FINANCIAL AUDIT
Bureau of the Fiscal Service's FY 2024 Schedules of the General Fund

Report to the Commissioner of the Bureau of the Fiscal Service, Department of the Treasury

March 2025

GAO-25-106679

United States Government Accountability Office

Accessible Version

GAO Highlights

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Highlights of GAO-25-106679, a report to the Commissioner of the Bureau of the Fiscal Service, Department of the Treasury
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Why GAO Did This Study

The General Fund is the reporting entity responsible for accounting for the cash activity of the U.S. government. The Secretary of the Treasury delegated management of the General Fund to Fiscal Service. In fiscal year 2024, the General Fund reported $33.9 trillion of cash inflows, including debt issuances and tax collections, and $33.6 trillion of cash outflows, including debt repayments. It also reported a budget deficit of $1.8 trillion.

GAO audits the consolidated financial statements of the U.S. government. Because of the significance of the General Fund to the government-wide financial statements, GAO audited the fiscal year 2024 Schedules of the General Fund to determine whether, in all material respects, (1) the Schedules of the General Fund are fairly presented and (2) Fiscal Service management maintained effective internal control over financial reporting relevant to the Schedules of the General Fund. Further, GAO tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements related to the Schedules of the General Fund.

GAO performed this audit in accordance with U.S. generally accepted government auditing standards.

What GAO Found

GAO encountered limitations that affected the scope of its work, which

1) prevented GAO from expressing an opinion on the Schedules of the General Fund as of and for the fiscal year ended September 30, 2024;
2) prevented GAO from obtaining sufficient appropriate audit evidence to provide a basis for an opinion on the effectiveness of the Bureau of the Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund as of September 30, 2024; and
3) limited tests of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2024.

The continuing scope limitations relate to Fiscal Service's inability to readily (1) identify and trace General Fund of the U.S. government (General Fund) transactions to determine whether they were complete and properly recorded in the correct general ledger accounts and line items within the Schedules of the General Fund, which GAO determined to be a significant deficiency, and (2) provide sufficient appropriate audit evidence to support the account attributes assigned to active Treasury Account Symbols that determine how transactions are reported in the line items of the Schedules of the General Fund. As a result of these limitations, GAO cautions that amounts Fiscal Service reported in the Schedules of the General Fund and related notes may not be reliable.

In addition to continuing control deficiencies that relate to the scope limitations and contributed to GAO's disclaimer of opinion on the Schedules of the General Fund, GAO found one other continuing significant deficiency in internal control related to management's monitoring of internal control over financial reporting.

GAO previously reported a significant deficiency in information system controls. Fiscal Service made progress in addressing information system control deficiencies such that GAO no longer considers the current control deficiencies in this area, individually or collectively, a significant deficiency. However, GAO performed limited information system control procedures due to the disclaimer of opinion on the Schedules of the General Fund.

In commenting on a draft of this report, Fiscal Service concurred with the results of GAO's audit.

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Abbreviations

ALC	agency location code
BETC	Business Event Type Code
CARS	Central Accounting Reporting System
CFS	consolidated financial statements of the U.S. government
FAA	Financial Agency Agreement
FMFIA	Federal Managers' Financial Integrity Act of 1982
FRB	Federal Reserve Bank
General Fund	General Fund of the U.S. government
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
OMB	Office of Management and Budget
TAS	Treasury Account Symbol
TDO	Treasury Disbursing Office

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March 13, 2025

Mr. Timothy Gribben
Commissioner
Bureau of the Fiscal Service
Department of the Treasury

Dear Mr. Gribben:

The accompanying independent auditor's report presents the results of our audits of the fiscal year 2024 Schedules of the General Fund. This is the fourth integrated audit we performed of the Schedules of the General Fund.[1] In summary, we encountered limitations that affected the scope of our work, which

- prevented us from expressing an opinion on the Schedules of the General Fund as of and for the fiscal year ended September 30, 2024;
- prevented us from obtaining sufficient appropriate audit evidence to provide a basis for an opinion on the effectiveness of the Bureau of the Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund as of September 30, 2024;[2] and
- limited our tests of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2024.

The General Fund of the U.S. government (General Fund), an entity that the Department of the Treasury's Fiscal Service manages, is responsible for reporting on the central activities fundamental to funding the federal government. The General Fund consists of assets and liabilities used to finance the daily and long-term operations of the U.S. government. More specifically, the General Fund is the reporting entity responsible for accounting for the cash activity of the U.S. government.

The fiscal year 2024 Schedules of the General Fund consist of two schedules: the Schedule of the Operations of the General Fund of the U.S. Government and the Schedule of Changes in Cash Balance from Budget and Other Activities.

[1]We conduct an audit of the financial information for the General Fund every 2 years to allow the Bureau of the Fiscal Service sufficient time to develop and begin to implement a remediation plan to address the issues we identified as part of our audit of the fiscal year 2022 Schedules of the General Fund. See GAO, *Financial Audit: Bureau of the Fiscal Service's FY 2022 Schedules of the General Fund*, GAO-23-104786 (Washington, D.C.: Mar. 30, 2023).

[2]The Secretary of the Treasury delegated management of the General Fund of the U.S. government to the Department of the Treasury's Bureau of the Fiscal Service.

Schedule of the Operations of the General Fund

The Schedule of the Operations of the General Fund presents the (1) cash balance and related cash activity of the U.S. government, (2) General Fund assets and liabilities that Treasury holds and manages, (3) other intragovernmental assets and liabilities, and (4) net equity of the General Fund.

The Cash held by Treasury for government-wide operations section of this schedule reflects the cash balance and related cash activity of the U.S. government. The largest inflows of cash are collections from debt issuances and taxes, while the largest outflows are debt repayments and Social Security and health care benefit payments. For fiscal year 2024, the Schedule of the Operations of the General Fund reported $33.9 trillion of cash inflows and $33.6 trillion of cash outflows. These amounts include cash activity related to debt issuances and repayments reported in the fiscal year 2024 Schedules of Federal Debt and tax collections reported in the Internal Revenue Service's fiscal year 2024 financial statements, both of which GAO audited.

Specifically, for fiscal year 2024, the Schedules of Federal Debt reported borrowings from the public totaling $28.6 trillion and repayments of debt held by the public totaling $26.7 trillion.[3] Internal Revenue Service tax collections during fiscal year 2024 totaled $5.1 trillion.[4] In addition to the cash activity, the Schedules of the General Fund include other significant line items, which are discussed below.

General Fund assets and liabilities consists of the intragovernmental assets and liabilities that Treasury holds and manages and other amounts that entities owe to the General Fund and that the General Fund owes to entities. The General Fund's largest asset is its loans and interest receivable, which Treasury holds and manages, that is related to the Federal Borrowings Program ($1.9 trillion as of September 30, 2024).[5] This program facilitates loans to federal entities that have the legal authority to borrow funds from the U.S. Treasury. Its largest liability is the outstanding federal debt and interest payable that Treasury holds and manages ($35.5 trillion as of September 30, 2024).

Schedule of Changes in Cash Balance from Budget and Other Activities

The Schedule of Changes in Cash Balance from Budget and Other Activities reports how the annual budget deficit relates to the change in the cash held by Treasury for government-wide operations. This schedule reconciles the $1.8 trillion budget deficit to the net activity for the Cash held by Treasury for government-wide operations line item reported on the Schedule of the Operations of the General Fund of $232 billion, including information on the federal government's investing and financing activities.

The Schedule of Changes in Cash Balance from Budget and Other Activities presents three categories of reconciling items: (1) adjustments for noncash outlays included in the budget, (2) cash flow from activities not included in the budget, and (3) other General Fund activity. For fiscal year 2024, accrued interest on federal

[3]GAO, *Financial Audit: Bureau of the Fiscal Service's FY 2024 and FY 2023 Schedules of Federal Debt*, GAO-25-107138 (Washington, D.C.: Nov. 7, 2024).

[4]GAO, *Financial Audit: IRS's FY 2024 and FY 2023 Financial Statements*, GAO-25-107202 (Washington, D.C.: Nov. 7, 2024).

[5]The Federal Borrowings Program, administered by Fiscal Service's Federal Investments and Borrowings Branch, facilitates loans to authorized federal entities on behalf of Treasury. Federal entities that have the appropriate statutory authority may borrow funds from the U.S. Treasury. For example, the Department of Education requests loans from Treasury's borrowing program to help fund the student loan program.

debt resulted in the largest adjustment for noncash activity to the budget deficit ($518 billion). Further, net cash flow from financing federal debt resulted in the largest adjustment for cash activity not included in the budget ($1.5 trillion).

General Fund Impact on the *Financial Report of the U.S. Government*

Treasury delegated to a separate Fiscal Service group responsibility for preparing the *Financial Report of the U.S. Government*, which includes the consolidated financial statements of the U.S. government (CFS). The preparation of and audit assurance over the General Fund's Schedule of the Operations of the General Fund is necessary to account for and eliminate General Fund intragovernmental activity and balances with other reporting entities in the CFS. In connection with our fiscal year 2024 audit of the CFS,[6] we continued to report that the federal government's inability to adequately account for intragovernmental activity and balances between federal entities represented a material weakness in internal control over financial reporting.[7]

Fiscal Service anticipates that the preparation of and audit assurance over the General Fund's Schedule of Changes in Cash Balance from Budget and Other Activities will significantly contribute to resolving a material weakness that we continued to report in connection with our fiscal year 2024 CFS audit. Specifically, Fiscal Service expects these efforts to help reasonably assure that the information used to prepare the Statements of Changes in Cash Balance from Budget and Other Activities in the *Financial Report of the U.S. Government* is complete and consistent with the underlying information in the audited entities' financial statements and other financial data.

Fiscal Service's Progress Toward Auditability of the Schedules of the General Fund

Two previously identified scope limitations contributed to our disclaimer of opinion on the fiscal year 2024 Schedules of the General Fund and relate to certain deficiencies in internal control over financial reporting. The first scope limitation, identified during our fiscal year 2018 audit, relates to Fiscal Service's inability to readily identify and trace transactions in the General Fund general ledgers.

Fiscal Service made progress in addressing the significant deficiency contributing to this scope limitation. For example, it implemented a new process for federal entities to report transfers and noncash transactions, which improves the traceability for these types of transactions. However, implementation of this new process remains limited to one federal entity. Fiscal Service also implemented automated edit checks designed to reasonably assure that federal entities use the new loan Business Event Type Codes appropriately for fiscal year 2025 reporting.

However, Fiscal Service anticipates remediation to occur over several years in part to allow time for it to (1) complete development and implementation of a manual or systematic process to trace postpayments, (2)

[6]GAO, *Financial Audit: FY 2024 and FY 2023 Consolidated Financial Statements of the U.S. Government*, GAO-25-107421 (Washington, D.C.: Jan. 16, 2025).

[7]A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

complete information system modernization efforts needed to address transaction traceability issues, and (3) design and implement new reporting requirements to improve transaction traceability and to allow time for federal entities to implement the new requirements.

The second scope limitation, identified during our fiscal year 2020 audit, relates to Fiscal Service's inability to provide adequate documentation supporting account attributes of active Treasury Account Symbols (TAS), which determine how transactions are reported in line items on the Schedules of the General Fund. Fiscal Service is addressing this deficiency by reviewing the population of active TASs and compiling a standard support package for attributes assigned to each, with final remediation anticipated to occur in fiscal year 2027.

We also continued to identify a significant deficiency related to management's monitoring of internal control over financial reporting that will require continued and consistent commitment from Fiscal Service management to address.

We previously reported a significant deficiency in information system controls. Fiscal Service made progress in addressing the underlying control deficiencies such that we no longer consider them, individually or collectively, a significant deficiency. However, our information system control procedures were limited due to the scope limitations.

We separately issued a report detailing two new deficiencies identified during the fiscal year 2024 audits and the status of recommendations related to previously reported deficiencies that remained open as of the completion of our fiscal year 2022 audits.[8]

We are sending copies of this report to the appropriate congressional committees, the Deputy Inspector General of the Department of the Treasury, the Director of the Office of Management and Budget, and other interested parties. In addition, this report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions concerning this report, please contact me at (202) 512-2989 or kociolekk@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

Sincerely,



Kristen Kociolek
Managing Director
Financial Management and Assurance

[8]GAO, *General Fund: Improvements Needed in Controls over Retention of Key System Security and Cash Activity Documentation*, GAO-25-107819 (Washington, D.C.: Mar. 13, 2025).

441 G St. N.W.
Washington, DC 20548

Independent Auditor's Report

To the Commissioner of the Bureau of the Fiscal Service

In our audits of the fiscal year 2024 Schedules of the General Fund, we encountered limitations that affected the scope of our work, which

- prevented us from expressing an opinion on the Schedules of the General Fund as of and for the fiscal year ended September 30, 2024;
- prevented us from obtaining sufficient appropriate audit evidence to provide a basis for an opinion on the effectiveness of the Bureau of the Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund as of September 30, 2024;[9] and
- limited our tests of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2024.

The following sections discuss in more detail (1) our report on the Schedules of the General Fund and on internal control over financial reporting, which includes an emphasis-of-matter paragraph related to federal entities' classification of transactions; (2) our report on compliance with laws, regulations, contracts, and grant agreements; and (3) agency comments.

[9]The Secretary of the Treasury delegated management of the General Fund of the U.S. government to the Department of the Treasury's Bureau of the Fiscal Service.

Report on the Schedules of the General Fund and on Internal Control over Financial Reporting

Disclaimer of Opinion on the Schedules of the General Fund

In connection with fulfilling our requirement to audit the consolidated financial statements of the U.S. government,[10] and consistent with our authority to audit statements and schedules prepared by executive agencies,[11] we conducted an audit of the Schedules of the General Fund as of and for the year ended September 30, 2024, because of the significance of the General Fund of the U.S. government (General Fund) to the consolidated financial statements of the U.S. government.[12] The Schedules of the General Fund comprise the

- Schedule of the Operations of the General Fund of the U.S. Government, which presents the assets and liabilities of the General Fund, including cash activity;
- Schedule of Changes in Cash Balance from Budget and Other Activities, which presents a reconciliation of the budget deficit to the change in Cash held by Treasury for government-wide operations; and
- related notes.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section below, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Schedules of the General Fund. Accordingly, we do not express an opinion on the accompanying Schedules of the General Fund.

