tax payments and public debt sales until the funds are needed at the Federal Reserve banks. They are then used to fund cash disbursements from Treasury's general account.

Cash includes the value of outstanding checks, which are accounted for as liabilities ("outstanding checks") when issued. As the checks clear, the cash balance is reduced and the corresponding liability amount of "outstanding checks" is also reduced. See note 10, page 23.

3. Other monetary assets

Gold

Gold is valued at market for fiscal 1992 and 1991. The market value represents the price reported for gold on the London fixing, and is based on 261,932,896.429 and 261,997,505.105 fine troy ounces as of September 30, 1992 and 1991, respectively (as reported in Treasury's general ledger). The statutory price of gold is $42.2222 per ounce.

International Monetary Fund special drawing rights

The value is based on a weighted average of exchange rates for the currencies of selected member countries. The value of a special drawing right was $1.473 and $1.368 as of September 30, 1992 and 1991, respectively.

Accountability for cash and other assets held outside the Treasury

This item is composed of amounts held by Government collecting and disbursing officers, agencies' undeposited collections, and unconfirmed deposits, including cash transfers.

Other monetary assets

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Gold (at market value of $349.00 per ounce as of Sept. 30, 1992, and $354.90 per ounce as of Sept. 30, 1991)	91.4	93.0
Special drawing rights	12.1	10.7
U.S. reserve position in the International Monetary Fund	9.8	9.1
Accountability for cash and other assets held outside the Treasury	21.1	2.9
Other U.S. Treasury monetary assets	.6	2.6
Nonpurchased foreign currencies	.3	.3
Total other monetary assets	135.3	118.6

FOR MORE INFORMATION SEE PAGES 8,13

4. Accounts and loans receivable

All receivables in the Statements of Financial Position are shown net of allowances for doubtful accounts. Receivables exclude intragovernmental amounts.

Summary of net accounts and loans receivable

(In billions of dollars)	Accounts receivable 1992	Accounts receivable 1991	Loans receivable 1992	Loans receivable 1991
Beginning balance, Oct. 1	57.4	93.6	147.9	173.0
Additions to receivables	143.9	104.1	24.9	31.1
Repayments and reclassifications	-78.4	-86.9	24.4	-7.7
Allowances for doubtful accounts [1]	-57.2	-53.4	-54.2	-48.5
Ending balance, Sept. 30	65.7	57.4	143.0	147.9

[1] See supplemental tables for further information, page 36.

5. Inventories

Product or service components contain amounts reported in goods-for-sale, work-in-progress, and raw materials.

Agencies use a wide variety of methods to value inventories (e.g., first-in-first-out, last-in-first-out, latest acquisition cost, and weighted or moving averages). Department of Defense (DOD) policy requires use of the latest acquisition cost method of valuation.

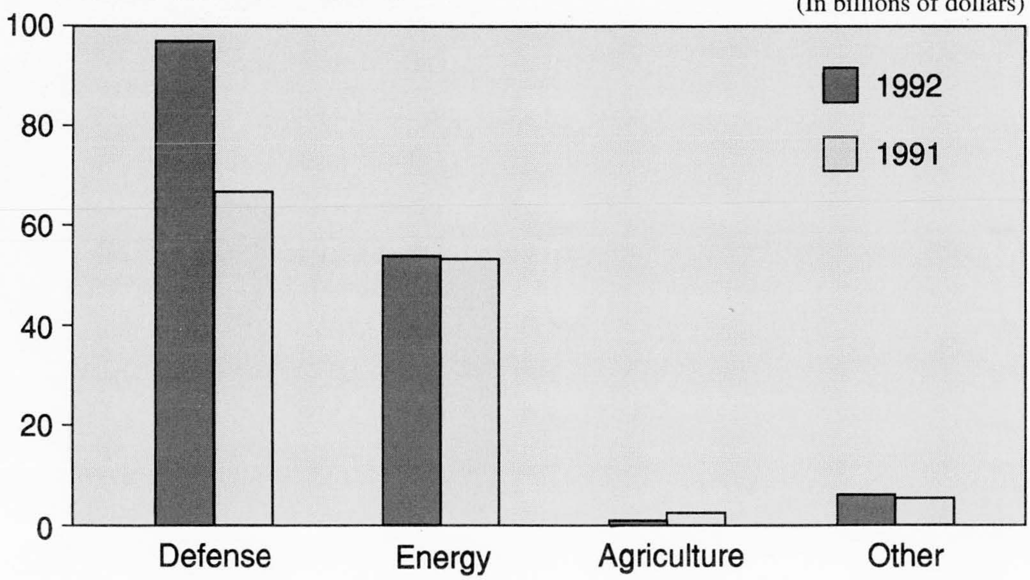
If an item of inventory is either not repairable or no longer applicable to DOD's needs, then the item will be valued at its anticipated net realizable cash value as either scrap or surplus material offered for sale to the public.

Inventories

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Operating consumables	85.4	57.0
Product or service components	4.7	7.3
Stockpiled materials	64.1	60.9
Other	3.7	2.6
Total inventories	157.9	127.8

Inventories by Major Agency

(In billions of dollars)



FOR MORE INFORMATION SEE PAGES 10, 13, 36

6. Property, plant, and equipment

Land purchased by the Federal Government is valued at historical cost. The land acquired through donation, exchange, bequest, forfeiture, or judicial process is estimated at amounts the Government would have paid if purchased at the date of acquisition.

"Other" includes automated data processing software, assets under capital lease, and other fixed assets that have been capitalized. The amounts shown for fiscal 1992 and 1991 are reported at cost.

No value has been assigned to the Outer Continental Shelf and other offshore lands. More than 662 million acres of public domain land have been assigned a minimal value of $1 per acre, and are included in the total land amount.

Accumulated depreciation netted against property, plant, and equipment shown in the Statements of Financial Position is estimated using the straight-line method applied to the total of reported depreciable assets.

The useful lives for each classification of asset are:

- Buildings . . . . 50 yrs.
- Structures and facilities . . . . 21 yrs.
- Ships and service craft . . . . 13 yrs.
- Industrial equipment in plant . 13 yrs.
- All other assets . . . . 13 yrs.

The Treasury Department encourages depreciation accounting for all depreciable fixed assets. Accumulated depreciation reported by Federal agencies in their statements for business-type operations amounted to $51.8 billion and $48.8 billion for fiscal 1992 and 1991, on assets of $179.9 billion and $160.9 billion, respectively. (For those agencies who do not report the depreciation expense, the Treasury Department makes the estimate.) That accumulated depreciation is included in overall estimates on the straight-line method as referred to in the previous paragraph.

Agencies used the straight-line method 77 percent of the time. Capitalization policies varied with minimum thresholds in the range of $200 to $5,000.

