OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

Audit of USAID's Financial Statements For Fiscal Years 2020 and 2019

AUDIT REPORT 0-000-21-001-C
November 16, 2020

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MEMORANDUM

DATE: November 16, 2020

TO: USAID, Chief Financial Officer, Reginald W. Mitchell

FROM: Deputy Assistant Inspector General for Audit, Alvin Brown /s/

SUBJECT: Audit of USAID's Financial Statements for Fiscal Years 2020 and 2019 (0-000-21-001-C)

Enclosed is the final audit report on USAID's financial statements for fiscal years 2020 and 2019. The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of GKA P.C. (GKA) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and Office of Management and Budget Bulletin 19-03, "Audit Requirements for Federal Financial Statements."

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. Our review, which was different from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on USAID's financial statements. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which the audit firm did not comply, in all material respects, with applicable standards.

The audit objectives were to: (1) express an opinion on whether the financial statements as of September 30, 2020 and 2019, were presented fairly, in all material respects; (2) evaluate USAID's internal control over financial reporting; and (3) determine whether USAID complied with applicable laws and regulations. To answer the audit objectives, the audit firm assessed risk, considered internal control, and designed audit procedures relevant to USAID's presentation of its 2020 and 2019 financial statements.

GKA concluded that USAID's financial statements as of and for fiscal years ended September 30, 2020 and 2019, are presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States. GKA also found no instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements. The audit firm also found no material weaknesses, but reported two significant deficiencies in internal control over financial reporting for fiscal year 2020 presented as modified repeat findings from the prior year. These deficiencies related to USAID's internal control processes for

- Recording accrued expenses.
- Account management.

GKA determined that USAID has not completed some final actions on the prior recommendations[1] to address these two significant deficiencies. The audit firm will follow up on these prior recommendations in Fiscal Year 2021. In addition, GKA identified six new issues related to USAID's internal control process for account management.

To address the new issues identified in the report, we recommend that USAID's Chief Financial Officer:

Recommendation 1. Implement plans to create a separate role description document and access forms for back end Financial System Staff Roles and document any potential segregation of duties conflicts, specially conflicts with financial processing roles.

Recommendation 2. Implement a process to review System user access on an annual basis via the System Bureau Transaction Coordinator Roles and User ID Report and supporting evidence/acknowledgements to ensure that reviews occurred. Such evidence/acknowledgements should be retained for an appropriate period.

Recommendation 3. Ensure that annual System user access recertification includes all users and ensure that any access permission not explicitly requested and approved during the recertification are disabled/removed.

Recommendation 4. Modify the Funds Control Accountant and Financial Management Analyst roles to mitigate the segregation of duties conflict and update the roles description. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls (i.e. monitoring and review, etc.).

Recommendation 5. Modify the Procurement Order Requestor and Procurement Obligation Processor roles to mitigate the segregation of duties conflict and update the roles descriptions. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls (i.e. monitoring and review, etc.).

Recommendation 6. Implement a written process to obtain system owner approval of shared database accounts. Documented approvals for shared database accounts in the system security plan (SSP). Controls for monitoring the activities and use of the shared accounts should also be documented in the SSP.

In finalizing the report, the audit firm evaluated USAID's responses to the recommendations. After reviewing that evaluation, we consider recommendations 1, 4, and 5 closed and, recommendations 2, 3, and 6 resolved but open pending completion of planned activities. For

[1] Audit of USAID's Financial Statements For Fiscal Years 2019 and 2018 (0-000-20-006-C)

recommendations 2, 3, and 6, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.

gka, p.c.
Certified Public Accountants
& Consultants

Member of the American Institute of Certified Public Accountants

November 9, 2020

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

RE: Audit of USAID's Financial Statements for Fiscal Years 2020 and 2019

This letter transmits the final report on our audit of USAID's financial statements for fiscal year 2020 and 2019. The Government Management Reform Act of 1994, Public Law 103–356, requires USAID to prepare consolidated financial statements for each fiscal year. Office of Management and Budget (OMB) Circular A–136, *Financial Reporting Requirements*, requires USAID to submit a Performance and Accountability Report or an Agency Financial Report, including audited financial statements to OMB, Congress, and the Government Accountability Office. USAID has prepared an Agency Financial Report with an agency head message, management's discussion, and analysis, "other information" and a financial section. GKA is responsible for auditing the Agency's financial statements and preparing the independent auditor's report, which appears in the financial section.

GKA has issued an unmodified opinion on USAID's principal financial statements for fiscal years 2020 and 2019.

With respect to internal control, we identified two deficiencies that we considered significant deficiencies. The significant deficiencies pertain to USAID's processes for (1) recording accrued expenses and (2) account management and segregation of duties controls.

The results of our tests of compliance disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-03. We identified no instances of substantial noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), Public Law 104-208.

We are making six new recommendations in fiscal year 2020 related to account management and segregation of duties controls.

We appreciate the assistance you and your staff extended to us during the audit.

GKA, P.C. /s/

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INTRODUCTION

The financial statements of USAID reflect and evaluate the Agency's execution of its mission—promoting U.S. foreign policy interests in expanding democracy, growing free markets, and extending a helping hand to those working to improve their lives or to recover from disasters. USAID receives most of its funding from general Government funds administered by the U.S. Department of the Treasury and appropriated by Congress. For the fiscal year ended September 30, 2020, USAID reported total budgetary resources of approximately $29 billion.

GKA, P.C. (GKA) performed the audits to determine whether USAID's principal financial statements presented fairly the assets, liabilities, net position, net costs, changes in net position, and budgetary resources for the fiscal years 2020 and 2019.

SUMMARY

USAID's consolidated balance sheets, consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources present fairly, in all material respects, the financial position of USAID as of and for the fiscal years ended September 30, 2020 and 2019, and in conformity with accounting principles generally accepted in the United States of America. We identified two significant deficiencies in internal control related to USAID's processes for:

(1) recording accrued expenses; and
(2) account management and segregation of duties controls.

The results of our tests of compliance disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* or Office of Management and Budget (OMB) Bulletin No. 19-03.

We identified no instances of substantial noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), Public Law 104-208.

We are making six new recommendations in fiscal year 2020 related to account management and segregation of duties controls.

BACKGROUND

The Government Management Reform Act of 1994, Public Law 103-356, requires USAID to submit audited financial statements to the Office of Management and Budget annually. Accordingly, for fiscal year 2020, USAID has prepared the following:

- Consolidated Balance Sheets
- Consolidated Statements of Net Cost
- Consolidated Statements of Changes in Net Position
- Combined Statements of Budgetary Resources
- Notes to the Principal Financial Statements
- Required Supplementary Information

In our opinion, the financial statements referred to above present fairly, in all material respects and in conformity with accounting principles generally accepted in the United States of America, USAID’s assets, liabilities, net position, net costs, changes in net position, and budgetary resources as of September 30, 2020 and 2019, and for the years then ended.

In accordance with Government Auditing Standards, GKA has also issued reports, dated November 9, 2020, on its consideration of USAID’s internal control over financial reporting and on its tests of USAID’s compliance with certain provisions of laws, regulations, contracts and grant agreements. These reports are an integral part of an overall audit conducted in accordance with Government Auditing Standards and should be read in conjunction with the independent auditor’s report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the U.S. Agency for International Development (USAID), which comprise the consolidated balance sheets as of September 30, 2020 and 2019 and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's 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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 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 auditor's 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 Agency'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 Agency'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 U.S. Agency for International Development as of September 30, 2020 and 2019, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the Required Supplementary Information (RSI) be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The information in the *About This Report* section, the *USAID At A Glance* section, the *Message from the Administrator,* the *Message from the Chief Financial Officer*, the Other Information section, and the appendixes in the Agency Financial Report is presented for the purpose 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 audit 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

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 9, 2020, on our consideration of USAID's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USAID's internal control over financial reporting and compliance.

