Quality Control Review of the Independent Auditors’ Report on the Department of Transportation’s Audited Consolidated Financial Statements for Fiscal Years 2021 and 2020
What We Looked At
We contracted with the independent public accounting firm KPMG LLP to audit the Department of Transportation’s (DOT) consolidated financial statements as of and for the fiscal years ended September 30, 2021, and September 30, 2020. KPMG was required to provide an opinion on those financial statements, report on internal control over financial reporting, and report on compliance with laws and other matters. The contract also required KPMG to perform the audit in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Governmental Accountability Office’s and Council of the Inspectors General on Integrity and Efficiency’s Financial Audit Manual. We performed a quality control review of KPMG’s report dated November 12, 2021, and related documentation, and inquired of its representatives.

What We Found
Our quality control review disclosed no instances in which KPMG did not comply, in all material respects, with U.S. generally accepted Government auditing standards.

Our Recommendations
DOT concurred with KPMG’s seven recommendations. We agree with KPMG’s recommendations and are not making any additional recommendations.
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Memorandum

Date: November 15, 2021


From: Eric J. Soskin
Inspector General

To: The Secretary

I respectfully submit the results of our quality control review (QCR) of the independent auditors’ report on the Department of Transportation’s (DOT) audited consolidated financial statements for fiscal years 2021 and 2020.

We contracted with the independent public accounting firm KPMG LLP to audit DOT’s consolidated financial statements as of and for the fiscal years ended September 30, 2021, and September 30, 2020, and provide an opinion on those financial statements, report on internal control over financial reporting, and report on compliance with laws and other matters. The contract required the audit to be performed in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office’s and Council of the Inspectors General on Integrity and Efficiency’s Financial Audit Manual.¹

We appreciate the cooperation and assistance of DOT’s representatives and KPMG. If you have any questions about this report, please call me at (202) 366-8543 or Dormayne Dillard-Christian, Acting Assistant Inspector General for Financial Audits, at (202) 570-6381.

cc: DOT Audit Liaison, M-1
Federal Aviation Administrator

Federal Aviation Administration Audit Liaison, AAE-001
Federal Highway Administrator
Federal Highway Administration Audit Liaison, HCFB-23
Federal Transit Administrator
Federal Transit Administration Audit Liaison, TBP-30
Independent Auditors’ Report

In its report on DOT’s consolidated financial statements for fiscal years 2021 and 2020, KPMG states that

- DOT’s consolidated financial statements² (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;

- it found two significant deficiencies³ in internal control over financial reporting that it did not consider to be a material weakness;⁴ and

- there were no instances of reportable noncompliance with provisions of laws tested, or reportable other matters.

KPMG made seven recommendations to address the significant deficiencies in internal control over financial reporting (see attachment 1).

### Significant Deficiencies

**Weaknesses in general information technology controls.** KPMG identified general information technology control deficiencies at the application, database, and/or operating system levels related to audit log review and access controls for user access management, financial data, general ledger, timekeeping, inventory, procurement, environmental, financial management, and grant payment and management systems. More specifically, controls were not operating effectively over

- the review of audit logs, including documentation to evidence appropriate and timely completion of the review; or

- system access, including privileged account reviews, new user authorizations, and periodic review and recertification of access.

---


³A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness but important enough to merit attention by those charged with governance. 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.

⁴A material weakness is a deficiency, or a combination of deficiencies, 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.
KPMG also determined that operating administration management did not develop component-specific implementation of security plan requirements for certain systems.

**Weaknesses in controls over the monitoring of service organizations.** KPMG found control deficiencies existed over the monitoring of the Department’s service organizations and assessment of impact to their system of internal control over financial reporting. Specifically,

- controls were not designed and implemented over the risk assessment process to identify and develop an approach to assess the control environment relevant to internal controls over financial reporting when the reporting period of the service organization report is not aligned with Department’s fiscal year;

- controls were not operating effectively to demonstrate or document a review of service organization controls (SOC) reports and the related subservice provider reports; and

- management did not document their considerations over the results of an applicable service organization report, and the potential impact of findings in the SOC report on its internal control over the financial reporting process.

**Recommendations**

KPMG made the following recommendations to help strengthen DOT’s general information technology controls and monitoring of service organizations controls. KPMG recommended that DOT management:

1. Design and implement procedures to consistently and timely perform and document audit log reviews as required by standards for effective internal control systems and/or internal policy;

2. Design and implement procedures to consistently and timely perform and document user account access reviews as required by standards for effective internal control systems and/or internal policy;

3. Design and implement component-specific system security plan requirements in instances where plans for those areas not addressed in the Departmental system security plan;

4. Design and implement procedures related to the retention of appropriate supporting evidence of internal controls, including but not limited to,
access administration, access recertification, audit log review, and patch management;

5. Strengthen its policies and procedures to formalize a complete process to assess and monitor applicable third-party service organizations risk assessment to determine the impact of a timing gap between the issuance of service organization SOC reports and the Department’s fiscal year;

6. Strengthen its policies and procedures to formalize a complete process to assess and monitor applicable third-party service organizations documented review of applicable SOC reports, which includes a consideration of results year over year, implementation of the service organizations’ recommended complimentary user entity controls and monitor such controls for proper design, implementation and operating effectiveness; and

7. Strengthen its policies and procedures to formalize a complete process to assess and monitor applicable third-party service organizations review and evaluation of findings identified within the service organization’s SOC report and assess the impact on the Department’s internal control over financial reporting.

Quality Control Review

We performed a QCR of KPMG’s report, dated November 12, 2021, and related documentation, and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted Government auditing standards, was not intended to enable us to express, and we do not express, an opinion on DOT’s financial statements or conclusions about the effectiveness of internal control over financial reporting, or compliance with laws and other matters. KPMG is responsible for its report and the conclusions expressed therein.

Our QCR disclosed no instances in which KPMG did not comply, in all material respects, with U.S. generally accepted Government auditing standards.

Agency Comments and OIG Response

KPMG provided DOT with its draft report on November 9, 2021, and received DOT’s response, dated November 12, 2021 (see attachment 2). DOT agreed with the deficiencies KPMG found. DOT also concurred with KPMG’s seven
recommendations and committed to developing a corrective action plan to address the deficiencies by December 31, 2021. We agree with KPMG’s recommendations and are not making any additional recommendations.

Actions Required

We consider all seven of KPMG’s recommendations open and unresolved pending receipt of the corrective action plan.
### Exhibit. List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOT</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>OIG</td>
<td>Office of Inspector General</td>
</tr>
<tr>
<td>QCR</td>
<td>Quality control review</td>
</tr>
<tr>
<td>SOC</td>
<td>Service organization control</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report

Secretary and Inspector General
United States Department of Transportation:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the United States Department of Transportation (Department), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 21-04, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United States Department of Transportation as of September 30, 2021 and 2020, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.
**Other Matters**

**Interactive Data**
Management has elected to reference to information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the basic consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

**Required Supplementary Information**
U.S. generally accepted accounting principles require that the information in the Management’s Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**
Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The Table of Contents, Foreword, Message from the Secretary, Other Information and List of Acronyms sections are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

**Internal Control over Financial Reporting**
In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2021, we considered the Department’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department’s internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers’ Financial Integrity Act of 1982.

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 material weakness is a deficiency, or a combination of deficiencies, in internal control, 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or
significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying exhibit as items 2021-01 and 2021-02, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department’s consolidated financial statements as of and for the year ended September 30, 2021 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or OMB Bulletin No. 21-04.

We also performed tests of its compliance with certain provisions referred to in Section 803(a) of the Federal Financial Management Improvement Act of 1996 (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which the Department’s financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

Department’s Response to Findings

The Department’s response to the findings identified in our audit is described and presented in the section Management’s Response to the Independent Auditor’s Report. The Department’s response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by Government Auditing Standards section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department’s internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
November 12, 2021
2021 - 01: Weaknesses in General Information Technology Controls

**Background**

The Department utilizes various information technology systems to carry out its mission and to compile amounts recorded in its financial statements. Systems may vary within each operating administration based on the individual mission and needs of the operating administration.

The Federal Highway Administration (FHWA) utilizes various systems, including but not limited to, a user profile and access control system to manage user access to various applications within the FHWA environment and a grant management system.

The Federal Transit Administration (FTA) utilizes various systems, including but not limited to, a system whereby grant recipients request payments against federal grants awarded to them, a system utilized by internal users to query, view and print financial records and reports, and a system to award and manage grant funding.

The Federal Aviation Administration (FAA) utilizes various information technology systems to carry out its mission and to compile amounts recorded in its financial statements. In addition to its general ledger system, FAA utilizes various information technology systems including; a timekeeping system to record employee time and attendance, an inventory system related to asset management and inventory control, a procurement system to record and track requisitions, purchase orders, and contracts, and a site management system that tracks the environmental investigation, remediation, and regulatory closure status of the FAA’s environmental sites.

The operating administrations are required to implement certain component-specific system security plans for those areas not addressed in the Departmental system security plan.

**Criteria**

The U.S. Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (Green Book), sets the standards for an effective internal control system and provides an overall framework for designing, implementing, and operating effective internal control systems. The standards require entities to design appropriate types of control activities to include limiting access to resources and records to authorized individuals, and to periodically compare resources with the recorded accountability to help reduce the risk of errors, fraud, misuse, or unauthorized alteration. In addition, management should communicate quality information down and across reporting lines to enable personnel to perform key roles in achieving objectives, addressing risks, and supporting the internal control system. In these communications, management assigns the internal control responsibilities for key roles.

**Condition**

Control deficiencies exist at the application, database, and/or operating system levels related to audit log review and access controls for the systems mentioned above and as listed below:

- Remediation was not completed for controls identified in the prior year as not operating effectively over the review of audit logs, including documentation to evidence appropriate and timely completion of the review.
- Controls were not operating effectively over system access, including privileged account reviews, new user authorizations, and periodic review and recertification of access.

In addition, operating administration management did not develop component-specific implementation of security plan requirements for certain systems.
Cause
Management has not established, or consistently implemented procedures to ensure compliance with standards for effective internal control systems and/or internal policy.

Effect
The absence of timely reviews of audit logs, leaves the Department exposed to the risk of delays in identifying and responding to incidents which could result in the exposure, modification, or loss of system data. Further, user accounts with inappropriate access may result in unauthorized use, disclosure, or modification of system data. Lastly, weaknesses in security management controls increase the risk that systems are not properly controlled and secured.

Recommendations
We recommend that management design and implement:

1. Procedures to consistently and timely perform and document audit log reviews as required by standards for effective internal control systems and/or internal policy.
2. Procedures to consistently and timely perform and document user account access reviews as required by standards for effective internal control systems and/or internal policy.
3. Component-specific system security plan requirements in instances where plans for those areas not addressed in the Departmental system security plan.
4. Procedures related to the retention of appropriate supporting evidence of internal controls, including but not limited to, access administration, access recertification, audit log review, and patch management.
2021 - 02: Weaknesses in Monitoring of Service Organizations

Background
The Department engages various external parties to perform select operations on its behalf. These service organizations include, but are not limited to, a payroll provider to process personnel actions and payroll transactions and a cloud hosting service.

Criteria
The Green Book standards for internal control require entities to perform ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Management retains responsibility for monitoring the effectiveness of internal control over the assigned processes performed by service organizations. Management uses ongoing monitoring, separate evaluations, or a combination of the two to obtain reasonable assurance of the operating effectiveness of the service organization’s internal controls over the assigned process. Monitoring activities related to service organizations may include the use of work performed by external parties, such as service auditors, and reviewed by management.

Further, the standards require that management evaluate and document internal control issues and determine appropriate corrective actions for internal control deficiencies on a timely basis. Management evaluates issues identified through monitoring activities or reported by personnel to determine whether any of the issues rise to the level of an internal control deficiency. Internal control deficiencies require further evaluation and remediation by management.

Condition
Control deficiencies exist in the monitoring over the Department’s service organizations and assessment of the impact to their system of internal control over financial reporting. Specifically:

1. Controls are not designed and implemented over the risk assessment process to identify and develop an approach to assess the control environment relevant to its internal controls over financial reporting when the reporting period of the service organization report is not aligned with Department’s fiscal year.

2. Controls were not operating effectively to demonstrate or document a review of Service Organization Controls (SOC) reports and the related subservice provider reports.

3. Management did not document their considerations over the results of an applicable service organization report, and the potential impact of findings in the SOC report on its internal control over the financial reporting process.

Cause
Management’s current oversight process surrounding service organizations is not adequately defined and documented to allow the Department to achieve its monitoring objectives in support of internal controls over financial reporting.
Effect
The absence of a properly documented risk assessment, monitoring and evaluation of service organizations and the related SOC reports increases the risk that DOT management does not effectively monitor and assess the following:

1. The impact of services and related controls (or lack thereof) provided by third-party service providers on the financial reporting processes.

2. The impact of exceptions to the operating effectiveness of controls at the third-party service organization on the financial statements of the Department.

Recommendations
We recommend management strengthen its policies and procedures to formalize a complete process to assess and monitor applicable third-party service organizations that includes:

1. Risk assessment to determine the impact of a timing gap between the issuance of service organization SOC reports and the Department’s fiscal year.

2. Documented review of applicable SOC reports, which includes a consideration of results year over year, implementation of the service organizations’ recommended complimentary user entity controls and monitor such controls for proper design, implementation and operating effectiveness.

3. Review and evaluation of findings identified within the service organization’s SOC report and assess the impact on the Department’s internal control over financial reporting.
Attachment 2. Agency Response
Memorandum

Subject: INFORMATION: Management Response to the
Audit Report on the Consolidated Financial Statements for
Fiscal Year (FY) 2021

From: Victoria B. Wassmer
Deputy Assistant Secretary for Finance and Budget

To: Eric J. Soskin
Inspector General

James Gould
Partner, KPMG LLP

CC: Lana Hurdle, Deputy Assistant Secretary for Budget and Programs
Jennifer Funk, Deputy Chief Financial Officer

I am pleased to respond to the report on the Department of Transportation’s (DOT) Consolidated
Financial Statements. Our financial management professionals came together, like no time
before, to ensure the agency’s mission and financial management objectives were achieved. We
take great pride in our ability to sustain strong and vigilant financial management, as
demonstrated in our achievement of an unmodified audit opinion.

We view the audit as an opportunity for continuous improvement as we promote the prudent,
effective, and efficient use of funds across the Department. We concur with the two significant
deficiencies contained in the report on internal controls over financial reporting and the
corresponding recommendations. Corrective actions are already underway, and we will submit a
detailed plan along with estimated completion dates of the actions to the Inspector General no
later than December 31, 2021.

I appreciate the professionalism and cooperation exhibited by your office during the audit. Our
combined efforts and teamwork made the difference in successfully meeting the objectives of the
financial audit process.

Please refer questions to the Deputy Chief Financial Officer, Ms. Jennifer Funk (202-366-5628).
Attachment 3. Agency Financial Statements, Related Notes, and Required Supplemental Information
## Principal Statements

### CONSOLIDATED BALANCE SHEETS

**As of September 30, 2021 and 2020**

<table>
<thead>
<tr>
<th></th>
<th><strong>2021</strong></th>
<th><strong>2020</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td><strong>DOLLARS IN THOUSANDS</strong></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury (Note 2)</td>
<td>$114,363,099</td>
<td>$65,290,548</td>
</tr>
<tr>
<td>Investments, Net (Note 3)</td>
<td>30,264,917</td>
<td>22,390,869</td>
</tr>
<tr>
<td>Accounts Receivable, Net (Note 4)</td>
<td>88,926</td>
<td>80,621</td>
</tr>
<tr>
<td>Advances and Prepayments (Note 5)</td>
<td>18,929</td>
<td>23,431</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td><strong>144,735,871</strong></td>
<td><strong>87,785,469</strong></td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable, Net (Note 4)</td>
<td>104,738</td>
<td>98,887</td>
</tr>
<tr>
<td>Loans Receivable, Net (Note 6)</td>
<td>15,245,491</td>
<td>16,874,044</td>
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<tr>
<td>Inventory and Related Property, Net (Note 7)</td>
<td>1,037,990</td>
<td>1,057,263</td>
</tr>
<tr>
<td>General Property, Plant and Equipment, Net (Note 8)</td>
<td>12,711,237</td>
<td>12,440,128</td>
</tr>
<tr>
<td>Advances and Prepayments (Note 5)</td>
<td>2,981,814</td>
<td>1,354,688</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td><strong>32,081,270</strong></td>
<td><strong>31,825,098</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$176,817,141</strong></td>
<td><strong>$119,610,567</strong></td>
</tr>
<tr>
<td>Stewardship Property, Plant and Equipment (Note 9)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **LIABILITIES (NOTE 10)** |                  |              |
| Intragovernmental         |                  |              |
| Accounts Payable          | $12,887          | $35,793      |
| Debt (Note 11)            | 15,065,013       | 17,007,979   |
| Advances From Others and Deferred Revenue | 674,370 | 515,607 |
| Other Liabilities (Note 14) | 1,560,552 | 769,306 |
| **Total Intragovernmental** | **17,312,822** | **18,328,685** |
| With the Public           |                  |              |
| Accounts Payable          | 565,931          | 586,858      |
| Loan Guarantee Liability (Note 6) | 145,644 | 192,993 |
| Federal Employee Benefits Payable | 1,495,873 | 1,511,202 |
| Environmental and Disposal Liabilities (Note 12 and Note 16) | 864,883 | 876,612 |
| Advances From Others and Deferred Revenue | 279,028 | 392,406 |
| Other Liabilities         |                  |              |
| Accrued Grant Liabilities (Note 13) | 16,091,015 | 15,791,963 |
| Other Liabilities (Note 14) | 546,751 | 506,949 |
| **Total with the Public** | **19,989,125** | **19,858,983** |
| **Total Liabilities**     | **$37,301,947** | **$38,187,668** |

| **NET POSITION** |                  |              |
| Unexpended Appropriations—Funds From Dedicated Collections (Combined) (Note 17) | $719,382 | $489,609 |
| Unexpended Appropriations—Funds from Other than Dedicated Collections (Combined) | 95,377,129 | 45,324,553 |
| Total Unexpended Appropriations (Combined) | 96,096,511 | 45,814,162 |
| Cumulative Results of Operations - Funds From Dedicated Collections (Combined) (Note 17) | 32,310,357 | 24,367,243 |
| Cumulative Results of Operations - Funds from Other than Dedicated Collections (Combined) | 11,108,326 | 11,241,494 |
| Total Cumulative Results of Operations (Combined) | 43,418,683 | 35,608,737 |
| **Total Net Position** | **139,515,194** | **81,422,899** |
| **Total Liabilities and Net Position** | **$176,817,141** | **$119,610,567** |
### CONSOLIDATED STATEMENTS OF NET COST

*For the years ended September 30, 2021 and 2020*

<table>
<thead>
<tr>
<th>Program Costs</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURFACE TRANSPORTATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Costs</td>
<td>$76,859,546</td>
<td>$83,184,207</td>
</tr>
<tr>
<td>Less: Earned Revenue</td>
<td>1,002,010</td>
<td>1,175,521</td>
</tr>
<tr>
<td>Net Program Costs</td>
<td>$75,857,536</td>
<td>$82,008,686</td>
</tr>
<tr>
<td>AIR TRANSPORTATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Costs</td>
<td>26,493,424</td>
<td>25,978,273</td>
</tr>
<tr>
<td>Less: Earned Revenue</td>
<td>467,769</td>
<td>555,638</td>
</tr>
<tr>
<td>Net Program Costs</td>
<td>$26,025,655</td>
<td>$25,422,635</td>
</tr>
<tr>
<td>MARITIME TRANSPORTATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Costs</td>
<td>817,428</td>
<td>1,041,356</td>
</tr>
<tr>
<td>Less: Earned Revenue</td>
<td>479,784</td>
<td>461,255</td>
</tr>
<tr>
<td>Net Program Costs</td>
<td>$337,644</td>
<td>$580,101</td>
</tr>
<tr>
<td>CROSS-CUTTING PROGRAMS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Costs</td>
<td>492,317</td>
<td>603,825</td>
</tr>
<tr>
<td>Less: Earned Revenue</td>
<td>115,711</td>
<td>177,924</td>
</tr>
<tr>
<td>Net Program Costs</td>
<td>$376,606</td>
<td>$425,901</td>
</tr>
<tr>
<td>Costs Not Assigned to Programs</td>
<td>259,691</td>
<td>229,339</td>
</tr>
<tr>
<td>Less: Earned Revenues Not Attributed to Programs</td>
<td>6,429</td>
<td>1,448</td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td><strong>$102,850,703</strong></td>
<td><strong>$108,665,214</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the years ended September 30, 2021 and 2020

### DOLLARS IN THOUSANDS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds from Dedicated Collections (Combined)</strong></td>
<td>$489,609</td>
<td>$45,324,553</td>
</tr>
<tr>
<td><strong>Funds from Other than Dedicated Collections (Combined)</strong></td>
<td>$45,814,162</td>
<td>$734,821</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$45,814,162</td>
<td>$734,821</td>
</tr>
<tr>
<td><strong>Funds from Dedicated Collections (Combined)</strong></td>
<td>$34,462,200</td>
<td>$34,197,021</td>
</tr>
<tr>
<td><strong>Funds from Other than Dedicated Collections (Combined)</strong></td>
<td>$47,066,549</td>
<td>$94,717</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$47,066,549</td>
<td>$94,717</td>
</tr>
</tbody>
</table>

### UNEXPENDED APPROPRIATIONS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$489,609</td>
<td>$45,324,553</td>
</tr>
<tr>
<td><strong>Appropriations Received</strong></td>
<td>$483,500</td>
<td>$109,645,432</td>
</tr>
<tr>
<td><strong>Appropriations Transferred-in/(out)</strong></td>
<td>-</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Other Adjustments</strong></td>
<td>($50,235)</td>
<td>($489,484)</td>
</tr>
<tr>
<td><strong>Appropriations Used</strong></td>
<td>($203,492)</td>
<td>($539,719)</td>
</tr>
<tr>
<td><strong>Net Change in Unexpended Appropriations</strong></td>
<td>$229,773</td>
<td>($489,484)</td>
</tr>
<tr>
<td><strong>Total Unexpended Appropriations: Ending</strong></td>
<td>$719,382</td>
<td>$95,377,129</td>
</tr>
</tbody>
</table>

### CUMULATIVE RESULTS OF OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>24,367,243</td>
<td>11,241,494</td>
</tr>
<tr>
<td><strong>Other Adjustments</strong></td>
<td>-</td>
<td>($64)</td>
</tr>
<tr>
<td><strong>Appropriations Used</strong></td>
<td>203,492</td>
<td>59,113,372</td>
</tr>
<tr>
<td><strong>Nonexchange Revenue</strong></td>
<td>52,003,570</td>
<td>52,004,794</td>
</tr>
<tr>
<td><strong>Donations/Forfeitures of Cash/Cash Equivalents</strong></td>
<td>1,272</td>
<td>1,224</td>
</tr>
<tr>
<td><strong>Transfers-in/(out) Without Reimbursement</strong></td>
<td>27,136,172</td>
<td>27,097,963</td>
</tr>
<tr>
<td><strong>Donations and Forfeitures of Property</strong></td>
<td>-</td>
<td>25,703</td>
</tr>
<tr>
<td><strong>Imputed Financing</strong></td>
<td>421,398</td>
<td>63,269</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>($1,064,619)</td>
<td>($146,177)</td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td>70,758,171</td>
<td>32,092,532</td>
</tr>
<tr>
<td><strong>Net Change in Cumulative Results of Operations</strong></td>
<td>7,943,114</td>
<td>($133,168)</td>
</tr>
<tr>
<td><strong>Cumulative Results of Operations: Ending</strong></td>
<td>32,310,357</td>
<td>11,108,326</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td>$33,029,739</td>
<td>$106,485,455</td>
</tr>
</tbody>
</table>

For the years ended September 30, 2021 and 2020.
## COMBINED STATEMENTS OF BUDGETARY RESOURCES

*For the years ended September 30, 2021 and 2020*

### DOLLARS IN THOUSANDS

<table>
<thead>
<tr>
<th></th>
<th>2021 Budgetary</th>
<th>2021 Non-Budgetary Credit Reform Financing Accounts</th>
<th>2020 Budgetary</th>
<th>2020 Non-Budgetary Credit Reform Financing Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgetary Resources (Note 19)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unobligated Balance From Prior Year Budget Authority, Net</td>
<td>$61,474,648</td>
<td>$368,210</td>
<td>$61,161,514</td>
<td>$517,324</td>
</tr>
<tr>
<td>Appropriations (Note 1W)</td>
<td>126,592,572</td>
<td>-</td>
<td>71,774,471</td>
<td>-</td>
</tr>
<tr>
<td>Borrowing Authority</td>
<td>-</td>
<td>10,565,919</td>
<td>-</td>
<td>4,519,585</td>
</tr>
<tr>
<td>Contract Authority</td>
<td>62,016,434</td>
<td>-</td>
<td>62,014,956</td>
<td>-</td>
</tr>
<tr>
<td>Spending Authority From Offsetting Collections</td>
<td>13,180,433</td>
<td>998,615</td>
<td>12,853,556</td>
<td>516,704</td>
</tr>
<tr>
<td><strong>Total Budgetary Resources</strong></td>
<td><strong>$263,264,087</strong></td>
<td><strong>$11,932,744</strong></td>
<td><strong>$207,804,497</strong></td>
<td><strong>$5,553,613</strong></td>
</tr>
</tbody>
</table>

### STATUS OF BUDGETARY RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Obligations and Upward Adjustments</td>
<td>$165,188,713</td>
<td>$10,930,135</td>
</tr>
<tr>
<td>Unobligated Balance, End of Year</td>
<td>$165,188,713</td>
<td>$10,930,135</td>
</tr>
<tr>
<td>Apportioned, Unexpired Accounts</td>
<td>76,345,700</td>
<td>322,407</td>
</tr>
<tr>
<td>Unapportioned, Unexpired Accounts</td>
<td>21,485,890</td>
<td>680,202</td>
</tr>
<tr>
<td>Unexpired Unobligated Balance, End of Year</td>
<td>97,831,590</td>
<td>1,002,609</td>
</tr>
<tr>
<td>Expired Unobligated Balance, End of Year</td>
<td>243,784</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Budgetary Resources</strong></td>
<td><strong>$263,264,087</strong></td>
<td><strong>$11,932,744</strong></td>
</tr>
</tbody>
</table>

### OUTLAYS, NET, AND DISBURSEMENTS, NET

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlays, Net</td>
<td>$135,926,326</td>
<td>$112,108,737</td>
</tr>
<tr>
<td>Distributed Offsetting Receipts</td>
<td>(30,646,484)</td>
<td>(11,801,716)</td>
</tr>
<tr>
<td><strong>Agency Outlays, Net</strong></td>
<td><strong>$105,279,842</strong></td>
<td><strong>$100,307,021</strong></td>
</tr>
<tr>
<td><strong>Disbursements, Net</strong></td>
<td><strong>$2,691,022</strong></td>
<td><strong>$3,725,801</strong></td>
</tr>
</tbody>
</table>
A. Reporting Entity

The U.S. Department of Transportation (DOT or Department) reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

The Department serves as the strategic focal point in the Federal Government’s national transportation plan. It partners with cities and States to meet local and national transportation needs by providing financial and technical assistance; ensuring the safety of all transportation modes; protecting the interests of the American traveling public; promoting international transportation treaties; and conducting planning and research for the future.