Property, plant, and equipment

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Buildings, structures, facilities, and lease-hold improvements	223.1	202.4
Military equipment	595.9	582.2
Equipment	57.1	53.2
Construction-in-progress	134.8	145.8
Land	14.6	14.7
Other	19.8	16.2
Subtotal	1,045.3	1,014.5
Less accumulated depreciation	444.3	414.2
Total property, plant, and equipment	601.0	600.3

FOR MORE INFORMATION SEE PAGE 13

7. Investments in international organizations

This item represents the Government's capital investment in international organizations on a cost basis. These include:

- International Bank for Reconstruction and Development (World Bank)
- International Development Association
- Inter-American Development Bank
- Asian Development Fund
- African Development Bank.

8. Financial assets

These are receivables and other assets (at book value less allowances) from banking assistance and failures included in the totals of the bank insurance fund, FSLIC resolution fund, and Resolution Trust Corporation (RTC).

9. Other assets

Other assets reported are summarized by agency in the following table.

Other assets

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Funds appropriated to the President	7.9	5.2
Agriculture	2.5	.6
Defense	107.7	[1]137.0
Energy	2.0	1.0
Transportation	.9	.4
Treasury	1.5	1.4
Export-Import Bank of the United States	1.0	1.1
Tennessee Valley Authority	5.0	1.9
Other	29.2	16.6
Total	157.7	165.2

[1] Includes reclassification of inventories to other assets.

10. Checks outstanding

These are checks issued by the U.S. Treasury or its agents, which have not cleared through the Federal Reserve banks. See also note 2, page 20.

11. Unearned revenue

Unearned revenue is summarized by agency in the following table.

Unearned revenue

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Funds appropriated to the President	13.0	12.1
Housing and Urban Development	6.7	6.4
U.S. Postal Service	2.6	2.2
Agriculture	.3	.3
Energy	7.2	5.8
Interior	2.7	2.2
Treasury	39.8	34.5
Other	4.5	3.2
Total	76.8	66.7

12. Debt issued under financing authority

The amount of Federal debt outstanding is reported net of unamortized premiums and discounts. Premiums of $1.0 billion and $0.8 billion were reported for 1992 and 1991, respectively. Discounts of $81.0 billion and $84.9 billion were reported for 1992 and 1991, respectively.

The amounts reported for fiscal 1992 and 1991 are also net of intragovernmental investment holdings of $1,004.0 billion and $911.7 billion, respectively. The table on the next page further details debt issued under financing authority.

For more information ★ 11,13 ★ see pages

Debt issued under financing authority

	Sept. 30, 1992		Sept. 30, 1991	
	Average interest rate (percent)	Total debt (in billions of dollars)	Average interest rate (percent)	Total debt (in billions of dollars)
Public debt:				
Marketable	6.976	2,677.5	8.058	2,390.7
Nonmarketable	8.164	1,384.3	8.577	1,272.1
Non-interest bearing debt		2.8		2.5
Total public debt outstanding		4,064.6		3,665.3
Plus: Premium on public debt securities		1.0		.8
Less: Discount on public debt securities		81.0		84.9
Total public debt securities		3,984.6		3,581.2
Agency debt:				
Housing and Urban Development		.3		.3
Federal Deposit Insurance Corporation:				
Bank insurance fund		.1		.1
FSLIC, resolution fund		[1] 1.1		6.1
Architect of the Capitol		.2		.2
Tennessee Valley Authority		[2] 16.0		10.5
U.S. Postal Service		.2		.2
National Archives and Records Administration		.3		.3
Total agency securities		18.2		17.7
Total Federal securities		4,002.8		3,598.9
Less: Federal securities held as investments in Government accounts		1,004.0		911.7
Total Federal debt held by the public		2,998.8		2,687.2

[1] Decrease was due to the payment made on the notes during fiscal 1992.

[2] Increase was largely due to refinancing debt to the Federal Financing Bank with public financing.

FOR MORE INFORMATION SEE PAGES 11,37

13. Pensions and actuarial liabilities

The Federal Government administers more than 40 pension plans. The largest are administered by the OPM for civilian employees and by DOD for military personnel.

These plans comprise more than 98 percent of the pension liability reported on September 30, 1992. The majority of the pension plans are defined benefit plans.

The accounting for accrued pension, retirement, disability plans, and annuities is subject to several different assumptions, definitions, and methods of calculation. Each of the major plans is summarized in the adjacent table.

Pension and actuarial liabilities

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Pensions--accumulated benefits obligation:		
Civilian employees (CSRS and FERS)	672.0	[1] 679.8
Military personnel......	515.9	525.8
Other pension plans....	26.9	23.7
Subtotal...........	1,214.8	1,229.3
Actuarial liabilities:		
Veterans compensation	185.8	189.8
Compensation programs...........	20.7	19.3
Other benefits	30.5	29.6
Total	1,451.8	1,468.0

[1] Due to an audit adjustment, OPM's actuarial liability is restated for 1991. For more information, see OPM's financial statement.

Civilian employees and military personnel

Pension expense for the various Federal pension plans is calculated for budgetary purposes by a variety of actuarial funding methods.

For financial reporting purposes, Federal pension plans report their accumulated benefit obligation (ABO) pursuant to directions under the provisions of Public Law Number 95-595. The ABO is calculated with the "unit credit" actuarial cost method. The ABO is recognized as a liability in the Consolidated Statements of Financial Position.

Most Federal pension plans are funded with obligations issued by the U.S. Treasury as expense is recognized, pursuant to the actuarial method specified by the governing law. These plan assets (Treasury bonds or other debt), being obligations of the United States, were eliminated from these consolidated statements.

Hence, within these statements, periodic pension cost for the Government as a whole is, in effect, the change in the accumulated benefit obligations.

Veterans compensation

The Department of Veterans Affairs (VA) has a liability for benefits expected to be paid to veterans in future fiscal periods and, if applicable, to veterans' survivors who meet defined eligibility criteria.

The VA did not make calculations of, or disclosure for, future liabilities of compensation and pensions benefits as of September 30, 1992. The Department is currently in the process of hiring an actuary to estimate properly future liability and is planning to make such estimates for future years.

Therefore, due to the unavailability of data on VA compensation for fiscal 1992, the Department of the Treasury estimated

FOR MORE INFORMATION SEE PAGE 13

liabilities for the VA based on the trend of the last 5 years. This is not an actuarial estimate.

The estimated future liability for compensation and pension benefits payable for the next 5 fiscal years and thereafter is as follows:

Estimated liabilities

(In billions of dollars)	
1993	14.8
1994	14.0
1995	12.9
1996	11.9
1997	11.2
Thereafter	120.9
Total	185.8

Compensation programs

This amount represents the estimated future costs for injuries incurred to date for approved Federal Employees' Compensation Act cases and Black Lung.

