

**CONSOLIDATED FINANCIAL STATEMENTS**  
**of the United States Government**  
Prototype

---



**COMPILED AND PUBLISHED BY**  
**FINANCIAL MANAGEMENT SERVICE**

# FINANCIAL MANAGEMENT SERVICE

## DEPARTMENT OF THE TREASURY

### *MISSION*

*Promote the financial integrity of the United States Government through sound money management on behalf of the public.*

### *GOALS*

- *Promote effective and efficient financial management systems Governmentwide.*
- *Make financial information available to users and decisionmakers.*
- *Provide high-quality service to FMS customers.*
- *Let the needs of customers guide decisions.*

# CONTENTS

---

Secretary's Statement	3
Comptroller General's Statement	5
Introduction	7
Financial Highlights	9
Consolidated Financial Statements	13
Notes to Financial Statements	19
Supplemental Tables	27
User Survey	37
Results of FY 1986 User Survey	39





## THE SECRETARY OF THE TREASURY

WASHINGTON

June 28, 1988

## Statement of the Secretary of the Treasury

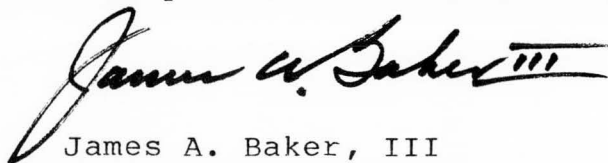
The Department of the Treasury has prepared this single set of Consolidated Financial Statements based on data accumulated from agency financial systems. This document represents the results of the Federal government's efforts to improve its financial systems and the quality and comparability of financial information from those systems.

The objective of the Consolidated Financial Statements is to present the financial condition of the Federal government under generally accepted accounting principles. While government has not yet reached that goal, a great deal of progress was made in Fiscal Year 1987. I want to recognize Federal program agencies for this progress and for their commitment to install the U.S. standard general ledger and to replace, where necessary, their financial management systems.

The Treasury Department has kept pace with these improvements across government by expanding its electronic reporting systems to virtually all financial data flowing from agencies to Treasury's Financial Management Service. The Service has also begun the replacement of Treasury's central accounting systems with a new system using data base technology. This technology will improve our ability to manage and report on Federal resources.

During this next year, Treasury will continue its close cooperation with the Office of Management and Budget and the General Accounting Office to improve financial systems and data across government. As more and more Federal agencies complete their improvements, the quality and comparability of their financial information will be reflected in this report.

The General Accounting Office has identified 13 major Federal accounting and financial reporting issues. As these issues are resolved, GAO plans to revise its accounting standards. Treasury will assess the need for changes in its Consolidated Financial Statements and intends to drop the prototype label in FY 1989 if agency systems are in substantial compliance with GAO standards.



James A. Baker, III



STATEMENT OF THE COMPTROLLER GENERAL  
OF THE UNITED STATES

The federal government is the largest entity in the world in terms of the billions of dollars in revenues raised, amounts spent, assets owned, and liabilities that must be paid. Its annual outlays are almost a quarter of the country's gross national product; it employs more than five million people and runs hundreds of programs, many of them individually larger than our biggest corporations and state governments, and which impact on the lives of virtually all people in our country. Sound financial management of these huge sums is critical if our government is to continue to provide needed public services and enhance our future standard of living. Sound financial management of the federal government finances is dependent upon modern financial systems which contain and report reliable information.

Consolidated financial statements are intended to convey summary information about the financial condition and operations of the federal government as a whole, as opposed to segments of it, and are an important aspect of government accountability to the public. These consolidated statements are intended to disclose the magnitude of the government's assets, liabilities and the full cost of operations and programs for the year.

Agency financial 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 and the Inspector General community have begun audits at selected agencies. We have also continued our efforts in monitoring the governmentwide effort to improve internal controls, the quality of which directly affects the quality of the information in this report. Finally, we have assisted Treasury in preparing this report by providing advice and sharing the information we've acquired through our audit efforts thus far.

Progress has been made in the past year toward our goal of producing formal consolidated statements that can be audited. GAO is nearing completion of an in-depth study of major accounting issues of the federal government. The issues addressed in this study focus on determining the best accounting treatment to portray the most meaningful financial information in the federal government's financial statements. Treasury is also making improvements in the area of systems enhancements as discussed by the Secretary in his statement. Significant additional improvements are necessary before statements can be produced that can be audited and to eliminate the prototype label from the statements in fiscal year 1989; we support Treasury's efforts to reach that goal.

As with earlier reports of this type, 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*

This report sets the tone for measuring agencies' progress in meeting Governmentwide financial management goals by providing a cohesive yardstick to judge the consistency of underlying data. It shows improvement in agency efforts to report reliable asset and liability data expressly as a part of each entity's financial statements.

The data reported in the Statement of Financial Position by the agencies was carefully scrutinized, analyzed, and in some cases reclassified to meet reporting standards outlined in accordance with the Treasury Financial Manual (I TFM 2-4100) governing Federal Agencies' Financial Reports. Compliance with Generally Accepted Accounting Principles (GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 2, Accounting) was crucial to assure reliability and to provide a strong impetus to assess accountability for resources. Numerous direct contacts were made with the responsible personnel in agencies to clarify their interpretation of accounting concepts and criteria and to bolster financial management efforts by monitoring the reporting methodology agencies use to compile their agency-level financial statements and supporting information.

Electronic transmission of Federal agencies' financial data substantially increased this year, narrowing the gap by reducing remaining paper reporting from 40 percent in FY 1986 to less than 10 percent in FY 1987. Vigorous review of agencies' reports initiated last year within Treasury's Financial Management Service was continued and, as a result, the Financial Highlights, Notes to Financial Statements, and Supplemental Tables contain more improved disclosures to address issues raised by users in recent years. For this reason three new tables have been added to the Supplemental Tables section, providing the reader with an expanded vision covering the economic panorama of the Government. The tables are: Additions to Non-Federal Economic Resources, Effect of Individual and Corporate Tax Benefits on Federal Revenues, and Open-ended Programs and Fixed Costs.

The format of the Consolidated Financial Statements has been revised to reflect the latest and most effective reporting trends recognized for informative presentation of financial results. By using the agencies' Statements of Financial Position, a certain air of ownership established last year continues to serve as a financial management foundation for improving the reliability of reports produced by agency systems. Next year (FY 1988) is marked as another year of embarkation in which we hope to convert from using cash basis data as the basis for the Statement of Operations to one of fully using agencies' activity reports on an accrual basis replacing the modified system now in use for this purpose.

To support financial initiatives, Federal agencies have contributed to the general atmosphere of enhanced disclosure by improving systems to generate more reliable asset/liability data evidenced by results shown in their financial statements.

The results of last year's user survey have been included, and a new and simplified present year survey is incorporated. Present changes in the CFS reflect, in part, some of our readers' responses. Your continued feedback helps guide our future program to add measurable value to this report.

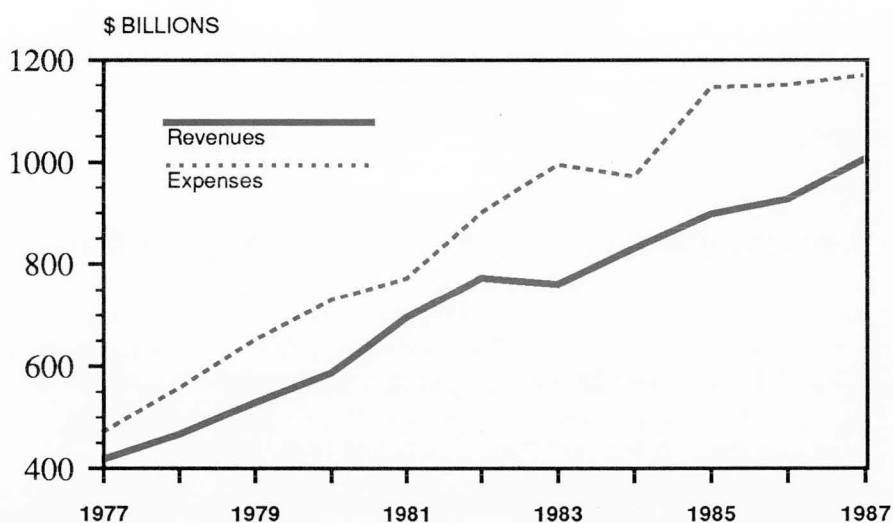


# FINANCIAL HIGHLIGHTS

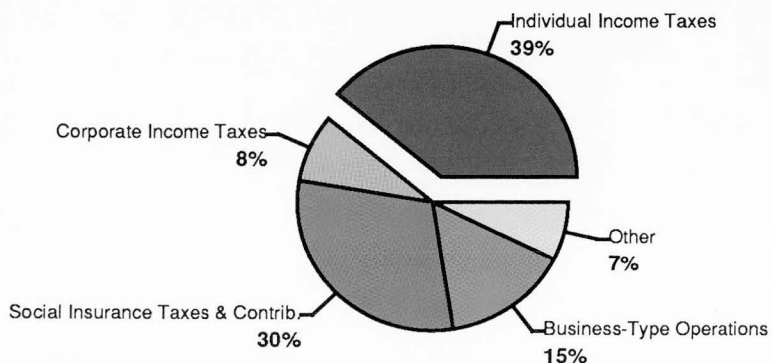
## Revenues and expenses

The following graphs show revenues and expenses for fiscal years 1977 through 1987, and the major categories of revenues by source and expenses by function for FY 1987. These amounts, taken from the Statement of Operations, have been calculated on an accrual basis and differ from those reported on the cash basis in other reports. The data supporting the graph of expenses by function have been estimated based on Treasury totals of budget outlays by function.