The Department is comprised of the Office of the Secretary and the DOT Operating Administrations, each having its own management team and organizational structure. Collectively, they provide services and oversight to ensure the best possible transportation system serves the American public. The Department’s consolidated financial statements present the financial data for various trust funds, revolving funds, appropriations and special funds of the following organizations (referred to as Operating Administrations):

- Office of the Secretary (OST) [includes OST Working Capital Fund, Volpe National Transportation Center, and Office of the Assistant Secretary for Research and Technology]
- Federal Aviation Administration (FAA)
- Federal Highway Administration (FHWA)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Maritime Administration (MARAD)
- National Highway Traffic Safety Administration (NHTSA)
- Office of Inspector General (OIG)
- Pipeline and Hazardous Materials Safety Administration (PHMSA)

The Great Lakes Saint Lawrence Seaway Development Corporation (GLS) is a wholly owned Government corporation and an Operating Administration of the Department. However, GLS’s financial data is not consolidated into the DOT consolidated financial statements as the dollar value of its activities is not material to that of the Department taken as a whole. The GLS is subject to separate reporting requirements under the Government Corporation Control Act and undergoes its own annual financial statement audit. GLS’s financial statements are available via their website.

Pursuant to the Surface Transportation Board Reauthorization Act of 2015 (P.L. 114-110), as of October 1, 2015, the Surface Transportation Board (STB) became an independent agency and is no longer an Operating Administration of the DOT. For reporting purposes, the expired STB Treasury Appropriation/Fund Symbols for FY 2015 and prior will remain on DOT’s books and records until canceled, as these funds were appropriated to DOT and obligated as such.

B. Basis of Presentation

The consolidated financial statements have been prepared to report the Department’s financial position and results of operations, as required by the Chief Financial Officers Act of 1990 (CFO Act) and Title IV of the Government Management Reform Act of 1994. The statements have been prepared from the DOT books and records in accordance with Office of Management and Budget (OMB) form and content requirements for entity financial statements and DOT’s accounting policies and procedures. Material intradepartmental transactions and balances have been eliminated from the principal statements for presentation on a consolidated basis, except for the Combined Statement of Budgetary Resources, which is presented on a combined basis in accordance with OMB Circular A-136, Financial Reporting Requirements, as revised, and as such, intra-entity
transactions have not been eliminated. Unless otherwise noted, all dollar amounts are presented in thousands.

The Consolidated Balance Sheets and certain accompanying notes to the consolidated financial statements present agency assets, liabilities, and net position (which equals total assets minus total liabilities) as of the reporting dates. Agency assets substantially consist of entity assets (those which are available for use by the agency). Nonentity assets (those which are managed by the agency, but not available for use in its operations) are primarily for DOT’s downward reestimates in its loan programs. The downward reestimates are not available to DOT and they are returned to the Treasury in the fiscal year following the accrual of the reestimates. See Note 10 for additional discussion of non-entity assets and liabilities. Agency liabilities include both those covered by budgetary resources (funded) and those not covered by budgetary resources (unfunded).

The Consolidated Statements of Net Cost present the gross costs of programs, less earned revenue, to arrive at the net cost of operations, for both the programs and the Department, as a whole for the reporting periods.

The Consolidated Statements of Changes in Net Position report beginning balances, budgetary and other financing sources, and net cost of operations, to arrive at ending net position balances.

The Combined Statements of Budgetary Resources provide information about how budgetary resources were made available, as well as the status of budgetary resources at the end of the reporting periods. Recognition and measurement of budgetary information reported on these statements is based on budget terminology, definitions, and guidance presented in OMB Circular A-11, Preparation, Submission, and Execution of the Budget, dated April 2021.

A Statement of Custodial Activity is not presented as DOT custodial activity is incidental to departmental operations and is not considered material to the consolidated financial statements taken as a whole. DOT custodial activity is presented in Note 20.

On the Consolidated Balance Sheets and in certain accompanying notes to the consolidated financial statements, transaction balances are classified as either being intragovernmental or with the public. Intragovernmental transactions and balances result from exchange transactions made between DOT and other Federal Government entities while those classified as “with the public” result from exchange transactions between DOT and non-Federal entities. For example, if DOT purchases goods or services from the public and sells them to another Federal entity, the costs would be classified as “with the public,” but the related revenues would be classified as “intragovernmental.” This could occur, for example, when DOT provides goods or services to another Federal Government entity on a reimbursable basis. The purpose of this classification is to enable the Federal Government to prepare consolidated financial statements, and not to match public and intragovernmental revenue with costs that are incurred to produce public and intragovernmental revenue.

DOT accounts for dedicated collections separately from other funds. Funds from dedicated collections are financed by specifically identified revenues, provided to the Government by non-Federal sources, often supplemented by other financing sources which remain available over time. Funds from dedicated collections are required, by statute, to be used for designated activities, benefits or purposes.

C. Budgets and Budgetary Accounting

DOT follows standard Federal budgetary accounting policies and practices in accordance with OMB Circular A-11, Preparation, Submission, and Execution of the Budget, dated April 2021. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Each year, the U.S. Congress (Congress) provides budget authority, primarily in the form of appropriations, to the DOT Operating Administrations to incur obligations in support of agency programs. For FY 2021 and FY 2020, the Department was accountable for trust fund appropriations, general fund appropriations, revolving fund activity, borrowing authority, and contract authority. DOT recognizes budgetary resources as assets when cash (funds held by the U.S. Treasury) is made
available through warrants and trust fund transfers.

Programs are financed from authorizations enacted in authorizing legislation and codified in Title 23 and 49 of the United States Code (U.S.C.). The DOT receives its budget authority in the form of direct appropriations, borrowing authority, contract authority, and spending authority from offsetting collections. Contract authority permits programs to incur obligations in advance of an appropriation, offsetting collections or receipts. Subsequently, Congress provides an appropriation for the liquidation of the contract authority to allow payments to be made for the obligations incurred. Funds apportioned by statute under Titles 23 and 49 of the U.S.C., Subtitle III by the Secretary of Transportation for activities in advance of the liquidation of appropriations are available for a specific time period.

D. Basis of Accounting

The Department’s consolidated financial statements are prepared in accordance with all applicable accounting principles and standards developed and issued by FASAB, which is recognized by the American Institute of Certified Public Accountants (AICPA) as the entity to establish generally accepted accounting principles (GAAP) for the Federal Government. The Federal Financial Management Improvement Act (FFMIA) of 1996 requires the Department to comply substantially with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Standard General Ledger requirements at the transaction level.

Transactions are recorded on an accrual and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred without regard to receipt or payment of cash. Under the budgetary basis, however, funds availability is recorded based upon legal considerations and constraints.

E. Fund Balance With Treasury

Fund balance with Treasury is an asset of the Department and a liability of the General Fund of the U.S. Government. Similarly, investments in U.S. Government securities that are held by dedicated collections accounts are assets of the DOT and liabilities of the General Fund of the U.S. Government. In both cases, the amounts represent commitments by the government to provide resources for particular programs, but they do not represent net assets to the government as a whole.

When the DOT seeks to use fund balance with Treasury or investments in U.S. Government securities to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

DOT does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by the U.S. Treasury. The funds with the U.S. Treasury are appropriated, revolving, and trust funds that are available to pay liabilities and finance authorized purchases. Lockboxes have been established with financial institutions to collect certain payments, and these funds are transferred directly to the U.S. Treasury on a daily (business day) basis. DOT does not maintain any balances of foreign currencies.

F. Investments in U.S. Government Securities

Investments, consisting of U.S. Government Securities, are reported at cost, adjusted for amortized cost, net of premiums or discounts, and are held to maturity. Premiums or discounts are amortized into interest income over the term of the investment using the interest method. The Department has the intent and the ability to hold investments to maturity. Investments, redemptions, and reinvestments are controlled and processed by the U.S. Treasury. DOT has nonmarketable par value and market-based Treasury securities. DOT also has marketable securities issued by the Treasury at market price.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

G. Receivables

Accounts Receivable

Accounts receivable consist of amounts owed to the Department by other Federal agencies and the public. Federal accounts receivable are generally the result of the provision of goods and services to other Federal agencies. Public accounts receivable are generally the result of the provision of goods and services or the levy of fines and penalties from the Department’s regulatory activities. Accounts receivable including federal and public are presented net of an allowance for loss on uncollectible amounts, which is based on historical collection experience or an analysis of the individual receivables.

Loans Receivable

Loans are accounted for as receivables after funds have been disbursed. Loans receivable is reduced by an allowance equal to the present value of the subsidy costs (resulting from the interest rate differential between the loans and U.S. Treasury borrowing, the estimated delinquencies and defaults net of recoveries, the offset from fees, and other estimated cashflows) associated with these loans.

H. Inventory and Related Operating Materials and Supplies

Within the FAA’s Franchise Fund, inventory is held for sale to the FAA field locations and other domestic entities and foreign governments. Inventory consists of materials and supplies that the FAA uses to support our nation’s airspace system and is predominantly located at the FAA Mike Monroney Aeronautical Center in Oklahoma City. Inventory costs include material, labor, and applicable manufacturing overhead.

Inventory held for sale includes both purchased inventory and refurbished inventory. Inventory held for sale is valued using historical cost, applying the moving average cost flow method. The moving average cost flow method is an inventory costing method used in conjunction with a perpetual inventory system. A weighted average cost per unit is recomputed after every purchase. Goods sold are costed at the most recent moving average cost.

FAA field locations frequently exchange non-operational repairable units with the Franchise Fund. These components are classified as “held for repair” and valued using the direct method.

Inventory may be deemed to be “excess, obsolete, and unserviceable” if, for example, the quantity exceeds projected demand for the foreseeable future or if the item has been technologically surpassed. The “excess, obsolete, and unserviceable” inventory is determined to have no residual net realizable value, therefore, a loss is recognized to write off the inventory in the current period.

Operating materials and supplies primarily consist of unissued supplies that will be consumed in future operations. They are valued based on the latest acquisition cost. Operating materials and supplies are expensed using the consumption method of accounting. Operating materials and supplies may be classified as excess, obsolete, and unserviceable and an allowance is established based on the condition of various asset categories and historical experience with disposing of such assets.

I. Property and Equipment

DOT Operating Administrations have varying methods of determining the value of general purpose property and equipment and how it is depreciated. DOT currently has a capitalization threshold of $200 thousand for structures and facilities and for internal use software, and $100 thousand for other property, plant and equipment. Capitalization at lesser amounts is permitted. Construction in progress is valued at direct (actual) costs plus applied overhead and other indirect cost. The straight line method is used to deprecate capitalized assets.

DOT’s heritage assets, consisting of Union Station in Washington, D.C., the Nuclear Ship Savannah, and collections of maritime artifacts, are considered priceless and are not
capitalized in the Consolidated Balance Sheet (See Note 9).

**J. Advances and Prepayments**

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and recognized as expenses or capitalized, as appropriate, when the related goods and services are received. Advances to others and prepayments primarily relates to the FRA advances provided to Amtrak.

**K. Liabilities**

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities, which are covered by available budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from offsetting collections, recoveries of unexpended budget authority through downward adjustments of prior year obligations, unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, and permanent indefinite appropriations or borrowing authority. Unfunded liabilities are not considered to be covered by such budgetary resources. An example of an unfunded liability is actuarial liabilities for future Federal Employees’ Compensation Act payments. The Government, acting in its sovereign capacity, can abrogate liabilities arising from transactions other than contracts. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources (i.e. custodial collections).

**L. Grant Accrual**

The Department records an obligation at the time a grant is awarded. As grant recipients conduct eligible activities under the terms of their grant agreement, they request payment by the DOT, typically made via an electronic payment process. Expenses are recorded at the time of payment approval during the year. The DOT also recognizes an accrued liability and expense for estimated eligible grant payments not yet requested by grant recipients. Grant expenses, including associated administrative costs, are classified on the Consolidated Statements of Net Cost.

**M. Contingencies**

The criteria for recognizing contingencies for claims are (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimable). Contingent liabilities that are considered remote are not disclosed. DOT recognizes material contingent liabilities in the form of claims, legal actions, administrative proceedings and environmental suits that have been brought to the attention of legal counsel, some of which will be paid from the Judgment Fund administered by the U.S. Treasury.

The Department has entered into contractual commitments that require future use of financial resources, specifically for long-term lease obligations. The Department is committed to various leases primarily covering administrative office space, technical facilities and fleet vehicles with GSA and other vendors, when granted the authority. Specifically, FAA and MARAD have general procurement provisions, pursuant to U.S.C. Title 49 Section 40110(c)(1) and Title 46 Section 50303, respectively. Leases may contain escalation clauses tied to changes in inflation, taxes or renewal options. Although most have short termination arrangements, the Department intends to remain in the leases. Depending on terms, the leases are either recorded as capital or operating leases (See Note 15).

**N. Annual, Sick, and Other Leave**

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued annual leave account is adjusted to reflect the latest pay rates and unused hours of leave. Liabilities associated with other types of vested leave, including compensatory, credit hours, restored leave, and sick leave in certain circumstances, are accrued based on latest pay rates and unused hours of leave. Sick leave is generally nonvested, except for sick leave...
balances at retirement under the terms of certain union agreements. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned and not taken. Nonvested leave is expensed when used.

O. Retirement Plan

For DOT employees who participate in the Civil Service Retirement System (CSRS), DOT contributes a matching contribution equal to 7 percent of pay. On January 1, 1987, Federal Employee Retirement System (FERS) went into effect pursuant to Public Law (P.L.) 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS. A primary feature of FERS is that it offers a savings plan to which DOT automatically contributes 1 percent of pay and matches any employee contribution up to an additional 4 percent of pay. For most employees hired after December 31, 1983, DOT also contributes the employer’s matching share for Social Security.

Employing agencies are required to recognize pensions and other postretirement benefits during the employees’ active years of service. Reporting the assets and liabilities associated with such benefit plans is the responsibility of the administering agency, the U.S. Office of Personnel Management (OPM). Therefore, DOT does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to employees.

P. Federal Employees Health Benefit (FEHB) Program

Most Department employees are enrolled in the FEHB Program, which provides current and postretirement health benefits. OPM administers these programs and is responsible for reporting the related liabilities. OPM contributes the ‘employer’ share for retirees via an appropriation and the retirees contribute their portion of the benefit directly to OPM. OPM calculates the U.S. Government’s service cost for covered employees each fiscal year. The Department has recognized the employer cost of these postretirement benefits for covered employees as an imputed cost.

Q. Federal Employees Group Life Insurance (FEGLI) Program

Most Department employees are entitled to participate in the FEGLI Program. Participating employees can obtain basic term life insurance where the employee pays two-thirds of the cost and the Department pays one-third of the cost. OPM administers this program and is responsible for reporting the related liabilities. OPM calculates the U.S. Government’s service cost for the postretirement portion of the basic life coverage each fiscal year. Because OPM fully allocates the Department’s contributions for basic life coverage to the preretirement portion of coverage, the Department has recognized the entire service cost of the postretirement portion of basic life coverage as an imputed cost.

R. Federal Employees Compensation Act (FECA) Benefits

The Federal Employees Compensation Act (FECA) (Public Law 103-3) provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by the Department of Labor (DOL), which pays valid claims and subsequently seeks reimbursement from the DOT for these paid claims.

A liability is recorded for actual and estimated future payments to be made for workers’ compensation pursuant to the FECA. The actual costs incurred are reflected as a liability because DOT will reimburse DOL 2 years after the actual payment of expenses. Future revenues will be used to reimburse DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL, and (2) the unreimbursed cost paid by DOL for compensation to recipients under FECA.
S. Environmental and Disposal Liabilities

DOT recognizes two types of environmental liabilities: unfunded environmental remediation liability and unfunded asset disposal liability. The liability for environmental remediation is an estimate of costs necessary to bring known contaminated sites into compliance with applicable environmental standards. The increase or decrease in the annual liability is charged to current year expense.

The asset disposal liability is the estimated cost that will be incurred to remove, contain, and/or dispose of hazardous material when an asset presently in service is shut down. DOT estimates the asset disposal liability at the time that an asset is placed in service. For assets placed in service through FY 1998, the increase or decrease in the estimated environmental cleanup liability is charged to expense. Assets placed in service in FY 1999 and after do not contain any known hazardous materials, and therefore do not have associated environmental liabilities.

There are no known possible changes to these estimates based on inflation, deflation, technology, or applicable laws and regulations.

T. Inter-Entity Costs

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the DOT are recognized as imputed cost in the Statement of Net Cost, and are offset by imputed financing sources in the Statement of Changes in Net Position. Such imputed costs and revenues relate to business-type activities, employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

U. Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and contingent liability disclosures as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Significant estimates underlying the accompanying financial statements include the accruals of accounts and grants payable, and accrued legal, contingent, environmental, and disposal liabilities. Additionally, the Federal Credit Reform Act of 1990 (FCRA) requires the Department to use estimates in determining the reported amount of direct loan and loan guarantees, the loan guarantee liability and the loan subsidy costs associated with future loan performance.

V. Allocation Transfers

DOT is a party to allocation transfers with other Federal agencies as both a transferring (parent) entity and a recipient (child) entity. Allocation transfers are legal delegations by one Federal agency of its authority to obligate budget authority and outlay funds to another Federal agency. A separate fund account (allocation account) is created in the U.S. Treasury as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account and subsequent obligations and outlays incurred by the receiving entity (child) are charged to this allocation account as the delegated activity is executed on the parent entity’s behalf. All financial activity related to these allocation transfers (e.g. budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations and budget apportionments are derived.


DOT receives allocations of funds, as the child agency, from the following non-DOT Federal agencies in accordance with applicable laws and statutes: U.S. Department of the Interior, U.S. Department of the Navy, U.S. Department of the Army, U.S. Department of the Air Force, U.S. Department of Defense (DoD), and the Appalachian Regional Commission. This activity is included in the financial statements of the parent agency and is not included in the DOT financial statements.

W. Revenues and Other Financing Sources

Funds from Dedicated Collections Excise Tax Revenues (Nonexchange)

Two significant DOT programs, the Highway Trust Fund (HTF) and the Airport and Airway Trust Fund (AATF), receive nonexchange funding support from the dedicated collection of excise taxes.

The DOT September 30, 2021 financial statements reflect excise taxes certified by the IRS through June 30, 2021 and excise taxes distributed by the U.S. Treasury, Office of Tax Analysis (OTA) for the period July 1, 2021 to September 30, 2021, as specified by FASAB Statement of Federal Financial Accounting Standard (SFFAS) Number 7, Accounting for Revenue and Other Financing Sources. The HTF and AATF receive their budget authority in the form of contract authority and direct appropriations. Contract authority permits programs to incur obligations in advance of an appropriation, offsetting collections, or receipts and authorizes the collections and deposits of excise taxes into and making expenditures from the HTF and AATF. Subsequently, Congress authorizes DOT to liquidate the contract authority only as appropriated. The excise tax revenue received in the HTF and AATF accounts remain invested until needed and is thereby liquidated and withdrawn from the investments.

Appropriations (Financing Source)

As a component of the U.S. Government-wide reporting entity, the DOT is subject to the federal budget process, which involves appropriations that are provided annually and appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in agency and the U.S. Government-wide financial reports.

The DOT’s budgetary resources reflect past congressional action and enable the entity to incur budgetary obligations, but they do not reflect assets to the U.S. Government as a whole. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions. After budgetary obligations are incurred, Treasury will make disbursements to liquidate the budgetary obligations and finance those disbursements in the same way it finances all disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

DOT receives annual, multiyear and no-year appropriations. Appropriations are recognized as financing sources when related program and administrative expenses are incurred. Additional amounts are obtained from offsetting collections and user fees (e.g., overflight fees and registry certification fees) and through reimbursable agreements for services performed for domestic and foreign governmental entities. Additional revenue is received from gifts of donors, sales of goods and services to other agencies and the public, the collection of fees and fines, interest/dividends on invested funds, loans and cash disbursements to banks. Interest income is recognized as revenue on the accrual basis rather than when received.

On October 5, 2018, former President Trump signed the FAA Reauthorization Act of 2018 (P.L. 115-254) which extended the AATF authorizations and related revenue authorities to September 30, 2023.
On December 4, 2015, former President Obama signed, into law, the Fixing America’s Surface Transportation Act, or “FAST Act”, (P.L. 114-94) providing funding for surface transportation through September 30, 2020. On October 1, 2020, former President Trump signed the Continuing Appropriations Act, 2021 and Other Extensions Act, P.L 116-159, which extended the HTF authorizations to September 30, 2021. P.L. 166-159 also appropriated $13.6 billion and $14 billion in cash transfers from the General Fund of the U.S. Government to the HTF and AATF, respectively. On October 2, 2021, President Biden signed the Surface Transportation Extension Act of 2021, extending the HTF authorization through October 31, 2021. On October 31, 2021, President Biden also signed the Surface Transportation Extension Act of 2021, further extending the HTF authorization through December 3, 2021.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) was signed into law by former President Trump on March 27, 2020. DOT received $36 billion of FY 2020 of supplemental appropriations to prevent, prepare for, or respond to COVID-19.

Additionally, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), P.L. 116-260, was signed into law on December 27, 2020 providing $27 billion in supplemental general fund appropriations to further the COVID-19 relief efforts. In addition, on March 11, 2021, the American Rescue Plan Act of 2021 (ARPA), P.L. 117-02, was signed into law proving $43 billion in supplemental appropriations also in response to COVID-19.

**X. Fiduciary Activities**

Fiduciary assets and liabilities are not assets and liabilities of the Department and, as such, are not recognized on the Balance Sheet. The MARAD Title XI Escrow Fund contains fiduciary activity as detailed in Note 22.

**Y. Reclassifications**

Certain prior year amounts have been reclassified to conform with the current year presentation. Specifically, due to revisions in OMB Circular A-136 Financial Reporting Requirements in FY 2021, certain financial statements and notes have been reclassified to conform to changes in reporting requirements. In addition, the format of the Balance Sheet has changed to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136. The presentation of the fiscal year 2020 Balance Sheet was modified to be consistent with the fiscal year 2021 presentation.

**Z. Taxes**

DOT, as a Federal entity is not subject to Federal, State, or local income taxes and, accordingly, does not record a provisions for income taxes in the accompanying financial statements.

**AA. Classified Activities**

SFFAS 56 requires 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.

**AB. Subsequent Events**

Effective October 1, 2021, the Department is operating under a continuing resolution (CR), Public Law 117-43, to continue Government operations. The CR will be in effect through December 3, 2021, unless superseded by enactment of specified appropriations legislation and includes a provision that allows the DOT to continue spending at FY 2021 rates.

On October 14, 2021, the Riverside County Transportation Commission prepaid its Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in full, with accrued interest, for the SR-91 Corridor Improvement Project (“SR-91”) in the total amount of $509.8 million.
NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury as of September 30, 2021 and 2020 consists of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unobligated Balance</td>
<td>$ 72,084,789</td>
<td>$ 34,712,377</td>
</tr>
<tr>
<td>Available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable</td>
<td>3,426,866</td>
<td>2,742,428</td>
</tr>
<tr>
<td>Obligated Balance Not Yet Disbursed</td>
<td>37,793,860</td>
<td>27,494,994</td>
</tr>
<tr>
<td>Non-Budgetary Fund Balance with Treasury</td>
<td>1,057,584</td>
<td>340,749</td>
</tr>
<tr>
<td>Total</td>
<td>$ 114,363,099</td>
<td>$ 65,290,548</td>
</tr>
</tbody>
</table>

Fund Balances with Treasury are the aggregate amounts of the Department’s accounts with Treasury for which the Department is authorized to make expenditures and pay liabilities. Fund Balance with Treasury is an asset to the DOT, but not to the Government as a whole because it is a liability of the Treasury General Fund.

Unobligated fund balances are reported as not available when the balance is not legally available for obligation. However, balances that are not available can be used for upward adjustments of obligations that were incurred during the period of availability or for paying claims attributable to that time period. Obligated Balance not yet Disbursed includes unpaid obligations offset by investments, contract authority, and uncollected customer payments from other federal government accounts. Therefore, the unobligated and obligated balances presented will not agree to related amounts reported on the Combined Statements of Budgetary Resources.

The DOT is funded with appropriations from trust funds and the General Fund of the Treasury. While amounts appropriated from the General Fund of the Treasury are included in Fund Balance with Treasury, trust fund investments are not. Trust fund investments are redeemed, as needed, to meet DOT’s cash disbursement needs, at which time the funds are transferred into Fund Balance with Treasury. The DOT also receives contract authority which allows obligations to be incurred in advance of an appropriation. The contract authority is subsequently funded, as authorized, from the trust fund allowing for the liquidation of the related obligations. Thus, investments and contract authority are not part of Fund Balance with Treasury; however, their balances will be transferred from the trust fund to Fund Balance with Treasury over time to liquidate obligated balances and unobligated balances as they become obligated, and thus are necessarily included in the Status of Fund Balance with Treasury.

Due to the additional appropriations received in FY2021 from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021 to continue the COVID-19 relief efforts, DOT reports significantly more Fund Balances with Treasury than the prior year. (See Note 24)
**NOTE 3. INVESTMENTS**

**INTRAGOVERNMENTAL SECURITIES AND INVESTMENTS**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Cost/Acquisition Value</th>
<th>Amortized Discount</th>
<th>Investments (Net)</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketable</strong></td>
<td>$32,009</td>
<td>$(201)</td>
<td>$31,808</td>
<td>$32,269</td>
</tr>
<tr>
<td><strong>Non-Marketable Par Value</strong></td>
<td>27,945,251</td>
<td></td>
<td>27,945,251</td>
<td>27,945,251</td>
</tr>
<tr>
<td><strong>Non-Marketable Market-Based</strong></td>
<td>2,217,198</td>
<td>13,213</td>
<td>2,230,411</td>
<td>2,240,042</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>30,194,458</td>
<td>13,012</td>
<td>30,207,470</td>
<td>30,217,562</td>
</tr>
<tr>
<td><strong>Accrued Interest Receivable</strong></td>
<td>57,447</td>
<td></td>
<td>57,447</td>
<td></td>
</tr>
<tr>
<td><strong>Total Intragovernmental Securities and Investments</strong></td>
<td>$30,251,905</td>
<td>$13,012</td>
<td>$30,264,917</td>
<td>$30,217,562</td>
</tr>
</tbody>
</table>

Investments as of September 30, 2021 consist of the following:

**INTRAGOVERNMENTAL SECURITIES AND INVESTMENTS**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Cost/Acquisition Value</th>
<th>Amortized Discount</th>
<th>Investments (Net)</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketable</strong></td>
<td>$50,316</td>
<td>$(384)</td>
<td>$49,932</td>
<td>$51,005</td>
</tr>
<tr>
<td><strong>Non-Marketable Par Value</strong></td>
<td>19,981,103</td>
<td></td>
<td>19,981,103</td>
<td>19,981,103</td>
</tr>
<tr>
<td><strong>Non-Marketable Market-Based</strong></td>
<td>2,302,424</td>
<td>12,082</td>
<td>2,314,506</td>
<td>2,335,706</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>22,333,843</td>
<td>11,698</td>
<td>22,345,541</td>
<td>22,367,814</td>
</tr>
<tr>
<td><strong>Accrued Interest Receivable</strong></td>
<td>45,328</td>
<td></td>
<td>45,328</td>
<td></td>
</tr>
<tr>
<td><strong>Total Intragovernmental Securities and Investments</strong></td>
<td>$22,379,171</td>
<td>$11,698</td>
<td>$22,390,869</td>
<td>$22,367,814</td>
</tr>
</tbody>
</table>

Investments include nonmarketable par value and market-based Treasury securities and marketable securities issued by the Treasury. Nonmarketable par value Treasury securities are issued by the Bureau of Fiscal Service to Federal accounts and are purchased and redeemed at par exclusively through Treasury’s Federal Investment Branch. Nonmarketable market-based Treasury securities are also issued by the Bureau of Fiscal Service to Federal accounts. They are not traded on any securities exchange but mirror the prices of particular Treasury securities trading in the Government securities market. Marketable Federal securities can be bought and sold on the open market. The premiums and discounts are amortized over the life of the nonmarketable market-based and marketable securities using the interest method.