Other pension plans

Other annual pension reports received from plans covered by Public Law Number 95-595 are reported in the same manner as military personnel and civilian employees (described above).

Other benefits

Other benefits consist of various items the Government is responsible for, such as life insurance and health benefits for veterans and Federal employees.

These other benefits do not include the actuarial liability for the future costs of post-retirement health benefits for retirees. Financial Accounting Standards Board (FASB) Statement Number 106 requires the recognition of this liability.

The FASB statement generally is effective for fiscal years beginning after December 15, 1992.

■ Unfunded liabilities

The Federal Government operates a pay-as-you-go system for retirees' health benefits for both civilian and military retirees. These programs have an actuarial deficiency equal to the present value of future retiree benefits.

■ Civilian employee retiree health benefits

In December 1990, the FASB issued Statement of Financial Accounting Standards (SFAS) Number 106, "Employers' Accounting for Post-Retirement Benefits Other Than Pension."

SFAS Number 106 defines post-retirement benefits as a deferred compensation arrangement whereby an employer promises to exchange future benefits for the current services of its employees. SFAS Number 106 requires that the program recognize an obligation for post-retirement benefits at the same time employee services are rendered, notwithstanding the fact that the benefits are not paid until retirement. This liability must be based on an actuarial computation.

The effective date of SFAS Number 106 is the fiscal year beginning after December 15, 1992. For the health benefit program, therefore, the effect of SFAS Number 106 need not be disclosed prior to the publication of OPM's fiscal 1994 financial statements. For information purposes only, a preliminary and unsubstantiated estimate of the program's future liability for post-retirement health benefits is $122.0 billion as of September 30, 1992.

Civilian retirees pay the same insurance premium as active employees under Federal Employees Health Benefits Program (FEHBP) if they continue to participate. These premiums cover only a portion of the costs.

These premiums cover only a portion of the costs.

Although the Government contribution for the premiums of active employees in FEHBP is paid by the employing agency, the Government contribution for civilian retirees who continue to participate in the FEHBP is paid directly by the general fund to OPM. With the exception of the Postal Service, the agencies that employed the civilian retirees pay nothing.

■ Military retiree health plans

The estimate for military health programs, $213.0 billion, used a somewhat different method than those for civilians and was calculated at the beginning of fiscal 1994. Both estimates are highly sensitive to assumptions about health care costs and usage, as well as force end-strength.

Military retirees and their dependents are entitled to health care in military medical facilities if the facility can provide the needed care. Until they reach age 65, military retirees and their dependents also are entitled to health care financed by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

No premium is charged for CHAMPUS-financed care, but there are deductible and copayment requirements.

After they reach 65 years of age, military retirees are entitled to medicare. The DOD costs for retiree health care consist of the costs of building, equipping, education and training, staffing, operating, and maintaining military medical treatment facilities. They also include expenses of the claims paid by CHAMPUS and the administration of that program.

Costs are funded annually by direct appropriations in the year services are rendered (or, for CHAMPUS, billed).

Thrift Savings Plan

The Federal Retirement Thrift Investment Board is a Federal agency. The fund's assets are effectively owned by Federal employees and retirees, who have individual accounts. For this reason, the fund is excluded from the CFS and the fund's holdings of Federal debt are considered as part of the debt held by the public instead of debt held by the Government.

The Thrift Savings Plan is a defined contribution plan for eligible employees covered under the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

FERS employees may contribute up to 10 percent of base pay to the plan, which is matched by the Government up to 5 percent. CSRS employees may contribute up to 5 percent of base pay with no Government match. An individual's total annual contribution could not exceed $8,778.0 in 1992.

The plan was started in April 1987 and as of September 30, 1992, the total invested was $14.4 billion. Investments consist primarily of U.S. Government nonmarketable certificates ($11.8 billion), which are included in "debt issued under financing authority" in the Statements of Financial Position. In all, $2.0 billion and $0.6 billion have been invested in the Common Stock Index and the Fixed Income Funds, respectively.

Unfunded liabilities: future health care costs

(In billions of dollars)

Federal Employees Health Benefits Program	122.0
Military health programs	213.0
Total unfunded liabilities	335.0

14. Financial liabilities

These are liabilities derived from actual and estimated costs of unresolved banking assistance and failures.

They are included in the totals of the bank insurance fund, FSLIC resolution fund, savings association insurance fund, and RTC.

FOR MORE INFORMATION SEE PAGE 13

15. Other liabilities

Other reported liabilities are summarized by agency in the table below.

Other liabilities

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Departments:		
Agriculture	6.6	6.3
Defense	3.0	1.8
Energy	1.6	1.2
Health and Human Services	4.8	.8
Housing and Urban Development	10.6	8.8
Interior	1.8	1.5
Labor	27.2	23.7
Treasury	11.8	1.6
Veterans Affairs	3.6	3.0
Independent agencies:		
Export-Import Bank of the United States	.8	.3
General Services Administration	.5	1.3
Tennessee Valley Authority	2.9	3.1
Other*	23.9	6.4
Total	99.1	59.8

* Increase largely due to compounding error that resulted in an understatement of the fiscal 1991 figures in the "other" category.

16. Accumulated position

The accumulated position represents the shortage, or excess (-), of liabilities over assets.

Accumulated position

(In billions of dollars)	1992	1991
Accumulated position at beginning of period	-3,131.2	-2,869.9
Current period results	-310.9	-248.3
Change in market value of gold	-1.6	-13.0
Accumulated position at end of period	-3,443.7	-3,131.2

FOR MORE INFORMATION ★ 8,13 ★ SEE PAGES

17. Leases

Federal agencies were first required to provide financial information about lease commitments in 1986. Agencies are attempting to accumulate the lease information that is required. The future aggregate minimum rental commitments for capital leases and noncancelable operating leases at September 30, 1992, are detailed in the accompanying chart.

The majority of these lease commitments relate to building, equipment, and office space rental. The current and long-term portions of lease costs are included in accounts payable and other liabilities, respectively. Intragovernmental leasing transactions have not been eliminated or identified due to a lack of information.

Lease revenues identified on the agency statements were immaterial.

Leases for fiscal years

(In billions of dollars)	Operating leases	Capital leases
1993	1.6	2.4
1994	1.4	.2
1995	1.2	.1
1996	.9	.1
Thereafter..........	3.9	.9
Total.............	9.0	3.7

18. Social Security

No liability for Social Security is included in the Statements of Financial Position, but the program is included in the list of Outlays for Direct Spending and Related Programs on page 45.

For purposes of disclosure, however, the total unfunded actuarial liability is determined annually. As of September 30, 1992, this liability was $7,375.9 billion. (As of September 30, 1991, it was $6,594.6 billion.) This liability represents the present value of the projected excess of future benefit payments to those presently participating in the Social Security program over contributions still to be made by them and by their employers on their behalf.