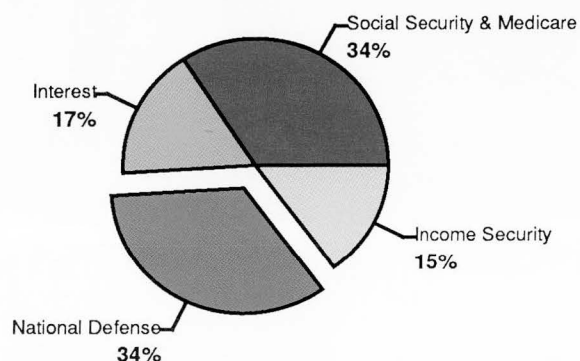
### TOTAL REVENUES AND TOTAL EXPENSES FISCAL YEARS 1977-87



### MAJOR SOURCES OF REVENUES



### MAJOR EXPENSES BY FUNCTION

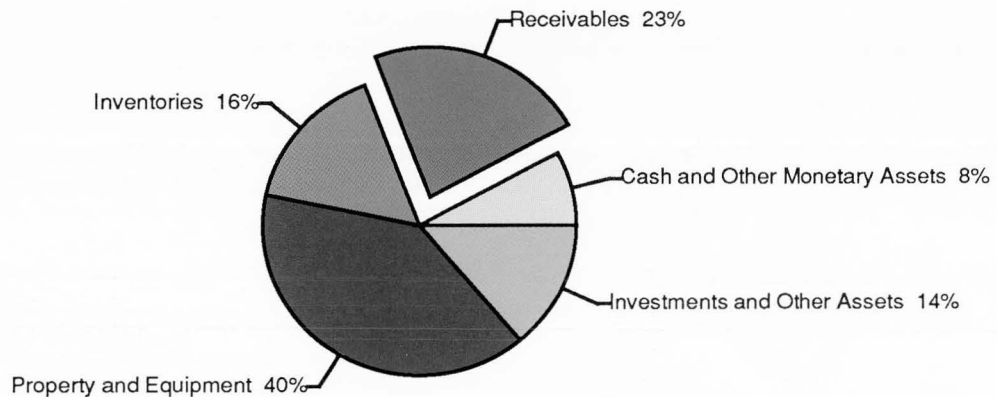


## Major categories of assets

Assets are resources owned by the Federal Government that are available to pay liabilities or provide public services in the future. The following chart is derived from the Statement of Financial Position and depicts the major categories of assets for FY 1987 as a percent of total assets. The components for each of these major categories are contained in Notes to Financial Statements.

### MAJOR CATEGORIES OF ASSETS

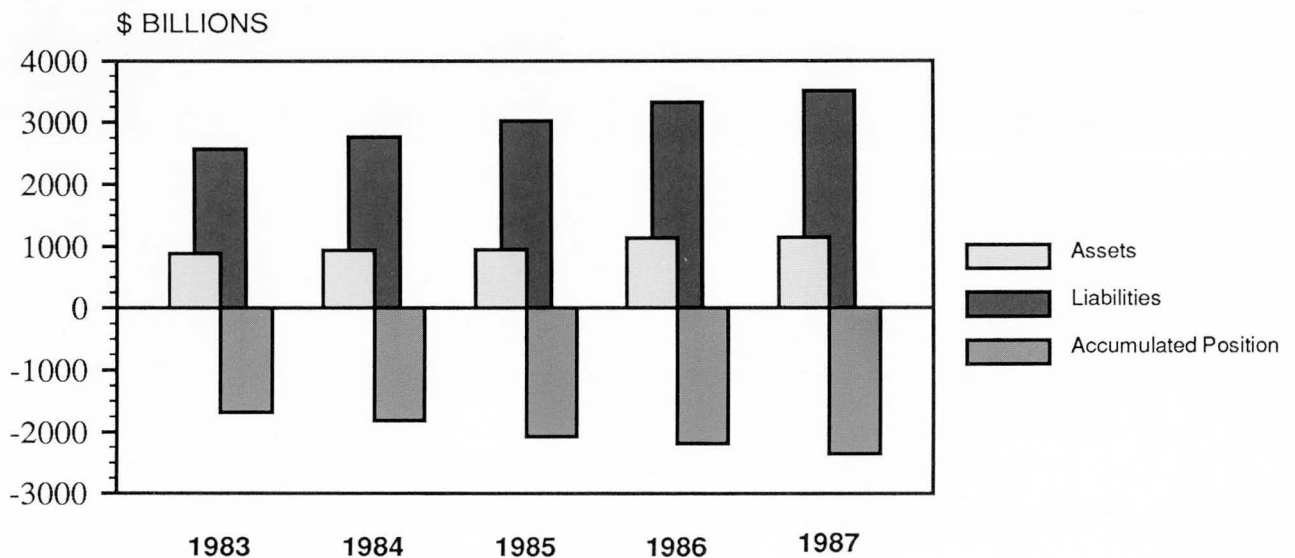
Total: \$1,146.1 billion



## Assets, liabilities, and accumulated position

The following graph depicts the assets, liabilities, and accumulated position reported in the Statement of Financial Position for fiscal years 1983 through 1987. Accumulated position, the excess of liabilities over assets, is shown below the base line to emphasize Federal equity claims or interests in assets.

### TOTAL ASSETS, TOTAL LIABILITIES, AND ACCUMULATED POSITION, FY 1983-87

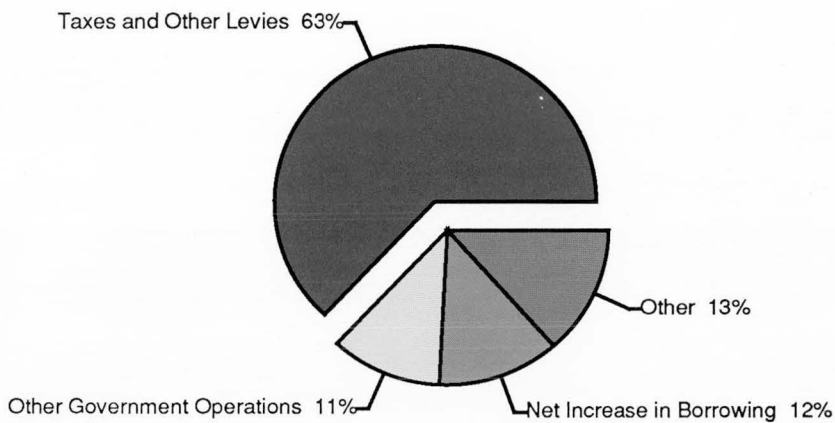


## Sources and uses of funds

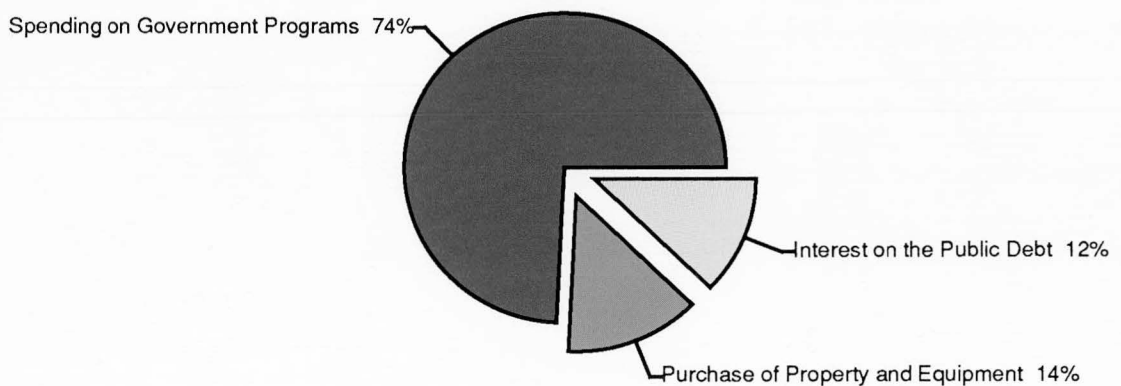
The charts below have been derived from the Statement of Operations and the Statement of Cash Flow for FY 1987 and show the resources provided during the period and the uses to which they were put.

