

## Note 16. Other Liabilities

<b>Other Liabilities as of September 30, 2017, and 2016</b>	<b>2017</b>	<b>Restated 2016</b>
(In billions of dollars)		
<b>Unearned revenue and assets held for others:</b>		
Unearned fees for nuclear waste disposal (DOE) and other unearned revenue .....	60.0	54.4
Assets held on behalf of others .....	111.4	114.4
Subtotal .....	<u>171.4</u>	<u>168.8</u>
<b>Employee-related liabilities:</b>		
Accrued federal employees' wages and benefits.....	37.4	36.2
Selected DOE contractors' and D.C. employees' pension benefits .....	51.5	53.1
Subtotal .....	<u>88.9</u>	<u>89.3</u>
<b>International monetary liabilities and gold certificates:</b>		
Exchange Stabilization Fund .....	55.1	54.5
Gold certificates (see Note 2) .....	11.0	11.0
Subtotal .....	<u>66.1</u>	<u>65.5</u>
<b>Subsidies and grants:</b>		
Farm and other subsidies.....	13.2	13.5
Grant payments due to state and local governments and others .....	22.1	21.9
Subtotal .....	<u>35.3</u>	<u>35.4</u>
<b>Miscellaneous liabilities:</b>		
Legal and other contingencies.....	56.6	49.6
Non-federal power projects and capital lease liabilities, and disposal liabilities .....	12.1	11.0
Other miscellaneous .....	42.8	49.1
Subtotal .....	<u>111.5</u>	<u>109.7</u>
Total.....	<u><u>473.2</u></u>	<u><u>468.7</u></u>

Other liabilities represent liabilities that are not separately identified on the Balance Sheet and are presented on a comparative basis by major category.

## Unearned Revenue and Assets Held for Others

The government recognizes a liability when it receives money in advance of providing goods and services or assumes custody of money belonging to others. The government's unearned revenue from fees DOE has collected from utility companies for the future cost of managing the disposal of nuclear waste and interest income received is about \$40.3 billion and \$38.8 billion as of September 30, 2017, and 2016, respectively. Other unearned revenue includes USPS income for such things as prepaid postage and prepaid P.O. Box rentals. Assets held on behalf of others include funds collected in advance for such things as outstanding postal money orders and undelivered Defense articles. DSCA holds \$85.6 billion and \$80.9 billion as of September 30, 2017, and 2016, respectively for articles and services for future delivery to foreign governments.

## Employee-Related Liabilities

This category includes amounts owed to employees at year-end and actuarial liabilities for certain non-federal employees. Actuarial liabilities for federal employees and veteran benefits are included in Note 12—Federal Employee and Veteran Benefits Payable and are reported on another line on the Balance Sheet. The largest liability in the employee-related liabilities category is the amount owed at the end of the fiscal year to federal employees for wages and benefits (including accrued annual leave). In addition, DOE is liable to certain contractors for contractor employee pension and postretirement benefits, which is about \$23.1 billion and \$28.9 billion as of September 30, 2017 and 2016, respectively. Also, the government owed about \$8.7 billion and \$8.8 billion as of September 30, 2017, and 2016 respectively, for estimated future pension benefits of the District of Columbia's judges, police, firefighters, and teachers.

## International Monetary Liabilities and Gold Certificates

Consistent with U.S. obligations in the IMF on orderly exchange arrangements and a stable system of exchange rates, the Secretary of the Treasury, with the approval of the President, may use the Exchange Stabilization Fund to deal in gold, foreign exchange, and other instruments of credit and securities.

Gold certificates are issued in nondefinitive or book-entry form to the Federal Reserve Bank of New York (FRBNY). The government's liability incurred by issuing the gold certificates, as reported on the Balance Sheet, is limited to the gold being held by the Department of the Treasury at the standard value established by law. Upon issuance of gold certificates to the FRBNY, the proceeds from the certificates are deposited into the operating cash of the U.S. Government. All of the Department of the Treasury's certificates issued are payable to the FRBNY.

## Subsidies and Grants

The government supports the public good through a wide variety of subsidy and grant programs in such areas as agriculture, medical and scientific research, education, and transportation. USDA programs such as Conservation Reserve; grants, subsidies, and contributions; and Agricultural Risk Coverage and Price Loss Coverage account for the majority of the subsidies due, about \$12.1 billion and \$12.7 billion as of September 30, 2017 and 2016, respectively.

The government awards hundreds of billions of dollars in grants annually. These include project grants that are competitively awarded for agency-specific projects, such as HHS grants to fund projects to "enhance the independence, productivity, integration, and inclusion into the community of people with developmental disabilities." Other grants are formula grants, such as matching grants. Formula grants go to state governments for such things as education and transportation programs. These grants are paid in accordance with distribution formulas that have been provided by law or administrative regulations. Of the total liability reported for grants as of September 30, 2017, and 2016, DOT, Education, and HHS collectively owed their grantees about \$17.4 billion and \$16.6 billion, respectively. Refer to the financial statements and footnotes of the respective agencies for additional information.

## Miscellaneous Liabilities

Some of the more significant liabilities included in this category are for (1) legal and other contingencies (see Note 18—Contingencies), (2) Bonneville Power Administration liability to pay annual budgets of several power projects for its electrical generating capacity, and (3) payables due to the purchases of securities. Certain PBGC amounts have been restated. Refer to Note 1.V—Restatements for more information.

In addition, many federal agencies reported relatively small amounts of miscellaneous liabilities that are not otherwise classified.