

A photograph of the Alexander Hamilton statue in front of the U.S. Treasury Department building. The image is partially obscured by a large white diagonal graphic element.

Financial Report of the U.S. Government

FASAB

February 26, 2025

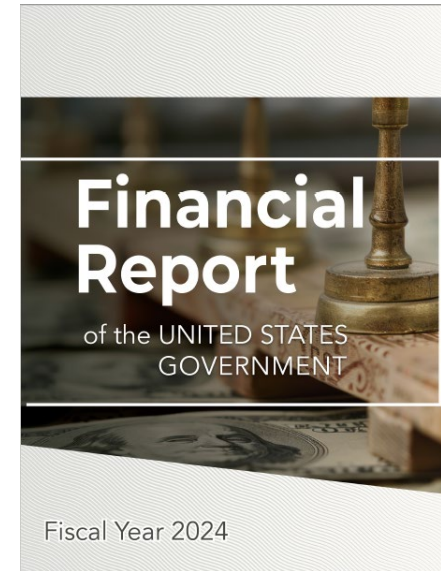


Compilation Process



**Long-Term
Fiscal
Projections**

**Financial
Management
Priorities**



***Compilation (Fiscal Service)
MD&A, Summary (OFAS)***

**Agency Financial Reports
Performance &
Accountability Reports**
40 Significant Reporting Entities
126 Other Reporting Entities
Audited by Inspectors General
& Contract Auditors



HEADLINES

Deficits and Costs

- Budget Deficit: \$137.6b increase,
- Net Operating Cost: \$992.2b net decrease.
 - Gains/Losses from FEVBP assumptions
 - \$477b net cost decrease
 - VA (\$983.3b cost decrease), DOD, OPM.
 - Interest on Debt \$231.1b increase.
 - Tax and Other Revenues: \$512.3b increase.

Assets and Liabilities

- Cash & Other Monetary Assets
 - \$255.5b increase
 - Treasury - “one-week prudent cash policy”.
- FDIC obligation purchase \$95.4b (Note 4)
- Federal Debt & Interest: \$2.0t increase.
- FEVBP: \$685.8b increase.
- Unmatched Transactions and Balances:**
Immaterial CY and PY (line item omitted).

Sustainability Measures

- Social Insurance minimal change: \$100b decrease.
- Fiscal projections trends – minimal change, -- still “unsustainable”.

