

**Consolidated  
Financial  
Statements**  
**of the  
United States  
Government**

**Fiscal Year 1984—Prototype**

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COMPILED BY THE  
FINANCIAL MANAGEMENT  
SERVICE  
DEPARTMENT OF THE TREASURY

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THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

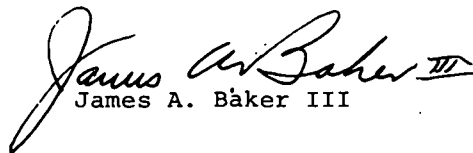
May 24, 1985

Statement of the  
Secretary of the Treasury

The Department of the Treasury is pleased to present these consolidated financial statements, an annual effort begun nearly a decade ago to apply the principles of business accounting to the business of government. Because we recognize the importance of financial management, Treasury is committed to improving the governmentwide systems for collecting and disclosing the results of federal operations. Full disclosure of financial information is critical to the effective management of Government's assets and liabilities and as a measure of accountability to the electorate. This objective is shared by the Office of Management and Budget and the General Accounting Office in our common goal of managing the taxpayers' dollar wisely.

Over the past four years, these agencies have renewed Government's commitment to effective financial management. By focusing federal attention on standard financial structures, new technology, and internal controls, Government has charted a new course towards cost effective operations. Toward this end, Treasury will complete the development of a fully automated financial reporting network that will integrate the results of agency operations into comprehensive governmentwide reports. These reports will provide timely and meaningful financial information to a broad spectrum of users in the public and private sectors.

Reader reactions and comments on this prototype report are welcome.

  
James A. Baker III



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON D.C. 20548

May 24, 1985

STATEMENT OF THE UNITED STATES

GENERAL ACCOUNTING OFFICE

The need for sound financial management is one of the most critical issues facing the federal government today. With an annual spending budget approaching \$1 trillion and a current budget deficit approximating \$200 billion, the federal government must develop modern financial management systems. These systems are necessary for efficient and effective management of the government's programs and for producing financial reports which accurately portray the government's operations and financial condition.

This consolidated financial report provides useful information about the financial condition and operations of the federal government as a whole that is not available elsewhere; it is supplementary to information contained in the budget documents. The consolidated statements disclose the magnitude of the government's assets and future claims on resources not fully disclosed in the budget, such as the government's inventories and fixed assets as well as its pension and social security liabilities, and public debt.

Although this report is a prototype, it demonstrates a goal we strongly support--the annual publication of formal audited consolidated financial statements of the United States government. Achieving this goal will be a significant milestone towards building strong viable financial management systems that will serve the needs of government and the public in the last decade of the 20th Century and beyond.

The General Accounting Office (GAO) is committed to achieving this goal. During the past year, we have completed three major efforts and are involved in a number of other efforts bearing on this consolidated report. First, we issued a two-volume report, Managing the Cost of Government, Building an Effective Financial Management Structure. This report identifies the key issues in federal financial management that must be dealt with and proposes a conceptual framework for comprehensive reform of financial management, of which consolidated reporting is a part. Second, we issued revised accounting principles and standards federal agencies are to follow. One of the standards specifically addresses these consolidated financial statements and requires their formal issuance in the future. Third, we

continued our efforts in monitoring implementation of the Federal Managers' Financial Integrity Act which requires agencies to annually assess the quality of their internal controls and their accounting systems (which directly impact on the quality of these consolidated statements) and to report to the President and the Congress.

Finally, we are participating in a project with the Auditor General of Canada to determine the needs for federal government information by users of such information, focusing on consolidated financial reporting.

Agency summary level statements, along with additional supplemental information, form the basis for preparing this consolidated report. Our longer term objective is to audit these consolidated statements and render an opinion on their fair presentation. To achieve this, however, we must first audit the underlying agency statements; we are beginning pilot audits at selected agencies.

We are convinced that the need for such an audit is critical since it would give assurance that the information is reliable as well as adding discipline to the overall financial management systems. Our limited audit work thus far has indicated that some of the numbers in these consolidated statements can be more accurately stated. A primary example of this is the receivables and related allowances in the consolidated statement of financial position. Based on the work we have recently done we believe the allowance for losses is substantially understated resulting in a significant overstatement of net receivables and a significant understatement of the costs of the related programs. Likewise, based on recent work, we believe the estimated losses on loan guarantees and insurance is significantly understated.

In spite of its current shortcomings, this consolidated report is critical to improving financial management. Although improvements have been and are being made, much still remains to be done to formalize these consolidated statements and audit them. We at GAO are committed to achieving the goal of audited consolidated federal financial statements and we are working with the Treasury and the Office of Management and Budget to help make it a reality in the near future.

As with earlier reports of this nature, we have not audited the accompanying statements and accordingly, we do not express an opinion on them.



Charles A. Bowsher  
Comptroller General  
of the United States

## INTRODUCTION

Since the first set of Consolidated Financial Statements of the United States Government was released in 1976, the content of the report has not changed significantly. Several Supplemental Tables have been added and the Alternative Statements have been discontinued; however the core of the CFS, the Financial Statements and the Notes to Financial Statements, has remained unchanged.

The CFS has been reformatted to more closely approximate corporate annual reports to stockholders. Graphic material based upon data from the CFS has been added to the Financial Highlights section as well as to the Supplemental Tables. Additional analytical material will be included in future reports using data from current and prior years.

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***Financial  
Highlights***

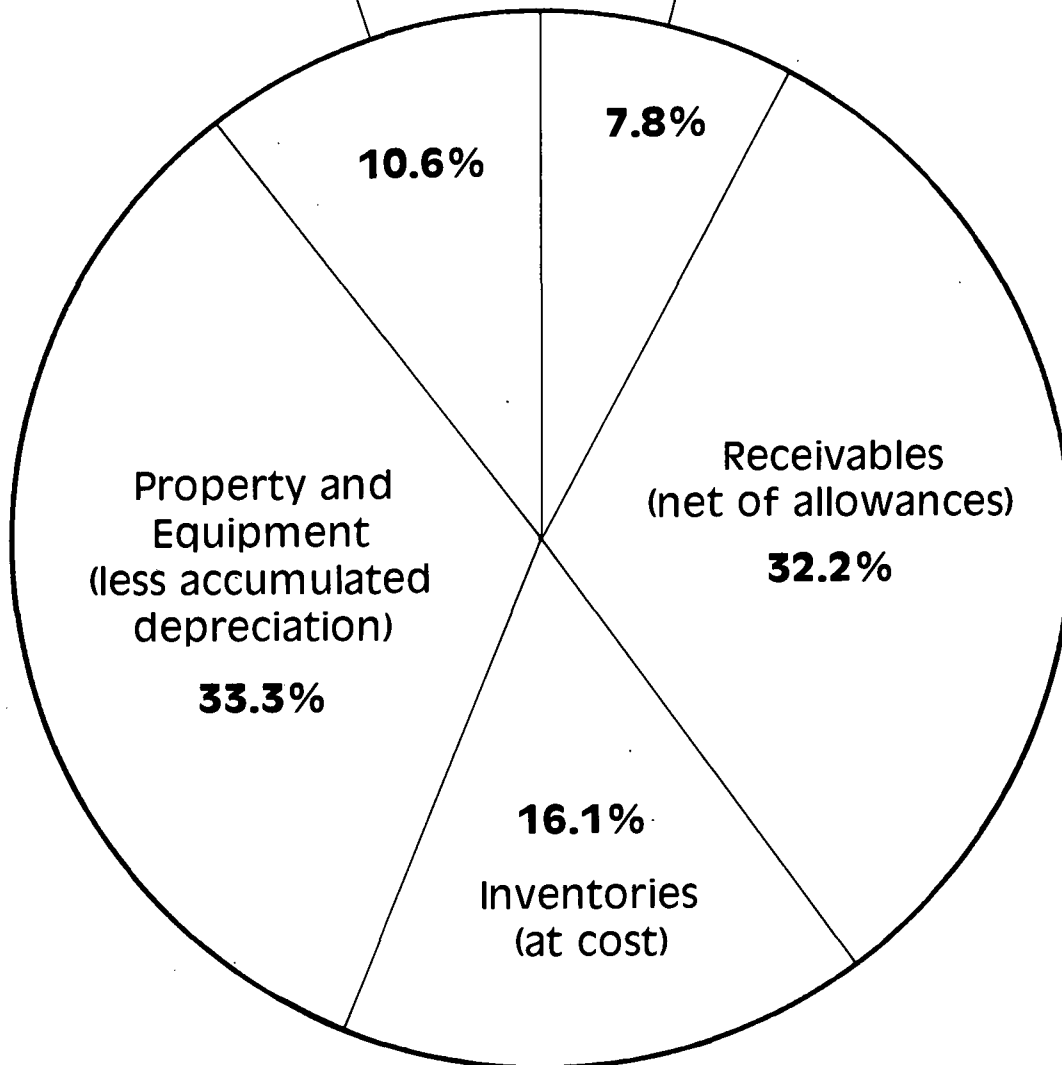
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# FINANCIAL HIGHLIGHTS

## Major categories of assets

Assets are resources owned by the Federal Government that are available to pay liabilities or to provide public services in the future. The following graph is derived from the Statement of Financial Position and depicts the major categories of assets for FY 1984 as a percent of total assets. The Statement of Financial Position on page 16 shows the components for each of these major categories.

