

Contents

A Message from the Secretary of the Treasury	
A Citizen's Guide	1
Management's Discussion and Analysis	9
Statement of the Comptroller General of the United States	37
Financial Statements	
Introduction	45
Statement of Net Cost.....	52
Statement of Operations and Changes in Net Position	54
Reconciliations of Net Operating Cost and Unified Budget Deficit.....	56
Statements of Changes in Cash Balance from Unified Budget and Other Activities.....	57
Balance Sheets	58
Statements of Long-Term Fiscal Projections.....	59
Statements of Social Insurance	60
Statement of Changes in Social Insurance Amounts	63
Notes to the Financial Statements	
Note 1. Summary of Significant Accounting Policies	65
Note 2. Cash and Other Monetary Assets.....	78
Note 3. Accounts and Taxes Receivable, Net.....	80
Note 4. Loans Receivable and Loan Guarantee Liabilities, Net	81
Note 5. Inventories and Related Property, Net	85
Note 6. Property, Plant, and Equipment, Net.....	87
Note 7. Debt and Equity Securities.....	89
Note 8. Investments in Government-Sponsored Enterprises	92
Note 9. Other Assets	95
Note 10. Accounts Payable.....	96
Note 11. Federal Debt Securities Held by the Public and Accrued Interest	97
Note 12. Federal Employee and Veteran Benefits Payable	101
Note 13. Environmental and Disposal Liabilities	110
Note 14. Benefits Due and Payable	112
Note 15. Insurance and Guarantee Program Liabilities	113
Note 16. Other Liabilities	114
Note 17. Collections and Refunds of Federal Revenue	117
Note 18. Contingencies.....	120
Note 19. Commitments	125
Note 20. Funds from Dedicated Collections.....	128
Note 21. Fiduciary Activities.....	134
Note 22. Social Insurance.....	137
Note 23. Long-Term Fiscal Projections.....	160
Note 24. Stewardship Land and Heritage Assets.....	165

Required Supplementary Information (Unaudited)	
The Sustainability of Fiscal Policy	167
Social Insurance.....	177
Social Security and Medicare	177
Railroad Retirement, Black Lung, and Unemployment Insurance	199
Deferred Maintenance and Repairs.....	210
Other Claims for Refunds.....	210
Tax Assessments.....	211
Risk Assumed.....	212
Federal Oil and Gas Resources.....	213
Federal Natural Resources Other than Oil and Gas	215
Other Information (Unaudited)	
Unexpended Balances of Budget Authority	217
Tax Burden	217
Tax Gap	219
Unmatched Transactions and Balances	220
Required Supplementary Stewardship Information (Unaudited)	
Stewardship Investments	223
Non-Federal Physical Property	224
Human Capital.....	224
Research and Development	224
Appendices	
Appendix A: Reporting Entity.....	227
Appendix B: Acronyms	231
U.S. Government Accountability Office Independent Auditor’s Report.....	237

List of Social Insurance Charts

Chart 1	OASDI Beneficiaries per 100 Covered Workers, 1970-2090.....	182
Chart 2	OASDI Income (Excluding Interest) and Expenditures, 1970-2090	183
Chart 3	OASDI Income (Excluding Interest) and Expenditures as a Percent of Taxable Payroll, 1970-2090.....	184
Chart 4	OASDI Income (Excluding Interest) and Expenditures as a Percent of GDP, 1970-2090.....	185
Chart 5	Total Medicare (HI and SMI) Expenditures and Noninterest Income as a Percent of GDP, 1970-2090.....	189
Chart 6	Medicare Part A Income (Excluding Interest) and Expenditures, 1970-2090.....	190
Chart 7	Medicare Part A Income (Excluding Interest) and Expenditures as a Percent of Taxable Payroll, 1970-2090.....	191
Chart 8	Medicare Part A Income (Excluding Interest) and Expenditures as a Percent of GDP, 1970-2090.....	192
Chart 9	Medicare Part B and Part D Premium and State Transfer Income and Expenditures, 1970-2090.....	193
Chart 10	Medicare Part B and Part D Premium and State Transfer Income and Expenditures as a Percent of GDP, 1970-2090.....	194
Chart 11	Estimated Railroad Retirement Income (Excluding Interest and Financial Interchange Income) and Expenditures, 2016-2090.....	200
Chart 12	Estimated Railroad Retirement Income (Excluding Interest and Financial Interchange Income) and Expenditures as a Percent of Tier II Taxable Payroll, 2016-2090.....	201
Chart 13	Estimated Black Lung Disability Trust Fund Income and Expenditures (Excluding Interest) in Constant (or Inflation- Adjusted) Dollars, 2017-2040.....	205
Chart 14	Estimated Unemployment Trust Fund Cash Flow Using Expected Economic Conditions in Constant (or Inflation-Adjusted) Dollars, 2017-2026.....	207
Chart 15	Unemployment Trust Fund Solvency as of September 30, 2016.....	209