Significant factors included in other sources of funds are: decrease in receivables, 2.9 percent; decrease in inventories, 1.1 percent; and decrease in other assets, 4.5 percent.

### SOURCES OF FUNDS



### USES OF FUNDS





# CONSOLIDATED FINANCIAL STATEMENTS

## United States Government Consolidated Statement of Financial Position as of September 30, 1987 and 1986

(\$ billions)

	1987	1986
<b>Assets</b>		
Cash .....	36.4	31.4
Other monetary assets .....	55.0	59.8
Accounts receivable, net of allowances .....	67.6	68.6
Advances and prepayments .....	7.0	6.2
Inventories, net .....	182.1	185.3
Investments, at face value .....	3.3	3.9
Loans receivable, net of allowances .....	194.8	232.7
Property, plant and equipment, net of accumulated depreciation .....	453.0	333.7
Other assets .....	<u>146.9</u>	<u>208.1</u>
<b>Total assets</b> .....	<b><u>1,146.1</u></b>	<b><u>1,129.7</u></b>
<b>Liabilities</b>		
Accounts payable .....	94.9	86.2
Interest payable .....	31.9	29.9
Accrued payroll and benefits .....	11.5	11.4
Unearned revenue .....	43.0	41.2
Debt issued under borrowing authority .....	1,906.3	1,749.1
Pensions and actuarial liabilities .....	1,277.2	1,256.1
Other liabilities .....	<u>142.3</u>	<u>152.5</u>
<b>Total liabilities</b> .....	<b><u>3,507.1</u></b>	<b><u>3,326.4</u></b>
<b>Accumulated position</b>		
Reserved for trust funds .....	-603.7	-617.0
Unreserved .....	<u>-1,757.3</u>	<u>-1,579.7</u>
<b>Total accumulated position</b> .....	<b><u>-2,361.0</u></b>	<b><u>-2,196.7</u></b>

The accompanying notes are an integral part of this statement.

**United States Government Consolidated Statement  
of Operations for the Years Ended September 30, 1987 and 1986**

(\$ billions)

	1987	1986
<b>Revenues</b>		
Levied under the Government's sovereign power		
Individual income taxes . . . . .	392.6	349.0
Corporate income taxes . . . . .	83.9	63.1
Social insurance taxes and contributions . . . . .	303.3	283.9
Excise taxes . . . . .	32.5	32.9
Estate and gift taxes . . . . .	7.5	7.0
Customs duties . . . . .	15.0	13.3
Miscellaneous . . . . .	<u>18.0</u>	<u>24.1</u>
	852.8	773.3
Earned through Government business-type operations		
Sale of goods and services . . . . .	31.8	30.9
Interest . . . . .	68.7	83.7
Other . . . . .	<u>51.6</u>	<u>38.4</u>
<b>Total revenues . . . . .</b>	<b><u>1,004.9</u></b>	<b><u>926.3</u></b>
<b>Expenses by agency</b>		
Legislative branch . . . . .	1.9	1.8
Judicial branch . . . . .	1.2	1.1
Executive branch		
Office of the President . . . . .	25.0	23.3
Departments		
Agriculture . . . . .	70.5	79.8
Commerce . . . . .	2.6	2.7
Defense . . . . .	271.5	253.7
Education . . . . .	13.4	18.1
Energy . . . . .	15.0	15.6
Health and Human Services . . . . .	370.4	354.1
Housing and Urban Development . . . . .	20.9	18.4
Interior . . . . .	5.9	5.7
Justice . . . . .	5.0	4.4
Labor . . . . .	25.8	26.5
State . . . . .	3.2	3.2
Transportation . . . . .	10.1	9.9
Treasury: Interest . . . . .	166.2	166.2
Other . . . . .	3.4	8.2
Independent agencies . . . . .	<u>157.2</u>	<u>157.3</u>
<b>Total expenses . . . . .</b>	<b><u>1,169.2</u></b>	<b><u>1,150.0</u></b>
<b>Current period results . . . . .</b>	<b><u>-164.3</u></b>	<b><u>-223.7</u></b>

The accompanying notes are an integral part of this statement.



**United States Government Consolidated Statement  
of Cash Flow for the Year Ended September 30, 1987**

(\$ billions)

**Uses of funds**

Excess of expenses over revenues .....	164.3
Less charges not requiring cash in current period:	
Depreciation .....	45.8
Provision for accrued pension, retirement, and disability plans .....	21.1
Provision for accrued payroll and benefits .....	<u>.1</u>
Cash used in operations .....	97.3
Purchase of property and equipment (net of sales of \$5.3) .....	<u>165.1</u>
<b>Total uses of funds .....</b>	<b><u>262.4</u></b>

**Sources of funds**

Borrowing from the public .....	157.2
Decrease in inventories .....	3.2
Decrease in receivables .....	38.9
Decrease in other assets .....	61.0
Increase in liabilities .....	<u>2.3</u>
<b>Total sources of funds .....</b>	<b><u>262.6</u></b>
Net increase in cash and monetary reserves .....	.2
Cash and monetary reserves at beginning of year .....	91.2
Cash and monetary reserves at end of year .....	<u>91.4</u>

The accompanying notes are an integral part of this statement.

**United States Government Consolidated Statement  
of Receipts and Outlays as of September 30, 1987 and 1986**

(\$ billions)

	1987			1986		
	Actual	Budget <sup>1</sup>	Budget <sup>2</sup>	Actual	Budget <sup>3</sup>	Budget <sup>4</sup>
<b>Budget receipts</b>						
Individual income taxes . . . . .	392.6	364.0	392.8	349.0	353.7	349.1
Corporation income taxes . . . . .	83.9	104.8	89.6	63.1	70.9	61.6
Social insurance taxes and contributions . . . . .	303.3	301.5	301.9	283.9	280.4	284.2
Excise taxes . . . . .	32.5	32.6	31.9	32.9	34.6	32.4
Estate and gift taxes . . . . .	7.5	6.0	8.1	7.0	6.1	6.7
Customs duties . . . . .	15.0	14.4	14.8	13.3	12.4	12.4
Miscellaneous receipts . . . . .	19.3	19.1	19.4	19.9	19.0	18.8
<b>Total budget receipts . . . . .</b>	<b><u>854.1</u></b>	<b><u>842.4</u></b>	<b><u>858.5</u></b>	<b><u>769.1</u></b>	<b><u>777.1</u></b>	<b><u>765.2</u></b>
<b>Budget outlays</b>						
Legislative branch . . . . .	1.8	2.1	2.1	1.7	1.9	1.9
Judicial branch . . . . .	1.2	1.2	1.2	1.1	1.1	1.1
Executive Office of the President . . . . .	.1	.1	.1	.1	.1	.1
Funds appropriated to the President . . . . .	10.6	11.8	12.2	11.4	12.5	12.9
Departments						
Agriculture . . . . .	49.6	55.1	53.3	58.7	54.2	60.9
Commerce . . . . .	2.2	2.4	2.5	2.1	2.0	2.0
Defense . . . . .	294.7	295.1	295.0	285.9	279.0	284.0
Education . . . . .	16.8	16.8	17.5	17.7	17.8	17.5
Energy . . . . .	10.7	10.6	10.5	11.0	10.1	11.3
Health and Human Services . . . . .	351.3	348.2	350.9	333.9	332.9	334.0
Housing and Urban Development . . . . .	15.5	14.6	15.6	14.1	15.2	14.9
Interior . . . . .	5.1	5.2	5.4	4.8	4.9	5.1
Justice . . . . .	4.3	4.8	4.6	3.8	3.8	3.8
Labor . . . . .	23.5	24.5	24.0	24.1	23.1	23.6
State . . . . .	2.8	3.3	3.0	2.9	2.9	2.8
Transportation . . . . .	25.4	26.2	26.8	27.4	26.4	28.0
Treasury . . . . .	180.3	180.2	182.9	179.2	184.7	181.7
Independent agencies . . . . .	78.8	85.2	82.5	75.2	74.4	76.2
Undistributed offsetting receipts . . . . .	-72.6	-71.8	-73.2	-64.9	-67.1	-66.4
<b>Total budget outlays . . . . .</b>	<b><u>1,002.1</u></b>	<b><u>1,015.6</u></b>	<b><u>1,016.9</u></b>	<b><u>990.2</u></b>	<b><u>979.9</u></b>	<b><u>995.4</u></b>
<b>Total budget deficit . . . . .</b>	<b><u>-148.0</u></b>	<b><u>-173.2</u></b>	<b><u>-158.4</u></b>	<b><u>-221.1</u></b>	<b><u>-202.8</u></b>	<b><u>-230.2</u></b>

<sup>1</sup> FY 1988 Budget of the U.S. Government, released by the Office of Management and Budget on Jan. 5, 1987.