We considered the limitations on the scope of our work regarding the Schedules of the General Fund in forming our conclusions. We performed sufficient audit work to provide this report on the Schedules of the General Fund. We performed our work in accordance with U.S. generally accepted government auditing standards.

[10]GAO, *Financial Audit: FY 2024 and FY 2023 Consolidated Financial Statements of the U.S. Government*, GAO-25-107421 (Washington, D.C.: Jan. 16, 2025).

[11]31 U.S.C. §§ 331(e)(2), 3521(g), (i). Because Fiscal Service is a bureau within Treasury, the General Fund of the U.S. government that it manages is also significant to Treasury's financial statements. See 31 U.S.C. § 3515(b).

[12]Our prior audit of the Schedules of the General Fund resulted in a disclaimer of opinion for fiscal year 2022. The financial information for the General Fund was not audited for fiscal year 2023 to allow Fiscal Service sufficient time to develop and begin to implement a remediation plan to address the issues we identified as part of the fiscal year 2022 audit. See GAO, *Financial Audit: Bureau of the Fiscal Service's Fiscal Year 2022 Schedules of the General Fund*, GAO-23-104786 (Washington, D.C.: Mar 30, 2023).

Disclaimer of Opinion on Internal Control over Financial Reporting

We were engaged to audit Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund as of September 30, 2024, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA).[13]

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on Internal Control over Financial Reporting section below, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an opinion on internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund.

Basis for Disclaimer of Opinion on the Schedules of the General Fund

Fiscal Service was not able to demonstrate the reliability of significant portions of the accompanying Schedules of the General Fund as of and for the fiscal year ended September 30, 2024, principally because of limitations that affected the scope of our work. These scope limitations relate to Fiscal Service's inability to readily (1) identify and trace transactions in the Schedules of the General Fund general ledgers and (2) provide adequate support for account attributes of active Treasury Account Symbols (TAS), which are discussed below and in more detail in appendix I.[14]

Because of the scope limitations and the following related deficiencies in internal control that contributed to the disclaimer of opinion, we caution that amounts reported in the Schedules of the General Fund and related notes may not be reliable.

Significant deficiency related to readily identifying and tracing transactions within the Schedules of the General Fund general ledgers. Fiscal Service was unable to readily identify and trace General Fund transactions to determine whether they were complete and properly recorded in the correct general ledger accounts and line items within the Schedules of the General Fund. As a result, we were unable to complete audit procedures designed to substantiate the information reported in the affected line items on the Schedules of the General Fund. The three areas related to identifying and tracing transactions follow:

- **Identifying all relevant journal entries.** Fiscal Service established mapping rules to generate the journal entries recorded to the General Fund general ledgers for the transaction data transmitted daily from the Central Accounting Reporting System (CARS).[15] Given the complexities involved in how journal entries post, Fiscal Service is unable to readily identify all journal entries related to a specific transaction and is

[13]Pub. L. No. 97-255, 96 Stat. 814. This act requires executive agency heads to evaluate and report annually to the President and Congress on the adequacy of their internal control and accounting systems and on actions to correct significant problems.

[14]A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

[15]The majority of the federal government's financial transactions are recorded in CARS, which the Federal Reserve System operates.

similarly unable to identify the transaction that is the source of a given journal entry.[16] Identifying journal entries is further complicated after initial journal entries are posted, as federal entities can make adjustments that cannot be traced to the original transaction.

- **Identifying transactions that comprise certain line items.** Amounts recorded in certain line items on the Schedules of the General Fund are summarized and lack sufficient details for tracing them to specific transactions. Specifically, Fiscal Service is unable to use data from its own general ledger to identify transactions reported in certain line items. Instead, Fiscal Service uses data from external sources because it did not design sufficient transaction codes that federal entities could use to provide it with information, at a transaction level, to support certain line items (e.g., the budget deficit) on the Schedules of the General Fund.
- **Tracing postpayment vouchers to related cancellation schedules.** Fiscal Service processes the majority of federal payments using entity-certified and entity-submitted payment schedules. The Federal Reserve Bank then groups payment schedules into vouchers to route funds through the banking system.[17] When there are returns or cancellations of payments previously issued, a Federal Reserve Bank or Fiscal Service payment system generates postpayment vouchers to route funds through the banking system, and these vouchers are recorded in the General Fund general ledgers. Fiscal Service's payment systems also generate cancellation schedules to credit federal entities for returned or canceled payments. However, Fiscal Service cannot readily verify that the postpayment amounts recorded in its general ledgers are consistent with the canceled amounts that are credited to federal entities.

Internal control deficiency related to adequately supporting account attributes of active TASs. Fiscal Service was unable to readily provide adequate support for certain TAS attributes and Business Event Type Code (BETC) assignments. A TAS is a unique identification code that the Department of the Treasury, in collaboration with the Office of Management and Budget (OMB), assigns to a federal entity's individual appropriation, receipt, or other fund account. The attributes assigned to a TAS, such as an agency identification code, main account code, and available BETCs, determine how Fiscal Service reports transactions within the line items on the Schedules of the General Fund.

Fiscal Service's progress to address these previously identified scope limitations is discussed in more detail in appendix I.

Basis for Disclaimer of Opinion on Internal Control over Financial Reporting

The scope limitations described in the Basis for Disclaimer of Opinion on the Schedules of the General Fund section above prevented us from obtaining sufficient appropriate audit evidence about whether Fiscal Service management maintained effective internal control over financial reporting.

[16]Fiscal Service has designed certain controls related to the journal entry posting process to help mitigate this deficiency. For example, each month Fiscal Service reconciles federal entities' account balances in CARS with the Liability for Fund Balance with Treasury amounts recorded in the General Fund general ledger to reasonably assure that the amounts agree.

[17]Treasury has statutory authority under 12 U.S.C. § 391 to designate the Federal Reserve Banks as its fiscal agents responsible for operating a variety of systems to process, settle, and report cash transactions on behalf of the federal government.

Significant and Other Internal Control Deficiencies

In addition to the significant deficiency and internal control deficiency that contributed to our disclaimer of opinion on the Schedules of the General Fund, we identified one other continuing significant deficiency in internal control related to management's monitoring of internal control over financial reporting.

We previously reported a significant deficiency in information system controls. Fiscal Service made progress in addressing information system control deficiencies such that we no longer consider the current control deficiencies in this area, individually or collectively, a significant deficiency. However, we performed limited information system control procedures due to the disclaimer of opinion on the Schedules of the General Fund.

We discuss the continuing significant deficiency in more detail in appendix I. We also discuss six previously reported deficiencies, which we do not consider to be significant deficiencies or material weaknesses, in more detail in appendix I. We also separately issued a report detailing (1) two new deficiencies identified during the fiscal year 2024 audits, which we do not consider to be significant deficiencies or material weaknesses, and (2) the status of recommendations related to previously reported deficiencies that remained open as of the completion of our fiscal year 2022 audits.[18]

Emphasis of Matter

The following key item deserves emphasis in order to put the information contained in the Schedules of the General Fund into context. However, our disclaimer of opinion is not modified with respect to this matter.

Classification of federal entities' transactions. As described in note 1 of the Schedules of the General Fund, federal entities are responsible for properly classifying transactions associated with the use of their appropriated funds as well as the collection of funds. Federal entities initiate these transactions outside of the General Fund. Fiscal Service implemented CARS to capture the relevant data for these transactions. Federal entities assign certain classifications, such as TAS and BETC, to transactions in CARS. This information determines how Fiscal Service reports the activity on the Schedules of the General Fund based on mapping rules that generate journal entries posted to the General Fund general ledgers.

Fiscal Service provides guidance to federal entities in the *Treasury Financial Manual* as well as separately on its website regarding the appropriate classifications for different types of business transactions. Federal entities are responsible for classifying transactions appropriately. As such, federal entities maintain the detailed information supporting the transactions and are responsible for the related internal controls.

Responsibilities of Management for the Schedules of the General Fund and Internal Control over Financial Reporting

Fiscal Service management is responsible for

[18]GAO, *General Fund: Improvements Needed in Controls over Retention of Key System Security and Cash Activity Documentation*, GAO-25-107819 (Washington, D.C.: Mar. 13, 2025).

- the preparation and fair presentation of the Schedules of the General Fund in accordance with U.S. generally accepted accounting principles;
- designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of the Schedules of the General Fund that are free from material misstatement, whether due to fraud or error; and
- assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA.

Auditor's Responsibilities for the Audits of the Schedules of the General Fund and Internal Control over Financial Reporting

Our responsibility is to conduct an audit of the Schedules of the General Fund, and of Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund, in accordance with U.S. generally accepted government auditing standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion on the Schedules of the General Fund and Basis for Disclaimer of Opinion on Internal Control over Financial Reporting sections of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Schedules of the General Fund or on Fiscal Service's internal control over financial reporting relevant to the Schedules of the General Fund.

We are required to be independent of Fiscal Service and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of the Schedules of the General Fund in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the Schedules of the General Fund.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of the Schedules of the General Fund, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements were limited by the scope limitations described in the Basis for Disclaimer of Opinion on the Schedules of the General Fund section above. The objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to Fiscal Service related to the Schedules of the General Fund. Accordingly, we do not express such an opinion. U.S. generally accepted government auditing standards and OMB guidance require auditors to report on entities' compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Fiscal Service management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to Fiscal Service related to the Schedules of the General Fund.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to Fiscal Service that have a direct effect on the determination of material amounts and disclosures in the Schedules of the General Fund, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to Fiscal Service related to the Schedules of the General Fund. We caution that, because of the audit scope limitations discussed above and the scope of our procedures, noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

We provided a draft of this report to Fiscal Service for review and comment. In its comments, reproduced in appendix II, Fiscal Service concurred with the results of our audit. It also noted that it maintains controls to confirm the integrity of the government's cash flow.



Anne Y. Sit-Williams
Director
Financial Management and Assurance

February 18, 2025

Schedules of the General Fund of the U.S. Government

Schedule of the Operations of the General Fund of the U.S. Government
As of and For the Fiscal Year Ended September 30, 2024

(In millions of dollars)

	2024
Assets of the General Fund	
Cash held by Treasury for government-wide operations (Note 3)	
Beginning balance	639,097.1
Federal program entity	
Cash in	33,878,968.5
Cash out	(33,647,073.8)
Net activity	231,894.7
Ending cash held by Treasury for government-wide operations	**870,991.8**
Assets for entity's custodial and non-entity transactions	
Due from Treasury (Note 4)	
Loans and interest receivable	1,929,313.1
Government-sponsored enterprises	305,800.0
Advances to trust funds	32,169.8
Gold without certificates and silver held by the U.S. Mint	25.0
Taxes receivable, net	139,220.2
Accrual amounts	21,001.0
Total due from Treasury	**2,427,529.1**
Due from entities	
General Fund receipt accounts (Note 5)	
Balance	39,568,117.7
Balance remitted to the General Fund	(39,568,117.7)
Accrual amounts (Note 6)	72,636.3
Other debt payable (Note 7)	4,268.8
Other assets (Note 8)	981.8
Total due from entities	**77,886.9**
Total assets for entity's custodial and non-entity transactions	**2,505,416.0**
Total assets of the General Fund	**3,376,407.8**
Liabilities of the General Fund	
Due to Treasury - Liabilities without related budgetary obligations (Note 9)	
Federal debt and accrued interest payable	35,488,375.2
Refunds payable	4,446.3
Total liabilities without related budgetary obligations	**35,492,821.5**
Liability for fund balance with Treasury (Note 10)	
Beginning balance	4,024,949.6
Activity	
Federal program entity	14,633.4
Non-federal funds (Note 11)	1,780.6
Total activity	16,414.0
Ending liability for fund balance with Treasury	**4,041,363.6**
Other liabilities (Note 12)	548.3
Total liabilities of the General Fund	**39,534,733.4**
Net equity (Note 2)	**(36,158,325.6)**
Total liabilities and net equity	**3,376,407.8**

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

Schedule of Changes in Cash Balance from Budget and Other Activities
The General Fund of the U.S. Government
As of and For Fiscal Year Ended September 30, 2024

(In millions of dollars)

	2024
Cash flow from budget activities	
Total budget receipts	4,918,105.5
Total budget outlays	(6,750,497.2)
Budget deficit	**(1,832,391.7)**
Adjustments for non-cash outlays included in the budget	
Non-cash flow amounts in the budget related to federal debt	
Accrued interest	517,589.0
Net amortization	331,484.1
Other	67,654.7
Subtotal - adjustments for non-cash flow amounts in the budget related to federal debt	916,727.8
Non-cash flow amounts in the budget related to guaranteed and direct loan financing activity	
Interest revenue on uninvested funds	10,247.3
Interest expense on entity borrowings	(47,714.2)
Entities' downward reestimates/negative subsidy payments	(19,534.5)
Entities' subsidy expense/upward reestimates	170,288.5
Subtotal - adjustments for Non-cash flow amounts in the budget related to guaranteed and direct loan financing activity	113,287.1
Total of Adjustments for non-cash outlays included in the budget	**1,030,014.9**
Cash flow from activities not included in the budget	
Cash flow from non-budget activities related to federal debt	
Interest Paid	(500,266.0)
Subtotal - cash flow from non-budget activities related to federal debt	(500,266.0)
Cash flow from non-budget activities related to guaranteed and direct loan financing activity	
Loan Disbursements/Default Payments	(237,979.7)
Fees	22,678.0
Principal & Interest Repayments	151,808.9
Other Collections on defaulted loans receivable and sale of foreclosed property	6,085.0
Special purpose vehicle disbursements	(45.7)
Repayments of special purpose vehicle investments	9,564.3
Subtotal - cash flow from non-budget activities related to guaranteed and direct loan financing activity	(47,889.2)
Cash flow from financing federal debt	
Borrowings	28,817,869.4
Repayments	(26,908,354.3)
Discount/Premium	(387,761.7)
Subtotal - cash flow from financing federal debt	1,521,753.4
Total cash Flow from activities not included in the budget	**973,598.2**
Other-General Fund Activity	
Allocations of Special Drawings Rights	4,754.1
SDR Certificates Issued to FBR	5,000.0
Miscellaneous Liability Accounts	12,619.9
Loans to the International Monetary Fund	79.2
Other cash and monetary assets	3,839.2
Non-federal securities of the National Railroad Retirement Investment Trust	(1,661.7)
Miscellaneous asset accounts	90.5
Transactions not applied to current year's surplus or deficit	3,503.3
Deposit fund liability balances	3,136.1
Intragovernmental Holdings	(954.1)
Entity Securities	39,871.4
Decrease in reserve position in the IMF	3,237.2
Increase/(decrease) in special drawing rights	(10,837.2)
Increase/(decrease) in ESF Foreign Currency	(2,004.6)
Prior Year Receipts and Outlays Activity	0.1
Prior Year's - Deposit Funds Activity	(0.1)
Total Other	**60,673.3**
Change in Cash Held by Treasury for Governmentwide Operations	**231,894.7**
Beginning Cash Held by Treasury for Governmentwide Operations	**639,097.1**
Ending Cash Held by Treasury for Governmentwide Operations	**870,991.8**

