

United States Government Supplemental Information for the Year Ended September 30, 2000 (Unaudited)

Net Cost Detail

The Statement of Net Cost presents the cost of the Government's major functions. The objectives of each of the functions are described below. Also, the statement contains the definitions of "Gross Cost," "Earned Revenue," and "Net Cost."

National Defense

The category "National Defense" includes the Department of Defense, atomic energy defense activities, and other national defense activities. Amounts listed under this function include the cost to provide military forces to deter war; to be prepared to engage in war; and to preserve the peace and security of the United States, the Territories, Commonwealth, its possessions, and any area occupied by the United States. National defense also includes the cost to train, equip, compensate, and provide retirement benefits for the armed forces; develop, acquire, utilize, and dispose of weapon systems; conduct research and development to maintain technological superiority, cut costs, and improve performance of weapon systems; and carry out other defense-related activities.

Human Resources: Education, Training, Employment, and Social Services

The "Education, Training, Employment, and Social Services" function serves to extend knowledge and skills, enhance employment and employment opportunities, protect workplace standards, and provide services to the needy.

Education, Training, Employment, and Social Services

(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Elementary, secondary and vocational education.....	21.0	2.1	18.9
Higher education	7.8	-	7.8
Research and general education aids	3.0	0.7	2.3
Training and employment	5.6	-	5.6
Other labor services	1.4	0.3	1.1
Social services	17.8	0.2	17.6
Total education, training, employment, and social services	56.6	3.3	53.3

Health

The “Health” function includes costs to promote physical and mental health. Included are the prevention of illness and accidents and the Medicaid program. Although the Medicare program is the largest Federal health program, by law it is in a separate function for budget purposes. Also excluded from the “Health” subfunction is Federal health care for military personnel and veterans.

Health			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Health care services	134.4	0.9	133.5
Health research and training.....	15.9	-	15.9
Consumer and occupational health and safety	2.6	0.3	2.3
Total health	<u>152.9</u>	<u>1.2</u>	<u>151.7</u>

Medicare

The Federal Hospital Insurance (Medicare Part A) and Federal Supplementary Medical Insurance (Medicare Part B) programs make up Medicare. This function is not further subdivided. For more information on Medicare, see the note in the Stewardship Responsibilities section of Stewardship Information and Note 19—Dedicated Collections.

Income Security

The cost of providing payments to persons unrelated to any current service comprises the “Income Security” function. Included are disability, railroad retirement benefits, temporary assistance to needy families and similar programs, other than amounts related to Social Security, and veterans. Also included are food stamps, special milk, and child nutrition programs; unemployment and workers’ compensation; earned income tax credits and reduction of taxpayer liabilities; public assistance cash payments; benefits paid to the elderly and coal miners; and low- and moderate-income housing assistance. The costs of Federal pensions and retiree health benefits are allocated to other functions.

Income Security			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Unemployment compensation	25.1	(0.2)	25.3
Housing assistance	28.7	-	28.7
Food and nutritional assistance	34.3	-	34.3
Other income security	95.2	4.0	91.2
Cost not allocated to subfunctions	11.4	1.1	10.3
Total income security	<u>194.7</u>	<u>4.9</u>	<u>189.8</u>

Social Security

“Social Security” costs include payments to eligible beneficiaries of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs. These are collectively referred to as “Social Security.” The Social Security program is the single largest Federal program and is funded primarily by payroll taxes. For more information on Social Security, refer to the Stewardship Information section on Stewardship Responsibilities and Note 19—Dedicated Collections.

Veterans Benefits and Services

The amounts listed under this function include specific benefits and services paid to those with prior military service or their spouse, dependents, and survivors. Included are veterans compensation, life insurance, pensions, burial benefits, education and training, medical care, veterans housing, and administrative expenses of the Department of Veterans Affairs (VA). The net cost line titled “Total veterans benefits and services” increased in fiscal 2000 by \$160.2 billion primarily due to changes in interest rate and other actuarial assumptions in the calculation of the related liability for veterans compensation.