Deferred Charges and Other Assets      Cash and Monetary Reserves

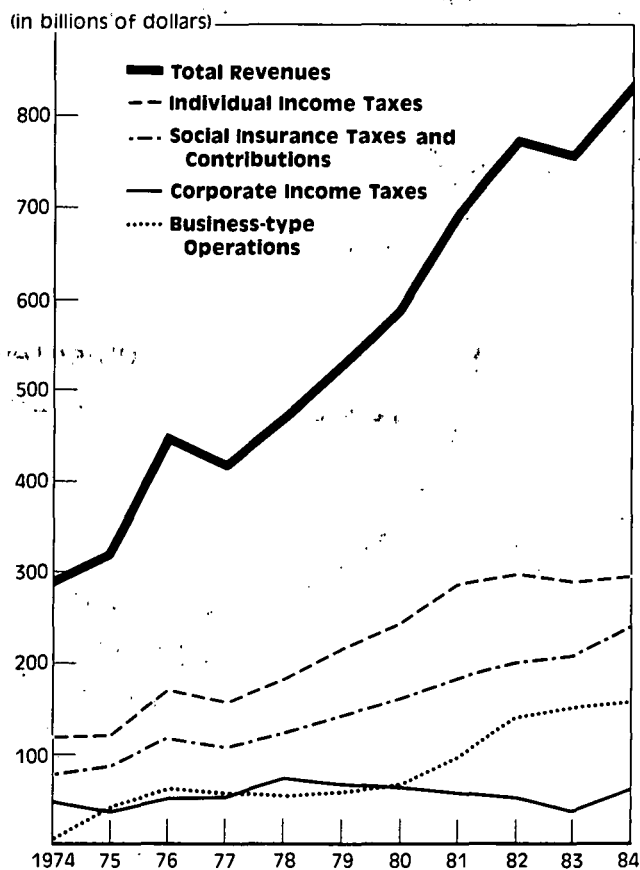
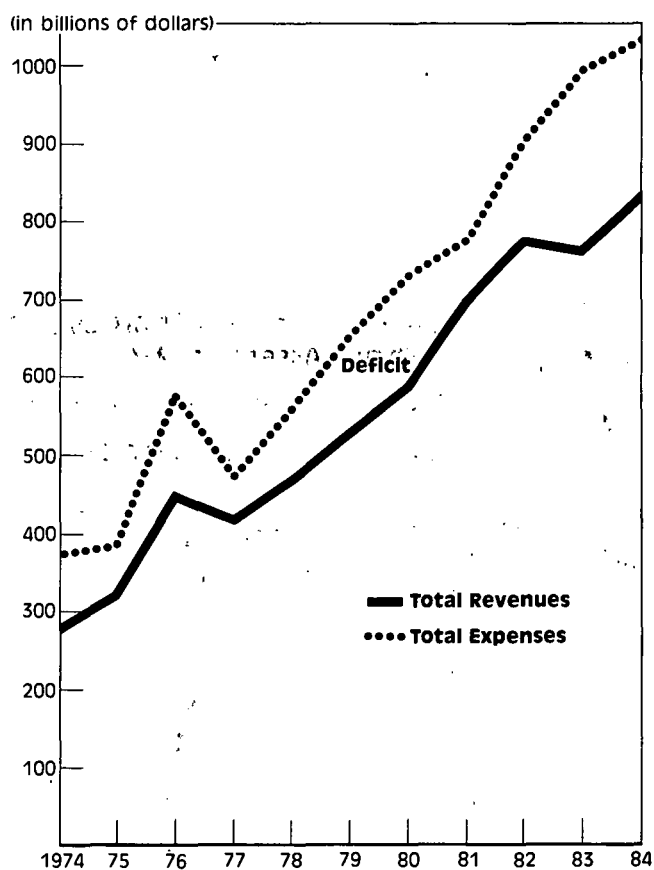


**Total Assets \$937.3 billion**



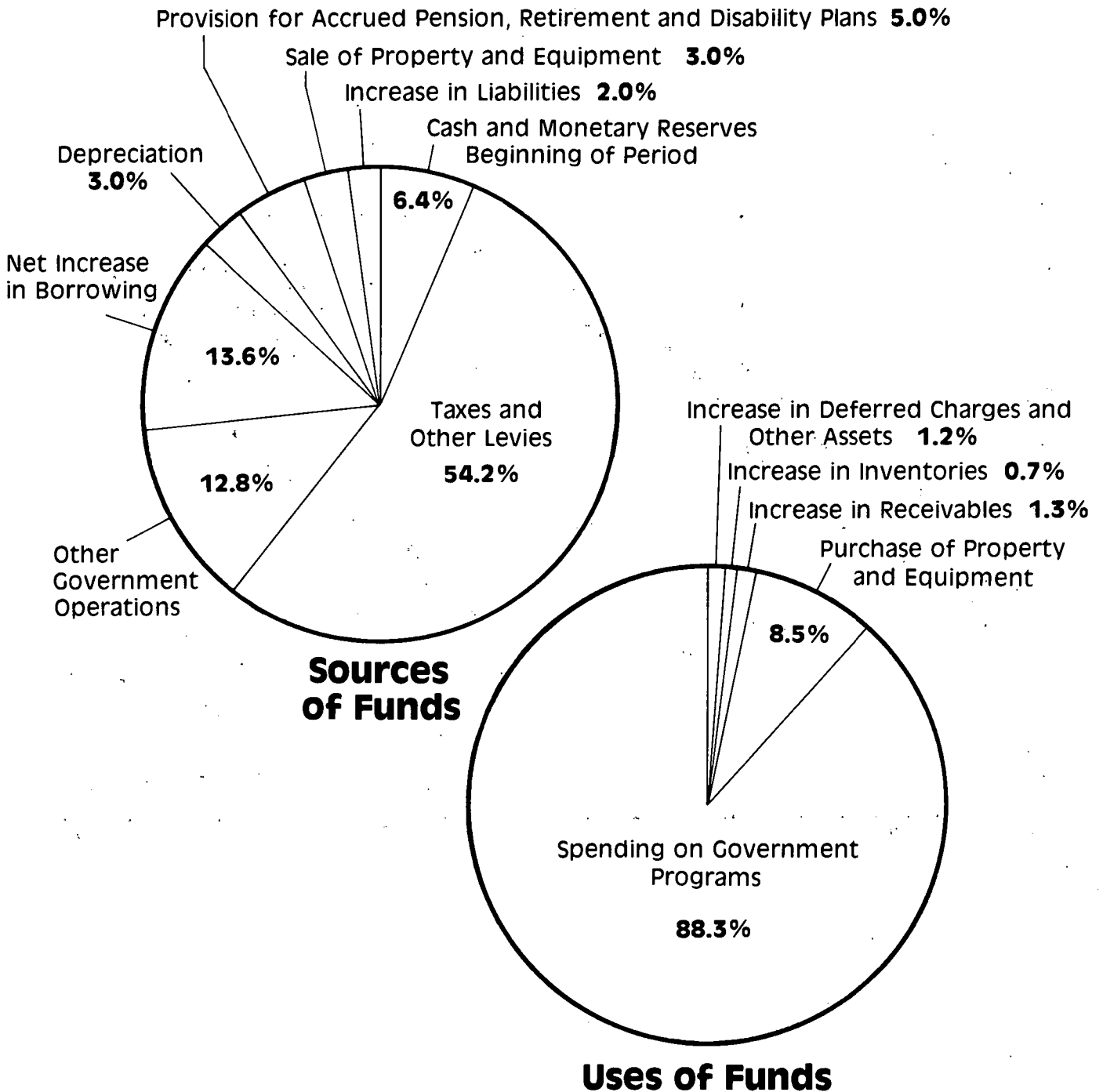
## Revenues and expenses

The following graphs show revenues and expenses for fiscal years 1974 through 1984 and total revenues with amounts for major sources for the same period. The figures are taken from the Statement of Operations for the 11 periods for which consolidated statements have been prepared. These amounts have been calculated on an accrual basis and differ from those reported on the cash basis in other reports.



## Sources and uses of funds

The graphs below have been derived from the Statement of Changes in Financial Condition for FY 1984 and show the resources provided during the period and the uses to which they were put. This statement is not intended to substitute for either the Statement of Financial Position or the Statement of Operations; instead, it presents additional useful information not included in those reports.



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***Consolidated  
Financial  
Statements***

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**United States Government Consolidated Statement  
of Financial Position as of September 30, 1984 and 1983**  
(In billions)

**Assets**

(What the Government owns—resources that are available  
to pay liabilities or to provide public services in the future)

	1984	1983
<b>Cash and monetary reserves</b>		
Operating cash in the Treasury .....	\$30.4	\$37.1
International monetary reserves (Note 2) .....	28.3	26.1
Other cash (Note 3) .....	<u>14.1</u>	<u>16.5</u>
	<u>72.8</u>	<u>79.7</u>
<b>Receivables (net of allowances)</b>		
Accounts receivable .....	31.9	31.9
Accrued taxes receivable (Note 4) .....	30.2	24.7
Loans receivable (Note 5) .....	229.1	221.5
Advances and prepayments .....	<u>10.2</u>	<u>7.8</u>
	<u>301.4</u>	<u>285.9</u>
<b>Inventories (at cost) (Note 6)</b>		
Goods for sale .....	35.6	44.7
Work in process .....	2.4	2.3
Raw materials .....	15.8	13.9
Materials and supplies for Government use .....	81.1	67.1
Stockpiled materials and commodities .....	<u>16.5</u>	<u>15.5</u>
	<u>151.4</u>	<u>143.5</u>
<b>Property and equipment (at cost)</b>		
Land (Note 7) .....	10.3	10.5
Buildings, structures, and facilities (Note 8) .....	-137.0	139.6
Military hardware (Note 9) .....	330.2	292.0
Equipment (Note 9) .....	88.6	82.0
Construction in progress .....	37.5	37.3
Leasehold improvements .....	2.2	2.3
Other .....	<u>5.8</u>	<u>4.6</u>
	611.6	568.3
Accumulated depreciation (Note 10) .....	<u>(299.5)</u>	<u>(280.4)</u>
	<u>312.1</u>	<u>287.9</u>
<b>Deferred charges and other assets</b> .....	<u>99.6</u>	<u>86.1</u>
<b>Total</b> .....	<u>\$937.3</u>	<u>\$883.1</u>

The accompanying notes are an integral part of this statement.

**United States Government Consolidated Statement  
of Financial Position as of September 30, 1984 and 1983**

(In billions)

**Liabilities**

(What the Government owes—liabilities incurred in the  
past that will require cash or other resources in the future)

	<b>1984</b>	<b>1983</b>
Accounts payable .....	<u>\$161.5</u>	<u>\$143.5</u>
Unearned revenue .....	<u>31.8</u>	<u>28.5</u>
Borrowing from the public (Note 11) .....	<u>1,299.5</u>	<u>1,130.4</u>
<b>Accrued pension, retirement, and disability plans (Note 12)</b>		
Military personnel .....	476.1	444.3
Civilian employees .....	542.7	514.6
Social security .....	1,911.8	1,778.4
Veterans compensation .....	221.8	223.0
Federal employees compensation .....	11.2	10.8
Other pension plans .....	<u>18.2</u>	<u>16.4</u>
	<u>3,181.8</u>	<u>2,987.5</u>
Contingent liabilities for guarantee and insurance programs (Note 13) .....	<u>3.5</u>	<u>2.4</u>
Other liabilities .....	<u>58.5</u>	<u>56.7</u>
<b>Total</b> .....	<u><b>4,736.6</b></u>	<u><b>4,349.0</b></u>

**Accumulated Position**

Accumulated position beginning of period .....	(3,465.9)	(3,070.6)
Current period results .....	(200.1)	(233.6)
Current noncash provision for social security (Note 14) .....	<u>(133.3)</u>	<u>(161.7)</u>
Accumulated position end of period .....	<u>(3,799.3)</u>	<u>(3,465.9)</u>
<b>Total</b> .....	<u><b>\$937.3</b></u>	<u><b>\$883.1</b></u>

The accompanying notes are an integral part of this statement.