GKA, P.C. /s/

Washington, DC
November 9, 2020

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of U.S. Agency for International Development (USAID), which comprise the consolidated balance sheets as of September 30, 2020 and 2019 and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as the "consolidated financial statements") and have issued our report thereon dated November 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of USAID's financial statements as of and for the years ended September 30, 2020 and 2019, we considered USAID's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USAID's internal control. Accordingly, we do not express an opinion on the effectiveness of USAID'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 (*FMFIA), Public Law 97-255.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, we did identify certain deficiencies in internal control that we consider to be significant deficiencies.

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 that presents 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. We identified two significant deficiencies in internal control related to USAID's processes for:

(1) recording accrued expenses; and
(2) account management and segregation of duties controls.

We also noted other matters involving internal control over financial reporting, which were not significant deficiencies that we will communicate to USAID's management in a Management Letter Report.

Significant Deficiencies

USAID's process to calculate and record accounts payable and accrued expenses should be improved. (Repeat Finding)

USAID's methodology for estimating and recording accrued expenses begins with a system generated estimated accrual amount. The Contracting Officer Representative (COR) reviews this amount, modifies it if necessary, before approving the "modified accrual amount" for posting to the general ledger.

<u>USAID/ WASHINGTON:</u>

a. We selected a judgmental sample of 45 modified accruals as of June 30, 2020 for testing. We noted that the modified accrual amount on the COR worksheet ($148,014) for one (1) out of the 45 samples did not match the modified accrual amount in Phoenix ($225,000). The approximate amount of the difference is $77,000. The COR noted that the Accrual Worksheet is accurate and the amount in Phoenix is incorrect. Since the accrual period was closed during out testing, the COR indicated that the Phoenix amount will be corrected during the next accrual period.
b. During our year end testing, we sampled 29 modified accruals for testing. We noted that the modified accrual amount on the COR worksheet ($17,701,391) for one (1) out of the 29 samples did not match the modified accrual amount in Phoenix ($17,710,391). The approximate amount of the difference is $9,000. The COR noted that the difference was due to transposition error during data entry from the worksheet to Phoenix.

<u>STATE DEPARTMENT OIG AGREED UPON PROCEDURES (AUP):</u>

A sample of 58 modified accruals were selected for testing and exceptions were noted with three. The modified accrual amount on the COR worksheet ($4,461,883) for one (1) out of the 58 samples did not match the modified accrual amount in Phoenix ($895,875). The approximate amount of the difference is $3,566,008. Also, for two (2) out of the 58 samples, no accruals were posted in Phoenix for the accrual worksheet amounts calculated on the worksheet. The calculated amounts are $135,271 and $1,000,000.

USAID/ MISSIONS (VIRTUAL SITES VISIT):

a. During our audit of Mission A, we selected a sample of 78 modified accruals for testing. We noted that one (1) of 78 accruals tested had the modified accrual amount recorded in Phoenix to be different from the amount recorded on the accrual worksheet. The accrual worksheet was higher by $855,687.
b. During our audit of Mission B, we selected the total population of 41 modified accruals for testing and noted exceptions with three samples. Specifically, one (1) of the 41 accruals tested had the modified accrual amount in Phoenix to be different from the amount recorded on the accrual worksheet. The accrual worksheet was higher by $9,999. Additionally, two (2) of the 41 accruals tested and reported in Phoenix had no supporting documentation. These amounts were $387,428 and $295,668 for a total of $683,096.

ADS 631.3.4, "Accrued Expenditures," states that *the obligation manager or COR must (1) review system-generated accrual amounts and/or allocations to determine whether the amounts can be validated or needs to be modified; (2) compare the amount developed based on actual conditions and first-hand knowledge of the project or activity with system-generated accrual amounts; and (3) complete the accrual process in accordance with the established time schedule and deadlines*.

CORs did not consistently modify the accrued amounts generated by the system to correspond with the CORs generated accrual worksheet, before recording the amounts in the general ledger. As a consequence, accrual amounts could be incorrectly recorded in the financial statements. This could affect the reliability of the financial statements.

USAID has not taken final action on prior recommendations to do the following:

- Require secondary review and approval of accrual entries into the accounting system to ensure that the entries match the Accrual Worksheets.
- Ensure an independent reviewer obtain a system generated report of the modified accrual amounts posted to the general ledger. The reviewer should check the report against the Quarterly Accrual Worksheet (on a sample basis if a 100% check is impractical) to ensure that only the COR approved amounts were posted to the general ledger.

Therefore, we are not making new recommendations to address those areas.

Account management controls should be strengthened. (Modified Repeat Finding)

We noted the following with respect to the account management controls for one system application and its supporting databases:

- There were weaknesses in the process for granting and approving in one system's access. Specifically, we noted the following:
    - The ISSO did not sign the Signature Form for one (1) out of 25 users although the

user has the Help Desk Analyst role (Financial System Support Staff Member).

  - The process for approving system access for Financial support staff was not always appropriately followed. Specifically, for 1 out of 25 users tested, the ISSO signed the Access Signature Form on September 11, 2020; however, the user's account was approved by their supervisor and activated on March 19, 2020 (Financial System Support Staff).

- During the prior audit, there were weaknesses in the Triennial Mission recertification process. Specifically, triennial recertification did not include all system users and there were users assigned roles that were not approved during the recertification and the roles were not removed. A Plan of Action and Milestones (POA&M) was created for this issue with an expected completion date of September 30, 2020. On April 27, 2020, USAID updated its policies to require an annual review instead of a triennial review; however, the review has not yet occurred.
- During the prior audit, evidence was not available to validate that Bureau Transition Coordinators (BTC) and Mission Controllers generate and review system user access via the BTC Roles and User Id Report quarterly. On April 27, 2020, USAID updated its policies to require an annual review instead of a quarterly review, however, the review has not yet occurred.
- Our review of the Segregation of Duties controls revealed that:

  - The System Roles Document used to define system roles and identify segregation of duties conflicts was not complete. During the prior year, there were four roles identified that were not included in the document. During the current year, we noted that three out of the four roles had still not been included in the document (Message of the Day (MSGOFDAY), Report Pilot (RPTPILOT) and Administrator (ADMIN)).
  - The Table Administrator (TBLADMIN) privilege - which is a security/system administrator role that allows users to maintain all reference tables - did not have any segregation of duties conflicts identified, even though it is a role that should not be assigned with other financial processing roles.
  - The Voucher Examiner and Strategic Objective (SO) Approver roles are not documented in the Role Descriptions even though two roles are identified that have a segregation of duties conflict with the Voucher Examiner role and two roles with conflicts with the SO Approver role.

- There was one terminated individual identified that retained active access to the System.
- There were three individuals identified that have conflicting roles. These users were assigned roles within System which allow them the ability to both initiate and approve Obligation related transactions.
- There were two users identified on the Conflicting Roles Reports for February, March, April, and June that had conflicting roles; however, steps were not taken to remove the conflicting roles. One of these individuals also has access to process financial transaction and compensating controls have not been implemented to mitigate the risk.

- Database administrators to the report (REPT) database supporting System, did not have individual accounts with database administrator (DBA) access to administer the database. We identified one shared accounts with DBA privileges (OPS$ORACLE) utilized by approximately four database administrators; however, the use of the account was not documented in the System Security Plan (SSP) as required by section 545.3.2.2 (f) of the Automated Directives System (ADS).