<sup>2</sup> Midsession review of the FY 1988 Budget, released by the Office of Management and Budget on Aug. 17, 1987.

<sup>3</sup> FY 1987 Budget of the U.S. Government, released by the Office of Management and Budget on Feb. 5, 1986.

<sup>4</sup> Midsession review of the FY 1987 Budget, released by the Office of Management and Budget on Aug. 6, 1986.

**United States Government Consolidated Statement  
of Reconciliation of Accrual Operating Results to the  
Cash Basis Budget as of September 30, 1987 and 1986**

(\$ billions)

	1987	1986
<b>Expenses over revenues (current period results on accrual basis) .....</b>	<b>164.3</b>	<b>223.7</b>
<b>Additions</b>		
Capital outlays .....	129.5	124.6
Net loan disbursements .....	19.0	11.2
Seigniorage .....	.5	.4
<b>Total additions .....</b>	<b><u>149.0</u></b>	<b><u>136.2</u></b>
<b>Deductions</b>		
Increase in actuarial liabilities for pension, retirement, and disability plans .....	21.1	14.2
Increase in allowance for losses on receivables .....	17.5	33.7
Depreciation expense .....	45.8	34.9
Other accrual adjustments .....	<u>80.9</u>	<u>56.0</u>
<b>Total deductions .....</b>	<b><u>165.3</u></b>	<b><u>138.8</u></b>
<b>Reported budget outlays over receipts (cash basis) .....</b>	<b><u>148.0</u></b>	<b><u>221.1</u></b>



---

## *NOTES TO FINANCIAL STATEMENTS*

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

#### *Basis of accounting policies*

The Consolidated Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) applicable to the Federal Government in line with Title 2 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies, and are presented on the accrual basis of accounting. The Statement of Receipts and Outlays precedes a reconciliation between the accrual and cash basis. It presents a reconciliation of operating expenses, as included in the Statement of Operations, to budgetary expenditures, as reported to the Office of Management and Budget. Statements have been restated to reflect subsequent changes to the prior-year financial information.

#### *Principal financial statements*

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

#### *Reporting entities*

The Consolidated Financial Statements include the legislative, judicial, and executive branches and federally chartered corporations.

The Federal Reserve banks and certain congressional activities are excluded, and so are Government-sponsored enterprises such as the Federal land banks because they are privately owned. Significant intragovernmental transactions identified were eliminated in consolidation.

#### *Fiscal year*

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

#### *Sources*

The fiscal 1987 Statement of Financial Position has been compiled from agency reports submitted in response to I TFM 2-4100, Federal Agencies' Financial Reports. The Statement of Receipts and Outlays has been taken from the Monthly Treasury Statement; selected amounts from the Treasury general ledger have been added. The Statement of Operations and Statement of Cash Flow have been calculated as in prior years.

### **2. Cash**

This represents deposits 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 and branches as well as in the U.S. Treasury tax and loan accounts. The Federal Reserve banks and branches act as fiscal agents for the Government by reporting transcripts on a daily basis. The tax and loan accounts refer to accounts of special depositaries in which the proceeds of certain tax payments and public debt sales are held until the funds are needed at the Federal Reserve banks and branches to meet cash disbursements from Treasury's general account.

### 3. Other monetary assets (consist of the following items summarized below)

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Gold (monetized at the statutory price of \$42.22 per ounce) . . . . .	11.1	11.1
Special drawing rights . . . . .	9.1	8.3
U.S. reserve position in the International Monetary Fund . . . . .	10.9	11.9
Accountability for cash and other assets held outside the Treasury . . . . .	8.1	9.4
Convertible foreign currencies (at market value). . . . .	14.0	16.8
Other U.S. Treasury monetary assets . . . . .	1.4	1.8
Nonpurchased foreign currencies . . . . .	.4	.5
	<u>55.0</u>	<u>59.8</u>

#### Gold

The market value of gold as a commodity was \$120,457,296,085 as of September 30, 1987. This figure represents a market value per ounce of \$459.25 (as reported on the London Market) based on 262,291,336.059 fine troy ounces (as reported by the Treasury general ledger).

#### 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 \$1.2796 as of September 30, 1987.

### 4. Accounts and loans receivable

All receivables in the Statement of Financial Position are shown net of allowances for losses. The allowances for losses are those reported by the agencies and include certain adjustments to supplement these totals. Totals reported by the Internal Revenue Service for delinquent taxes receivable for fiscal 1987 and 1986 were \$39.0 billion and \$37.7 billion, respectively.

#### Summary of gross accounts and loans receivable<sup>1</sup>

	Accounts receivable	Loans receivable
	(\$ billions)	
Beginning balance, Sept. 30, 1986 . . . . .	83.4	267.9
New receivables . . . . .	85.2	29.7
Repayments and reclassifications . . . . .	-76.1	-56.0
Amounts written off . . . . .	-1.4	-2.8
Ending balance, Sept. 30, 1987 . . . . .	<u>91.1</u>	<u>238.8</u>
Less: Allowances for losses. . . . .	<u>23.5</u>	<u>44.0</u>
Net balance, Sept. 30, 1987 . . . . .	<u>67.6</u>	<u>194.8</u>

<sup>1</sup> Excludes intragovernmental receivables.

## 5. Inventories

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Operating consumables.....	121.3	121.0
Product or service components.....	14.2	19.4
Stockpiled materials.....	44.7	43.1
Other.....	1.9	1.8
	<u>182.1</u>	<u>185.3</u>

Product or service components contain amounts reported in goods-for-sale, work-in-process, and raw materials. Agencies have reported inventory totals net of allowance accounts, where appropriate.

Inventory totals for the Department of Defense for fiscal 1987 and 1986 were \$134.4 billion and \$140.7 billion, respectively.

Agencies disclosed their costing method for inventory totals. The first-in-first-out valuation method was used more often than moving or weighted averages or last-in-first-out valuations. However, the Department of Defense used the moving average valuation more often than weighted average or last-in-first-out or first-in-first-out valuations. Several agencies reported estimated inventory amounts.

## 6. Investments

The amount for fiscal 1987 represents agency investments in non-Federal securities and other investments. Ninety-two percent of the total amount reported was recorded at face value.

## 7. Property, plant and equipment

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Structures, facilities and leasehold improvements.....	161.4	156.4
Military equipment.....	435.4	313.3
Equipment.....	69.9	64.9
Construction in progress.....	76.4	41.7
Land.....	10.8	10.5
Other.....	14.3	16.3
	<u>768.2</u>	<u>603.1</u>
Less accumulated depreciation.....	<u>315.2</u>	<u>269.4</u>
	<u>453.0</u>	<u>333.7</u>

Other assets include ADP software, assets under capital lease, and other fixed assets that have been capitalized. The amounts shown for fiscal 1987 and 1986 are reported at cost.

Land purchased by the Federal Government is valued at 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.

Pending the outcome of a General Accounting Office study to determine how land and natural resources should be valued, the Outer Continental Shelf and other offshore lands and more than 662 million acres of public domain land have not been included.

Depreciation accounting is encouraged for all depreciable fixed assets, but only business-type operations are required to report depreciation on their financial statements.

The accumulated depreciation shown in the Statement of Financial Position is estimated using the straight-line method applied to the total of reported depreciable assets. The useful lives applied to each classification of asset are:

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

The amounts of accumulated depreciation reported by Federal agencies on their statements amounted to \$31.4 billion and \$22.7 billion for fiscal 1987 and 1986, on assets of \$105.0 billion and \$81.1 billion for fiscal 1987 and 1986, respectively. The straight-line depreciation method was selected more often for overall fixed assets. Capitalization policies varied greatly with thresholds in the ranges of \$500 to \$5,000.