If Social Security were accounted for as if it were a pension plan, a portion of the unfunded actuarial liability would be recognized for financial reporting purposes. Such an amount has not been presented in these financial statements.

The Congress and the trustees of the funds prepare estimates based on a different financing method they regard as more appropriate for social insurance programs.

The present values are computed on the basis of the economic and demographic assumptions described as "Alternative II" in the "1992 Annual Report of the Board of Trustees of the Old-Age, and Survivors Insurance and Disability Insurance Trust Funds." In determining present values, contributions and expenditures are estimated for a period of 75 years into the future.

The following actuarial amounts prepared by the Social Security Administration are calculated on the assumption that future workers will be covered by the program as they enter the labor force.

Actuarial amounts

(In billions of dollars)	Sept. 30, 1992	Sept. 30, 1991
Actuarial expenditures	19,492.4	17,761.3
Actuarial contributions.......	17,719.8	16,576.2
Actuarial surplus or deficit (-)	-1,772.6	-1,185.1

19. Commitments and contingencies

Commitments are long-term contracts, for which appropriations have not been provided by the Congress, and undelivered orders that represent obligations.

Contingencies are liabilities involving uncertainty as to a possible loss to the Government that will be resolved when one or more future events occur. If the future event or events are probable and the amounts can be reasonably estimated, the liabilities reported by agencies appear in the Statements of Financial Position under "financial liabilities" and "other liabilities."

Commitments and contingencies of the Federal Government result from a number of sources including loan and credit guarantees, insurance programs, and unadjudicated claims.

The table below shows the potential liabilities for losses that are likely to occur, as reported in the Statements of Financial Position, and the maximum risk of exposure that the Government has. These contingent liabilities are reported without regard to probability of occurrence and without deduction for existing and contingent assets that would be available to offset potential losses.

In 1990, the Bush Administration provided a range for the total cost of protecting deposits in insolvent thrift institutions at $89.0 billion to $132.0 billion in 1989 present value terms.

That range was translated into nominal dollar terms of $110.0 billion to $160.0 billion. In July 1992, the Bush Administration indicated the cost could fall close to the middle of the range--about $130.0 billion.

On March 16, 1993, the Clinton Administration testified before Congress that it estimated that the RTC's part of the cleanup may cost about $115.0 billion, with up to another $17.0 billion needed by the Savings Association Insurance Fund (SAIF), for a total of about $132.0 billion. While the Administration believes these estimates are reasonable, it also recognizes that there are too many unknown factors to provide a single estimate of the ultimate cost.

The Clinton Administration's cost estimate includes the approximately $87.0 billion already provided to RTC: $50.0 billion provided by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), $30.0 billion provided by the RTC Funding Act of 1991, and $7.0 billion provided by the RTC Refinancing, Restructuring and Improvement Act of 1991. The Clinton Administration has requested that Congress provide additional funding in the amount of $45.0 billion: $28.0 billion for RTC and $17.0 billion for SAIF.

The $50.0 billion provided by FIRREA included $18.2 billion in appropriations, $1.2 billion from the industry, and $30.0 billion from bonds issued by the Resolution Funding Corporation. FIRREA also provided $40.0 billion for payment of prior commitments from the old FSLIC Fund.

The Department of Energy recognizes a contingent liability as of September 30, 1992, of about $29.6 billion for environmental cleanup through fiscal 1995. Of that amount, $4.3 billion was appropriated for 1992 and $5.5 billion was appropriated for fiscal 1993.

The Department established a goal to achieve cleanup within 30 years and to update annually a 5-year plan to establish a publicly reviewed agenda for compliance and cleanup. Progress will be measured against this goal.

The fourth update to this plan, which includes projections through 1998, does not authorize departmental budgetary resources beyond those already appropriated for such activities by Congress.

Liabilities beyond those cited above cannot be reasonably estimated at this time.

FOR MORE INFORMATION SEE PAGES 12,40

Commitments and contingencies

	Sept. 30, 1992		Sept. 30, 1991	
(In billions of dollars)	Maximum risk	Liability	Maximum risk	Liability
Total commitments	446.0		392.3	
Total contingencies	5,476.6	43.0	5,242.9	37.6

20. Audited financial statements

In fiscal 1992, the Chief Financial Officers (CFOs) Act of 1990 was the motivating force behind the preparations of more reliable and useful financial information by the agencies.

The CFOs Act requires specified agencies to obtain audits of their financial statements by the agencies' Inspector General or a public accounting firm designated by the Inspector General. The financial statements should cover: each revolving fund; trust funds of the specified agencies; and, to the extent practicable, the accounts of each office, bureau, and activity of the agency that performed substantial commercial functions during the preceding fiscal year.

Although some of the agencies had audits performed on their financial statements, the information provided by the agencies and included in the CFS was not audited. In addition, the adjustments made to agency information by Treasury were not audited.

Agencies or departments audited, either totally or partially:

Agriculture	Labor
Defense	Transportation
Education	Treasury
Energy	Veterans Affairs
Housing and Urban Development	Environmental Protection Agency
Health and Human Services	General Services Administration
Justice	Government Printing Office

Other: 13 independent agencies

from independent accountants...

REPORT OF PRICE WATERHOUSE

Financial Information Management Directorate,
Financial Management Service of the U.S. Department of the Treasury:

We have reviewed the Treasury's process for preparing the prototype Fiscal Year 1992 Consolidated Financial Statements (CFS) of the U.S. Government. The process involves accumulating and consolidating financial information submitted by the agencies that comprise and administer the U.S. Government. At your request we have (1) read the sections of the Treasury Financial Manual and related Bulletins and procedures that govern preparation of the CFS, (2) reviewed the bases for Treasury's adjustments of information submitted by the agencies, (3) reviewed Treasury's procedures to identify the entities to be included in the CFS, (4) reviewed Treasury's procedures for accumulating the data submitted by the entities, and (5) reviewed Treasury's procedures to conform the CFS to current Federal accounting standards. This letter summarizes our observations.

Treasury does not control the accounting records on which the prototype consolidated financial statements are based. Although Treasury has established a structure to compile consolidated financial reporting by the Federal agencies, the responsibility for, and controls over, the reliability of the information underlying these compiled statements presently rest with the individual agencies. Furthermore, as a result of present agency reporting schedules, the data used to compile the statements are those submitted to the Treasury by the reporting entities prior to audit. Therefore, it is probable that the data may be changed by the agencies after it is submitted to Treasury as a result of their financial statement audits. Our review of the process indicates that Treasury is not always able to obtain and adjust the CFS data to include the audit adjustments or to reconcile the initial agency submissions to audited financial information. Consequently, Treasury cannot provide assurance that the CFS do not contain material errors or departures from applicable Federal accounting standards.

