

A photograph of a bronze statue of George Washington standing on a stone pedestal in front of a classical building with columns and windows. The image is partially obscured by white geometric shapes.

FY 2025 Financial Report of the U.S. Government

FASAB

June 16, 2026



Compilation Process



Audit

Financial Management Priorities



**Compilation (Fiscal Service)
MD&A, Summary (OFAS)
Long-Term Fiscal Projections (EP)**

**Agency Financial Reports
Performance &
Accountability Reports**



Agency Reports



HEADLINES – FY 2025

- Budget Deficit: \$41.4B decrease
- Net Operating Cost: \$292.0B net decrease.
 - Education \$269.3B decrease
 - Gains/Losses from FEVBP assumptions
 - \$265.0B net cost decrease
 - HHS (\$148.1B) & SSA (\$125.2B) increase.
 - Interest on Debt: \$78.0B increase
 - Tax and Other Revenues: \$266.7B increase
 - incl. customs duties (\$133.9B (275.3 percent) increase to \$210.3B).
 - Subsequent Event - Supreme Court ruling

Assets and Liabilities

- Loans Receivables, Net \$251.5B increase
- Federal Debt & Interest: \$2.0T increase.
- Investments: includes DOC/Intel

Corrections of prior period errors: DOD/SAA

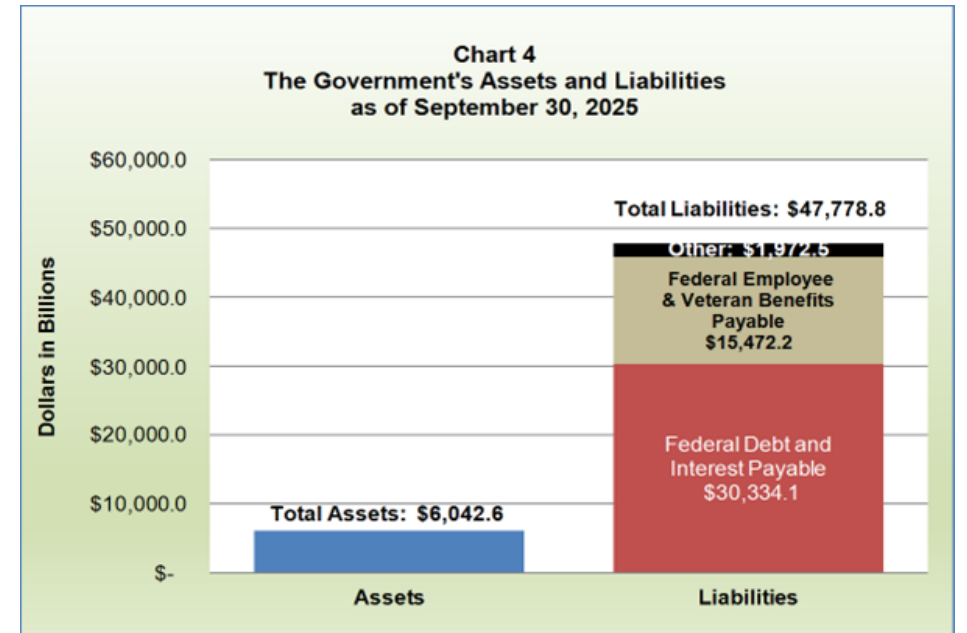
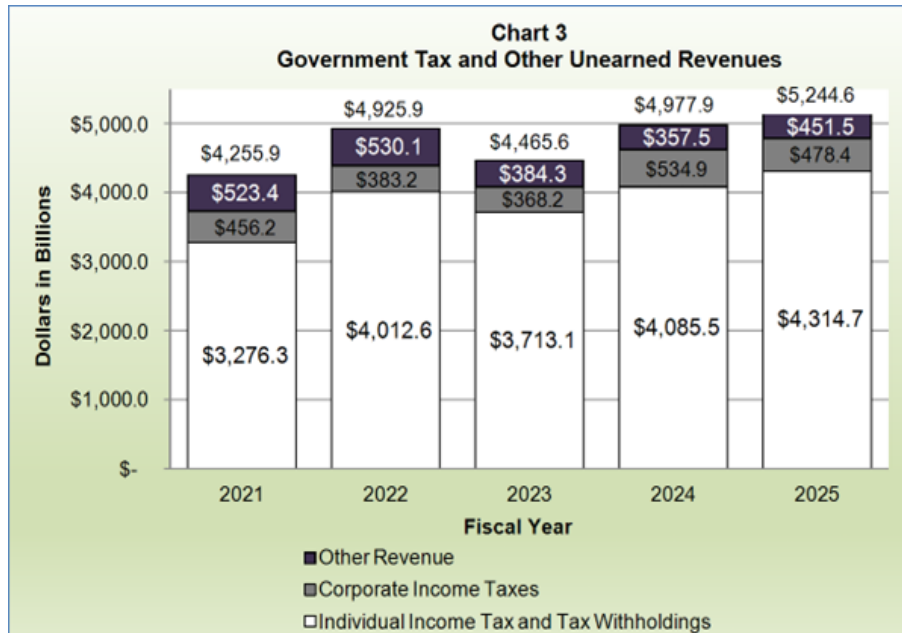
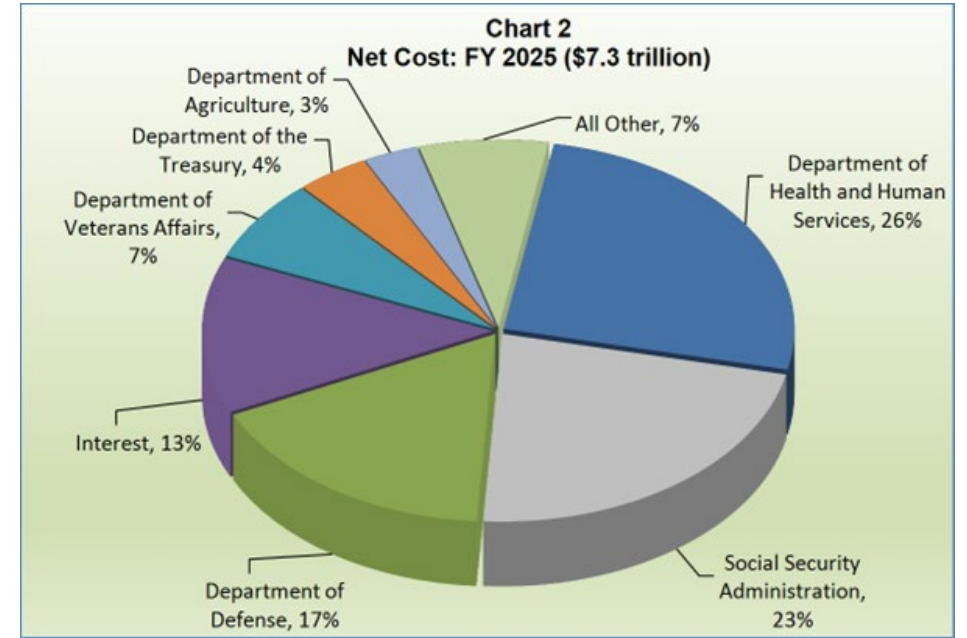
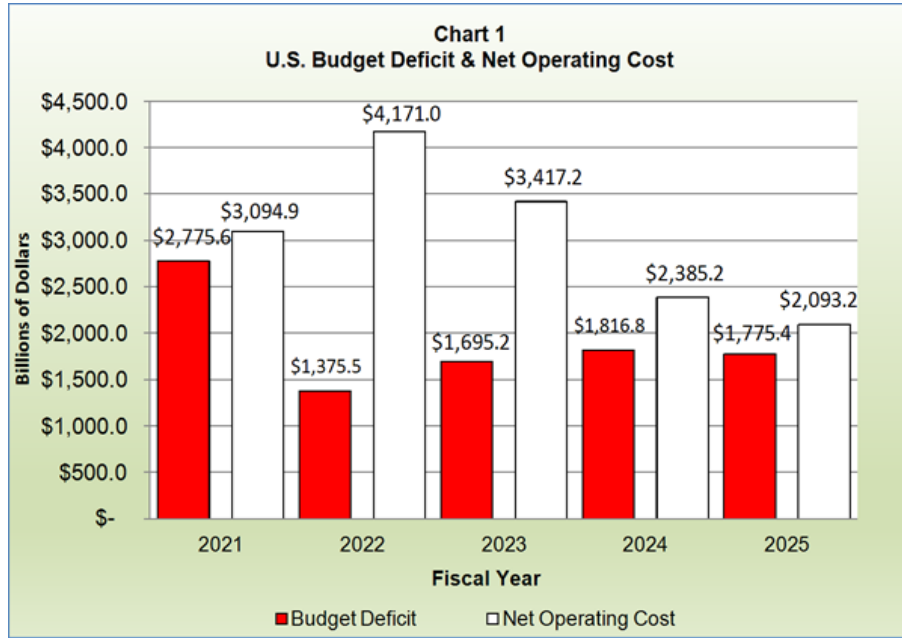
Sustainability Measures:

- Social Insurance: \$88.4T NPV expenditures less receipts
- Fiscal Projections trends – “unsustainable”.