**United States Government Consolidated Statement of Operations for  
the Years Ended September 30, 1984 and 1983**

(In billions)

	1984	1983
<b>Revenues</b>		
Levied under the Government's sovereign power		
Individual income taxes .....	\$296.0	\$288.9
Corporate income taxes .....	62.3	39.1
Social insurance taxes and contributions .....	241.9	209.0
Excise taxes .....	37.4	35.3
Estate and gift taxes .....	6.0	6.1
Customs duties .....	11.4	8.7
Miscellaneous .....	16.4	21.6
	<u>671.4</u>	<u>608.7</u>
Earned through Government business-type operations		
Sale of goods and services .....	33.5	37.2
Interest .....	45.0	51.0
Other .....	80.6	63.5
	<u>159.1</u>	<u>151.7</u>
<b>Total .....</b>	<b><u>830.5</u></b>	<b><u>760.4</u></b>
<b>Expenses by function (see also summary of expenses by object and agency)</b>		
Administration of justice .....	5.2	4.6
Agriculture .....	17.1	16.9
Commerce and housing credit .....	2.0	5.1
Community and regional development .....	8.0	5.2
Education, training, employment, and social services .....	25.1	22.7
Energy .....	11.5	11.4
General government .....	26.1	17.6
General purpose fiscal assistance .....	13.4	12.8
General science, space, and technology .....	7.6	7.0
Health .....	28.1	25.8
Income security (Note 12)		
Military personnel .....	48.3	41.7
Civilian employees .....	55.8	56.7
Social insurance .....	14.0	16.5
Veterans compensation .....	13.2	37.2
Other .....	87.8	86.8
Interest .....	129.0	108.4
International affairs .....	26.3	23.8
National defense .....	194.1	173.3
Natural resources and environment .....	14.9	14.1
Social security and medicare		
Social security (Note 12) .....	186.5	201.7
Medicare .....	79.9	75.9
Transportation .....	25.0	19.6
Veterans benefits and services .....	11.7	9.2
<b>Total .....</b>	<b><u>1,030.6</u></b>	<b><u>994.0</u></b>
<b>Current period results .....</b>	<b><u>\$(200.1)</u></b>	<b><u>\$(233.6)</u></b>

## Summary of expenses by object and agency

	1984	1983
<b>Expenses by object</b>		
Salaries and employee benefits .....	\$96.4	\$91.0
Vendor services and supplies .....	191.8	211.3
Depreciation .....	37.8	23.4
Pensions, health and life insurance .....	115.1	133.0
Casualty insurance and indemnities .....	274.9	181.7
Grants, subsidies, and contributions .....	185.6	245.2
Interest .....	<u>129.0</u>	<u>108.4</u>
Total .....	<u>\$1,030.6</u>	<u>\$994.0</u>
<b>Expenses by agency</b>		
Legislative branch .....	\$1.3	\$1.1
Judicial branch .....	.7	.6
Executive branch		
Office of the President .....	17.7	19.9
Departments		
Agriculture .....	51.8	68.3
Commerce .....	2.1	2.6
Defense .....	294.8	253.0
Education .....	13.1	12.4
Energy .....	13.8	14.1
Health and Human Services .....	241.1	225.7
Housing and Urban Development .....	23.9	27.5
Interior .....	10.1	10.4
Justice .....	3.4	3.8
Labor .....	20.4	31.8
State .....	2.3	2.4
Transportation .....	37.0	32.1
Treasury: Interest .....	129.0	108.4
Other .....	7.5	8.3
Independent agencies .....	<u>160.6</u>	<u>171.6</u>
Total .....	<u>\$1,030.6</u>	<u>\$994.0</u>

The accompanying notes are an integral part of this statement.

**United States Government Consolidated Statement  
of Changes in Financial Position  
for the Years Ended September 30, 1984 and 1983  
(In billions)**

	1984	1983
Cash and monetary reserves beginning of period .....	\$79.7	\$71.2
<b>Sources of funds:</b>		
Taxes and other levies .....	671.4	608.7
Other Government operations .....	159.1	151.7
Net increase in borrowing .....	169.1	211.6
Depreciation .....	37.8	23.4
Provision for accrued pension, retirement, and disability plans .....	60.9	79.9
Sale of property and equipment .....	37.6	22.1
Increase in liabilities .....	<u>24.3</u>	<u>30.2</u>
Total sources of funds .....	<u>1,239.9</u>	<u>1,198.8</u>
<b>Uses of funds:</b>		
Spending on Government programs .....	1,030.6	994.0
Purchase of property and equipment .....	99.6	70.1
Increase in receivables .....	15.5	18.6
Increase in inventories .....	8.0	19.0
Increase in deferred charges and other assets .....	<u>13.4</u>	<u>17.4</u>
Total uses of funds .....	<u>1,167.1</u>	<u>1,119.1</u>
Cash and monetary reserves end of period .....	<u>\$72.8</u>	<u>\$79.7</u>

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The accompanying notes are an integral part of this statement.



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***Notes to  
Financial Statements***

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# **Notes to Financial Statements**

## **1. Summary of general accounting policies**

Principal financial statements.—These consist of a statement of financial position, a statement of operations, and a statement of changes in financial position. Because of their developmental nature, only the most significant changes in format are disclosed in the Notes.

Principles of consolidation.—The statements include the accounts of all significant agencies and funds included in the budget of the U.S. Government. Agencies such as the U.S. Postal Service and the Federal Financing Bank, classified as off-budget (not included in calculating the budget surplus or deficit), have also been included in the statements because they are wholly owned and are clearly within the scope of Government operations. Government-sponsored enterprises such as the Federal land banks are excluded because they are privately owned. Intragovernmental transactions were eliminated in consolidation.

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

Reclassification and adjustment.—For comparability, certain fiscal 1983 data are reclassified where appropriate to conform to the financial statement presentation for fiscal 1984.

## **2. International monetary reserves**

This category, as of September 30, 1984, comprises the following items: \$11.1 billion in gold, recorded at \$42.22 per ounce, the statutory price at which gold is monetized by the issuance of gold certificates to the Federal Reserve System; \$5.6 billion of special drawing rights, an international reserve asset; and \$11.6 billion representing the U.S. reserve position in the International Monetary Fund.

## **3. Other cash**

This category, as of September 30, 1984, comprises the following items: Other U.S. Treasury monetary assets, \$0.9 billion; accountability for cash and other assets held outside the Treasury by disbursing, collecting and other fiscal officers, \$6.5 billion; convertible foreign currencies, at market value, \$6.0 billion, and balances of nonpurchased foreign currencies, \$0.7 billion. The amounts as of September 30, 1983, were \$1.6 billion, \$7.0 billion, \$6.9 billion, and \$1.0 billion, respectively.

## **4. Accrued taxes receivable**

The September 30, 1984, total for taxes receivable represents \$26.0 billion (net) for delinquent taxes and \$4.2 billion of accrued corporate taxes.

## **5. Loans receivable**

Outstanding loans and allowances have been recorded as reported by the various lending agencies. The allowances for losses are presumed to be understated and they are under study. Interest rates and loan repayment terms vary considerably for outstanding loans, with rates ranging up to 17.86 percent and terms from as short as 5 days to well over 35 years.

## **6. Inventories**

Inventories include nondepreciable personal property and are stated at cost. The September 30, 1984, total for inventories comprises \$109.6 billion for the Department of Defense and \$41.8 billion for other agencies. The amounts as of September 30, 1983, were \$101.9 billion and \$41.6 billion, respectively. The inventory accounts do not include the weapons stockpile since the extent of this inventory is classified information.

## **7. Land**

Land is valued at the cost paid by the Government. The cost of land acquired through donation, exchange, bequest, forfeiture, or judicial process is estimated by the General Services Administration at amounts the Government would have paid if purchased at the date of acquisition. Pending study of valuation methods, the Outer

Continental Shelf and other offshore land, and the 670 million acres of public domain land, have not been included. In 1972 a committee of the House of Representatives estimated the value of public domain land (92 percent of the total onshore acreage owned by the Federal Government) to be \$29.9 billion.

## 8. Buildings, structures, and facilities

This category consists of all real property owned by the Federal Government except land. The total reflects the acquisition cost of buildings and the cost of acquiring or erecting dams, utility systems, monuments, roads, and bridges. The September 30, 1984, total represents \$58.5 billion for the Department of Defense and \$78.5 billion for other agencies. The amounts as of September 30, 1983, were \$56.5 billion and \$83.1 billion, respectively.

## 9. Depreciable personal property

Military hardware and equipment are recorded at acquisition cost and include only depreciable property currently in use or in usable condition. The major components of each category are summarized as follows:

	1984	1983
	[In billions]	
Military hardware		
Aircraft and related equipment .....	\$140.0	\$129.1
Ships and service craft .....	89.8	79.1
Combat and tactical vehicles .....	67.9	55.6
Missiles and related equipment .....	27.0	23.1
Other .....	<u>5.6</u> <sup>5</sup>	<u>5.1</u>
Total .....	<u>\$330.3</u> <sup>2</sup>	<u>\$292.0</u>
Equipment		
Department of Defense		
Industrial plant equipment .....	\$20.8	\$20.2
Communications and electronics .....	3.7	3.1
Other .....	<u>29.8</u>	<u>26.5</u>
Total .....	54.3	49.8
Other agencies .....	<u>34.3</u>	<u>32.2</u>
Total .....	<u>\$88.6</u>	<u>\$82.0</u>

## 10. Accumulated depreciation

Most Government agencies do not calculate depreciation on property and equipment; therefore, accumulated depreciation is estimated on a straightline basis, from available information. The useful lives applied to each classification of asset are as follows: Buildings, structures, and facilities—50 years; ships and service craft—30 years; industrial plant equipment—20 years; all other depreciable assets—10 years.

## 11. Borrowing from the public

As of September 30, 1984, the gross amount of Federal debt outstanding net of unamortized premiums and discounts was \$1,035.8 billion. This amount was reduced by \$263.7 billion for intragovernmental holdings. The amount of Federal debt outstanding net of unamortized premiums and discounts, as of September 30, 1983, was \$1,371.2 billion. This amount was reduced by \$240.8 billion for intragovernmental holdings. As of September 30, 1984, foreign and international investors held approximately \$175.5 billion of the debt outstanding with the public. The amount as of September 30, 1983, was \$160.0 billion. For additional information on borrowing from the public, see the Federal Debt Maturity table in the supplemental section (page 37).

## **12. Accrued pension, retirement, and disability plans**

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

**Military personnel and civilian employees:** The liabilities under these two pension plans represent a major portion of the total unfunded liability which is to be reported under Public Law 95-595. In prior years, the accrued pension liabilities for September 30 represented the actuarial present value of accumulated plan benefits and were calculated in accordance with instructions developed jointly by the General Accounting Office and the Office of Management and Budget under the provisions of Public Law 95-595.