Agencies provided information about the range of service life assigned to asset categories. The majority of agencies assigned a range of 3-5 years to ADP software. The ranges selected most often for equipment were 6-10 years followed by 3-5 years. Agencies reported the greatest diversity in their selection of ranges for structures and facilities with the majority greater than 16 years.

**8. Debt issued under borrowing authority**

The amount of Federal debt outstanding is reported net of unamortized premiums and discounts. The amounts reported for fiscal years 1987 and 1986 reflect a reduction for intragovernmental holdings of \$450.3 billion and \$383.9 billion, respectively.

Agencies also reported \$6.3 billion of other debt which is included in the fiscal 1987 amount.



	Average Interest rate (percent)	Total debt as of Sept. 30--	
		1987	1986
		(\$ billions)	
Federal debt			
Marketable .....	8.575	1,647.6	1,535.1
Nonmarketable .....	6.772	231.9	193.3
Other .....	7.972	20.5	20.7
Total .....		<u>1,900.0</u>	<u>1,749.1</u>
Net borrowing from the public			
Current period .....		1,906.3	1,749.1
Prior period .....		<u>1,749.1</u>	<u>1,498.8</u>
Net increase .....		<u>157.2</u>	<u>250.3</u>
<sup>1</sup> Includes other debt: (\$ billions)			
Agriculture .....	1.0		
Education .....	.4		
Veterans Administration .....	.2		
Federal Savings and Loan Insurance Corp. ....	4.4		
U.S. Postal Service .....	.1		
Miscellaneous .....	.2		
Total .....	<u>6.3</u>		

## 9. Pensions and actuarial liabilities

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 below.

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Pensions		
Military personnel .....	446.2	440.6
Civilian employees .....	570.3	563.0
Other pension plans .....	33.7	32.5
Subtotal .....	<u>1,050.2</u>	<u>1,036.1</u>
Actuarial liabilities		
Veterans compensation .....	190.3	185.3
Federal employees compensation .....	12.7	12.7
Other annuities .....	24.0	22.0
Total .....	<u>1,277.2</u>	<u>1,256.1</u>

*Military personnel and civilian employees*

The liabilities under these two plans represent a major portion of the unfunded liability which is to be reported under Public Law 95-595. The accrued pension liabilities at September 30 represent the actuarial present value of the accumulated plan benefits and have been 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 latest available information for military personnel and civilian employees pensions is September 30, 1986. For fiscal 1986, data from fiscal 1985 were used. In the past, estimates were inserted when the Department of Defense and the Office of Personnel Management did not provide current calculations of the actuarial liability. This year, no Treasury estimates are being used.

*Veterans compensation*

This amount represents the value of projected annual benefit payments. The amount is calculated by projecting for a 20-year period the 7-year estimates of total cases and estimated pension and compensation costs provided by the Veterans Administration.

*Federal employees compensation*

This amount represents the estimated future costs for approved Federal Employees' Compensation Act cases.

*Other pension plans*

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.

*Other annuities*

These consist of various annuities the Government is responsible for such as life insurance for veterans and Federal employees.

The Thrift Savings Plan is a retirement savings and investment plan for Federal employees authorized by Congress in the Federal Employees' Retirement System Act of 1986. It is a defined contribution plan eligible to employees covered under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The plan offers both FERS and CSRS employees tax deferral advantages. FERS employees may contribute up to 10 percent of basic pay per pay period to the plan; CSRS employees may contribute up to 5 percent of basic pay per pay period. Total contributions could not exceed \$7,000 in 1987. The plan was started in April 1987 and as of September 30, 1987, the total invested was \$0.7 billion.

**10. Accumulated position**

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Accumulated position beginning of period (restated) . . . .	-2,196.7	-1,973.0
Current period results . . . . .	<u>-164.3</u>	<u>-223.7</u>
Accumulated position end of period . . . . .	<u>-2,361.0</u>	<u>-2,196.7</u>

The accumulated position has been segregated to designate the amount reserved for trust funds: -\$603.7 billion for fiscal 1987 and -\$617.0 billion for fiscal 1986. The unreserved portion of accumulated position was -\$1,757.3 billion for fiscal 1987 and -\$1,579.7 billion for fiscal 1986.

## 11. Leases

Federal agencies were first required to provide financial information about lease commitments in 1986. Agencies are attempting to accumulate the desired lease information that is required. At September 30, 1987, the future aggregate minimum rental commitments for capital leases and noncancelable operating leases were:

Years ending Sept. 30,--	Operating leases	Capital leases
	(\$ billions)	
1988 .....	1.2	2.0
1989 .....	1.0	.1
1990 .....	.9	.1
1991 .....	.7	.1
1992 .....	.6	.1
Thereafter .....	1.5	.8
Total minimum lease payments .....	<u>5.9</u>	<u>3.2</u>

The majority of these leases are identified as building 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 negligible and appear to be understated.

## 12. Social security

Prior to fiscal 1986, the liability equaling the amortized portion of the unfunded liability for the social security program was included on the Statement of Financial Position. The unfunded liability is determined annually and the prior service cost is amortized over a 30-year period. As of September 30, 1987, the unfunded liability for social security was \$5,580.1 billion of which \$2,411.7 billion was recorded through amortization. The amounts for September 30, 1986, were \$5,393.5 billion and \$2,232.6 billion, respectively. The liability represents the present value of the projected excess of future benefit payments to present participants over the contributions still to be made by the same group and their employers for the next 75 years.

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 following actuarial amounts are calculated on the assumption that future young workers will be covered by the program as they enter the labor force.

	Sept. 30, 1987	Sept. 30, 1986
	(\$ billions)	
Actuarial liabilities .....	14,983.4	14,468.0
Actuarial assets .....	<u>14,605.8</u>	<u>14,125.4</u>
Actuarial surplus or deficit (-) .....	<u>-377.6</u>	<u>-342.6</u>

### 13. Contingencies

A contingent liability is a liability involving uncertainty as to a possible loss to the Government that will be resolved when one or more future events occur or fail to occur. If the future event or events are likely to occur and the amounts can be reasonably estimated, the liabilities are reported on the Statement of Financial Position under "Other liabilities." Contingencies within the Federal Government result from a number of sources including loan and credit guarantees, insurance programs, and unadjudicated claims.

The following table shows the contingent liabilities reported on the Statement of Financial Position for losses that are likely to occur and the maximum risk of exposure that the Government has without regard to probability of occurrence and without deduction for existing and contingent assets which would be available to offset potential losses.

	Sept. 30, 1987		Sept. 30, 1986	
	Maximum risk	Liability	Maximum risk	Liability
	(\$ billions)			
Insurance in force . . . . .	3,120.6	7.0	2,988.2	6.9
Government loan and credit guarantees . . . . .	845.0	.4	831.5	.5
Unadjudicated claims . . . . .	75.5	-	71.8	-
Other contingencies . . . . .	24.5	-	25.8	-
		<u>7.4</u>		<u>7.4</u>

### 14. Prior-period adjustment and reclassification

The Consolidated Financial Statements include, in fiscal 1987, adjustments to prior years' figures, which were necessary due to changes in interpreting financial information in the fiscal 1986 statements. The changes concerned the following accounts: Loans receivable; advances and prepayments; property, plant and equipment; debt issued under borrowing authority; pensions and actuarial liabilities; and other liabilities. A net increase of \$102.9 billion affected the accumulated position for fiscal 1986.

In addition to these adjustments, amounts shown on the Statement of Operations within the expense categories for fiscal 1986 were reclassified to provide for more accurate amounts within each category and to enhance presentation. The total expenses remained the same. The reclassification included showing social security expenses in Health and Human Services. Previously, they were shown under independent agencies.

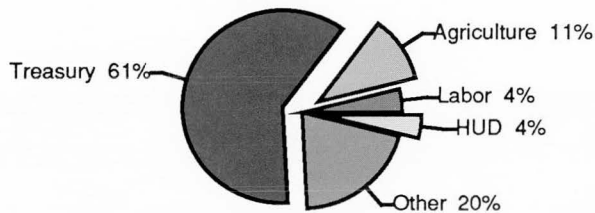
## SUPPLEMENTAL TABLES

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

Total accounts receivable amounted to \$91.1 billion in FY 1987, an increase of \$7.7 billion over FY 1986. Total loans receivable amounted to \$238.8 billion in FY 1987, a decrease of \$29.1 billion from FY 1986. Graphically depicted below are summaries by agency of accounts and loans receivable data. Treasury accounts receivable includes IRS, 58.9 percent.