Subsequent Event: Tariffs / SCOTUS

	2025	2024*	Increase / (Decrease)	
			\$	%
FINANCIAL MEASURES (Dollars in Billions)				
Gross Cost	\$ (8,071.4)	\$ (7,750.2)	\$ 321.2	4.1%
Less: Earned Revenue	\$ 752.2	\$ 670.7	\$ 81.5	12.2%
Gain/(Loss) from Changes in Assumptions	\$ (18.6)	\$ (283.6)	\$ (265.0)	(93.4%)
Net Cost	\$ (7,337.8)	\$ (7,363.1)	\$ (25.3)	(0.3%)
Less: Total Tax and Other Unearned Revenues	\$ 5,244.6	\$ 4,977.9	\$ 266.7	5.4%
Net Operating Cost	\$ (2,093.2)	\$ (2,385.2)	\$ (292.0)	(12.2%)
Budget Deficit	\$ (1,775.4)	\$ (1,816.8)	\$ (41.4)	(2.3%)
Assets:				
Cash & Other Monetary Assets	\$ 1,187.7	\$ 1,177.7	\$ 10.0	0.8%
Inventory and Related Property, Net	\$ 504.2	\$ 479.9	\$ 24.3	5.1%
Loans Receivable, Net	\$ 2,002.5	\$ 1,751.0	\$ 251.5	14.4%
Property, Plant & Equipment, Net	\$ 1,400.3	\$ 1,302.1	\$ 98.2	7.5%
Other	\$ 960.7	\$ 973.1	\$ (12.4)	(1.3%)
Total Assets	\$ 6,055.4	\$ 5,683.8	\$ 371.6	6.5%
Liabilities:				
Federal Debt and Interest Payable	\$ (30,334.1)	\$ (28,338.9)	\$ 1,995.2	7.0%
Federal Employee and Veteran Benefits Payable	\$ (15,472.2)	\$ (15,033.4)	\$ 438.8	2.9%
Other	\$ (1,972.5)	\$ (1,960.8)	\$ 11.7	0.6%
Total Liabilities	\$ (47,778.8)	\$ (45,333.1)	\$ 2,445.7	5.4%
Net Position	\$ (41,723.4)	\$ (39,649.3)	\$ 2,074.1	5.2%
SUSTAINABILITY MEASURES (Dollars in Trillions)				
Social Insurance Net Expenditures:				
Social Security (OASDI)	\$ (27.9)	\$ (25.4)	\$ 2.5	9.8%
Medicare (Parts A, B, & D)	\$ (60.4)	\$ (52.8)	\$ 7.6	14.4%
Other	\$ (0.1)	\$ (0.1)	\$ -	0.0%
Total Social Insurance Net Expenditures	\$ (88.4)	\$ (78.3)	\$ 10.1	12.9%
Total Federal Non-Interest Net Expenditures	\$ (79.6)	\$ (72.7)	\$ 6.9	9.5%
75-Year Fiscal Gap (Percent of Gross Domestic Product)¹	(4.7%)	(4.3%)	0.5%	11.6%
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 4.7 percent of GDP on average is needed (4.3 percent of GDP on average in FY 2024). Totals may not equal sum of components due to rounding. See Financial Statement Note 24.				
* Restated for prior period adjustment due to correction of error (see Financial Statement Note 1.V).				