The actuarial liabilities as of September 30, 1984, were not available for either plan. The liabilities have been estimated by calculating a simple average of the change in reported liability for each of fiscal years 1981, 1982, and 1983.

**Social security:** Based on the present value of the projected excess of benefits over contributions for present participants for the next 75 years.

It has not yet been determined whether the requirements for Federal pension plans, established as a result of Public Law 95-595, should be applied to the Social Security System due to the uniqueness of the actuarial cost methods used for measuring benefits under the system.

**Veterans compensation:** Represents the present value of projected annual benefit payments.

**Federal employees compensation:** Represents estimated future costs for approved Federal Employees Compensation Act cases.

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

## **13. Contingent liabilities for guarantee and insurance programs**

A number of agencies do not make any provision for estimated losses on loan guarantees and insurance, while others do not provide reasonable estimates of losses.

For additional information on estimated losses for guarantee and insurance programs, see the Commitments and Contingencies of the U.S. Government table in the supplemental section (page 35).

## **14. Current noncash provision for social security**

The noncash provision for social security represents changes in the social security accrued liability between periods based on a 30-year amortization of the actuarial deficit. Accounting methods for this provision require additional study.

The noncash amount is not included in the Statement of Operations because a substantial but indeterminate portion is not applicable to the current period. The Statement of Operations does include cash benefit payments. The current noncash provision for social security is \$133.3 billion in 1984.

## **15. Contingencies**

Several Government agencies insure businesses and individuals against various types of risks. The amount of insurance coverage in force, representing the maximum risk exposure to the Government, is \$2,636.8 billion as of September 30, 1984.

The Government also guarantees loans by non-Government enterprises to businesses and individuals. These guarantees become liabilities of the Government only when it is required to honor its guarantees. Loan guarantees in force at September 30, 1984, are \$615.0 billion. For further information on contingencies, see the Commitments and Contingencies of the U.S. Government table in the supplemental section (page 35).

## 16. Open-ended programs and fixed costs

The Government commits itself to provide services by passing laws that make spending mandatory. Since a significant amount of future spending is fixed by law, it is very probable that the Government will pay for these programs in future years. Listed below are the programs for fiscal 1984 that can be terminated only if the laws are changed.

	1984 [In billions]
Payments for individuals	
Social security and railroad retirement .....	\$179.3
Federal employees retirement and insurance .....	49.0
Unemployment assistance .....	16.9
Assistance to students .....	4.8
Food and nutrition assistance .....	3.6
All other .....	2.9
Medicare and Medicaid .....	79.9
Public-assistance-related programs .....	21.0
	<u>357.4</u>
Net interest .....	111.1
General revenue sharing .....	4.6
Other open-ended programs and fixed costs .....	5.7
Total .....	<u>\$478.8</u>

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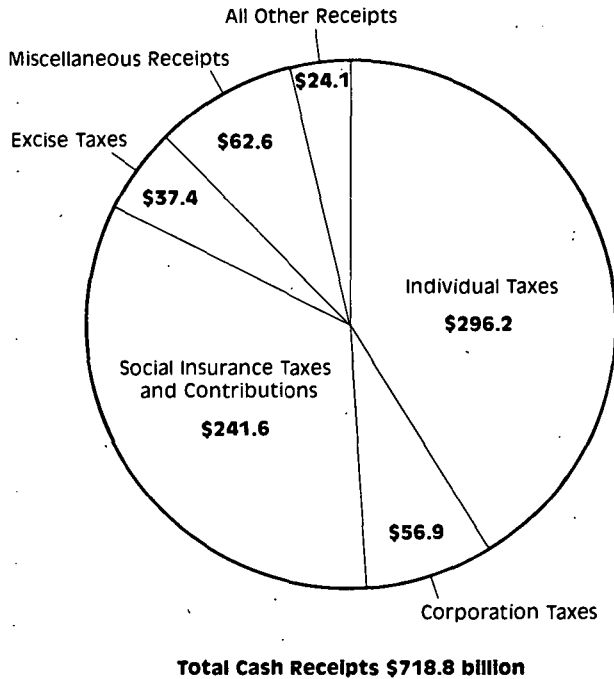
***Supplemental Tables***

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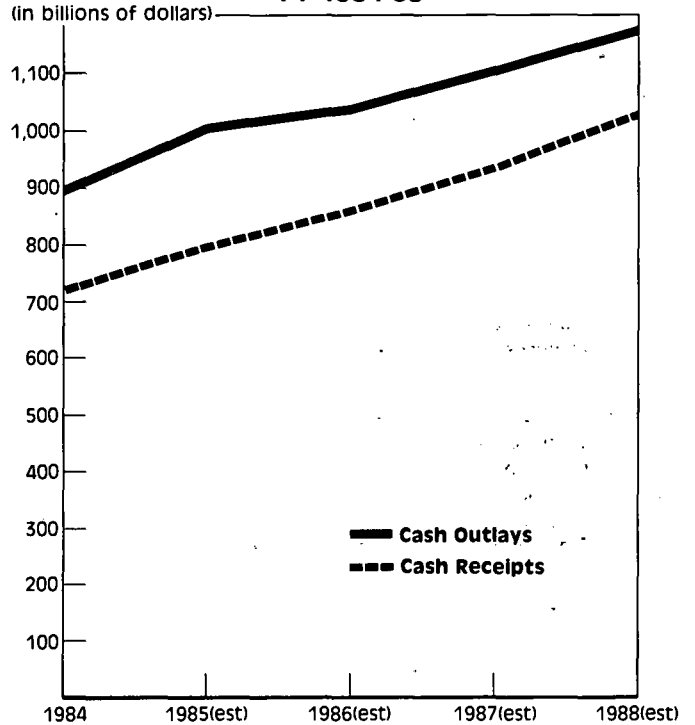
## FLOW OF FUNDS PROJECTIONS

Total cash receipts amounted to \$718.8 billion in FY 1984, an increase of \$82.5 billion from FY 1983. The graphs below depict the actual and projected FY 1985–88 cash receipts and outlays and the components of cash receipts for FY 1984.

**Major Components of Cash Receipts  
for FY 1984**



**Actual and Projected Cash Receipts and Outlays  
FY 1984-88**



The table which follows shows the amount of actual FY 1984 and projected FY 1985–88 budget cash receipts and outlays.

- The data presented here differs from the consolidated financial statements in that it is on the cash basis instead of the accrual basis, and certain receipts are treated as reductions of outlays, according to conventions adopted for budgeting purposes.
- The projections are not forecasts of future receipts and outlays, nor are they recommendations for policy-setting purposes. They simply reflect what may happen to cash basis revenues and expenditures considering certain basic assumptions reflected in the budget.
- The receipts projections are consistent with the continuation of current tax laws as modified in the 1986 Budget.
- Outlay estimates indicate the degree to which resources would be committed by the continuation of existing and currently proposed programs through FY 1988.

**Flow of Funds Projections  
for the Years Ended  
September 30, 1984-88**  
(In billions)

	1984 Actual	1985	1986	1987	1988
		Estimate			
<b>Cash Receipts</b>					
Taxes					
Individual .....	\$296.2	\$329.7	\$358.9	\$392.5	\$433.6
Corporation .....	56.9	66.4	74.1	87.5	99.0
Social insurance taxes and contributions					
Employment taxes and contributions .....	211.9	238.1	259.3	281.3	318.9
Unemployment insurance .....	25.1	25.6	25.3	23.2	22.5
Contributions for other insurance and retirement .....	4.6	4.7	4.8	5.0	5.1
Excise taxes .....	37.4	37.0	35.0	35.0	33.6
Estate and gift taxes .....	6.0	5.6	5.4	5.0	4.7
Customs duties .....	11.4	11.8	12.3	12.7	13.4
Miscellaneous .....	62.6	70.5	76.7	85.0	93.1
Rents and royalties .....	6.7	5.3	8.5	7.3	4.8
Total cash receipts .....	<u>718.8</u>	<u>794.7</u>	<u>860.3</u>	<u>934.5</u>	<u>1,028.7</u>
<b>Cash outlays by function</b>					
Administration of justice .....	5.7	6.7	6.6	6.6	6.7
Agriculture .....	12.2	18.9	13.7	12.2	11.4
Allowances for civilian pay raises and contingencies .....	—	1.1	.4	.7	1.8
Commerce and housing credit .....	5.2	2.8	2.9	*	(.6)
Community and regional development .....	7.3	7.9	6.8	6.0	5.5
Education, training, employment, and social services .....	27.6	30.4	29.3	27.8	27.6
Energy .....	2.5	3.0	1.9	2.3	2.1
General government .....	5.1	5.8	4.8	4.9	5.0
General science, space, and technology .....	8.3	8.8	9.4	9.5	9.7
General purpose fiscal assistance .....	6.8	6.6	2.8	1.7	1.7
Health .....	30.4	33.9	34.9	35.7	37.3
Income security .....	112.6	127.2	115.8	119.0	123.4
Interest .....	131.4	155.9	171.7	187.0	198.5
International affairs .....	13.0	17.3	18.1	17.6	16.8
National defense .....	227.4	253.8	285.7	321.2	358.4
Natural resources and environment .....	12.6	13.0	11.9	10.9	10.8
Social security and medicare .....	235.8	257.4	269.4	288.1	309.4
Transportation .....	24.6	27.0	25.9	24.6	24.2
Veterans benefits and services .....	25.6	26.9	26.8	26.9	27.7
Total cash outlays .....	<u>894.1</u>	<u>1,004.4</u>	<u>1,038.8</u>	<u>1,102.7</u>	<u>1,177.4</u>
Total budget surplus (deficit) .....	(175.3)	(209.7)	(178.5)	(168.2)	(148.7)
Deficit, off-budget Federal entities .....	(10.0)	(12.5)	(1.5)	3.2	1.8
Total surplus (deficit) .....	<u>\$(185.3)</u>	<u>\$(222.2)</u>	<u>\$(180.0)</u>	<u>\$(165.0)</u>	<u>\$(146.9)</u>

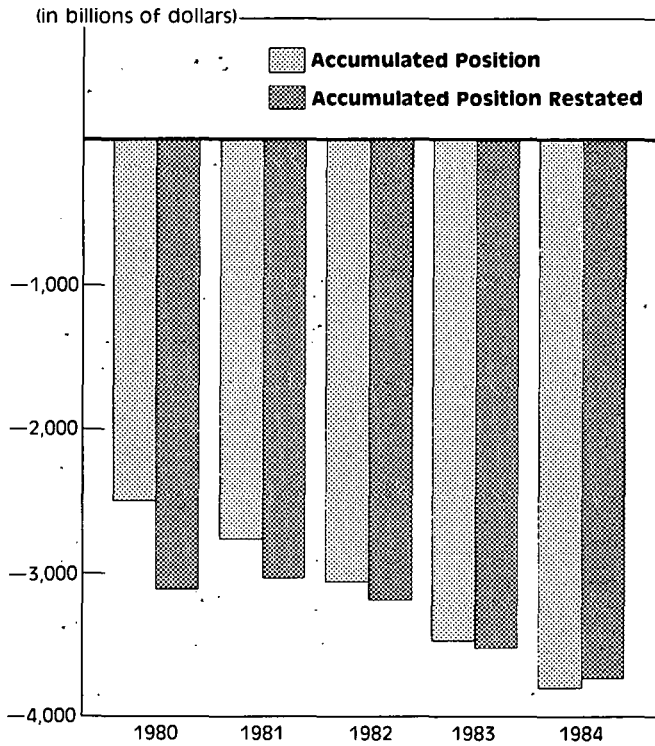
Source: Budget of the United States Government, Fiscal Year 1986.