The Federal Government does not set aside assets to pay future benefits or other expenditures associated with dedicated collections. The cash receipts collected from the public that meet the definition of dedicated collections are deposited in the U.S. Treasury, which uses the cash for Government purposes. Treasury securities held by a fund from dedicated collections are an asset of the fund and a liability of the U.S. Treasury, so they are eliminated in consolidation for the U.S. Government-wide financial statements. Nonmarketable par value Treasury securities are issued to DOT as evidence of these receipts. These securities provide DOT with authority to draw upon the U.S. Treasury to make future expenditures. When DOT requires redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures, in the same way that the Government finances all other expenditures.
### NOTE 4. ACCOUNTS RECEIVABLE

Accounts Receivable as of September 30, 2021 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Gross Amount Due</th>
<th>Allowance For Uncollectible Amounts</th>
<th>Net Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRAGOVERNMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 79,984</td>
<td>$(4,058)</td>
<td>$ 75,926</td>
</tr>
<tr>
<td>Transfers Receivable</td>
<td>13,000</td>
<td>-</td>
<td>13,000</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>92,984</td>
<td>(4,058)</td>
<td>88,926</td>
</tr>
<tr>
<td><strong>WITH THE PUBLIC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>275,895</td>
<td>(172,682)</td>
<td>103,213</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>5,509</td>
<td>(3,984)</td>
<td>1,525</td>
</tr>
<tr>
<td>Total with the Public</td>
<td>281,404</td>
<td>(176,666)</td>
<td>104,738</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>374,388</td>
<td>(180,724)</td>
<td>193,664</td>
</tr>
</tbody>
</table>

Accounts Receivable as of September 30, 2020 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Gross Amount Due</th>
<th>Allowance For Uncollectible Amounts</th>
<th>Net Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRAGOVERNMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 72,702</td>
<td>$(5,534)</td>
<td>$ 67,168</td>
</tr>
<tr>
<td>Transfers Receivable</td>
<td>13,453</td>
<td>-</td>
<td>13,453</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>86,155</td>
<td>(5,534)</td>
<td>80,621</td>
</tr>
<tr>
<td><strong>WITH THE PUBLIC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>268,953</td>
<td>(171,342)</td>
<td>97,611</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>5,009</td>
<td>(3,658)</td>
<td>1,351</td>
</tr>
<tr>
<td>Total with the Public</td>
<td>273,962</td>
<td>(174,997)</td>
<td>98,965</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>359,742</td>
<td>(180,234)</td>
<td>179,508</td>
</tr>
</tbody>
</table>

The intragovernmental transfer receivable amount of $13 million and $13.5 million, respectively, represents transfers receivable from balances that are currently invested by other federal entities. The funds will remain invested until needed for disbursement. At such time, DOT will request a transfer of funds.
NOTE 5. ADVANCES AND PREPAYMENTS

Advances and Prepayments consist of the following as of September 30, 2021 and 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRAGOVERNMENTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to Others and Prepayments</td>
<td>$ 18,929</td>
<td>$ 23,431</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td>$ 18,929</td>
<td>$ 23,431</td>
</tr>
<tr>
<td><strong>WITH THE PUBLIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to States for Right of Way</td>
<td>$ 252</td>
<td>$ 252</td>
</tr>
<tr>
<td>Advances to Others and Prepayments</td>
<td>2,981,562</td>
<td>1,354,436</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td>$ 2,981,814</td>
<td>$ 1,354,688</td>
</tr>
</tbody>
</table>

Intragovernmental Advances to Others and Prepayments are comprised of advance payments to other Federal Government entities for agency expenses not yet incurred and for goods and services not yet received. Public Advances to Others and Prepayments are comprised of advances to States, employees, grantees, and contractors, for expenses not yet incurred and services not yet received. The $2.98 billion and $1.35 billion of public advances to others and prepayments is primarily related to the advances provided to Amtrak for expenses not yet incurred and services not yet received. Due to the additional funding for Amtrak in the CRRSAA and ARPA appropriations during FY2021, Amtrak received significantly more advances than the prior year. (See Note 24)

NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES

The Federal Credit Reform Act of 1990 divides direct loans and loan guarantees into two groups:

1. **Pre-1992** - Direct loan obligations or loan guarantee commitments made prior to FY 1992 and the resulting direct loans or loan guarantees; and

2. **Post-1991** - Direct loan obligations or loan guarantee commitments made after FY 1991 and the resulting direct loans or loan guarantees.

The Act, as amended, governs direct loan obligations and loan guarantee commitments made after FY 1991, and the resulting direct loans and loan guarantees. Consistent with the Act, SFFAS number 2, Accounting for Direct Loans and Loan Guarantees, requires Federal agencies to recognize the present value of the subsidy costs (which arises from interest rate differentials, interest supplements, defaults [net of recoveries], fee offsets, and other cash flows) as a cost in the year the direct or guaranteed loan is disbursed. Direct loans are reported net of an allowance for subsidy at present value, and loan guarantee liabilities are reported at present value. Foreclosed property is valued at the net realizable value. The value of assets for direct loans and defaulted guaranteed loans is not the same as the proceeds that would be expected from the sale of the loans. DOT does not have any loans obligated prior to FY 1992.

Interest on the loans is accrued based on the terms of the loan agreement. DOT does not accrue interest on nonperforming loans that have filed for bankruptcy protection. DOT management considers administrative costs to be insignificant.

DOT administers the following direct loan and/or loan guarantee programs:

1. The Railroad Rehabilitation Improvement Program is used to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of tract, bridges, yards, buildings, and shops; refinance outstanding debt incurred; and develop or establish new intermodal or railroad facilities.
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

2. The Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program provides Federal credit assistance for major transportation investments of critical national importance such as highway, transit, passenger rail, certain freight facilities, and certain port projects with regional and national benefits. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

3. The Federal Ship Financing Fund (Title XI) offers loan guarantees to qualified ship owners and shipyards. Approved applicants are provided the benefit of long-term financing at stable interest rates. In FY2019, Title XI ceased guarantees of new loans financed by the private sector. During FY 2020, the Department began disbursing loans financed by the Federal Financing Bank (FFB). Although, by statute, Title XI is a guaranteed loan program, under Office of Management and Budget (OMB) reporting instructions, guarantees of FFB financed loans are accounted for as direct loans. Accordingly, MARAD has established a receivable for these loans on its books of record and services the debt by collecting and transferring payments to the FFB.

4. The OST Minority Business Resource Center (MBRC) Guaranteed Loan Program was created to help small businesses gain access to the financing needed to participate in transportation-related contracts. In FY 2018, MBRC ceased disbursement of new loans as new budget authority is no longer provided. As of the end of FY 2021, the loan guarantee terms expired on the remaining program loans.

An analysis of loans receivable, allowance for subsidy costs, liability for loan guarantees, foreclosed property, modifications, and reestimates associated with direct loans and loan guarantees is provided in the following sections:

Direct Loans

Obligated After FY 1991

<table>
<thead>
<tr>
<th>DIRECT LOAN PROGRAMS</th>
<th>2021 Loans Receivable, Gross</th>
<th>Interest Receivable</th>
<th>Foreclosed Property</th>
<th>Allowance For Subsidy Cost (Present Value)</th>
<th>Value Of Assets Related To Direct Loans, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ 759,953</td>
<td>$ 128</td>
<td>$ -</td>
<td>$ (109,555)</td>
<td>$ 650,526</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>13,590,873</td>
<td>-</td>
<td>166,635</td>
<td>338,728</td>
<td>14,096,236</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>311,675</td>
<td>-</td>
<td>-</td>
<td>(16,347)</td>
<td>295,328</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 14,662,501</strong></td>
<td><strong>$ 128</strong></td>
<td><strong>166,635</strong></td>
<td><strong>212,826</strong></td>
<td><strong>15,042,090</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DIRECT LOAN PROGRAMS</th>
<th>2020 Loans Receivable, Gross</th>
<th>Interest Receivable</th>
<th>Foreclosed Property</th>
<th>Allowance For Subsidy Cost (Present Value)</th>
<th>Value Of Assets Related To Direct Loans, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ 1,443,510</td>
<td>$ 86</td>
<td>$ -</td>
<td>$ (171,886)</td>
<td>$ 1,271,710</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>14,737,748</td>
<td>-</td>
<td>166,635</td>
<td>183,870</td>
<td>15,088,253</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>325,527</td>
<td>-</td>
<td>-</td>
<td>(16,160)</td>
<td>309,367</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 16,506,785</strong></td>
<td><strong>$ 86</strong></td>
<td><strong>166,635</strong></td>
<td><strong>(4,176)</strong></td>
<td><strong>16,669,330</strong></td>
</tr>
</tbody>
</table>
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

Total Amount Of Direct Loans Disbursed (Post-1991)

<table>
<thead>
<tr>
<th>Program</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ 50</td>
<td>$ 244,584</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>1,354,393</td>
<td>1,665,525</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>325,527</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,354,443</strong></td>
<td><strong>$ 2,235,636</strong></td>
</tr>
</tbody>
</table>

Subsidy Expense For Direct Loans By Program And Component

Subsidy Expense for New Direct Loans Disbursed

<table>
<thead>
<tr>
<th>Program</th>
<th>2021 Interest Differential</th>
<th>Defaults</th>
<th>Fees And Other Collections</th>
<th>Other Subsidy Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ -</td>
<td>$ 1</td>
<td>$ (1)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>-</td>
<td>47,727</td>
<td>-</td>
<td>(3,000)</td>
<td>44,727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 47,728</strong></td>
<td><strong>$ (1)</strong></td>
<td><strong>$ (3,000)</strong></td>
<td><strong>$ 44,727</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program</th>
<th>2020 Interest Differential</th>
<th>Defaults</th>
<th>Fees And Other Collections</th>
<th>Other Subsidy Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (5,121)</td>
<td>$ (5,121)</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>-</td>
<td>110,581</td>
<td>$ -</td>
<td>110,581</td>
<td></td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>14,142</td>
<td>(16,074)</td>
<td>-</td>
<td>(1,932)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 124,723</strong></td>
<td><strong>$ (16,074)</strong></td>
<td><strong>$ (5,121)</strong></td>
<td><strong>$ 103,528</strong></td>
</tr>
</tbody>
</table>

Modifications and Reestimates

<table>
<thead>
<tr>
<th>Program</th>
<th>2021 Total Modifications</th>
<th>Interest Rate Reestimates</th>
<th>Technical Reestimates</th>
<th>Total Reestimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (79,683)</td>
<td>$ (79,683)</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>592,776</td>
<td>(691,248)</td>
<td>(165,319)</td>
<td>(856,567)</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>5</td>
<td>171</td>
<td>176</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 592,776</strong></td>
<td><strong>$ (691,243)</strong></td>
<td><strong>$ (244,831)</strong></td>
<td><strong>$ (936,074)</strong></td>
</tr>
</tbody>
</table>
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

DIRECT LOAN PROGRAMS

<table>
<thead>
<tr>
<th>Program</th>
<th>2020 Total Modifications</th>
<th>Interest Rate Reestimates</th>
<th>Technical Reestimates</th>
<th>Total Reestimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (32,346)</td>
<td>$ (32,346)</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>(369,699)</td>
<td>566,291</td>
<td>196,592</td>
<td></td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>(43)</td>
<td>2,436</td>
<td>2,393</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ (369,742)</strong></td>
<td><strong>$ 536,381</strong></td>
<td><strong>$ 166,639</strong></td>
</tr>
</tbody>
</table>

Total Direct Loan Subsidy Expense

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>$ (79,683)</td>
<td>$ (37,467)</td>
</tr>
<tr>
<td>(2) TIFIA Loans</td>
<td>(219,064)</td>
<td>307,173</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>176</td>
<td>461</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ (298,571)</strong></td>
<td><strong>$ 270,167</strong></td>
</tr>
</tbody>
</table>

Budget Subsidy Rates For Direct Loans For The Current Year Cohort

<table>
<thead>
<tr>
<th>Program</th>
<th>2021 Interest Differential</th>
<th>Defaults</th>
<th>Fees And Other Collections</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Railroad Rehabilitation Improvement Program</td>
<td>-1.96%</td>
<td>1.86%</td>
<td>0.00%</td>
<td>0.10%</td>
<td>0.00%</td>
</tr>
<tr>
<td>(2) TIFIA Loans Risk Category 1</td>
<td>-0.84%</td>
<td>1.81%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.97%</td>
</tr>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

The subsidy rates disclosed pertain only to the current year’s cohorts. These rates cannot be applied to the direct loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loans reported in the current year could result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates.
### NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

**Schedule For Reconciling Subsidy Cost Allowance Balances (Post-1991 Direct Loans)**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance, Changes, and Ending Balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance of the Subsidy Cost Allowance</td>
<td>$ 4,176</td>
<td>$ (377,823)</td>
</tr>
<tr>
<td>Add: Subsidy Expense for Direct Loans Disbursed During the Reporting Years by Component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Default Costs (Net of Recoveries)</td>
<td>47,728</td>
<td>124,723</td>
</tr>
<tr>
<td>Fees and Other Collections</td>
<td>(1)</td>
<td>(16,074)</td>
</tr>
<tr>
<td>Other Subsidy Costs</td>
<td>(3,000)</td>
<td>(5,121)</td>
</tr>
<tr>
<td><strong>Total of the Above Subsidy Expense Components</strong></td>
<td>44,727</td>
<td>103,528</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan modifications</td>
<td>592,776</td>
<td>-</td>
</tr>
<tr>
<td>Fees received</td>
<td>10</td>
<td>15,699</td>
</tr>
<tr>
<td>Subsidy Allowance Amortization</td>
<td>81,558</td>
<td>96,133</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Balance of the Subsidy Cost Allowance Before Reestimates</strong></td>
<td>723,248</td>
<td>(162,463)</td>
</tr>
<tr>
<td>Add or Subtract Subsidy Reestimates by Component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rate Reestimate</td>
<td>(691,243)</td>
<td>(369,742)</td>
</tr>
<tr>
<td>Technical/Default Reestimate</td>
<td>(244,831)</td>
<td>536,381</td>
</tr>
<tr>
<td><strong>Total of the Above Reestimate Components</strong></td>
<td>(936,074)</td>
<td>166,639</td>
</tr>
<tr>
<td><strong>Ending Balance of the Subsidy Cost Allowance</strong></td>
<td>$ (212,826)</td>
<td>$ 4,176</td>
</tr>
</tbody>
</table>
During FY 2021, the Department incurred loan modification costs related to the refinancing of five TIFIA loans to borrowers with new loans at lower interest rates. The economic assumptions of the TIFIA upward and downward reestimates were the result of a reassessment of risk levels as well as estimated changes in future cash flows on loans. Actual interest rates used for FY 2021 loan disbursements were lower than the interest rate assumptions used during the budget formulation process at loan origination. The significant downward interest rate reestimate resulted from a combination of the lower actual interest rates used and the large loan disbursement amounts made over this time period.

The Railroad Rehabilitation Improvement Program’s upward and downward reestimates were the result of an update for actual cash flows and changes in technical assumptions.

The Federal Ship Financing Fund (Title XI) FFB loan upward technical reestimate was the result of a reassessment of risk levels on the loan portfolio.
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

Guaranteed Loans

Defaulted Guaranteed Loans From Post-1991 Guarantees

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021 Defaulted Guaranteed Loans Receivable, Gross</th>
<th>Interest Receivable</th>
<th>Foreclosed Property</th>
<th>Allowance For Subsidy</th>
<th>Assets Related To Default Guaranteed Loans Receivable, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>$ 202,392</td>
<td>$ -</td>
<td>$ 1,009</td>
<td>$ -</td>
<td>$ 203,401</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>724</td>
<td>72</td>
<td>-</td>
<td>(796)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 203,116</td>
<td>$ 72</td>
<td>$ 1,009</td>
<td>$ (796)</td>
<td>$ 203,401</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2020 Defaulted Guaranteed Loans Receivable, Gross</th>
<th>Interest Receivable</th>
<th>Foreclosed Property</th>
<th>Allowance For Subsidy</th>
<th>Assets Related To Default Guaranteed Loans Receivable, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>$ 203,685</td>
<td>$ -</td>
<td>$ 1,029</td>
<td>$ -</td>
<td>$ 204,714</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>724</td>
<td>72</td>
<td>-</td>
<td>(796)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 204,409</td>
<td>$ 72</td>
<td>$ 1,029</td>
<td>$ (796)</td>
<td>$ 204,714</td>
</tr>
</tbody>
</table>

Guaranteed Loans Outstanding

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021 Outstanding Principal Of Guaranteed Loans, Face Value</th>
<th>Amount Of Outstanding Principal Guaranteed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>$ 1,223,674</td>
<td>$ 1,223,674</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,223,674</td>
<td>$ 1,223,674</td>
</tr>
</tbody>
</table>

Liability For Loan Guarantee (Present Value Method)

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021 Liabilities for Post-1991 Guarantees, Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>$ 145,734</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>(90)</td>
</tr>
<tr>
<td>Total</td>
<td>$ 145,644</td>
</tr>
</tbody>
</table>
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

Subsidy Expense For Loan Guarantees By Program And Component

Modifications and Reestimates

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021 Total Modifications</th>
<th>Interest Rate Reestimates</th>
<th>Technical Reestimates</th>
<th>Total Reestimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>$ (15,360)</td>
<td>$ (31,025)</td>
<td>$ (46,385)</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>-</td>
<td>-</td>
<td>(196)</td>
<td>(196)</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>$ (15,360)</td>
<td>$ (31,221)</td>
<td>$ (46,581)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2020 Total Modifications</th>
<th>Interest Rate Reestimates</th>
<th>Technical Reestimates</th>
<th>Total Reestimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>-</td>
<td>-</td>
<td>$ 38,270</td>
<td>$ 38,270</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>-</td>
<td>-</td>
<td>181</td>
<td>181</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>$ 38,451</td>
<td>$ 38,451</td>
</tr>
</tbody>
</table>

Total Loan Guarantee Subsidy Expense

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI)</td>
<td>$ (46,385)</td>
<td>$ 38,270</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>(196)</td>
<td>181</td>
</tr>
<tr>
<td>Total</td>
<td>$ (46,581)</td>
<td>$ 38,451</td>
</tr>
</tbody>
</table>

Budget Subsidy Rates For Loan Guarantees For The Current Year Cohort

<table>
<thead>
<tr>
<th>LOAN GUARANTEE PROGRAMS</th>
<th>2021 Interest Supplements</th>
<th>Defaults</th>
<th>Fees And Other Collections</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) Federal Ship Financing Fund (Title XI) Risk Category 4</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>(4) OST Minority Business Resource Center</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

The subsidy rates disclosed pertain only to the current year’s cohorts. These rates cannot be applied to the guarantees of loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loan guarantees reported in the current year could result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates.
NOTE 6. LOAN RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES (CONT.)

Schedule For Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees)

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING BALANCE, CHANGES, AND ENDING BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance of the Loan Guarantee Liability</td>
<td>$ 192,993</td>
<td>$ 156,859</td>
</tr>
<tr>
<td>Less: Claim Payments To Lenders</td>
<td>-</td>
<td>(301)</td>
</tr>
<tr>
<td>Less: Interest Revenue on Uninvested Funds</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>Add: Interest Expense on Entity Borrowings</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Add: Upward Reestimates</td>
<td>720</td>
<td>38,451</td>
</tr>
<tr>
<td>Less: Downward Reestimates</td>
<td>(47,301)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(769)</td>
<td>(2,016)</td>
</tr>
<tr>
<td><strong>Ending Balance of the Loan Guarantee Liability</strong></td>
<td>$ 145,644</td>
<td>$ 192,993</td>
</tr>
</tbody>
</table>

Defaulted Guarantee Loan Receivable

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Loans receivable, net - beginning of the year</td>
<td>$ 204,714</td>
</tr>
<tr>
<td>Less: Principal and Interest Payments Received</td>
<td>(1,293)</td>
</tr>
<tr>
<td>Less: Sale of Foreclosed Property</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Defaulted Guaranteed Loans receivable, Gross - end of year</strong></td>
<td>$ 203,401</td>
</tr>
</tbody>
</table>

The Federal Ship Financing Fund (Title XI) guaranteed loan upward technical reestimate was primarily the result of a reassessment of risk levels on high-risk loans.

The OST Minority Business Resource Center program will report closing upward and downward re-estimates once the remaining cohort of borrowers complete the final collection process with Treasury.

The sufficiency of DOT’s loan and loan guarantee portfolio reserves at September 30, 2021 is subject to future market and economic conditions. DOT continues to evaluate market risks in light of evolving economic conditions. The impact of such risks on DOT’s portfolio reserves, if any, cannot be fully known at this time and could cause results to differ from estimates. Under the Federal Credit Reform Act, reserve reestimates are automatically covered by permanent indefinite budget authority, thereby providing DOT with sufficient resources to cover losses incurred without further Congressional action.
## NOTE 7. INVENTORY & RELATED PROPERTY

Inventory and Related Property as of September 30, 2021 consists of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Cost</th>
<th>Allowance For Loss</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVENTORY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory Held for Current Sale</td>
<td>$263,288</td>
<td>-</td>
<td>$263,288</td>
</tr>
<tr>
<td>Inventory Held for Repair</td>
<td>433,515</td>
<td>-</td>
<td>433,515</td>
</tr>
<tr>
<td>Other</td>
<td>38,539</td>
<td>-</td>
<td>38,539</td>
</tr>
<tr>
<td>Total Inventory</td>
<td>735,342</td>
<td>-</td>
<td>735,342</td>
</tr>
<tr>
<td><strong>OPERATING MATERIALS AND SUPPLIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items Held for Use</td>
<td>237,737</td>
<td>(1,985)</td>
<td>235,752</td>
</tr>
<tr>
<td>Items Held in Reserve for Future Use</td>
<td>38,901</td>
<td>-</td>
<td>38,901</td>
</tr>
<tr>
<td>Excess, Obsolete and Unserviceable Items</td>
<td>2,849</td>
<td>(1,635)</td>
<td>1,214</td>
</tr>
<tr>
<td>Items Held for Repair</td>
<td>51,080</td>
<td>(24,299)</td>
<td>26,781</td>
</tr>
<tr>
<td>Total Operating Materials &amp; Supplies</td>
<td>330,567</td>
<td>(27,919)</td>
<td>302,648</td>
</tr>
<tr>
<td>Total Inventory and Related Property</td>
<td></td>
<td></td>
<td>$1,037,990</td>
</tr>
</tbody>
</table>

Inventory and Related Property as of September 30, 2020 consists of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Cost</th>
<th>Allowance For Loss</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVENTORY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory Held for Current Sale</td>
<td>$261,586</td>
<td>-</td>
<td>$261,586</td>
</tr>
<tr>
<td>Inventory Held for Repair</td>
<td>433,107</td>
<td>-</td>
<td>433,107</td>
</tr>
<tr>
<td>Other</td>
<td>38,539</td>
<td>-</td>
<td>38,539</td>
</tr>
<tr>
<td>Total Inventory</td>
<td>733,222</td>
<td>-</td>
<td>733,222</td>
</tr>
<tr>
<td><strong>OPERATING MATERIALS AND SUPPLIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items Held for Use</td>
<td>259,628</td>
<td>(2,201)</td>
<td>257,427</td>
</tr>
<tr>
<td>Items Held in Reserve for Future Use</td>
<td>40,553</td>
<td>-</td>
<td>40,553</td>
</tr>
<tr>
<td>Excess, Obsolete and Unserviceable Items</td>
<td>4,097</td>
<td>(2,574)</td>
<td>1,523</td>
</tr>
<tr>
<td>Items Held for Repair</td>
<td>41,796</td>
<td>(19,522)</td>
<td>22,274</td>
</tr>
<tr>
<td>Total Operating Materials &amp; Supplies</td>
<td>346,074</td>
<td>(22,297)</td>
<td>323,777</td>
</tr>
<tr>
<td>Total Inventory and Related Property</td>
<td></td>
<td></td>
<td>$1,057,263</td>
</tr>
</tbody>
</table>

Inventory is held for sale to the FAA field locations and other domestic entities and foreign governments and is classified as either held for sale, held for repair, or excess, obsolete, and unserviceable. Other inventory consists of raw materials and work in progress. Collectively, FAA’s inventory is used to support our Nation’s airspace system and is predominately located at the FAA Mike Monroney Aeronautical Center in Oklahoma City. Inventory that is deemed to be excess, obsolete and unserviceable is expected to have no net realizable value and a loss is recognized for the carrying amount. The carrying amount before identification as excess, obsolete and unserviceable inventory was $6.2 million in FY 2021 and $3.1 million in FY 2020.

Operating materials and supplies consist primarily of unissued materials and supplies to be used in the repair and maintenance of FAA-owned aircraft and to support the training vessels and day-to-day operations at the U.S. Merchant Marine Academy.