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

Notes to the Schedules of the General Fund of the U.S. Government (Schedules)
As of and for fiscal year ended September 30, 2024.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

31 United States Code (U.S.C.) §302 establishes the Treasury of the United States (U.S.) Government to reside in the Department of the Treasury (Treasury) and 31 U.S.C. §3513 prescribes that the Secretary of the Treasury (Secretary) shall prepare reports that will inform the President, Congress, and the public on the financial operations of the U.S. government. The Secretary may reorganize the accounting functions, procedures, and financial reports of the Treasury to develop an effective and coordinated system of accounting and financial reporting in the Treasury. The *Schedules* are comprised of two separate financial schedules: the *Schedule of the Operations of the General Fund of the U.S. Government (Operations Schedule)* and the *Schedule of Changes in Cash Balance from Budget and Other Activities (Cash Schedule)*. Managed by the Bureau of the Fiscal Service (Fiscal Service), the *Schedules* have been prepared to report the financial position as of September 30, 2024 and activity for the fiscal year associated with operations of the U.S. government. The presentation of the *Operations Schedule* is similar to a balance sheet and was prepared to display the General Fund of the U.S. Government (General Fund) assets and liabilities used to finance the daily and long-term operations of the U.S. government as a whole. The *Operations Schedule* is divided into the following two main sections: Assets of the General Fund and Liabilities of the General Fund.

Treasury holds and manages the General Fund assets such as cash, loans and interest receivable, and investments in the government-sponsored enterprises (GSEs) on behalf of the U.S. government. These non-entity assets are reported separately by the General Fund on the *Operations Schedule* with a corresponding amount reported as due from Treasury. As a result of the "due to" and "due from" relationship between Treasury and the General Fund, the *Operations Schedule* displays assets due from Treasury separately and in more detail than the amounts for other federal entities (referred to as "entities" in this document). The balances are also reconciled to their respective amounts within Treasury's consolidated financial statements Note 4. Due from the General Fund and Due to the General Fund.

The due from entities section includes primarily year to date activity for General Fund Receipt Account (GFRA) collections. Entities deposit money from the public for GFRA collections into the Treasury General Account (TGA), which increases cash held by Treasury for government-wide operations and net equity on the *Operations Schedule.* In addition, the entities should record fund balance with Treasury (FBWT) and a custodial liability with the General Fund throughout the fiscal year. The due from entities – GFRAs balance on the face displays the balance due to the General Fund. At fiscal year-end, the balance is remitted to the General Fund which results in a total due of zero.

Treasury also manages and reports the General Fund liabilities, primarily federal debt and accrued interest payable, on their Consolidated Balance Sheet, with a corresponding amount reported as due from the General Fund. The General Fund due to Treasury balances are on the *Operations Schedule* and broken out between federal debt and accrued interest payable and refunds payable.

The General Fund records the issuance and activity associated with appropriation authority legislatively granted to entities. These authority balances and activity are reflected in liability for fund balance with Treasury (LFBWT) of the *Operations Schedule*.

The General Fund's net equity line item represents balances such as the financing provided to every entity in the form of an appropriation or other means directed by Congress, net of custodial revenue remitted, and appropriations expended by those entities. The composition of net equity is displayed and explained in Note 2. Net Equity.

The *Cash Schedule* has been prepared to report the annual budget deficit's relationship to the change in the government's cash held by Treasury for government-wide operations, as well as debt held by the public. The budget deficit is the result of outlays (expenditures) exceeding receipts (revenue) during a fiscal year. The budget deficit is primarily financed through borrowing from the public and other transactions, such as collections of interest on Treasury securities held by the public, which require cash disbursements not affecting the deficit. For most security types, Treasury records outlays for the interest on the federal debt as the interest accrues for future payments, not when it disburses the cash interest payment.

The *Cash Schedule* also reflects the adjustments for non-cash outlays included in the *Budget of the United States (Budget*) and components affecting cash balance not included in the *Budget* to explain the change in cash held by Treasury for government-wide operations. Consequently, it explains why the budget deficit normally does not result in an equivalent change in the government's cash held by Treasury for government-wide operations. See Note 13. Schedule of Changes in Cash Balance from Budget and Other Activities for a breakout between non-cash flow and cash flow amounts included and excluded in the budget deficit.

A. Reporting Entity

Statement of Federal Financial Accounting Standards (SFFAS) No. 47, *Reporting Entity,* requires entity financial statements to reflect the balances and activities of any reporting entities meeting the principles for inclusion outlined in the standard. The General Fund, in accordance with SFFAS No. 47, is a consolidation entity.

Fiscal Service is responsible for maintaining adequate accounting records and selecting and applying appropriate accounting policies related to the General Fund's operations. The General Fund is the reporting entity responsible for recording and reporting the assets and liabilities related to government operations and carrying out the central accounting function for the federal government.

The accounting and reporting for the General Fund are required to complete the government's accounting model and provide support for the budget surplus/deficit. The General Fund transacts with every entity that receives appropriation authority and maintains an intra-governmental relationship with these entities. This relationship begins when Treasury issues appropriation warrants to entities, and the General Fund establishes a liability for the associated FBWT. See Note 10. LFBWT for detailed information.

As entities carry out their respective entity missions, and use appropriated funds to do so, the General Fund's role is to track the outstanding LFBWT and record the inflow of funds via collections made by the entities. Conversely, it is the responsibility of the entities to properly classify transactions associated with the use of their appropriated funds, as well as the collections made on behalf of the General Fund. Entities remain accountable for the proper transaction classification, funds control, and compliance with laws and regulations such as the Payment Integrity Information Act of 2019 and the Antideficiency Act.

B. Basis of Accounting

The *Schedules* are the financial reports summarizing the balances and transactions of the General Fund and associated impacts to cash from budget and other activities. Unlike entity financial statements, the *Schedules* are a special purpose financial report (as defined by the Federal Accounting Standards Advisory Board (FASAB) standards regarding the purpose and users of the financial statements) whose primary purpose is to provide support for the *Financial Report of the U.S. Government (Financial Report)*.

The *Schedules* were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Accounting principles generally accepted for entities are the standards prescribed by FASAB, which is the official body for setting accounting standards for the federal government. The FASAB issued SFFAS No. 34, *The Hierarchy of Generally Accepted Accounting Principles*. SFFAS No. 34 identified the sources of accounting principles and the framework for selecting the principles used in the preparation of general-purpose financial reports of entities that are presented in accordance with U.S. GAAP.

The *Operations Schedule* is reported on an accrual basis and the *Cash Schedule* is generally reported on a cash basis with certain accrual-based lines (e.g. accrued interest). The intent and design of the *Schedules* is to ensure that entity information is properly eliminated in preparation of the *Financial Report*. As a result, the General Fund reports proprietary activity and balances without a budgetary impact, as the entities are responsible for their use of budget authority and record this usage in their individual entity financial reporting. The activities of the General Fund are primarily intra-governmental in nature and, with the exception of fiduciary activities reported by entities and offset by the General Fund (reported in Note 11. Liability for Non-Federal Funds), should eliminate when consolidated into the *Financial Report.*

Fiscal Service is responsible for the preparation and fair presentation of the *Schedules* in accordance with U.S. GAAP and maintaining effective internal controls over financial reporting relevant to the *Schedules*. This includes assertions that the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the *Schedules* being free from material misstatement, whether due to fraud or error.

C. Changes in Cash Balance from Budget and Other Activities

The budget deficit is primarily financed through borrowings from the public. When outlays exceed receipts, the difference is a deficit. The *Budget* treats borrowing and debt repayment as a means of financing, not as receipts and outlays. The *Budget* records outlays for the interest on the public issues of Treasury debt securities as the interest accrues, not when the cash is paid.

Non-cash flow amounts in the *Budget* related to loan financing account activity also reflect intra-governmental transactions such as interest expense paid or interest revenue received from Treasury, entity year-end credit reform subsidy reestimates, and the receipt of subsidy expense from program accounts. Cash flow from activities not included in the *Budget* related to loan financing account activity includes all cash flows to and from the public, including direct loan disbursements/default payments to lenders, fees collected, principal and interest repayments, collections on defaulted guaranteed loans, and sale proceeds of foreclosed property.

The *Budget* totals exclude the transactions of the financing accounts because they are not a cost to the government. However, since loan financing accounts record all credit cash flows to and from the public, they affect the means of financing a budget deficit. For more information, see Note 13. Schedule of Changes in Cash Balance from Budget and Other Activities.

D. Disclosure Entity

Under SFFAS No. 47, *Reporting Entity,* the Federal Reserve System (FR System) is a disclosure entity. The FR System includes the Federal Reserve Board of Governors, Federal Reserve Banks (FRBs), and the Federal Open Market Committee. The FR System is responsible for providing nationwide payments systems, providing certain financial services to entities and fiscal principals, and serving as the U.S. government's bank, among other functions. The FR System serves as a fiscal agent and depositary, executing banking and other financial transactions on the behalf of the Fiscal Service. These transactions impact the balances reported in the *Schedules*. Fiscal Service reimburses the FR System for these activities.

E. Classified Activity

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information. Accordingly, modifications may have been made to certain presentations and disclosures.

F. Changes in Presentation

In Fiscal Year (FY) 2024, the presentation of Note 2. Net Equity changed to provide more clarity on the type of activity impacting the General Fund's cumulative results of operations.

Note 2. Net Equity

The General Fund's net equity line item represents the cumulative amounts resulting from transactions since the establishment of the General Fund such as the financing of every entity in the form of an appropriation or other means directed by Congress, net of custodial revenue remitted, and appropriations expended by those entities.

In FY 2024, the presentation of Note 2. Net Equity changed to provide more clarity on the type of activity impacting the General Fund's cumulative results of operations.

As of and for the fiscal year ended September 30, 2024, the General Fund's net equity balance and activity consisted of the following:

Footnote 2: Net Equity
As of and For the Fiscal Year Ended September 30, 2024
(In millions of dollars)

Net Equity		2024
Beginning balance	$	(34,133,764.4)
Cumulative results of operations		
Appropriations - expended		(5,632,010.9)
Collections from taxes		5,112,327.3
Collections from interest revenue from loans		54,000.2
Government-Sponsored Enterprises, net		65,390.0
Other collections from Treasury		18,525.6
Other collections remitted to the General Fund by other entities		109,572.0
Accrued interest revenue from loans		2,231.7
Other accruals due from Treasury		(41,810.0)
Other accruals due from other entities		21,417.7
Federal debt interest		(33,818.6)
Other authority		(3,620.3)
Cancelled authority		(152.3)
Trust fund warrants, net		(1,756,846.4)
Appropriations outstanding		
Warrants issued		(6,254,762.0)
Adjustments		682,983.9
Used		5,632,010.9
Net change	$	**(2,024,561.2)**
Net equity	$	**(36,158,325.6)**

Cumulative Results of Operations

Expended appropriations are a result of the entities use of appropriated amounts during the fiscal year for goods and services received or benefits provided.

Collections from taxes, collections from interest revenue from loans, GSEs, other collections from Treasury, and other collections remitted to the General Fund by other entities represent the amount of custodial revenue collected by an entity on behalf of the General Fund which increases net equity. Internal Revenue Service (IRS) tax collections make up $5.1 trillion out of the $5.4 trillion of total collections in Note 2. Net Equity. These taxes represent non-exchange federal tax revenues collected, and disposition of refunds and outlays disbursed. These taxes include individual and corporate income, Federal Insurance Contributions Act, Self-Employed Contribution Act, Excise, Estate, Gift, Railroad Retirement, and Federal Unemployment Taxes. For more information on the custodial collections, refer to the IRS financial statements (https://www.irs.gov/about-irs/irs-financial-reports).

Accrued interest revenue from loans, other accruals due from Treasury, and other accruals due from other entities typically result in an increase to the total due from entities line item on the *Operations Schedule* and an increase to the General Fund's net equity in Note 2. Net Equity. Once these accruals are collected, the accrual line items decrease and the collection line items increase, which does not impact net equity.

The collections and accruals of General Fund's intra-governmental interest revenue from loans from other entities represent the principal and related interest receivable on loans issued through Treasury. The General Fund acts as an intermediary issuing these loans because the receiving entities lend these funds to third parties to carry out various programs of the U.S. government. The General Fund does accrue interest on intra-governmental loans when earned. The net between these collections and accruals increases net equity. This is also recorded in Note 4. Due from Treasury, loans and interest receivable line item. For more detailed information on loans and interest receivable, refer to Treasury's Agency Financial Report (AFR) Note 3. Loans and Interest Receivable – Intra-Governmental.