Financial Statements - Trends



Social Insurance & Long-Term Fiscal Projections – FY 2025

- Required by federal accounting standards.
- Sources:
 - SOSI – agencies
 - Fiscal Projections - Treasury
- Current law and policy.
- Projections, not predictions

United States Government
 Statements of Long-Term Fiscal Projections (Note 24)
 Present Value of 75-Year Projections as of September 30, 2025, and 2024¹

	In trillions of dollars			Percent of GDP ²		
	2025	2024	Change	2025	2024	Change
Receipts:						
Social Security payroll taxes	85.1	84.2	0.9	4.2	4.2	-
Medicare payroll taxes	29.0	28.7	0.3	1.4	1.4	-
Individual income taxes	200.0	223.6	(23.6)	9.8	11.2	(1.4)
Corporation income taxes	23.9	27.0	(3.1)	1.2	1.3	(0.2)
Customs duties ³	24.0	-	24.0	1.2	-	1.2
Other receipts ⁴	20.6	23.0	(2.4)	1.0	1.1	(0.1)
Total receipts	382.6	386.5	(3.9)	18.7	19.3	(0.6)
Non-interest spending:						
Social Security	122.0	118.5	3.6	6.0	5.9	0.1
Medicare Part A ⁵	38.5	37.5	1.1	1.9	1.9	-
Medicare Parts B & D ⁶	61.7	54.7	7.0	3.0	2.7	0.3
Medicaid	51.2	52.7	(1.5)	2.5	2.6	(0.1)
Other mandatory	63.9	66.6	(2.7)	3.1	3.3	(0.2)
Defense discretionary	60.3	60.5	(0.2)	3.0	3.0	(0.1)
Non-defense discretionary	64.4	68.8	(4.3)	3.2	3.4	(0.3)
Total non-interest spending	462.2	459.2	3.0	22.6	22.9	(0.3)
Receipts less non-interest spending	(79.6)	(72.7)	(6.9)	(3.9)	(3.6)	(0.3)
Fiscal gap⁷				(4.7)	(4.3)	(0.3)

Social Insurance Future Expenditures in Excess of Future Revenues

Dollars in Trillions	2025	2024	Increase / (Decrease)	
			\$	%
Open Group (Net):				
Social Security (OASDI)	\$ (27.9)	\$ (25.4)	\$ 2.5	9.8%
Medicare (Parts A, B, & D)	\$ (60.4)	\$ (52.8)	\$ 7.6	14.4%
Other	\$ (0.1)	\$ (0.1)	\$ -	0.0%
Total Social Insurance Expenditures, Net (Open Group)	\$ (88.4)	\$ (78.3)	\$ 10.1	12.9%