See Note 1H for additional information on DOT Accounting Policies related to Inventory and Related Property.
### General Property, Plant & Equipment, Net

**General Property, Plant and Equipment as of September 30, 2021 consists of the following:**

<table>
<thead>
<tr>
<th>MAJOR CLASSES</th>
<th>Service Life</th>
<th>Acquisition Value</th>
<th>Accumulated Depreciation Amortization</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land and Improvements</strong></td>
<td>10-40</td>
<td>$ 102,980</td>
<td>$ (2,361)</td>
<td>$ 100,619</td>
</tr>
<tr>
<td><strong>Buildings and Structures</strong></td>
<td>20-40</td>
<td>7,367,117</td>
<td>(4,351,795)</td>
<td>3,015,322</td>
</tr>
<tr>
<td><strong>Furniture and Fixtures</strong></td>
<td>7-10</td>
<td>439</td>
<td>(439)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>5-15</td>
<td>18,379,590</td>
<td>(13,820,916)</td>
<td>4,558,674</td>
</tr>
<tr>
<td><strong>Internal Use Software</strong></td>
<td>3-10</td>
<td>5,061,762</td>
<td>(2,727,650)</td>
<td>2,334,112</td>
</tr>
<tr>
<td><strong>Assets Under Capital Lease</strong></td>
<td>6-10</td>
<td>94,988</td>
<td>(55,605)</td>
<td>39,383</td>
</tr>
<tr>
<td><strong>Leasehold Improvements</strong></td>
<td>3</td>
<td>205,136</td>
<td>(159,307)</td>
<td>45,829</td>
</tr>
<tr>
<td><strong>Aircraft</strong></td>
<td>20</td>
<td>440,700</td>
<td>(369,338)</td>
<td>71,362</td>
</tr>
<tr>
<td><strong>Ships and Vessels</strong></td>
<td>15-25</td>
<td>1,958,295</td>
<td>(1,942,132)</td>
<td>16,163</td>
</tr>
<tr>
<td><strong>Small Boats</strong></td>
<td>10-18</td>
<td>29,614</td>
<td>(29,417)</td>
<td>197</td>
</tr>
<tr>
<td><strong>Construction-in-Progress</strong></td>
<td>N/A</td>
<td>2,529,576</td>
<td>-</td>
<td>2,529,576</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$ 36,170,197</strong></td>
<td><strong>$ (23,458,960)</strong></td>
<td><strong>$ 12,711,237</strong></td>
</tr>
</tbody>
</table>

**Net PPE 2021**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Beginning of Year</td>
<td>$ 12,440,128</td>
</tr>
<tr>
<td>Capitalized Acquisitions</td>
<td>1,742,666</td>
</tr>
<tr>
<td>Dispositions</td>
<td>(1,176)</td>
</tr>
<tr>
<td>Revaluations</td>
<td>(156,837)</td>
</tr>
<tr>
<td>Donations</td>
<td>25,703</td>
</tr>
<tr>
<td>Transfers</td>
<td>15,088</td>
</tr>
<tr>
<td>Other</td>
<td>1,869</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(1,356,204)</td>
</tr>
<tr>
<td><strong>Balance End of Year</strong></td>
<td><strong>$ 12,711,237</strong></td>
</tr>
</tbody>
</table>
### NOTE 8. GENERAL PROPERTY, PLANT & EQUIPMENT, NET (CONT.)

*General Property, Plant and Equipment as of September 30, 2020 consists of the following:*

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Service</th>
<th>Acquisition</th>
<th>Accumulated Depreciation</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Improvements</td>
<td>10-40</td>
<td>$100,272</td>
<td>(2,440)</td>
<td>$97,832</td>
</tr>
<tr>
<td>Buildings and Structures</td>
<td>20-40</td>
<td>7,201,564</td>
<td>(4,169,587)</td>
<td>3,031,977</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>7-10</td>
<td>439</td>
<td>(439)</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-15</td>
<td>18,196,581</td>
<td>(13,141,228)</td>
<td>5,055,353</td>
</tr>
<tr>
<td>Internal Use Software</td>
<td>3-10</td>
<td>4,650,541</td>
<td>(2,476,472)</td>
<td>2,174,069</td>
</tr>
<tr>
<td>Assets Under Capital Lease</td>
<td>6-10</td>
<td>94,988</td>
<td>(52,039)</td>
<td>42,949</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>3</td>
<td>204,980</td>
<td>(150,179)</td>
<td>54,801</td>
</tr>
<tr>
<td>Aircraft</td>
<td>20</td>
<td>465,312</td>
<td>(386,636)</td>
<td>78,676</td>
</tr>
<tr>
<td>Ships and Vessels</td>
<td>15-25</td>
<td>1,958,295</td>
<td>(1,937,004)</td>
<td>21,291</td>
</tr>
<tr>
<td>Small Boats</td>
<td>10-18</td>
<td>29,614</td>
<td>(29,313)</td>
<td>301</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>N/A</td>
<td>1,882,879</td>
<td>-</td>
<td>1,882,879</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$34,785,465</td>
<td>(22,345,337)</td>
<td>$12,440,128</td>
</tr>
</tbody>
</table>

**Net PPE 2020**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Beginning of Year</td>
<td>$12,557,630</td>
</tr>
<tr>
<td>Capitalized Acquisitions</td>
<td>1,330,062</td>
</tr>
<tr>
<td>Dispositions</td>
<td>(76,071)</td>
</tr>
<tr>
<td>Revaluations</td>
<td>(62,313)</td>
</tr>
<tr>
<td>Donations</td>
<td>35,860</td>
</tr>
<tr>
<td>Transfers</td>
<td>7,148</td>
</tr>
<tr>
<td>Other</td>
<td>(91,181)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(1,261,007)</td>
</tr>
<tr>
<td><strong>Balance End of Year</strong></td>
<td><strong>$12,440,128</strong></td>
</tr>
</tbody>
</table>

Construction-in-progress (CIP) primarily relates to national airspace assets, which are derived from centrally funded national systems development contracts, site preparation and testing, raw materials, and internal labor changes. The accumulation of costs to be capitalized for assets in Property, Plant and Equipment (PP&E) typically flow into and remain in the CIP account until the asset is ready for deployment and placed in service. Once placed in service, the asset balance is transferred from the CIP category to its respective asset category.

See Note 1I for additional information on DOT Accounting Policies related to General Property, Plant and Equipment, net.
NOTE 9. STEWARDSHIP PROPERTY, PLANT, & EQUIPMENT

DOT has title to both personal and real property Heritage assets.

Personal Property Heritage Assets

Implied within the MARAD’s mission is the promotion of the Nation’s rich maritime heritage; including the collection, maintenance, and distribution of maritime artifacts removed from agency-owned ships prior to their disposal. As ships are assigned to a nonretention status, artifact items are collected, inventoried, photographed, and relocated to secure shoreside storage facilities. This resulting inventory is made available on a long-term loan basis to qualified organizations for public display purposes.

MARAD artifacts and other collections are generally on loan to single-purpose memorialization and remembrance groups, such as AMVETS National Service Foundation and other preservation societies. MARAD maintains a Web-based inventory system that manages the artifact loan process. The program also supports the required National Historic Preservation Act processing prior to vessel disposal. Funding for the maintenance of heritage items is typically the responsibility of the organization requesting the loan of a heritage asset. The artifacts and other collections are composed of ships’ operating equipment obtained from obsolete ships. The ships are inoperative and in need of preservation and restoration. As all items are durable and restorable, disposal is not a consideration. The artifacts and other collections are removed from inventory when determined to be in excess of the needs of the collection, or destroyed while on loan. The following table shows the number of physical units added and withdrawn as of September 30, 2021.

<table>
<thead>
<tr>
<th></th>
<th>Units As Of 9/30/2020</th>
<th>Additions</th>
<th>Withdrawals</th>
<th>Units As Of 9/30/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HERITAGE ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artifacts</td>
<td>549</td>
<td>1</td>
<td>(25)</td>
<td>525</td>
</tr>
<tr>
<td>Other Collections</td>
<td>6,199</td>
<td>7</td>
<td>(35)</td>
<td>6,171</td>
</tr>
<tr>
<td><strong>Total Personal Property Heritage Assets</strong></td>
<td><strong>6,748</strong></td>
<td><strong>8</strong></td>
<td><strong>(60)</strong></td>
<td><strong>6,696</strong></td>
</tr>
</tbody>
</table>

Real Property Heritage Assets

Washington’s Union Station supports DOT’s mobility mission, facilitating the movement of intercity and commuter rail passengers through the Washington, D.C. metropolitan area. FRA has an oversight role in the management of Washington’s Union Station. FRA received title through legislation and sublets the property to Union Station Venture Limited, which manages the property.

Union Station is an elegant and unique turn-of-the-century rail station in which a wide variety of elaborate, artistic workmanship, characteristic of the period is found. Union Station is listed on the National Register of Historic Places. The station consists of the renovated original building and a parking garage, which was added by the National Park Service.

The Nuclear Ship Savannah is the world’s first nuclear-powered merchant ship. It was constructed as a joint project of the MARAD and the Atomic Energy Commission (AEC) as a signature element of President Eisenhower’s “Atoms for Peace” program. In 1965, the AEC issued a commercial operating license and ended its participation in the joint program. The ship remains licensed and regulated by the U.S. Nuclear Regulatory Commission (NRC), successor to the AEC. The Nuclear Ship Savannah is listed on the National Register of Historic Places. The ship is a boldly styled passenger/cargo vessel powered by a nuclear reactor.
### NOTE 9. STEWARDSHIP PROPERTY, PLANT, & EQUIPMENT (CONT.)

Actions taken by MARAD since FY 2006 have stabilized the ship and rehabilitated portions of its interior for workday occupancy by staff and crew. The ship is currently located in Baltimore, MD, where it is being prepared for continued “SAFSTOR” (The NRC method of preparing nuclear facilities for storage and decontamination) retention under the provisions of its NRC license.

MARAD also has 35 buildings that encircle the central quadrangle of the U.S. Merchant Marine Academy and the William S. Barstow house, which are listed on the National Register of Historic Places.

### NOTE 10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities Not Covered by Budgetary Resources as of September 30, 2021 and 2020 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRAGOVERNMENTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 6,234</td>
<td>$ 6,232</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfunded FECA Liabilities</td>
<td>158,465</td>
<td>164,648</td>
</tr>
<tr>
<td>Unfunded Employment Related Liability</td>
<td>32,881</td>
<td>34,010</td>
</tr>
<tr>
<td>Liability for Nonentity Assets</td>
<td>1,207,074</td>
<td>423,443</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>1,404,655</td>
<td>632,519</td>
</tr>
<tr>
<td><strong>WITH THE PUBLIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Employee Benefits Payable</td>
<td>1,479,573</td>
<td>1,496,378</td>
</tr>
<tr>
<td>Environmental and Disposal Liabilities (Note 12)</td>
<td>792,949</td>
<td>786,591</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Claims</td>
<td>56,629</td>
<td>58,454</td>
</tr>
<tr>
<td>Capital Lease Liabilities</td>
<td>45,344</td>
<td>51,348</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>24,547</td>
<td>19,031</td>
</tr>
<tr>
<td>Total with the Public</td>
<td>2,399,042</td>
<td>2,411,802</td>
</tr>
<tr>
<td><strong>Total Liabilities Not Covered by Budgetary Resources</strong></td>
<td>3,803,697</td>
<td>3,044,321</td>
</tr>
<tr>
<td><strong>Total Liabilities Covered by Budgetary Resources</strong></td>
<td>33,472,657</td>
<td>35,120,160</td>
</tr>
<tr>
<td><strong>Total Liabilities Not Requiring Budgetary Resources</strong></td>
<td>25,593</td>
<td>23,187</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 37,301,947</td>
<td>$ 38,187,668</td>
</tr>
</tbody>
</table>

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Intragovernmental Liabilities are those liabilities that are with other Federal Government entities. The $1.2 billion and $0.4 billion of liability for nonentity assets for FY 2021 and FY 2020, respectively, are primarily related to downward loan subsidy reestimates. For consolidated financial statement presentation, DOT eliminates the payable to the nonentity fund and the general fund receivable from the financing funds; since both are
NOTE 10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES (CONT.)

included in DOT’s financial statements. After the elimination, the downward reestimate payable to Treasury (Liability for Nonentity Asset) in the general fund receipt account remains on the Balance Sheet as a liability.

Liabilities Not Requiring Budgetary Resources are those liabilities for custodial collections that will not require the use of budgetary resources.

Certain line items may not tie to the related financial statement line item due to information contained in this note is related only to liabilities not covered by budgetary resources.

NOTE 11. DEBT

Debt activities during the fiscal year ended September 30, 2021 and September 30, 2020 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRAGOVERNMENTAL DEBT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt to the Treasury</td>
<td>$ 20,756,047</td>
<td>$ (4,073,596)</td>
<td>$ 16,682,451</td>
<td>$ (1,929,113)</td>
<td>$ 14,753,337</td>
</tr>
<tr>
<td>Debt to the Federal Financing Bank</td>
<td>-</td>
<td>325,528</td>
<td>325,528</td>
<td>(13,852)</td>
<td>311,676</td>
</tr>
<tr>
<td>Total Intragovernmental Debt</td>
<td>$ 20,756,047</td>
<td>$ (3,748,068)</td>
<td>$ 17,007,979</td>
<td>$ (1,942,965)</td>
<td>$ 15,065,013</td>
</tr>
</tbody>
</table>

As part of its credit reform program, DOT borrows from the U.S. Treasury and the Federal Financing Bank to fund certain transactions disbursed in its financing accounts. Borrowings are needed to fund the unsubsidized portion of anticipated loan disbursements and to transfer the credit subsidy related to downward reestimates from the financing account to the receipt account or when available cash is less than claim payments.

During FY 2021, DOT’s U.S. Treasury borrowings carried interest rates ranging from .70 percent to 6.1 percent. The maturity dates for these borrowings occur from September 2023 to September 2059. Federal Financing Bank borrowings carried interest rates of 1.22 percent and 1.353 percent. The maturity dates for these borrowings occur in October 2043 and March 2044. Loans may be repaid in whole or in part without penalty at any time. Borrowings from the U.S. Treasury and the Federal Financing Bank are considered covered by budgetary resources, as no congressional action is necessary to pay the debt.

NOTE 12. ENVIRONMENTAL & DISPOSAL LIABILITIES

Environmental and Disposal Liabilities as of September 30 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Remediation</td>
<td>$ 348,274</td>
<td>$ 354,214</td>
</tr>
<tr>
<td>Asset Disposal</td>
<td>516,609</td>
<td>522,398</td>
</tr>
<tr>
<td>Total Environmental and Disposal Liabilities</td>
<td>$ 864,883</td>
<td>$ 876,612</td>
</tr>
</tbody>
</table>

Environmental Remediation

Environmental remediation generally occurs under the Resource Conservation and Recovery Act of 1976 (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA or Superfund), or the Toxic Substances Control Act (TSCA). Environmental remediation
NOTE 12. ENVIRONMENTAL & DISPOSAL LIABILITIES (CONT.)

includes the remediation of fuels, solvents, and other contamination associated with releases to the environment where DOT owns the property, leases the property, or is identified as a responsible party by a regulatory agency.

As of September 30, 2021 and 2020, DOT's environmental remediation liability primarily includes the removal of contaminants and remediation at various sites managed by the FAA and MARAD. To help manage the cleanup of the contaminated sites, FAA established an Environmental Cleanup Program that includes three service areas, which are responsible for oversight of the contaminated sites. The service area personnel use both actual costs and an automated, parametric cost-estimating tool that provides estimates for all phases of investigation and remediation to estimate the environmental remediation liability.

Asset Disposal

The FAA asset disposal liability is estimated using a combination of actual costs and project-specific cost proposals for certain targeted facilities. FAA uses the average decommissioning and cleanup costs of the targeted facilities as the cost basis for the other like facilities to arrive at the estimated liability for asset disposal.

The National Maritime Heritage Act requires that MARAD dispose of certain merchant vessels owned by the U.S. Government, including nonretention ships in the fleet. Residual fuel, asbestos, and solid polychlorinated biphenyls (PCB) sometimes exist onboard MARAD's nonretention ships. Nonretention ships are those MARAD September vessels that no longer have a useful application and are pending disposition. The asset disposal liability as of September 30, 2021, includes the estimated cost of disposing 78 ships. In addition, DOT records an asset disposal liability for the estimated cost that will be incurred to remove, contain, and/or dispose of hazardous materials when an asset is removed from service.

Estimating the Department's cost estimates for environmental cleanup and asset disposal liabilities requires making assumptions about future activities and is inherently uncertain. These liabilities are not adjusted for inflation and are subject to revision as a result of changes in technology and environmental laws and regulations.

See Note 16 for contingent environmental liabilities.

NOTE 13. GRANT ACCRUAL

Grantees primarily include State and local governments and transit authorities. The grant accrual consists of an estimate of grantee expenses incurred, but not yet paid, by DOT. Due to the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA), the American Rescue Plan Act of 2021, and Cares Act appropriations received during FY 2021 and 2020, DOT reports more grant accruals than the prior year. (See Note 24)

Grant accruals by DOT Operating Administrations as of September 30, 2021 and 2020 were as follows:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Highway Administration</td>
<td>$ 5,832,528</td>
<td>$ 6,200,450</td>
</tr>
<tr>
<td>Federal Transit Administration</td>
<td>2,780,462</td>
<td>4,207,520</td>
</tr>
<tr>
<td>Federal Aviation Administration</td>
<td>7,230,444</td>
<td>5,161,060</td>
</tr>
<tr>
<td>Other Operating Administrations</td>
<td>247,581</td>
<td>222,933</td>
</tr>
<tr>
<td><strong>Total Grant Accrual</strong></td>
<td><strong>$ 16,091,015</strong></td>
<td><strong>$ 15,791,963</strong></td>
</tr>
</tbody>
</table>
NOTE 14. OTHER LIABILITIES

Other Liabilities as of September 30, 2021 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Non-Current</th>
<th>Current</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRAGOVERNMENTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Pay and Benefits</td>
<td></td>
<td>136,280</td>
<td>136,280</td>
</tr>
<tr>
<td>FECA Billings</td>
<td>85,637</td>
<td>73,087</td>
<td>158,724</td>
</tr>
<tr>
<td>Liability for Nonentity Assets</td>
<td>-</td>
<td>1,207,074</td>
<td>1,207,074</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>-</td>
<td>58,474</td>
<td>58,474</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td></td>
<td><strong>1,474,915</strong></td>
<td><strong>1,560,552</strong></td>
</tr>
<tr>
<td>WITH THE PUBLIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Pay and Benefits</td>
<td></td>
<td>398,209</td>
<td>398,209</td>
</tr>
<tr>
<td>Legal Claims</td>
<td></td>
<td>56,629</td>
<td>56,629</td>
</tr>
<tr>
<td>Capital Leases (Note 15)</td>
<td>37,285</td>
<td>8,059</td>
<td>45,344</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>-</td>
<td>46,569</td>
<td>46,569</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td></td>
<td><strong>509,466</strong></td>
<td><strong>546,751</strong></td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td></td>
<td><strong>$ 1,984,381</strong></td>
<td><strong>$ 2,107,303</strong></td>
</tr>
</tbody>
</table>

Other Liabilities as of September 30, 2020 consist of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Non-Current</th>
<th>Current</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRAGOVERNMENTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Pay and Benefits</td>
<td></td>
<td>119,452</td>
<td>119,452</td>
</tr>
<tr>
<td>FECA Billings</td>
<td>89,337</td>
<td>75,692</td>
<td>165,029</td>
</tr>
<tr>
<td>Liability for Nonentity Assets</td>
<td>-</td>
<td>423,443</td>
<td>423,443</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>-</td>
<td>61,382</td>
<td>61,382</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td></td>
<td><strong>679,969</strong></td>
<td><strong>769,306</strong></td>
</tr>
<tr>
<td>WITH THE PUBLIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Pay and Benefits</td>
<td></td>
<td>356,248</td>
<td>356,248</td>
</tr>
<tr>
<td>Legal Claims (Note 16)</td>
<td></td>
<td>58,454</td>
<td>58,454</td>
</tr>
<tr>
<td>Capital Leases (Note 15)</td>
<td>44,381</td>
<td>6,967</td>
<td>51,348</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>-</td>
<td>40,899</td>
<td>40,899</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td></td>
<td><strong>462,568</strong></td>
<td><strong>506,949</strong></td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td></td>
<td><strong>$ 1,142,537</strong></td>
<td><strong>$ 1,276,255</strong></td>
</tr>
</tbody>
</table>
NOTE 15. LEASES

Entity As Lessee

Capital Leases

As of September 30, 2021 and 2020, capital leases were comprised of the following:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUMMARY OF ASSETS UNDER CAPITAL LEASE BY CATEGORY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, Buildings &amp; Machinery</td>
<td>$ 94,988</td>
<td>$ 94,988</td>
</tr>
<tr>
<td>Accumulated Amortization</td>
<td>(55,605)</td>
<td>(52,039)</td>
</tr>
<tr>
<td><strong>Net Assets Under Capital Lease</strong></td>
<td><strong>$ 39,383</strong></td>
<td><strong>$ 42,949</strong></td>
</tr>
</tbody>
</table>

As of September 30, 2021, all assets were under non-Federal capital lease.

As of September 30, 2021, DOT’s future payments due on assets under capital lease were:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Non-Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022</td>
<td>$ 8,059</td>
</tr>
<tr>
<td>FY 2023</td>
<td>8,038</td>
</tr>
<tr>
<td>FY 2024</td>
<td>7,891</td>
</tr>
<tr>
<td>FY 2025</td>
<td>7,238</td>
</tr>
<tr>
<td>FY 2026</td>
<td>6,701</td>
</tr>
<tr>
<td>FY 2027+</td>
<td>14,893</td>
</tr>
<tr>
<td><strong>Total Future Lease Payments</strong></td>
<td><strong>52,820</strong></td>
</tr>
<tr>
<td><strong>Less: Imputed Interest</strong></td>
<td><strong>7,476</strong></td>
</tr>
<tr>
<td><strong>Net Capital Lease Liability</strong></td>
<td><strong>$ 45,344</strong></td>
</tr>
</tbody>
</table>

As of September 30, 2021, all future payments due on assets under capital lease were non-Federal.

The capital lease payments disclosed in the preceding table relate to FAA and are authorized to be funded annually as codified in U.S.C. Title 49, Section 40110(c)(1), which addresses general procurement authority. The remaining principal payments are recorded as unfunded lease liabilities. The imputed interest is funded and expensed annually. DOT’s capital leases contain terms expiring at various dates through FY 2039.

Operating Leases

DOT has operating leases for real property, aircraft, telecommunications equipment and vehicles. Operating lease expenses incurred were $301.6 million and $296 million for the years ended September 30, 2021 and 2020, respectively. For FY 2021, the Federal operating lease expense incurred was $208.1 million and the non-Federal operating lease expense incurred was $93.5 million. For FY 2020, the Federal operating lease expense incurred was $204.9 million and the non-Federal operating lease expense incurred was $91.1 million. General Services Administration (GSA) leases include terms with a short termination privilege. However, DOT intends to remain in the leases. DOT’s operating leases carry terms expiring at various dates ranging from 2021 to 2043. Any estimates of lease termination dates would be subjective, and any projection of future lease payments would be arbitrary.
**NOTE 15. LEASES (CONT.)**

As of September 30, 2021, DOT’s future payments due on assets under operating lease were:

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Land, Buildings, Machinery &amp; Other</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
<td>Non-Federal</td>
</tr>
<tr>
<td>FY 2022</td>
<td>$ 210,091</td>
<td>$ 83,816</td>
</tr>
<tr>
<td>FY 2023</td>
<td>204,566</td>
<td>64,575</td>
</tr>
<tr>
<td>FY 2024</td>
<td>196,280</td>
<td>36,562</td>
</tr>
<tr>
<td>FY 2025</td>
<td>187,237</td>
<td>29,243</td>
</tr>
<tr>
<td>FY 2026</td>
<td>187,730</td>
<td>25,694</td>
</tr>
<tr>
<td>FY 2027+</td>
<td>840,490</td>
<td>84,551</td>
</tr>
<tr>
<td><strong>Total Future Lease Payments</strong></td>
<td><strong>$ 1,826,394</strong></td>
<td><strong>$ 324,441</strong></td>
</tr>
</tbody>
</table>

The operating lease amounts due after five years do not include estimated payments for leases with annual renewal options.

**NOTE 16. COMMITMENTS & CONTINGENCIES**

**Legal Liabilities**

As of September 30, 2021 and 2020, DOT legal contingencies include asserted and pending legal claims. An accrued liability is recognized for legal claims where the loss is probable and the amount can be reasonably estimated. For pending legal claims where the loss is reasonably possible, a liability is not recognized, however, the estimated range of loss is disclosed in the following table. There are other claims that could result in significant pay-outs; however, it is not possible at this time to determine the probability of an unfavorable outcome, or to estimate the amount of potential loss in the event of such an outcome. DOT does not have material amounts of known unasserted claims.

<table>
<thead>
<tr>
<th>Year</th>
<th>Accrued Liabilities</th>
<th>Estimated Range Of Loss</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower End</td>
<td>Upper End</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Contingencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probable</td>
<td></td>
<td>$ 56,629</td>
<td>$ 56,528</td>
</tr>
<tr>
<td>Reasonably Possible</td>
<td></td>
<td>112,261</td>
<td>476,452</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Contingencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probable</td>
<td></td>
<td>$ 58,454</td>
<td>$ 58,445</td>
</tr>
<tr>
<td>Reasonably Possible</td>
<td></td>
<td>254,912</td>
<td>619,357</td>
</tr>
</tbody>
</table>
Grant Programs

Advance construction is a technique which allows a State to initiate a project using non-federal funds while preserving eligibility for future Federal-aid funds. FHWA has authority to approve projects using advance construction under 23 U.S.C. 115(a) and 23 Code of Federal Regulations (CFR) 630.701–630.709. FHWA does not guarantee the ultimate funding to the States for these “advance construction” projects and, accordingly, does not obligate any funds for these projects. The State may submit a written request to the FHWA that a project be converted to a regular Federal-aid project at any time provided that sufficient Federal-aid funds and obligation authority are available. The State also retains discretion to fund a project that was authorized for advanced construction without any Federal funds or with less than the maximum Federal share. As of September 30, 2021 and 2020, FHWA has $68.8 billion and $68.7 billion, respectively, of advanced construction authorizations that could be converted to Federal obligations, subject to the availability of funds. These authorizations have not been recognized in the DOT consolidated financial statements at September 30, 2021 and 2020.

FTA executes Full Funding Grant Agreements (FFGAs) under its Capital Investment Grants Program under 49 U.S.C. 5309(k)(2), FAST Act § 3005(b)(2), and similar provisions in earlier surface transportation acts. The FFGAs authorize transit authorities to incur costs with their own funds in advance of Federal funds being made available. As of September 30, 2021 and September 30, 2020, FTA had funding commitments in FFGAs totaling $7.17 billion and $8.0 billion, respectively, which had not been obligated. FTA includes information about these commitments in its budget submissions and annual funding recommendations report to Congress. There is no liability related to these commitments reflected in the DOT consolidated financial statements at September 30, 2021.

FAA’s Airport Improvement Program (AIP) provides grants for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems. FAA has authority under 49 U.S.C. 47110(e) to issue letters of intent to enter into a series of annual AIP grant agreements. A letter of intent is neither an obligation nor an administrative commitment of funds. FAA records an obligation when a grant is awarded. As of September 30, 2021 and 2020, FAA has letters of intent totaling $0.2 billion and $0.3 billion, respectively, which had not been obligated. These letters of intent have not been recognized in the DOT consolidated financial statements at September 30, 2021 and 2020.

Environmental Liabilities

As of September 30, 2021 and 2020, DOT environmental contingencies include environmental remediation, and environmental clean-up and decommissioning. An accrued liability is recognized for environmental contingencies where the loss is probable and the amount can be reasonably estimated. For environmental contingencies where the loss is reasonably possible, a liability is not recognized, however, the estimated range of loss is disclosed in the following table. The FAA is a party to environmental remediation sites in Alaska, the Pacific Islands, and New Jersey in which the extent of liability is not both probable and reasonably estimable. As a result, a liability is not recognized for these sites without further studies and negotiations with other federal agencies.
NOTE 16. COMMITMENTS & CONTINGENCIES (CONT.)