Veterans Benefits and Services			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Income security for veterans	97.6	1.3	96.3
Veteran education, training, and rehabilitation	1.6	0.2	1.4
Hospital and medical care of veterans.....	18.0	0.2	17.8
Veteran housing	(0.8)	-	(0.8)
Other veteran benefits and services	1.2	0.5	0.7
Total veteran benefits and services	<u>117.6</u>	<u>2.2</u>	<u>115.4</u>

Physical Resources

Energy

The “Energy” function includes the cost of promoting an adequate supply and appropriate use of energy to serve the needs of the Nation.

Energy			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Energy supply	14.4	12.9	1.5
Energy conservation.....	0.7	-	0.7
Emergency energy preparedness	0.1	-	0.1
Energy information, policy, and regulation	1.0	0.8	0.2
Total energy	<u>16.2</u>	<u>13.7</u>	<u>2.5</u>

Natural Resources and Environment

This function includes the costs incurred to develop, manage, and maintain the Nation's natural resources and environment. Excluded are funding for community water supply programs, basic sewer systems, and waste treatment plants that are part of community or regional development programs.

Natural Resources and Environment			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Water resources	5.3	0.6	4.7
Conservation and land management	7.4	0.7	6.7
Recreational resources	4.7	2.0	2.7
Pollution control and abatement	8.6	0.2	8.4
Other natural resources	4.5	0.3	4.2
Total natural resources and environment	<u>30.5</u>	<u>3.8</u>	<u>26.7</u>

Commerce and Housing Credit

This function encompasses the promotion and regulation of the commerce, housing, and deposit insurance industries. Included under "Commerce and Housing Credit" are costs to collect and disseminate social and economic data; provide general purpose subsidies to businesses and individuals, including credit subsidies for housing; and support the U.S. Postal Service Fund.

Commerce and Housing Credit			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Mortgage credit	2.0	0.7	1.3
U.S. Postal Service.....	93.2	74.7	18.5
Deposit insurance.....	3.6	0.7	2.9
Other advancement of commerce.....	9.4	1.3	8.1
Total commerce and housing credit.....	<u>108.2</u>	<u>77.4</u>	<u>30.8</u>

Transportation

Grants to States and others for local or national transportation of passengers and property make up the bulk of the cost associated with this function. Included are costs to construct facilities; purchase equipment; do research, testing, and evaluation; and provide operating subsidies to transportation facilities (such as airports and railroads).

Transportation			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Ground transportation	33.7	0.1	33.6
Air transportation	10.0	-	10.0
Water transportation	4.7	-	4.7
Other transportation.....	0.2	-	0.2
Total transportation	<u>48.6</u>	<u>0.1</u>	<u>48.5</u>

Community and Regional Development

The costs of promoting viable community economies by developing physical facilities or financial infrastructures comprise this function. Also included are the costs of developing transportation facilities that are integral parts of community development programs. Aid to businesses is usually excluded from this function unless it promotes the economic development of depressed areas and is not designed to promote particular lines of business for their own sake.

Community and Regional Development			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Community development	5.6	-	5.6
Area and regional development	4.8	0.1	4.7
Disaster relief and insurance	4.9	2.7	2.2
Total community and regional development	<u>15.3</u>	<u>2.8</u>	<u>12.5</u>

Interest

Interest costs are primarily amounts on Treasury securities held by the public. Interest payments on these securities are made by Treasury's Bureau of the Public Debt.

Other Functions

International Affairs

This function includes the costs of maintaining peaceful relations, supporting commerce and travel between the United States and the rest of the world, and promoting international security and economic development abroad.

International Affairs

(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
International development and humanitarian assistance	10.0	0.3	9.7
International security assistance.....	8.2	-	8.2
Conduct of foreign affairs	6.1	1.3	4.8
Foreign information and exchange activities	0.6	-	0.6
International financial programs	2.0	1.4	0.6
Total international affairs	<u>26.9</u>	<u>3.0</u>	<u>23.9</u>

General Science, Space, and Technology

This function covers the costs of National Science Foundation research, National Aeronautics and Space Administration space programs, and Department of Energy (DOE) general science research.