Furthermore, although CFO Act-required and other audits can, will, and do result in more reliable financial information and improvements in internal controls in the accounting systems producing day-to-day financial information, their impact on the accuracy of the Prototype Consolidated Financial Statements cannot be assessed at this time. While the Chief Financial Officers Act of 1990 (CFO Act) increased the amount of Federal financial information subject to audit, auditors continue to report (1) material scope limitations, audit difficulties, and internal control weaknesses that result in disclaimers of opinions and (2) departures from accounting standards that result in qualified or adverse opinions on the financial statements of many agencies and reporting units.

These situations indicate that, not withstanding guidance in financial reporting by the Office of Management and Budget and the new accounting principles promulgated by the Federal Accounting Standards Advisory Board and its sponsors, significant improvements in the accuracy of Federal financial information are still necessary. Moreover, the CFO Act's audit requirements do not extend to all Federal entities. With the exception of business-like activities and trust funds, the Departments of the Navy, EPA, Energy, Commerce, Education, Justice, State, and Transportation, HHS' Health Care Financing Administration, and significant portions of the Department of the Treasury itself are among the Federal agencies for which there is no audit mandate. The legislative branch and numerous commissions are also excluded from the Act's requirements.

Recent initiatives have focused attention on the importance of reliable consolidated financial information. The September 7, 1993, Report of the National Performance Review (NPR) recommends that in 1995, Treasury and the Office of Management and Budget (OMB) publish a simplified version of the government's financial condition, entitled the *Annual Accountability Report to the Citizens* as a supplement that would provide "a straightforward description of the money spent and its effect on achieving goals." The NPR report also notes the shortcomings of the Prototype CFS and indicates that by 1997, the administration will require that Treasury provide an audited annual consolidated report on Federal finances. Implementation of these recommendations makes it even more important that there be accurate and consistent underlying financial information for each agency and accurate accumulation and consolidation of that information into consolidated financial statements to serve as a basis for other reports.

In October the Administration proposed legislation that would increase the amount of financial information subject to audit by requiring that the twenty-three executive agencies be audited beginning with fiscal year 1996, or sooner, at OMB's option. This action, combined with a strong commitment on the part of agency Chief Financial Officers and Inspectors General as well as OMB, Treasury, and the General Accounting Office (the Joint Financial Management Improvement Program principals) to meet these requirements and to provide the resources necessary to produce accurate financial information is essential to substantially improving the reliability and usefulness of the government's financial information. Therefore, concerted efforts by these parties is heartily encouraged and supported.

We were not engaged to perform an audit or review of the Prototype Consolidated Financial Statements, and we are unable to, and do not, express an opinion or any other assurance on the 1992 Prototype Consolidated Financial Statements of the U.S. Government or any of its components.

Office of Government Services
1801 K Street, N.W.
Washington, D.C. 20006
December 3, 1993

Price Waterhouse

supplemental tables

Summary of Accounts and Loans Receivable Due from the Public

The Federal Government is the Nation's largest source of credit and underwriter of risk. Its financial commitments are increasing at a rate that exceeds economic growth.

The Debt Collection Act of 1982 (31 U.S.C. 3719) requires agencies that have outstanding debts on their books to prepare and transmit a report summarizing the debt. The Act also requires the Director of the Office of Management and Budget (OMB) to consult with the Secretary of the Treasury and the Comptroller General of the United States to establish guidelines for agencies to follow in preparation of outstanding debt reports.

Agencies are required to submit those reports to OMB and Treasury. The Federal Government uses the data in these reports to improve the quality of its debt collection methods.

In 1990, the Credit Reform Act was enacted to improve the Government's budgeting and management of credit programs. The primary focus of the Act is to provide an accurate measure of the long-term costs of both direct loans and loan guarantees, and to include these costs up front in the budget.

The major purposes of the Act are: to measure the costs of credit programs more accurately; to place the cost of credit programs on a budgetary basis; to deliver benefits in the most appropriate form to beneficiaries; and to improve the allocation of resources among credit programs and other spending programs.

Total net accounts receivable from the public amounted to $65.7 billion in fiscal 1992, an increase of $8.3 billion over fiscal 1991. Total net loans receivable from the public amounted to $143.0 billion in fiscal 1992, a decrease of $4.9 billion from fiscal 1991.

On the following page are summaries by selected agencies of accounts and loans receivable data.

Accounts and Loans Receivable by Agency as of September 30, 1992 and 1991

(In billions of dollars)

	Accounts receivable		Loans receivable	
	1992	1991	1992	1991
Legislative branch	*	*	-	-
Executive branch:				
Executive Office of the President	*	*	-	-
Funds appropriated to the President	9.5	.8	25.5	26.0
Departments:				
Agriculture	7.0	7.5	107.8	108.7
Commerce	.1	.1	.3	.5
Defense	2.9	1.8	1.6	1.6
Education	1.0	.9	14.7	13.3
Energy	6.8	6.0	.1	.1
Health and Human Services	6.5	5.5	.9	.9
Housing and Urban Development	1.1	.8	21.2	19.1
Interior	2.5	2.2	.2	.2
Justice	.1	1.9	-	-
Labor	[1] 7.1	[1] 6.4	1.1	.7
State	*	*	*	*
Transportation	.1	.1	.8	1.3
Treasury	[2] 73.0	[2] 72.2	2.9	3.1
Veterans Affairs	1.7	1.3	3.4	3.7
Other independent agencies	3.5	3.3	16.7	17.2
Gross receivables	122.9	110.8	197.2	196.4
Less allowances for losses	57.2	53.4	54.2	48.5
Net receivables due from the public	65.7	57.4	143.0	147.9

Aging Schedule of Accounts and Loans Receivable as of September 30, 1992

Delinquent	Accounts receivable (in billions of dollars)	Percentage of total delinquent	Loans receivable (in billions of dollars)	Percentage of total delinquent
1-30 days	5.5	6.9	1.0	3.3
31-60 days	2.4	3.0	.7	2.3
61-90 days	4.0	5.0	.7	2.3
91-180 days	8.7	10.9	1.1	3.7
181-360 days	9.6	12.1	4.6	15.3
More than 360 days	49.3	62.1	22.0	73.1
Total delinquent	79.5	100.0	30.1	100.0
Not delinquent	33.5		16.8	
Noncurrent receivables	9.9		150.3	
Total gross receivables	122.9		197.2	

FOR MORE INFORMATION
10, 21, 47
SEE PAGES

* Less than $50 million.

[1] Labor Department accounts and loans receivable were increased by $6.8 billion and $1.1 billion, respectively, in fiscal 1992, and $6.0 billion and $0.7 billion, respectively, in fiscal 1991.

[2] Totals reported by the Internal Revenue Service for gross delinquent taxes for fiscal years 1992 and 1991 were $70.9 billion and $67.3 billion, respectively.