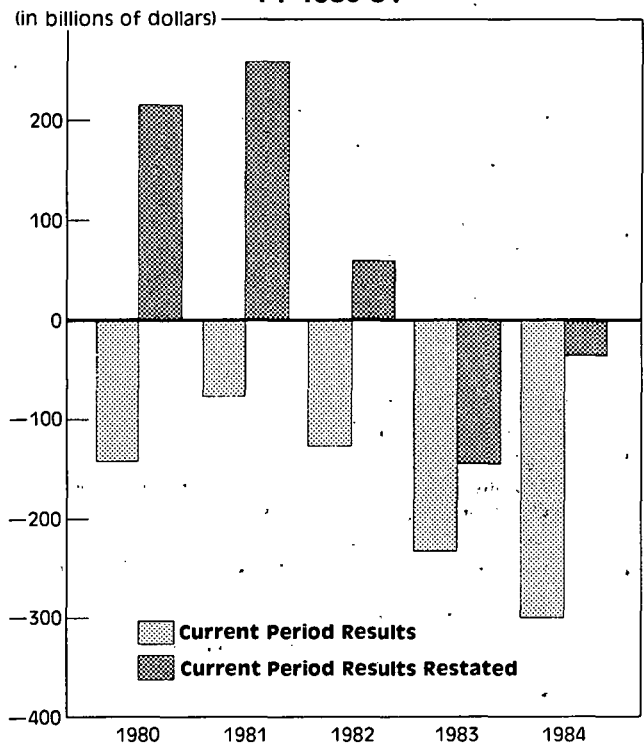
**COMPARATIVE SUMMARY OF SELECTED FINANCIAL DATA**  
**Restated for General Price-Level Changes**

The following graphs which were developed from the Statement of Financial Position and Statement of Operations present a comparative summary of selected financial data.

**Accumulated Position — Actual and Restated for General Price-Level Changes**  
**FY 1980-84**



**Operating Results — Actual and Restated for General Price-Level Changes**  
**FY 1980-84**



Accounting for inflation by restating historical values to account for changes in the general purchasing power of the dollar provides comparability between years since all dollars are equivalent to the current level of purchasing power. This restatement generally follows the Financial Accounting Standards Board Statement No. 33, "Financial Reporting and Changing Prices."

The tables which follow show the Financial Statements of the U.S. Government restated for general price-level changes and a comparative summary of selected financial data.

Derived from the Consumer Price Index for All Urban Consumers (CPI-U), the average conversion factors used in the tables are: fiscal 1984—1.025 and fiscal 1983—1.011. Monetary assets and liabilities as of September 30, 1984, are not restated because they already represent dollars of current general purchasing power.

**Financial Statements of the U.S. Government**  
**Restated for General Price-Level Changes**  
**(Restated to September 30, 1984, Dollars)**  
(In billions)

	<u>1984</u> <u>Sept. 30</u>	<u>1983</u> <u>Sept. 30</u>
<b>Financial position</b>		
Assets		
Cash and monetary reserves .....	\$72.8	\$83.0
Receivables (net of allowances) .....	301.4	297.6
Inventories (at cost) .....	160.2	157.2
Property and equipment (net of accumulated depreciation) .....	371.6	376.4
Deferred charges and other assets .....	112.2	103.2
Total assets .....	<u>\$1,018.2</u>	<u>\$1,017.4</u>
Liabilities		
Accounts payable .....	\$161.5	\$149.4
Unearned revenue .....	37.4	37.1
Borrowing from the public .....	1,299.5	1,176.6
Accrued pension, retirement, and disability plans .....	3,181.8	3,110.0
Contingent liabilities for guarantee and insurance programs .....	5.3	4.5
Other liabilities .....	58.5	59.0
Total liabilities .....	<u>4,744.0</u>	<u>4,536.7</u>
Accumulated position		
Accumulated position beginning of period .....	(3,212.7)	(3,197.2)
Current period results .....	(372.1)	(145.2)
Current noncash provision for social security .....	(141.0)	(176.9)
Accumulated position end of period .....	<u>(3,725.8)</u>	<u>(3,519.3)</u>
Total liabilities and accumulated position .....	<u>\$1,018.2</u>	<u>\$1,017.4</u>
<b>Operating results</b>		
Revenues		
Taxes and duties .....	\$682.1	\$643.1
Business-type operations .....	161.7	160.2
Total revenues .....	<u>843.8</u>	<u>803.3</u>
Expenses		
Administration of justice .....	5.3	4.9
Agriculture .....	17.4	17.8
Commerce and housing credit .....	2.1	5.4
Community and regional development .....	8.1	5.5
Education, training, employment, and social services .....	25.5	23.9
Energy .....	11.7	12.1
General government .....	26.5	18.6
General purpose fiscal assistance .....	13.6	13.5
General science, space, and technology .....	7.7	7.4
Health .....	28.5	27.3
Income security .....	222.6	252.4
Interest .....	131.1	114.5
International affairs .....	26.7	25.2
National defense .....	197.2	183.1
Natural resources and environment .....	15.1	14.9
Social security and medicare .....	270.7	293.4
Transportation .....	25.4	20.7
Veterans benefits and services .....	11.9	9.7
Total expenses .....	<u>1,047.1</u>	<u>1,050.3</u>
General price-level gain .....	168.8	101.8
Current period results .....	<u>\$(34.5)</u>	<u>\$(145.2)</u>

	<u>1984</u> <u>Sept. 30</u>	<u>1983</u> <u>Sept. 30</u>	<u>1982</u> <u>Sept. 30</u>	<u>1981</u> <u>Sept. 30</u>	<u>1980</u> <u>Sept. 30</u>
<b>Comparative summary of selected financial data</b>					
Financial position					
Total assets .....	\$1,018.2	\$1,017.4	\$986.7	\$893.9	\$867.3
Total liabilities .....	4,744.0	4,536.7	4,175.7	3,936.9	3,976.3
Accumulated position end of period .....	<u>\$(3,725.8)</u>	<u>\$(3,519.3)</u>	<u>\$(3,189.0)</u>	<u>\$(3,043.0)</u>	<u>\$(3,109.0)</u>
Operating results					
Total revenues .....	<u>\$843.8</u>	<u>\$803.3</u>	<u>\$852.3</u>	<u>\$800.5</u>	<u>\$786.3</u>
Total expenses .....	<u>1,047.1</u>	<u>1,050.3</u>	<u>992.9</u>	<u>889.6</u>	<u>976.8</u>
General price-level gain .....	168.8	101.8	200.7	348.3	405.7
Current period results .....	<u>\$(34.5)</u>	<u>\$(145.2)</u>	<u>\$60.1</u>	<u>\$259.2</u>	<u>\$215.2</u>

## EFFECT OF INDIVIDUAL AND CORPORATE TAX BENEFITS ON FEDERAL REVENUES

The following table is designed to show the revenue losses attributable to tax law provisions that allow special exclusions, exemptions, or deductions from gross income or provide special credits, tax rates, or deferrals. The schedule shows the approximate cost of tax benefits.

It should be noted that the effect on revenues of adding or deleting a particular tax benefit would not be the same as the dollar amount currently associated with the benefit. Consequently, it is not possible to say what the effects of increasing or decreasing selected benefits would be without considering a number of variables.

Some minor distortions may have occurred since data presented have been condensed for purposes of this report.

### Effect of Individual and Corporate Tax Benefits on Federal Revenues for Tax Years 1984 and 1983 (In billions)

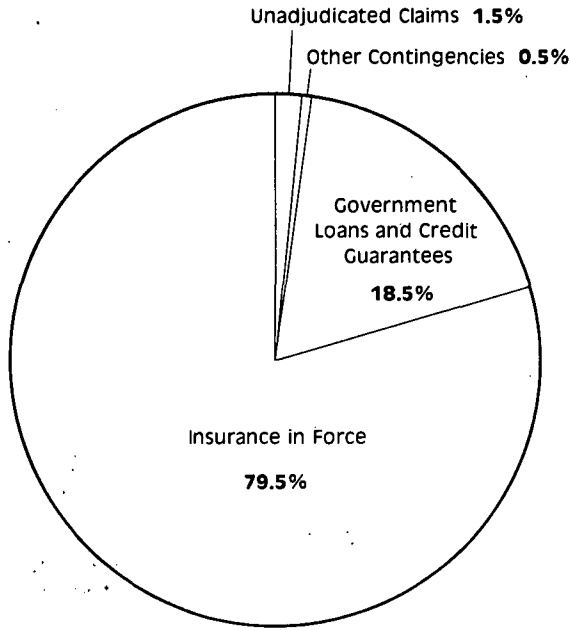
	Estimated amount of revenue loss	
	1984	1983
<b>Income exclusion</b>		
Capital gains at death .....	\$3.9	\$3.5
Disability and retirement benefits (social security and private) .....	82.8	84.7
Education allowances (scholarships and GI benefits) .....	1.2	1.1
Foreign earnings and investment incentives (income earned abroad) .....	1.3	1.3
Interest and dividends (State and local bonds and debt, and life insurance) .....	19.9	22.1
Medical care and insurance (employer premiums paid) .....	19.1	15.3
Payroll benefits and allowances (group life, accident, and unemployment) .....	4.8	4.7
Other (age 55 or over credit on home sales) .....	5.7	5.1
<b>Income deferrals</b>		
Interest on U.S. savings bonds .....	.7	.6
Real estate (home sales) .....	1.7	1.3
Foreign earnings (domestic international sales corporations) .....	1.2	1.5
<b>Other deferrals</b>		
Taxes (shipping companies) .....	.	.
<b>Deductions and credit</b>		
Agriculture related (capital outlays and gains on certain income) .....	1.2	1.2
Contributions (charitable and political) .....	13.2	12.4
Earned income .....	6.5	3.5
Employee stock ownership plans (funded through investment and tax credits) .....	1.4	1.3
Excess bad debt reserves (financial institutions) .....	.6	.4
Exemptions (credit unions) .....	.2	.1
Foreign earnings (corporations doing business in U.S. possessions) .....	1.3	1.4
Interest (mortgage and consumer) .....	35.4	30.0
Investments (commercial capital gains, credits, other investment incentives, construction period interest, and expensing developmental costs) .....	49.5	42.0
Medical .....	3.2	3.4
Mining and timber (capital gains treatment of royalties and certain income) .....	3.7	5.7
Old-age, disability, and other personal exemptions .....	3.8	3.7
Other (deductions of motor carrier rights, certain adoption expenses, and energy credit for intercity buses) .....	3.4	3.5
Property damages and losses (casualty losses) .....	.4	.5
State and local property tax and other taxes .....	29.7	26.1
Work incentives (employment credits under work programs) and dependent care .....	2.2	2.1
Accelerated depreciation (rental housing, buildings other than rental housing, and machinery and equipment) .....	21.1	11.9

Source: Budget of the United States Government, Fiscal Years 1986 and 1985.