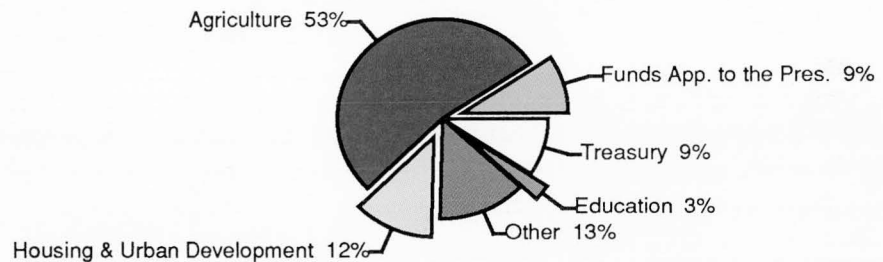
#### ACCOUNTS RECEIVABLE

Total: \$91.1 billion



#### LOANS RECEIVABLE

Total: \$238.8 billion



The Debt Collection Act of 1982 (31 U.S.C. 3719) requires the Director of the Office of Management and Budget, 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 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.

The amounts in the graphs and the following tables have been summarized from the Report on Accounts and Loans Receivable Due from the Public (SF 220-9). This schedule reflects all receivables reported by Federal agencies.

## Accounts and Loans Receivable by Agency

(\$ billions)

	Accounts receivable		Loans receivable	
	1987	1986	1987	1986
Legislative branch .....	*	*	-	-
Executive branch				
Funds appropriated to the President .....	2.1	1.4	22.3	21.7
Departments				
Agriculture .....	10.0	8.8	126.4	136.5
Commerce .....	.1	.1	.8	.8
Defense .....	1.5	1.3	*	*
Education .....	.6	.7	6.3	12.1
Energy .....	2.3	2.1	*	*
Health and Human Services .....	3.1	2.8	.7	.6
Housing and Urban Development .....	3.6	3.0	29.4	27.9
Interior .....	2.1	1.9	.7	.5
Justice .....	.6	.4	-	-
Labor .....	3.6	5.3	*	*
State .....	*	*	*	*
Transportation .....	.1	.7	2.0	3.0
Treasury .....	55.6	50.2	22.2	36.5
Veterans Administration .....	2.4	1.9	2.4	2.5
Other independent agencies .....	3.4	2.8	25.6	25.8
Gross receivables .....	91.1	83.4	238.8	267.9
Less allowances for losses .....	23.5	14.8	44.0	35.2
Net receivables due from the public .....	<u>67.6</u>	<u>68.6</u>	<u>194.8</u>	<u>232.7</u>

### Aging Schedule of Accounts and Loans Receivable as of September 30, 1987

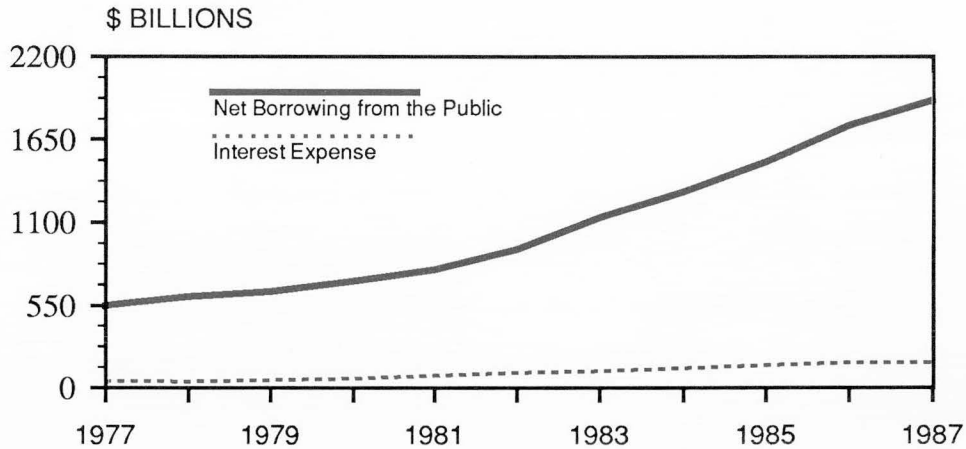
	Accounts receivable	Percent delinquent	Loans receivable	Percent delinquent
Delinquent				
1-30 days .....	7.9	12.0	0.4	2.5
31-60 days .....	2.8	4.3	.3	1.8
61-90 days .....	2.7	4.1	.3	1.8
91-180 days .....	8.0	12.2	.6	3.9
181-360 days .....	9.2	14.1	3.8	23.6
Over 360 days .....	34.9	53.3	10.7	66.4
Total delinquent .....	65.5	<u>100.0</u>	16.1	<u>100.0</u>
Not delinquent .....	12.7		21.9	
Noncurrent receivables .....	12.9		200.8	
Total gross receivables .....	<u>91.1</u>		<u>238.8</u>	

\* Less than \$50 million.

## FEDERAL DEBT

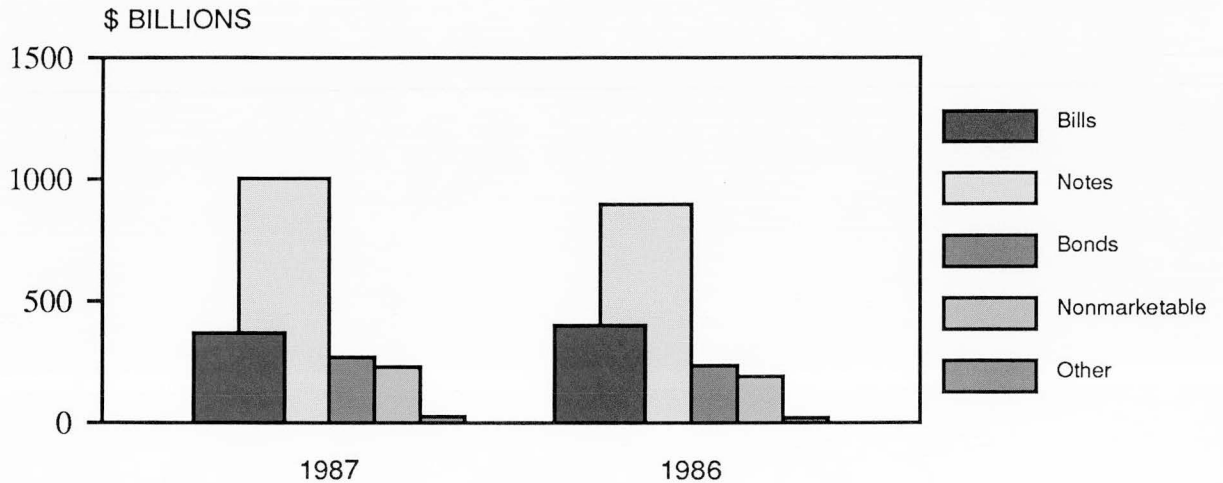
Total net borrowing from the public amounted to \$1,906.3 billion in FY 1987, an increase of \$157.2 billion from FY 1986. This chart has been presented to graphically show the increase in net borrowing from the public and the interest expense.

### NET BORROWING FROM THE PUBLIC WITH INTEREST EXPENSE, FY 1977-87



The Federal Debt schedule which follows reflects information on the borrowing of the Federal Government needed to finance the Government's operations. This table supports the balance sheet caption, "Debt issued under borrowing authority," 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 distribution of 1987 net borrowing from the public by major source category is graphically depicted.

### NET BORROWING BY MAJOR SOURCE CATEGORY



## Federal Debt as of September 30, 1987

	Average interest rate (percent)	Total debt	
		1987	1986
		(\$ billions)	
<b>Marketable</b>			
Bills .....	6.340	371.3	403.4
Notes .....	9.056	1,003.0	894.8
Bonds .....	10.330	273.3	236.9
	<u>8.575</u>	<u>1,647.6</u>	<u>1,535.1</u>
<b>Nonmarketable</b>			
Foreign government series .....	6.877	4.3	4.1
Government account series .....	6.997	.8	.8
U.S. savings bonds .....	7.309	97.0	85.6
Other .....	5.907	129.8	102.8
	<u>6.772</u>	<u>231.9</u>	<u>193.3</u>
<b>Other</b>			
Agency series .....	7.250	3.0	3.1
Other .....	8.695	17.5	17.6
	<u>7.972</u>	<u>20.5</u>	<u>20.7</u>

**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.



## COMMITMENTS AND CONTINGENCIES

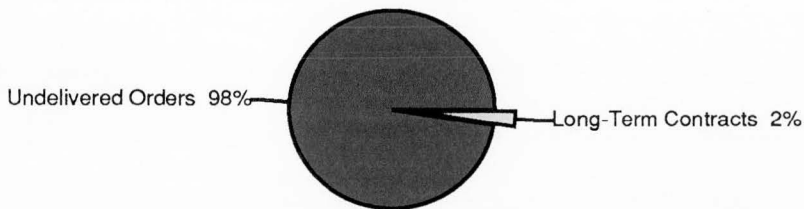
Commitments are long-term contracts for which appropriations have not been provided by the Congress and undelivered orders which represent obligations.