Table 1 The Federal Government's Financial Position and Condition				
	2024	2023*	Increase / (Decrease)	
			\$	%
FINANCIAL MEASURES (Dollars in Billions)				
Gross Cost	\$ (7,772.2)	\$ (7,661.7)	\$ 110.5	1.4%
Less: Earned Revenue	\$ 652.9	\$ 539.5	\$ 113.4	21.0%
Gain/(Loss) from Changes in Assumptions	\$ (283.6)	\$ (760.6)	\$ (477.0)	(62.7%)
Net Cost	\$ (7,402.9)	\$ (7,882.8)	\$ (479.9)	(6.1%)
Less: Total Tax and Other Unearned Revenues	\$ 4,977.9	\$ 4,465.6	\$ 512.3	11.5%
Net Operating Cost	\$ (2,425.0)	\$ (3,417.2)	\$ (992.2)	(29.0%)
Budget Deficit	\$ (1,832.8)	\$ (1,695.2)	\$ 137.6	8.1%
Assets:				
Cash & Other Monetary Assets	\$ 1,177.7	\$ 922.2	\$ 255.5	27.7%
Inventory and Related Property, Net	\$ 447.3	\$ 423.0	\$ 24.3	5.7%
Loans Receivable, Net	\$ 1,751.0	\$ 1,695.1	\$ 55.9	3.3%
Property, Plant & Equipment, Net	\$ 1,313.0	\$ 1,235.0	\$ 78.0	6.3%
Other	\$ 973.1	\$ 1,143.8	\$ (170.7)	(14.9%)
Total Assets	\$ 5,662.1	\$ 5,419.1	\$ 243.0	4.5%
Liabilities:				
Federal Debt and Interest Payable	\$ (28,338.9)	\$ (26,347.7)	\$ 1,991.2	7.6%
Federal Employee and Veteran Benefits Payable	\$ (15,033.4)	\$ (14,347.6)	\$ 685.8	4.8%
Other	\$ (2,173.6)	\$ (2,203.0)	\$ (29.4)	(1.3%)
Total Liabilities	\$ (45,545.9)	\$ (42,898.3)	\$ 2,647.6	6.2%
Net Position	\$ (39,883.8)	\$ (37,479.2)	\$ 2,404.6	6.4%
SUSTAINABILITY MEASURES (Dollars in Trillions)				
Social Insurance Net Expenditures:				
Social Security (OASDI)	\$ (25.4)	\$ (25.2)	\$ 0.2	0.8%
Medicare (Parts A, B, & D)	\$ (52.8)	\$ (53.1)	\$ (0.3)	(0.6%)
Other	\$ (0.1)	\$ (0.1)	\$ -	0.0%
Total Social Insurance Net Expenditures	\$ (78.3)	\$ (78.4)	\$ (0.1)	(0.1%)
Total Federal Non-Interest Net Expenditures	\$ (72.7)	\$ (73.2)	\$ (0.5)	(0.7%)
75-Year Fiscal Gap (Percent of Gross Domestic Product) ¹	(4.3%)	(4.5%)	(0.1%)	(2.2%)

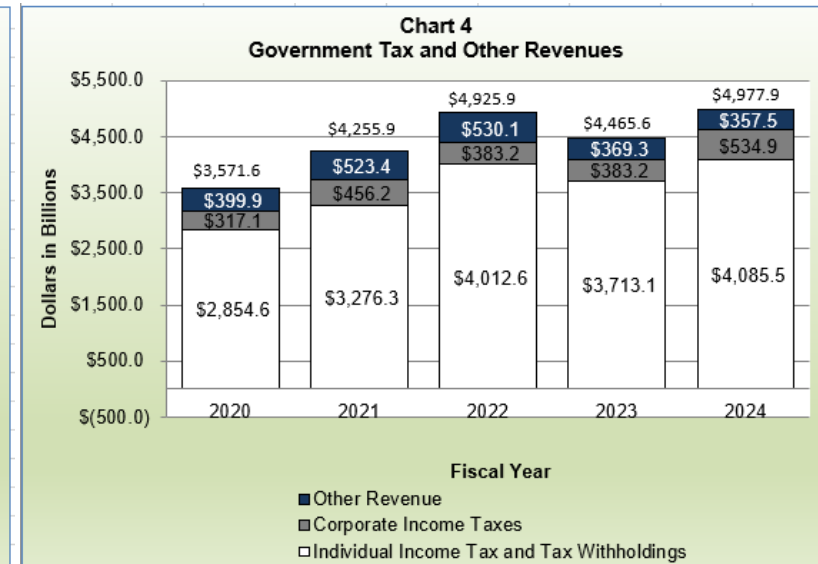
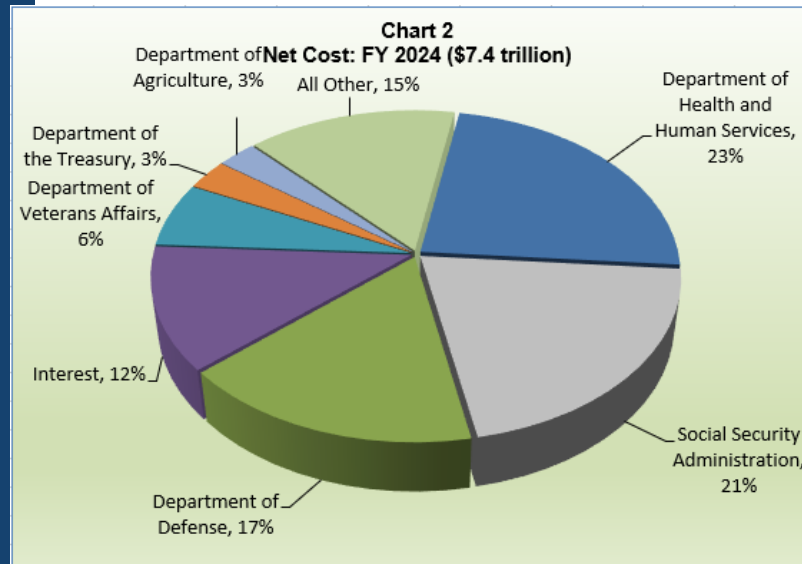
¹ To prevent the debt-to-GDP ratio from rising over the next 75 years, a combination of non-interest spending reductions and receipts increases that amounts to 4.3 percent of GDP on average is needed (4.5 percent of GDP on average in FY 2023). Totals may not equal sum of components due to rounding. See Financial Statement Note 24.