In FY 2024, the sum of other accruals from Treasury and other accruals due from other entities decreased net equity due to the reversal of prior accruals and downward reestimates being larger than current year accruals and upward reestimates. Of the $20.4 billion in accruals due from Treasury and other entities, Department of Education (Education) makes up $13.3 billion which primarily represents the downward subsidy reestimates, downward subsidy modifications, and negative subsidy for new loans disbursed for the Federal Family Education Loan (FFEL) Program and Direct Loan Program. The Small Business Administration (SBA) makes up $7.2 billion which primarily represents the downward subsidy reestimates, downward subsidy modifications, and negative subsidy for Disaster Assistance Program, Paycheck Protection Program (PPP) loans, and other SBA business loan programs. The majority of the total change in accruals in the other accruals due from Treasury line item is due to the change in federal taxes receivable which consists of tax assessments, penalties, and interest not paid or abated, and agreed to by either the taxpayer and IRS, or the courts. Federal taxes receivable includes an allowance for doubtful accounts established to represent an estimate for uncollectible amounts. The portion of taxes receivable estimated to be collectible and the allowance for doubtful accounts is based on projections of collectability from a statistical sample of taxes receivable computed by the IRS.

Federal debt interest can either be a financing source or a financing use depending on whether interest expense is less than or more than appropriations used. When the amount of interest expense exceeds the amount of interest and amortization paid out, the General Fund uses the excess funds as a financing source (i.e. the General Fund does not currently have to pay the debt liabilities, so it can use this money for other purposes). When the interest expense is less than the interest and amortization paid out, the General Fund must use funds from other sources (i.e., financing use) to be able to meet the debt liabilities.

Other authority represents the reciprocated amounts of accruals and amortization related to entity amounts authorized by law for financing by the General Fund. The majority of this is offset to Note 2. Net Equity, trust fund warrants, net line item.

The cancelled authority line item represents the amount of cancelled authority returned to the General Fund that was originally derived from revenue or other financing sources. Examples include spending authority from offsetting collections and special or trust fund receipts that are administratively withdrawn. This results in a decrease to Note 2. Net Equity.

Trust funds account for the collections and payments of monies by the government for carrying out specific purposes and programs in accordance with the terms of a statute that designates the fund as a trust fund or for carrying out the stipulations of a trust agreement where the nation is the beneficiary (such as any of several trust funds for gifts and donations for specific purposes).Trust fund warrants (issued net of adjustments) are amounts appropriated to the various available trust fund receipt accounts via a warrant journal voucher. The warrant journal voucher moves the FBWT from the GFRA to the available trust fund receipt account, thus decreasing net equity.

Appropriations Outstanding

Warrants issued are a result of one or more appropriation acts being passed by Congress and signed into law by the President. These appropriations and subsequent warrants issued provide budget authority to entities to incur obligations and expend funds from the General Fund. There are three types of warrants included in this line item: appropriation, surplus, and continuing resolution (if the continuing resolution were to continue through the end of the fiscal year). These warrants issued decrease net equity and increase LFWBT. Appropriation adjustments contain sequestration and rescissions that reduce budget authority previously provided by Congress. These adjustments are recognized as entities record negative warrants. Surplus warrants are used to withdraw or cancel unobligated balances of appropriations. The appropriation adjustments increase net equity and decreases LFWBT.

Appropriations used are a result of the entities' use of appropriated amounts during the fiscal year for goods and services received or benefits provided. These appropriations used increase net equity and decrease LFWBT.

Note 3. Cash Held by Treasury for Government-wide Operations

The ending cash held by Treasury for government-wide operations balance is principally comprised of the operating cash of the U.S. government held in the FRB of New York's (FRBNY) TGA, net of outstanding checks. FRBNY is custodian of the account for operating cash of the U.S. government, known as the TGA or Federal Reserve Account. The TGA is the U.S. government's checking account used for payments and collections. Also included in the ending balance is a small amount of foreign currency and cash held outside of the TGA maintained by Department of State (State) which is due to State being a U.S. disbursing office of Treasury. U.S. disbursing offices are offices that are designated by U.S. code to disburse funds. Since State is a disbursing office of Treasury, this is a unique scenario where funds held outside of Treasury (FHOT) are reported in cash held by Treasury for government-wide operations, which differs from other entities FHOT as explained in Note 8. Due from Entities - Other assets.

Cash in is largely comprised of federal debt issuances of Treasury securities and accrued interest collected, tax receipts (e.g., individual income tax, corporate income tax, etc.) and to a lesser extent national park entrance fees, passport fees, student loan repayments, and customs duties. These transactions vary by entity and are received through a variety of channels including over-the-counter, mail/lockbox, phone, electronically through internet and bank networks, and collection of payments directly through financial agent channels (commercial banks).

Social Security benefits, healthcare benefits, federal debt redemptions, and interest paid are among the largest sources of cash out. Other examples include Supplemental Security Income, federal pension benefits, veterans' compensation, pension and education benefits, Railroad Retirement pensions, federal income tax refunds, vendor payments, employee salaries, and others.

The *Cash Schedule* reconciles the budget deficit to the ending cash held by Treasury for government-wide operations' balance. See Note 13. Schedule of Changes in Cash Balance from Budget and Other Activities for additional information.

Note 4. Due from Treasury

The General Fund's assets held and managed by Treasury constitute resources available to meet the operating needs of the U.S. government. Treasury reports these managed assets separately on its Consolidated Balance Sheets with a corresponding liability due to the General Fund. The General Fund records an asset within the due from Treasury section of the *Operations Schedule* to reciprocate this liability. These amounts are comprised of loans and interest receivable; GSEs; advances to trust funds; gold without certificates and silver held by the U.S. Mint; taxes receivable, net; and accrual amounts all of which are reported by Treasury and the corresponding offsets are recorded as reciprocals by the General Fund. A description of each asset due from Treasury is below.

Loans and Interest Receivable

The General Fund's non-entity intra-governmental loans and interest receivable from other entities represent the principal borrowings from and repayments to the General Fund as well as related interest due to the General Fund on loans issued through Treasury. The General Fund acts as an intermediary issuing these loans because the receiving entities lend these funds to third parties to carry out various programs of the U.S. government. Although intra-governmental loans can have a loan loss allowance, because of Treasury's, and subsequently the General Fund's intermediary role, as well as the guarantee on outstanding balances from the entity (interest and principal), there is no recording of a loan loss allowance related to these non-entity intra-governmental loans. Instead, the ultimate lender, the entity that issued the loans to the public, recognizes loan loss allowances and subsidy costs. The General Fund does accrue interest on non-entity intra-governmental loans when earned. The accrued interest is also recorded in the accruals from interest revenue from loans line item in Note 2. Net Equity. For more detailed information on loans and interest receivable, refer to the Non-Entity Intra-Governmental section of Treasury's AFR Note 3. Loans and Interest Receivable – Intra-Governmental.

GSE

GSEs are financial service corporations established by statute to support mortgage lending. Treasury holds investments (senior preferred stock and warrants for the purchase of common stock) on behalf of the General Fund in two GSEs, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The change in value of GSEs are also recorded in Government-sponsored enterprises, net line item in Note 2. Net Equity. For more detailed information on GSEs and the related valuation methodology refer to Treasury's AFR Note 11. Investments in government-sponsored enterprises.

Advances to Trust Funds

The General Fund issues advances to the Department of Labor (DOL) Unemployment Trust Fund (UTF) for states to pay unemployment benefits. Treasury accounts for the advances issued on behalf of the General Fund. Consistent with 42 U.S.C. 1323 – *Repayable Advances to Federal Unemployment Account,* these advances bear an interest rate that is computed as the average interest rate as of the end of the calendar month preceding the issuance date of the advance for all interest-bearing obligations of the U.S. that form the public debt, to the nearest lower 1/8 of 1.0 percent. Interest on advances is due on September 30 of each fiscal year. DOL repays advances when the Secretary of the Treasury, in consultation with the Secretary of DOL, determines that the activity in the UTF is adequate to allow repayment. Interest is also recorded in the accruals of interest revenue from loans line item in Note 2. Net Equity, and adjustments to the principal are also recorded in the other authority line item in Note 2. Net Equity.

The General Fund issues advances to the Department of Health and Human Services' (HHS) Federal Supplementary Medical Insurance Trust Fund (FSMITF) to temporarily replace the reduction in Medicare Part B participants' premiums. Treasury accounts for the advances issued on behalf of the General Fund. Consistent with the prohibition against federal interference imposed by 42 U.S.C. 1395 – *Prohibition Against Any Federal Interference,* these advances do not bear any interest. HHS repays advances over time from amounts collected from certain participants' increase in premiums until the balance due reaches zero. FSMITF activity is also recorded in the other authority line item in Note 2. Net Equity.

The General Fund issues advances to U.S. Department of Agriculture (USDA) Agriculture Disaster Relief Trust Fund (ADRTF) to make payments to farmers and ranchers under disaster relief programs established in accordance with the *Food, Conservation, and Energy Act of 2008*. Treasury accounts for the advances issued on behalf of the General Fund. Pursuant to Public Law 110-246 (122 Stat 2260), advances made to the ADRTF shall be repaid, and in accordance with 19 U.S.C. 2497, interest on such advances shall be paid to the General Fund at a rate determined by the Secretary to be equal to the current average market yield of comparable marketable obligations with similar maturity dates, compounded annually. Interest is also recorded in the other accruals due from Treasury line item in Note 2. Net Equity, and adjustments to the principal are also recorded in the other authority line item in Note 2. Net Equity.

For more detailed information on advances to trust funds, refer to Treasury's AFR Note 4. Due from the General Fund and Due to the General Fund.

Gold without Certificates and Silver Held by the U.S. Mint

The General Fund reports gold without certificates and silver held by the U.S. Mint. The U.S. Mint, a bureau of Treasury, holds 100,000 fine troy ounces (FTO) of custodial gold reserves without certificates (100,000 FTO x $42.2222 statutory carrying value = $4 million) and 16,000,000 FTO of custodial silver (16,000,000 FTO x $1.2929 statutory carrying value = $21 million). For more detailed information on gold and silver, refer to Treasury's AFR Note 6. Gold and Silver Reserves, and Gold Certificates Issued to the Federal Reserve Banks.

Taxes Receivable, Net

The General Fund reports federal taxes receivable consisting of delinquent tax assessments, penalties, and interest not paid or abated, and agreed to by either the taxpayer and IRS, or the courts. The receivable is net of an allowance for doubtful accounts, an estimate for uncollectible amounts. The General Fund records an increase to assets for entity's custodial and non-entity liabilities when the IRS records federal taxes receivable due from taxpayers. Taxes receivable is also recorded in the other accruals from Treasury line item in Note 2. Net Equity. For more detailed information on the calculation of the estimated taxes receivable, refer to Treasury's AFR Note 8. Taxes, Interest, and Other Receivables, Net.

Accrual Amounts

Fund balance reported in this amount represents the non-entity funds Treasury holds on behalf of the General Fund. The funds are used to administer programs such as the Presidential Election Campaign and payments for Legal Services Corporation and are not available for Treasury's general use. The remaining balance is comprised of the following non-entity assets: intra-governmental accounts receivable; credit reform downward subsidy reestimates; loans and interest receivable; and other non-entity receivables due to the General Fund. These accrual amounts are also recorded in the other accruals from Treasury line item in Note 2. Net Equity. For more detailed information on these balances, refer to Treasury's AFR Note 4. Due from the General Fund and Due to the General Fund.

Note 5. Due from Entities – General Fund Receipt Accounts

The Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 1500, Section 1540.20, defines a GFRA as a receipt account credited with all funds from collections that are not identified by law for another account for a specific purpose. These include taxes, customs duties, and miscellaneous collections. Entities report activity to Treasury in GFRAs. These accounts are held and managed by the Treasury on behalf of the General Fund.

As of September 30, 2024, entities' GFRA balances consisted of the following:

Footnote 5: Due from Entities - General Fund Receipt Accounts
As of and For the Fiscal Year Ended September 30, 2024
(In millions of dollars)

General Fund receipt accounts by major class		2024
Debt held by the public principal	$	36,039,703.8
Taxes, net		3,354,269.1
Customs duties		57,098.4
Interest		55,406.5
Negative subsidies and downward reestimates of subsidies		21,687.7
Recoveries and refunds		11,699.3
Fees and other charges for services and special benefits		7,535.7
Royalties		6,112.8
Fines, penalties, and forfeitures		5,028.6
Receipts from monetary power		3,181.0
Fees for regulatory and judicial services		2,758.0
Realization upon loans and investments		2,276.1
Interest on advances for unemployment		537.4
Rent, including bonuses		453.0
Sale of products		278.5
Dividends and other earnings		90.4
Gifts and contributions		1.4
		39,568,117.7
Balance remitted to the General Fund		(39,568,117.7)
Total	$	-

Entities are responsible for classifying amounts to the appropriate GFRA, which are not classified as dedicated collections as defined by law for a specific purpose. Entities deposit money from the public for GFRA collections into the TGA as prescribed in legislation when funds are to be collected on behalf of the General Fund. In these instances, entities act as a custodian and have responsibility to ensure proper accounting and reporting for these inflows until they are remitted to the General Fund, which includes the proper classification of the collection activity based on the authorizing legislation. The impact to the *Operations Schedule* is an increase to cash held by Treasury for government-wide operations and the collection line items in net equity.

The entities must record GFRA collections as FBWT and a custodial liability with the General Fund throughout the fiscal year. These transactions also increase LFBWT and due from entities – GFRA balance on the *Operations Schedule*.

At fiscal year-end, entities record the settlement of FBWT and the associated custodial liability with the General Fund. The General Fund reciprocates and records the closing of these accounts through fiscal year-end accounting transactions. This creates a decrease to the LFBWT and offsets the due from entities – GFRA balance with a negative amount for due from entities – balance remitted to the General Fund resulting in a total due of zero.

Some non-cash collections recorded in the GFRAs are capital transfers and payments on loans and interest receivable from entities who borrowed funds through Treasury's Federal Borrowings Program. These represent increases and decreases of FBWT, not actual cash reflected in net activity of cash held by Treasury for government-wide operations.

The largest component of the GFRA balances is the debt held by the public principal issued during the fiscal year. This amount represents the current fiscal year's collections for securities issued by Fiscal Service which include, but are not limited to, Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Inflation-Protected Securities, Floating Rate Notes, U.S. Savings Bonds, and State and Local Government Series securities. As of September 30, 2024, these collections totaled $36.0 trillion.

