

Financial Statements of the United States Government for the Years Ended September 30, 2015, and 2014

The consolidated financial statements of the United States Government (Government) were prepared using U.S. generally accepted accounting principles (GAAP). The consolidated financial statements include the accrual-based financial statements and the sustainability financial statements, which are discussed in more detail below, and the related notes to the consolidated financial statements. Collectively, the accrual-based financial statements, the sustainability financial statements, and the notes represent basic information that is deemed essential for the consolidated financial statements to be presented in conformity with GAAP.

ACCRUAL-BASED FINANCIAL STATEMENTS

The accrual-based financial statements present historical information on what the federal government owns (assets) and owes (liabilities) at the end of the year, what came in (revenues) and what went out (net costs) during the year, and how accrual-based net operating costs of the federal government reconcile to the budget deficit and changes in its cash balances during the year. The following sections discuss each of the accrual-based financial statements.

Statements of Net Cost

These statements present the net cost of the Government operations for fiscal years 2015 and 2014, including the operations related to funds from dedicated collections (funds financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time). The Government's fiscal year begins October 1 and ends September 30. Costs and earned revenues are categorized on the Statement of Net Cost by significant entity, providing greater accountability by showing the relationship of the agencies' net cost to the governmentwide net cost. Costs and earned revenues are presented in this *Financial Report* by significant entity on an accrual basis, while the budget presents costs and revenues by outlays and receipts, generally on a cash basis. The focus of the budget of the United States is by agency. Budgets are prepared, defended, and monitored by agency. In reporting by agency, we are assisting the external users in assessing the budget integrity, operating performance, stewardship, and systems and controls of the Government.

These statements contain the following four components:

- Gross cost—is the full cost of all the departments and entities excluding (gain)/loss from changes in assumptions. These costs are assigned on a cause-and-effect basis, or reasonably allocated to the corresponding entities.
- Earned revenue—is exchange revenue resulting from the Government providing goods and services to the public at a price.
- (Gain)/loss from changes in assumptions—is the gain or loss from changes in long-term assumptions used to measure the liabilities reported for federal civilian and military employee pensions, other post-employment benefits, and other retirement benefits, including veterans' compensation.
- Net cost—is computed by subtracting earned revenue from gross cost, adjusted by the (gain)/loss from changes in assumptions.

Individual agency net cost amounts will differ from the agency's financial statements primarily because of allocations of Office of Personnel Management (OPM) benefit program costs and intragovernmental eliminations, as adjusted for buy/sell cost, buy/sell revenues, and imputed costs. Because of its specific function, most of the costs originally associated with OPM have been allocated to their user agencies for governmentwide reporting purposes. The remaining costs for OPM on the Statements of Net Cost are the administrative operating costs, the expenses from prior costs from health and pension plan amendments, and the actuarial gains and losses, if applicable. With regard to intragovernmental buy/sell costs and

related revenues, the amounts recognized by each agency are added to, and subtracted from, respectively, the individual agency non-federal net cost amounts. Because of the specific functions of the General Services Administration (GSA), as the primary provider of goods and services to federal agencies, once GSA's net cost is adjusted for its intragovernmental buy/sell costs and related revenues, the remaining costs for GSA on the Statements of Net Cost are its administrative operating costs. In addition, the intragovernmental imputed costs recognized for the receipt of goods and services, financed in whole or part by the providing agencies, are added to the individual agency non-federal net cost amounts. The interest on securities issued by the Department of the Treasury (Treasury) and held by the public is reported on Treasury's financial statements, but, because of its importance and the dollar amounts involved, it is reported separately in these statements.

Statements of Operations and Changes in Net Position

These statements report the results of Government operations, net operating costs, which include the results of operations for funds from dedicated collections. They include non-exchange revenues, which are generated from transactions that do not require a Government entity to give value directly in exchange for the inflow of resources. The Government does not "earn" the non-exchange revenue. These are generated principally by the Government's sovereign power to tax, levy duties, and assess fines and penalties. These statements also include the net cost reported in the Statement of Net Cost. They further include certain adjustments and unreconciled transactions that affect the net position.

Revenue

Inflows of resources to the government that the government demands or that it receives by donations are identified as non-exchange revenue. The inflows that it demands include individual income tax and tax withholdings, excise taxes, corporation income taxes, unemployment taxes, custom duties, and estate and gift taxes. The non-exchange revenue is recognized when collected and adjusted for the change in net measurable and legally collectable amounts receivable.

Individual income tax and tax withholdings include Federal Insurance Contributions Act (FICA)/Self-Employment Contributions Act (SECA) taxes and other taxes.

Excise taxes consist of taxes collected for various items, such as airline tickets, gasoline products, distilled spirits and imported liquor, tobacco, firearms, and other items.

Other taxes and receipts include Federal Reserve Banks (FRBs) earnings, tax related fines, penalties and interest, and railroad retirement taxes.

Miscellaneous earned revenues consist of earned revenues received from the public with virtually no associated cost. These revenues include rents and royalties on the Outer Continental Shelf Lands resulting from the leasing and development of mineral resources on public lands.

Generally, funds from dedicated collections are financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the Government's general revenue. See Note 21—Funds from Dedicated Collections for detailed information.

Intragovernmental interest represents interest earned from the investment of surplus dedicated collections, which finance the deficit spending of all other fund's non-dedicated operations. These investments are recorded as intragovernmental debt holdings and are included in Note 11—Federal Debt Securities Held by the Public and Accrued Interest, in the table titled Intragovernmental Debt Holdings: Federal Debt Securities Held as Investments by Government Accounts. These interest earnings and the associated investments are eliminated in the consolidation process.

Net Cost of Government Operations

The net cost of Government operations—gross cost (including gains/losses from changes in assumptions) less earned revenue—flows through from the Statements of Net Cost. The net cost associated with funds from dedicated collections activities is separately reported and starting in fiscal year 2015, the intragovernmental net cost associated with funds from dedicated collections is separately reported.

Intragovernmental Transfers

Intragovernmental transfers reflect budgetary and other financing sources for funds from dedicated collections, excluding financing sources related to non-exchange revenues, intragovernmental interest, and miscellaneous revenues. These intragovernmental transfers include appropriations, transfers, and other financing sources. These amounts are labeled as “other changes in fund balance” in Note 21—Funds from Dedicated Collections. Some transfers reflect amounts required by statute to be transferred from the General Fund of the U.S. Government (General Fund) to funds from dedicated collections. For Supplementary Medical Insurance (SMI), transfers from the General Fund financed 75 percent of 2015 program costs to both Part B and D.