* Change in presentation (see Financial Statement Note 1.W).

Increases and Decreases – Net Cost (Dollars in Billions)

Total	FY 2024	FY 2023	Change	Comment
Net Cost	\$7,402.9	\$7,882.8	- \$479.9	See Below

Agency	FY 2024	FY 2023	Change	Comment
VA	\$472.0	\$1,455.3	- \$983.3	Assumptions Changes, PACT Act, Veterans Benefits Costs
Treasury	\$222.3	\$303.7	- \$81.4	Continued COVID Program wind-down, GSE gain/revenue
Interest on Public Debt	\$909.1	\$678.0	+ 231.1	Deficits, Debt, Interest Rates
DOD	\$1,232.3	\$1,003.3	+ \$229.0	MRF Assumptions
ED	\$191.7	\$18.5	+ \$173.2	Loan Modifications & Reestimates – Supreme Court decision
SSA	\$1,530.2	\$1,432.8	+ \$97.4	Increase in benefits paid.



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75-Year Fiscal Gap (Percent of Gross Domestic Product)¹	(4.3%)	(4.5%)	(0.1%)	(2.2%)

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Increases and Decreases – Balance Sheet (Dollars in Billions)

Line Item	FY 2024	FY 2023	Change	Comment
Assets				
Total Assets	\$5,662.1	\$5,419.1	+ \$243.0	See Below
Total Liabilities	\$45,545.9	\$42,898.3	+ 3,876.0	See Below

Line Item	FY 2024	FY 2023	Change	Comment
Assets				
Cash & Monetary Assets	\$1,177.7	\$922.2	+ \$255.5	Mostly cash held for operations.
Net Loans Receivable	\$1,313.0	\$1,695.1	+ \$55.9	Education (student debt relief – Supreme Court)
General PP&E	\$1,235.0	\$1,235.0	+ \$37.5	DOD @65%
Liabilities				
Debt Held By The Public	\$28,338.9	\$26,347.7	+ \$1,991.2	Debt/GDP: @98%; Does not include intragov debt
Fed Empl & Vet Benefits	\$15,033.4	\$14,347.6	+ \$1,515.5	Assumptions Changes – Veterans Benefits



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Social Insurance & Fiscal Projections

Social Insurance Future Expenditures in Excess of Future Revenues

Dollars in Trillions	2024	2023	Increase / (Decrease)	
			\$	%
Open Group (Net):				
Social Security (OASDI)	\$ (25.4)	\$ (25.2)	\$ 0.2	0.8%
Medicare (Parts A, B, & D)	\$ (52.8)	\$ (53.1)	\$ (0.3)	-0.6%
Other	\$ (0.1)	\$ (0.1)	\$ -	0.0%
Total Social Insurance Expenditures, Net (Open Group)	\$ (78.3)	\$ (78.4)	\$ (0.1)	-0.1%

Table 9: Trust Fund Status

Fund	Projected Depletion	Projected Post-Depletion Trend
Medicare Hospital Insurance *	2036	In 2036, trust fund income is projected to cover 89 percent of scheduled benefits, decreasing to 87 percent in 2048, then returning to 100 percent by 2098.
Combined Old-Age Survivors and Disability Insurance **	2035	In 2035, trust fund income is projected to cover 83 percent of scheduled benefits, decreasing to 73 percent by 2098.