General Science, Space, and Technology

(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
General science and basic research	6.0	-	6.0
Space flight, research, and supporting activities	11.7	0.1	11.6
Total general science, space, and technology	<u>17.7</u>	<u>0.1</u>	<u>17.6</u>

Agriculture

Costs associated with promoting agricultural economic stability and maintaining and increasing agricultural production are found under the "Agriculture" function.

Agriculture

(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Farm income stabilization	35.4	2.6	32.8
Agricultural research and service	3.7	1.3	2.4
Total agriculture.....	<u>39.1</u>	<u>3.9</u>	<u>35.2</u>

Administration of Justice

The cost of judicial services includes police protection, law enforcement (including civil rights), rehabilitation and incarceration of criminals, and the general maintenance of domestic order. It also includes the cost of providing court-appointed counsel or other legal services for individuals. Not found under “Administration of Justice” are the costs of the legislative branch and police and guard activities that protect Federal property. Also, the cost of National Guard personnel and military personnel that are called upon occasionally to maintain public safety and the cost of military police are included under the “National Defense” function.

Administration of Justice			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Federal law enforcement activities	16.9	2.4	14.5
Federal litigative and judicial activities	9.1	-	9.1
Federal correctional activities	4.7	0.5	4.2
Criminal justice activities	6.6	-	6.6
Total administration of justice	<u>37.3</u>	<u>2.9</u>	<u>34.4</u>

General Government

“General Government” covers general overhead costs of the Federal Government. This consists of legislative and executive activities as well as central fiscal operations, including the premiums on early redemption of debt securities, and personnel and property activities. All activities reasonably or closely associated with other functions are included in those functions rather than general Government.

General Government			
(In billions of dollars)	Gross Cost	Earned Revenue	Net Cost
Subfunctions:			
Legislative functions	1.5	-	1.5
Executive direction and management	0.7	-	0.7
Central fiscal operations	12.1	4.3	7.8
General property and records management	0.6	0.3	0.3
Central personnel management	0.3	-	0.3
General purpose fiscal assistance	0.8	(0.3)	1.1
Other general government	7.9	0.1	7.8
Total general government	<u>23.9</u>	<u>4.4</u>	<u>19.5</u>

Deferred Maintenance

“Deferred Maintenance” is the estimated cost to bring Government-owned property to an acceptable condition. This results from not performing maintenance on a timely basis. Deferred maintenance excludes the cost of expanding the capacity of assets or upgrading them to serve needs different from those originally intended. The

consequences of not performing regular maintenance could include increased safety hazards, poor service to the public, higher costs in the future, and inefficient operations. Estimated deferred maintenance costs are not accrued in the Statement of Net Cost or recognized as a liability on the Balance Sheet.

The amounts disclosed for deferred maintenance on the table below have been measured using the following three methods:

- Condition assessment surveys are periodic inspections of the Government-owned property to determine the current condition and estimated cost to bring the property to an acceptable condition.
- Life-cycle cost forecast is an acquisition or procurement technique that considers operation, maintenance, and other costs in addition to the acquisition cost of assets.
- Management analysis method is based on inflation adjusted reductions in maintenance funding since the base year.

Some deferred maintenance has been deemed critical. Such amounts and conditions are defined by the individual agencies with responsibility for the safekeeping for these assets. Low and high estimates are based on the materiality of the estimated cost of returning the asset to the acceptable condition, versus the total value of the corresponding asset.

Deferred Maintenance as of September 30

(In billions of dollars)	Deferred Maintenance Cost Range		Critical Maintenance
	Low Estimate	High Estimate	
Asset Category:			
Buildings, structures, and facilities	24.8	64.8	35.1
Furniture, fixtures, and equipment	0.8	1.2	0.9
Assets under capital lease.....	-	-	-
General property, plant, and equipment land	-	-	-
Other general property, plant, and equipment	2.8	7.7	2.6
Total general property, plant, and equipment	28.4	73.7	38.6
Heritage assets	0.5	0.7	0.1
National defense assets	1.3	1.3	0.2
Stewardship land	-	-	-
Total stewardship assets.....	1.8	2.0	0.3
Total deferred maintenance	30.2	75.7	38.9

Reconciliation of the Excess of Revenue over Net Cost

For fiscal 2000, the unified budget reported a surplus of \$236.9 billion. For the same period, the *Financial Report of the United States Government* reports an excess of revenue over cost of \$46.0 billion. The difference between these two amounts occurs because they are prepared primarily on different measurement bases to carry out their different objectives.