Unmatched Transactions and Balances

Unmatched transactions and balances are adjustments needed to bring the change in net position into balance due primarily to unreconciled intragovernmental differences. See Note 1.S—Unmatched Transactions and Balances for detailed information.

The unmatched transactions and balances are included in net operating cost to make the sum of net operating costs and prior period adjustments for the year equal to the change in the net position balance.

Net Operating Cost

The net operating cost equals revenue less net cost of Government operations (that flows from the Statement of Net Cost) adjusted by unmatched transactions and balances (see Note 1.S).

Net Position, Beginning of Period

The net position, beginning of period, reflects the amount reported on the prior year’s balance sheet as of the end of that fiscal year. The net position for funds from dedicated collections is shown separately.

Prior-period adjustments are revisions to the beginning net position presented on the prior year financial statements due to corrections of material errors or certain changes in accounting principles. See Note 18—Prior Period Adjustments for detailed information.

Net Position, End of Period

The net position, end of period, reflects the amount as of the end of the fiscal year. The net position for funds from dedicated collections is separately shown.

Reconciliations of Net Operating Cost and Unified Budget Deficit

These statements reconcile the results of operations (net operating cost) on the Statements of Operations and Changes in Net Position (SOCNP) to the unified budget deficit. The premise of the reconciliation is that the accrual and budgetary accounting basis share transaction data.

Receipts and outlays in the budget are measured primarily on a cash basis and differ from the accrual basis of accounting used in the *Financial Report*. Refer to Note 1.B—Basis of Accounting and Revenue Recognition for details. These statements begin with the net results of operations (net operating cost) and report activities where the basis of accounting for the components of net operating cost and the unified budget deficit differ.

Components of Net Operating Cost Not Part of the Budget Deficit

This information includes the operating components, such as the changes in benefits payable for veterans, military and civilian employees, environmental and disposal liabilities, and depreciation expense, not included in the budget results.

Components of the Budget Deficit Not Part of Net Operating Cost

This information includes the budget components, such as capitalized fixed assets (that are recorded as outlays in the budget when purchased and reflected in net operating cost through depreciation expense over the useful life of the asset) and increases in other assets that are not included in the operating results.

Statements of Changes in Cash Balance from Unified Budget and Other Activities

The primary purpose of these statements is to report how the annual unified budget deficit relates to the change in the Government's cash and other monetary assets, as well as debt held by the public. It explains why the unified budget deficit normally would not result in an equivalent change in the Government's cash and other monetary assets.

These statements reconcile the unified budget deficit to the change in cash and other monetary assets during the fiscal year. They also serve to explain how the budget deficits were financed. A budget deficit is the result of outlays (expenditures) exceeding receipts (revenue) during a particular fiscal year.

The budget deficit is primarily financed through borrowings from the public. Other transactions, such as the payment of interest on debt held by the public, also require cash disbursements and are not part of the deficit. Additionally, the budget deficit includes certain amounts that are recognized in the budget, but will be disbursed in a future period, or are adjustments that did not affect the cash balance. These amounts include interest accrued on debt issued by Treasury and held by the public, as well as subsidy expense related to direct and guaranteed loans.

These statements show the adjustments for non-cash outlays included in the budget, and items affecting the cash balance not included in the budget, to explain the change in cash and other monetary assets.

Balance Sheets

The balance sheets show the Government's assets, liabilities, and net position. When combined with stewardship information, this information presents a more comprehensive understanding of the Government's financial position. The net position for funds from dedicated collections is shown separately.

Assets

Assets included on the balance sheets are resources of the Government that remain available to meet future needs. The most significant assets that are reported on the balance sheets are loans receivable, net; property, plant, and equipment (PP&E), net; inventories and related property, net; and cash and other monetary assets. There are, however, other significant resources available to the Government that extend beyond the assets presented in these balance sheets. Those resources include Stewardship Land and Heritage Assets in addition to the Government's sovereign powers to tax and set monetary policy.

Liabilities and Net Position

Liabilities are obligations of the Government resulting from prior actions that will require financial resources. The most significant liabilities reported on the balance sheets are federal debt securities held by the public and accrued interest, and federal employee and veteran benefits payable. Liabilities also include environmental and disposal liabilities, benefits due and payable, as well as insurance and guarantee program liabilities.

As with reported assets, the Government's responsibilities, policy commitments, and contingencies are much broader than these reported balance sheet liabilities. They include the social insurance programs reported in the Statements of Social Insurance and disclosed in the Required Supplementary Information (RSI)—Social Insurance section, fiscal long-term projections of non-interest spending reported in the Statement of Long-Term Fiscal Projections, and a wide range of other programs under which the Government provides benefits and services to the people of this Nation, as well as certain future loss contingencies.

The Government has entered into contractual commitments requiring the future use of financial resources and has unresolved contingencies where existing conditions, situations, or circumstances create uncertainty about future losses. Commitments and contingencies that do not meet the criteria for recognition as liabilities on the balance sheets, but for which there is at least a reasonable possibility that losses have been incurred, are disclosed in Note 19—Contingencies and Note 20—Commitments.

The collection of certain taxes and other revenue is credited to the corresponding funds from dedicated collections that will use these funds to meet a particular Government purpose. If the collections from taxes and other sources exceed the payments to the beneficiaries, the excess revenue is invested in Treasury securities or deposited in the General Fund; therefore, the trust fund balances do not represent cash. An explanation of the trust funds for social insurance is included in Note 21—Funds from Dedicated Collections. That note also contains information about trust fund receipts, disbursements, and assets.

Due to its sovereign power to tax and borrow, and the country's wide economic base, the Government has unique access to financial resources through generating tax revenues and issuing federal debt securities. This provides the Government with the ability to meet present obligations and those that are anticipated from future operations, and are not reflected in net position.

The net position is the residual difference between assets and liabilities and is the cumulative results of operations since inception. For detailed components that comprise the net position, refer to the section "Statement of Operations and Changes in Net Position."