A contingency is a liability involving uncertainty as to a possible loss to the Government that will be resolved when one or more future events occur or fail to occur. If the future event or events are likely to occur and the amounts can be reasonably estimated, the liabilities are reported on the Statement of Financial Position under "Other liabilities." Contingencies within the Federal Government result from a number of sources including loan and credit guarantees, insurance programs, and unadjudicated claims.

In FY 1987, total commitments amounted to \$542.4 billion and total contingencies amounted to \$4,065.6 billion. Total contingencies represent the maximum risk of exposure without regard to probability of occurrence and without deduction for existing and contingent assets which would be available to offset potential losses. The charts below show the percentage distribution of 1987 commitments and contingencies by source category.

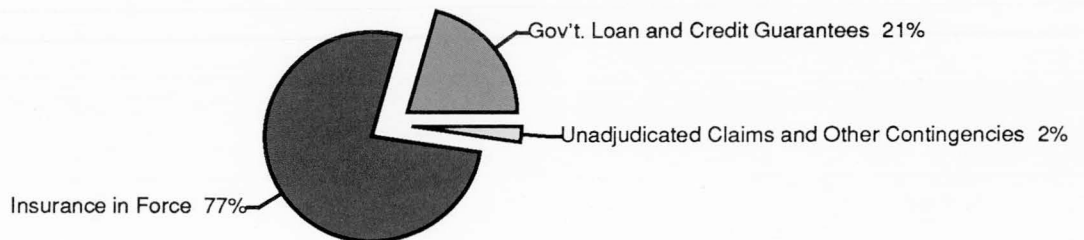
### COMMITMENTS

Total: \$542.4 billion



### CONTINGENCIES (Maximum Risk)

Total: \$4,065.6 billion



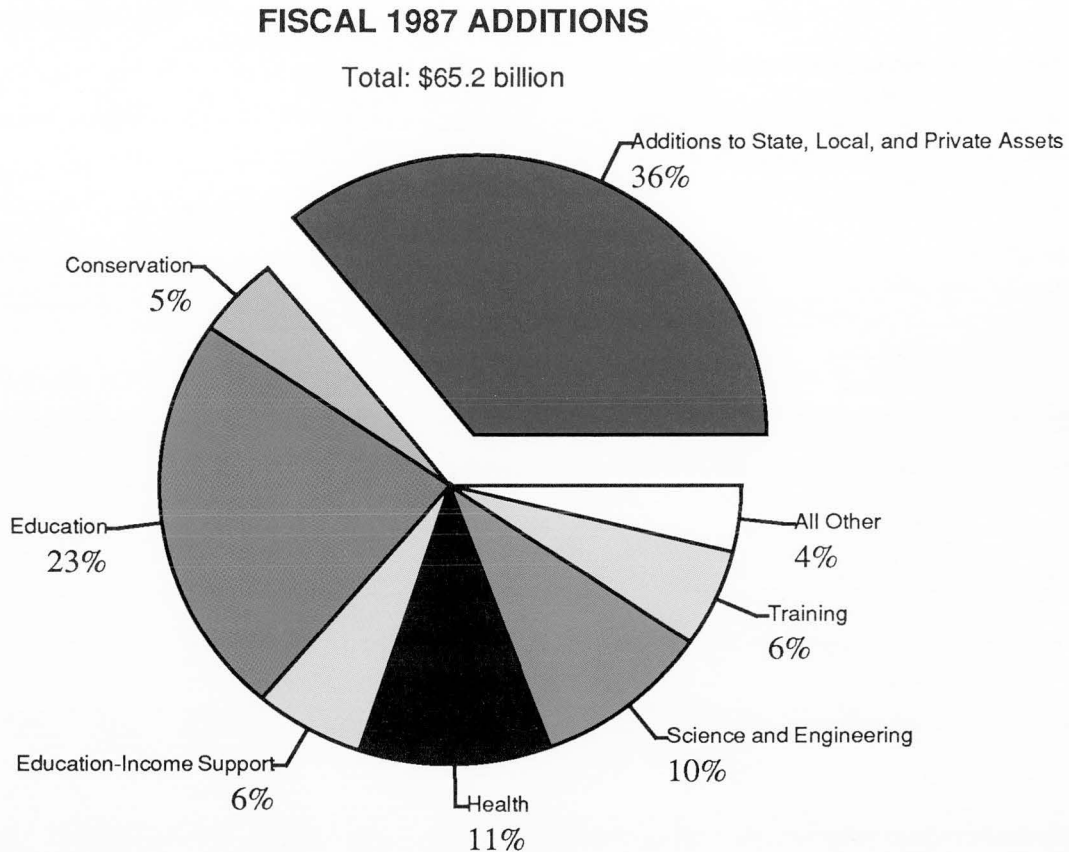
The table that follows shows commitments and contingencies by type. For contingencies, the maximum risk that the Government is exposed to is shown.

**Commitments and Contingencies  
of the United States Government  
as of September 30, 1987**

	<b>Amounts outstanding  (\$ billions)</b>
<b>Commitments</b>	
Long-term contracts	
Tennessee Valley Authority .....	6.7
General Services Administration .....	2.9
Defense .....	1.8
U.S. Postal Service .....	1.4
Energy .....	.3
Other .....	<u>.4</u>
Subtotal .....	<u>13.5</u>
Undelivered orders	
Housing and Urban Development .....	202.3
Defense .....	173.6
Funds appropriated to the President .....	37.2
Transportation .....	34.5
Health and Human Services .....	24.2
Other .....	<u>57.1</u>
Subtotal .....	<u>528.9</u>
Total commitments .....	<u><u>542.4</u></u>
<b>Maximum risk exposure for contingencies</b>	
Government loan and credit guarantees	
Housing .....	650.0
Veterans benefits .....	65.9
Education .....	48.5
Farm ownership and rural development .....	7.2
Other .....	<u>73.4</u>
Subtotal .....	<u>845.0</u>
Insurance in force	
Federal Deposit Insurance Corporation .....	1,605.7
Federal Savings and Loan Insurance Corporation .....	898.0
Transportation .....	162.2
Federal Emergency Management Agency .....	158.7
National Credit Union Administration .....	148.7
Nuclear Regulatory Commission .....	87.5
Other .....	<u>59.8</u>
Subtotal .....	<u>3,120.6</u>
Unadjudicated claims	
Transportation .....	40.0
Energy .....	10.1
Other .....	<u>25.4</u>
Subtotal .....	<u>75.5</u>
Other contingencies	
Veterans benefits .....	14.1
Other .....	<u>10.4</u>
Subtotal .....	<u>24.5</u>
Total .....	<u><u>4,065.6</u></u>

## ADDITIONS TO NON-FEDERAL ECONOMIC RESOURCES

The following chart 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.

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, 1987-89  
(\$ billions)**

	1987 Actual	1988 Estimate	1989 Estimate
<b>Additions to State, local, and private assets</b>			
Community and regional development .....	4.0	4.3	4.2
Environment .....	3.2	2.9	2.7
Transportation			
Highways and mass transit .....	15.0	15.9	16.0
Rail and air .....	.9	1.0	1.1
Other .....	<u>.3</u>	<u>.4</u>	<u>.4</u>
Total additions .....	<u>23.4</u>	<u>24.5</u>	<u>24.4</u>
<b>Other developmental expenditures</b>			
Agriculture .....	.9	1.0	1.0
Conservation .....	3.0	3.1	3.0
Economic development .....	.3	.3	.3
Education .....	15.2	16.6	20.4
Education-income support .....	4.0	4.3	4.2
Environment .....	.3	.3	.3
Health .....	7.0	7.7	8.7
Science and engineering .....	6.4	7.5	8.6
Training .....	3.7	3.8	3.9
Transportation .....	.3	.3	.3
Other .....	<u>.7</u>	<u>.8</u>	<u>.8</u>
Total developmental expenditures .....	<u>41.8</u>	<u>45.7</u>	<u>51.5</u>
Total investment outlays .....	<u>65.2</u>	<u>70.2</u>	<u>75.9</u>

Source: *Budget of the United States Government, Fiscal Year 1989.*

## 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. For further information, refer to "Special Analysis G: Tax Expenditures" in *Special Analyses, Budget of the United States Government* for fiscal years 1988 and 1989.