Federal Debt

Total Federal debt held by the public amounted to $2,998.8 billion at the end of fiscal 1992, an increase of $311.6 billion from fiscal 1991.

The three debt tables that follow reflect information on the borrowing of the Federal Government, which financed Government operations.

These tables support the Statements of Financial Position caption, "Debt issued under financing authority," and are shown net of intragovernmental holdings and unamortized premium or discount.

Intragovernmental holdings represent that portion of the total Federal debt held as investments by Federal entities, including major trust funds.

Summary of Federal Debt Held by the Public

(In billions of dollars)

Total public debt (Treasury securities)	3,984.6
Agency securities	18.2
Total Federal securities	4,002.8
Less: Federal securities held as investments by Government accounts	1,004.0
Total Federal debt held by the public	2,998.8

Summary of Federal Debt Outstanding: Part I

Total Debt Outstanding as of September 30, 1992 and 1991

(In billions of dollars)

	1992		1991	
Marketable	**Average interest rate (percent)**	**Total debt**	**Average interest rate (percent)**	**Total debt**
Bills	3.712	634.3	5.954	564.6
Notes	7.509	1,566.4	8.366	1,387.7
Bonds	9.505	461.8	9.740	423.4
Federal Financing Bank	8.917	[1] 15.0	8.917	[1] 15.0
Subtotal	6.976	2,677.5	8.058	2,390.7
Nonmarketable				
Foreign government series	6.699	37.0	7.507	41.6
Government account series	8.442	1,011.0	8.903	908.4
State and local government series	7.647	157.6	8.123	158.1
U.S. savings bonds	6.878	148.3	6.944	133.5
Other	7.925	30.4	7.924	30.5
Total nonmarketable	8.164	1,384.3	8.577	1,272.1
Total interest-bearing debt	7.372	4,061.8	8.234	3,662.8
Non-interest-bearing debt		[2] 3 2.8		2.5
Total public debt outstanding		4,064.6		3,665.3
Plus: Premium on public debt securities		1.0		.8
Less: Discount on public debt securities		81.0		84.9
Total public debt (Treasury securities)		3,984.6		3,581.2
Agency securities		18.2		17.7
Total Federal securities		4,002.8		3,598.9
Federal securities held as investments by Government accounts		1,004.0		911.7
Total Federal debt held by the public		2,998.8		2,687.2

[1] These marketable securities were issued to the Civil Service Retirement Fund and are not currently traded in the market.

[2] Includes matured debt of $2.0 billion and other various non-interest-bearing debt of $0.8 billion.

Types of marketable securities

Bills--Short-term obligations issued with a term of 1 year or less.

Notes--Medium-term obligations issued with a term of at least 1 year, but not more than 10 years.

Bonds--Long-term obligations of more than 10 years.

FOR MORE INFORMATION SEE PAGES 11,13

Summary of Federal Debt Outstanding: Part II

Summary of Agency Securities Outstanding as of September 30, 1992 and 1991

(In billions of dollars)

Agency debt outstanding	1992	1991
Housing and Urban Development	.3	.3
Federal Deposit Insurance Corporation:		
Bank insurance fund	.1	.1
Federal Savings and Loan Insurance Corporation, resolution fund	1.1	6.1
Architect of the Capitol	.2	.2
Tennessee Valley Authority	16.0	10.5
U.S. Postal Service	.2	.2
National Archives and Records Administration	.3	.3
Total	18.2	17.7

FOR MORE INFORMATION SEE PAGES 11,13

Summary of Federal Debt Outstanding: Part III

Intragovernmental Holdings--Federal Securities Held as Investments by Government Accounts, as of September 30, 1992 and 1991

(In billions of dollars)

Intragovernmental holdings	1992 Federal Funds [1]	1992 Trust Funds [2]	1992 Total	1991 Federal Funds [1]	1991 Trust Funds [2]	1991 Total
Legislative branch	.3	-	.3	.3	-	.3
Judicial branch	-	.2	.2	-	.2	.2
Executive Branch:						
Funds appropriated to the President	1.7	-	1.7	1.6	-	1.6
Departments:						
Defense	2.0	[3] 89.1	91.1	7.6	77.1	84.7
Energy	3.5	-	3.5	3.0	-	3.0
Health and Human Services	-	[4] 459.2	459.2	-	394.7	394.7
Housing and Urban Development	8.9	-	8.9	9.3	-	9.3
Interior	2.3	.3	2.6	1.2	.2	1.4
Justice	.4	-	.4	.4	-	.4
Labor	15.5	[5] 35.1	50.6	10.4	47.6	58.0
State	-	6.0	6.0	-	5.4	5.4
Transportation	.8	[6] 37.5	38.3	.8	35.8	36.6
Treasury	3.5	.2	3.7	2.5	.1	2.6
Veterans Affairs	.8	12.9	13.7	1.1	12.7	13.8
Environmental Protection Agency	-	4.5	4.5	-	3.9	3.9
Office of Personnel Management	-	[7] 303.0	303.0	-	275.6	275.6
Independent Agencies:						
Export-Import Bank	.1	-	.1	.1	-	.1
Farm Credit System Insurance Corporation	.6	-	.6	.4	-	.4
Federal Deposit Insurance Corp.	6.3	-	6.3	7.1	-	7.1
Federal Emergency Management Agency	.5	-	.5	.4	-	.4
National Archives and Records Administration	.2	-	.2	.3	-	.3
National Credit Union Administration	2.4	-	2.4	2.2	-	2.2
U.S. Postal Service	4.7	-	4.7	3.4	-	3.4
Railroad Retirement Board	-	11.5	11.5	-	10.5	10.5
Tennessee Valley Authority	2.2	-	2.2	3.6	-	3.6
Various scholarship funds	-	.2	.2	-	.2	.2
Subtotal	56.7	959.7	1,016.4	55.7	864.0	919.7
Less: Discount on Federal securities held as investments by Government accounts	12.4		12.4	8.0		8.0
Total	44.3	959.7	1,004.0	47.7	864.0	911.7

[1] Federal funds are monies held by Government accounts that are not trust funds.

[2] Trust funds are monies held by the Government in accounts established by law or by trust agreement for specific purposes and designated by law as being trust funds.

[3] Includes military retirement fund of $87.7 billion.

[4] Includes Social Security trust funds of $459.2 billion.

[5] Includes Unemployment Trust Fund of $35.1 billion.

[6] Includes Highway Trust Fund of $21.0 billion and Airport and Airway Trust Fund of $15.0 billion.

[7] Includes civil service retirement and disability fund of $284.4 billion and employee life insurance fund of $12.6 billion.

FOR MORE INFORMATION 11,13 SEE PAGES

Commitments and Contingencies

Commitments are long-term contracts for which appropriations have not been provided by the Congress and/or undelivered orders that represent obligations.