SUSTAINABILITY FINANCIAL STATEMENTS

The sustainability financial statements comprise the Statement of Long-Term Fiscal Projections, covering all federal government programs, and the Statement of Social Insurance and the Statement of Changes in Social Insurance Amounts, covering social insurance programs (Social Security, Medicare, Railroad Retirement, and Black Lung programs). The sustainability financial statements are designed to illustrate the relationship between projected receipts and expenditures if current policy is continued over a 75 year time horizon. For this purpose, the projections assume that scheduled social insurance benefit payments would continue after related trust funds are projected to be exhausted, contrary to current law, and that debt could continue to rise indefinitely without severe economic consequences. The sustainability financial statements are intended to help citizens understand current policy and the importance and magnitude of policy reforms necessary to make it sustainable.

By accounting convention, the Statement of Social Insurance does not include projected general revenues that, under current law, would be used to finance the remainder of the expenditures in excess of revenues for Medicare Parts B and D reported in the Statement of Social Insurance. The Statement of Long-Term Fiscal Projections includes all revenues (including general revenues) of the federal government.

Statements of Long-Term Fiscal Projections

The new statement of Long-Term Fiscal Projections in 2015 is intended to assist readers of the government's financial statements in assessing the financial condition of the federal government and how the government's financial condition has changed (improved or deteriorated) during the year and may change in the future. It is also intended to assist readers in assessing whether future budgetary resources of the Government will likely be sufficient to sustain public services and to meet obligations as they come due, assuming that current policy for federal government public services and taxation is continued without change.

The Statements of Long-Term Fiscal Projections display the present value of 75-year projections by major category of the Federal Government's receipts and non-interest spending. These projections show the extent to which future receipts of the Government exceed or fall short of the Government's non-interest spending. The projections are presented both in terms of present value dollars and in terms of present value dollars as a percent of present value Gross Domestic Product (GDP). Unaudited fiscal year 2014 projections from last year's *Financial Report* are included for comparison. The projections are on the basis of policies currently in place and are neither forecasts nor predictions. These projections are consistent with the projections for Social Security and Medicare presented in the Statements of Social Insurance and are based on the same economic and demographic assumptions as underlie the Statements of Social Insurance. Note 24, Long-Term Fiscal Projections, further explains the methods used to prepare these projections and provides additional information such as the fiscal gap. Unaudited required supplementary information further assesses the sustainability of current fiscal policy and provides results based on alternative assumptions to those used in the basic statement.

As discussed further in Note 24, a sustainable policy is one where the ratio of debt held by the public to GDP (the debt-to-GDP ratio) is stable or declining over the long term. GDP measures the size of the Nation's economy in terms of the total value of all final goods and services that are produced in a year. Considering financial results relative to GDP is a useful indicator of the economy's capacity to sustain the Government's many programs.

Statements of Social Insurance and Changes in Social Insurance Amounts

The Statements of Social Insurance provide estimates of the status of the most significant social insurance programs: Social Security, Medicare, Railroad Retirement, and Black Lung. They are administered by the Social Security Administration (SSA), U.S. Department of Health and Human Services (HHS), the Railroad Retirement Board (RRB), and the Department of Labor (DOL), respectively. The estimates are actuarial present values¹ of the projections and are based on the economic and demographic assumptions representing the trustees' reasonable estimates as set forth in the relevant Social Security and Medicare trustees' reports as well as in the agency financial reports of HHS, SSA, and DOL (Black Lung) and in the relevant agency performance and accountability report for the RRB. The basis for the projections has changed since last year due to the enactment of the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. This law repealed the sustainable growth rate (SGR) formula that set physician fee schedule payments, which were usually modified and replaced it with specified payment updates for physicians. In last year's report, the income, expenditures, and assets for Medicare Part B reflected the *projected baseline* scenario, which assumed an override of the SGR payment provisions and an increase in the physician fee schedule equal to the average of the most recent 10 years of SGR overrides (through March 2015) or 0.6 percent. Since the new legislation has replaced the SGR system with specified payment updates for physicians, the projections in this year's report are based on the continuation of program provisions contained in current law, with one exception in regard to payment reductions that would result from the projected depletion of the Social Security and Medicare Hospital Insurance (Part A) Trust Funds; under current law, payments would be reduced to levels that could be covered by incoming tax and premium revenues when the Social Security and Medicare Hospital Insurance (Part A) Trust Funds are depleted.

The magnitude and complexity of social insurance programs, coupled with the extreme sensitivity of projections relating to the many assumptions of the programs, produce a wide range of possible results. In preparing the Statements of Social Insurance, Government management considers and selects assumptions and data that it believes provide a reasonable basis for the assertions in the statements. However, because of the large number of factors that affect the Statements of Social

¹ Present values recognize that a dollar paid or collected in the future is worth less than a dollar today, because a dollar today could be invested and earn interest. To calculate a present value, future amounts are thus reduced using an assumed interest rate, and those reduced amounts are summed.

Insurance plus the fact that such assumptions are inherently subject to substantial uncertainty (arising from the likelihood of future events, significant uncertainties, and contingencies), there will be differences between the estimates in the Statements of Social Insurance and the actual results, and those differences may be material. Note 23—Social Insurance describes the social insurance programs, reports long-range estimates that can be used to assess the financial condition of the programs, and explains some of the factors that impact the various programs. The Statements of Changes in Social Insurance Amounts reconcile the change between the current valuation period and the prior valuation period.