ADS Chapter 545, *Information Systems Security*, states that:

- *Approvals by system ISSOs and SOs/SO designees are required for requests to create information system accounts and authorize access to the information system: and*
- *SOs must separate critical information system functions among different individuals or groups; document separation of duties of individuals; and define information system access authorizations to support separation of duties. This is typically documented through a Separation of Duties matrix.*
- *Group or shared accounts/passwords include anonymous, guest, temporary employees, administrative or service accounts, and accounts used in batch processing. The use of group accounts/passwords is limited to situations dictated by operational necessity or mission accomplishment and must be approved by the SO and documented in the System Security Plan (SSP). The ISSO or other designee must control, protect, and maintain such authenticators in accordance with this ADS chapter.*

The System Access Controls Policies and Procedures, states that:

- *All System users who need access to the System must have a BTC or Mission POC/Controller complete and submit a User Role Request form on their behalf:*

    - *The Mission POCs/Controllers complete the System Mission User Role Request Form.*
    - *The Washington BTCs complete the System User Role Request Form.*
    - *Users and their supervisor complete the System Access Signature Form.*
    - *Financial System Support Staff is required to obtain the additional signature of the System ISSO on the Financial System Support Staff Access Signature Form.*

- *BTCs and Mission POCs/Controllers are responsible for running the System BTC Roles & User Id Report for the users in their Bureau/Mission. After a review of the report, BTCs and Mission POCs/Controllers are responsible for making any modifications or deletions to user roles and notify the System Security Team. Requests must be submitted to the System Access Security Requests mailbox within five (5) days of reviewing the report by sending the updated roles form as an email attachment.*
- *BTCs and Mission POCs/Controllers are also required to notify the System Access Team to revoke user access privileges within two (2) days of the user's departure or the determination that a user no longer requires access to System.*
- *ISSO Team will conduct monthly reviews of user access to verify that no conflicting roles*

are assigned, and that all user access is properly authorized. ISSO Team will also disable user accounts which are inactive for at least 90 days by using an automated script daily. No exceptions will be made.

- *System role descriptions are posted to the System web site to assist BTCs and Mission POCs/Controllers in requesting the appropriate roles for users and to verify that conflicting roles are not requested. System ISSO Team will ensure that the information on this page remains current.*
- *ISSO Team will conduct yearly role reviews to verify that all System users have the necessary roles to perform their duties. Each BTC and Mission POC/Controller will be required to review their users' roles in accordance with the System BTC Roles & User Id Report and provide confirmation via email of any variation.*
- *System role descriptions are posted to the System web site to assist BTCs and Mission POCs/Controllers in requesting the appropriate roles for users and to verify that conflicting roles are not requested. System ISSO Team will ensure that the information on this page remains current.*

USAID modified its access control procedures and restructured its user access forms in order to address the prior year issues; however, there were still instances where the new controls were not fully operating effectively due to the control being recently implemented. USAID management also updated their policies and procedures to require an annual access recertification instead of the triennial review process and quarterly BTC reviews; however, the annual review is not currently scheduled to be completed until fiscal year 2021. Additionally, there is no current mechanism whereby SOs or ISSOs are consistently notified when staff leaves the agency.

Based on discussions with USAID management, we determined that segregation of duties issues were not resolved due to management oversight. USAID removed the identified roles from user access request forms because they are assigned to the System Team and are not intended for average system users; however, the System and Mission Roles documents were not updated because USAID was concerned about System users being aware of the backend roles. We also noted that going forward, USAID has determined that the RPTPILOT roles is no longer needed and has begun removing it from all users. We also noted that USAID plans to create a separate set of role descriptions and access forms that just applies to backend Financial Systems staff to further separate application support roles from financial user roles and ensure that the backend role descriptions ae not publicly accessible on the USAID website.

The reporting database and production database are managed by two separate groups (CIO and CFO respectively). There was a lack of consistent account management practices across the two (2) databases that resulted in the use of shared database administrator accounts on the reporting database. Additionally, The Washington System Roles document did not identify the Funds Control Accountant (FCACCT) and Financial Management Analyst (FMANLYST) roles as potential segregation of duties conflicts; as a result, mangers were able to request the roles and the conflicting roles report did not check for the conflict. USAID plans to modify the roles to remove the purchasing access, which will resolve the conflicting access. Also, failure to mitigate the risks associated with the conflicting Procurement Order Requestor (PORQST) and Procurement

Obligation Processor (POPPROCR) roles assigned to the two (2) users was an oversight and management is considering modifying the roles so that they no longer result in a conflict.

USAID has not taken final action on prior recommendations to do the following:

- Implement a process to ensure that ISSO formally approve System access via the "System Access Signature" form.
- Update the System Roles Documents to include all System roles and identify all segregation of duties conflicts for each role.
- Ensure that System administrators are notified promptly when accounts are not needed due to contractor or employee termination and that such accounts are promptly disabled

Therefore, we are not making new recommendations to address those areas.

We recommend that USAID implement the following new recommendations:

Recommendation 1: Implement their plans to create a separate role description document and access forms for back end Financial System Staff Roles and document any potential segregation of duties conflicts, especially conflicts with financial processing roles.

Recommendation 2: Implement a process to review System user access on an annual basis via the System Bureau Transaction Coordinator (BTC) Roles and User ID Report and supporting evidence/acknowledgements to ensure that reviews occurred. Such evidence/acknowledgements should be retained for an appropriate period.

Recommendation 3: Ensure that annual System user access recertification includes all users and ensure that any access permission not explicitly requested and approved during the recertification are disabled/removed.

Recommendation 4: Modify the Funds Control Accountant (FCACCT) and Financial Management Analyst (FMANLYST) roles to mitigate the segregation of duties conflict and update the roles description. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls (i.e. monitoring and review, etc.).

Recommendation 5: Modify the Procurement Order Requestor (PORQST) and Procurement Obligation Processor (POPPROCR) roles to mitigate the segregation of duties conflict and update the roles descriptions. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls (i.e. monitoring and review, etc.).

Recommendation 6: Implement a written process to obtain system owner approval of shared database accounts. Documented approvals for shared database accounts in the system security plan (SSP). Controls for monitoring the activities and use of the shared accounts should also be documented in the SSP.

The Agency's Response to Audit Findings

The Agency's responses to our findings and recommendations appear in Appendix B. The Agency's responses were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of USAID's internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USAID's internal control. Accordingly, this communication is not suitable for any other purpose.

GKA, P.C. /s/

Washington, DC
November 9, 2020

REPORT ON COMPLIANCE WITH APPLICABLE PROVISIONS OF LAWS, REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the U.S. Agency for International Development (USAID), which comprise the consolidated balance sheets as of September 30, 2020 and 2019 and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as the "consolidated financial statements") and have issued our report thereon dated November 9, 2020.

Compliance and Other Matters

The management of USAID is responsible for complying with laws, regulations, contracts, and grant agreements applicable to USAID. As part of obtaining reasonable assurance about whether USAID's financial statements are free of material misstatement, we performed tests of USAID's compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and with certain other laws and regulations specified in OMB Bulletin 19-03, including the requirements referred to in section 803(a) of the Federal Financial Management Improvement Act of 1996 (FFMIA). We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to USAID. 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. 19-03.

Compliance with the Federal Financial Management Improvement Act of 1996

Under FFMIA, we are required to report on whether USAID's financial management systems substantially comply with 1) Federal financial management system requirements, 2) applicable Federal accounting standards, and 3) the United States Government Standard General Ledger (USSGL) at the transaction level. To meet this requirement, we performed tests of compliance with each of these three FFMIA section 803(a) (31 U.S.C. 3512 note) requirements, Public Law 104-208, Title VIII.

The results of our tests of FFMIA disclosed no instances in which the USAID's financial management systems did not substantially comply with the three requirements discussed in the preceding paragraph.

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

The purpose of this report is solely to describe the scope of our testing of compliance with applicable provisions of laws, regulations, contracts, and grant agreements and the results of that testing, and not to provide an opinion on USAID's compliance with applicable provisions of laws, regulations, contracts, and grant agreements. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USAID's Compliance. Accordingly, this communication is not suitable for any other purpose.

GKA, P.C. /s/

Washington, DC
November 9, 2020

APPENDIX A. SCOPE AND METHODOLOGY

USAID's management is responsible for (1) preparing the financial statements in accordance with U.S. generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act (FMFIA) are met; (3) ensuring that USAID's financial management systems substantially comply with the requirements of the Federal Financial Management Improvement Act (FFMIA) section 803(a); and (4) complying with other applicable laws and regulations.

GKA, P.C. (GKA) is responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. GKA is also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit; (2) testing and reporting whether USAID's financial management systems substantially comply with FFMIA section 803(a) requirements; (3) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements, and laws for which OMB audit guidance requires testing; and (4) performing limited procedures with respect to certain other information appearing in the Agency Financial Report.