The *Financial Report of the United States Government* is based on Generally Accepted Accounting Principles (GAAP). Thus, expenses and exchange revenue generally are recognized when the events giving rise to the transactions occur rather than when the cash is received or paid. Non-exchange revenues are recognized on a modified cash basis of accounting.

By contrast, the unified budget is computed primarily on the cash basis, according to accepted budget concepts and policies. The most significant differences between these two bases involve the timing of recognition and measurement of revenue and costs.

The differences between these two bases of accounting can be divided into four primary categories.

1. Receipts recognized in the budget that are not recognized as revenue in the *Financial Report of the United States Government*, such as:

- Collections of precredit reform loans.
- Collections of taxes receivable.
- Collections of accounts receivable.
- Proceeds from the sale of capital assets representing “book value.”

2. Revenues recognized in the *Financial Report of the United States Government* that are not recognized as receipts in the budget, such as:

- Increases in taxes receivable.
- Increases in accounts receivable.

3. Outlays recognized in the budget that are not recognized as costs in the *Financial Report of the United States Government*, such as:

- Purchases of inventory and general property, plant, and equipment.
- Payments of accounts payable.
- Payments of employee pensions and other benefits that reduce prior related liabilities.
- Payments of environmental cleanup and disposal costs that reduce prior related liabilities.

4. Costs recognized in the *Financial Report of the United States Government* that are not recognized as outlays in the budget, such as:

- Depreciation on general property, plant, and equipment.
- Increases in liabilities for employee pensions and other benefits.
- Increases in estimated environmental liabilities.
- Defaults on pre-credit reform loans.
- Decreases in inventory.
- Increases in accounts payable.

The remaining unidentified difference is a net of \$7.2 billion. Since some of the differences may be offsetting, the gross difference is larger than the \$7.2 billion and may include transactions in all four categories listed above. It also includes the effect of misclassifying intragovernmental transactions and relatively small differences in entity coverage.

Reconciliation of the Excess of Revenue over Net Cost to the Unified Budget Surplus for the Year Ended September 30 (Unaudited)

(In billions of dollars)

Excess of revenue over net cost	46.0
Increase in Veteran Compensation and Burial Benefits:	
Increase in liability for veterans	54.4
Increase in liability for survivors	8.2
Decrease in liability for burial benefits	(0.1)
Increase in liability for veterans	62.5
Increase in Environmental Liabilities:	
Increase in Department of Energy's environmental liabilities	3.6
Increase in Department of Defense's environmental liabilities	15.1
Increase in all other's environmental liabilities	0.9
Increase in environmental liabilities	19.6
Capitalized Fixed Assets:	
Department of Defense	(12.0)
Civilian agencies	(19.6)
Total capitalized fixed assets	(31.6)
Increase in Liability for Civilian Employee Benefits:	
Increase in civilian pension liabilities	46.7
Increase in civilian health liabilities	18.4
Decrease in other civilian benefits liabilities	(9.8)
Increase in liability for civilian employee benefits liabilities	55.3
Increase in Liability for Military Employee Benefits:	
Increase in military pension liabilities	28.8
Decrease in military health liabilities	(3.8)
Increase in other military benefits	14.5
Increase in liability for military employee benefits	39.5
Depreciation expense	15.4
Increase in benefits due and payable	4.0
Increase in inventory	(11.9)
Increase in taxes receivable	(0.6)
Increase in other liabilities	6.0
Seigniorage and sale of gold	(2.3)
Increase in accounts payable	5.2
Increase in accounts receivable	2.7
Increase in other assets	(5.4)
Other prior period adjustments	(4.2)
Premium on early buyback of public debt	5.5
Principal repayments of precredit reform loans	24.0
Net amount of all other differences	7.2
Unified budget surplus	236.9

Unexpended Budget Authority

“Unexpended Budget Authority” is the sum of the unobligated and obligated, but unliquidated, budget authority.