Contingencies are liabilities involving uncertainty as to a possible loss to the Government that will be resolved when one or more future events occur.

If the future event or events are likely to occur and the amounts can be reasonably estimated, the liabilities reported by agencies are reflected in the Statements of Financial Position under "financial liabilities" or "other liabilities."

Contingencies of the Federal Government result from a number of sources including loan and credit guarantees, insurance programs, and unadjudicated claims. In fiscal 1992, total commitments amounted to $446.0 billion and total contingencies amounted to $5,476.6 billion. In fiscal 1991, total commitments amounted to $392.3 billion and total contingencies amounted to $5,242.9 billion.

Total contingencies represent the maximum risk of exposure without regard to probability of occurrence and without deduction for existing and contingent assets that would be available to offset potential losses. The tables below show the distribution of 1992 and 1991 commitments and contingencies by source category.

The Federal Government, in 1992, continued to be the Nation's largest source of credit and underwriter of risk.

Large portions of all non-Federal credit outstanding have been assisted by Federal credit programs, Government-sponsored enterprises, or deposit insurance. In particular, most credit for housing, agriculture, and education is federally guaranteed.

Commitments and Contingencies of the United States Government for the Years Ended September 30, 1992 and 1991

(In billions of dollars)

Commitments	1992	1991
Long-term contracts:		
Tennessee Valley Authority	6.1	6.5
General Services Administration	7.2	8.4
U.S. Postal Service	1.5	1.5
Energy	.5	.3
Other	6.0	.7
Subtotal	21.3	17.4
Undelivered orders, public:		
Housing and Urban Development	191.4	156.3
Defense	69.8	57.8
Transportation	32.1	28.3
Health and Human Services	34.9	27.4
Other	96.5	105.1
Subtotal	424.7	374.9
Total commitments	446.0	392.3

For more information ★ 12,30 ★ See pages

Commitments and Contingencies, continued

(In billions of dollars)

Maximum risk exposure for contingencies	1992	1991
Insurance:		
FDIC bank insurance fund	1,999.3	1,945.1
Savings Association Insurance Fund	781.0	697.0
Pension Benefit Guaranty Corp.	950.0	900.0
Transportation	503.4	482.0
Federal Emergency Management Agency	233.2	220.2
National Credit Union Administration	220.4	198.5
Other	68.1	72.8
Subtotal	4,755.4	4,515.6
Government loan and credit guarantees:		
Housing	398.2	384.6
Veterans benefits	61.1	62.4
Education	60.6	67.6
Farm ownership and rural development	22.7	22.6
Other	57.4	38.7
Subtotal	600.0	575.9
Unadjudicated claims:		
Energy	7.4	5.5
Transportation	32.4	38.3
Other	17.0	26.7
Subtotal	56.8	70.5
Other contingencies:		
Housing and Urban Development	.4	28.1
Treasury (IRS-returns processing)	27.8	22.8
Veterans Affairs	13.6	12.7
Multilateral development banks	6.5	6.5
Other	16.1	10.8
Subtotal	64.4	80.9
Total contingencies	5,476.6	5,242.9

FOR MORE INFORMATION SEE PAGES 12,30

Additions to Non-Federal Economic Resources, Fiscal 1992

The Government uses its resources to add to the physical and human resources of the Nation without acquiring physical assets. The following table shows the amounts of these expenditures.

Some of these investment-type expenditures, while not adding to the Federal assets, add to the assets of State and local governments or private institutions--all enhance the future productivity of the Nation.

Additions to State and local assets include construction grants for highways, community development, airports, and mass transit.

Other developmental expenditures include outlays for education and training, research and development, and information collection.

Additions to Non-Federal Economic Resources for the Years Ended September 30, 1992 and 1991

(In billions of dollars)

Additions to State and local government assets	1992	1991
Community and regional development	3.8	3.7
Environment	2.8	2.9
Transportation:		
Highways and mass transit	17.8	17.4
Rail and air	1.7	1.6
Other	.8	.9
Total additions	26.9	26.5

Other developmental expenditures	1992	1991
Agriculture	1.1	1.0
Conservation	2.6	2.5
Defense	38.2	41.7
Education	23.6	23.6
Education-income support	6.1	5.4
Environment	3.3	2.9
Health	10.4	9.9
Science and engineering	7.4	9.2
Training	6.8	5.4
Transportation	1.3	1.1
Other	1.1	1.1
Total developmental expenditures	101.9	103.8
Total additions to non-Federal economic resources	128.8	130.3

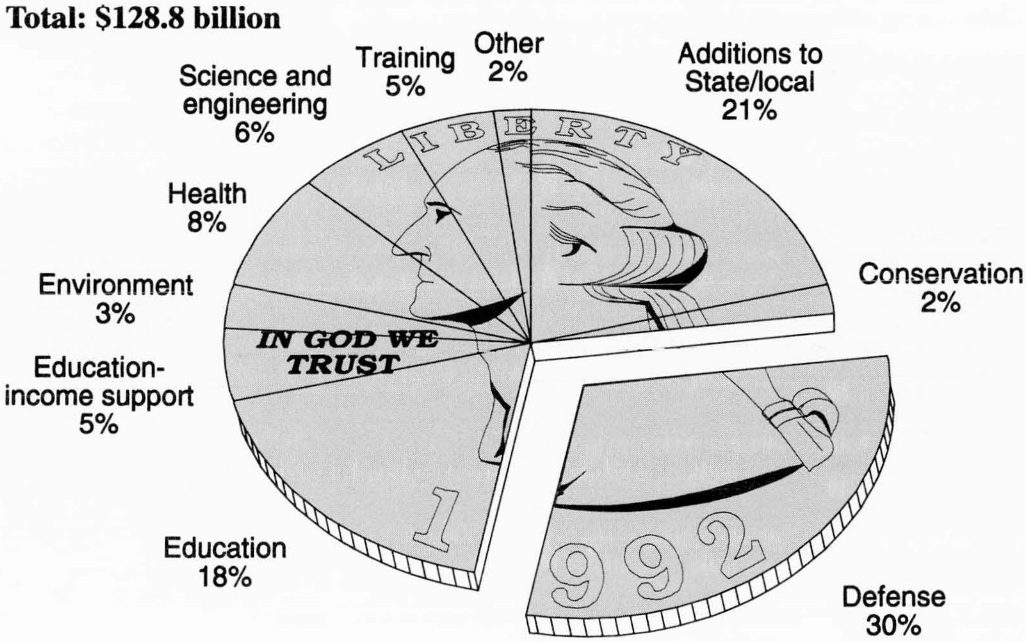
Source: Budget of the United States Government, fiscal years 1993 and 1992.