**United States Government
Statement of Net Cost
for the Year Ended September 30, 2015**

(In billions of dollars)	Gross Cost	Earned Revenue	Subtotal	(Gain)/Loss from Changes in Assumptions	Net Cost
Department of Health and Human Services	1,130.9	101.3	1,029.6	(0.1)	1,029.5
Social Security Administration	945.0	0.3	944.7	-	944.7
Department of Defense.....	646.6	45.5	601.1	(27.5)	573.6
Interest on Treasury Securities Held by the Public	250.8	-	250.8	-	250.8
Department of Veterans Affairs.....	186.9	4.8	182.1	(13.0)	169.1
Department of Agriculture	147.7	9.1	138.6	-	138.6
Department of the Treasury.....	146.0	29.3	116.7	-	116.7
Office of Personnel Management	104.9	20.3	84.6	17.1	101.7
Department of Transportation	76.1	0.8	75.3	-	75.3
Department of Energy.....	76.5	4.6	71.9	-	71.9
Department of Homeland Security.....	60.2	12.1	48.1	4.1	52.2
Department of Labor.....	45.8	-	45.8	-	45.8
Department of Education	71.3	26.6	44.7	-	44.7
Defense Security Cooperation Agency	38.8	-	38.8	-	38.8
Department of Housing and Urban Development	32.7	1.5	31.2	-	31.2
Department of Justice	32.3	1.7	30.6	-	30.6
Department of State.....	30.2	4.3	25.9	0.1	26.0
National Aeronautics and Space Administration.....	19.8	0.2	19.6	-	19.6
Department of the Interior	19.2	2.7	16.5	-	16.5
Pension Benefit Guaranty Corporation	23.7	8.0	15.7	-	15.7
Railroad Retirement Board	16.3	3.4	12.9	-	12.9
U.S. Agency for International Development.....	12.7	0.1	12.6	-	12.6
Federal Communications Commission	9.6	0.3	9.3	-	9.3
Department of Commerce.....	12.3	3.2	9.1	-	9.1
Environmental Protection Agency.....	9.3	0.7	8.6	-	8.6
National Science Foundation.....	7.0	-	7.0	-	7.0
U.S. Postal Service.....	73.8	67.9	5.9	-	5.9
Millennium Challenge Corporation.....	0.8	-	0.8	-	0.8
Smithsonian Institution.....	0.8	-	0.8	-	0.8
U.S. Nuclear Regulatory Commission	1.0	0.8	0.2	-	0.2
Farm Credit System Insurance Corporation.....	-	0.2	(0.2)	-	(0.2)
Overseas Private Investment Corporation	(0.1)	0.1	(0.2)	-	(0.2)
General Services Administration.....	0.3	0.6	(0.3)	-	(0.3)
National Credit Union Administration.....	-	0.3	(0.3)	-	(0.3)
Securities and Exchange Commission	1.5	2.0	(0.5)	-	(0.5)
Small Business Administration.....	(0.5)	0.4	(0.9)	-	(0.9)
Tennessee Valley Authority.....	9.8	10.9	(1.1)	-	(1.1)
Export-Import Bank of the United States	(0.6)	1.3	(1.9)	-	(1.9)
Federal Deposit Insurance Corporation.....	(6.5)	8.6	(15.1)	-	(15.1)
All other entities	20.8	1.7	19.1	-	19.1
Total.....	4,253.7	375.6	3,878.1	(19.3)	3,858.8

The accompanying notes are an integral part of these financial statements.

**United States Government
Statement of Net Cost
for the Year Ended September 30, 2014**

(In billions of dollars)	Gross Cost	Earned Revenue	Subtotal	(Gain)/Loss from Changes in Assumptions	Net Cost
Department of Health and Human Services	1,029.5	78.1	951.4	0.1	951.5
Social Security Administration	906.8	0.4	906.4	-	906.4
Department of Defense.....	716.9	61.5	655.4	6.9	662.3
Interest on Treasury Securities Held by the Public	260.0	-	260.0	-	260.0
Department of Veterans Affairs.....	207.4	4.3	203.1	(22.1)	181.0
Department of Agriculture	150.5	9.3	141.2	-	141.2
Department of the Treasury.....	182.9	79.9	103.0	-	103.0
Office of Personnel Management	85.3	19.5	65.8	21.3	87.1
Department of Transportation	77.2	0.9	76.3	-	76.3
Department of Energy.....	57.0	5.0	52.0	-	52.0
Department of Homeland Security.....	58.1	10.3	47.8	(1.3)	46.5
Department of Labor.....	53.6	-	53.6	-	53.6
Department of Education	80.9	24.8	56.1	-	56.1
Defense Security Cooperation Agency	34.9	-	34.9	-	34.9
Department of Housing and Urban Development	44.4	1.6	42.8	-	42.8
Department of Justice	33.0	1.7	31.3	-	31.3
Department of State.....	30.6	3.8	26.8	(1.4)	25.4
National Aeronautics and Space Administration.....	18.4	0.2	18.2	-	18.2
Department of the Interior	18.7	2.4	16.3	-	16.3
Pension Benefit Guaranty Corporation	38.5	11.2	27.3	-	27.3
Railroad Retirement Board	13.9	5.6	8.3	-	8.3
U.S. Agency for International Development.....	11.7	-	11.7	-	11.7
Federal Communications Commission	9.3	0.4	8.9	-	8.9
Department of Commerce.....	12.0	3.2	8.8	-	8.8
Environmental Protection Agency.....	8.9	0.5	8.4	-	8.4
National Science Foundation.....	7.2	-	7.2	-	7.2
U.S. Postal Service.....	73.6	66.9	6.7	-	6.7
Millennium Challenge Corporation.....	1.0	-	1.0	-	1.0
Smithsonian Institution.....	0.7	-	0.7	-	0.7
U.S. Nuclear Regulatory Commission	1.0	0.8	0.2	-	0.2
Farm Credit System Insurance Corporation.....	-	0.2	(0.2)	-	(0.2)
Overseas Private Investment Corporation	(0.3)	0.1	(0.4)	-	(0.4)
General Services Administration.....	0.7	0.6	0.1	-	0.1
National Credit Union Administration.....	(1.2)	0.1	(1.3)	-	(1.3)
Securities and Exchange Commission	1.4	1.9	(0.5)	-	(0.5)
Small Business Administration.....	(0.3)	0.4	(0.7)	-	(0.7)
Tennessee Valley Authority.....	10.5	11.1	(0.6)	-	(0.6)
Export-Import Bank of the United States	1.1	1.1	-	-	-
Federal Deposit Insurance Corporation.....	(4.4)	8.8	(13.2)	-	(13.2)
All other entities	20.0	1.3	18.7	-	18.7
Total.....	4,251.4	417.9	3,833.5	3.5	3,837.0

The accompanying notes are an integral part of these financial statements.