Table 8: Changes in Social Insurance Projections

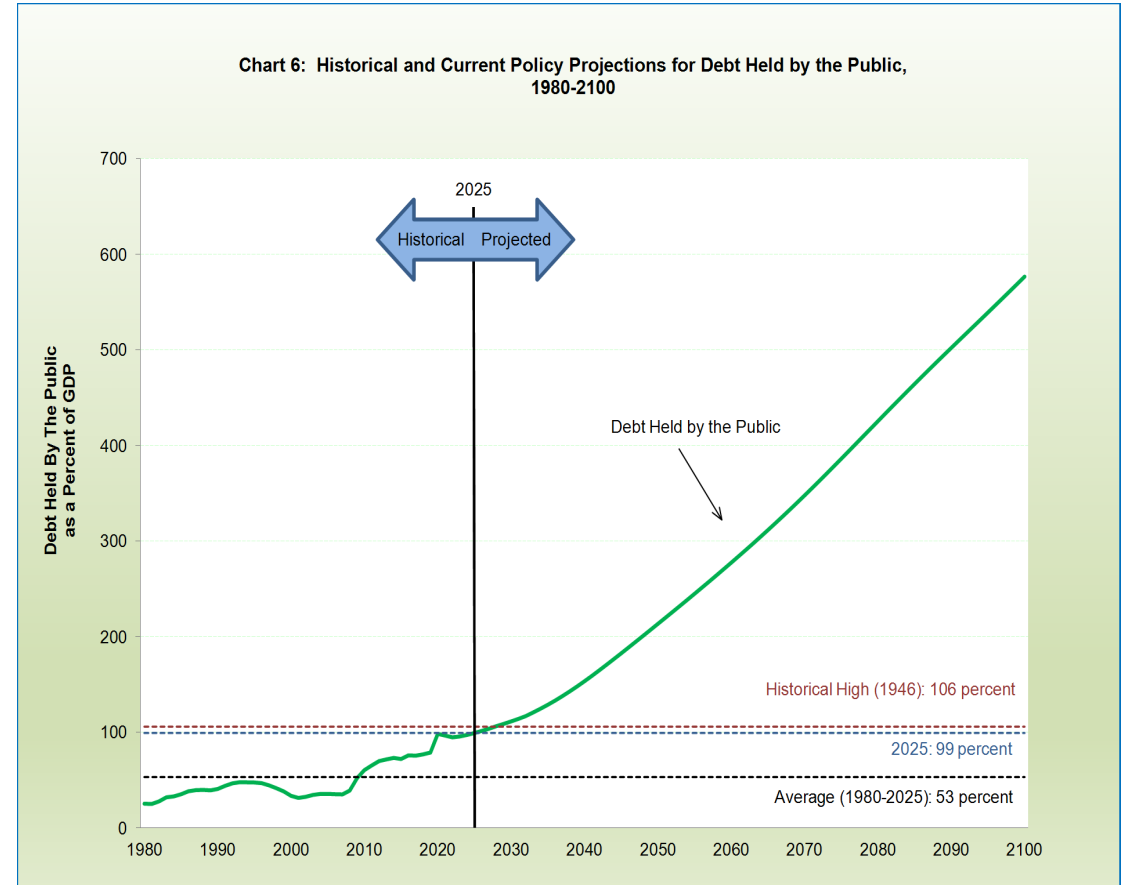
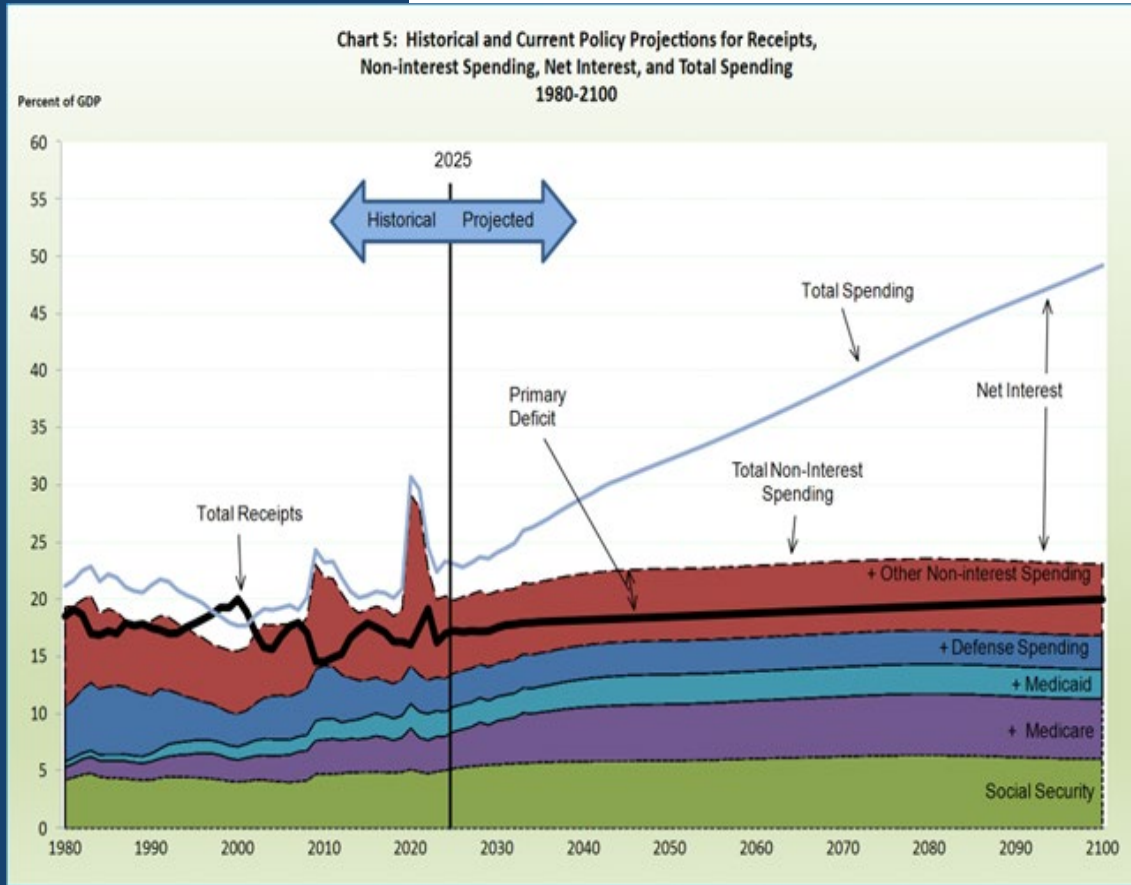
Dollars in Trillions	2025	2024
NPV - Open Group (Beginning of the Year)	\$ (78.3)	\$ (78.4)
Changes In:		
Valuation Period	\$ (2.6)	\$ (2.3)
Demographic data, assumptions, and methods	\$ 1.0	\$ (2.3)
Economic data, assumptions, and methods ¹	\$ (0.3)	\$ 0.4
Law or policy	\$ (1.1)	\$ -
Methodology and programmatic data ¹	\$ (0.2)	\$ 1.4
Economic and healthcare assumptions ²	\$ (4.8)	\$ 2.7
Change in projection base ²	\$ (2.1)	\$ 0.2
Net Change in Open Group measure	\$ (10.1)	\$ 0.1
NPV - Open Group (End of the Year)	\$ (88.4)	\$ (78.3)