Additions to Non-Federal Economic Resources

The chart below illustrates how the Government uses its resources to add to the physical and human resources of the Nation, without acquiring physical assets.

Fiscal 1992

Total: $128.8 billion



Estimates for Tax Expenditures in the Income Tax

This table shows revenue losses attributable to tax law provisions allowing special exclusions, exemptions, or deductions from gross income or providing special credits, tax rates, or deferrals.

Revenue loss estimates do not take into account the additional resources, if any, required to provide the same after-tax incentives if the expenditure program were administered as a direct outlay rather than through the tax system.

Revenue loss estimates are not necessarily equivalent to estimates of the increase in Federal receipts that would result from repealing tax expenditure provisions.

For further 1992 information, refer to "Budget Baselines, Historical Data, and Alternatives for the Future, January 1993," Estimates for Tax Expenditures in the Income Tax, Table 2-1. For 1991 information, refer to "Budget of the United States Government, Fiscal Year 1993," Estimates for Tax Expenditures in the Income Tax, table 24-1.

Estimates for Tax Expenditures in the Income Tax for the Years Ended September 30, 1992 and 1991

(In billions of dollars)

	Estimated amount of revenue loss	
	1992	1991
Income exclusions		
Capital gains at death	23.5	24.4
Disability and retirement benefits (private)	65.3	60.0
Social Security benefits	22.3	21.4
Education allowances (scholarships and GI benefits)	.7	.7
Foreign earnings and investment incentives (income earned abroad)	4.2	5.6
Interest and dividends (State and local bonds and debt, and life insurance)	27.7	27.1
Medical care and insurance (employer premiums paid)	50.8	43.0
Payroll benefits and allowances (group life, accident, and unemployment)	4.7	5.0
Other (e.g., age 55 or over credit on home sales)	4.3	3.2
Income deferrals		
Interest on U.S. savings bonds	1.3	.9
Real estate (home sales)	13.3	12.6
Other deferrals		
Taxes (shipping companies)	*	.1
Deductions and credits		
Agriculture related (capital outlays and gains on certain income)	.3	.5
Contributions (charitable and political)	15.3	15.7
Earned income	3.3	2.3
Employee stock ownership plans (funded through investment and tax credits)	2.1	2.1
Excess bad debt reserves (financial institutions)	*	*
Exemptions (credit unions)	.4	.3
Foreign earnings (corporations doing business in U.S. possessions)	3.0	2.2
Interest (mortgage and consumer)	42.7	40.7
Investments (commercial capital gains, credits, other investment incentives, construction period interest, and expensing developmental costs)	1.9	1.6
Medical	2.7	3.0
Old-age, disability, and other personal exemptions	2.2	1.9
Property damages and losses (casualty losses)	.4	.3
State and local property tax and other taxes	35.8	31.7
Work incentives (employment credits under work programs) and dependent care	2.6	2.5
Accelerated depreciation (rental housing, buildings other than rental housing, and machinery and equipment)	24.2	26.0

* Less than $50 million.

Outlays for Direct Spending and Related Programs

The Government commits itself to provide services by passing laws that make spending mandatory. Direct spending and related programs include entitlement authority and the food stamp program, budget authority provided by law other than appropriation acts and net interest.

For further information, refer to "Current Services Estimates" in the "Budget of the United States Government, Fiscal Year 1994," and the table "Outlays for Direct Spending and Related Programs."

Outlays for Direct Spending and Related Programs for the Years Ended September 30, 1992 and 1991

(In billions of dollars)

Human resource programs	1992	1991
Education, training, and social services	11.5	12.5
Health	71.5	55.0
Medicare	116.2	102.0
Income security	168.8	145.1
Social Security	285.2	266.9
Veterans benefits and services	18.5	17.3
Total human resources	671.7	598.8
Other		
Other mandatory programs	13.0	34.3
Offset prior to the total mandatory programs	-39.3	-39.4
Total mandatory programs	645.4	593.7
Net interest	199.4	194.5
Total	844.8	788.2

Federal Obligations

"Obligations" are the basis on which the use of funds is controlled by the Federal Government. They are recorded at the point at which the Government makes a firm commitment to acquire goods or services and are the first of the four key elements that characterize the acquisition and use of resources--order, delivery, payment, and consumption.

In general, obligations consist of orders placed, contracts awarded, services received, and similar transactions requiring the disbursement of money. All significant intragovernmental items have been eliminated.

The obligational stage of Government transactions is a strategic point in gauging the impact of the Government's operations on the national economy. For business firms, it frequently represents the Government's commitment, which stimulates business investment--including inventory purchases and employment of labor.

Disbursements may not occur for months after the Government places its order, but the order itself usually places immediate pressure on the private economy.

For more detail, refer to the March 1993 "Treasury Bulletin."

Gross Obligations of the Federal Government by Object Class as of September 30, 1992 and 1991

(In billions of dollars)

	1992	1991
Personal services and benefits		
Personnel compensation	161.2	159.1
Personnel benefits	13.0	12.8
Benefits for former personnel	1.0	1.1
Contractual services and supplies		
Travel and transportation of persons	6.0	6.2
Transportation of things	9.3	9.6
Rent, communications, and utilities	14.1	13.4
Printing and reproduction	1.2	1.2
Other services	156.2	160.3
Supplies and materials	62.4	66.9
Acquisition of capital assets		
Equipment	52.1	68.8
Lands and structures	18.3	17.7
Investments and loans	20.7	23.2
Grants and fixed charges		
Grants, subsidies, and contributions	292.2	250.5
Insurance claims and indemnities	575.9	492.5
Interest and dividends	231.4	228.7
Refunds	-	-.3
Other		
Unvouchered	.4	.2
Undistributed U.S. obligations	33.1	12.2
Total gross obligations incurred	1,648.5	1,524.1

Notes to Supplemental Tables

Reconciliation of Accounts and Loans Receivable for the Federal Government

The receivables figures in the supplemental table differ from the fiscal 1992 "Report to Congress on Credit Management and Debt Collection," prepared by OMB. This reconciliation explains the major differences:

Reconciliation of Accounts and Loans Receivable for the Federal Government

(In billions of dollars)	Accounts receivable	Loans receivable
Agencies' balances reported to the Office of Management and Budget	116.1	196.1
Department of Labor	[1] 7.9	-
Reclassification of accounts receivable to loans receivable	[2] -1.1	1.1
Total Consolidated Financial Statements balance	122.9	197.2

[1] This amount is included in the accounts receivable reported by the Department of Labor. The balance represents an estimated amount of Federal and State unemployment taxes due for the quarter ended September 30, 1992, paid in October 1992. It also includes delinquent unemployment taxes receivable from employers within the States, as well as overpayments of unemployment insurance benefits.

[2] This amount is due to a reclassification of accounts receivable to loans receivable agreed upon by the agency's Inspector General.

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