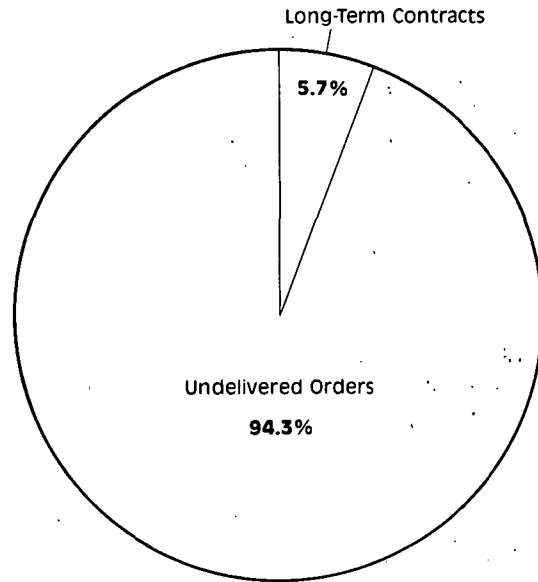
\* Less than \$100 million.

## COMMITMENTS AND CONTINGENCIES

Total commitments amounted to \$514.8 billion in FY 1984, an increase of \$80.3 billion from FY 1983. Total contingencies amounted to \$3,316.2 billion in FY 1984, an increase of \$368.1 billion from FY 1983. The graphs below show the percentage distribution of 1984 commitments and contingencies by source category.



**Contingent Liabilities  
(Maximum Risk Exposure)**  
Total \$3,316.2 billion



**Commitments**  
Total \$514.8 billion

The table that follows is designed to show two basic types of financial information. These are the maximum potential liabilities (commitments) and the anticipated liabilities (contingencies) which it is reasonably certain, based on experience and other factors, will occur. The anticipated liabilities are the equivalent to allowance for losses.

As used in commercial accounting, a commitment represents an obligation to pay for goods or services upon delivery under a contractual arrangement. Commitments shown in the table are represented by long-term contracts for which appropriations have not yet been provided by the Congress, and undelivered orders representing obligations of currently available appropriations.

A contingency represents a possible exposure to a liability depending upon the outcome of uncertain future events or circumstances. Contingencies are stated in terms of the maximum risk exposure without regard to existing contingent assets which would be available to offset potential losses. The ratio of losses incurred to premiums written represents the probability of incurring those losses. "Contingent liabilities" supports the balance sheet liability "contingent liabilities for guarantee and insurance programs" and represents the anticipated liability.

**Commitments and Contingencies  
of the U.S. Government  
as of September 30, 1984  
(In billions)**

<b>Commitments</b>	<b>Amounts outstanding</b>
Long-term contracts	
GSA building construction .....	\$3.0
Tennessee Valley Authority .....	7.8
Other .....	<u>18.5</u>
Subtotal .....	<u>29.3</u>
Undelivered orders	
Legislative branch .....	.2
Judicial branch .....	*
Executive Office of the President .....	.
Funds appropriated to the President .....	31.9
Defense .....	88.5
Education .....	9.2
Health and Human Services .....	22.6
Housing and Urban Development .....	248.1
Transportation .....	32.4
Environmental Protection Agency .....	10.4
Other agencies .....	37.0
Off-budget agencies .....	<u>5.2</u>
Subtotal .....	<u>485.5</u>
Total commitments .....	<u>\$514.8</u>

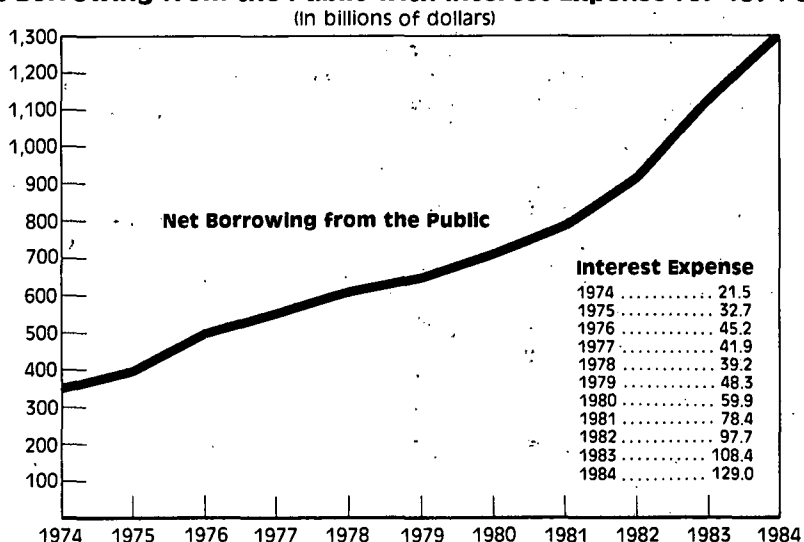
<b>Contingencies</b>	<b>Contingent liability (Maximum risk exposure)</b>	<b>Ratio of losses incurred to premiums written</b>	<b>Contingent liabilities</b>
Government loan and credit guarantees			
Housing .....	\$212.3	0.09%	\$0.2
Export-Import Bank of the United States .....	6.5	—	—
Business loan and investment fund .....	10.6	2.53	.3
Farm ownership .....	26.8	.91	.2
Rural development .....	44.6	.38	.2
Shipbuilding and operations .....	7.7	—	—
Transportation .....	1.7	—	—
Veterans benefits .....	57.6	—	—
Education .....	37.4	—	—
Other .....	<u>209.8</u>	.01	*
Subtotal .....	<u>615.0</u>		<u>.9</u>
Insurance in force			
Federal Deposit Insurance Corp. ....	1,322.4	.13	1.8
Federal Savings and Loan Insurance Corp. ....	751.2	—	—
Federal Emergency Management Agency .....	147.2	—	—
Nuclear Regulatory Commission .....	68.0	—	—
National Credit Union Administration .....	75.1	.05	.
Veterans Administration .....	29.0	.43	.1
Department of Transportation .....	222.7	—	—
Other .....	<u>21.2</u>	3.22	<u>.7</u>
Subtotal .....	<u>2,636.8</u>		<u>2.6</u>
Unadjudicated claims			
Transportation .....	6.5	—	—
Other .....	<u>42.1</u>	.01	.
Subtotal .....	<u>48.6</u>		.
Other contingencies			
Veterans readjustment benefits .....	5.2	—	—
Other .....	<u>10.6</u>	—	.
Subtotal .....	<u>15.8</u>		.
Total contingencies .....	<u>\$3,316.2</u>		
Total contingent liabilities .....			<u>\$3.5</u>

\* Less than \$100 million.

## FEDERAL DEBT MATURITY

Total net borrowing from the public amounted to \$1,299.5 billion in FY 1984, an increase of \$169.1 billion from FY 1983. This chart has been presented to graphically show the increase in net borrowing from the public.

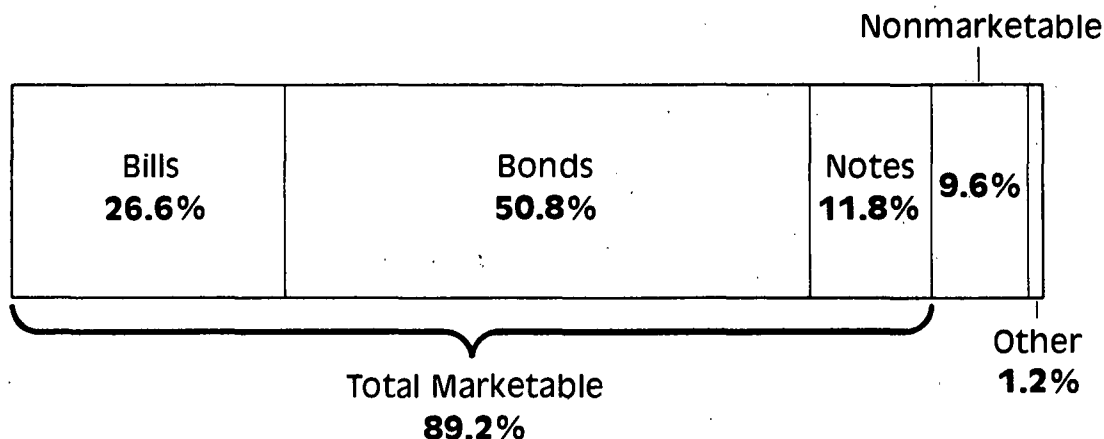
**Net Borrowing from the Public with Interest Expense for 1974-84**



The Federal Debt Maturity schedule which follows reflects information on the borrowing of the Federal Government needed to finance the Government's operations.

Information on the debt is provided by type of debt instrument, average interest rate charged for each type, and maturity. This schedule directly supports the balance sheet caption, "Borrowing from the public," which is shown net of intragovernmental holdings and unamortized premium or discount. Intragovernmental holdings represent that portion of the total Federal debt held by Federal entities, including the major trust funds.

The percentage distribution of 1984 net borrowing from the public by source category is graphically depicted below.