Government Account Series (GAS) Treasury Overnight Certificates of Indebtedness (C of I) are securities issued with a stated rate of interest to be applied to their par amount. These securities mature on the business day immediately following their issue date, are redeemed at their par amount at maturity, and have interest payable at maturity. These issues are subtracted from the due from entities – GFRA lines of the *Operations Schedule* and related note. As of September 30, 2024, these securities totaled $144.9 trillion. This treatment is consistent with the *Schedules of Federal Debt* which net the issues and redemptions in its presentation of the intra-governmental debt holdings, so as not to show the overnight activity and unfairly present this activity.

In addition, $3.4 trillion of the GFRA collections are from taxes. These are collections from levies (other than duties on imports) under the taxing and regulatory powers of the U.S. Constitution, such as income, excise, and Social Security taxes.

Note 6. Due from Entities – Accrual Amounts

Accrual amounts are collections that the General Fund anticipates receiving from entities. Entities report the amounts to the General Fund throughout the fiscal year. Most General Fund accruals are reported in GFRAs that will be remitted to the General Fund once collected. Entities record these as a liability to the General Fund, and General Fund records a corresponding asset. Since accruals are not reported by entities through Central Accounting Reporting System (CARS), the General Fund must rely on trading partner correspondence to substantiate a significant portion of their accruals to reciprocate amounts. The General Fund is not able to assess collectability of these accruals.

As of September 30, 2024, ending balances by major class for due from entities – accrual amounts consisted of the following:

Footnote 6: Due from Entities - Accrual Amounts
As of and For the Fiscal Year Ended September 30, 2024
(In millions of dollars)

General Fund receipt accounts by major class		2024
Negative subsidies and downward reestimates of subsidies	$	34,273.7
Realization upon loans and investments		8,744.1
Recoveries and refunds		7,522.2
Customs duties		6,903.1
Supplemental security income program, SSA		4,848.1
Fines, penalties, and forfeitures		3,558.0
Fees and other charges for services and special benefits		3,249.8
Dividends and other earnings		576.1
Interest		485.2
Special fund receipt accounts		183.0
Taxes, net		88.0
Trust fund receipts accounts		26.5
Sale of products		14.7
Royalties		13.4
Fees for regulatory and judicial services		3.9
Other		2,146.5
Total	**$**	**72,636.3**

As of September 30, 2024, $34.3 billion of the total accrual balance is due to negative subsidies and downward reestimates of subsidies. A downward reestimate occurs when the present value of expected cash inflows exceeds the present value of expected cash outflows. Of the $34.3 billion, $14.5 billion is with Education. This represents the receivable for downward subsidy re-estimates and downward subsidy modifications for the FFEL and Direct Loan programs. SBA contributes $9.9 billion of the total accrual balance with negative subsidies and downward reestimates of subsidies. This balance consists of downward re-estimates for the Disaster Assistance program, PPP loans, and other SBA business loan programs.

As of September 30, 2024, $8.7 billion of the total accrual balance is due to realization upon loans and investments. The majority of this balance ($5.3 billion) is with USDA and is due to repayments of capital investments and the interest income accruals that have yet to be collected.

Note 7. Due from Entities – Other Debt Payable

This line item balance represents debt and other liabilities without related budgetary obligations owed by entities to the General Fund. Entities record these as a liability in their financial statements and the General Fund reports a corresponding asset. Since other debt activity is not reported by the entities through CARS, the General Fund must rely on trading partner correspondence to substantiate a significant portion of their debt and other liabilities without budgetary obligations in order to reciprocate amounts.

As of September 30, 2024, ending balances by trading partner for due from entities – other debt payable consisted of the following:

Footnote 7: Due from Entities - Other Debt Payable
As of and For the Fiscal Year Ended September 30, 2024

(In millions of dollars)

Federal Program Entity		2024
Department of Energy	$	4,242.5
U.S. Postal Service		26.3
Total	$	**4,268.8**

As of September 30, 2024, the debt balance related to Department of Energy (DOE) was $4.2 billion. This balance is primarily comprised of appropriated capital used to support DOE's power facilities. DOE has four Power Marketing Administrations (PMAs) that market electricity generated mostly by federal hydropower projects. The PMAs are primarily funded from the following sources: contract and borrowing authority; direct collections generated from the sale of power; and annual appropriations from the General Fund. Three of the four PMAs receive annual appropriations from the General Fund for construction, operation, and maintenance of their power facilities. This appropriated capital represents the balance of appropriations provided to the PMAs, which must be repaid to the General Fund. However, there is no specific annual repayment amount required.

Note 8. Due from Entities - Other Assets

The other assets line item is primarily comprised of FHOT that may or may not eventually be deposited into the TGA. FHOT, inclusive of any cash and foreign currency held outside of the TGA, is not included in cash held by Treasury for government-wide operations.

TFM Volume I, Part 2, Chapter 3400, Section 3420, defines FHOT as funds under the custodial responsibility of entities and/or their employees, officers, or agents that are deposited in non-TGAs or held in an imprest fund. Entities must record FHOT to specific U.S. Standard General Ledger (USSGL) accounts which are reciprocated by the General Fund. This cash and foreign currency are in the possession of a non-CARS Reporter non-Treasury Disbursing Office (NTDO) outside of the TGA and are accounted for in LFBWT. NTDOs are accountable for tracking and reporting these funds, summarizing amounts that Treasury would look to recover from the NTDO if the NTDO ceased operations.

As of September 30, 2024, due from entities - other assets consisted of the following:

Footnote 8: Due from Entities - Other Assets
As of and For the Fiscal Year Ended September 30, 2024
(In millions of dollars)

Federal Program Entities		2024
Department of Defense	$	924.6
Department of the Treasury - Bureau of Engraving and Printing		55.2
Judiciary Branch		1.8
Congress		0.2
Total	**$**	**981.8**

As of September 30, 2024, the ending other assets balance of Department of Defense (DOD) was $ 924.6 million. This balance is primarily cash and foreign currency held by Disbursing Officers to carry out disbursing, collecting, and foreign currency accommodating exchange missions.

Note 9. Due to Treasury - Liabilities without Related Budgetary Obligations

This amount represents a liability or future funds required of the General Fund to repay borrowings from the public and other entities. A description of each liability due to Treasury is below. The largest General Fund liability is federal debt and accrued interest payable, obligations of the U.S. government. Treasury is responsible for administering the federal debt on behalf of the U.S. government and the General Fund records these amounts as a liability, due to Treasury - federal debt and accrued interest payable on the *Operations Schedule*, which reciprocates Treasury's receivable.

Federal Debt and Accrued Interest Payable

The federal debt and accrued interest payable includes borrowings from the public as well as borrowings from entities. Debt held by the public primarily represents the amount the U.S. government has borrowed to finance the cumulative cash deficits. Debt held by other entities, primarily trust funds, represents balances of Treasury securities held by individual entities with either the authority or the requirement to invest excess receipts in Treasury securities, with the principal and interest guaranteed by the full faith and credit of the U.S. government. Federal debt held by other entities, also known as intra-governmental debt holdings, primarily consists of balances in the Social Security trust funds, Medicare trust funds, Military Retirement and Health Care funds and Civil Service Retirement and Disability Fund.

Per the *Schedules of Federal Debt*, federal debt and accrued interest payable (the total of principal, accrued interest payable, and net unamortized premiums and discounts for both debt held by the public and intra-governmental debt holdings) is $35.49 trillion as of September 30, 2024.

Please refer to the *Schedules of Federal Debt (https://fiscaldata.treasury.gov/datasets/schedules-federal-debt/schedules-of-federal-debt-by-month)* for more information.

Refunds Payable

Refunds payable arise in the normal course of tax administration when it is determined that taxpayers have paid more than the actual taxes they owe. Only amounts concluded to be valid refunds owed to taxpayers are recorded.

The U.S. government collects money from individuals for income taxes. IRS refunds payable is a fully funded liability. The IRS calculates the taxes payable amount on a monthly basis and reports the amount to the General Fund to record. Refunds payable amounted to $4.4 billion as of September 30, 2024.

The Tax and Trade Bureau (TTB) collects money for alcohol, tobacco, firearms, ammunition, and other special occupational taxes. National Revenue Center (NRC) calculates the amounts for refunds and interest on refunds on these taxes on a monthly basis and reports the amounts to the General Fund. The IRS and NRC record the appropriation amount in their USSGL accounts which the General Fund reciprocates. The amount attributable for FY 2024 was $19.9 million.

Note 10. Liability for Fund Balance with Treasury

For entities, FBWT is an asset that reflects their available spending authority and a claim on General Fund assets. The General Fund, as the central reporting entity for the federal government, reciprocates this amount as a LFBWT. LFBWT includes both federal funds and non-federal fiduciary funds due to entities. LFBWT on the face of the *Operations Schedule* breaks down the fiscal year change in entity activity and non-federal funds. The entity activity is the change in resources available to support operations/programs. LFBWT for non-federal funds represents cash held in the U.S. Treasury and administered by an entity on behalf of fiduciary beneficiaries. The owner of this FBWT is a non-federal party. See Note 11. Liability for Non-Federal Funds for a more detailed definition of fiduciary activities and information on which entities hold these funds.

An entity's FBWT and the General Fund's offsetting LFBWT changes throughout the fiscal year. Decreases occur due to entity disbursements made to pay liabilities or to purchase assets, goods, and services; investments in U.S. securities (securities issued by Treasury or other entities); cancellation of expired appropriations; transfers and reimbursements to other entities or the General Fund; sequestration or rescission of appropriations; repayments on borrowings from Treasury and other entities, etc. Increases can occur due to appropriations and amounts borrowed from Treasury.

Per the TFM, entities are required to reconcile their FBWT balances (by Treasury Account Fund Symbol) to CARS on a regular and recurring basis to assure the integrity and accuracy of the *Financial Report* data. When entity balances from payment and collection systems do not match the balances in CARS, it results in a Statement of Difference (SOD). Most of the SOD amount consists of recent payments and collections that the entity has not yet classified in CARS appropriately; these amounts are usually resolved within 90 days after the discrepancy is identified, at which point they are no longer part of the SOD. The last row of the table below shows the total SOD amount for all entities as of September 30, 2024.

While other entities distinguish different categories of funds within their FBWT note disclosures, the General Fund's chosen presentation is designed to reflect the manner in which the General Fund derives these amounts. The table below describes the major categories that derive the General Fund's recorded liability and most closely aligns with the Monthly Treasury Statement (MTS) and account statement in CARS which is the primary source of the General Fund's general ledger.

As of and for fiscal year ended September 30, 2024, activity and balances for LFBWT consisted of the following:

Footnote 10: Liability for Fund Balances with Treasury (LFBWT)
As of and For the Fiscal Year Ended September 30, 2024

(In millions of dollars)

	2024									
Federal Program Entity	Beginning Balance	Appropriation	Transfers	Borrowings	Special and Trust Funds	Budget Receipts	Budget Net Outlays	Budget Neutral Receipts and Outlays	Ending Balance
Department of Defense	$ (770,181.3)	$ (1,085,161.7)	$ 37.7	$ (88.6)	$ (106.6)	$ (2,086.2)	$ 779,431.8	$ 219,999.3	$ (858,155.6)
Department of Health and Human Services	(695,639.2)	(1,330,140.0)	(1.3)	(69.2)	(394,935.1)	(401,471.4)	1,704,682.4	440,629.4	(676,944.4)
Department of the Treasury	(553,034.6)	3,980,093.3	-	7,942.0	1,762,501.4	(3,023,587.2)	1,321,093.1	(4,037,360.1)	(542,352.1)
Department of Agriculture	(339,197.1)	(174,732.0)	283.9	(2,806.2)	(218.1)	(25,594.2)	203,398.6	7,724.7	(331,140.4)
Department of Education	(244,029.9)	(211,928.6)	(4.0)	33,083.5	-	(17.0)	267,918.2	(44,676.6)	(199,654.4)
Department of Transportation	(144,886.1)	(48,481.6)	(13.6)	(36.5)	(61,061.2)	(61,013.2)	110,797.0	42,287.1	(162,408.1)
Department of Homeland Security	(154,066.2)	(40,957.5)	(346.2)	(3.3)	(115.3)	(56,840.2)	88,860.3	2,253.3	(161,215.1)
Department of Housing and Urban Development	(148,510.1)	(73,457.2)	(10.1)	(20,530.0)	-	-	51,974.8	42,908.8	(147,623.8)
Department of Energy	(129,301.6)	(59,894.0)	(38.8)	(746.3)	111.9	(9.8)	49,315.4	894.5	(139,668.7)
Department of Commerce	(138,676.2)	(6,022.1)	(42.6)	(90.2)	-	(77.8)	14,831.1	89.5	(129,988.3)
Department of the Interior	(94,870.6)	(15,422.6)	64.6	1.5	106.3	(1,154.2)	10,027.7	2,291.4	(98,955.9)
Department of Veterans Affairs	(91,626.6)	(325,137.6)	(12.0)	(395.2)	-	(0.7)	324,977.4	2,702.6	(89,492.1)
Environmental Protection Agency	(74,589.8)	(19,235.6)	(0.7)	(3,928.5)	(1,613.7)	(3,241.3)	13,024.5	6,200.7	(83,384.4)
Security Assistance Accounts	(63,210.0)	(13,023.1)	23.2	(1,442.1)	-	-	8,206.6	(506.6)	(69,952.0)
Department of State	(68,377.0)	(37,646.8)	7.3	0.7	(50.4)	(329.9)	37,896.0	560.2	(67,939.9)
Agency for International Development	(41,117.9)	(30,365.4)	121.3	-	-	-	21,722.0	245.5	(49,394.5)
Department of Justice	(36,853.7)	(39,760.9)	(34.3)	-	-	(5,510.7)	44,692.3	83.3	(37,384.0)
Executive Office of the President	(28,406.8)	(372.1)	(69.6)	-	-	-	1,004.4	0.5	(27,843.6)
General Services Administration	(26,301.3)	(179.5)	236.0	-	-	(0.2)	(228.2)	4.8	(26,468.4)
National Science Foundation	(19,692.9)	(8,981.0)	-	-	(157.5)	(0.1)	9,391.5	30.4	(19,409.6)
All others entities	(162,080.5)	(278,888.3)	(200.9)	23,912.4	(1,304,461.6)	(1,337,171.4)	1,687,480.3	1,249,722.1	(121,687.9)
Statement of difference	(300.2)	-	-	-	-	-	-	(0.2)	(300.4)
Total	$ (4,024,949.6)	$ 180,305.7	$ (0.1)	$ 34,804.0	$ 0.1	$ (4,918,105.5)	$ 6,750,497.2	$ (2,063,915.4)	$ (4,041,363.6)

Appropriation

An appropriation originating from the General Fund authorizes obligations and payments using general funds, special funds, or trust funds. Appropriation-related transactions include increases for new appropriations, reductions for the cancellation of appropriations, reductions for rescissions, and current-year appropriation transfers (increases and decreases).