To fulfill these responsibilities, GKA:

- Obtained an understanding of USAID's design of internal control components related to financial reporting and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- Tested relevant internal controls over financial reporting and compliance, and evaluated the design and operating effectiveness of these internal controls;
- Statistically and judgmentally selected transactions, including, advances, accrued expenditures, disbursements, payroll, accounts receivable, direct loans and loan guarantees, and obligations;
- Examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Evaluated the overall presentation of the financial statements;
- Considered the process for evaluating and reporting on internal control and financial management systems under FMFIA; and
- Tested USAID's compliance with FFMIA section 803(a) requirements.

We also tested USAID's compliance with selected provisions of the following:

- Anti-Deficiency Act, July 12, 1870 (codified at 31 U.S.C. 1341(a)(1)(A), (B) and (C) and 1517(a)
- Improper Payments Elimination and Recovery Act, Public Law 112-248, sections 5 (a)(1)

and (b)(4);

- Payment Integrity Information Act of 2019, Public Law 116-117;
- Prompt Payment Act, Public Law 97-177) (codified at 31 U.S.C. 3901(a)(4)(A) 3903(a)(1)(A) and (B), 3902 (a), (b), and (f); and 3904
- Debt Collection Improvement Act of 1996, Public Law 104-134
- Federal Credit Reform Act of 1990, Public Law 93-344
- OMB Circular A–136
- OMB Circular A–123
- Federal Financial Management Improvement Act of 1996, Public Law 104-208
- Pay and Allowance System for Civilian Employees

We did not evaluate all internal controls relevant to operating objectives as broadly defined by FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error, fraud, losses, or noncompliance may occur and may not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to USAID. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2020 and 2019. We caution that noncompliance may occur and may not be detected by these tests, and that such testing may not be sufficient for other purposes.

We conducted our audit from April 2020 through November 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether USAID was substantially compliant with section 803(a) of the FFMIA, which requires agencies to implement and maintain financial management systems that substantially comply with (1) Federal financial management system requirements; (2) applicable Federal accounting standards; and (3) USSGL at the transaction level. We evaluated USAID’s financial transactions recorded in USAID’s financial management system to determine whether they were compatible with Federal accounting standards and USSGL at the transaction level.

APPENDIX B. THE AGENCY'S RESPONSE TO AUDIT FINDINGS

Chief Financial Officer

November 12, 2020

MEMORANDUM

TO: Deputy Assistant Inspector General for Audit, Alvin Brown

FROM: Reginald W. Mitchell /s/

SUBJECT: Management Response to Draft Independent Auditor's Report on USAID's Financial Statements for FYs 2020 and 2019 (0-000-21-001-C)

Thank you for your official draft audit report on the *Audit of USAID's Financial Statements for Fiscal Year (FY) 2020 and 2019* and for the professionalism exhibited by the external auditors and your staff throughout this process. We are pleased that the USAID Office of Inspector General (OIG) will issue an unmodified opinion on the Agency's principal financial statements.

The following are Management's comments regarding the OIG's six recommendations associated with the two repeat significant deficiency audit findings and their associated target completion dates when closure requests will be submitted to the OIG.

Office of Inspector General Recommendations

Recommendation 1: Implement their plans to create a separate role description document and access forms for back end Financial System Staff Roles and document any potential segregation of duties conflicts, specially conflicts with financial processing roles.

Management Comments: Management agrees with this recommendation, has taken the steps necessary to implement the recommendation and requests closure upon report issuance. Please see the attached document.

Target Completion Date: N/A

Recommendation 2: Implement a process to review System user access on an annual basis via the System Bureau Transaction Coordinator Roles and User ID Report and supporting evidence/ acknowledgments to ensure that reviews occurred. Such evidence/ acknowledgments should be retained for an appropriate period.

Management Comments: Management agrees with this recommendation and will review access to the system no less than annually via the appropriate reports, as well as retain documentation that the reviews have occurred.

Target Completion Date: September 30, 2021

Recommendation 3: Ensure that annual System user access recertification includes all users and ensure that any access permission not explicitly requested and approved during the recertification are disabled/removed.

Management Comments: Management agrees with this recommendation and will include all the system users in the review. Management will also remove or disable access that was not requested or approved, unless the role is provided to all users.

Target Completion Date: September 30, 2021

Recommendation 4: Modify the Funds Control Accountant and Financial Management Analyst roles to mitigate the segregation of duties conflict and update the roles description. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls.

Management Comments: Management agrees with this recommendation, has taken the steps necessary to implement the recommendation and requests closure upon report issuance. Please see the documentation attached.

Target Completion Date: N/A

Recommendation 5: Modify the Procurement Order Requestor and Procurement Obligation Processor roles to mitigate the segregation of duties conflict and update the roles descriptions. If the roles cannot be modified, then compensating controls should be implemented to mitigate the risk of users having these controls (i.e. monitoring and review, etc.).

Management Comments: Management agrees with this recommendation, has taken the steps necessary to implement the recommendation and requests closure upon report issuance. Please see the documentation attached.

Target Completion Date: N/A

Recommendation 6: Implement a written process to obtain system owner approval of shared database accounts. Documented approvals for shared database accounts in the system security plan (SSP). Controls for monitoring the activities and use of the shared accounts should also be documented in the SSP.

Management Comments: Management agrees with this recommendation and will document any shared accounts used to support the system in the SSP, clarify the need for/use of the accounts, and obtain SO signature on the SSP.

Target Completion Date: March 31, 2021

Clearances:
M/OCFO/DCFO: KKuyumjian ____________ Date: __11/9/20_________

M/OCFO/DCFO:KBody ___clear via email___ Date: 11/9/20_____

Drafted by:M/CFO/CAR:JGuliwala/M/CFO/FS:NMausolf:11/06/2020

APPENDIX C. STATUS OF PRIOR-YEARS FINDINGS AND RECOMMENDATIONS

OMB Circular A–50, "Audit Follow-up," states that a management decision on audit recommendations shall be made within 6 months after a final report is issued. Corrective action should proceed as rapidly as possible.

Status of 2019 Findings and Recommendations

Condition:
Significant Deficiency: Long outstanding reconciling items are not being researched and cleared timely, and Suspense Account items are not being researched and resolved within the Department of the Treasury's 60-day rule.

Recommendation 1:
Enforce its written policies and procedures which require that long outstanding Fund Balance with Treasury unreconciled items be researched and cleared within three months of the date of the transaction.

Status: Closed as of November 6, 2020.

Recommendation 2:
Enforce its written policies and procedures designed to ensure that suspense account transactions are researched and resolved within 60 days, as mandated by the Department of the Treasury (Treasury).

Status: Closed as of November 6, 2020.

Condition:
Significant Deficiency: Unliquidated obligations (ULOs) are not consistently identified and de-obligated as excess or unneeded funds

Recommendation 3:
Continue to review, monitor, and coordinate with the Office of Acquisition and Assistance and the Executive Office to determine whether the $32 million obligations identified as excessive and without disbursement for 3 years should be de-obligated and the funds put to better use, or returned to Treasury.

Status: Closed as of November 6, 2020.

Condition:
Significant Deficiency: USAID's process to calculate and record accounts payable and accrued expenses should be improved.

Recommendation 4:

- Adjust the financial statements for the $32 million error posted to the general ledger.

  Status: Closed as of April 16, 2020.

- Provide training on the accrual calculation process for the obligation officers/program managers (i.e., COR/AOR).

  Status: Open as of November 16, 2020. Repeated in FY 2020.

- Require secondary reviews and approval of entries and adjustment vouchers, including accrual entries into the accounting system.

  Status: Open as of November 16, 2020. Repeated in FY 2020.

Overall Status: Modified repeat finding in FY 2020.

Condition:
Significant Deficiency: Password controls should be strengthened.

Recommendation 5*:*

- Update the System access control policies and procedures to ensure that the password settings are consistent with ADS Chapter 545, "Information Systems Security."

  Status: Closed as of September 17, 2020.

- Update password settings to ensure that they comply with the Agency's requirements.

  Status: Closed as of September 17, 2020.

- Update password settings for the databases supporting the System to ensure that they comply with the Agency's requirements.

  Status: Partially resolved as of November 16, 2020.

- Ensure that risk acceptances are properly documented within the System Security Plan if operational need necessitates that password settings cannot be configured in accordance with the Agency's policy.