Unobligated budget authority, including trust fund balances, is the cumulative amount of budget authority that is not obligated and that remains available for obligation. In 1-year accounts, the unobligated balance is not available for new obligations after the end of the fiscal year. In multiyear accounts, the obligated balance may be carried forward and remains available for obligation for the period specified. In no-year accounts, the unobligated balance is carried forward until specifically rescinded by law or until the purposes for which it was provided have been accomplished.

Obligated budget authority is the cumulative amount of budget authority that has been obligated but not liquidated. This balance can be carried forward for a maximum of 5 years after the appropriation has expired.

Unexpended Budget Authority as of September 30, 2000 (Unaudited)

(In billions of dollars)	Unobligated Budget Authority	Obligated Budget Authority
Social Security Administration.....	965.7	41.6
Office of Personnel Management	542.7	-1.5
Department of Health and Human Services	228.0	65.3
Department of Defense	199.7	149.8
Department of Labor	98.7	8.4
Independent Agencies	78.4	7.3
Department of Transportation	63.6	59.4
Department of Housing and Urban Development	38.0	97.4
International Assistance program	32.8	71.0
Department of Agriculture.....	22.0	19.7
Department of the Treasury	17.8	139.6
Department of Veterans Affairs	15.7	5.4
Department of Energy	14.2	8.3
Department of State.....	13.3	4.2
Environmental Protection Agency	7.8	8.8
Department of the Interior.....	5.8	3.3
Department of Justice	4.7	14.1
General Services Administration.....	4.3	0.0
Corps of Engineers	3.6	0.8
Federal Emergency Management Agency	3.6	6.2
Department of Education.....	2.4	27.0
Department of Commerce	1.3	4.2
Legislative Branch	1.5	0.4
Judicial Branch	0.8	0.4
National Aeronautics and Space Administration.....	0.7	5.5
Executive Office of the President	0.3	0.0
National Science Foundation.....	0.2	4.6
Small Business Administration	1.1	1.7
Total	<u>2,368.7</u>	<u>752.9</u>

Tax Burden

The Internal Revenue Code provides for progressive rates of tax, whereby higher incomes are generally subject to higher rates of tax. The tables present the latest available information on income tax and on related income, deductions and credit for individuals by income level and for corporations by size of assets.

	Size of Adjusted Gross Income					
	Under \$15,000	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	Greater than \$200,000
(In millions of dollars unless otherwise noted)						
Individual Income Tax Returns for Tax Year 1998						
Total number of returns	40.2	30.0	21.1	23.1	6.3	2.1
Gross income	244.8	662.4	911.1	1,601.0	833.0	1,215.2
Adjusted gross income	241.2	656.0	903.3	1,588.3	822.6	1,204.7
Tax	8.5	47.6	91.6	203.4	144.6	317.9
Tax burden, percentage of gross total receipts	3.46%	7.18%	10.05%	12.70%	17.36%	26.16%
Average tax dollars per return	\$211	\$1,585	\$3,964	\$8,802	\$23,081	\$152,447
Deductions on Taxable Income:						
Standard deduction	175.6	143.7	87.5	47.4	4.0	1.1
Itemized deduction	15.5	47.1	99.8	243.3	135.0	135.9
Medical and dental expense	5.6	8.6	7.0	7.8	2.3	1.0
Interest paid	5.3	19.1	44.9	107.7	54.5	40.2
Charitable contributions	1.1	5.6	12.0	32.1	19.6	39.0
Other itemized deductions	3.5	13.8	35.9	95.7	58.6	55.7
Total deductions	191.1	190.8	187.3	290.7	139.0	137.0
Total expenditures, deductions	6.6	13.7	18.8	36.9	24.1	35.8
Credits Against Tax Liability:						
Child care credit	-	0.6	0.5	1.0	0.2	-
Credit for elderly and disabled	-	-	-	-	-	-
Foreign tax credit	-	-	-	0.3	0.6	4.0
Earned Income Tax Credits, offset tax liability	0.2	2.1	6.0	-	-	-
Other credits	0.5	4.1		8.2	0.9	1.0
Total credits	0.7	6.8	6.5	9.5	1.7	5.0
Total expenditures, and credits, individual	7.3	20.5	25.3	46.4	25.8	40.8