GAS Treasury overnight C of I are securities issued with a stated rate of interest to be applied to their par amount. These securities mature on the business day immediately following their issue date, are redeemed at their par amount at maturity, and have interest payable at maturity. These issues are subtracted from the LFBWT of the *Operations Schedule* and related note except for year-end since the year-end sweep takes place and remits the balance to the General Fund. As of September 30, 2024, these securities totaled $144.9 trillion. This treatment is consistent with the *Schedules of Federal Debt* which net the issues and redemptions in its presentation of the intra-governmental debt holdings to accurately present this activity.

The sweeping of miscellaneous General Fund unavailable receipt accounts is also included within the appropriation since entities record the settlement of FBWT and the associated custodial liability with the General Fund at fiscal year-end, which return these funds to the General Fund.

Transfers

Transfers reduce budgetary resources (budget authority and unobligated balances) in one account and increase them in another by the same amount. A transfer cannot be made unless a law authorizes it. The law may specify a particular transfer or provide general transfer authority within specified limits. Transfers represent the LFBWT fiscal year activity for inter- and intra-entity transfers.

Borrowings

Entities that have legal authority granted by statute may borrow funds from Treasury. Borrowings represent the LFBWT fiscal year activity for the entities' borrowings. The balances related to the borrowing activities are included in the *Operations Schedule* under due from Treasury – loans and interest receivable.

For example, Education had outstanding loan balances due to Treasury. Additional amounts borrowed during the current fiscal year, net of any repayments, will equal the amount listed in the borrowings for Education.

Special and Trust Funds

Special and trust funds account for the collections and payments of monies by the government for carrying out specific purposes and programs in accordance with the terms of a statute that designates the fund as a trust fund or for carrying out the stipulations of a trust agreement where the nation is the beneficiary (such as any of several trust funds for gifts and donations for specific purposes). Special funds are established when the law requires the government to dedicate collections from a specified source to finance a particular program and the law neither authorizes the fund to conduct a cycle of business-type operations (making it a revolving fund) nor designates it as a trust fund.

Special and trust funds represent the LFBWT fiscal year activity for the entities' transfers of unavailable receipt accounts and GFRAs to trust fund and special fund accounts.

Budget Receipts

Budget receipts are collections from the public that result from the government's exercise of its sovereign power to tax or otherwise compel payment. They consist mostly of individual and corporation income taxes and social insurance taxes, but also include excise taxes, compulsory user charges, regulatory fees, customs duties, court fines, certain license fees, and deposits of earnings by the FR System.

The budget receipts total ties to the total budget receipts line of the *Cash Schedule*.

The General Fund's total budget net receipts tie to Table 4 of the published MTS with two exceptions. The first exception pertains to current year budget receipts recorded after the MTS publication date. In this situation, the MTS recognizes the activity in the next reporting period. The second exception pertains to budget receipts from a prior fiscal year that, if deemed immaterial for restatement, are recorded in the current fiscal year. While these transactions are recorded in the MTS in the prior fiscal year, the MTS is not re-published to reflect these adjustments. These transactions are approved jointly by Office of Management and Budget (OMB) and Fiscal Service, which are recorded in the current fiscal year MTS with an effective posting date of a prior fiscal year. These prior year budget receipts are recorded as current year activity in the *Schedules* whereas the published MTS only shows

balances for the current fiscal year and prior fiscal year, therefore any transactions backdated further than the prior fiscal year are not reflected in the published MTS. This presentation is consistent with entities treatment that prior period transactions not material for restatement will be recorded in the current year.

The total budget net receipts reported on the *Schedules* also differ from the *Financial Report* as well for the same reasons mentioned in the prior paragraph due to the *Financial Report* electing to reciprocate total budget net receipts to the amount reported on the published MTS.

There are cash collections not deemed budget receipts and therefore not included in the *Budget*. Fiscal Service establishes deposit fund accounts to record monies that do not belong to the federal government. Monies received by deposit funds are not budget receipts but rather considered a means of financing.

The deposit fund classification is proper for any account that meets one of the following three criteria: monies withheld from government payments for goods and services received; monies the government is holding awaiting distribution based on a legal determination or investigation; and deposits received from outside sources for which the government is acting solely as a banker, fiscal agent, or custodian.

Budget Net Outlays

Budget net outlays are net of offsetting collections and offsetting receipts. Offsetting collections are from government accounts or the public that are of a business-type or market-oriented nature. When the collections are authorized by law to be credited to entity expenditure fund accounts and are generally available for expenditure without further legislation, they are deemed offsetting collections; otherwise, they are deposited in receipt accounts and called offsetting receipts. An example of a business-type collection from the public is proceeds from the sale of postage stamps.

Budget net outlays are generally accounted for based on checks issued, electronic funds transferred, or cash payments made; however, certain outlays do not require issuance of cash or checks. For example, federal debt is the largest legally and contractually binding obligation of the government and accrued interest on federal debt held by the public is a key metric for financial management decisions. Treasury records budget outlays for the interest on the debt held by the public as it accrues, not when it is paid. Treasury also records a non-cash budget outlay for amortized discount and premiums on debt held by the public over the life of the security.

There are also cash payments not included in budget outlays and therefore not included in the *Budget*. The government does not own deposit fund balances and monies paid by deposit funds are not budget outlays but rather a means of financing.

The budget net outlays total ties to the total budget outlays line of the *Cash Schedule*.

The General Fund's total budget net outlays ties to Table 5 of the published MTS with two exceptions. The first exception pertains to current year budget outlays recorded after the MTS publication date. In this situation, the MTS recognizes the activity in the next reporting period. The second exception pertains to budget outlays from a prior fiscal year that, if deemed not material for restatement, are recorded in the current fiscal year. While these transactions are recorded in the MTS in the prior fiscal year, the MTS is not re-published to reflect these adjustments. These transactions are approved jointly by OMB and Fiscal Service, which are recorded in the current fiscal year with an effective posting date of a prior fiscal year. These prior year budget outlays are recorded as current year activity in the *Schedules* whereas the published MTS only shows balances for the current fiscal year and prior fiscal year, so any transactions backdated further than the prior fiscal year are not reflected in the published MTS. The General Fund's position is consistent with the entities' treatment of prior period transactions in that if deemed not material for restatement, this activity will be recorded in the current year.

The total budget net outlays reported on the *Schedules* also differ from the *Financial Report* as well for the same reasons mentioned in the prior paragraph due to the *Financial Report* electing to reciprocate total budget net outlays to the amount reported on the published MTS.

Budget Neutral Receipts and Outlays

Budget neutral receipts and outlays represent borrowings and other transactions involved in financing a deficit. This also includes debt repayment, the change in cash balances, and certain other transactions involved in using a surplus. The largest activity consists of financing activity and deposit fund activity.

Accrued interest on federal debt held by the public is recorded as a budget outlay as it accrues, not when it is paid. The cash payment to satisfy the liability for previously accrued interest is not included in the *Budget*. It is reflected in the budget neutral receipts and outlays of LFBWT.

From the budgetary perspective, monies received or paid by deposit funds are not government owned and considered a means of financing. They are not budget receipts or budget outlays and are included in the budget neutral receipts and outlays of LFBWT.

Note 11. Liability for Non-Federal Funds

FASAB's SFFAS No. 31, *Accounting for Fiduciary Activities*, defines fiduciary activity when an entity collects or receives and subsequently manages, protects, accounts for, invests, and/or disposes of cash or other assets in which non-federal individuals or entities have an ownership interest that the federal government must uphold. The fiduciary relationship must be based on statutory or other legal authority and the fiduciary activity must be in furtherance of that relationship. Non-federal parties must have an ownership interest in cash or other assets held by the entity under provision of law, regulation, or other fiduciary arrangement and must have judicial remedies available for any breach of the federal government's fiduciary obligation.

For the fiscal year ended September 30, 2024, fiduciary LFBWT net activity consisted of the following:

Footnote 11: Liabilitiy for Non-Federal Funds
As of and For the Fiscal Year Ended September 30, 2024
(In millions of dollars)

Federal Program Entity	Net Activity 2024
Department of Defense	$ (603.4)
Department of the Treasury	(469.0)
Bureau of Consumer Financial Protection	(138.0)
Department of the Interior	(23.0)
The Judiciary	(11.5)
Department of State	(9.8)
Library of Congress	(6.4)
Department of Transportation	(0.2)
Department of Commerce	0.7
National Labor Relations Board	6.0
Department of Labor	15.5
Federal Retirement Thrift Investment Board	142.2
Other	(683.7)
Total	**$ (1,780.6)**

Fiduciary cash and other assets are not assets of the government and are not recognized on the *Financial Report's* Balance Sheet. Examples of the government's fiduciary activities include the Thrift Savings Plan administered by the Federal Retirement Thrift Investment Board, Navy's Foreign Cooperative Project, DOD's Public Savings Deposit Program, and the Indian Tribal and individual Indian Trust Funds administered by the Department of the Interior.

Note 12. Other Liabilities

This amount represents a liability, or future funds required of the General Fund, for lost revenue associated with the services that will be provided in a given year for free and reduced mail rate services to the U.S. Postal Service (USPS) related to revenue forgone and free and reduced rate mail for the blind and overseas balloting. The Revenue Forgone Reform Act of 1993 eliminated appropriations to support reduced rates for non-profits and required annual appropriations of $29 million (includes principal and interest) from fiscal years 1994 through 2035, totaling $1.2 billion for revenue forgone. Per USPS financial disclosures: Congress agreed to reimburse the USPS $1.2 billion in 42 annual "installments" of $29 million through the year 2035 for certain services the Postal Service performed during years 1991 through 1998. USPS recorded the net present value and imputes interest on the amount, additionally $334.1 million of the balance is past due.

$548.3 million in other liabilities is a liability reported with USPS. $546.4 million represents the beginning balance plus $ 12.9 million due to imputed interest accruing throughout the fiscal year less $11 million due to free and reduced mail rate and revenue forgone. USPS records these as an asset in their financial statements, and the General Fund reports a corresponding liability. Since other liabilities is not recorded by the entities through CARS, the General Fund must rely on trading partner correspondence to substantiate a significant portion of their accrued asset in order to reciprocate the accrued liability.

This ongoing appropriation is awarded to the USPS. The revenue is estimated on an annual basis and forwarded to Congress with a funding request. The estimate made at the beginning of the fiscal year is reconciled at the end of the fiscal year with the actual value of services provided during the year. If the actual services provided differ from the underlying funding amount, the USPS requests additional funding or returns any of the excess funding through a reduction to the next revenue forgone funding request. General Fund records the offset to this liability in the other authority line item in Note 2. Net Equity.

Note 13. Schedule of Changes in Cash Balance from Budget and Other Activities

The *Cash Schedule* reflects 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 held by Treasury for government-wide operations. These adjustments are listed below.

Adjustments for Non-Cash Outlays included in the Budget

Non-cash flow amounts in the budget related to federal debt

Accrued interest, net amortization, and other

Debt is the largest legally and contractually binding obligation of the government and is backed by the full faith and credit of the U.S. government. Accrued interest on federal debt is a key metric for financial management decisions. Recording outlays in the *Budget* related to interest payments depends on the security type. For most security types, Treasury records outlays for the interest on the federal debt as the interest accrues for future payments, not when it disburses the cash interest payment. Treasury records outlays for the amortization on the federal debt as the original issue discount or premium is amortized over the life of the security, not when the security is issued or redeemed. The accrued interest line will not match the *Schedules of Federal Debt* in its entirety. GAS securities are recorded in the *Budget* differently than on the *Schedules of Federal Debt*. The *Budget* records GAS securities on a cash basis regardless of if they are held by entities or by the public.

Non-cash flow amounts in the budget related to guaranteed and direct loan financing activity

Interest revenue on uninvested funds and interest expense on entity borrowings

Uninvested funds in the financing account consist of FBWT from borrowings and/or offsetting collections that have not been disbursed. Because entities earn and pay interest on the fund balance at the same interest rate, there is zero net effect for borrowing early and on an estimated basis. Entities must not net the interest earned on uninvested funds against interest expense at fiscal year-end. Entities must report the interest revenue and expense separately.

Entities fiscal year-end credit reform subsidy reestimates and subsidy expense (income)

The Federal Credit Reform Act of 1990 (FCRA) requires entities to estimate the cost to the government of extending or guaranteeing credit. This cost, referred to as subsidy cost, equals the net present value of estimated cash flows from the government (e.g., loan disbursements and claim payments to lenders) minus estimated cash flows to the government (e.g., loan repayments, interest payments, fees, and recoveries on defaulted loans) over the life of the loan, excluding administrative costs. Discount rates that reflect the federal government's cost of financing are used to determine the net present value of estimated cash flows. Entities generally update—or reestimate—subsidy costs annually to reflect both actual loan performance and changes in expected future loan performance.