Table 1: Trust Fund Status

Fund	Projected Depletion	Projected Post-Depletion Trend
Medicare Hospital Insurance *	2033	In 2033, trust fund income is projected to cover 89 percent of scheduled benefits, decreasing to 86 percent in 2049, then returning to 100 percent by 2099.
Combined Old-Age Survivors and Disability Insurance **	2034	In 2034, trust fund income is projected to cover 81 percent of scheduled benefits, decreasing to 72 percent by 2099.

¹ Source: 2025 Medicare Trustees Report ² Source: 2025 OASDI Trustees Report
 This Report's projections assume full Social Security and Medicare benefits are paid after fund depletion contrary to current law.

Long-Term Fiscal Projections



Alternative Scenarios – Effects of Changes In:

- Health Care Cost Growth
- Interest Rates
- Discretionary Spending Growth
- Customs Duties
- Individual Income Receipt Growth

Table 2

Cost of Delaying Fiscal Reform

Period of Delay	Change in Average Primary Surplus
Reform in 2026 (No Delay)	4.7 percent of GDP between 2026 and 2100
Reform in 2036 (Ten-Year Delay)	5.6 percent of GDP between 2036 and 2100
Reform in 2046 (Twenty-Year Delay)	6.9 percent of GDP between 2046 and 2100

Then and Now

Financial Report of the U.S. Government Selected Data	FY 1997	FY 2025
Budget Deficit	\$15 b	\$1.8 t
Tax and Other Revenue	\$1.6 t	\$5.2 t
Net Operating Cost	\$21 b	\$2.1 t
Total Assets	\$1.6 t	\$6.0 t
Public Debt + Accrued Interest	\$3.8 t	\$30.3 t
Total Liabilities	\$6.6 t	\$47.8 t
Social Insurance Net Expenditures	\$1.8 t*	\$88.4 t

*Required Supplementary Stewardship Information

Agency Unmodified Audit Opinions	10	15
FRUSG Audit Opinion	Disclaimer	Disclaimer



Audit Results – FY 2025

- Agency Financial Reports (FY 2025)
 - 15 out of 24 CFO Act agency unmodified opinions (18 in FY 2024); for the remaining 9:
 - Disclaimers: DOD, HUD, USAID, EPA, SBA (Balance Sheet only)
 - Qualified: USDA, DOE
 - Not audited: Education and SBA (except Balance Sheet for both)
 - Not issued by audit report date: DOL
- Government-wide: Disclaimer of Opinion (since FY 1997):
 - Department of Defense
 - 2024 NDAA requires unmodified opinion by 12/31/2028
 - Intragovernmental Transactions and Balances
 - Preparation / Compilation Process
 - Social Insurance, Fiscal Projections - Medicare cost growth uncertainty (HHS)



CFO ACT AGENCIES - OPINION HISTORY (ACCRUAL-BASED FINANCIAL STATEMENTS)



FY 2025 Significant Entities

Unmodified: 27/38

Disclaimer

- DOD
- EPA
- HUD
- SBA (Balance Sheet Only)
- USAID
- Security Assistance Accts

Qualified/Modified

- USDA
- DOE

Not Audited

- ED, SBA (except Balance Sheet)
- General Fund

Not Issued: DOL

FRUSG Audit Opinion

Disclaimer

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?