### Effect of Individual and Corporate Tax Benefits on Federal Revenues for Tax Years 1987 and 1986

(\$ billions)

	Estimated amount of revenue loss	
	1987	1986
<b>Income exclusion</b>		
Capital gains at death . . . . .	5.7	4.9
Disability and retirement benefits (social security and private) . . . . .	86.4	91.1
Education allowances (scholarships and GI benefits) . . . . .	.9	.9
Foreign earnings and investment incentives (income earned abroad) . . . . .	4.0	2.4
Interest and dividends (State and local bonds and debt, and life insurance) . . . . .	29.3	28.8
Medical care and insurance (employer premiums paid) . . . . .	24.6	23.4
Payroll benefits and allowances (group life, accident, and unemployment) . . . . .	5.1	5.5
Other (age 55 or over credit on home sales) . . . . .	5.9	5.6
<b>Income deferrals</b>		
Interest on U.S. saving bonds . . . . .	.9	.8
Real estate (home sales) . . . . .	2.6	2.0
Foreign earnings (foreign sales corporations) . . . . .	.2	.4
<b>Other deferrals</b>		
Taxes (shipping companies) . . . . .	.1	.1
<b>Deductions and credit</b>		
Agriculture related (capital outlays and gains on certain income) . . . . .	.6	1.2
Contributions (charitable and political) . . . . .	15.6	16.5
Earned income . . . . .	5.9	7.1
Employee stock ownership plans (funded through investment and tax credits) . . . . .	.7	1.2
Excess bad debt reserves (financial institutions) . . . . .	.4	.5
Exemptions (credit unions) . . . . .	.2	.2
Foreign earnings (corporations doing business in U.S. possessions) . . . . .	1.9	1.9
Interest (mortgage and consumer) . . . . .	46.6	48.4
Investments (commercial capital gains, credits, other investment incentives, construction period interest, and expensing developmental costs) . . . . .	80.7	57.6
Medical . . . . .	3.2	3.8
Mining and timber (capital gains treatment of royalties and certain income) . . . . .	1.3	2.0
Old-age, disability, and other personal exemptions . . . . .	3.6	4.1
Other (deductions of motor carrier rights, certain adoption expenses, and energy credit for intercity buses) . . . . .	*	*
Property damages and losses (casualty losses) . . . . .	.3	.3
State and local property tax and other taxes . . . . .	32.8	32.5
Work incentives (employment credits under work programs) and dependent care . . . . .	3.6	3.7
Accelerated depreciation (rental housing, buildings other than rental housing, and machinery and equipment) . . . . .	13.8	46.8

\* Less than \$100 million.

## 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 1987 that can be terminated only if the laws are changed. For further information, refer to the summary table entitled "Controllability of Outlays, 1987-89" in the *Budget of the United States Government, Fiscal Year 1989*.

### Open-ended Programs and Fixed Costs, Fiscal 1987

(\$ billions)

<b>Payments for individuals</b>	
Social security and railroad retirement .....	208.6
Federal employees' retirement insurance .....	55.2
Unemployment assistance .....	15.7
Assistance to students .....	3.7
Food and nutrition assistance .....	4.1
All other .....	2.9
Medical care .....	105.9
Public-assistance-related programs .....	25.7
	<u>421.8</u>
Net interest .....	138.6
General revenue sharing .....	.1
Farm price supports .....	22.4
Other open-ended programs and fixed costs .....	1.3
	<u>584.2</u>
Total .....	<u>584.2</u>

## USER SURVEY FOR FY 1987

The Department of the Treasury found that the FY 1986 CFS user response was quite helpful in evaluating the usefulness of the report. Again this year, we feel it is extremely important to have your response as we are continuing to make major changes and we need your comments.

Please return the completed survey by September 30. Fold and staple the completed survey so that our mailing address is showing.

We appreciate your participation in this survey.

	Agree	Neutral	Disagree
Please circle the appropriate response:			
1. The information in the CFS prototype provides a consolidated perspective of the Government's financial operations.	1	2	3
2. The CFS is a starting point for further issue analyses.	1	2	3
3. This year's CFS is significantly more informative.	1	2	3
4. The CFS denotes an unbiased viewpoint.	1	2	3
5. The addition of color enhances the graphics in the CFS.	1	2	3
6. This year's addition of the following supplemental tables enhances the CFS:			
a. Additions to Non-Federal Economic Resources	1	2	3
b. Effect of Individual and Corporate Tax Benefits on Federal Revenues	1	2	3
c. Open-ended Programs and Fixed Costs	1	2	3
	<b>Too much</b>	<b>Just right</b>	<b>Too little</b>
7. The amount of information provided in the following sections is:			
a. Statement of Financial Position	1	2	3
b. Statement of Operations	1	2	3
c. Statement of Cash Flow	1	2	3
d. Notes to Financial Statements	1	2	3
e. Supplemental Tables	1	2	3
8. My primary interest in the CFS is--			
a. General interest			
b. Classroom discussion			
c. Starting point for further research			
d. Basis for input to elected officials			
e. Other (please specify)			
9. My work may be classified as--			
a. Federal Government			
b. State or local government			
c. Academia			
d. Public accounting			
e. Private industry			
f. News media			
g. Finance/banking			
h. Other (please specify)			
10. Approximately how many people in your organization use the CFS?			
a. None			
b. 1-2			
c. 3-5			
d. 6-10			
e. More than 10			

(FOLD HERE)

---

**Department of the Treasury  
Financial Management Service  
Financial Reports Branch  
Liberty Center, Attn: 3021 GAO Bldg.  
Washington, DC 20227**



---

## ***RESULTS OF FY 1986 USER SURVEY***

The Department of the Treasury wishes to acknowledge and to express its appreciation for the answers and comments you provided us on the FY 1986 user survey.

The following conclusions are based on our review and analysis of your response:

1. The CFS gives additional informational perspectives to the public.
2. The CFS is easily understood, is relevant, and is unbiased.
3. The readership is divergent and the principal interest in the CFS is: general, or starting point for further research.
4. Although the CFS is useful, it does not contribute directly to the political decisionmaking process through a citizen's elected representatives.
5. Charts and graphs are helpful to understand the CFS.
6. The Statement of Operations and Supplemental Tables could be expanded.
7. The CFS would be more useful if audited.

*The results of this survey have been tabulated and interpreted in a manner that reflects responses received from the total readership.*



## ADDITIONAL FINANCIAL MANAGEMENT SERVICE RELEASES ON FEDERAL FINANCES

*Sold on a subscription basis only (exceptions noted) by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (phone orders: (202) 783-3238):*

- **Daily Treasury Statement.** Provides summary data on the Treasury's cash and debt operations for the Federal Government. Published each Federal working day by the Financial Management Service. Subscription price: \$152 per year (domestic), \$190 per year (foreign).
- **Monthly Treasury Statement of Receipts and Outlays of the United States Government.** Provides Federal budget results, including receipts and outlays of funds, the surplus or deficit, and the means of financing the deficit or disposing of the surplus. Prepared by the Financial Management Service, based on agency reporting. Subscription price: \$22 per year (domestic), \$27.50 per year (foreign).
- **Treasury Bulletin** (quarterly). Contains a mix of narrative, tables, and charts on Treasury issues, Federal financial operations, international statistics, and special reports such as Liabilities and Other Financial Commitments of the U.S. Government, and U.S. Currency and Coin Outstanding and in Circulation. Compiled by Financial Management Service. Subscription price: \$20 per year (domestic), \$25 per year (foreign), \$5.50 single issue.
- **United States Government Annual Report and Appendix.** Annual Report presents budgetary results at the summary level. Appendix presents the individual receipt and appropriation accounts at the detail level. Compiled by the Financial Management Service. Annual Report single copy price: \$2.00; Appendix free from Financial Management Service.

**DEPARTMENT OF THE TREASURY  
FINANCIAL MANAGEMENT SERVICE**

OFFICE OF THE COMMISSIONER  
WASHINGTON, D.C. 20227

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

FIRST-CLASS MAIL  
POSTAGE & FEES PAID  
Department of the Treasury  
Permit No. G-4

**GET DIRECT  DEPOSIT**