

Contents

A Message from the Secretary of the Treasury Management’s Discussion and Analysis	1
Statement of the Acting Comptroller General of the United States	25
Financial Statements	
Introduction	29
Statements of Net Cost	35
Statements of Operations and Changes in Net Position.....	36
Reconciliations of Net Operating Cost and Unified Budget Deficit.....	37
Statements of Changes in Cash Balance from Unified Budget and Other Activities	38
Balance Sheets.....	39
Statements of Social Insurance.....	40
Notes to the Financial Statements	
Note 1. Summary of Significant Accounting Policies	43
Note 2. Cash and Other Monetary Assets.....	49
Note 3. Accounts and Taxes Receivable, Net.....	51
Note 4. Loans Receivable and Loan Guarantee Liabilities, Net.....	52
Note 5. Inventories and Related Property, Net	56
Note 6. Property, Plant, and Equipment, Net	58
Note 7. Securities and Investments.....	59
Note 8. Financial and Housing Market Stabilization.....	61
Note 9. Other Assets.....	64
Note 10. Accounts Payable.....	65
Note 11. Federal Debt Securities Held by the Public and Accrued Interest	66
Note 12. Federal Employee and Veteran Benefits Payable	69
Note 13. Environmental and Disposal Liabilities.....	75
Note 14. Benefits Due and Payable	77
Note 15. Insurance Program Liabilities	78
Note 16. Other Liabilities	79
Note 17. Collections and Refunds of Federal Revenue	81
Note 18. Prior Period Adjustments.....	84
Note 19. Contingencies	85
Note 20. Commitments.....	89
Note 21. Earmarked Funds	92
Note 22. Indian Trust Funds	102
Note 23. Social Insurance.....	104
Note 24. Stewardship Land and Heritage Assets.....	113
Note 25. Subsequent Events	114

Supplemental Information (Unaudited)

Social Insurance	117
Social Security and Medicare	117
Railroad Retirement, Black Lung, and Unemployment Insurance	138
Deferred Maintenance	150
Unexpended Budget Balances	151
Tax Burden	151
Tax Gap	152
Other Claims for Refunds.....	153
Tax Assessments	153
Risk Assumed.....	153
Unmatched Transactions and Balances	155

Stewardship Information (Unaudited)

Stewardship Investments	157
Non-Federal Physical Property.....	158
Human Capital.....	158
Research and Development	159

Appendix

Significant Government Entities	161
---------------------------------------	-----

Government Accountability Office Auditor's Report.....	165
---	------------

List of Social Insurance Charts

Chart 1	OASDI Beneficiaries per 100 Covered Workers, 1970-2082.....	122
Chart 2	OASDI Income (Excluding Interest) and Expenditures, 1970-2082	123
Chart 3	OASDI Income (Excluding Interest) and Expenditures as a Percent of Taxable Payroll, 1970-2082	124
Chart 4	OASDI Income (Excluding Interest) and Expenditures as a Percent of GDP, 1970-2082.....	125
Chart 5	Total Medicare (HI and SMI) Expenditures and Noninterest Income as a Percent of GDP, 1970-2082.....	128
Chart 6	Medicare Part A Income (Excluding Interest) and Expenditures, 1970-2082	129
Chart 7	Medicare Part A Income (Excluding Interest) and Expenditures as a Percent of Taxable Payroll, 1970-2082	130
Chart 8	Medicare Part A Income (Excluding Interest) and Expenditures as a Percent of GDP, 1970-2082.....	131
Chart 9	Medicare Part B and Part D Premium and State Transfer Income and Expenditures, 1970-2082.....	132
Chart 10	Medicare Part B and Part D Premium and State Transfer Income and Expenditures as a Percent of GDP, 1970-2082.....	133
Chart 11	Estimated Railroad Retirement Income (Excluding Interest and Financial Interchange Income) and Expenditures, 2008-2082	139
Chart 12	Estimated Railroad Retirement Income (Excluding Interest and Financial Interchange Income) and Expenditures as a Percent of Tier II Taxable Payroll, 2008-2082	140
Chart 13	Estimated Black Lung Income and Expenditures (Excluding Interest), 2009-2040.....	144
Chart 14	Estimated Black Lung Trust Fund Net Outflow and End of Year Fund Balance, 2009-2040.....	145
Chart 15	Estimated Unemployment Fund Cashflow Using Expected Economic Conditions, 2009-2018	147
Chart 16	Unemployment Trust Fund Solvency as of September 30, 2008.....	149

This page is intentionally blank.