**United States Government
Statement of Operations and Changes in Net Position
for the Year Ended September 30, 2015**

(In billions of dollars)	Funds other than those from Dedicated Collections (Combined)	Funds from Dedicated Collections (Note 21) (Combined)	Eliminations	Consolidated
	2015			
Revenue (Note 17):				
Individual income tax and tax withholdings	1,521.1	1,024.1	-	2,545.2
Corporation income taxes	339.8	-	-	339.8
Excise taxes	44.2	57.5	-	101.7
Unemployment taxes.....	-	49.1	-	49.1
Customs duties	33.6	-	-	33.6
Estate and gift taxes.....	19.1	-	-	19.1
Other taxes and receipts	165.6	37.3	-	202.9
Miscellaneous earned revenues.....	38.8	3.8	-	42.6
Intragovernmental interest.....	-	108.4	(108.4)	-
Total Revenue.....	2,162.2	1,280.2	(108.4)	3,334.0
Net Cost of Government Operations:				
Net cost.....	2,300.4	1,558.4	-	3,858.8
Intragovernmental net cost.....	(7.2)	7.2	-	-
Intragovernmental interest.....	108.4	-	(108.4)	-
Total net cost.....	2,401.6	1,565.6	(108.4)	3,858.8
Intragovernmental transfers.....	(335.2)	335.2	-	-
Unmatched transactions and balances (Note 1.S)	5.1	-	-	5.1
Net operating (cost)/revenue.....	(569.5)	49.8	-	(519.7)
Net position, beginning of period	(20,898.3)	3,197.6	-	(17,700.7)
Prior period adjustments—changes in accounting principles (Note 18 and 21)	(1.8)	0.3	-	(1.5)
Net operating (cost)/revenue	(569.5)	49.8	-	(519.7)
Net position, end of period.....	(21,469.6)	3,247.7	-	(18,221.9)

The accompanying notes are an integral part of these financial statements.

**United States Government
Statement of Operations and Changes in Net Position
for the Year Ended September 30, 2014**

(In billions of dollars)	Funds other than those from Dedicated Collections (Combined)	Funds from Dedicated Collections (Note 21) (Combined)	Eliminations	Consolidated
	2014			
Revenue (Note 17):				
Individual income tax and tax withholdings	1,374.0	979.0	-	2,353.0
Corporation income taxes	317.8	-	-	317.8
Excise taxes	38.6	56.3	-	94.9
Unemployment taxes.....	-	52.6	-	52.6
Customs duties	32.9	-	-	32.9
Estate and gift taxes.....	19.3	-	-	19.3
Other taxes and receipts	125.8	50.8	-	176.6
Miscellaneous earned revenues.....	14.0	5.0	-	19.0
Intragovernmental interest.....	-	113.8	(113.8)	-
Total Revenue	1,922.4	1,257.5	(113.8)	3,066.1
Net Cost of Government Operations:				
Net cost.....	2,333.2	1,503.8	-	3,837.0
Intragovernmental interest.....	113.8	-	(113.8)	-
Total net cost	2,447.0	1,503.8	(113.8)	3,837.0
Intragovernmental transfers	(299.9)	299.9	-	-
Unmatched transactions and balances (Note 1.S)	(20.4)	-	-	(20.4)
Net operating (cost)/revenue	(844.9)	53.6	-	(791.3)
Net position, beginning of period	(20,053.0)	3,143.7	-	(16,909.3)
Prior period adjustments—changes in accounting principles (Note 18 and 21)	(0.4)	0.3	-	(0.1)
Net operating (cost)/revenue	(844.9)	53.6	-	(791.3)
Net position, end of period	(20,898.3)	3,197.6	-	(17,700.7)

The accompanying notes are an integral part of these financial statements.

United States Government
Reconciliations of Net Operating Cost and Unified Budget Deficit
for the Year Ended September 30, 2015, and 2014

(In billions of dollars)	2015	2014
Net operating cost	<u>(519.7)</u>	<u>(791.3)</u>
Components of net operating cost not part of the budget deficit:		
Increase/(Decrease) in liability for military employee benefits (Note 12):		
Military pension liabilities.....	(1.9)	40.9
Military health liabilities.....	(29.3)	12.9
Other military benefits.....	(1.7)	(0.9)
Liability for military employee benefits.....	<u>(32.9)</u>	<u>52.9</u>
Increase/(Decrease) in liability for veteran's compensation (Note 12)	<u>11.5</u>	<u>32.3</u>
Increase/(Decrease) in liabilities for civilian employee benefits (Note 12):		
Civilian pension liabilities.....	39.8	37.3
Civilian health liabilities.....	27.2	10.1
Other civilian benefits.....	1.1	1.7
Liabilities for civilian employee benefits.....	<u>68.1</u>	<u>49.1</u>
Increase/(Decrease) in environmental and disposal liabilities (Note 13):		
Energy's environmental and disposal liabilities.....	40.0	19.6
All others' environmental and disposal liabilities.....	2.5	0.4
Environmental and disposal liabilities.....	<u>42.5</u>	<u>20.0</u>
Property, plant, and equipment depreciation expense.....	54.5	67.7
Property, plant, and equipment disposals and revaluations.....	(15.6)	4.8
Increase/(Decrease) in benefits due and payable.....	22.3	17.3
Increase/(Decrease) in insurance and guarantee program liabilities.....	9.3	28.3
Increase/(Decrease) in other liabilities.....	38.6	7.3
(Increase)/Decrease in deposit fund balances.....	(19.1)	(0.8)
Increase/(Decrease) in accounts payable.....	(0.7)	2.8
(Increase)/Decrease in net accounts and taxes receivable.....	(13.8)	(0.8)
Agencies year-end upward/(downward) credit reform subsidy re-estimates.....	(2.3)	24.5
Unrealized Valuation Loss/(Gain) on investments in Government-Sponsored Enterprises (GSEs).....	(10.5)	44.4
Components of the budget deficit not part of net operating cost:		
Capitalized property, plant, and equipment:		
Department of Defense.....	(24.9)	(27.7)
All other agencies.....	(29.6)	(26.4)
Total capitalized property, plant, and equipment.....	<u>(54.5)</u>	<u>(54.1)</u>
Effect of prior year agencies (upward)/downward credit reform subsidy re-estimates.....	(24.5)	(1.6)
(Increase)/Decrease in inventory.....	(2.2)	(7.3)
(Increase)/Decrease in debt and equity securities.....	11.0	(7.6)
(Increase)/Decrease in other assets.....	(2.9)	-
Credit reform and other loan activities.....	4.9	13.1
All other reconciling items.....	(2.9)	15.6
Unified budget deficit	<u>(438.9)</u>	<u>(483.4)</u>

The accompanying notes are an integral part of these financial statements.