Cash Flow from activities not included in the budget

Cash flow from non-budget activities related to federal debt

Interest Paid

Treasury typically records outlays for the interest on the federal debt as the interest accrues, not when it disburses cash. This line item represents the cash payments made to satisfy the liability for the interest on Treasury securities held by the public that was previously accrued. The ending cash balance has changed because of the interest payment, but the activity is not included in the *Budget.* As a result, the cash payment for the interest paid is part of cash flow from activities not included in the *Budget.*

Cash flow from non-budget activities related to guaranteed and direct loan financing activity

Loan disbursements/default payments, fees, principal and interest repayments, and other collections on defaulted loans receivable and sale of foreclosed property

Some government programs provide assistance through direct loans or loan guarantees. A direct loan is a disbursement of funds by the government to a non-federal borrower under a contract that requires repayment of such funds with or without interest and includes economically equivalent transactions, such as the sale of federal assets on credit terms. A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-federal borrower to a non-federal lender. Under FCRA, the actual cash flows to and from the public associated with direct loans and loan guarantees (e.g., loan disbursements, collection of principal, interest and fees, and default payments on guarantees) are recorded in the credit programs' non-budgetary financing accounts. Credit financing accounts are excluded from the *Budget* because they are not allocations of resources by the government. The ending cash balance has changed because of these transactions, but the activity is not included in the *Budget*. As a result, these transactions are part of the cash flow from non-budget activities related to guaranteed and direct loan financing activity.

Special purpose vehicle disbursements and repayments of special purpose vehicle investments

The government invested in special purpose vehicles established by the Federal Reserve Board through the FRBNY and FRB of Boston for the purpose of enhancing the liquidity of the U.S. financial system. Despite being categorized as a credit financing account, special purpose vehicle investments are accounted for as equity investments at fair value, rather than as direct loans, as these instruments do not meet the criteria of SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*. They are also excluded from the *Budget* because they are not allocations of resources by the government. The ending cash balance has changed because of these transactions, but the activity is not included in the *Budget*. As a result, these transactions are part of the cash flow from non-budget activities related to guaranteed and direct loan financing activity.

Cash flow from financing federal debt

Borrowings, Repayments, and Discount/Premium

The *Budget* treats borrowings and debt repayments as a means of financing, not as receipts and outlays. This rule applies both to borrowing in the form of federal debt issued by Treasury and other entities. The borrowings and debt repayments par amounts are adjusted by the original issue discount and premium. The original issue discount and premium affects the ending cash balance.

Other

Items such as allocations of special drawings rights, miscellaneous liability accounts, loans to the International Monetary Fund, other cash and monetary assets, non-federal securities of the National Railroad Retirement Investment Trust, miscellaneous asset accounts, transactions not applied to current year's surplus or deficit, other deposit fund liability balances, intra-governmental holdings related to deposit funds, and entity securities are included in the other line. These items are additional ways in which the deficit is financed and can also be found in the MTS – Table 6, Means of Financing the Deficit or Disposition of Surplus by the U.S. Government.

Appendix I: Previously Reported Internal Control Deficiencies Outstanding as of the Completion of Our Fiscal Year 2024 Audits

This appendix includes a description of previously reported deficiencies, the Bureau of the Fiscal Service's progress in addressing the deficiencies, and their potential effect on the Schedules of the General Fund.[19] The first two sections include the two significant deficiencies related to (1) readily identifying and tracing transactions in the Schedules of the General Fund general ledgers and (2) management's monitoring of internal control over financial reporting. The third section includes the six control deficiencies related to (1) adequately supporting account attributes of active Treasury Account Symbols (TAS), (2) restricting access to TASs, (3) tracing postpayment vouchers to cancellation schedules, (4) line item classification of cash activity, (5) Fiscal Service oversight of financial agents, and (6) Fiscal Service oversight of Federal Reserve Bank (FRB) fiscal agents.

Significant Deficiency That Contributed to Our Disclaimer of Opinion on the Schedules of the General Fund

The significant deficiency related to readily identifying and tracing transactions in the Schedules of the General Fund general ledgers contributed to our disclaimer of opinion on the Schedules of the General Fund. This significant deficiency, which we initially identified in fiscal year 2018 in the Schedules of the General Fund general ledgers, involved (1) identifying journal entries and (2) identifying transactions that comprise certain line items. Below is a description of the deficiency and an update on Fiscal Service's progress to date.

Identifying all relevant journal entries. Fiscal Service established mapping rules to generate the journal entries recorded to the General Fund of the U.S. government (General Fund) general ledgers for the transaction data transmitted daily from the Central Accounting Reporting System (CARS). Given the complexities involved in how journal entries post, Fiscal Service is unable to readily identify all journal entries related to a specific transaction and is similarly unable to identify the originating transaction for a given journal entry. Contributing to this complexity is how federal entities report transaction data to CARS daily from a variety of source systems. Identifying journal entries is further complicated after initial journal entries are posted, as federal entities can make adjustments that cannot be traced to the original transaction.

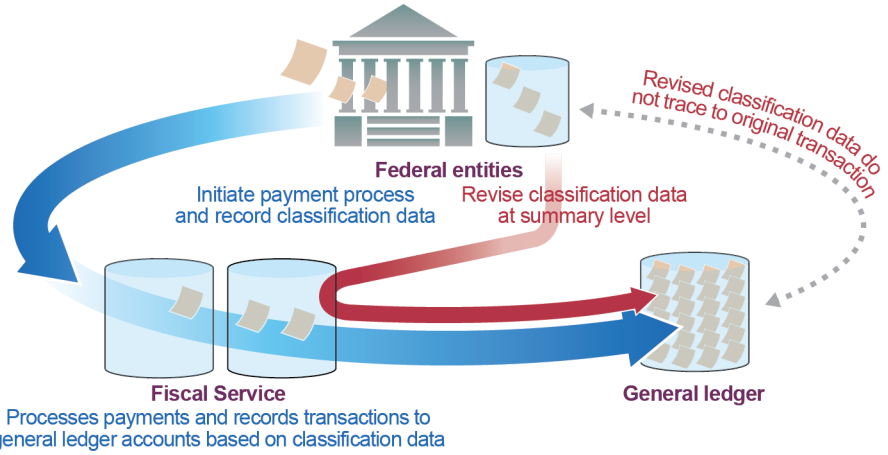
Most of the transaction data reported to CARS include the TAS and Business Event Type Code (BETC) classification information necessary to report transactions to the proper line items of the Schedules of the General Fund. A TAS is a unique identifier associated with a federal entity's individual appropriation, receipt, or other fund account. Fiscal Service assigns attributes to each TAS, including available BETCs, which determine how transactions recorded to each TAS are reported within the line items on the Schedules of the General

[19]GAO, *Financial Audit: Bureau of the Fiscal Service's Fiscal Year 2022 Schedules of the General Fund*, GAO-23-104786 (Washington, D.C.: Mar. 30, 2023).

Fund. However, certain entities report TAS and BETC classification information to CARS at a summary level that does not provide the needed details for their transaction data.

In addition, entities may submit reclassifications to transaction data previously reported to CARS, which are not readily identifiable to the originating transactions (see fig. 1).

Figure 1: Inability to Readily Trace Reclassifications to Originating Transactions



Source: GAO analysis of Fiscal Service data. GAO (images). | GAO-25-106679

In fiscal year 2020, Fiscal Service developed a remediation plan to address its inability to readily trace the final TAS and BETC classification information that entities report for their transaction data. Fiscal Service identified the need to link journal entries that report (1) TAS and BETC classification information to CARS separately from the transaction data reported through the source systems and (2) entities' reclassification of TAS and BETC information to transactions previously recorded in CARS. In both instances, the entity transaction data are recorded at a summarized level, which prevents Fiscal Service from tracing the data to the original transaction data that the source systems reported.

Fiscal Service determined that the best use of its resources for resolving the first key area would be to convert federal entities to full-CARS reporters, rather than redesign the reporting process to obtain the level of detail required for traceability from non-CARS reporters.[20] While Fiscal Service has made progress in converting federal entities to full-CARS reporters, it does not anticipate full conversion until approximately fiscal year 2029.[21] Fiscal Service acknowledges that this plan depends significantly on federal entities' cooperation.

To address the second key area—identifying and tracing reclassifications to the original journal entries reported to CARS—Fiscal Service began by analyzing the population of reclassifications and meeting with entities to discuss the reasons for their reporting reclassifications. It found that entities were using the

[20]Full-CARS reporters submit classification information for a transaction through the source system in which the transaction occurs. Non-CARS reporters summarize the classification information for transactions on a monthly basis and report it separately from the source system in which the transactions occur.

[21]Due to the extended remediation timeline, Fiscal Service is determining if it can use information from sources other than CARS to quantify the effect of activity from non-CARS reporters, such as the Department of Defense, on each affected line item on the Schedules of the General Fund. In addition, Fiscal Service is determining whether the Department of Defense can use an alternative method to report the requisite detail without becoming a full-CARS reporter.

reclassification submission process to report transactions other than reclassifications, such as transfers of funding and noncash transactions.[22] As a result, Fiscal Service developed a new process for reporting transfers and noncash transactions in CARS, which one federal entity implemented as of the end of fiscal year 2024. To improve the reporting and traceability of transfers and noncash transactions, Fiscal Service plans to work with additional federal entities to implement this new process.

In addition, Fiscal Service plans to improve the reclassification submission process within CARS by approximately fiscal year 2027 to enable federal entities to report reclassification data at an appropriately detailed level. Until entities do so, Fiscal Service cannot determine whether it has completely and accurately recorded and reported transactions in the appropriate general ledger accounts and line items on the Schedules of the General Fund.

Identifying transactions that comprise certain line items. Federal entities report the majority of the federal government's financial transactions to CARS daily. Fiscal Service established mapping rules to generate the journal entries recorded in the General Fund general ledgers for the transaction data transmitted daily from CARS. Federal entities that have fully implemented CARS can classify payments, collections, and intragovernmental transactions upon initiation, including assigning the TAS and BETC, which based on mapping rules determine how transactions are recorded in the General Fund general ledgers and reported on the Schedules of the General Fund. However, Fiscal Service must manually record some transactions for the data not reported in CARS, or adjust net activity from CARS transactions, so that they are properly reported on the Schedules of the General Fund.

During our fiscal year 2018 audit, we found that amounts recorded in certain line items on the Schedules of the General Fund, such as direct and guaranteed loan financing activity, which totaled $65.4 billion in fiscal year 2024, lacked sufficient details for tracing the amounts to specific transactions. Fiscal Service did not design sufficient transaction codes (i.e., BETCs) that federal entities could use to provide it with information, at the transaction level, to support certain line items (e.g., the budget deficit) on the Schedules of the General Fund.

In response to this finding, during fiscal year 2020, Fiscal Service developed, but did not fully implement, several new BETCs and the corresponding mapping rules for (1) recording direct and guaranteed loan financing activity and (2) distinguishing between disbursement types that would enable it to trace transactions from the general ledgers to the respective line items and improve the reporting of General Fund transactions and balances. Fiscal Service also annually publishes guidance on its website, and developed automated data checks within the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS), to help federal entities understand how to properly use the new BETCs.[23]

[22]A transfer or noncash transaction is activity not related to a payment or collection reported by a source system but that is still required to be reported to CARS for government-wide reporting purposes.

[23]GTAS is an application used to compile all federal entity data submissions of fiscal year-end adjusted trial balances and additional details from audited financial statements for the Department of the Treasury to use to prepare the consolidated financial statements of the U.S. government.

Fiscal Service fully implemented the GTAS edit checks for direct and guaranteed loan financing activity for fiscal year 2025 reporting.[24] Therefore, while we found that the number of federal entities using the new loan BETCs correctly has increased since Fiscal Service first established them, the reported balances were still not fully traceable as of the end of fiscal year 2024. In addition, Fiscal Service has been working to fix certain reporting complications that were affecting federal entities' ability to pass the GTAS edit checks for disbursement BETCs.[25]

Fiscal Service is also working to identify and trace the transactions that make up the federal debt line items to potentially avoid establishing new BETCs. Fiscal Service determined that it needs to improve its reclassification process to identify all related journal entries for each specific transaction and enhance its methodology to sufficiently support its classification of cash activity before it can complete its assessment of other General Fund activity. Therefore, as of the fiscal year ended September 30, 2024, Fiscal Service continues to use sources external to the General Fund to obtain the information used to allocate this activity to the appropriate line items. Until all transactions can be identified at the appropriate level of detail in the general ledgers, Fiscal Service cannot determine whether certain line items are properly supported.

Other Significant Deficiency

In addition to the significant deficiency discussed above that contributed to our disclaimer of opinion on the Schedules of the General Fund, we continued to find another significant deficiency in internal control related to management's monitoring of internal control over financial reporting.

Management's monitoring of internal control over financial reporting. The significant deficiency in Fiscal Service management's monitoring of internal control over financial reporting, initially identified in our fiscal year 2018 audit, remains as of September 30, 2024. Fiscal Service continued to improve its procedures for evaluating risk and monitoring controls over financial reporting relevant to the Schedules of the General Fund, including by updating its monitoring test plans to more accurately and completely describe the procedures performed and documenting its risks and associated controls to identify risks that are not mitigated by a process or control.

However, we continued to find that Fiscal Service did not adequately test all relevant controls over material financial statement line items. For example, we found that Fiscal Service did not test a relevant control over segregation of duties in the Secure Payment System as part of its Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, review for the Schedules of the General Fund. In another example, we found that Fiscal Service stopped testing a

[24]GTAS edit checks are the tool Fiscal Service uses to help reasonably assure that entities are using the correct BETC when reporting activity to CARS. The GTAS edit checks reconcile specific *U.S. Standard General Ledger* account balances against the entity's BETC balances when an entity uploads its trial balances to GTAS.

[25]Specifically, repayable advances are recorded to a separate general ledger account in the reporting entity's general ledger. Therefore, while the federal entities that disburse these repayable advances use the new disbursement BETCs, the GTAS edit check fails because the amount does not agree to the General Fund's reciprocating general ledger account. In addition, a capital transfer and rescission are reported within the same transaction in CARS, which causes federal entities reporting this activity to fail the GTAS edit check that is meant to verify that the activity using the new disbursement BETC agrees with the reporting entity's disbursement balance.

relevant control over its cash reconciliation in fiscal year 2024, without including it in a rotational testing plan for testing going forward, which results in a gap in its consideration of controls in that area.

Further, though Fiscal Service began to document its oversight of internal controls applicable to service organizations, we found an instance in fiscal year 2024 where Fiscal Service did not timely communicate a significant change in one of its service organizations to all internal stakeholders. Until Fiscal Service fully establishes proper monitoring activities for its internal control system, management's ability to identify deficiencies, if any, and evaluate and develop remediation plans to address those issues in a timely manner is impaired.