* Source: 2024 Medicare Trustees Report ** Source: 2024 OASDI Trustees Report
This Report's projections assume full Social Security and Medicare benefits are paid after fund depletion contrary to current law.

Required by federal accounting standards.

Sources:

- SOSI – agencies
- Fiscal Projections - OMB

Current law and policy.

Projections, not predictions

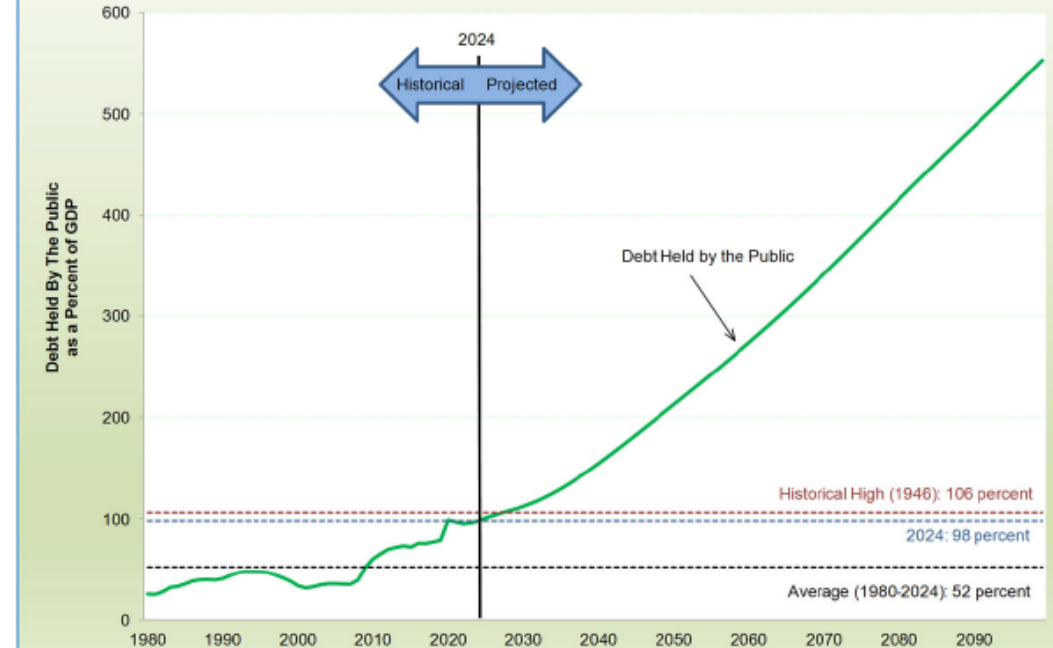
“The fiscal path is unsustainable.”

More Information:

- LTFP – Note 24 & RSI
- Social Insurance – Note 25 & RSI



Chart 6: Historical and Current Policy Projections for Debt Held by the Public, 1980-2099



Fiscal Projections - OMB

Chart 5: Historical and Current Policy Projections for Receipts, Non-interest Spending, Net Interest, and Total Spending 1980-2099