Corporation Income Tax Returns for Tax Year 1997						
(In millions of dollars unless otherwise noted)	Size of Total Assets (In thousands)					
	Under \$1,000	\$1,000 under \$10,000	\$10,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$250,000	Greater than \$250,000
Total returns (In thousands)	4,251.8	388.0	44.4	8.7	8.0	9.0
Total receipts	2,230.1	2,319.4	1,396.7	534.3	779.8	9,349.4
Taxable income	31.7	27.3	26.5	16.5	30.8	550.5
Total tax	8.2	8.5	8.7	5.4	10.0	143.5
Tax burden, percentage of gross total receipts ...	0.37%	0.37%	0.62%	1.01%	1.27%	1.54%
Average tax per return (in thousands)	1.9	21.8	195.0	618.3	1,238.5	15,916.6
Deductions on Taxable Income:						
Net operating loss ...	10.6	5.4	4.5	2.6	4.0	33.3
Dividends received ..	2.1	1.1	1.7	1.6	4.2	176.1
Public utility dividends paid	-	-	-	-	-	-
Total deductions	<u>2,176.0</u>	<u>2,274.2</u>	<u>1,363.2</u>	<u>515.3</u>	<u>739.6</u>	<u>8,636.3</u>
Total expenditures, deductions	<u>8.1</u>	<u>8.4</u>	<u>8.5</u>	<u>5.2</u>	<u>9.4</u>	<u>133.0</u>
Credits Against Tax Liability:						
Foreign tax credit	0.4	0.1	0.2	0.1	0.4	41.0
U.S. Possessions tax credit	-	-	0.1	0.2	0.4	2.1
Nonconventional source fuel credit	-	-	-	-	-	1.0
General business credit	0.2	0.1	0.1	0.1	0.2	4.4
Other credits	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>3.5</u>
Total credits	<u>0.7</u>	<u>0.3</u>	<u>0.5</u>	<u>0.5</u>	<u>1.1</u>	<u>52.0</u>
Total expenditures, corporation	<u>8.8</u>	<u>8.7</u>	<u>9.0</u>	<u>5.7</u>	<u>10.5</u>	<u>185.0</u>

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Other Information (Unaudited)

Other Claims for Refund

Management has estimated amounts that may be paid out as other claims for tax refunds. This estimate represents an amount (principal and interest) that may be paid for claims pending judicial review by the Federal courts or, internally, by appeals. The total estimated payout (including principal and interest) for claims pending judicial review by the Federal courts is \$8.4 billion. For those under appeal, the estimated payout is \$13.5 billion. Although these refund claims have been deemed to be probable, they do not meet the criteria in Statements of Federal Financial Accounting Standards (SFFAS) No. 5 for reporting the amounts in the Balance Sheet or for disclosure in the Notes to the Financial Statements. However, they meet the criteria in SFFAS No. 7 for inclusion as supplemental information.

Federal Taxes Receivable Net

In accordance with SFFAS No. 7, some unpaid assessments do not meet the criteria for financial statement recognition as discussed in Note 1 to the financial statements. Although compliance assessments and writeoffs are not considered receivables under Federal accounting standards, they represent legally enforceable claims of the Internal Revenue Service (IRS)—acting on behalf of the Federal Government. There is, however, a significant difference in the collection potential of these categories.

The components of the total unpaid assessments and derivation of net Federal taxes receivable at September 30, 2000, are shown in the chart below.

The Government cannot reasonably estimate the amount of allowance for doubtful accounts pertaining to its compliance assessments and, thus, cannot determine their net realizable value or the value of the pre-assessment work in progress.

To eliminate double-counting, the compliance assessments exclude trust fund recovery penalties, totaling \$14 billion, assessed against officers and directors of businesses who were involved in the non-remittance of Federal taxes withheld from their employees. The related unpaid assessments of those businesses are reported as taxes receivable or writeoffs. But, the Government also may recover portions of those businesses' unpaid assessments from individual officers and directors against which a trust fund recovery penalty is assessed.