United States Government
Statements of Changes in Cash Balance from Unified Budget and Other Activities
for the Years Ended September 30, 2015, and 2014

(In billions of dollars)	2015	2014
Unified budget deficit	(438.9)	(483.4)
Adjustments for Noncash Outlays Included in the budget:		
Interest accrued by Treasury on debt held by the public	245.4	255.5
Agencies year-end credit reform subsidy re-estimates.....	26.8	(22.9)
Subsidy (income) (Note 4).....	(20.1)	(10.3)
Subtotal	252.1	222.3
Items Affecting the Cash Balance Not Included in the budget:		
<i>Net Transactions from financing activity:</i>		
Borrowings from the public	7,037.5	7,475.8
Repayment of debt held by the public	(6,700.6)	(6,672.0)
Agency securities	0.1	(1.2)
Deposit fund balances.....	20.5	0.3
Effect of Uninvested principal from the Thrift Savings Plan (TSP) G Fund on Financing Activity	203.2	(119.9)
Subtotal	560.7	683.0
<i>Transactions from monetary and other activity:</i>		
Interest paid by Treasury on debt held by the public	(243.5)	(252.9)
Net loan receivable and equity investments activity	(102.2)	(104.3)
Holdings of special drawing rights.....	(2.9)	(1.8)
Other	14.9	(4.3)
Subtotal	(333.7)	(363.3)
Cash and other monetary assets: (Note 2)		
Increase in Cash and other monetary assets	40.2	58.6
Balance, beginning of period.....	264.9	206.3
Balance, end of period	305.1	264.9

For budgetary purposes, the effect of the year-end downward re-estimates (reduction of net outlays) and upward re-estimates (increase of net outlays) is not recognized until the subsequent fiscal year.

The accompanying notes are an integral part of these financial statements.

**United States Government
Balance Sheets
as of September 30, 2015, and 2014**

(In billions of dollars)	2015	2014
Assets:		
Cash and other monetary assets (Note 2).....	305.1	264.9
Accounts and taxes receivable, net (Note 3).....	117.8	104.0
Loans receivable, net (Note 4).....	1,216.0	1,125.7
Inventories and related property, net (Note 5).....	320.6	318.4
Property, plant and equipment, net (Note 6).....	893.9	878.3
Debt and equity securities (Note 7).....	104.4	115.4
Investments in government-sponsored enterprises (Note 8).....	106.3	95.8
Other assets (Note 9).....	165.7	162.8
Total assets	<u><u>3,229.8</u></u>	<u><u>3,065.3</u></u>
Stewardship land and heritage assets (Note 25)		
Liabilities:		
Accounts payable (Note 10).....	68.3	69.0
Federal debt securities held by the public and accrued interest (Note 11).....	13,172.5	12,833.6
Federal employee and veteran benefits payable (Note 12).....	6,719.3	6,672.6
Environmental and disposal liabilities (Note 13).....	411.6	369.1
Benefits due and payable (Note 14).....	213.9	191.6
Insurance and guarantee program liabilities (Note 15).....	177.5	168.2
Loan guarantee liabilities (Note 4).....	36.3	52.8
Other liabilities (Note 16).....	652.3	409.1
Total liabilities	<u><u>21,451.7</u></u>	<u><u>20,766.0</u></u>
Contingencies (Note 19) and Commitments (Note 20)		
Net Position:		
Funds from Dedicated Collections (Note 21).....	3,247.7	3,197.6
Funds other than those from Dedicated Collections.....	<u>(21,469.6)</u>	<u>(20,898.3)</u>
Total net position	<u><u>(18,221.9)</u></u>	<u><u>(17,700.7)</u></u>
Total liabilities and net position	<u><u>3,229.8</u></u>	<u><u>3,065.3</u></u>

The accompanying notes are an integral part of these financial statements.

United States Government
Statements of Long-Term Fiscal Projections (Note 24)
Present Value of 75 Year Projections as of September 30, 2015 and 2014¹

	Dollars in Trillions			Percent of GDP ²		
	2015 (unaudited)	2014 (unaudited)	Change	2015 (unaudited)	2014 (unaudited)	Change
Receipts:						
Social Security Payroll Taxes.....	52.4	47.9	4.5	4.4	4.3	0.1
Medicare Payroll Taxes.....	17.4	16.1	1.3	1.5	1.4	0.0
Individual Income Taxes.....	127.8	117.1	10.7	10.7	10.5	0.2
Other Receipts.....	43.5	42.5	1.1	3.6	3.8	(0.2)
Total Receipts.....	241.2	223.6	17.6	20.2	20.0	0.1
Non-interest Spending:						
Social Security.....	70.0	65.5	4.5	5.9	5.9	0.0
Medicare Part A ³	24.0	23.0	1.1	2.0	2.1	0.0
Medicare Parts B & D ⁴	28.7	27.8	0.9	2.4	2.5	(0.1)
Medicaid.....	27.3	26.0	1.3	2.3	2.3	0.0
Other Mandatory.....	36.8	31.1	5.7	3.1	2.8	0.3
Defense Discretionary.....	28.6	26.9	1.6	2.4	2.4	0.0
Non-defense Discretionary.....	30.0	28.1	1.8	2.5	2.5	0.0
Total Non-interest Spending.....	245.3	228.4	17.0	20.5	20.4	0.1
Non-interest Spending less Receipts.....	4.1	4.7	(0.6)	0.3	0.4	(0.1)

¹ 75-year present value projections for 2015 are as of 9/30/2015 for the period FY 2016-2090; projections for 2014 are as of 9/30/2014 for the period FY 2015-2089.

² The 75-year present value of nominal Gross Domestic Product (GDP), which drives the calculations above is \$1,196.3 trillion starting in FY 2016, and was \$1,117.2 trillion starting in FY 2015.

³ Represents portions of Medicare supported by payroll taxes.

⁴ Represents portions of Medicare supported by general revenues. Consistent with the President's Budget, outlays for Parts B & D are presented net of premiums.

Totals may not equal the sum of components due to rounding.

The accompanying notes are an integral part of these financial statements.