Other Control Deficiencies

In addition to the significant deficiencies discussed above, the following six previously reported deficiencies, which we do not consider to be material weaknesses or significant deficiencies, were outstanding as of the completion of our fiscal year 2024 audits.

Supporting Account Attributes of Active TASs

Fiscal Service is responsible for establishing TASs and ensuring that any changes to TAS attributes are properly reflected in CARS. A TAS is a unique identification code associated with a federal entity's individual appropriation, receipt, or other fund account. The attributes assigned to a TAS, including available BETCs, determine how Fiscal Service reports transactions within the line items on the Schedules of the General Fund.

When establishing a TAS, Fiscal Service documents information such as the account name, responsible entity, and legal authority used to support the establishment (as applicable). To document its decisions on which attributes to assign to the account, Fiscal Service compiles this information from a variety of sources, including statutes and regulations, OMB, and the requesting federal entity. During our fiscal year 2020 audit, we found that Fiscal Service could not readily provide sufficient support that the TAS attributes and BETC assignments were appropriate.

In 2022, Fiscal Service developed a remediation plan to address its inability to adequately support account attributes and available BETCs for approximately 18,500 active TASs. As part of that plan, Fiscal Service began reviewing account attributes assigned to each active TAS for appropriateness and prepare a standard set of supporting documentation.

During 2024, Fiscal Service continued to make progress and anticipates completing its review as well as the support packages for all active TASs by approximately fiscal year 2027. Specifically, Fiscal Service has updated its documentation compilation process to address issues previously communicated. During our fiscal year 2024 audit, we requested documentation packages from Fiscal Service to validate the attributes for a nonstatistical selection of 30 active TASs from the approximately 10,000 active TASs that Fiscal Service identified as ready for testing. We found that Fiscal Service lacked sufficient appropriate documentation to support the account attributes assigned for two of the 30 TASs selected.

Fiscal Service is also in the process of analyzing BETCs available to active TASs and plans to develop criteria and implement procedures for assigning BETCs to newly established TASs and for periodically reviewing

BETCs available to active TASs. Until Fiscal Service can demonstrate that it has appropriately assigned TAS attributes, including assigned BETCs, to active TASs, it cannot determine whether it properly reports entity transactions in the Schedules of the General Fund.

Restricting Access to TASs

Fiscal Service assigns federal entities agency location codes (ALC) to use when reporting transactions to CARS.[26] Subsequently, federal entities report transactions to TASs associated with their assigned ALCs. Each TAS has certain attributes (for example, agency identification code and main account code) that determine how those transactions are reported within the line items on the Schedules of the General Fund. During our fiscal year 2020 audit, we identified a control deficiency related to federal entities' capability to report transactions to any TAS that is active within CARS regardless of whether the TAS belongs to the entity. Additionally, if a federal entity reports a transaction to a TAS that is not assigned to that entity's ALCs, it could unintentionally use appropriated funds belonging to another federal entity.

During our fiscal year 2022 audit, Fiscal Service developed a remediation plan to design a control to either prevent federal entities from using TASs not assigned to their ALCs or to detect when that occurs. During fiscal years 2023 and 2024, Fiscal Service completed a monthly process to validate TAS and ALC relationships through federal entity outreach to compile a list of approved TAS and ALC relationships to use as a means to either prevent or detect inappropriate TAS use. Until Fiscal Service fully develops a process to restrict TAS use for only assigned ALCs or to detect inappropriate usage, it cannot determine whether transactions assigned to an entity are valid and reported accurately in the Schedules of the General Fund.

Tracing Postpayment Vouchers to Cancellation Schedules

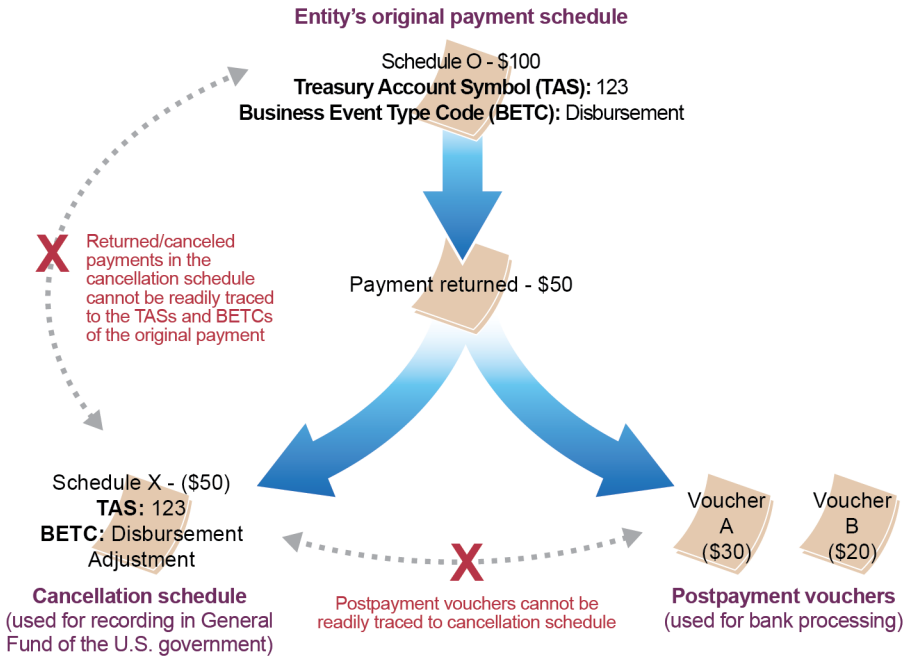
Fiscal Service's Treasury Disbursing Offices (TDO) process the majority of federal entity payments. Postpayments are the payments returned or canceled and for which a voucher is recorded in the General Fund general ledgers to cancel the electronic or check payment. Additionally, Fiscal Service's payment systems generate cancellation schedules by assigning the return or cancellation with the same ALC, TAS, and adjustment BETC as the original payment or to a Fiscal Service ALC and TAS so that Fiscal Service can credit the funds to the federal entity. While the cancellation schedules provide detailed information on the TDO postpayment transaction, the postpayment vouchers recorded in the General Fund general ledgers are at a summary level, and each postpayment voucher consists of one or multiple cancellation schedules.

During our fiscal year 2022 audit, we found that electronic and check postpayment vouchers recorded in the general ledgers, which are included in the Cash In and Cash Out line items of the Schedules of the General Fund, could not be readily traced to the cancellation schedules that are credited to federal entities. Specifically, Fiscal Service does not have a process in place to reconcile the TDO postpayment voucher amounts recorded in the general ledgers to the cancellation schedule(s) to reasonably assure accurate, complete, and timely information is recorded in the Schedules of General Fund and amounts are returned to the appropriate entity (see fig. 2). In addition, we found that the returned or canceled payments in the cancellation schedules could not be readily traced to federal entities' TASs and adjustment BETCs for the original payments. This control

[26]An ALC is a unique numeric symbol used to identify an accounting office within a federal entity that reports payments and collections to CARS. A federal entity can have multiple ALCs assigned to it, and each ALC can be associated with multiple TASs.

deficiency contributes to the significant deficiency related to identifying and tracing transactions within the Schedules of the General Fund general ledgers.

Figure 2: Inability to Trace Postpayment Vouchers to Cancellation Schedules



Source: GAO analysis of Fiscal Service data. GAO (images). | GAO-25-106679

Fiscal Service is analyzing postpayment processes in place for fiscal year 2024 to plan for a manual or systematic process to trace (1) postpayment vouchers to the cancellation schedules and (2) the returned or canceled payments in the cancellation schedule to the TASs and adjustment BETCs of the original payment. Fiscal Service is using fiscal year 2024 postpayment data from its TDO payment system, CARS, and the General Fund general ledgers to manually trace postpayment vouchers to the cancellation schedules for certain postpayment transaction types.[27] Fiscal Service is currently documenting procedures for this process and considering ways to automate the reconciliation. Until Fiscal Service completes the tracing of postpayment vouchers to cancellation schedules and can reconcile all TDO postpayment activity, it cannot readily trace postpayment transactions to the canceled amounts that are credited to federal entities for their postpayments.

Line Item Classification of Cash Activity

The Schedules of the General Fund presents cash activity for government-wide operations in the Cash In and Cash Out line items. Fiscal Service manually classifies cash transactions, which consist of collection, payment (including check issuances), and adjustment (such as corrections) vouchers, as Cash In or Cash Out as part of preparing the Schedules of the General Fund. During our fiscal year 2022 audit, we found that Fiscal Service's

[27]As of fiscal year 2024, Fiscal Service traced postpayment transaction types, such as the majority of the returns of electronic payments and canceled checks that are processed by certain TDOs. In addition, Fiscal Service has not yet traced other postpayment transaction types, such as postpayments related to courtesy disbursements, which are the issuance of replacement checks associated with nonreceipt of benefit payments, such as Social Security benefit checks.

methodology did not include its rationale for classifying its various cash transactions. For example, adjustments to some collection transactions are offset within the same line item as the original transaction; however, adjustments to payment transactions were not consistently recorded within the same line item as the original transaction, potentially overstating amounts. Additionally, certain activity, such as payments related to federal entity taxes, is included in both the Cash In and Cash Out line items.

During fiscal year 2024, Fiscal Service analyzed and evaluated its cash classification process to identify enhancements it could make to its methodology for proper reporting of the cash line items on the Schedules of the General Fund. Fiscal Service also began to document its rationale for manually classifying some cash transaction types to the Cash In or Cash Out line items. Additionally, Fiscal Service is considering a new presentation of its cash note disclosure to identify the cash transaction types that make up the Cash In and Cash Out line items. Until Fiscal Service clearly documents and implements its methodology for classifying cash activity, it risks inaccurately reporting the cash line items on the Schedules of the General Fund.

Fiscal Service Oversight of Financial Agents

Treasury has statutory authority under 12 U.S.C. § 90 and 12 U.S.C. § 265 to designate financial institutions as its financial agents.[28] Financial agents are responsible for operating a variety of collection-reporting programs to process, settle, and report collection transactions on behalf of the federal government. Fiscal Service designates and specifies its relationship with each financial agent through a Financial Agency Agreement (FAA) and implemented a policy for overseeing financial agents and verifying that internal controls over collection-reporting programs are effective. There are 11 FAAs for collection-reporting programs relevant to the Schedules of the General Fund.

During our fiscal year 2022 audit, we found deficiencies with both Fiscal Service's financial agent oversight policy and the contents of the FAAs with its financial agents. Specifically, Fiscal Service's policy did not clearly document how it verifies that internal control over financial reporting at the collection-reporting programs is designed, implemented, and operating effectively. Further, Fiscal Service did not update the respective FAAs for five collection-reporting programs to include new internal control requirements. Additionally, Fiscal Service's documented internal control requirements were incomplete. For example, it did not include an appropriate coverage period for verifying internal control over financial reporting and timely submission of results to Fiscal Service.

During fiscal year 2024, Fiscal Service updated its policy and executed new or amended FAAs for all 11 collection-reporting programs with updated requirements for assessing internal control over financial reporting. Fiscal Service anticipates implementation of its oversight requirements by fiscal year 2026. Until Fiscal Service fully implements its requirements to monitor internal control over financial reporting for the collection-reporting programs, it risks inaccurate and incomplete reporting of collection transactions on the Schedules of the General Fund.

Fiscal Service Oversight of FRB Fiscal Agents

Treasury has statutory authority under 12 U.S.C. § 391 to designate the FRBs as its fiscal agents responsible for operating a variety of systems to process, settle, and report cash transactions on behalf of the federal

[28]Financial institutions include banks under national banking associations and insured banks.

government. In some instances, an FRB initiates the transactions on behalf of certain entities using written instructions from authorized entity officials. During our fiscal year 2022 audit, we found that Fiscal Service had not established sufficient policies and procedures related to its oversight of its fiscal agents to reasonably assure transactions FRBs recorded are accurate and complete, such as tests to verify that (1) the amounts and other data were recorded accurately in the FRB-operated systems and (2) the transaction files from these systems that are reported to CARS are complete.

During fiscal year 2023, Fiscal Service began to develop a remediation plan to address the deficiencies with its fiscal agent oversight policies and procedures. However, during fiscal year 2024, Fiscal Service reevaluated whether the corrective actions previously developed would adequately address the deficiencies and halted progress citing resource constraints. Until Fiscal Service designs and implements policies and procedures to effectively monitor the fiscal agents, it risks inaccurate and incomplete reporting of collection and payment transactions in the Schedules of the General Fund.

Appendix II: Comments from the Bureau of the Fiscal Service

COMMISSIONER

DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE
WASHINGTON, DC 20227

March 4, 2025

Ms. Anne Sit-Williams
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Sit-Williams:

Thank you for the opportunity to comment on the Government Accountability Office's (GAO) financial audit report on the Fiscal Year (FY) 2024 audit of the Schedules of the General Fund of the U.S. Government (Schedules), managed by the Bureau of the Fiscal Service (Fiscal Service).

While we concur with the results of the audit, it is important to note that Fiscal Service maintains controls to confirm the integrity of the government's cash flow. This is validated each day when the daily cash position is balanced via the Treasury Cash Integrated Reconciliation Process. Federal entities also have daily access to their payment activities and can verify whether the General Fund's payment amounts match their own records, another control over the government's cash flow.

The financial audit report identified two new deficiencies which were issued in a separate Management Report for FY 2024; the response to these new deficiencies will be delivered in a separate letter.

We are pleased with the continued progress noted since the FY 2022 financial audit. We appreciate GAO's perspective and look forward to the opportunity to continue implementing corrective actions to overcome the barriers to auditability of the Schedules. Fiscal Service has expended substantial effort since the last audit to improve controls, traceability, and documentation of the unique accounting scenarios and complex operational processes that comprise the Schedules.

GAO's dedication and effort throughout the audit of the Schedules is certainly appreciated. We look forward to sustaining a productive and successful relationship with your staff in the next audit cycle.

Sincerely,

Tim Gribben

Timothy E. Gribben
Commissioner

Accessible text for Appendix II: Comments from the Bureau of the Fiscal Service

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BUREAU OF THE FISCAL SERVICE
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Sincerely,
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Commissioner

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