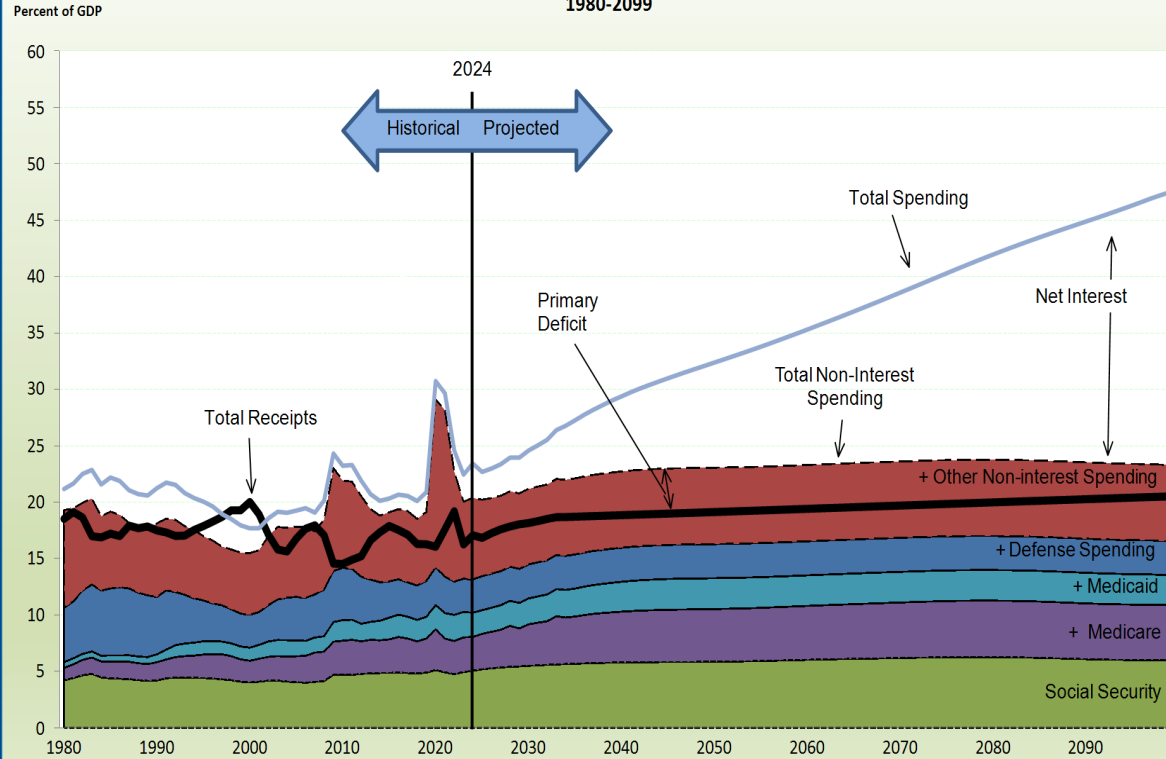


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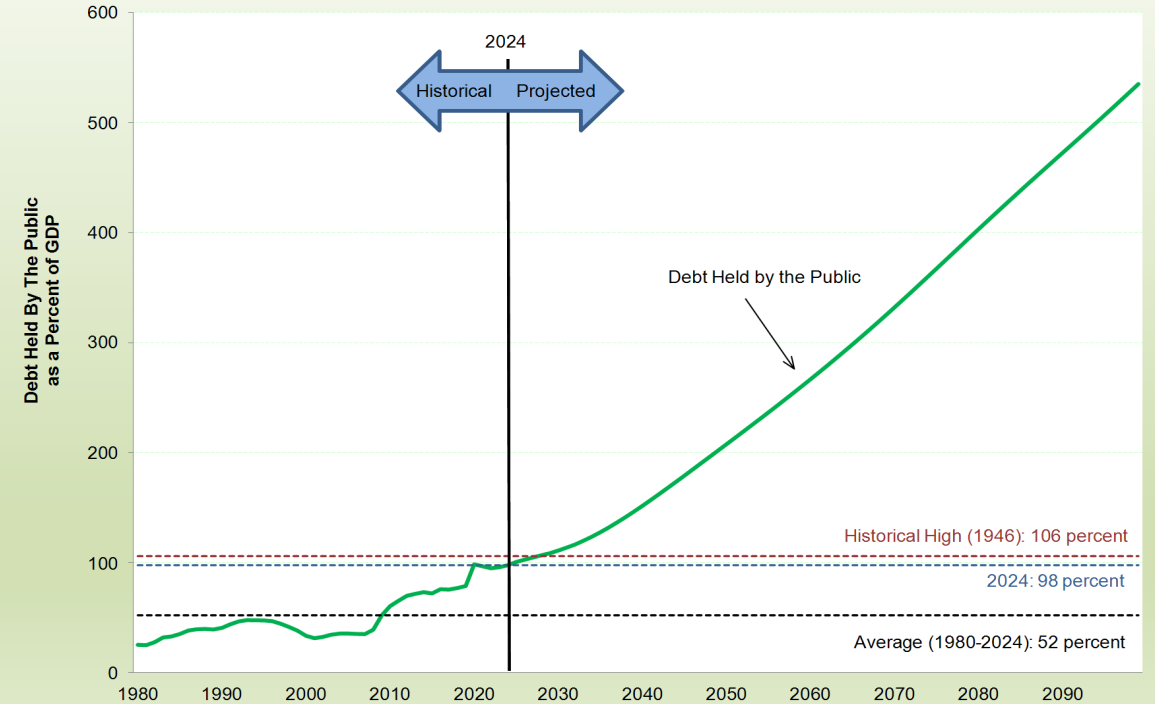


Table 2

Cost of Delaying Fiscal Reform

Period of Delay	Change in Average Primary Surplus
Reform in 2025 (No Delay)	4.3 percent of GDP between 2025 and 2099
Reform in 2035 (Ten-Year Delay)	5.1 percent of GDP between 2035 and 2099
Reform in 2045 (Twenty-Year Delay)	6.3 percent of GDP between 2045 and 2099

Then and Now

Financial Report of the U.S. Government Selected Data	FY 1997	FY 2024
Budget Deficit	\$15 b	\$1.8 t
Tax and Other Revenue	\$1.6 t	\$5.0 t
Net Operating Cost	\$21 b	\$2.4 t
Total Assets	\$1.6 t	\$5.6 t
Public Debt + Accrued Interest	\$3.8 t	\$28.3t
Total Liabilities	\$6.6 t	\$45.5 t
Social Insurance Net Expenditures	\$1.8 t*	\$78.3t