Status: Closed as of September 17, 2020.

Condition:
Significant Deficiency: Account management controls should be strengthened.

Recommendation 6:

- Manage access to the databases supporting the System, including processes for granting, modifying, periodically reviewing/recertifying access permissions, disabling inactive accounts, and removing access permissions.

  Status: Closed as of October 7, 2020.

- Require that Information System Security Officers formally approve access to the System via the System Access Signature Form.

  Status: Open as of November 16, 2020. Repeated in FY 2020.

- Ensure that users are only assigned roles approved on their System Access Signature Forms.

  Status: Closed as of September 28, 2020.

- Review and recertify access to the System production and reporting databases in accordance with the frequency established in the Agency's System Security Plan.

  Status: Closed as of September 28, 2020.

- Conduct quarterly review of System user access via the Bureau Transition Coordinators' Roles and User ID Report.

  Status: Closed as of October 30, 2020. We received support that the procedure has been updated to require an annual review instead of a quarterly review; however, the annual review has not occurred and is currently scheduled for FY 2021. As a result, a new recommendation has been made.

- Ensure that the triennial System access recertification includes all users, and that any access permissions not explicitly requested and approved during the recertification are disabled/removed.

  Status: Closed as of October 30, 2020. We received support that the procedure has been updated to require an annual review instead of a quarterly review; however, the annual review has not occurred and is currently scheduled for FY 2021. As a result, a new recommendation has been made.

- Ensure that System administrators are notified promptly when accounts are not needed due to contractor or employee termination, and that such accounts are promptly disabled.

  Status: Open as of November 16, 2020.

- Ensure that access is disabled after 90 days of inactivity in accordance with the Agency's policy.

  Status: Closed as of September 22, 2020.

- Update the system roles documents to include all roles and identifying all segregation of duty conflicts.

  Status: Partially resolved as of November 16, 2020.

Overall Status: Modified repeat finding in FY 2020.

APPENDIX D. FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

As of September 30, 2020 and 2019

(In Thousands)

	2020	2019
ASSETS:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 35,276,110	$ 35,971,075
Accounts Receivable (Note 3)	24,598	17,504
Other Assets (Note 4)	86,445	43,814
Total Intragovernmental	35,387,153	36,032,393
With the Public:		
Cash and Other Monetary Assets (Note 5)	333,307	233,113
Accounts Receivable, Net (Note 3)	94,600	102,797
Direct Loans and Loan Guarantees, Net (Note 6)	–	628,535
Inventory and Related Property, Net (Note 7)	16,090	27,193
General Property, Plant and Equipment, Net (Note 8)	73,332	78,841
Other Assets (Note 4)	1,167,163	1,031,014
Total with the Public	1,684,492	2,101,493
Total Assets	**$ 37,071,645**	**$ 38,133,886**
LIABILITIES:		
Intragovernmental:		
Accounts Payable	$ 86,622	$ 104,685
Debt (Note 11)	–	7,565
Liability for Capital Transfers to the General Fund of the Treasury (Note 11)	899,487	1,705,243
Other Liabilities (Note 12)	1,297,036	730,536
Total Intragovernmental	2,283,145	2,548,029
With the Public:		
Accounts Payable	2,470,404	2,287,902
Loan Guarantee Liability (Note 6)	2,285,297	2,837,519
Federal Employee and Veteran's Benefits (Note 13)	27,586	21,807
Other Liabilities (Note 12)	620,745	472,639
Total with the Public	5,404,032	5,619,867
Total Liabilities	**7,687,177**	**8,167,896**
Commitments and Contingencies (Note 14)	–	–
NET POSITION:		
Unexpended Appropriations	29,283,335	29,430,913
Cumulative Results of Operations	101,133	535,077
Total Net Position	**29,384,468**	**29,965,990**
Total Liabilities and Net Position	**$ 37,071,645**	**$ 38,133,886**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF NET COST

For the Years Ended September 30, 2020 and 2019

(In Thousands)

Categories	2020	2019
DR–Democracy, Human Rights and Governance		
Gross Costs	$ 1,600,709	$ 1,466,950
Less: Earned Revenue	(46)	(9,611)
Net Program Costs	1,600,663	1,457,339
EG–Economic Growth		
Gross Costs	3,546,635	2,827,344
Less: Earned Revenue	(138,052)	(192,255)
Net Program Costs	3,408,583	2,635,089
ES–Education and Social Services		
Gross Costs	963,852	1,252,617
Less: Earned Revenue	(1,190)	(13,720)
Net Program Costs	962,662	1,238,897
HA–Humanitarian Assistance		
Gross Costs	4,807,295	3,847,122
Less: Earned Revenue	(147)	(16,061)
Net Program Costs	4,807,148	3,831,061
HL–Health		
Gross Costs	1,809,398	1,704,271
Less: Earned Revenue	(420,206)	(636,801)
Net Program Costs	1,389,192	1,067,470
PO–Program Development and Oversight		
Gross Costs	1,057,523	1,125,668
Less: Earned Revenue	(5)	(16,874)
Net Program Costs	1,057,518	1,108,794
PS–Peace and Security		
Gross Costs	516,186	699,339
Less: Earned Revenue	(8)	(4,338)
Net Program Costs	516,178	695,001
Net Cost of Operations (Note 16)	**$ 13,741,944**	**$ 12,033,651**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2020 and 2019

(In Thousands)

	2020	2019
Unexpended Appropriations:		
Beginning Balance	$ 29,430,913	$ 28,803,928
Budgetary Financing Sources:		
Appropriations Received	14,301,783	13,880,992
Appropriations Transferred-in/out	(80,788)	(58,918)
Other Adjustments	(238,594)	(101,384)
Appropriations Used	(14,129,979)	(13,093,705)
Total Budgetary Financing Sources	(147,578)	626,985
Total Unexpended Appropriations	29,283,335	29,430,913
Cumulative Results of Operations:		
Beginning Balance	$ 535,077	$ 270,382
Budgetary Financing Sources:		
Appropriations Used	14,129,979	13,093,705
Nonexchange Revenue	(2)	(175)
Donations and Forfeitures of Cash and Cash Equivalents	57,367	196,184
Transfers-in/out Without Reimbursement	(417,369)	–
Other Financing Sources (Non-Exchange):		
Donations and Forfeitures of Property	40,162	16,133
Transfers-in/out Without Reimbursement	355,003	–
Imputed Financing	42,347	34,311
Other	(899,487)	(1,041,812)
Total Financing Sources	13,308,000	12,298,346
Net Cost of Operations (Note 16)	(13,741,944)	(12,033,651)
Net Change	(433,944)	264,695
Cumulative Results of Operations	101,133	535,077
Net Position	**$ 29,384,468**	**$ 29,965,990**

The accompanying notes are an integral part of these statements.

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Years Ended September 30, 2020 and 2019

(In Thousands)

	2020		2019	
	Budgetary	**Non-Budgetary Credit Reform Financing Accounts**	**Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Budgetary Resources:				
Unobligated Balance from Prior Year Budget Authority, Net	$ 11,075,719	$ 3,607,565	$ 11,889,046	$ 3,731,579
Appropriations (Discretionary and Mandatory)	13,979,085	–	13,811,384	68
Borrowing Authority (Discretionary and Mandatory) (Note 11)	–	–	–	6,955
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,247,520	110,894	1,009,612	425,715
Total Budgetary Resources	**$ 26,302,324**	**$ 3,718,459**	**$ 26,710,042**	**$ 4,164,317**
Status of Budgetary Resources:				
New Obligations and Upward Adjustments (Total) (Note 17)	$ 16,832,244	$ 550,765	$ 16,055,975	$ 276,118
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts (Note 2)	8,596,988	303,360	10,034,077	333,264
Exempt from Apportionment, Unexpired Accounts (Note 2)	(1)	–	(1)	–
Unapportioned, Unexpired Accounts (Note 2)	663,859	2,864,334	489,585	3,554,935
Unexpired Unobligated Balance, End of Year	**9,260,846**	**3,167,694**	**10,523,661**	**3,888,199**
Expired Unobligated Balance, End of Year	209,234	–	130,406	–
Total Unobligated Balance, End of Year	9,470,080	3,167,694	10,654,067	3,888,199
Total Budgetary Resources	**$ 26,302,324**	**$ 3,718,459**	**$ 26,710,042**	**$ 4,164,317**
Outlays, Net and Disbursements, Net:				
Outlays, Net (Total) (Discretionary and Mandatory)	$ 13,806,957	$ 410,984	$ 13,192,061	$ (155,573)
Distributed Offsetting Receipts (-)	(612,315)	–	(462,118)	–
Agency Outlays, Net (Discretionary and Mandatory)	**$ 13,194,642**	**$ 410,984**	**$ 12,729,943**	**$ (155,573)**
Disbursement, Net (Total) (Mandatory)		$ 410,984		$ (155,573)

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying principal financial statements report USAID's financial position and results of operations. They have been prepared using USAID's books and records in accordance with Agency accounting policies, the most significant of which are summarized in this note. The statements are presented in accordance with the guidance and requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*.