<table>
<thead>
<tr>
<th>2021</th>
<th>Accrued Liabilities</th>
<th>Estimated Range Of Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower End</td>
</tr>
<tr>
<td>ENVIRONMENTAL CONTINGENCIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasonably Possible</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>864,883</td>
<td>864,883</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020</th>
<th>Accrued Liabilities</th>
<th>Estimated Range Of Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower End</td>
</tr>
<tr>
<td>ENVIRONMENTAL CONTINGENCIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasonably Possible</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>876,612</td>
<td>876,612</td>
</tr>
<tr>
<td></td>
<td>103,145</td>
<td>103,145</td>
</tr>
</tbody>
</table>

Aviation Insurance Program

The FAA provides non-premium war risk insurance for certain U.S. Government contracted operations as permitted by 49 U.S.C. 44305. Coverage is provided without premium to air carriers at the written request of other U.S. Government agencies. The scope of coverage under the Non-Premium War Risk Insurance program includes hull, bodily injury, personal injury, and property damage. The FAA is currently providing coverage for certain U.S. Department of Defense (DOD) contracted air carrier operations.

Because insurance policies are issued only at the request of other federal departments and agencies, total coverage-in-force fluctuates throughout the fiscal year. The coverage-in-force at any given point in time does not represent a potential liability against the Aviation Insurance Revolving Fund because the Secretary of Defense has entered into an indemnity agreement with the Secretary of Transportation and will fully reimburse the Fund for all losses paid by the FAA on behalf of DOD.

Marine War Risk Insurance Program

MARAD is authorized to issue hull and liability insurance under the Marine War Risk Insurance Program for vessel operations for which commercial insurance is not available on reasonable terms and conditions, when the vessel is considered to be in the interest of national defense or national economy of the United States. MARAD may issue (1) premium-based insurance for which a risk based premium is charged and (2) nonpremium insurance for vessels under charter operations for the Military Sealift Command.

Additional commitments are discussed in Note 6-Loan Receivable, Net and Loan Guarantee Liabilities, Non-Federal Borrowers, and Note 15-Leases.

Other Contingencies

The FAA's logistics center issues parts to customers with a 90-day warranty, that are replaced free of charge if warranty conditions are met. An accrued liability is recognized for warranty contingencies where the loss is probable and the amount can be reasonably estimated. The loss contingency is estimated based on historical averages of parts that failed and the warranty claims are approved. FAA warranty contingies where the loss is probable and the amount can be reasonably estimated is $.05 billion. A loss contingency is not estimated for warranty claims that are reasonably possible of loss.
NOTE 17. FUNDS FROM DEDICATED COLLECTIONS

DOT administers certain dedicated collections, which are specifically identified revenues, often supplemented by other financing sources, that remain available over time. Descriptions of the significant dedicated collections related to these accounts are as follows:

Highway Trust Fund

The HTF was created by the Highway Revenue Act of 1956 with the main objective of funding the construction of the Dwight D. Eisenhower System of Interstate and Defense Highways. Over the years, the use of the fund has been expanded to include mass transit and other surface transportation programs such as highway safety and motor carrier safety programs. The Highway Revenue Act of 1982 established two accounts within the HTF, the Highway Account and the Mass Transit Account. The HTF consists of the Highway Corpus Trust Fund and certain accounts of FHWA, FMCSA, FRA, FTA, NHTSA, and OST. The HTF’s programs and activities are primarily financed from excise taxes collected on specific motor fuels, truck taxes, and fines and penalties.

Mass Transit Account

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation (P.L. 109-59) changed the way FTA programs are funded. Beginning in FY 2006, the FTA formula and bus grant programs are funded 100 percent by the HTF.

Airport & Airway Trust Fund

The AATF was authorized by the Airport and Airway Revenue Act of 1970 to provide funding for the Federal commitment to the Nation’s aviation system.

Funding currently comes from several aviation-related excise tax collections from passenger tickets, passenger flight segments, international arrivals/departures, cargo waybills, and aviation fuels.

The following is a list of other funds from dedicated collections for which DOT has program management responsibility.

Other Dedicated Collections

- Aviation Insurance Revolving Fund
- Pipeline Safety
- Emergency Preparedness Grant
- Aviation User Fees
- Aviation Operations
- Grants-in-Aid for Airports
- Aviation Facilities and Equipment
- Aviation Research, Engineering and Development
- Essential Air Service and Rural Airport Improvement Fund
- Contributions for Highway Research Program
- Cooperative Work, Forest Highways
- Payment to Air Carriers
- Technical Assistance, United States Dollars Advanced from Foreign Governments
NOTE 17. FUNDS FROM DEDICATED COLLECTIONS (CONT.)

- Gifts and Bequests, Maritime Administration
- Special Studies, Services and Projects
- Equipment, Supplies, etc., for Cooperating Countries
- War-Risk Insurance Revolving Fund
- International Highway Transportation Outreach Program
- Trust Fund Share of Pipeline Safety
- Advances from State Cooperating Agencies, Foreign Governments, and Other Federal Agencies

For the periods ended September 30, 2021 and 2020, respectively, funds from dedicated collections are summarized in the following charts. This note is presented on a combined basis. The combined presentation does not eliminate intra-entity balances or transactions between funds from dedicated collections held by the entity. Similarly, the combined presentation does not eliminate intra-entity balances or transactions with non-dedicated collections. In addition, this note presents only the funds from dedicated collections that are financing sources available for future expenses, and funds that have been expended but have not yet achieved their designated purpose, such as construction in progress. As such, PP&E that has been placed in service, that was funded from dedicated collections, are excluded from this note; these funds are no longer available for future expenditure and have been used for their intended purpose.
NOTE 17. FUNDS FROM DEDICATED COLLECTIONS (CONT.)

Fiscal Year 2021

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Highway Trust Fund</th>
<th>Airport and Airway Trust Fund</th>
<th>Mass Transit</th>
<th>Other Funds From Dedicated Collections</th>
<th>Total Funds From Dedicated Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE SHEET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As of September 30, 2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury</td>
<td>$ 9,099,141</td>
<td>$(1,868,836)</td>
<td>$ 24,099</td>
<td>$ 4,708,322</td>
<td>$ 11,962,726</td>
</tr>
<tr>
<td>Investments, Net</td>
<td>12,043,353</td>
<td>15,948,941</td>
<td>-</td>
<td>2,272,623</td>
<td>30,264,917</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>66,668,373</td>
<td>-</td>
<td>63</td>
<td>8,027,987</td>
<td>74,696,423</td>
</tr>
<tr>
<td>Advances and Prepayments</td>
<td>140,033</td>
<td>-</td>
<td>-</td>
<td>211,745</td>
<td>351,778</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td>$87,950,900</td>
<td>14,080,105</td>
<td>24,162</td>
<td>15,220,677</td>
<td>117,275,844</td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>24,150</td>
<td>-</td>
<td>-</td>
<td>25,443</td>
<td>49,593</td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>235,843</td>
<td>-</td>
<td>-</td>
<td>3,073,878</td>
<td>3,309,721</td>
</tr>
<tr>
<td>Advances, Prepayments, and Other Assets</td>
<td>1,063</td>
<td>-</td>
<td>-</td>
<td>677</td>
<td>1,740</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td>261,056</td>
<td>-</td>
<td>-</td>
<td>3,099,998</td>
<td>3,361,054</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 88,211,956</td>
<td>$ 14,080,105</td>
<td>$ 24,162</td>
<td>$ 18,320,675</td>
<td>$ 120,636,898</td>
</tr>
<tr>
<td><strong>Liabilities and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 66,842,479</td>
<td>$ 6,965,558</td>
<td>-</td>
<td>$ 1,047,849</td>
<td>$ 74,855,886</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>273,158</td>
<td>-</td>
<td>-</td>
<td>26,426</td>
<td>299,584</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>14,841</td>
<td>-</td>
<td>-</td>
<td>292,637</td>
<td>307,478</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td>$67,130,478</td>
<td>$ 6,965,558</td>
<td>-</td>
<td>1,366,912</td>
<td>75,462,948</td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>35,199</td>
<td>-</td>
<td>-</td>
<td>417,793</td>
<td>452,992</td>
</tr>
<tr>
<td>Federal Employee Benefits Payable</td>
<td>68,789</td>
<td>-</td>
<td>-</td>
<td>1,331,845</td>
<td>1,400,634</td>
</tr>
<tr>
<td>Accrued Grant Liabilities</td>
<td>6,653,133</td>
<td>-</td>
<td>2,158</td>
<td>2,975,925</td>
<td>9,631,216</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>104,204</td>
<td>-</td>
<td>-</td>
<td>151,595</td>
<td>255,799</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>49,862</td>
<td>-</td>
<td>-</td>
<td>352,264</td>
<td>403,570</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td>6,911,187</td>
<td>-</td>
<td>3,602</td>
<td>5,229,422</td>
<td>12,144,211</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 74,041,665</td>
<td>$ 6,965,558</td>
<td>$ 3,602</td>
<td>$ 6,596,334</td>
<td>$ 87,607,159</td>
</tr>
<tr>
<td><strong>Unexpended Appropriations</strong></td>
<td>-</td>
<td>-</td>
<td>550</td>
<td>718,832</td>
<td>719,382</td>
</tr>
<tr>
<td><strong>Cumulative Results of Operations</strong></td>
<td>14,170,291</td>
<td>7,114,547</td>
<td>20,010</td>
<td>11,005,509</td>
<td>32,310,357</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Position</strong></td>
<td>$ 88,211,956</td>
<td>$ 14,080,105</td>
<td>$ 24,162</td>
<td>$ 18,320,675</td>
<td>$ 120,636,898</td>
</tr>
<tr>
<td><strong>STATEMENT OF NET COST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the year ended September 30, 2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Costs</td>
<td>$ 52,201,397</td>
<td>-</td>
<td>$ 9,623</td>
<td>$ 19,306,850</td>
<td>$ 71,517,870</td>
</tr>
<tr>
<td>Less Earned Revenue</td>
<td>285,667</td>
<td>1</td>
<td>75</td>
<td>473,956</td>
<td>759,099</td>
</tr>
<tr>
<td><strong>Net Program Costs</strong></td>
<td>51,915,730</td>
<td>(1)</td>
<td>9,548</td>
<td>18,832,894</td>
<td>70,758,171</td>
</tr>
<tr>
<td>Costs Not Attributed to Programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td>$ 51,915,730</td>
<td>(1)</td>
<td>9,548</td>
<td>18,832,894</td>
<td>70,758,171</td>
</tr>
</tbody>
</table>
### NOTE 17. FUNDS FROM DEDICATED COLLECTIONS (CONT.)

**Fiscal Year 2021**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Highway Trust Fund</th>
<th>Airport and Airway Trust Fund</th>
<th>Mass Transit</th>
<th>Other Funds From Dedicated Collections</th>
<th>Total Funds From Dedicated Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENT OF CHANGES IN NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For the year ended September 30, 2021</td>
</tr>
<tr>
<td>Beginning Net Position</td>
<td>$9,599,210</td>
<td>$1,842,196</td>
<td>$31,715</td>
<td>$13,383,731</td>
<td>$24,856,852</td>
</tr>
<tr>
<td>Appropriations Received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>483,500</td>
<td>483,500</td>
</tr>
<tr>
<td>Appropriations Transferred In/Out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(50,235)</td>
<td>(50,235)</td>
</tr>
<tr>
<td>Nonexchange Revenue</td>
<td>43,536,766</td>
<td>8,463,962</td>
<td>-</td>
<td>2,842</td>
<td>52,003,570</td>
</tr>
<tr>
<td>Donations and Forfeitures of Cash/Cash Equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,272</td>
<td>1,272</td>
</tr>
<tr>
<td>Transfers In/Out Without Reimbursement</td>
<td>13,979,568</td>
<td>(3,191,612)</td>
<td>(1,607)</td>
<td>16,349,823</td>
<td>27,136,172</td>
</tr>
<tr>
<td>Imputed Financing</td>
<td>35,096</td>
<td>-</td>
<td>-</td>
<td>386,302</td>
<td>421,398</td>
</tr>
<tr>
<td>Other</td>
<td>(1,064,619)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,064,619)</td>
</tr>
<tr>
<td>Net Cost of Operations</td>
<td>51,915,730</td>
<td>(1)</td>
<td>9,548</td>
<td>18,832,894</td>
<td>70,758,171</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>4,571,081</td>
<td>5,272,351</td>
<td>(11,155)</td>
<td>(1,659,390)</td>
<td>8,172,887</td>
</tr>
<tr>
<td><strong>Net Position End of Period</strong></td>
<td>$14,170,291</td>
<td>$7,114,547</td>
<td>$20,560</td>
<td>$11,724,341</td>
<td>$33,029,739</td>
</tr>
</tbody>
</table>
**NOTE 17. FUNDS FROM DEDICATED COLLECTIONS (CONT.)**

**Fiscal Year 2020**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Highway Trust Fund</th>
<th>Airport and Airway Trust Fund</th>
<th>Mass Transit</th>
<th>Other Funds From Dedicated Collections</th>
<th>Total Funds From Dedicated Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCE SHEET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As of September 30, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance With Treasury</td>
<td>$ 5,666,495</td>
<td>$ (124,690)</td>
<td>$ 34,274</td>
<td>$ 9,823,058</td>
<td>$ 15,399,137</td>
</tr>
<tr>
<td>Investments, Net</td>
<td>12,080,824</td>
<td>7,934,830</td>
<td>-</td>
<td>2,375,215</td>
<td>22,390,869</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>62,325,155</td>
<td>-</td>
<td>(17)</td>
<td>6,791,290</td>
<td>69,116,428</td>
</tr>
<tr>
<td>Advances and Prepayments</td>
<td>124,940</td>
<td>-</td>
<td>-</td>
<td>220,851</td>
<td>345,791</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td>80,197,414</td>
<td>7,810,140</td>
<td>34,257</td>
<td>19,210,414</td>
<td>107,252,225</td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>13,597</td>
<td>-</td>
<td>-</td>
<td>27,830</td>
<td>41,427</td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>221,424</td>
<td>-</td>
<td>-</td>
<td>2,786,072</td>
<td>3,007,496</td>
</tr>
<tr>
<td>Advances, Prepayments, and Other Assets</td>
<td>1,051</td>
<td>-</td>
<td>-</td>
<td>941</td>
<td>1,992</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td>236,072</td>
<td>-</td>
<td>-</td>
<td>2,814,843</td>
<td>3,050,915</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 80,433,486</strong></td>
<td><strong>$ 7,810,140</strong></td>
<td><strong>$ 34,257</strong></td>
<td><strong>$ 22,025,257</strong></td>
<td><strong>$ 110,303,140</strong></td>
</tr>
<tr>
<td><strong>Liabilities and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 62,673,174</td>
<td>$ 5,967,944</td>
<td>-</td>
<td>$ 823,370</td>
<td>$ 69,464,488</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>127,788</td>
<td>-</td>
<td>-</td>
<td>24,253</td>
<td>152,021</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>13,995</td>
<td>-</td>
<td>-</td>
<td>287,385</td>
<td>301,380</td>
</tr>
<tr>
<td><strong>Total Intragovernmental</strong></td>
<td>62,814,937</td>
<td>5,967,944</td>
<td>-</td>
<td>1,135,008</td>
<td>69,917,889</td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>31,170</td>
<td>-</td>
<td>-</td>
<td>388,136</td>
<td>419,306</td>
</tr>
<tr>
<td>Federal Employee Benefits Payable</td>
<td>30,965</td>
<td>-</td>
<td>-</td>
<td>1,347,331</td>
<td>1,378,296</td>
</tr>
<tr>
<td>Accrued Grant Liabilities</td>
<td>7,787,986</td>
<td>-</td>
<td>1,098</td>
<td>5,161,060</td>
<td>1,378,296</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>85,289</td>
<td>-</td>
<td>-</td>
<td>289,410</td>
<td>374,699</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>83,929</td>
<td>-</td>
<td>1,444</td>
<td>320,581</td>
<td>405,954</td>
</tr>
<tr>
<td><strong>Total with the Public</strong></td>
<td>8,019,339</td>
<td>2,542</td>
<td>5,706,518</td>
<td>15,528,399</td>
<td>15,528,399</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$ 70,834,276</strong></td>
<td><strong>$ 5,967,944</strong></td>
<td><strong>$ 2,542</strong></td>
<td><strong>$ 8,641,526</strong></td>
<td><strong>$ 85,466,288</strong></td>
</tr>
<tr>
<td>Unexpended Appropriations</td>
<td>-</td>
<td>-</td>
<td>550</td>
<td>489,059</td>
<td>489,059</td>
</tr>
<tr>
<td>Cumulative Results of Operations</td>
<td>9,599,210</td>
<td>1,842,196</td>
<td>31,165</td>
<td>12,894,672</td>
<td>24,367,243</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Position</strong></td>
<td><strong>$ 80,433,486</strong></td>
<td><strong>$ 7,810,140</strong></td>
<td><strong>$ 34,257</strong></td>
<td><strong>$ 22,025,257</strong></td>
<td><strong>$ 110,303,140</strong></td>
</tr>
<tr>
<td><strong>STATEMENT OF NET COST</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>For the year ended September 30, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Costs</td>
<td>$ 57,877,670</td>
<td>-</td>
<td>$ 15,264</td>
<td>$ 24,448,310</td>
<td>$ 82,341,244</td>
</tr>
<tr>
<td>Less Earned Revenue</td>
<td>269,856</td>
<td>14</td>
<td>-</td>
<td>563,920</td>
<td>833,790</td>
</tr>
<tr>
<td><strong>Net Program Costs</strong></td>
<td><strong>57,607,814</strong></td>
<td><strong>(14)</strong></td>
<td><strong>15,264</strong></td>
<td><strong>23,884,390</strong></td>
<td><strong>81,507,454</strong></td>
</tr>
<tr>
<td>Costs Not Attributed to Programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td><strong>57,607,814</strong></td>
<td><strong>(14)</strong></td>
<td><strong>15,264</strong></td>
<td><strong>23,884,390</strong></td>
<td><strong>81,507,454</strong></td>
</tr>
</tbody>
</table>
NOTE 17. FUNDS FROM DEDICATED COLLECTIONS (CONT.)
Fiscal Year 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Highway Trust Fund</th>
<th>Airport and Airway Trust Fund</th>
<th>Mass Transit</th>
<th>Other Funds From Dedicated Collections</th>
<th>Total Funds From Dedicated Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENT OF CHANGES IN NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For the year ended September 30, 2020</td>
</tr>
<tr>
<td>Beginning Net Position</td>
<td>$ 25,445,054</td>
<td>$ 9,391,754</td>
<td>$ 46,979</td>
<td>$ 10,752,896</td>
<td>$ 45,636,683</td>
</tr>
<tr>
<td>Appropriations Received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>167,000</td>
<td>167,000</td>
</tr>
<tr>
<td>Appropriations Transferred In/Out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(15,536)</td>
<td>(15,536)</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(57,667)</td>
<td>(57,667)</td>
</tr>
<tr>
<td>Nonexchange Revenue</td>
<td>43,019,984</td>
<td>9,345,586</td>
<td>-</td>
<td>2,526</td>
<td>52,368,096</td>
</tr>
<tr>
<td>Donations and Forfeitures of Cash/Cash Equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,167</td>
<td>1,167</td>
</tr>
<tr>
<td>Transfers In/Out Without Reimbursement</td>
<td>65,813</td>
<td>(16,895,158)</td>
<td>-</td>
<td>26,081,608</td>
<td>9,252,263</td>
</tr>
<tr>
<td>Imputed Financing</td>
<td>32,546</td>
<td>-</td>
<td>-</td>
<td>336,127</td>
<td>368,673</td>
</tr>
<tr>
<td>Other</td>
<td>(1,356,373)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,356,373)</td>
</tr>
<tr>
<td>Net Cost of Operations</td>
<td>57,607,814</td>
<td>(14)</td>
<td>15,264</td>
<td>23,884,390</td>
<td>81,507,454</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>(15,845,844)</td>
<td>(7,549,558)</td>
<td>(15,264)</td>
<td>2,630,835</td>
<td>(20,779,831)</td>
</tr>
<tr>
<td><strong>Net Position End of Period</strong></td>
<td>$ 9,599,210</td>
<td>$ 1,842,196</td>
<td>$ 31,715</td>
<td>$ 13,383,731</td>
<td>$ 24,856,852</td>
</tr>
</tbody>
</table>
NOTE 18. EXCISE TAXES & OTHER NONEXCHANGE REVENUE

The IRS collects various excise taxes that are deposited into the HTF and AATF. The U.S. Treasury Office, OTA distributes the amount collected/revenue recognized bimonthly and adjusts the allocations to reflect actual collections quarterly. The IRS submits certificates of actual tax collections to DOT four months after the quarter end. During FY 2021, the DOT financial statements include actual excise tax revenue certified through June 30, 2021, and excise tax revenue allocated by OTA for the quarter ended September 30, 2021. As a result, total taxes recognized in the DOT FY 2021 financial statements include the OTA allocation of $13.9 billion for the quarter ended September 30, 2021 and the actual amounts certified through June 30, 2021 of $37 billion, which includes the certifications and associated adjustments for the quarters ended June 30, 2020 and September 30, 2020 that were recorded in FY2021 due to the delays in the processing of excise taxes due to the COVID-19 pandemic.

For the years ended September 30, 2021 and 2020, respectively, excise taxes and associated nonexchange revenue, which are reported on the Consolidated Statements of Changes in Net Position, are as follows.

NONEXCHANGE REVENUE

For the periods ended September 30, 2021 and 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGHWAY TRUST FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excise Taxes and Other Nonexchange Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td>$25,974,654</td>
<td>$25,727,029</td>
</tr>
<tr>
<td>Diesel and Special Motor Fuels</td>
<td>12,362,870</td>
<td>11,058,175</td>
</tr>
<tr>
<td>Trucks</td>
<td>5,766,604</td>
<td>6,921,259</td>
</tr>
<tr>
<td>Investment Income</td>
<td>9,739</td>
<td>193,147</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>343</td>
<td>483</td>
</tr>
<tr>
<td><strong>Total Taxes</strong></td>
<td>44,114,210</td>
<td>43,900,093</td>
</tr>
<tr>
<td>Less: Transfers</td>
<td>(746,050)</td>
<td>(1,049,951)</td>
</tr>
<tr>
<td>Other Nonexchange Revenue</td>
<td>100,447</td>
<td>130,159</td>
</tr>
<tr>
<td><strong>Net Highway Trust Fund Excise Taxes &amp; Other Nonexchange Revenue</strong></td>
<td>43,468,607</td>
<td>42,980,301</td>
</tr>
</tbody>
</table>

| **FEDERAL AVIATION ADMINISTRATION** |        |        |
| Excise Taxes and Other Nonexchange Revenue |        |        |
| Passenger Ticket                  | $5,320,040 | $6,497,251 |
| International Departure           | 1,904,241   | 1,847,102 |
| Fuel (Air)                        | 494,576     | 389,859  |
| Waybill                           | 478,058     | 300,478  |
| Investment Income                 | 280,320     | 329,846  |
| Tax Refunds and Credits           | (13,273)    | (18,951) |
| Other                             | 2,842       | 2,526    |
| **Net Federal Aviation Administration Excise Taxes & Other Nonexchange Revenue** | 8,466,804  | 9,348,111 |
| Other Miscellaneous Net Nonexchange Revenue | 69,383      | 40,966   |
| **Total Nonexchange Revenue**     | $52,004,794 | $52,369,378 |
NOTE 19. INFORMATION RELATED TO THE STATEMENT OF BUDGETARY RESOURCES

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Contract Authority at Year-End</td>
<td>$ 16,660,324</td>
<td>$ 16,108,544</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undelivered Orders at Year-End, unpaid</td>
<td>$ 1,043,080</td>
<td>$ 1,019,698</td>
</tr>
<tr>
<td>Undelivered Orders at Year-End, paid</td>
<td>$ 473,833</td>
<td>$ 437,830</td>
</tr>
<tr>
<td>Federal</td>
<td>$ 141,082,794</td>
<td>$ 125,262,414</td>
</tr>
<tr>
<td>Non-Federal</td>
<td>$ 2,981,876</td>
<td>$ 1,354,964</td>
</tr>
</tbody>
</table>

Borrowing Authority, End Of Period And Terms Of Borrowing Authority Used

DOT had $10.6 billion and $4.5 billion in borrowing authority in FY 2021 and FY 2020, respectively. Borrowing authority is indefinite and authorized under the Federal Credit Reform Act of 1990, and is used to finance obligations during the current year, as needed. Under the provisions of the Federal Credit Reform Act of 1990, DOT’s direct loan and loan guarantee programs are authorized to borrow funds from Treasury to support its credit programs. All loan drawdowns are dated October 1 of the applicable fiscal year. Interest is payable at the end of each fiscal year based on activity for that fiscal year. Principal can be repaid at any time funds become available. Repayment is effectuated by a combination of loan recoveries and upward reestimates.

Existence, Purpose, And Availability Of Permanent Indefinite Appropriations

DOT has permanent indefinite budgetary authority for use in their credit programs that is provided from, and more details are available in, the Federal Credit Reform Act of 1990. This funding is available for reestimates and interest on reestimates. DOT’s credit programs are explained in detail in Note 6.

Legal Arrangements Affecting The Use Of Obligated Balances

Unobligated balances remain legally available for obligation when the funds are apportioned by the OMB and the period of availability is unexpired. Unobligated balances are not available when the funds are not yet apportioned or the period of availability is expired. Unobligated balances of expired accounts are not available to fund new obligations, but they can be used for upward adjustments of obligations that were incurred during the period of availability or for paying claims attributable to that time period.

Aviation insurance investments and marine war risk insurance investments are not available for obligation until authorized, for example, in the event of a major air carrier loss or vessel operations loss caused by a war risk occurrence.

Unobligated Balance From Prior Year Budget Authority, Net

The unobligated balance from prior year budget authority is presented net of transfers, recoveries from prior year obligations, and balances withdrawn for cancelled authority. As a result, the amount will not equal the prior year unobligated balance, end of year total.
NOTE 19. INFORMATION RELATED TO THE STATEMENT OF BUDGETARY RESOURCES (CONT.)

Dollars in Millions

<table>
<thead>
<tr>
<th>Budgetary Resources</th>
<th>New Obligations and Upward Adjustments</th>
<th>Distributed Offsetting Receipts</th>
<th>Net Outlays</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 213,358</td>
<td>$ 152,615</td>
<td>$(11,802)</td>
<td>$ 112,109</td>
</tr>
</tbody>
</table>

Distributed Offsetting Receipts

Distributed offsetting receipts are amounts that an agency collects from the public or from other U.S. Government agencies that are used to offset or reduce an agency’s budget outlays. Agency outlays are measured on both a gross and net basis, with net outlays being reduced by offsetting receipts (and other amounts).

Statement Of Budgetary Resources Vs. Budget Of The United States Government

The reconciliation for the year ended September 30, 2020, is presented in the following table. The reconciliation for the fiscal year ended September 30, 2021, is not presented, because the submission of the Budget of the United States Government (Budget) for FY 2023, which presents the execution of the FY 2021 budget, occurs after publication of these financial statements. The DOT Budget Appendix can be found on the OMB website and will be available in early February 2022.