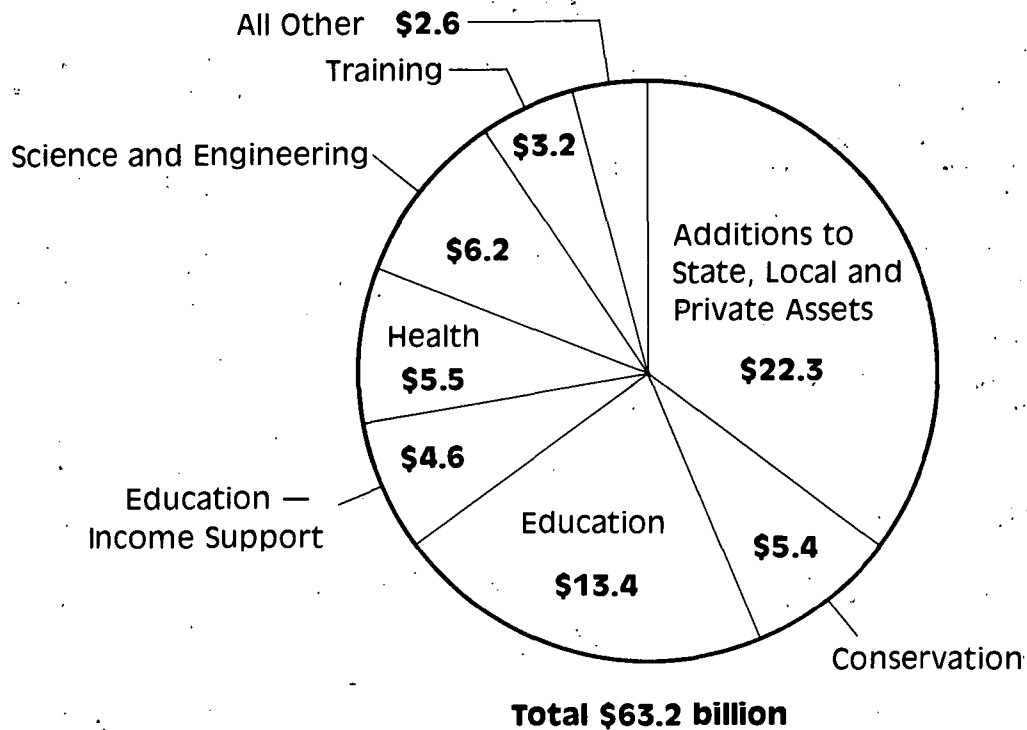
**Federal Debt Maturity  
as of September 30, 1984  
(In billions)**

	Total debt	Average interest rate (percent)	Maturity					Various
			Within 1 year	1-5 years	5-10 years	10-20 years	20 years or longer	
<b>Marketable</b>								
Bills .....	\$345.6	11.069	\$345.6	—	—	—	—	—
Notes .....	660.5	11.647	166.8	\$399.8	\$93.9	—	—	—
Bonds .....	152.8	10.746	.8	2.5	31.8	\$117.7	—	—
	<u>1,158.9</u>	<u>11.362</u>	<u>513.2</u>	<u>402.3</u>	<u>125.7</u>	<u>117.7</u>	<u>—</u>	<u>—</u>
<b>Nonmarketable</b>								
Foreign government series .....	8.9	9.562	5.3	3.6	—	—	—	—
Government account series .....	1.0	6.510	.7	.3	—	—	—	—
U.S. savings bonds .....	72.8	7.150	.6	6.0	10.1	—	—	\$56.1
Other .....	41.8	8.749	—	—	—	—	—	41.8
	<u>124.5</u>	<u>7.583</u>	<u>6.6</u>	<u>9.9</u>	<u>10.1</u>	<u>—</u>	<u>—</u>	<u>97.9</u>
<b>Other</b>								
Agency securities .....	3.4	6.198	*	1.4	1.8	—	—	.2
Other .....	12.7	—	—	—	—	—	\$12.0	.7
	<u>16.1</u>	<u>6.198</u>	<u>*</u>	<u>1.4</u>	<u>1.8</u>	<u>—</u>	<u>12.0</u>	<u>.9</u>
<b>Net borrowing from the public</b>								
Current period .....	1,299.5		519.8	413.6	137.6	117.7	12.0	98.8
Prior period .....	1,130.4		464.6	377.2	107.4	50.4	40.4	90.4
Net increase .....	<u>\$169.1</u>		<u>\$55.2</u>	<u>\$36.4</u>	<u>\$30.2</u>	<u>\$67.3</u>	<u>\$(28.4)</u>	<u>\$8.4</u>

\*Less than \$100 million.

## ADDITIONS TO NON-FEDERAL ECONOMIC RESOURCES

The following graph indicates the ways in which the Government uses its resources to add to the physical and human resources of the Nation without acquiring physical assets.



The table which follows 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, and all enhance the future productivity of the Nation.

While this table does not provide a precise measure of the difference between capital and current items, it does indicate a useful general magnitude.

Additions to State, local, and private assets include construction grants for highways, hospitals, and airports, subsidies to the merchant fleet, and conservation projects, which increase the value of private farmland and water resources. Other developmental expenditures reflect current Federal expenditures and grants which will benefit the Nation in future years by increasing productivity or well-being. These include research and development costs and education and training.



**Additions to Non-Federal  
Economic Resources  
for the Years Ended September 30, 1984-86**  
(In billions)

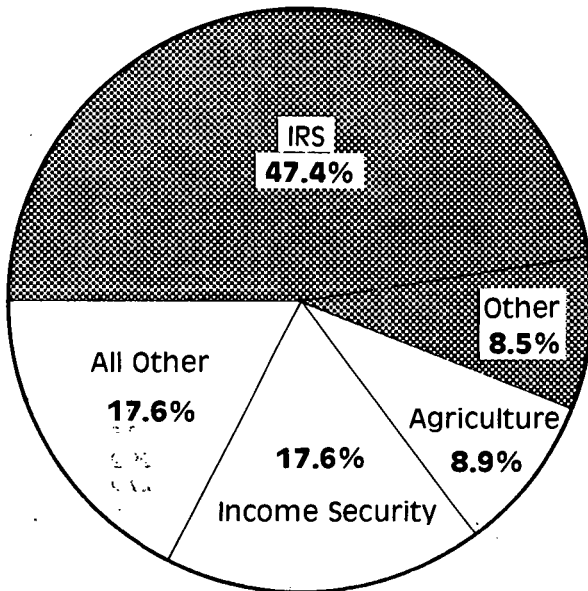
	1984 Actual	1985 Estimate	1986
<b>Additions to State, local, and private assets</b>			
Community and regional development .....	\$4.9	\$5.1	\$4.8
Environment .....	2.9	3.1	2.8
Transportation			
Highways and mass transit .....	13.5	16.1	16.4
Rail and air .....	.7	.8	.8
Other .....	<u>.3</u>	<u>.4</u>	<u>.3</u>
Total additions .....	<u>22.3</u>	<u>25.5</u>	<u>25.1</u>
<b>Other developmental expenditures</b>			
✓ Agriculture .....	.9	.9	.9
Conservation .....	5.4	3.3	3.0
✓ Economic development .....	.3	.4	.3
Education .....	13.4	15.5	15.0
Education-income support .....	4.6	4.3	3.7
✓ Environment .....	.5	.4	.5
Health .....	5.5	6.1	6.4
Science and engineering .....	6.2	6.2	6.5
✓ Training .....	3.2	3.7	3.6
✓ Transportation .....	.3	.5	.4
✓ Other .....	<u>.6</u>	<u>.6</u>	<u>.6</u>
Total developmental expenditures .....	<u>40.9</u>	<u>41.9</u>	<u>40.9</u>
Total investment outlays .....	<u>\$63.2</u>	<u>\$67.4</u>	<u>\$66.0</u>

Source: Budget of the United States Government, Fiscal Year 1986.

**SUMMARY OF ACCOUNTS AND LOANS RECEIVABLE  
DUE FROM THE PUBLIC**

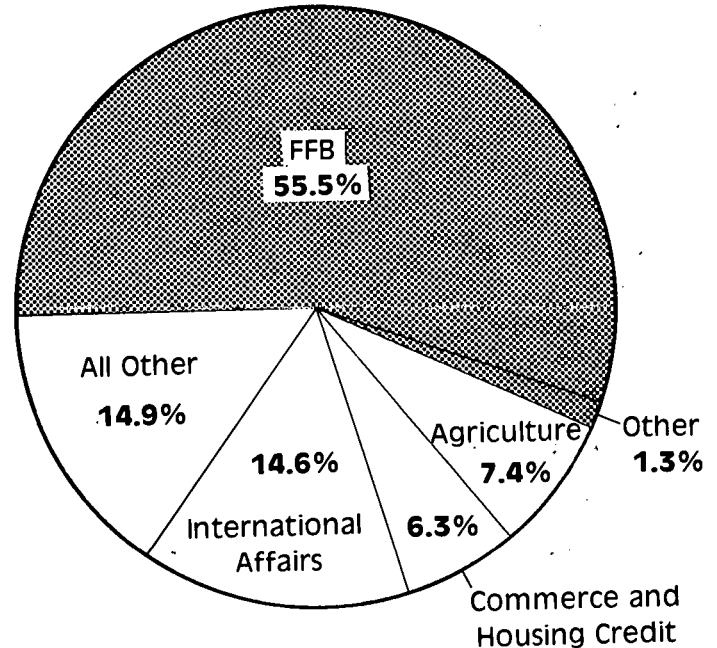
Total accounts receivable amounted to \$63.5 billion in FY 1984, an increase of \$6.1 billion from FY 1983. Total loans receivable amounted to \$261.1 billion in FY 1984, an increase of \$6.5 billion from FY 1983. Graphically depicted below are summaries by function of accounts and loans receivable data.

**Accounts Receivable  
(percent)**



**Total \$63.5 billion**

**Loans Receivable  
(percent)**



**Total \$261.1 billion**

 General Government Receivables

The table which follows supports the balance sheet receivables, "Accounts receivable" and "Loans receivable" which are shown net of allowances, taxes receivable and intragovernmental holdings. The information in the table is based on data submitted by Federal agencies to the Treasury and published annually in the Treasury Bulletin.

The Debt Collection Act of 1982 (31 U.S.C. 3719) requires the Director of the Office of Management and Budget (OMB), in consultation with the Secretary of the Treasury, and the Comptroller General of the United States, to establish regulations requiring each agency with outstanding debts to prepare and transmit to OMB and the Treasury a report which summarizes the status of accounts and loans receivable managed by each agency. These receivables result from a wide range of Federal activities including tax assessments; sale of Government services such as satellite launchings; sale of Government goods such as natural resources from Federal lands; overpayments to people like annuitants; and various loan programs such as student and housing loans. The data in the reports will enable the Federal Government to improve collection activity.