USAID accounting policies follow generally accepted accounting principles for the Federal Government, as established by the Federal Accounting Standards Advisory Board (FASAB). The FASAB has been recognized by the American Institute of Certified Public Accountants (AICPA) as the official accounting standard setting authority for the Federal Government. These standards have been agreed to by the Director of OMB, the Secretary of the Treasury, and the Comptroller General.

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

B. REPORTING ENTITY

USAID is a component of the U.S. Government. For this reason, some of the assets and liabilities reported may be eliminated for government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity.

Established in 1961 by President John F. Kennedy, USAID is the independent U.S. Government agency that provides economic development and humanitarian assistance to advance United States economic and political interests overseas.

PROGRAMS

The hierarchy of USAID programs is reported first at the budget authority funding level followed by responsibility segments that encompass Functional and Geographical Bureaus. These Bureaus in turn carry out the agency's mission through various programs that include the core program area followed by sub-divisions into target specific objectives.

The main programs include Assistance for Europe, Eurasia, and Central Asia; Civilian Stabilization Initiative; Economic Support Fund; Development Assistance; International Disaster Assistance; Global Health and Child Survival; and Direct and Guaranteed Loan Programs,[11] which are used throughout all foreign assistance programs categories. This classification is consistent with the budget of the United States.

Assistance for Europe, Eurasia, and Central Asia

Funds appropriated under this heading are considered to be economic assistance under the Foreign Assistance Act of 1961.

This account provides funds for a program of assistance to the independent states that emerged from the former Soviet Union. These funds support the

[11] During fiscal year (FY) 2020, the Direct Loan Program and portions of the Loan Guarantee Program were transferred to a new agency. However, for reporting purposes, disclosure of these programs has been maintained in this report since the programs appear on USAID's comparative financial statements as of September 30, 2020. Refer to the section "Loan Program Transfer" in this footnote for additional details.

U.S. foreign policy goals of consolidating improved U.S. security; building a lasting partnership with the new independent states; and providing mutual access to markets, resources, and expertise.

Funds appropriated in prior years under "Assistance for the Independent States of the Former Soviet Union" and "Assistance for Eastern Europe" shall be available under this heading Assistance for Europe, Eurasia, and Central Asia.

Civilian Stabilization Initiative

This fund provides support for the necessary expenses needed to establish, support, maintain, mobilize, and deploy a civilian response corps in coordination with the USAID. This fund is also used for related reconstruction and stabilization assistance to prevent or respond to conflict or civil strife in foreign countries or regions, or to enable transition from such unstable conditions.

Economic Support Fund

The Economic Support Fund (ESF) supports U. S. foreign policy objectives by providing economic assistance to allies and countries in transition to democracy. Programs funded through this account promote stability and U.S. security interests in strategic regions of the world.

Development Assistance

This program provides economic resources to developing countries with the aim of bringing the benefits of development to the poor. The program promotes broad-based, self-sustaining economic growth and opportunity, and supports initiatives intended to stabilize population growth, protect the environment and foster increased democratic participation in developing countries. The program is concentrated in those areas in which the United States has special expertise and which promise the greatest opportunity for the poor to better their lives.

International Disaster Assistance

Funds for the International Disaster Assistance Program provide relief, rehabilitation, and reconstruction assistance to foreign countries struck by disasters such as famines, floods, hurricanes and earthquakes. The program also provides assistance in disaster preparedness, prevention and mitigation; and providing emergency commodities and services for immediate healthcare and nutrition. Additionally, this fund supports the capability to provide timely emergency response to disasters worldwide.

Global Health and Child Survival

This fund provides economic resources to developing countries in support of programs to improve infant and child nutrition, with the aim of reducing infant and child mortality rates; to reduce HIV transmission and the impact of the HIV/AIDS pandemic in developing countries; to reduce the threat of infectious diseases of major public health importance such as polio, malaria or tuberculosis; and to expand access to quality basic education for girls and women.

Direct and Guaranteed Loans:

★ *Direct Loan Program*

These loans are authorized under the Foreign Assistance Act of 1961, various predecessor agency programs, and other foreign assistance legislation. Direct Loans are issued in both U.S. dollars and the currency of the borrower. Foreign currency loans made "with maintenance of value" places the risk of currency devaluation on the borrower and are recorded in equivalent U.S. dollars. Loans made "without maintenance of value" place the risk of devaluation on the U.S. Government, and are recorded in the foreign currency of the borrower.

★ *Urban and Environmental Program*

The Urban and Environmental (UE) Program extends guaranties to U.S. private investors who make loans to developing countries, to assist them in formulating and executing sound housing and community development policies that meet the needs of lower income groups.

★ *Micro and Small Enterprise Development Program*

The Micro and Small Enterprise Development (MSED) Program was established to support private sector activities in developing countries by providing direct loans and loan guarantees to local micro and small enterprises. Although the MSED program is still active, most of USAID's new loan guarantee activity is managed through the Development Credit Authority (DCA) Program.

★ *Development Credit Authority (DCA)*

The first obligations for USAID's DCA were made in FY 1999. The DCA allows missions and other offices to use loans and loan guarantees to achieve their development objectives when it can be shown that (1) the project generates enough revenue to cover the debt service including USAID fees, (2) there is at least 50 percent risk-sharing by a private-sector institution, and (3) the DCA guarantee addresses a financial market failure in-country and does not "crowd-out" private sector lending. The DCA can be used in any sector and by any USAID operating unit whose project meets the DCA criteria. The DCA projects are approved by the Agency Credit Review Board and the Chief Financial Officer.

★ *Israel Loan Guarantee Program*

Congress authorized the Israel Loan Guarantee Program in Section 226 of the Foreign Assistance Act to support the costs for immigrants resettling to Israel from the former Soviet Union, Ethiopia, and other countries. Under the program, the U.S. Government guaranteed the repayment of up to $10.5 billion in notes issued.

★ *Loan Guarantees to Middle East Northern Africa (MENA) Program*

The authority for the MENA Program was initially established under the Consolidated Appropriations Act, 2012 (Pub. L. No. 112-74), earmarked to provide support for the Republic of Tunisia. In FY 2014, this program was expanded to include Jordan and renamed the Middle East Northern Africa Loan Guarantee Program. In January 2017, pursuant to the Further Continuing and Security Assistance Appropriations Act, 2017 (Pub. L. No. 114-254), a new guarantee agreement with Iraq, was added to the MENA portfolio. These assistance programs aim to support these Sovereign governments in their respective economic transition and reform initiatives. Under this program, the U.S Government guaranteed the total repayment of $6.24 billion notes issued to date.

★ *Ukraine Loan Guarantee Program*

The Loan Guarantee Program for Ukraine was established in accordance with Title III of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014 (division K of Pub. L. No. 113-76). The Ukraine Loan Program is intended to help Ukraine meet its near-term social spending needs and insulate vulnerable Ukrainians from the impact of necessary economic adjustments. To date a total of $3 billion in notes have been issued.