**United States Government
Statements of Social Insurance (Note 23)
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections**

(In billions of dollars)	2015	2014	2013	2012	2011
Federal Old-age, Survivors and Disability Insurance (Social Security):¹⁴					
<i>Revenue (Contributions and Dedicated Taxes) from:</i>					
Participants who have attained eligibility age (age 62 and over)	1,166	984	908	847	726
Participants who have not attained eligibility age	27,791	25,391	24,591	22,703	20,734
Future participants.....	26,580	24,594	23,419	21,649	20,144
All current and future participants.....	55,537	50,969	48,918	45,198	41,603
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 62 and over)	(12,833)	(11,852)	(11,021)	(9,834)	(8,618)
Participants who have not attained eligibility age	(45,276)	(42,419)	(40,591)	(37,753)	(34,042)
Future participants.....	(10,867)	(10,028)	(9,600)	(8,890)	(8,100)
All current and future participants.....	(68,976)	(64,299)	(61,212)	(56,477)	(50,760)
<i>Present value of future expenditures in excess of future revenue</i>	<i>(13,440)¹</i>	<i>(13,330)²</i>	<i>(12,294)³</i>	<i>(11,278)⁴</i>	<i>(9,157)⁵</i>
Federal Hospital Insurance (Medicare Part A):¹⁴					
<i>Revenue (Contributions and Dedicated Taxes) from:</i>					
Participants who have attained eligibility age (age 65 and over)	382	332	301	302	262
Participants who have not attained eligibility age	9,134	8,398	8,147	7,929	7,581
Future participants.....	8,386	7,812	7,744	7,367	7,260
All current and future participants.....	17,902	16,542	16,192	15,598	15,104
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over)	(3,803)	(3,484)	(3,422)	(3,369)	(2,923)
Participants who have not attained eligibility age	(14,494)	(14,117)	(14,629)	(14,919)	(12,887)
Future participants.....	(2,792)	(2,764)	(2,913)	(2,891)	(2,546)
All current and future participants.....	(21,089)	(20,365)	(20,964)	(21,179)	(18,356)
<i>Present value of future expenditures in excess of future revenue</i>	<i>(3,187)¹</i>	<i>(3,823)²</i>	<i>(4,772)³</i>	<i>(5,581)⁴</i>	<i>(3,252)⁵</i>
Federal Supplementary Medical Insurance (Medicare Part B):¹⁴					
<i>Revenue (Premiums) from:</i>					
Participants who have attained eligibility age (age 65 and over)	898	763	701	635	570
Participants who have not attained eligibility age	4,633	4,548	4,073	3,826	3,651
Future participants.....	998	1,145	944	884	865
All current and future participants.....	6,529	6,456	5,718	5,344	5,086
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over)	(3,637)	(3,171)	(2,887)	(2,646)	(2,343)
Participants who have not attained eligibility age	(16,818)	(17,003)	(15,075)	(14,303)	(13,489)
Future participants.....	(3,540)	(4,137)	(3,415)	(3,211)	(3,108)
All current and future participants.....	(23,995)	(24,311)	(21,377)	(20,159)	(18,940)
<i>Present value of future expenditures in excess of future revenue⁶</i>	<i>(17,466)¹</i>	<i>(17,856)²</i>	<i>(15,659)³</i>	<i>(14,815)⁴</i>	<i>(13,854)⁵</i>

Totals may not equal the sum of components due to rounding.

The accompanying notes are an integral part of these financial statements.

United States Government
Statements of Social Insurance (Note 23), continued
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections

(In billions of dollars)	2015	2014	2013	2012	2011
Federal Supplementary Medical Insurance (Medicare Part D):¹⁴					
<i>Revenue (Premiums and State Transfers) from:</i>					
Participants who have attained eligibility age (age 65 and over)	251	209	184	179	173
Participants who have not attained eligibility age	1,814	1,596	1,491	1,510	1,608
Future participants.....	804	703	665	661	703
All current and future participants.....	<u>2,869</u>	<u>2,508</u>	<u>2,340</u>	<u>2,349</u>	<u>2,484</u>
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility age (age 65 and over)	(887)	(775)	(722)	(694)	(695)
Participants who have not attained eligibility age	(6,424)	(5,928)	(5,871)	(5,866)	(6,438)
Future participants.....	(2,845)	(2,609)	(2,617)	(2,568)	(2,817)
All current and future participants.....	<u>(10,156)</u>	<u>(9,312)</u>	<u>(9,211)</u>	<u>(9,128)</u>	<u>(9,950)</u>
<i>Present value of future expenditures in excess of future revenue⁶</i>	<u>(7,287)¹</u>	<u>(6,804)²</u>	<u>(6,871)³</u>	<u>(6,778)⁴</u>	<u>(7,466)⁵</u>
Railroad Retirement:					
<i>Revenue (Contributions and Dedicated Taxes) from:</i>					
Participants who have attained eligibility	8	8	7	7	6
Participants who have not attained eligibility	66	63	60	56	46
Future participants.....	79	78	79	78	65
All current and future participants.....	<u>153</u>	<u>149</u>	<u>146</u>	<u>141</u>	<u>117</u>
<i>Expenditures for Scheduled Future Benefits for:</i>					
Participants who have attained eligibility	(131)	(126)	(123)	(119)	(109)
Participants who have not attained eligibility	(97)	(97)	(96)	(95)	(86)
Future participants.....	(35)	(34)	(34)	(34)	(28)
All current and future participants.....	<u>(263)</u>	<u>(257)</u>	<u>(253)</u>	<u>(248)</u>	<u>(223)</u>
<i>Present value of future expenditures in excess of future revenue⁷</i>	<u>(110)¹</u>	<u>(108)²</u>	<u>(107)³</u>	<u>(107)⁴</u>	<u>(106)⁵</u>
Black Lung (Part C):					
Present value of future revenue in excess of future expenditures ⁸	<u>2⁹</u>	<u>5¹⁰</u>	<u>5¹¹</u>	<u>5¹²</u>	<u>5¹³</u>
<i>Total present value of future expenditures in excess of future revenue</i>	<u>(41,487)</u>	<u>(41,916)</u>	<u>(39,698)</u>	<u>(38,554)</u>	<u>(33,830)</u>

Totals may not equal the sum of components due to rounding.

The accompanying notes are an integral part of these financial statements.