**Summary of Accounts and Loans Receivable  
Due from the Public as of September 30, 1984 and 1983**

(In billions)

Accounts and Loans Receivable  
by Agency

	Accounts receivable		Loans receivable	
	1984	1983	1984	1983
Legislative branch .....	*	*	—	—
Executive branch				
Funds appropriated to the President .....	\$0.6	\$0.3	\$20.5	\$20.1
Departments				
Agriculture .....	6.6	4.8	20.0	25.6
Commerce .....	*	.1	.9	.9
Defense .....	.7	.7	*	*
Education .....	.7	.5	10.6	10.3
Energy .....	.6	.8	*	*
Health and Human Services .....	2.7	2.0	.7	.7
Housing and Urban Development .....	.9	.9	14.0	13.5
Interior .....	.4	.2	.5	.5
Justice .....	*	.2	—	—
Labor .....	10.4	13.8	*	*
State .....	*	*	*	*
Transportation .....	.1	.2	1.9	.6
Treasury .....	31.0	25.1	3.3	3.4
Veterans Administration .....	1.0	.9	2.6	2.6
Other independent agencies .....	2.9	2.2	29.8	29.2
Off-budget agencies .....	4.9	4.7	156.3	147.2
Gross receivables .....	63.5	57.4	261.1	254.6
Less taxes receivable, allowances and intragovernmental transfers .....	(31.6)	(25.5)	(32.0)	(33.1)
Net receivables due from the public .....	<u>\$31.9</u>	<u>\$31.9</u>	<u>\$229.1</u>	<u>\$221.5</u>

Summary Reconciliation of Gross Accounts and Loans Receivable  
Due from the Public as of September 30, 1984

	Accounts receivable	Percent of total	Loans receivable	Percent of total
Beginning balance, September 30, 1983 .....	\$56.8	89.5	\$254.8	97.6
New receivables .....	62.5	98.4	58.2	22.3
Repayments and reclassifications .....	(54.2)	(85.3)	(50.0)	(19.2)
Amounts written off .....	(1.6)	(2.6)	(1.9)	(.7)
Ending balance, September 30, 1984 .....	<u>\$63.5</u>	<u>100.0</u>	<u>\$261.1</u>	<u>100.0</u>

Summary Aging Schedule of Gross Accounts and Loans Receivable  
Due from the Public as of September 30, 1984

	Accounts receivable	Percent of total	Loans receivable	Percent of total
Not delinquent .....	<u>\$26.3</u>	<u>41.4</u>	<u>\$13.3</u>	<u>5.1</u>
Delinquent				
1-30 days .....	7.5	11.7	.3	.1
31-90 days .....	5.2	8.1	.5	.2
91-180 days .....	5.6	8.9	.7	.3
181-360 days .....	6.7	10.6	1.1	.4
Over 360 days .....	12.2	19.3	6.5	2.5
Total delinquent .....	37.2	58.6	9.1	3.5
Noncurrent receivables .....	—	—	238.7	91.4
Total gross receivables .....	<u>\$63.5</u>	<u>100.0</u>	<u>\$261.1</u>	<u>100.0</u>

**Summary of Accounts and Loans Receivable**  
**Due from the Public as of September 30, 1984 and 1983—Continued**  
(In billions)

Accounts and Loans Receivable  
by Function

	1984		1983	
	Accounts receivable	Percent of total	Accounts receivable	Percent of total
Administration of justice .....	\$0.2	0.3	\$0.3	0.5
Agriculture .....	5.6	8.9	3.8	6.6
Commerce and housing credit .....	2.0	3.1	1.6	2.8
Community and regional development .....	.6	.9	.6	1.0
Education, training, employment, and social services .....	1.1	1.8	.9	1.6
Energy .....	1.3	2.0	1.3	2.2
General government <sup>1</sup> .....	35.5	56.0	29.3	51.0
General purpose fiscal assistance .....	.2	.3	.2	.4
General science, space, and technology .....	*	.0	.1	.2
Health .....	.3	.4	.2	.4
Income security .....	11.2	17.6	14.3	24.9
International affairs .....	1.6	2.5	1.2	2.1
National defense .....	.7	1.1	.7	1.2
Natural resources and environment .....	.5	.8	.4	.7
Social security and medicare .....	1.6	2.6	1.3	2.3
Transportation .....	.2	.3	.3	.5
Veterans benefits and services .....	.9	1.4	.9	1.6
Total .....	<u>\$63.5</u>	<u>100.0</u>	<u>\$57.4</u>	<u>100.0</u>

	1984		1983	
	Loans receivable	Percent of total	Loans receivable	Percent of total
Administration of justice .....	—	—	*	0.0
Agriculture .....	\$19.4	7.4	\$25.1	9.9
Commerce and housing credit .....	16.5	6.3	16.4	6.4
Community and regional development .....	8.4	3.2	9.0	3.5
Education, training, employment, and social services .....	10.6	4.1	10.2	4.0
Energy .....	10.5	4.0	10.1	4.0
General government <sup>2</sup> .....	148.2	56.8	139.6	54.8
General purpose fiscal assistance .....	1.9	.7	1.8	.7
General science, space, and technology .....	—	—	—	—
Health .....	.6	.2	.6	.2
Income security .....	1.3	.5	.2	.1
International affairs .....	38.0	14.6	37.0	14.6
National defense .....	*	.0	*	.0
Natural resources and environment .....	.4	.2	.3	.1
Social security and medicare .....	—	—	—	—
Transportation .....	2.7	1.0	1.5	.6
Veterans benefits and services .....	2.6	1.0	2.8	1.1
Total .....	<u>\$261.1</u>	<u>100.0</u>	<u>\$254.6</u>	<u>100.0</u>

<sup>1</sup> Includes accounts receivable from Internal Revenue Service of \$30.1 billion in 1984 and \$24.1 billion in 1983.

<sup>2</sup> Includes loans receivable from the Federal Financing Bank of \$144.8 billion in 1984 and \$136.1 billion in 1983.

\* Less than \$50 million.

## RECONCILIATION OF ACCRUAL OPERATING RESULTS TO THE CASH BASIS BUDGET

The following table reflects the separate bases used to prepare each (accrual vs. cash). The Consolidated Financial Statements are prepared on the accrual basis and, accordingly, are more comprehensive because they recognize revenues and expenses in the accounting period to which they relate rather than when the receipts or outlays take place. The Budget of the United States Government reflects only cash received or spent.

The items shown as additions represent additional expenses not recognized under the budget concept, while deductions are adjustments for redistribution items.

<b>Reconciliation of Accrual Operating Results to the Cash Basis Budget as of September 30, 1984 and 1983</b>		
(In billions)		
	1984	1983
Reported budget outlays over receipts (cash basis) .....	\$175.3	\$195.3
Net expenses of off-budget agencies .....	<u>10.0</u>	<u>12.3</u>
Total budget deficit (cash basis) .....	<u>185.3</u>	<u>207.6</u>
Add:		
Noncash provisions for retirement and disability benefits .....	60.9	79.9
Depreciation .....	37.8	23.4
Increase in contingent liabilities for guarantee and insurance programs .....	<u>1.1</u>	<u>—</u>
	<u>99.8</u>	<u>103.3</u>
Deduct:		
Capital outlays .....	102.3	90.5
Net loan disbursements .....	6.3	15.3
Decrease in contingent liabilities for guarantee and insurance programs .....	—	.6
Seigniorage .....	.5	.5
Net effect on other accrual adjustments .....	<u>(24.1)</u>	<u>(29.6)</u>
	<u>85.0</u>	<u>77.3</u>
Current period results on accrual basis per consolidated statement of operations (expenses over revenues) .....	<u>\$200.1</u>	<u>\$233.6</u>

## Federal Facts and Figures

	Unit of measure	1984	1983	1982
<b>Gross national product</b>				
Current dollars	billions	3,695	3,362	3,088
Per capita	dollars	15,572	14,327	13,288
1972 dollars	billions	1,645	1,553	1,481
Per capita	dollars	6,934	6,620	6,373
<b>Population (includes Armed Forces)</b>				
	millions	237.3	234.7	232.4
<b>Consumer Price Index</b>				
All items (1967=100)		314.5	301.8	293.3
Purchasing power (1967=\$1.00)		.32	.33	.34
<b>Employment</b>				
Total labor force	millions	113.7	112.4	110.9
Total employed	millions	105.2	101.9	99.7
<b>Federal employment</b>				
Military	millions	1.7	2.2	2.2
Civilian	millions	2.8	2.8	2.7
Federal employment as a percent of total U.S. employment	percent	4.0	4.4	4.4
<b>Federal debt</b>				
Gross debt	billions	1,576.7	1,381.9	1,146.9
1972 dollars	billions	702.1	638.5	550.0
Held by public (current dollars)	billions	1,299.5	1,130.4	918.8
Percent of GNP	percent	35.2	33.6	29.8
Per capita	dollars	5,477	4,819	3,953
1972 dollars	billions	578.7	522.4	440.7
<b>Interest on the Federal debt (current dollars)</b>				
	billions	129.0	108.4	97.7
Per capita	dollars	543.8	461.8	420.4
Percent of GNP	percent	3.5	3.2	3.2
Percent of total Federal expenses	percent	12.52	10.9	10.96
1972 dollars	billions	57.4	50.1	46.9
<b>Total Federal expenses (accrual)</b>				
Current dollars	billions	1,030.6	994.0	900.2
Percent of GNP	percent	27.9	29.6	34.3
Per capita	dollars	4,343	4,235	3,873
<b>Personal Income</b>				
Current dollars	billions	3,068	2,782	2,597
Percent of GNP	percent	83.0	82.7	84.1
Per capita	dollars	12,929	11,853	11,176
1972 dollars	billions	1,366	1,285	1,246
Percent of GNP	percent	83.0	82.7	84.1
Per capita	dollars	5,756	5,476	5,361
<b>Total income taxes paid for adjusted income levels</b>				
Under \$6,000	billions	N/A	1.0	1.2
Number of taxpayers	thousands		9,347	6,844
\$6,000-\$9,999	billions		5.1	5.8
Number of taxpayers	thousands		13,128	10,629
\$10,000-\$15,999	billions		13.2	18.9
Number of taxpayers	thousands		16,242	16,194
\$16,000-\$24,999	billions		36.9	39.6
Number of taxpayers	thousands		17,160	16,547
\$25,000-\$49,999	billions		107.0	112.3
Number of taxpayers	thousands		22,916	21,972
\$50,000-\$99,999	billions		53.9	50.5
Number of taxpayers	thousands		4,418	3,733
\$100,000-\$999,999	billions		45.1	41.8
Number of taxpayers	thousands		818	726
\$1 million and over	billions		10.2	6.9
Number of taxpayers	thousands		N/A	11
<b>Federal participation in domestic credit markets</b>				
Total funds advanced in U.S. credit markets (nonfinancial sectors)	billions	672.6	497.5	408.7
Total funds advanced under Federal guidance (direct and guaranteed loans)	billions	79.6	86.5	87.6
Federal participation rate	percent	11.8	17.4	21.4
Total funds raised in U.S. credit markets (nonfinancial sectors)	billions	672.6	497.5	408.7
Total funds raised under Federal guidance (includes Federal borrowing from the public, guaranteed borrowing, and sponsored agency borrowing)	billions	246.5	281.0	199.7
Federal participation rate	percent	36.6	56.5	48.9

N/A Not available.