★ *Loan Program Transfer*

As part of the Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act of 2018), four out of seven of USAID's loan programs were transferred to the newly established agency, U.S. International Development Finance Corporation (DFC). All administrative and financial responsibilities relating to these direct and guarantee loan programs (*i.e.*, Direct Loans, Urban and Environmental, Micro and Small Enterprise Development, and Development Credit Authority) fall under DFC's purview as of mid-FY 2020.

Based on this authorization, all assets, liabilities, and budget authority for these loans were transferred to DFC. As such, USAID's comparative financial statements and footnotes will reflect a zero balance for these accounts in FY 2020. Since the transfer occurred during the middle of the fiscal year, the prior fiscal year balances brought forward on unexpended appropriations, cumulative results of operations and total actual budget resources, including the associated current year activity (six months), will be reported under USAID's FY 2020 financial statements and footnotes. These standard general ledger accounts are set to net to zero after the fiscal yearend closing process to ensure the balances are not carried forward to FY 2021. The transfer process has been a collaborative effort of USAID, DFC, U.S. Department of the Treasury (Treasury), and OMB.

FUND TYPES

The principal statements include the accounts of all funds under USAID's control. Most of the fund accounts relate to general fund appropriations. USAID also has special funds, revolving funds, trust funds, deposit funds, a capital investment fund, receipt accounts, and budget clearing accounts.

General fund appropriations and the special funds are used to record financial transactions under Congressional appropriations or other authorization to spend general revenue.

Revolving funds are established by law to finance a continuing cycle of operations, with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress.

Trust funds are credited with receipts generated by the terms of the underlying trust agreement or statute. At the point of collection, these receipts may be available or unavailable, depending upon statutory spending authority.

Deposit funds are established for (1) amounts received for which USAID is acting as a fiscal agent or custodian, (2) unidentified remittances, (3) monies withheld from payments for goods or services received, and (4) monies held awaiting distribution on the basis of legal determination.

The capital investment fund contains no-year (non-expiring) funds to provide the Agency with greater flexibility to manage investments in technology systems and facility construction that's allowed under the annual appropriation for operating expenses.

C. BASIS OF ACCOUNTING

Transactions are recorded on both an accrual and budgetary basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints on, and controls of, the use of Federal funds. The accompanying Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position have been prepared on an accrual basis. The Statement of Budgetary Resources has been prepared in accordance with budgetary accounting rules.

D. BUDGETS AND BUDGETARY ACCOUNTING

The components of USAID's budgetary resources include current budgetary authority (that is, appropriations and borrowing authority) and unobligated balances remaining from multiyear and no-year budget authority received in prior years. Budget authority is the authorization provided by law to enter into financial obligations that result in immediate or future outlays of Federal funds. Budgetary resources also include reimbursement and other income (that is, spending authority from offsetting collections credited to an appropriation or fund account) and adjustments (that is, recoveries of prior year obligations).

Unobligated balances associated with appropriations that expire at the end of the fiscal year remain available for obligation adjustments, but not new obligations, for five years until that account is canceled. When accounts are canceled, amounts are not available for obligations or expenditure for any purpose and are returned to Treasury.

The "Consolidated Appropriations Act" signed into law as Pub. L. No.112-74 provides to USAID extended authority to obligate funds. USAID's appropriations have consistently provided essentially similar authority, commonly known as "7011" authority. Under this authority, funds shall remain available for obligation for an extended period if such funds are initially obligated within their initial period of availability.

E. REVENUES AND OTHER FINANCING SOURCES

USAID receives the majority of its funding through congressional appropriations—annual, multiyear, and no-year (non-expiring) appropriations—that may be used within statutory limits. Appropriations are recognized as a financing source (*i.e.*, Appropriations used) on the Statement of Changes in Net Position at the time the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are not recognized as expenses. In addition to funds warranted directly to USAID, the agency also receives allocation transfers from the Department of Agriculture (USDA) Commodity Credit Corporation, the Executive Office of the President, the Department of State, and Millennium Challenge Corporation (MCC).

Additional financing sources for USAID's various credit programs and trust funds include amounts obtained through collection of guaranty fees, interest income on rescheduled loans, penalty interest on delinquent balances, permanent indefinite borrowing authority from the U.S. Treasury, proceeds from the sale of overseas real property acquired by USAID, and advances from foreign governments and international organizations.

Revenues are recognized as financing sources to the extent that they are received by USAID from other agencies, other governments and the public. Imputed revenues are reported in the financial statements to offset imputed costs. Amounts received from other Federal agencies under reimbursable agreements are recognized as revenue as related expenditures are incurred.

F. FUND BALANCE WITH THE U.S. TREASURY

Cash receipts and disbursements are processed by the U.S. Treasury. The fund balances with Treasury are primarily appropriated funds that are available to pay current liabilities and finance authorized purchase commitments, but they also include revolving, deposit, and trust funds.

G. FOREIGN CURRENCY

The Direct Loan Program maintains foreign currency funds, which are used to disburse loans in certain countries. Those balances are reported at the U.S. dollar equivalents using the exchange rates prescribed by the U.S. Treasury. A gain or loss on currency conversion is recognized for any change in valuation of foreign currencies at year-end. Additionally, some USAID host countries contribute funds for the overhead operation of the host mission and the execution of USAID programs. These funds are held in trust and reported in U.S. dollar equivalents on the Balance Sheet and Statement of Net Cost.

H. ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due mainly from foreign governments but also from other Federal agencies and private organizations. USAID regards amounts due from other Federal agencies as 100 percent collectible. The Agency establishes an allowance for uncollectible accounts receivable from the public for non-loan or revenue generating sources based on a historical analysis of collectability.

I. DIRECT LOANS AND LOAN GUARANTEES

Loans are accounted for as receivables after funds have been disbursed. For loans obligated before October 1, 1991 (pre-1992), loan principal, interest, and penalties receivable are reduced by an allowance for estimated uncollectible amounts. The allowance is estimated based on an allowance for loss method prescribed by OMB that takes into account country risk and projected cash flows.

The Federal Credit Reform Act of 1990 (FCRA) prescribes an alternative method of accounting for direct loans and guarantees obligated on or after October 1, 1991(post-1991); the loans receivable are reduced by an allowance equal to the net present value of the cost to the U.S. Government of making the loan. This cost, known as "subsidy", takes into account all cash inflows and outflows associated with the loan, including the interest rate differential between the loans and Treasury borrowing, the estimated delinquencies and defaults net of recoveries, and offsets from fees and other estimated cash flows. This allowance is re-estimated when necessary and changes reflected in the operating statement.

Subsidy cost associated with direct loans and guarantees, is required by the FCRA to be recognized as an expense in the year in which the direct loan or guarantee is disbursed. Subsidy cost is calculated by agency program offices prior to obligation using a model prescribed by OMB. Subsidy relating to existing loans and guarantees is generally required to be re-estimated on an annual basis to adjust for changes in risk and interest rate assumptions.

Loans have been made in both U.S. dollars and foreign currencies. Loans extended in foreign currencies can be with or without "Maintenance of Value" (MOV). Foreign currency exchange gain or loss is recognized on those loans extended without MOV, and reflected in the net credit programs receivable balance.

Credit program receivables also include origination and annual fees on outstanding guarantees, interest on rescheduled loans and late charges. Claims receivables (subrogated and rescheduled) are due from foreign governments as a result of defaults for pre-1992 guaranteed loans. Receivables are stated net of an allowance for uncollectible accounts that is determined using an OMB approved net present value default methodology.

While estimates of uncollectible loans and interest are made using methods prescribed by OMB, the final determination as to whether a loan is collectible is also affected by actions of other Federal Government agencies.

Pre-1992 direct loan and loan guarantee repayments expected from the Borrowers are accounted for as a Liability for Capital Transfers since any unobligated balance from the collections are paid out to Treasury at the end of each fiscal year. In addition, any excess subsidy derived through the reestimate calculations on post-1991 loan guarantees is expected to be disbursed to Treasury and is also accounted for as a Liability for Capital Transfer.

J. ADVANCES

Funds disbursed before expenditures are incurred are recorded as advances. Most advances consist of funds disbursed under letters of credit to contractors and grantees. The advances are liquidated and recorded as expenses upon receipt of expenditure reports from the recipients.