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unobligated Balance brought forward, October 1</td>
<td>$ 60,743,442</td>
<td>$ 60,694,802</td>
</tr>
<tr>
<td>Adjustments to Unobligated Balance brought forward, October 1</td>
<td>(3,100)</td>
<td>1,261</td>
</tr>
<tr>
<td>Recoveries of Prior Year Obligations</td>
<td>8,815,505</td>
<td>1,822,004</td>
</tr>
<tr>
<td>Other Adjustments to Unobligated Balance brought forward, October 1</td>
<td>(7,712,989)</td>
<td>(839,229)</td>
</tr>
<tr>
<td>Unobligated Balance from prior year budget authority, net</td>
<td>$ 61,842,858</td>
<td>$ 61,678,838</td>
</tr>
</tbody>
</table>

Other differences represent financial statement adjustments, timing differences, and other immaterial differences between amounts reported in the Department’s Statement of Budgetary Resources and the Budget of the United States Government.
## Note 20. Custodial Activity

Cash collections that are “custodial” are not revenue to the DOT, but are collected on behalf of other Federal entities or funds. Custodial collections are considered to be incidental to the DOT’s operations. The following table presents custodial collections and the disposition of those collections for the years ended September 30, 2021 and 2020:

### Dollars in Thousands

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources of Cash Collections</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>$31,577</td>
<td>$34,023</td>
</tr>
<tr>
<td>User Fees</td>
<td>1,683</td>
<td>127</td>
</tr>
<tr>
<td>Fines, Penalties and Forfeitures</td>
<td>156,499</td>
<td>137,453</td>
</tr>
<tr>
<td><strong>Total Cash Collections</strong></td>
<td>189,759</td>
<td>171,603</td>
</tr>
<tr>
<td>Accrual Adjustment</td>
<td>(2,864)</td>
<td>13,976</td>
</tr>
<tr>
<td><strong>Total Custodial Revenue</strong></td>
<td>186,895</td>
<td>185,579</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disposition of Collections</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred to Treasury’s General Fund</td>
<td>85,382</td>
<td>64,622</td>
</tr>
<tr>
<td>Transferred to Highway Trust Fund</td>
<td>104,377</td>
<td>106,981</td>
</tr>
<tr>
<td>Increase (Decrease) in Amounts to be Transferred</td>
<td>(2,864)</td>
<td>13,976</td>
</tr>
<tr>
<td><strong>Net Custodial Activity</strong></td>
<td>$—</td>
<td>$—</td>
</tr>
</tbody>
</table>
NOTE 21. RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS

The objective of this information is to provide an explanation of the differences between budgetary and financial (proprietary) accounting. This is accomplished by means of a reconciliation of budgetary outlays and non-budgetary resources available to the reporting entity with its net cost of operations. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government’s financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

Net cost should be reconciled to net outlays, which should exclude financing account activity. Net outlays represent net budgetary outlays and do not include net disbursements of credit financing accounts. The change in FCRA loan receivables should not be reflected as a reconciling item due to credit programs affecting net cost and net outlays via the subsidy cost.

The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

- The acquisition of capital assets results in outlays, but does not result in costs. Rather, the costs are recognized over the useful lives of the assets as depreciation expense. To reconcile this difference, depreciation is a component of net operating cost, but not part of net outlays; and the acquisition of capital assets is a component of net outlays, but not part of net operating cost.
- The grant accrual results in costs, but does not result in outlays. The grant accrual consists of an estimate of grantee expenses incurred, but not yet paid by DOT which is a component of net operating costs, but not part of net outlays.
- The effects of the prior year subsidy cost re-estimate does not impact the current year net cost of operations, but is part of the net outlays in the current year to reflect the budgetary outlay to the general fund receipt account.

Although some differences presented in the reconciliation relate to amounts reported in the balance sheet and statement of net position, the amounts may not tie. Certain financial activities do not result in net operating cost, nor net outlays, and are therefore excluded from the reconciliation. For example, the purchase of investments results in a change in assets on the balance sheet, but does not result in net operating cost nor net outlays. In addition, intradepartmental transactions and balances have been eliminated from the balance sheet for presentation on a consolidated basis, however, intradepartmental transactions and balances have not been eliminated on the reconciliation for the accounts receivable and related liability and transfer activity related to credit reform upward and downward reestimates. The reciprocating elimination activity is included in the credit financing accounts which have been excluded from the reconciliation.

In FY2021 OMB Circular A-136 guidance modified the presentation of the reconciliation of net cost to net outlays but did not require the prior year presentation to be modified as well. The FY 2020 reconciliation presented below was not modified to conform to the FY2021 presentation.
## NOTE 21. RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS (CONT.)

**For the year ended September 30, 2021**

### DOLLARS IN THOUSANDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Intragovernmental</th>
<th>With the Public</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET OPERATING COST (SNC)</strong></td>
<td>$ 3,088,568</td>
<td>$ 99,762,135</td>
<td>$ 102,850,703</td>
</tr>
<tr>
<td><strong>Components of Net Operating Cost Not Part of the Budgetary Outlays</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant, and Equipment Depreciation</td>
<td>—</td>
<td>(1,356,204)</td>
<td>(1,356,204)</td>
</tr>
<tr>
<td>Property, Plant, and Equipment Disposal &amp; Reevaluation</td>
<td>—</td>
<td>(158,013)</td>
<td>(158,013)</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>159</td>
<td>(67,164)</td>
<td>(67,005)</td>
</tr>
<tr>
<td>Inventory Disposals Revaluations</td>
<td>—</td>
<td>13,216</td>
<td>13,216</td>
</tr>
<tr>
<td>Year-end Credit Reform Subsidy Re-estimates</td>
<td>1,241,462</td>
<td>—</td>
<td>1,241,462</td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>792,843</td>
<td>9,149</td>
<td>801,992</td>
</tr>
<tr>
<td>Securities and Investments</td>
<td>(4,459)</td>
<td>—</td>
<td>(4,459)</td>
</tr>
<tr>
<td>Advances, Prepayments and Other Assets</td>
<td>(4,500)</td>
<td>1,627,039</td>
<td>1,622,539</td>
</tr>
<tr>
<td><strong>(Increase)/Decrease in Liabilities not Affecting Budget Outlays:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>313,309</td>
<td>20,946</td>
<td>334,255</td>
</tr>
<tr>
<td>Environmental and Disposal Liabilities</td>
<td>—</td>
<td>11,730</td>
<td>11,730</td>
</tr>
<tr>
<td>Federal Employee and Veteran Benefits Payable</td>
<td>—</td>
<td>15,329</td>
<td>15,329</td>
</tr>
<tr>
<td>Advances From Others and Deferred Revenue</td>
<td>(158,764)</td>
<td>115,818</td>
<td>(42,946)</td>
</tr>
<tr>
<td>Accrued Grant Liabilities</td>
<td>—</td>
<td>(299,053)</td>
<td>(299,053)</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>(789,598)</td>
<td>(38,844)</td>
<td>(828,442)</td>
</tr>
<tr>
<td><strong>Financing Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imputed Costs</td>
<td>(484,667)</td>
<td>—</td>
<td>(484,667)</td>
</tr>
<tr>
<td><strong>Total Components of Net Operating Cost Not Part of the Budget Outlays</strong></td>
<td>905,785</td>
<td>(106,051)</td>
<td>799,734</td>
</tr>
<tr>
<td><strong>Components of the Budget Outlays That Are Not Part of Net Operating Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of Capital Assets</td>
<td>52,309</td>
<td>1,690,357</td>
<td>1,742,666</td>
</tr>
<tr>
<td>Acquisition of Inventory</td>
<td>24,307</td>
<td>10,038</td>
<td>34,345</td>
</tr>
<tr>
<td>Effect of Prior Year Credit Reform Subsidy Re-estimates</td>
<td>(425,775)</td>
<td>—</td>
<td>(425,775)</td>
</tr>
<tr>
<td><strong>Financing Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Revenue</td>
<td>—</td>
<td>(1,272)</td>
<td>(1,272)</td>
</tr>
<tr>
<td>Transfers out (in) without reimbursements</td>
<td>(1,242,848)</td>
<td>—</td>
<td>(1,242,848)</td>
</tr>
<tr>
<td><strong>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</strong></td>
<td>(1,592,007)</td>
<td>1,699,123</td>
<td>107,116</td>
</tr>
<tr>
<td><strong>Miscellaneous Items</strong></td>
<td>(473,639)</td>
<td>476,908</td>
<td>3,269</td>
</tr>
<tr>
<td>FCRA Net Cost Impact</td>
<td>(891)</td>
<td>(128,846)</td>
<td>(129,737)</td>
</tr>
<tr>
<td>Custodial/Non-exchange Revenue</td>
<td>34,262</td>
<td>(7,581)</td>
<td>26,681</td>
</tr>
<tr>
<td>Custodial/Exchange Revenue</td>
<td>1,242,466</td>
<td>—</td>
<td>1,242,466</td>
</tr>
<tr>
<td>Non-Entity Activity</td>
<td>379,610</td>
<td>—</td>
<td>379,610</td>
</tr>
<tr>
<td>Appropriated Receipts for Trust/Special Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Reconciling Items</strong></td>
<td>1,181,808</td>
<td>340,481</td>
<td>1,522,289</td>
</tr>
<tr>
<td><strong>Total Net Outlays</strong></td>
<td>$ 3,584,154</td>
<td>$ 101,695,688</td>
<td>$ 105,279,842</td>
</tr>
<tr>
<td>Outlays, Net</td>
<td></td>
<td></td>
<td>135,926,326</td>
</tr>
<tr>
<td>Distributed Offsetting Receipts</td>
<td></td>
<td>(30,646,484)</td>
<td></td>
</tr>
<tr>
<td><strong>Budgetary Agency Outlays, Net</strong></td>
<td>$ 105,279,842</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FINANCIAL REPORT

NOTES TO THE PRINCIPAL STATEMENTS
## NOTE 21. RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS (CONT.)

For the year ended September 30, 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Intragovernmental</th>
<th>With the Public</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET OPERATING COST (SNC)</strong></td>
<td>$2,949,715</td>
<td>$105,715,499</td>
<td>$108,665,214</td>
</tr>
<tr>
<td>Components of Net Operating Cost Not Part of the Budgetary Outlays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant, and Equipment Depreciation</td>
<td>—</td>
<td>(1,261,007)</td>
<td>(1,261,007)</td>
</tr>
<tr>
<td>Property, Plant, and Equipment and Other Assets Disposal &amp; Reevaluation</td>
<td>—</td>
<td>(100,758)</td>
<td>(100,758)</td>
</tr>
<tr>
<td>Year-end Credit Reform Subsidy Re-estimates</td>
<td>244,087</td>
<td>—</td>
<td>244,087</td>
</tr>
<tr>
<td>Other</td>
<td>(1,021)</td>
<td>70,479</td>
<td>69,458</td>
</tr>
<tr>
<td><strong>Increase/(Decrease) in Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(870,226)</td>
<td>(11,892)</td>
<td>(882,118)</td>
</tr>
<tr>
<td>Advances, Prepayments and Other Assets</td>
<td>(46,977)</td>
<td>435,861</td>
<td>388,884</td>
</tr>
<tr>
<td>Investments</td>
<td>9,631</td>
<td>—</td>
<td>9,631</td>
</tr>
<tr>
<td><strong>(Increase)/Decrease in Liabilities not Affecting Budget Outlays:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>701</td>
<td>(1,015)</td>
<td>(314)</td>
</tr>
<tr>
<td>Federal Employee Benefits Payable</td>
<td>—</td>
<td>64,084</td>
<td>64,084</td>
</tr>
<tr>
<td>Environmental and Disposal Liabilities</td>
<td>—</td>
<td>144,772</td>
<td>144,772</td>
</tr>
<tr>
<td>Grant Accrual</td>
<td>—</td>
<td>(7,126,858)</td>
<td>(7,126,858)</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>542,812</td>
<td>(248,583)</td>
<td>294,229</td>
</tr>
<tr>
<td><strong>Other Financing Sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imputed Financing Costs Absorbed by Others</td>
<td>(424,364)</td>
<td>—</td>
<td>(424,364)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>(83)</td>
<td>(83)</td>
</tr>
<tr>
<td>Transfers out (in) Without Reimbursement</td>
<td>(267,570)</td>
<td>—</td>
<td>(267,570)</td>
</tr>
<tr>
<td><strong>Total Components of Net Operating Cost Not Part of the Budget Outlays</strong></td>
<td>(812,927)</td>
<td>(8,035,000)</td>
<td>(8,847,927)</td>
</tr>
<tr>
<td><strong>Components of the Budget Outlays That Are Not Part of Net Operating Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of Prior Year Credit Reform Subsidy Re-estimate</td>
<td>(1,092,233)</td>
<td>—</td>
<td>(1,092,233)</td>
</tr>
<tr>
<td>Acquisition of Capital Assets</td>
<td>51,389</td>
<td>1,279,048</td>
<td>1,330,437</td>
</tr>
<tr>
<td>Acquisition of Inventory</td>
<td>(1)</td>
<td>71,572</td>
<td>71,571</td>
</tr>
<tr>
<td>Other</td>
<td>257,773</td>
<td>(77,814)</td>
<td>179,959</td>
</tr>
<tr>
<td><strong>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</strong></td>
<td>(783,072)</td>
<td>1,272,806</td>
<td>489,734</td>
</tr>
<tr>
<td><strong>Net Outlays</strong></td>
<td>$1,353,716</td>
<td>$98,953,305</td>
<td>$100,307,021</td>
</tr>
</tbody>
</table>

### Related Amounts on the Statement of Budgetary Resources

| Outlays, Net | 112,108,737 |
| Distributed Offsetting Receipts | (11,801,716) |
| **Agency Outlays, Net** | $100,307,021 |
NOTE 22. FIDUCIARY ACTIVITIES

The Title XI Escrow Fund was authorized pursuant to the Merchant Marine Act of 1936, as amended. The fund was originally established to hold guaranteed loan proceeds pending construction of MARAD-approved and financed vessels.

The Act allows the deposit of additional cash security items such as reserve funds or debt reserve funds. Individual shipowners provide funds to serve as security on MARAD-guaranteed loans. Funds deposited and invested by MARAD remain the property of individual shipowners. In the event of default, MARAD will use the escrow funds to offset the shipowners’ debt to the Government.

Fund investments are limited to U.S. Government securities purchased by MARAD through the Treasury.

SCHEDULE OF FIDUCIARY ACTIVITY

For the years ended September 30, 2021 and 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiduciary Net Assets, Beginning of Year</td>
<td>$ 6,819</td>
<td>$ 27,009</td>
</tr>
<tr>
<td>Contributions</td>
<td>3</td>
<td>341</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Disbursements to and on Behalf of Beneficiaries</td>
<td>(4,803)</td>
<td>(20,531)</td>
</tr>
<tr>
<td>Increases/(Decreases) in Fiduciary Net Assets</td>
<td>(4,801)</td>
<td>(20,190)</td>
</tr>
<tr>
<td><strong>Fiduciary Net Assets, End of Year</strong></td>
<td><strong>$ 2,018</strong></td>
<td><strong>$ 6,819</strong></td>
</tr>
</tbody>
</table>

FIDUCIARY NET ASSETS

As of September 30, 2021 and 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiduciary Fund Balance with Treasury</td>
<td>$ 1,061</td>
<td>$ 1,061</td>
</tr>
<tr>
<td>Investments in Treasury Securities</td>
<td>957</td>
<td>5,758</td>
</tr>
<tr>
<td><strong>Total Fiduciary Net Assets</strong></td>
<td><strong>$ 2,018</strong></td>
<td><strong>$ 6,819</strong></td>
</tr>
</tbody>
</table>
NOTE 23. DISCLOSURE ENTITIES

Amtrak is a private, for-profit corporation under 49 U.S.C. § 24301 and District of Columbia law and is not a department, agency, or instrumentality of the federal government. Amtrak is governed by an independent Board of Directors comprised of 10 directors. The Secretary of Transportation (Secretary), who is a director by statute, and 8 of the other Amtrak directors, are appointed by the U.S. President with the advice and consent of the Senate. The President of Amtrak also is a board member and is appointed by the Board. Amtrak provides intercity passenger railroad service as a transportation alternative to highway, bus, passenger car, and airline services in certain markets, in addition to serving as a contractor in various capacities for several commuter rail agencies. Amtrak’s mission is to deliver intercity transportation with superior safety, customer service, and financial excellence, which is directly tied to the statutorily defined mission of Amtrak “to provide efficient and effective intercity passenger rail mobility consisting of high quality service that is trip-time competitive with other intercity travel options and that is consistent with the goals set forth in [49 U.S.C. § 24101(c)].” 49 U.S.C. § 24101(b). As a private, for-profit organization, Amtrak does not take actions on behalf of the federal government but benefits the national economy by providing a transportation option in 46 states and the District of Columbia. Key financial indicators are revenue growth and targeted decrease in adjusted operating earnings, which are reviewed on a regular basis (monthly/quarterly/annually) and compared with the comparable period in the prior year to show trends. Amtrak publishes annual audited financial statements and monthly unaudited performance reports. These documents are available on Amtrak’s website.

The federal government (through DOT) owns 100% of Amtrak’s preferred stock (109,396,994 shares of $100 par value). The Amtrak Reform and Accountability Act of 1997 changed the structure of the preferred stock by rescinding the voting rights with respect to the election of the Board of Directors and by eliminating the preferred stock’s liquidation preference over the common stock (see Section 415(c), Pub. L. 105-134, 111 Stat. 2590 (December 2, 1997)). The Act also eliminated further issuance of preferred stock to the Department. Each share of preferred stock is convertible into 10 shares of common stock. Four common stockholders (private sector corporations) own 9,385,694 shares of $10 par value common stock. The common stockholders have voting rights for “amendments to Amtrak’s Articles of Incorporation proposed by the Board of Directors and for certain other extraordinary events.”

Amtrak receives grants from DOT, through the Federal Railroad Administration (FRA), that cover a portion of the corporation’s annual operating expenses and capital investments. Funding provided to Amtrak through grant agreements are included in DOT’s annual budget and the DOT financial statements. For the period ended September 30, 2021, net costs related to Amtrak grants were $3.2 billion, total budgetary outlays were $4.7 billion, and the remaining undelivered order balance for Amtrak is $2.9 billion. For the period ended September 30, 2020, net costs related to Amtrak grants were $2.6 billion, total budgetary outlays were $3 billion, and the remaining undelivered order balance for Amtrak is $1.4 billion.

In 2016, DOT entered into a loan agreement with Amtrak under the Railroad Rehabilitation and Improvement Financing (RRIF) program (2016 RRIF loan). The amount of the loan is $2,450,000,000. The final maturity of the loan is the earlier of (a) twenty-nine (29) years from the date of the first disbursement under the financing agreement and (b) September 15, 2045. The interest rate is 2.23% and the credit risk premium, payable pro rata at each disbursement, is 5.80% or $142,100,000. Amtrak is required to maintain funds in a dedicated debt service reserve account at amounts specified in the loan agreement. The loan shall be disbursed solely to pay directly for or to reimburse Amtrak for its prior payment of allowable costs incurred in connection with project elements.

NOTE 23. DISCLOSURE ENTITIES (CONT.)

In each fiscal year for which Amtrak draws down funds under its 2016 RRIF loan and/or makes repayments towards the loan, the Department records amounts paid out to Amtrak and amounts Amtrak repays to the Department in its financial system. The RRIF loan is accounted for in accordance with SFFAS 2 (see Note 6). As of September 30, 2021, and September 30, 2020, the undelivered order balance of the RRIF loan is $1.9 billion and the amount disbursed is $557 million.

In addition, to the grants and loans provided to Amtrak, the Department has possession of two long-term notes with Amtrak. The first note is for $4 billion and matures in 2975 and, the second note is for $1.1 billion and matures in 2082 with renewable 99-year terms. Interest is not accruing on these notes as long as the current financial structure of Amtrak remains unchanged. If the financial structure of Amtrak changes, both principal and accrued interest are due and payable. The Department does not recognize the long-term notes in its financial statements since the notes, with maturity dates of 2975 and 2082, are considered fully uncollectible due to the lengthy terms and Amtrak’s history of operating losses.

In the event of an Amtrak bankruptcy, the federal government would be at risk of financial loss as a result of longstanding debt and the 2016 RRIF loan. However, such risk of loss is limited given that each of these debts are secured with real property and/or equipment. In general, the federal government’s losses in a bankruptcy would be offset by the value of the collateral. The risk of loss and delay in full and timely payments due to bankruptcy are part of most credit relationships, and are not unique to the federal government/Amtrak credit relationship.

NOTE 24. COVID-19 ACTIVITY

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) was signed into law on March 27, 2020. DOT received $36 billion of FY 2020 supplemental appropriations to prevent, prepare for, or respond to COVID-19. Several DOT programs received general fund appropriations in support of maintaining and continuing the operations and business needs of various transportation systems in response to the coronavirus. FTA received $25 billion in the Transit Infrastructure Grants program to be allocated to recipients of urbanized and rural area formula funds to support capital, operating, and other expenses of public transit transportation. FAA received $10 billion in Grants-In-Aid for Airports. FAA Airport grants can be used for airport capital expenditures and airport operating expenses such as payroll, utilities, and debt services. In addition, of the amounts previously made available from the Airport and Airway Trust Fund for operations in the Bipartisan Budget Act of 2018 (Public Law 115-123), up to $25 million may be repurposed to prevent, prepare for, and respond to the COVID-19 public health emergency. FRA received $1.0 billion in Grants to Amtrak to support the railroad’s activities to maintain service for its passengers and support business operations. OST received $56 million in the Essential Air Service and Rural Improvement program to support the small communities to maintain access to the national air transportation system. MARAD received $2 million in appropriations to use in support of State Maritime Academies and the U.S. Merchant Marine Academy, and an additional $2 million to support its Operations and Training program. The OIG received $5 million in appropriations to use for administrative expenses to ensure the COVID-19 projects and activities were carried out as intended with CARES Act funding.

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed into law on December 27, 2020, providing $27 billion in supplemental general fund appropriations to several DOT programs to further the COVID-19 relief efforts. In addition, on March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law providing $43 billion in supplemental appropriations to several DOT programs also in response to COVID-19. FTA received $14 billion in CRRSAA funding and $30.5 billion in ARPA funding in the Transit Infrastructure Grants program to support the nation’s public transportation systems as they continue to respond to the COVID-19 pandemic and support the COVID-19 vaccination efforts. FAA received $2 billion in CRRSAA funding in Grants-In-Aid for Airports and $8 billion in ARPA supplemental funding for Airport Relief Grants. FHWA received $10 billion in CRRSAA supplemental funding in the Highway Infrastructure Programs. FRA received $1 billion and $1.7 billion in CRRSAA and ARPA supplemental funding, respectively, in Grants to Amtrak. OST received $3 billion in ARPA funding in the Aviation Manufacturing Jobs Protection program to provide funding to eligible businesses, to pay compensation costs for certain categories of employees resulting from a reduction in force or furlough due to the COVID-19 public health emergency.
NOTE 24. COVID-19 ACTIVITY (CONT.)

Because Grants-In-Aid for Airports is a trust fund account, budgetary concepts require that the general fund appropriation be deposited to a general fund payment account, apportioned, then transferred to an available trust fund receipt account, fully expending the appropriation. The transfer-in to the available trust fund receipt account is then recorded as an appropriated receipt, apportioned, and available for obligation.

The classification of funds from dedicated collections is made by individual fund. In this case, the general fund payment account is classified as all other funds because its funding comes from general fund appropriations. Whereas, Grants-in-Aid for Airports is classified as funds from dedicated collections. In situations where there is a mixed source of funding, which is the case with Grants-in-Aid for Airports, the classification is based on the predominant source of funding. Even though the appropriated receipt for COVID-19 activity originates from general fund appropriations, the long-term expectation is that the predominant source of funding for Grants-in-Aid for Airports comes from aviation excise taxes, which are non-federal sources to be used for designated purposes.

The below financial information provides the asset, liabilities, net costs, revenue, net position, and budgetary resources of the DOT programs that received COVID-19 funding as of September 30, 2021 and 2020. This note is presented on a combined basis. The combined presentation does not eliminate intra-entity balances or transactions. Fund Balance with Treasury, grant accruals, and excise tax revenue (nonexchange) were significantly impacted by the COVID-19 funding. See Notes 2, 13, and 18.
## NOTE 24. COVID-19 ACTIVITY (CONT.)

### BALANCE SHEET

**As of September 30, 2021**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2021 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury</td>
<td>44,366,307</td>
<td>11,645,351</td>
<td>8,075,010</td>
<td>3,015</td>
<td>2,817,914</td>
<td>356</td>
<td>4,574</td>
<td>66,912,527</td>
</tr>
<tr>
<td>Advances and Prepayments</td>
<td>-</td>
<td>2,030</td>
<td>-</td>
<td>1,015</td>
<td>42</td>
<td>-</td>
<td>-</td>
<td>3,087</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>44,366,307</td>
<td>11,647,381</td>
<td>8,075,010</td>
<td>4,030</td>
<td>2,817,956</td>
<td>356</td>
<td>4,574</td>
<td>66,915,614</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>27</td>
<td>82</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>109</td>
</tr>
<tr>
<td>Advances, Prepayments, and Other Assets</td>
<td>-</td>
<td>-</td>
<td>1,276,801</td>
<td>158,635</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,435,436</td>
</tr>
<tr>
<td>Total with the Public</td>
<td>27</td>
<td>82</td>
<td>1,276,801</td>
<td>158,635</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,435,545</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>44,366,334</td>
<td>11,647,463</td>
<td>8,075,010</td>
<td>1,280,831</td>
<td>2,976,591</td>
<td>356</td>
<td>4,574</td>
<td>68,351,159</td>
</tr>
<tr>
<td><strong>Liabilities and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental Other Liabilities</td>
<td>19</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>19</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>-</td>
<td>186</td>
<td>-</td>
<td>-</td>
<td>603</td>
<td>-</td>
<td>-</td>
<td>789</td>
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<tr>
<td>Federal Employee and Benefits Payable</td>
<td>210</td>
<td>52</td>
<td>1,276,801</td>
<td>158,635</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,960,816</td>
</tr>
<tr>
<td>Grant Accrual</td>
<td>1,077,874</td>
<td>6,438,992</td>
<td>443,950</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,961,902</td>
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<tr>
<td>Other Liabilities</td>
<td>12</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Total with the Public</td>
<td>1,078,096</td>
<td>6,439,253</td>
<td>443,950</td>
<td>-</td>
<td>603</td>
<td>-</td>
<td>-</td>
<td>7,961,929</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,078,115</td>
<td>6,439,261</td>
<td>443,950</td>
<td>-</td>
<td>603</td>
<td>-</td>
<td>-</td>
<td>7,961,929</td>
</tr>
<tr>
<td>Unexpended Appropriations - Funds From Dedicated Collections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,451</td>
<td>-</td>
<td>-</td>
<td>1,451</td>
</tr>
<tr>
<td>Unexpended Appropriations - Funds from Other than Dedicated Collections</td>
<td>43,288,417</td>
<td>4,838,873</td>
<td>7,631,060</td>
<td>1,280,831</td>
<td>2,970,537</td>
<td>356</td>
<td>4,574</td>
<td>60,014,648</td>
</tr>
<tr>
<td>Cumulative Results of Operations - Funds From Dedicated Collections</td>
<td>-</td>
<td>368,363</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>368,363</td>
</tr>
<tr>
<td>Cumulative Results of Operations - Funds from Other than Dedicated Collections</td>
<td>(198)</td>
<td>966</td>
<td>-</td>
<td>-</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td>4,768</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>43,288,219</td>
<td>5,208,202</td>
<td>7,631,060</td>
<td>1,280,831</td>
<td>2,976,591</td>
<td>356</td>
<td>4,574</td>
<td>60,389,230</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Position</strong></td>
<td>44,366,334</td>
<td>11,646,463</td>
<td>8,075,010</td>
<td>1,280,831</td>
<td>2,976,591</td>
<td>356</td>
<td>4,574</td>
<td>68,351,159</td>
</tr>
</tbody>
</table>

### STATEMENT OF NET COST

**For the period ended September 30, 2021**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2021 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12,160,227</td>
<td>7,300,507</td>
<td>2,368,940</td>
<td>1,521,237</td>
<td>107,423</td>
<td>444</td>
<td>344</td>
<td>23,459,122</td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td>12,160,227</td>
<td>7,300,507</td>
<td>2,368,940</td>
<td>1,521,237</td>
<td>107,423</td>
<td>444</td>
<td>344</td>
<td>23,459,122</td>
</tr>
</tbody>
</table>
### Note 24. COVID-19 Activity (Cont.)