*Required Supplementary Stewardship Information



Agency Unmodified Audit Opinions

10

18

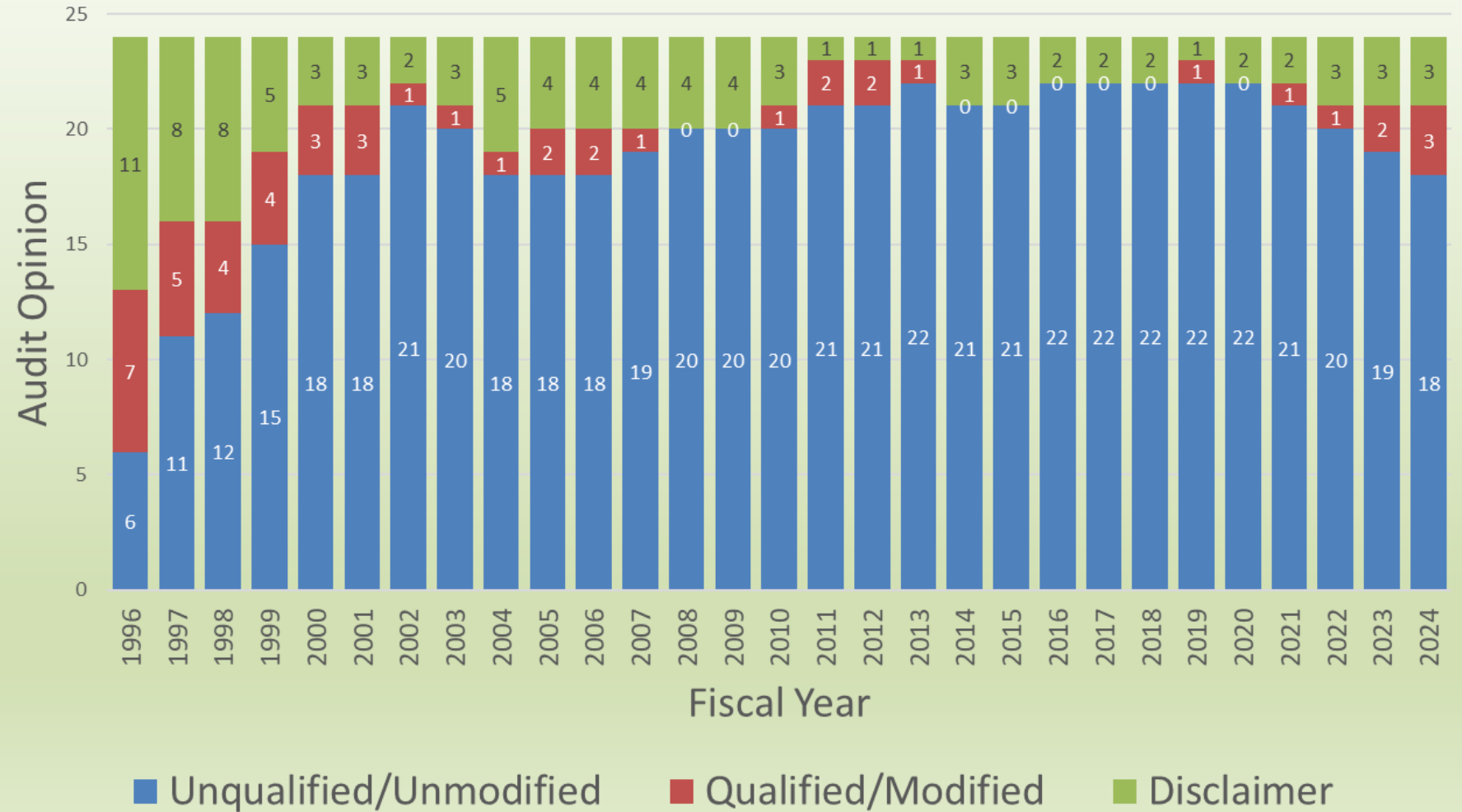
FRUSG Audit Opinion

Disclaimer

Disclaimer



CFO Act Agencies Audit Opinion History



FRUSG Audit Opinion

Disclaimer

Audit

- Agency Financial Reports

- 18 out of 24 CFO Act agency unmodified opinions
 - Disclaimers: DOD, ED, SBA
 - Qualified: USDA, DOE, DOL

- Government-wide: Disclaimer of Opinion (since FY 1997):

- Department of Defense Material Weaknesses
 - 2024 NDAA requires unmodified opinion by 12/31/2028
- Intragovernmental Transactions and Balances
 - Immaterial amounts for FY 2023 & 2024.
 - Sustain \$ results and foster/maintain reliable agency elimination controls and processes.
- Preparation / Compilation Process
 - General Fund reporting entity.
- Social Insurance, Fiscal Projections - Medicare cost growth uncertainty (HHS)



FRUSG Website and Resources

- Hybrid HTML/PDF version
- Intra-document navigation
- Access to chart data.
- Related Resources Page – Links to:
 - Agency Financial Reports
 - OMB Circulars and Memoranda
 - Social Security/Medicare Trustees Reports
 - GAO High Risk and Fiscal Health Information

<https://www.fiscal.treasury.gov/reports-statements/financial-report/>





Questions?