United States Government
Statements of Social Insurance (Note 23), continued
Present Value of Long-Range (75 Years, except Black Lung) Actuarial Projections

(In billions of dollars)	2015	2014	2013	2012	2011
Social Insurance Summary¹⁴					
<i>Participants who have attained eligibility age:</i>					
Revenue (e.g., contributions and dedicated taxes)	2,705	2,296	2,101	1,970	1,737
Expenditures for scheduled future benefits	(21,291)	(19,408)	(18,175)	(16,662)	(14,688)
Present value of future expenditures in excess of future revenue	(18,586)	(17,112)	(16,074)	(14,692)	(12,951)
<i>Participants who have not attained eligibility age:</i>					
Revenue (e.g., contributions and dedicated taxes)	43,438	39,996	38,362	36,024	33,620
Expenditures for scheduled future benefits	(83,109)	(79,564)	(76,262)	(72,936)	(66,942)
Present value of future expenditures in excess of future revenue	(39,671)	(39,568)	(37,900)	(36,912)	(33,322)
Closed-group - Total present value of future expenditures in excess of future revenue	(58,257)	(56,680)	(53,974)	(51,604)	(46,272)
<i>Future participants:</i>					
Revenue (e.g., contributions and dedicated taxes)	36,847	34,332	32,851	30,639	29,037
Expenditures for scheduled future benefits	(20,077)	(19,567)	(18,575)	(17,589)	(16,594)
Present value of future revenue in excess of future expenditure	16,770	14,765	14,276	13,050	12,443
Open-group - Total present value of future expenditures in excess of future revenue	(41,487)	(41,916)	(39,698)	(38,554)	(33,830)

¹ The projection period is 1/1/2015-12/31/2089 and the valuation date is 1/1/2015.

² The projection period is 1/1/2014-12/31/2088 and the valuation date is 1/1/2014.

³ The projection period is 1/1/2013-12/31/2087 and the valuation date is 1/1/2013.

⁴ The projection period is 1/1/2012-12/31/2086 and the valuation date is 1/1/2012.

⁵ The projection period is 1/1/2011-12/31/2085 and the valuation date is 1/1/2011.

⁶ These amounts represent the present value of the future transfers from the General Fund to the Supplementary Medical Insurance Trust Fund. These future intragovernmental transfers are included as income in both HHS' and the Centers for Medicare & Medicaid Services' Financial Reports but are not income from the governmentwide perspective of this report.

⁷ These amounts do not include the present value of the financial interchange between the railroad retirement and social security systems, which is included as income in the Railroad Retirement Financial Report, but is not included from the governmentwide perspective of this report. (See discussion of Railroad Retirement Program in the unaudited required supplementary information section of this report).

⁸ Does not include interest expense accruing on the outstanding debt.

⁹ The projection period is 9/30/2015-9/30/2040 and the valuation date is 9/30/2015.

¹⁰ The projection period is 9/30/2014-9/30/2040 and the valuation date is 9/30/2014.

¹¹ The projection period is 9/30/2013-9/30/2040 and the valuation date is 9/30/2013.

¹² The projection period is 9/30/2012-9/30/2040 and the valuation date is 9/30/2012.

¹³ The projection period is 9/30/2011-9/30/2040 and the valuation date is 9/30/2011.

¹⁴ Current participants for the Social Security and Medicare programs are assumed to be the "closed-group" of individuals who are at least 15 years of age at the start of the projection period, and are participating as either taxpayers, beneficiaries, or both.

Totals may not equal the sum of components due to rounding.

The accompanying notes are an integral part of these financial statements.

United States Government
Statement of Changes in Social Insurance Amounts
for the Year Ended September 30, 2015 (Note 23)

(In billions of dollars)	Social Security¹	Medicare HI¹	Medicare SMI¹	Other²	Total
Net present value (NPV) of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year	(13,330)	(3,823)	(24,660)	(103)	(41,916)
Reasons for changes in the NPV during the year:					
Changes in valuation period	(560)	(202)	(1,094)	(2)	(1,858)
Changes in demographic data and assumptions	(103)	(35)	(108)	(3)	(249)
Changes in economic data and assumptions	(146)	-	-	-	(146)
Changes in law or policy	29	201	(253)	-	(23)
Changes in methodology and programmatic data	671	-	-	-	671
Changes in economic and other health care assumptions	-	755	2,466	-	3,221
Change in projection base	-	(83)	(1,104)	-	(1,187)
Net change in open group measure	(109)	636	(93)	(5)	429
Open group measure, end of year	<u>(13,440)</u>	<u>(3,187)</u>	<u>(24,753)</u>	<u>(108)</u>	<u>(41,487)</u>

Totals may not equal the sum of components due to rounding.

¹ Amounts represent changes between valuation dates 1/1/2014 and 1/1/2015.

² Includes Railroad Retirement changes between valuation dates 1/1/2014 and 1/1/2015 and Black Lung changes between 9/30/2014 and 9/30/2015.

The accompanying notes are an integral part of these financial statements.

United States Government
Statement of Changes in Social Insurance Amounts
for the Year Ended September 30, 2014 (Note 23)

(In billions of dollars)	Social Security ¹	Medicare HI ¹	Medicare SMI ¹	Other ²	Total
Net present value (NPV) of future revenue less future expenditures for current and future participants (the "open group") over the next 75 years, beginning of the year	(12,294)	(4,772)	(22,530)	(102)	(39,698)
Reasons for changes in the NPV during the year:					
Changes in valuation period	(540)	(239)	(988)	(2)	(1,769)
Changes in demographic data and assumptions	235	(139)	(152)	2	(54)
Changes in economic data and assumptions	(604)	-	-	(1)	(605)
Changes in law or policy	(37)	108	(42)	-	29
Changes in methodology and programmatic data	(90)	-	-	-	(90)
Changes in economic and other health care assumptions	-	772	(1,090)	-	(318)
Change in projection base	-	447	142	-	589
Net change in open group measure	(1,036)	949	(2,130)	(1)	(2,218)
Open group measure, end of year	(13,330)	(3,823)	(24,660)	(103)	(41,916)

Totals may not equal the sum of components due to rounding.

¹ Amounts represent changes between valuation dates 1/1/2013 and 1/1/2014.

² Includes Railroad Retirement changes between valuation dates 1/1/2013 and 1/1/2014 and Black Lung changes between 9/30/2013 and 9/30/2014.

The accompanying notes are an integral part of these financial statements.