#### Statement of Changes in Net Position

**For the period ended September 30, 2021**

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2021 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unexpended Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance (Funds from Dedicated Collections)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 56,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 56,000</td>
</tr>
<tr>
<td>Beginning Balance (Funds from Other than Dedicated Collections)</td>
<td>10,986,944</td>
<td>-</td>
<td>-</td>
<td>102,068</td>
<td>79</td>
<td>800</td>
<td>4,918</td>
<td>11,094,809</td>
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<td>Appropriations Received (Funds from Dedicated Collections)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriations Received (Funds from Other than Dedicated Collections)</td>
<td>44,461,355</td>
<td>10,009,000</td>
<td>10,000,000</td>
<td>2,700,000</td>
<td>3,023,332</td>
<td>-</td>
<td>-</td>
<td>70,193,687</td>
</tr>
<tr>
<td>Appropriations Used (Funds from Dedicated Collections)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,549)</td>
<td>-</td>
<td>-</td>
<td>(54,549)</td>
</tr>
<tr>
<td>Appropriations Used (Funds from Other than Dedicated Collections)</td>
<td>(12,159,882)</td>
<td>(5,170,127)</td>
<td>(2,368,940)</td>
<td>(1,521,237)</td>
<td>(52,874)</td>
<td>(444)</td>
<td>(344)</td>
<td>(21,273,848)</td>
</tr>
<tr>
<td>Total Unexpended Appropriations (Funds from Dedicated Collections)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,451</td>
<td>-</td>
<td>-</td>
<td>1,451</td>
</tr>
<tr>
<td>Total Unexpended Appropriations (Funds from Other than Dedicated Collections)</td>
<td>43,288,417</td>
<td>4,838,873</td>
<td>7,631,060</td>
<td>1,280,831</td>
<td>2,970,537</td>
<td>356</td>
<td>4,574</td>
<td>60,014,648</td>
</tr>
<tr>
<td><strong>Total Unexpended Appropriations - Ending</strong></td>
<td>$ 43,288,417</td>
<td>$ 4,838,873</td>
<td>$ 7,631,060</td>
<td>$ 1,280,831</td>
<td>$ 2,971,988</td>
<td>$ 356</td>
<td>$ 4,574</td>
<td>$ 60,016,099</td>
</tr>
<tr>
<td><strong>Cumulative Results of Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance (Funds from Dedicated Collections)</td>
<td>-</td>
<td>2,503,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,503,690</td>
</tr>
<tr>
<td>Beginning Balance (Funds from Other than Dedicated Collections)</td>
<td>(19)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19)</td>
</tr>
<tr>
<td>Appropriations Used (Funds from Dedicated Collections)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,549</td>
<td>-</td>
<td>-</td>
<td>54,549</td>
</tr>
<tr>
<td>Appropriations Used (Funds from Other than Dedicated Collections)</td>
<td>12,159,882</td>
<td>5,170,127</td>
<td>2,368,940</td>
<td>1,521,237</td>
<td>52,874</td>
<td>444</td>
<td>344</td>
<td>21,273,848</td>
</tr>
<tr>
<td>Transfers-in/(out) Without Reimbursement (Funds from Dedicated Collections)</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Transfers-in/(out) Without Reimbursement (Funds from Other than Dedicated Collections)</td>
<td>-</td>
<td>(4,000)</td>
<td>-</td>
<td>-</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Imputed Financing (Funds from Dedicated Collections)</td>
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<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Imputed Financing (Funds from Other than Dedicated Collections)</td>
<td>166</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166</td>
</tr>
<tr>
<td>Total (Funds From Dedicated Collections)</td>
<td>-</td>
<td>2,503,709</td>
<td>-</td>
<td>-</td>
<td>54,549</td>
<td>-</td>
<td>-</td>
<td>2,558,258</td>
</tr>
<tr>
<td>Total (Funds from Other than Dedicated Collections)</td>
<td>12,160,029</td>
<td>5,166,127</td>
<td>2,368,940</td>
<td>1,521,237</td>
<td>56,874</td>
<td>444</td>
<td>344</td>
<td>21,273,995</td>
</tr>
<tr>
<td><strong>Net Cost of Operations (Funds from Dedicated Collections)</strong></td>
<td>-</td>
<td>2,135,346</td>
<td>-</td>
<td>-</td>
<td>54,549</td>
<td>-</td>
<td>-</td>
<td>2,189,955</td>
</tr>
<tr>
<td><strong>Net Cost of Operations (Funds from Other than Dedicated Collections)</strong></td>
<td>12,160,227</td>
<td>5,165,161</td>
<td>2,368,940</td>
<td>1,521,237</td>
<td>52,874</td>
<td>444</td>
<td>344</td>
<td>21,269,227</td>
</tr>
<tr>
<td><strong>Cumulative Results of Operations (Funds from Dedicated Collections)</strong></td>
<td>-</td>
<td>368,363</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>368,363</td>
</tr>
</tbody>
</table>
## DOLLARS IN THOUSANDS

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2021 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative Results of Operations (Funds from Other than Dedicated Collections)</strong></td>
<td>(198)</td>
<td>966</td>
<td>-</td>
<td>-</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td>4,768</td>
</tr>
<tr>
<td><strong>Total Cumulative Results of Operations - Ending</strong></td>
<td>$ (198)</td>
<td>$ 369,329</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 4,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 373,131</td>
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<tr>
<td><strong>Total Net Position End of Period (Funds from Dedicated Collections)</strong></td>
<td>-</td>
<td>368,363</td>
<td>-</td>
<td>-</td>
<td>1,451</td>
<td>-</td>
<td>-</td>
<td>369,814</td>
</tr>
<tr>
<td><strong>Total Net Position End of Period (Funds from Other than Dedicated Collections)</strong></td>
<td>43,288,219</td>
<td>4,839,839</td>
<td>7,631,060</td>
<td>1,280,831</td>
<td>2,974,537</td>
<td>356</td>
<td>4,574</td>
<td>60,019,416</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ 43,288,219</td>
<td>$ 5,208,202</td>
<td>$ 7,631,060</td>
<td>$ 1,280,831</td>
<td>$ 2,975,988</td>
<td>$ 356</td>
<td>$ 4,574</td>
<td>$ 60,389,230</td>
</tr>
</tbody>
</table>

## COMBINED STATEMENTS OF BUDGETARY RESOURCES

**Budgetary resources**

- **Unobligated Balance From Prior Year Budget Authority, Net**
  - 1,811,782
  - 725,172
  - -
  - 30
  - -
  - 56,000
  - 324
  - 4,918
  - 2,598,226

- **Appropriations**
  - 44,461,356
  - 12,009,000
  - 10,000,000
  - 2,700,000
  - 3,023,332
  - -
  - -
  - 72,193,688

- **Spending Authority From Offsetting Collections**
  - -
  - -
  - -
  - -
  - -
  - -
  - -
  - -

**Total Budgetary Resources**

- 46,273,138
- 12,734,172
- 10,000,000
- 2,700,030
- 3,083,332
- 324
- 4,918
- 74,795,914

**Status of Budgetary Resources**

- **New Obligations and Upward Adjustments**
  - 16,337,089
  - 8,853,630
  - 4,274,192
  - 2,698,030
  - 496,700
  - 34
  - 344
  - 32,660,019

- **Unobligated Balance, End of Year**
  - Apportioned Unexpired Accounts
    - 29,872,005
    - 3,880,542
    - 5,725,808
    - 2,000
    - 2,586,932
    - 290
    - 4,574
    - 42,135,895

- **Unamortized Unexpired Accounts**
  - -
  - -
  - -
  - -
  - -
  - -
  - -
  - -

**Total Budgetary Resources**

- 46,273,138
- 12,734,172
- 10,000,000
- 2,700,030
- 3,083,332
- 324
- 4,918
- 74,795,914

**Outlays, Net**

- **Outlays, Net (total)**
  - 13,129,381
  - 7,232,602
  - 1,924,990
  - 2,697,015
  - 261,418
  - 344
  - 25,246,194

- **Distributed Offsetting Receipts**
  - -
  - (2,000,000)
  - -
  - -
  - -
  - -
  - -

**Agency Outlays, Net**

- 13,129,381
- 5,232,602
- 1,924,990
- 2,697,015
- 261,418
- 344
- 23,246,194

---

**NOTE 24. COVID-19 ACTIVITY (CONT.)**

---

**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

---

**OUTLAYS, NET**

- **Outlays, Net (total)**
  - 13,129,381
  - 7,232,602
  - 1,924,990
  - 2,697,015
  - 261,418
  - 344
  - 25,246,194

- **Distributed Offsetting Receipts**
  - -
  - (2,000,000)
  - -
  - -
  - -
  - -

**Agency Outlays, Net**

- 13,129,381
- 5,232,602
- 1,924,990
- 2,697,015
- 261,418
- 344
- 23,246,194

---

**NOTE 24. COVID-19 ACTIVITY (CONT.)**

---

**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

---

**OUTLAYS, NET**

- **Outlays, Net (total)**
  - 13,129,381
  - 7,232,602
  - 1,924,990
  - 2,697,015
  - 261,418
  - 344
  - 25,246,194

- **Distributed Offsetting Receipts**
  - -
  - (2,000,000)
  - -
  - -
  - -

**Agency Outlays, Net**

- 13,129,381
- 5,232,602
- 1,924,990
- 2,697,015
- 261,418
- 344
- 23,246,194
### Note 24. COVID-19 Activity (Cont.)

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2020 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Assets</strong></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury</td>
<td>$13,034,332</td>
<td>$6,868,828</td>
<td>$-</td>
<td>$30</td>
<td>$56,000</td>
<td>$800</td>
<td>$4,918</td>
<td>$19,964,908</td>
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<td>1,500</td>
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<td>-</td>
<td>-</td>
<td>1,500</td>
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<tr>
<td>Advances and Prepayments</td>
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<td>2,699</td>
<td>-</td>
<td>-</td>
<td>79</td>
<td>-</td>
<td>-</td>
<td>2,778</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
<td>$13,034,332</td>
<td>$6,873,027</td>
<td>$-</td>
<td>$30</td>
<td>$56,079</td>
<td>$800</td>
<td>$4,918</td>
<td>$19,969,186</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances, Prepayments, and Other Assets</td>
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<td>-</td>
<td>102,038</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,038</td>
<td></td>
</tr>
<tr>
<td>Total with the Public</td>
<td>-</td>
<td>-</td>
<td>102,038</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,038</td>
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</tr>
<tr>
<td>Total Assets</td>
<td>$13,034,332</td>
<td>$6,873,027</td>
<td>$-</td>
<td>$30</td>
<td>$56,079</td>
<td>$800</td>
<td>$4,918</td>
<td>$20,071,224</td>
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<tr>
<td><strong>Liabilities and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>$8</td>
<td>$9</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$17</td>
</tr>
<tr>
<td>Total Intragovernmental</td>
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<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17</td>
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<tr>
<td>Accounts Payable</td>
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<td>141</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>141</td>
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<td>Federal Employee and Benefits Payable</td>
<td>19</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66</td>
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<td>Grant Accrual</td>
<td>2,047,354</td>
<td>4,369,120</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,416,474</td>
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<tr>
<td>Other Liabilities</td>
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<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47</td>
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<tr>
<td>Total with the Public</td>
<td>2,047,400</td>
<td>4,369,328</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,416,728</td>
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<td>Total Liabilities</td>
<td>$2,047,408</td>
<td>$4,369,337</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$6,416,745</td>
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<td>Unexpended Appropriations - Funds From Dedicated Collections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>56,000</td>
<td>-</td>
<td>-</td>
<td>56,000</td>
</tr>
<tr>
<td>Unexpended Appropriations - Funds from Other than Dedicated Collections</td>
<td>10,986,943</td>
<td>-</td>
<td>-</td>
<td>102,068</td>
<td>79</td>
<td>800</td>
<td>4,918</td>
<td>11,094,808</td>
</tr>
<tr>
<td>Cumulative Results of Operations - Funds From Dedicated Collections</td>
<td>-</td>
<td>2,503,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,503,690</td>
</tr>
<tr>
<td>Cumulative Results of Operations - Funds from Other than Dedicated Collections</td>
<td>(19)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19)</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>10,986,924</td>
<td>2,503,690</td>
<td>-</td>
<td>102,068</td>
<td>56,079</td>
<td>800</td>
<td>4,918</td>
<td>13,654,479</td>
</tr>
<tr>
<td>Total Liabilities and Net Position</td>
<td>$13,034,332</td>
<td>$6,873,027</td>
<td>$-</td>
<td>$102,068</td>
<td>$56,079</td>
<td>$800</td>
<td>$4,918</td>
<td>$20,071,224</td>
</tr>
</tbody>
</table>

### Statement of Net Cost

**For the period ended September 30, 2020**

<table>
<thead>
<tr>
<th></th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Costs</strong></td>
<td>$14,013,092</td>
<td>$7,520,994</td>
<td>$-</td>
<td>$916,182</td>
<td>$1,674</td>
<td>$3,334</td>
<td>$82</td>
<td>$22,455,358</td>
</tr>
</tbody>
</table>

**Net Cost of Operations**

|                  | $14,013,092 | $7,520,994 | $- | $916,182 | $1,674 | $3,334 | $82 | $22,455,358 |
NOTE 24. COVID-19 ACTIVITY (CONT.)

STATEMENT OF CHANGES IN NET POSITION
For the period ended September 30, 2020

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2020 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unexpended Appropriations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations Received (Funds from Dedicated Collections)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$56,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$56,000</td>
</tr>
<tr>
<td>Appropriations Received (Funds from Other than Dedicated Collections)</td>
<td>25,000,000</td>
<td>10,000,000</td>
<td>-</td>
<td>1,018,250</td>
<td>1,753</td>
<td>4,134</td>
<td>5,000</td>
<td>36,029,137</td>
</tr>
<tr>
<td>Appropriations Used (Funds from Other than Dedicated Collections)</td>
<td>(14,013,056)</td>
<td>(10,000,000)</td>
<td>-</td>
<td>(916,182)</td>
<td>(1,674)</td>
<td>(3,334)</td>
<td>(82)</td>
<td>(24,934,328)</td>
</tr>
<tr>
<td>Total Unexpended Appropriations (Funds from Dedicated Collections)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$56,000</td>
<td>-</td>
<td>-</td>
<td>$56,000</td>
</tr>
<tr>
<td>Total Unexpended Appropriations (Funds from Other than Dedicated Collections)</td>
<td>10,986,944</td>
<td>-</td>
<td>-</td>
<td>102,068</td>
<td>79</td>
<td>800</td>
<td>4,918</td>
<td>11,094,809</td>
</tr>
<tr>
<td>Total Unexpended Appropriations</td>
<td>$10,986,944</td>
<td>$ -</td>
<td>$ -</td>
<td>$102,068</td>
<td>$56,079</td>
<td>$800</td>
<td>$4,918</td>
<td>$11,150,809</td>
</tr>
</tbody>
</table>

Cumulative Results of Operations
Beginning Balance (Funds from Dedicated Collections) | - | 25,000 | - | - | - | - | - | 25,000 |
| Appropriations Used (Funds from Other than Dedicated Collections) | 14,013,056 | 10,000,000 | - | 916,182 | 1,674 | 3,334 | 82 | 24,934,328 |
| Transfers-in/out Without Reimbursement (Funds from Dedicated Collections) | - | 9,999,674 | - | - | - | - | - | 9,999,674 |
| Transfers-in/out Without Reimbursement (Funds from Other than Dedicated Collections) | - | (10,000,000) | - | - | - | - | - | (10,000,000) |
| Imputed Financing (Funds from Dedicated Collections) | - | 10 | - | - | - | - | - | 10 |
| Imputed Financing (Funds from Other than Dedicated Collections) | 17 | - | - | - | - | - | - | 17 |
| Total (Funds From Dedicated Collections) | - | 10,024,684 | - | - | - | - | - | 10,024,684 |
| Total (Funds from Other than Dedicated Collections) | 14,013,073 | - | - | 916,182 | 1,674 | 3,334 | 82 | 14,934,345 |

Net Cost of Operations (Funds from Dedicated Collections) | - | 7,520,994 | - | - | - | - | - | 7,520,994 |
| Net Cost of Operations (Funds from Other than Dedicated Collections) | 14,013,092 | - | - | 916,182 | 1,674 | 3,334 | 82 | 14,934,364 |
| Cumulative Results of Operations (Funds from Dedicated Collections) | - | 2,503,690 | - | - | - | - | - | 2,503,690 |
NOTE 24. COVID-19 ACTIVITY (CONT.)

DOLLARS IN THOUSANDS

<table>
<thead>
<tr>
<th></th>
<th>FTA</th>
<th>FAA</th>
<th>FHWA</th>
<th>FRA</th>
<th>OST</th>
<th>MARAD</th>
<th>OIG</th>
<th>Fiscal Year 2020 Total Programs and Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Results of Operations (Funds from Other than Dedicated Collections)</td>
<td>(19)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19)</td>
</tr>
<tr>
<td>Total Cumulative Results of Operations</td>
<td>(19)</td>
<td>2,503,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,503,671</td>
</tr>
<tr>
<td>Total Net Position End of Period (Funds from Dedicated Collections)</td>
<td>-</td>
<td>2,503,690</td>
<td>-</td>
<td>-</td>
<td>56,000</td>
<td>-</td>
<td>-</td>
<td>2,559,690</td>
</tr>
<tr>
<td>Total Net Position End of Period (Funds from Other than Dedicated Collections)</td>
<td>10,986,925</td>
<td>-</td>
<td>102,068</td>
<td>79</td>
<td>800</td>
<td>4,918</td>
<td>11,094,790</td>
<td></td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$ 10,986,925</td>
<td>$ 2,503,690</td>
<td>$ -</td>
<td>$ 102,068</td>
<td>$ 56,079</td>
<td>$ 800</td>
<td>$ 4,918</td>
<td>$ 13,654,480</td>
</tr>
</tbody>
</table>

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the period ended September 30, 2020

Budgetary Resources

Unobligated Balance From Prior Year
Budget Authority, Net
Appropriations
Total Budgetary Resources

Status of budgetary resources

New Obligations and Upward Adjustments
Unobligated Balance, End of Year
Apportioned Unexpired Accounts
Unobligated Balance, End of Year
Total Budgetary Resources

Outlays, net

Outlays, Net (total)
Distributed Offsetting Receipts
Agency Outlays, Net
NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILED PROCESS

To prepare the Financial Report of the U.S. Government (FR), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the DOT financial statements and the DOT reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items. A copy of the 2020 FR can be found here: [https://www.fiscal.treasury.gov/reports-statements/](https://www.fiscal.treasury.gov/reports-statements/) and a copy of the 2021 FR will be posted to this site as soon as it is released.

The term “intragovernmental” is used in this note to refer to the amounts that result from other components of the Federal Government. The term “non-Federal” is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments.

<table>
<thead>
<tr>
<th>FY 2021 U.S. DOT BALANCE SHEET</th>
<th>LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE BALANCE SHEET</th>
<th>Reclassified Financial Statement Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statement Line</td>
<td>Amounts</td>
<td>Dedicated Collections Combined</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intragovernmental Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance with Treasury</td>
<td>$114,363,099</td>
<td>$11,962,727</td>
</tr>
<tr>
<td>Investments, Net</td>
<td>30,264,917</td>
<td>30,207,470</td>
</tr>
<tr>
<td>Total Investments, Net</td>
<td>30,264,917</td>
<td>30,264,917</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>88,926</td>
<td>29,056</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74,652,838</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,528</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>88,926</td>
<td>74,696,422</td>
</tr>
<tr>
<td>Advances and Prepayments</td>
<td>18,929</td>
<td>351,776</td>
</tr>
<tr>
<td>Total Intragovernmental Assets</td>
<td>144,735,871</td>
<td>117,275,842</td>
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<tr>
<td>With the Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>104,738</td>
<td>49,594</td>
</tr>
<tr>
<td>Loans Receivable, Net</td>
<td>15,245,491</td>
<td>-</td>
</tr>
</tbody>
</table>
## NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS (CONT.)

### FY 2021 U.S. DOT BALANCE SHEET - LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE BALANCE SHEET

<table>
<thead>
<tr>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
<th>Reclassified Financial Statement Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory and Related Property, Net</td>
<td>1,037,990</td>
<td>-</td>
<td>-</td>
<td>1,037,990</td>
<td>-</td>
<td>1,037,990</td>
<td>Inventory and Related Property, Net</td>
</tr>
<tr>
<td>General Property &amp; Equipment, Net</td>
<td>12,711,237</td>
<td>3,309,721</td>
<td>-</td>
<td>9,401,516</td>
<td>-</td>
<td>12,711,237</td>
<td>General Property Plant &amp; Equipment, Net</td>
</tr>
<tr>
<td>Advances and Prepayments</td>
<td>2,981,814</td>
<td>1,743</td>
<td>-</td>
<td>2,980,071</td>
<td>-</td>
<td>2,981,814</td>
<td>Advances to Others and Prepayments</td>
</tr>
<tr>
<td><strong>Total Assets With the Public</strong></td>
<td><strong>32,081,270</strong></td>
<td><strong>3,361,058</strong></td>
<td>-</td>
<td><strong>28,720,212</strong></td>
<td>-</td>
<td><strong>32,081,270</strong></td>
<td>Total Assets With the Public</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>176,817,141</strong></td>
<td><strong>120,636,900</strong></td>
<td><strong>(74,671,152)</strong></td>
<td><strong>131,398,476</strong></td>
<td><strong>(547,083)</strong></td>
<td><strong>176,817,141</strong></td>
<td>Total Assets</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Intragovernmental</th>
<th>Intragovernmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>12,887</td>
</tr>
<tr>
<td></td>
<td>216,047</td>
</tr>
<tr>
<td></td>
<td>4,842</td>
</tr>
<tr>
<td></td>
<td>12,887</td>
</tr>
<tr>
<td>74,639,838</td>
<td>(74,639,838)</td>
</tr>
<tr>
<td>74,855,885</td>
<td>(74,640,007)</td>
</tr>
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<td></td>
<td>4,842</td>
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<tr>
<td></td>
<td>12,887</td>
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<tr>
<td>Debt</td>
<td>15,065,013</td>
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<tr>
<td></td>
<td>-</td>
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<tr>
<td></td>
<td>15,065,013</td>
</tr>
<tr>
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<td>15,065,013</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>674,370</td>
</tr>
<tr>
<td>Other</td>
<td>1,560,552</td>
</tr>
<tr>
<td></td>
<td>251,223</td>
</tr>
<tr>
<td></td>
<td>-</td>
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<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>251,223</td>
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<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>264,239</td>
</tr>
<tr>
<td>(2)</td>
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</tr>
<tr>
<td></td>
<td>1,232,670</td>
</tr>
<tr>
<td></td>
<td>1,232,668</td>
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<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>63,645</td>
</tr>
<tr>
<td>Total Other – Intragovernmental Liabilities</td>
<td>1,560,552</td>
</tr>
<tr>
<td></td>
<td>307,475</td>
</tr>
<tr>
<td></td>
<td>-</td>
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<tr>
<td></td>
<td>(14,528)</td>
</tr>
<tr>
<td></td>
<td>1,560,552</td>
</tr>
<tr>
<td>Total Intragovernmental Liabilities</td>
<td>17,312,822</td>
</tr>
<tr>
<td></td>
<td>75,462,944</td>
</tr>
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<td></td>
<td>17,067,398</td>
</tr>
<tr>
<td></td>
<td>17,312,822</td>
</tr>
</tbody>
</table>
## NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS (CONT.)