Federal Taxes Receivable as of September 30

(In billions of dollars)

Gross unpaid assessments	240.0
Less: Compliance assessments and writeoffs	(156.3)
Gross Federal taxes receivable.....	83.7
Less: Allowance for doubtful accounts.....	(60.4)
Federal taxes receivable, net	<u>23.3</u>

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Appendix: List of Significant Government Entities Included and Excluded from the Financial Statements

This *Financial Report of the United States Government* includes the executive branch and parts of the legislative and judicial branches of the Government. Excluded are privately owned Government-sponsored enterprises such as the Federal Home Loan Banks and the Federal National Mortgage Association. The Federal Reserve System also is excluded because organizations and functions pertaining to monetary policy are traditionally separate from, and independent of, other central Government organizations and functions.

Significant Entities Included in these Statements:

Department of Agriculture (USDA) www.usda.gov	Environmental Protection Agency (EPA) www.epa.gov
Department of Commerce (DOC) www.doc.gov	Executive Office of the President
Department of Defense (DOD) www.defenselink.mil	Export-Import Bank of the United States (Ex-Im Bank) www.exim.gov
Department of Education (ED) www.ed.gov	Farm Credit Administration (FCA) www.fca.gov
Department of Energy (DOE) www.doe.gov	Federal Communications Commission (FCC) www.fcc.gov
Department of Health and Human Services (HHS) www.hhs.gov	Federal Deposit Insurance Corporation (FDIC) www.fdic.gov
Department of Housing and Urban Development (HUD) www.hud.gov	Federal Emergency Management Agency (FEMA) www.fema.gov
Department of the Interior (DOI) www.doi.gov	Federal Trade Commission (FTC) www.ftc.gov
Department of Justice (DOJ) www.usdoj.gov	General Accounting Office (GAO) www.gao.gov
Department of Labor (DOL) www.dol.gov	General Services Administration (GSA) www.gsa.gov
Department of State (DOS) www.state.gov	Government Printing Office (GPO) www.gpo.gov
Department of the Air Force (Air Force) www.af.mil	Library of Congress (LC) www.loc.gov
Department of the Army (Army) www.army.mil	National Aeronautics and Space Administration (NASA) www.nasa.gov
Army Corps of Engineers www.usace.army.mil	National Archives and Records Administration (NARA) www.nara.gov
Department of the Navy (Navy) www.navy.mil	National Credit Union Administration (NCUA) www.ncua.gov
Department of Transportation (DOT) www.dot.gov	National Science Foundation (NSF) www.nsf.gov
Department of the Treasury (Treasury) www.ustreas.gov	National Transportation Safety Board (NTSB) www.nts.gov
Department of Veterans Affairs (VA) www.va.gov	Nuclear Regulatory Commission (NRC) www.nrc.gov
U.S. Agency for International Development (USAID) www.usaid.gov	Office of Management and Budget (OMB) www.whitehouse.gov/omb/
Commodity Credit Corporation (CCC)	Office of Personnel Management (OPM) www.opm.gov
Commodity Futures Trading Commission (CFTC) www.cftc.gov	Pension Benefit Guaranty Corporation (PBGC) www.pbgc.gov

Entities Included, cont.

Railroad Retirement Board (RRB)

www.rrb.gov

U.S. Securities and Exchange Commission (SEC)

www.sec.gov

Small Business Administration (SBA)

www.sba.gov

Smithsonian Institution

www.si.edu

Social Security Administration (SSA)

www.ssa.gov

Tennessee Valley Authority (TVA)

www.tva.gov

U.S. Postal Service (USPS)

www.usps.gov

Significant Entities Excluded from these Statements:

Army and Air Force Exchange Service

Board of Governors of the Federal Reserve System

(Including the Federal Reserve Banks)

Federal National Mortgage Association (Fannie Mae)

Farm Credit System

Federal Home Loan Banks

Federal Retirement Thrift Investment Board

Financing Corporation

Federal Home Loan Mortgage Corporation
(Freddie Mac)

Marine Corps Exchange

Navy Exchange Service Command

Resolution Funding Corporation

U.S.A. Education Inc. (Sallie Mae)

Thrift Savings Fund