<table>
<thead>
<tr>
<th>FY 2021 U.S. DOT BALANCE SHEET</th>
<th>LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE BALANCE SHEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statement Line</td>
<td>Amounts</td>
</tr>
<tr>
<td>With the Public</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>565,931</td>
</tr>
<tr>
<td>Loan Guarantee Liabilities</td>
<td>145,644</td>
</tr>
<tr>
<td>Federal Employee Benefits Payable</td>
<td>1,495,873</td>
</tr>
<tr>
<td>Environmental and Disposal Liabilities</td>
<td>864,883</td>
</tr>
<tr>
<td>Advances from Others and Deferred Revenue</td>
<td>279,028</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accrued Grant Liabilities</td>
<td>16,091,015</td>
</tr>
<tr>
<td>Other</td>
<td>546,751</td>
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<tr>
<td>Total Other Liabilities</td>
<td>16,637,766</td>
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<tr>
<td>Total Liabilities with the Public</td>
<td>19,989,125</td>
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<tr>
<td>Total Liabilities</td>
<td>$ 37,301,947</td>
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</tbody>
</table>

## NET POSITION

<table>
<thead>
<tr>
<th>Unexpended Appropriations – Funds from Dedicated Collections (Combined)</th>
<th>$ 719,382</th>
<th>$ 719,382</th>
<th>$ -</th>
<th>$ -</th>
<th>$ -</th>
<th>$ 719,382</th>
<th>Net Position – Funds from Dedicated Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unexpended Appropriations – All Other Funds (Combined)</td>
<td>95,377,129</td>
<td>-</td>
<td>-</td>
<td>95,377,129</td>
<td>-</td>
<td>95,377,129</td>
<td>Net Position – Funds Other than those from Dedicated Collections</td>
</tr>
<tr>
<td>Cumulative Results of Operations – Funds from Dedicated Collections (Combined)</td>
<td>32,310,357</td>
<td>32,310,357</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,310,357</td>
<td>Net Position – Funds from Dedicated Collections</td>
</tr>
<tr>
<td>Cumulative Results of Operations – All Other Funds (Combined)</td>
<td>11,108,326</td>
<td>-</td>
<td>-</td>
<td>11,108,326</td>
<td>-</td>
<td>11,108,326</td>
<td>Net Position – Funds Other than those from Dedicated Collections</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>139,515,194</td>
<td>33,029,739</td>
<td>-</td>
<td>106,485,455</td>
<td>-</td>
<td>139,515,194</td>
<td>Total Net Position</td>
</tr>
<tr>
<td>Total Liabilities &amp; Net Position</td>
<td>$ 176,817,141</td>
<td>$ 120,636,897</td>
<td>$(74,670,976)</td>
<td>$ 131,397,764</td>
<td>$(546,544)</td>
<td>$ 176,817,141</td>
<td>Total Liabilities &amp; Net Position</td>
</tr>
</tbody>
</table>

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**NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS (CONT.)**

<table>
<thead>
<tr>
<th>FY 2021 U.S. DOT STATEMENT OF NET COST</th>
<th>LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE STATEMENT OF NET COST</th>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
<th>Reclassified Financial Statement Line</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Costs</strong></td>
<td></td>
<td>$ 104,922,406</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-Federal Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 67,683,060</td>
<td>$ -</td>
<td>$ 33,054,246</td>
<td></td>
<td>$ -</td>
<td></td>
<td>$ 100,737,306</td>
<td>Non-Federal Gross Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67,683,060</td>
<td>-</td>
<td>33,054,246</td>
<td></td>
<td>-</td>
<td></td>
<td>100,737,306</td>
<td>Total Non-Federal Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Intragovernmental Costs</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,929,015</td>
<td>-</td>
<td>167,199</td>
<td></td>
<td>-</td>
<td></td>
<td>2,096,214</td>
<td>Benefit Program Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>421,398</td>
<td>-</td>
<td>63,269</td>
<td></td>
<td>-</td>
<td></td>
<td>484,667</td>
<td>Imputed Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,054,863</td>
<td>(14,816)</td>
<td>91,749</td>
<td>(556,923)</td>
<td>574,873</td>
<td></td>
<td></td>
<td>Buy/Sell Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75,197</td>
<td>(735)</td>
<td>550</td>
<td>(44,897)</td>
<td>30,115</td>
<td></td>
<td></td>
<td>Purchase of Assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>413</td>
<td>-</td>
<td>552,994</td>
<td></td>
<td>-</td>
<td></td>
<td>553,407</td>
<td>Borrowing and Other Interest Expense</td>
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<td></td>
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<td>429,121</td>
<td>-</td>
<td>46,818</td>
<td></td>
<td>-</td>
<td></td>
<td>475,939</td>
<td>Other Expenses (w/o Reciprocals)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(75,197)</td>
<td>735</td>
<td>(550)</td>
<td>44,897</td>
<td>(30,115)</td>
<td></td>
<td></td>
<td>Purchase of Assets Offset</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,834,810</td>
<td>(14,816)</td>
<td>922,029</td>
<td>(556,923)</td>
<td>4,185,100</td>
<td></td>
<td></td>
<td><strong>Total Intragovernmental Costs</strong></td>
</tr>
<tr>
<td><strong>Total Gross Costs</strong></td>
<td></td>
<td>$ 104,922,406</td>
<td>71,517,870</td>
<td>33,976,275</td>
<td>(556,923)</td>
<td>104,922,406</td>
<td></td>
<td></td>
<td><strong>Total Reclassified Gross Costs</strong></td>
</tr>
<tr>
<td><strong>Earned Revenue</strong></td>
<td></td>
<td>2,071,703</td>
<td>415,887</td>
<td>-</td>
<td>559,285</td>
<td>-</td>
<td></td>
<td>975,172</td>
<td>Non-Federal Earned Revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Intragovernmental Revenue</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>328,562</td>
<td>(16,081)</td>
<td>1,282,735</td>
<td>(593,290)</td>
<td>1,001,926</td>
<td></td>
<td></td>
<td>Buy/Sell Revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15,249</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>15,249</td>
<td>Federal Securities Interest Revenue Including Associated Gains/ Losses (Exchange)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>-</td>
<td>79,356</td>
<td></td>
<td>-</td>
<td></td>
<td>79,356</td>
<td>Borrowing and Other Interest Revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>343,812</td>
<td>(16,081)</td>
<td>1,362,090</td>
<td>(593,290)</td>
<td>1,096,531</td>
<td></td>
<td></td>
<td><strong>Total Intragovernmental Earned Revenue</strong></td>
</tr>
<tr>
<td><strong>Total Earned Revenue</strong></td>
<td></td>
<td>2,071,703</td>
<td>759,699</td>
<td>(16,081)</td>
<td>1,921,375</td>
<td>(593,290)</td>
<td>2,071,703</td>
<td></td>
<td><strong>Total Reclassified Earned Revenue</strong></td>
</tr>
<tr>
<td><strong>Net Cost of Operations</strong></td>
<td></td>
<td>$ 102,850,703</td>
<td>$ 70,758,171</td>
<td>$ 1,265</td>
<td>$ 32,054,900</td>
<td>$ 36,367</td>
<td>$ 102,850,703</td>
<td></td>
<td>Net Cost of Operations</td>
</tr>
</tbody>
</table>
**NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILED PROCESS (CONT.)**

<table>
<thead>
<tr>
<th>FY 2021 U.S. DOT STATEMENT OF NET COST</th>
<th>LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE STATEMENT OF NET COST</th>
<th>Reclassified Financial Statement Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statement Line</td>
<td>Amounts</td>
<td>Total</td>
</tr>
<tr>
<td>Exchange Statement of Custodial Activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange Custodial Collections from Note on Custodial Collections</td>
<td>15,100</td>
<td>13,222</td>
</tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Exchange Custodial Collections</td>
<td>15,100</td>
<td>15,100</td>
</tr>
<tr>
<td>Disposition of Exchange Custodial Collections from Note on Custodial Collections</td>
<td>(15,100)</td>
<td>(15,100)</td>
</tr>
</tbody>
</table>
### NOTE 25. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, & STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS (CONT.)

<table>
<thead>
<tr>
<th>FY 2021 U.S. DOT STATEMENT OF CHANGES IN NET POSITION</th>
<th>LINE ITEMS USED TO PREPARE FY 2021 GOVERNMENT-WIDE STATEMENT OF CHANGES IN NET POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statement Line</td>
<td>Amounts</td>
</tr>
<tr>
<td>UNEXPENDED APPROPRIATIONS</td>
<td></td>
</tr>
<tr>
<td>Unexpended Appropriations, Beginning Balance</td>
<td>$ 45,814,162</td>
</tr>
<tr>
<td>Appropriations Received</td>
<td>110,128,932</td>
</tr>
<tr>
<td>Appropriations Transferred In/Out</td>
<td>10,000</td>
</tr>
<tr>
<td>Total Appropriations Transferred In/Out</td>
<td>10,000</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>(539,719)</td>
</tr>
<tr>
<td>Appropriations Used</td>
<td>(59,316,864)</td>
</tr>
<tr>
<td>Total Unexpended Appropriations: Ending</td>
<td>$ 96,096,511</td>
</tr>
<tr>
<td>CUMULATIVE RESULTS OF OPERATIONS</td>
<td></td>
</tr>
<tr>
<td>Cumulative Results, Beginning Balance</td>
<td>35,608,737</td>
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<tr>
<td>Other Adjustments</td>
<td>(64)</td>
</tr>
<tr>
<td>Appropriations Used</td>
<td>59,316,864</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Statement Line</strong></td>
<td><strong>Dedicated Collections Combined</strong></td>
</tr>
<tr>
<td>Non-Exchange Revenue</td>
<td>52,004,794</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Non-Exchange Revenue</td>
<td>290,059</td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Exchange Revenue</td>
<td>52,004,794</td>
</tr>
<tr>
<td>Donations and Forfeitures of Cash/Cash Equivalents</td>
<td>1,272</td>
</tr>
</tbody>
</table>

**Non-Federal Non-Exchange Revenues**

Other Taxes and Receipts

**Total Non-Federal Non-Exchange Revenues**

Federal Securities Interest Revenue

Borrowings and Other Interest Revenue

Collections Transferred to a Treasury Account Symbol (TAS) Other Than the General Fund of the U.S. Government

Accrual for Entity Amounts to be Collected in a TAS Other Than the General Fund

Other Taxes and Receipts

**Total Federal Non-Exchange Revenue**

**Total Reclassified Non-Exchange Revenues**

Donations and Forfeitures of Cash/Cash Equivalents
## FY 2021 U.S. DOT STATEMENT OF CHANGES IN NET POSITION

### Line Items Used to Prepare FY 2021 Government-Wide Statement of Changes in Net Position

<table>
<thead>
<tr>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers-In/Out w/o Reimbursement</td>
<td>38,209</td>
<td>151,082</td>
<td>(151,082)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(151,082)</td>
<td>151,082</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>79,657,578</td>
<td>(79,634,578)</td>
<td>1,606</td>
<td>(1,607)</td>
<td>22,999</td>
<td>Non-Expenditure Transfers-In of Financing Sources</td>
<td></td>
</tr>
<tr>
<td>(79,636,446)</td>
<td>79,634,578</td>
<td>-</td>
<td>1,607</td>
<td>(261)</td>
<td>Non-Expenditure Transfers-Out of Financing Sources</td>
<td></td>
</tr>
<tr>
<td>38,521,922</td>
<td>(10,542,270)</td>
<td>14,099</td>
<td>(27,993,610)</td>
<td>141</td>
<td>Expenditure Transfers-In of Financing Sources</td>
<td></td>
</tr>
<tr>
<td>(10,552,270)</td>
<td>10,542,270</td>
<td>(30,379,610)</td>
<td>30,389,610</td>
<td>-</td>
<td>Expenditure Transfers-Out of Financing Sources</td>
<td></td>
</tr>
<tr>
<td>(63,920)</td>
<td>140,401</td>
<td>840,494</td>
<td>(901,417)</td>
<td>15,558</td>
<td>Transfers-In w/o Reimbursement</td>
<td></td>
</tr>
<tr>
<td>(790,692)</td>
<td>(68,442)</td>
<td>(98,248)</td>
<td>957,154</td>
<td>(228)</td>
<td>Transfers-Out w/o Reimbursement</td>
<td></td>
</tr>
<tr>
<td>27,136,172</td>
<td>71,959</td>
<td>(29,621,659)</td>
<td>2,451,737</td>
<td>38,209</td>
<td>Total Reclassified Transfers-In/Out w/o Reimbursement</td>
<td></td>
</tr>
</tbody>
</table>

- **Donations and Forfeitures of Property**: 25,703
- **Imputed Financing**: 484,667
- **Other**: (1,210,796)

### Financial Statement Line

<table>
<thead>
<tr>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and Forfeitures of Property</td>
<td>25,703</td>
<td>-</td>
<td>-</td>
<td>25,703</td>
<td>-</td>
<td>25,703</td>
</tr>
<tr>
<td>Imputed Financing</td>
<td>484,667</td>
<td>421,398</td>
<td>-</td>
<td>63,269</td>
<td>-</td>
<td>484,667</td>
</tr>
<tr>
<td>Other</td>
<td>(1,210,796)</td>
<td>-</td>
<td>-</td>
<td>(460,442)</td>
<td>-</td>
<td>(460,442)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(783,631)</td>
<td>-</td>
<td>(783,631)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,097,680)</td>
<td>-</td>
<td>1,097,680</td>
<td>-</td>
<td>-</td>
<td>Borrowings and Other Interest Revenue (Non-exchange)</td>
<td></td>
</tr>
<tr>
<td>33,061</td>
<td>-</td>
<td>216</td>
<td>-</td>
<td>33,277</td>
<td>Other Taxes and Receipts</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other</strong></td>
<td>(1,210,796)</td>
<td>(1,064,619)</td>
<td>-</td>
<td>(146,177)</td>
<td>-</td>
<td>(1,210,796)</td>
</tr>
</tbody>
</table>

### Net Cost of Operations

<table>
<thead>
<tr>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cost of Operations</td>
<td>102,850,703</td>
<td>70,758,171</td>
<td>-</td>
<td>32,092,532</td>
<td>-</td>
<td>102,850,703</td>
</tr>
</tbody>
</table>
### FY 2021 U.S. DOT Statement of Changes in Net Position

<table>
<thead>
<tr>
<th>Financial Statement Line</th>
<th>Amounts</th>
<th>Dedicated Collections Combined</th>
<th>Dedicated Collections Eliminations</th>
<th>All Other Amounts (with Eliminations)</th>
<th>Eliminations Between Dedicated Collections and All Other</th>
<th>Total</th>
<th>Reclassified Financial Statement Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Balance – Cumulative Results of Operations</td>
<td>43,418,683</td>
<td>32,310,357</td>
<td>71,959</td>
<td>8,584,630</td>
<td>2,451,737</td>
<td>43,418,683</td>
<td>Net Position – Ending Balance</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$139,515,194</td>
<td>$33,029,739</td>
<td>$71,959</td>
<td>$103,961,759</td>
<td>$2,451,737</td>
<td>$139,515,194</td>
<td></td>
</tr>
</tbody>
</table>

### Non-Exchange Statement of Custodial Activity

| Non-Exchange Custodial Collections from the Note on Custodial Activity | 171,795 | - | - | 171,795 | - | 171,795 | Other Taxes and Receipts |
| Disposition of Non-Exchange Custodial Collections from the Note on Custodial Activity | (171,795) | - | - | (70,268) | - | (70,268) | Non-Entity Custodial Collections Transferred to the General Fund |
| | - | - | (104,377) | - | (104,377) | Collections Transferred to a TAS Other Than the General Fund of the U.S. Government |
| | - | - | 5,271 | - | 5,271 | Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government |
| Total Disposition of Non-Exchange Custodial Collections | (171,795) | - | - | (171,795) | - | (171,795) | Total Reclassified Disposition of Non-Exchange Custodial Collections |
Required Supplementary Information

DEFERRED MAINTENANCE AND REPAIR (UNAUDITED)

For the period ended September 30, 2021

<table>
<thead>
<tr>
<th>DOT Entity</th>
<th>Major Class of Asset</th>
<th>Description</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA</td>
<td>Staffed Facilities</td>
<td>Buildings, structures, and facilities at major and nonmajor airports</td>
<td>$364,107</td>
<td>$617,439</td>
</tr>
<tr>
<td></td>
<td>Unstaffed Facilities</td>
<td>Long range radars; unstaffed infrastructure and fuel storage tanks</td>
<td>1,077,861</td>
<td>1,107,515</td>
</tr>
<tr>
<td>MARAD</td>
<td>Vessels</td>
<td>Ready Reserve Force ships and vessels at various locations</td>
<td>42,654</td>
<td>44,138</td>
</tr>
<tr>
<td></td>
<td>Buildings</td>
<td>Real property structure—U.S. Merchant Marine Academy</td>
<td>67,913</td>
<td>67,913</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td><strong>$1,552,535</strong></td>
<td><strong>$1,837,005</strong></td>
</tr>
</tbody>
</table>

Deferred Maintenance and Repairs (DM&R) are maintenance and repairs that were not performed when they should have been or were scheduled to be performed and delayed until a future period. Maintenance and repairs are the act of keeping fixed assets in acceptable condition, and they include preventative maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve assets in a condition to provide acceptable service and to achieve expected useful lives.

DOT’s reporting of DM&R includes the Operating Administrations of FAA and MARAD, which include facilities critical to our Nation’s airspace and maritime operations.

The FAA deferred maintenance includes facilities that must be maintained at 90 to 95 percent of prescribed levels to be considered in fair condition or better. DM&R are estimated using condition assessment surveys to establish Facilities Condition Index scores and lifecycle short forecasts. The estimates include FAA’s buildings, structures and facilities both staffed and unstaffed. The staffed facilities that directly support air traffic control operations are assessed for DM&R and lifecycle costs on a rotating basis by a qualified engineering firm. DM&R for unstaffed infrastructure facilities is determined by facility surveys.

DM&R estimates for the FAA long-range radar facilities supporting critical airspace system facilities were computed through actual onsite facility assessments based on the Plant (facility) Replacement Value as estimated by the long-range radar planning and requirements specialist located in FAA’s service centers. DM&R calculations for fuel storage tanks are determined based on their age. Additionally, FAA revised the methodology for computing the deferred maintenance for unstaffed infrastructure in FY 2017. FAA now maintains an itemized database that contains all active capital assets along with their associated lifecycles and replacement costs. The current computation is based upon asset lifecycles instead of the previous estimate methodology which was based upon a 2008 engineering assessment and annual sustainment requirements.

The DM&R at MARAD includes Ready Reserve Force (RRF) vessels at various locations, National Defense Reserve Fleet (NDRF) and facilities, and the U.S. Merchant Marine Academy (USMMA). MARAD maintains RRF vessels in accordance with their assigned readiness status and current condition status. The current condition status is a function of required repairs of deficiencies and their impact on the ability to activate and operate a vessel in accordance with the readiness status. MARAD ship managers prioritize preventive maintenance actions, repair, and upgrade actions in accordance with the activities' impact to readiness. Exclusions were made for environmental initiatives work not normally considered maintenance because these represent enhancements for energy savings impacting the environment or other environmental impacts.
NDRF and fleet facilities are required to maintain updated facility condition assessment documentation and fleet craft servicing plans to ensure facilities are maintaining acceptable operational and infrastructural conditions for mission accomplishment. In support of this, appropriate planning and budgeting is performed throughout the year. Priorities are assigned based upon annual budget guidance. The NDRF fleets and facilities acceptable condition is determined by the fleet organization’s ability to accomplish the fleet mission, meet all fleet policy objectives, and comply with annual budget guidance. The NDRF fleets and facilities acceptable condition is determined by the fleet organization’s ability to accomplish the fleet mission, meet all fleet policy objectives, and comply with annual budget guidance. MARAD Resource Management Board has concluded that it has sufficient resources to fund requirements necessary to maintain NDRF and fleet facilities in acceptable condition. Projects that would improve fleet conditions beyond just acceptable conditions remain in budget submissions mainly for visibility purposes and to support future decisions if critical factors change and the improvements themselves become mission critical. This change resulted in zero DM&R costs for NDRF and fleet facilities.

The Computerized Maintenance Management System, or CMMS, is primarily used to track maintenance and repairs on the USMMA property and equipment and generating preventative maintenance schedules on a predetermined period. DM&R activities are prioritized based on life and safety concerns as determined by the USMMA Department of Public Works management and USMMA environmental department. Acceptable condition standards must meet the established maintenance standards and operate efficiently under normal life expectancy. Scheduled maintenance is sufficient to maintain the current condition or meet the minimum standards while requiring additional maintenance or repair to prevent further deterioration, increase operating efficiency, and to achieve normal life expectancy.
## COMBINING STATEMENTS OF BUDGETARY RESOURCES BY MAJOR ACCOUNT (UNAUDITED)

For the period ended September 30, 2021

<table>
<thead>
<tr>
<th><strong>DOLLARS IN THOUSANDS</strong></th>
<th>Federal-Aid</th>
<th>FAA</th>
<th>FTA</th>
<th>MARAD</th>
<th>All Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGETARY RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unobligated Balance From Prior Year Budget Authority, Net</td>
<td>$20,799,060</td>
<td>$6,775,933</td>
<td>$19,127,870</td>
<td>$1,388,673</td>
<td>$13,029,941</td>
<td>$61,121,477</td>
</tr>
<tr>
<td>Appropriations (Note 1W)</td>
<td>-</td>
<td>41,032,106</td>
<td>47,268,169</td>
<td>1,232,709</td>
<td>37,059,588</td>
<td>126,592,572</td>
</tr>
<tr>
<td>Borrowing Authority</td>
<td>-</td>
<td>89</td>
<td>10,565,830</td>
<td>10,565,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Authority</td>
<td>46,099,471</td>
<td>3,350,000</td>
<td>10,999,178</td>
<td>1,219,413</td>
<td>12,678,062</td>
<td></td>
</tr>
<tr>
<td>Spending Authority From Offsetting Collections</td>
<td>715,390</td>
<td>11,222,619</td>
<td>199</td>
<td>620,908</td>
<td>1,619,932</td>
<td>14,179,048</td>
</tr>
<tr>
<td><strong>Total Budgetary Resources</strong></td>
<td>$67,613,921</td>
<td>$62,380,658</td>
<td>$77,395,416</td>
<td>$3,242,379</td>
<td>$64,594,704</td>
<td>$275,227,078</td>
</tr>
<tr>
<td><strong>STATUS OF BUDGETARY RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Obligations and Upward Adjustments</td>
<td>$45,366,038</td>
<td>$52,810,501</td>
<td>$31,677,083</td>
<td>$1,944,416</td>
<td>$44,320,810</td>
<td>$176,118,848</td>
</tr>
<tr>
<td>Unobligated Balance, End of Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apportioned, Unexpired Accounts</td>
<td>4,119,578</td>
<td>7,114,408</td>
<td>45,703,923</td>
<td>1,093,917</td>
<td>18,636,281</td>
<td>76,668,107</td>
</tr>
<tr>
<td>Unapportioned, Unexpired Accounts</td>
<td>18,128,305</td>
<td>2,329,956</td>
<td>12,104</td>
<td>192,633</td>
<td>1,533,341</td>
<td>22,196,339</td>
</tr>
<tr>
<td>Unexpired Unobligated Balance, End of Year</td>
<td>22,247,883</td>
<td>9,444,364</td>
<td>45,716,027</td>
<td>1,286,550</td>
<td>20,169,622</td>
<td>98,864,446</td>
</tr>
<tr>
<td>Expired Unobligated Balance, End of Year</td>
<td>-</td>
<td>125,793</td>
<td>2,306</td>
<td>11,413</td>
<td>104,272</td>
<td>243,784</td>
</tr>
<tr>
<td><strong>Total Budgetary Resources</strong></td>
<td>$67,613,921</td>
<td>$62,380,658</td>
<td>$77,395,416</td>
<td>$3,242,379</td>
<td>$64,594,704</td>
<td>$275,227,078</td>
</tr>
<tr>
<td><strong>OUTLAYS, NET, AND DISBURSEMENTS, NET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outlays, Net</td>
<td>$43,618,855</td>
<td>$39,421,662</td>
<td>$24,369,873</td>
<td>$926,377</td>
<td>$27,589,559</td>
<td>$135,926,326</td>
</tr>
<tr>
<td>Distributed Offsetting Receipts</td>
<td>-</td>
<td>(16,418,603)</td>
<td>(2,533)</td>
<td>(22,935)</td>
<td>(14,202,413)</td>
<td>(30,646,484)</td>
</tr>
<tr>
<td><strong>Agency Outlays, Net</strong></td>
<td><strong>$43,618,855</strong></td>
<td><strong>$23,003,059</strong></td>
<td><strong>$24,367,340</strong></td>
<td><strong>$903,442</strong></td>
<td><strong>$13,387,146</strong></td>
<td><strong>$105,279,842</strong></td>
</tr>
<tr>
<td>Disbursements, Net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Outlays, Net</strong></td>
<td><strong>$43,618,855</strong></td>
<td><strong>$23,003,059</strong></td>
<td><strong>$24,367,340</strong></td>
<td><strong>$903,442</strong></td>
<td><strong>$13,387,146</strong></td>
<td><strong>$105,279,842</strong></td>
</tr>
</tbody>
</table>
**COMBINING STATEMENTS OF BUDGETARY RESOURCES BY MAJOR ACCOUNT (UNAUDITED) (CONT.)**

*For the period ended September 30, 2020*

<table>
<thead>
<tr>
<th>DOLLARS IN THOUSANDS</th>
<th>Federal-Aid</th>
<th>FAA</th>
<th>FTA</th>
<th>MARAD</th>
<th>All Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGETARY RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unobligated Balance From Prior Year Budget Authority, Net</td>
<td>$21,671,542</td>
<td>$6,493,683</td>
<td>$18,184,118</td>
<td>$1,576,981</td>
<td>$13,752,514</td>
<td>$61,678,838</td>
</tr>
<tr>
<td>Appropriations (Note 1W)</td>
<td>—</td>
<td>34,669,210</td>
<td>27,760,000</td>
<td>1,061,454</td>
<td>8,283,807</td>
<td>71,774,471</td>
</tr>
<tr>
<td>Borrowing Authority</td>
<td>—</td>
<td>—</td>
<td>340,793</td>
<td>4,178,792</td>
<td>4,519,585</td>
<td></td>
</tr>
<tr>
<td>Contract Authority</td>
<td>45,729,860</td>
<td>3,350,000</td>
<td>11,372,459</td>
<td>—</td>
<td>1,562,637</td>
<td>62,014,956</td>
</tr>
<tr>
<td>Spending Authority From Offsetting Collections</td>
<td>304,320</td>
<td>11,280,715</td>
<td>50</td>
<td>523,383</td>
<td>1,261,792</td>
<td>13,370,260</td>
</tr>
<tr>
<td><strong>Total Budgetary Resources</strong></td>
<td>$67,705,722</td>
<td>$55,793,608</td>
<td>$57,316,627</td>
<td>$3,502,611</td>
<td>$29,039,542</td>
<td>$213,358,110</td>
</tr>
</tbody>
</table>

| STATUS OF BUDGETARY RESOURCES |             |     |     |        |            |       |
| New Obligations and Upward Adjustments | $45,189,922 | $49,437,939 | $39,090,979 | $2,122,550 | $16,773,278 | $152,614,668 |
| Unobligated Balance, End of Year |             |     |     |        |            |       |
| Apportioned, Unexpired Accounts | 4,748,298 | 3,882,346 | 18,197,226 | 1,204,145 | 11,667,499 | 39,699,514 |
| Unapportioned, Unexpired Accounts | 17,767,502 | 2,303,292 | 26,121 | 161,937 | 537,571 | 20,796,423 |
| Unexpired Unobligated Balance, End of Year | 22,515,800 | 6,185,638 | 18,223,347 | 1,366,082 | 12,205,070 | 60,495,937 |
| Expired Unobligated Balance, End of Year | — | 170,031 | 2,301 | 13,979 | 61,194 | 247,505 |
| Unobligated Balance, End of Year | 22,515,800 | 6,355,669 | 18,225,648 | 1,380,061 | 12,266,264 | 60,743,442 |
| **Total Budgetary Resources** | $67,705,722 | $55,793,608 | $57,316,627 | $3,502,611 | $29,039,542 | $213,358,110 |

| OUTLAYS, NET, AND DISBURSEMENTS, NET |             |     |     |        |            |       |
| Outlays, Net | $46,719,494 | $30,761,594 | $25,373,272 | $667,100 | $8,587,277 | $112,108,737 |
| Distributed Offsetting Receipts | — | (10,409,856) | (1,157) | (87,232) | (1,303,471) | (11,801,716) |
| Disbursements, Net | $378,709 | (4,104,510) | (3,725,801) |       |            |       |

**Marine War Risk Insurance Program (Unaudited)**

For FY 2021 and FY 2020, MARAD covered nonpremium war risk insurance with a total coverage per year of $279 million. The DoD indemnifies MARAD for any losses arising out of the nonpremium insurance. There have been no losses and no claims are outstanding for this nonpremium insurance. There is approximately $53 million in the Marine War Risk Insurance fund to reimburse operators that may be covered by premium insurance in future periods for national security and defense purposes. For FY 2021 and FY 2020, there were no outstanding policies or obligations for the premium based war risk insurance program.
U.S. Department of Transportation
Office of Inspector General

Fraud & Safety Hotline

https://www.oig.dot.gov/hotline
hotline@oig.dot.gov
(800) 424-9071

OUR MISSION

OIG enhances DOT’s programs and operations by conducting objective investigations and audits on behalf of the American public.