K. INVENTORY AND RELATED PROPERTY

USAID's inventory and related property are comprised of life essential materials and supplies. The Agency has materials and supplies in reserve for foreign disaster assistance stored at strategic sites around the world. These include tents, disaster kits, field packs, and water purification units.

Agency supplies held in reserve for future use are items not readily available in the market, or for which there is more than a remote chance that the supplies will be needed, but not in the normal course of operations. Their valuation is based on cost and they are not considered "held for sale." USAID has no supplies categorizable as excess, obsolete, or unserviceable operating materials and supplies.

L. PROPERTY, PLANT AND EQUIPMENT

USAID capitalizes all property, plant and equipment that have an acquisition cost of $25,000 or greater and a useful life of two years or more. Acquisitions that do not meet these criteria are recorded as operating expenses. Assets are capitalized at historical cost, depending on when the asset was put into production and depreciated using the straight-line method (mid-year and mid-quarter). Real property is depreciated over 20 years, nonexpendable personal property is depreciated over three to five years. The Agency uses land, buildings, and equipment that are provided by the General Services Administration. Internal use software that has development costs of $300,000 or greater is capitalized. Deferred maintenance amounts are immaterial with respect to the financial statements. In addition, certain USAID assets are held by government contractors. Under provisions of the Federal Acquisition Regulation (FAR), the contractors are responsible for the control and accountability of the assets in their possession, which are immaterial to the financial statements.

M. LIABILITIES

Liabilities represent the amount of monies or other resources that are likely to be paid by USAID as the result of transactions or events that have already occurred. However, no liability can be paid by the Agency without an appropriation or borrowing authority. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources (unfunded liabilities), and there is no certainty that the appropriations will be enacted. As a sovereign entity, the Federal Government can abrogate the payment of all liabilities other than for contracts.

N. LIABILITIES FOR LOAN GUARANTEES

The FCRA, which became effective on October 1, 1991, significantly changed the manner in which USAID finances the activities of loan programs. The main purpose of the FCRA was to more accurately measure the cost of Federal credit programs and to place the cost of such programs on a budgetary basis equivalent to other Federal spending. Consequently, commencing in FY 1992, USAID can only make new loans or guarantees with an appropriation available to fund the cost of making the loan or guarantee. This cost is known as "subsidy".

For USAID's loan guarantee programs, when guarantee commitments are made, an obligation for subsidy cost is recorded in the program account. This cost is based on the net present value of the estimated net cash outflows to be paid by the program as a result of the loan guarantees, except for administrative costs, less the net present value of all cash inflows to be generated from those guarantees. When the loans are disbursed, the subsidy cost is disbursed from the program account to a financing account.

For pre-1992 loan guarantees, the liability for loan guarantees represents an unfunded liability. The amount of unfunded liabilities also represents a future funding requirement for USAID. The liability is calculated using a reserve methodology that is similar to the OMB-prescribed method for post-1991 loan guarantees.

O. ANNUAL, SICK, AND OTHER LEAVE

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of leave are expensed as taken.

P. RETIREMENT PLANS AND POST EMPLOYMENT BENEFITS

USAID recognizes its share of the cost of providing future pension benefits to eligible employees over the period of time the employees provide the related services. The pension expense recognized in the financial statements equals the current service cost for USAID employees for the accounting period less the amount contributed by the employees. The measurement of the service cost requires the use of an actuarial cost method and assumptions. The Office of Personnel Management (OPM) administers these benefits and provides the factors that USAID applies to calculate the cost. The excess of the pension expense over the amount contributed by USAID and employees represents the amount being financed directly through the Civil Service Retirement System and the Federal Employees Retirement System administered by OPM. This cost is considered imputed cost to USAID.

USAID recognizes a current period expense for the future cost of post retirement health benefits and life insurance for its employees while they are still working. USAID accounts for and reports this expense in its financial statements in a manner similar to that used for pensions, with the exception that employees and USAID do not make contributions to fund these future benefits.

Q. COMMITMENTS AND CONTINGENCIES

A contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible gain or loss to USAID. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. For loss contingencies on matters of pending or threatened litigation and unasserted claims, a contingent liability is recognized when a future outflow or other sacrifice of resources is "likely to occur," a past event or exchange transaction has occurred, and the future outflow or sacrifice of resources is measurable.

R. NET POSITION

Net position is the residual difference between assets and liabilities. It is composed of unexpended appropriations and cumulative results of operations.

- ★ Unexpended appropriations are the portion of the appropriations represented by undelivered orders and unobligated balances.
- ★ Cumulative results of operations are also part of net position. This account reflects the net difference between expenses and losses and financing sources, including appropriations, revenues and gains, since the inception of the activity.

S. NON-ENTITY ASSETS

Non-entity fund balances are amounts in deposit fund accounts. These include such items as: funds received from outside sources where the government acts as fiscal agent, monies the government has withheld awaiting distribution based on legal determination, and unidentified remittances credited as suspense items outside the budget. For USAID, non-entity assets are minimal in amount, and are composed solely of accounts receivable, net of allowances.

T. AGENCY COSTS

USAID costs of operations are comprised of program and operating expenses. USAID/ Washington program and Mission related expenses by objectives are obtained directly from Phoenix, the Agency general ledger. A cost allocation model is used to distribute operating expenses, including Management Bureau, Global Development Alliance, Trust Funds and Support Offices costs to specific goals. Expenses related to Credit Reform and Revolving Funds are directly applied to specific agency goals based on their objectives.

U. PARENT/CHILD REPORTING

USAID is a party to allocation transfers with other Federal agencies as both a transferring (parent) entity and receiving (child) entity. Allocation transfers are legal delegations by one department of its ability to obligate budget authority and outlay funds to another department. 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 child entity are also charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, 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. Per OMB Circular A-136 guidance, parent transfer activities are to be included and child transfer activities are to be excluded in trial balances. Exceptions to this general rule affecting USAID include the Executive Office of the President, for whom USAID is the child in the allocation transfer but, per OMB guidance, will report all activity relative to these allocation transfers in USAID's financial statements. In addition to these funds, USAID allocates funds as the parent to:

- ★ Department of Agriculture, Forest Service
- ★ Department of State

USAID receives allocation transfers as the child from:

- ★ Department of State
- ★ Executive Office of the President
- ★ Millennium Challenge Corporation
- ★ Department of Agriculture, Commodity Credit Corporation

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury as of September 30, 2020 and 2019 consisted of the following *(in thousands)*:

Status of Fund Balance with Treasury	2020	2019
Unobligated Balance		
Available	$ 8,900,347	$ 10,367,340
Unavailable	3,737,427	4,174,926
Obligated and Other Balances Not Yet Disbursed (Net)	22,638,336	21,428,809
Total	$ 35,276,110	$ 35,971,075

Fund Balances with Treasury are the aggregate amounts of USAID's accounts with Treasury for which the Agency is authorized to make payments. Other Funds include credit program and operating funds which are established to record amounts held for the loan guarantee and other operating funds.

The Agency's historical difference of $131 million in its Fund Balance with Treasury (FBWT) has been resolved after OMB and Treasury approved the request for backdated adjustment. Accordingly, M/CFO recorded a one-time adjustment on September 30, 2019 in its general ledger account which permanently addressed the out-of-balance condition with Treasury.

Unobligated balances become available when apportioned by OMB for obligation in the current fiscal year. Obligated and other balances not yet disbursed (net) include balances for non-budgetary funds and unfilled customer orders without advances. The unobligated and obligated balances are reflected on the Combined Statement of Budgetary Resources. The total available unobligated balance includes expired funds which are available for upward adjustments, however they are not available to incur new obligations. In the Combined Statement of Budgetary Resources the expired fund balance is included in Unobligated Balance, Unapportioned. The obligated and other balances not yet disbursed include other liabilities without related budgetary obligations.

NOTE 3. ACCOUNTS RECEIVABLE, NET

The primary components of USAID's Accounts Receivable, Net as of September 30, 2020 and 2019 are as follows *(in thousands)*:

	Receivable Gross	Allowance Accounts	Receivable Net 2020	Receivable Net 2019
Intragovernmental				
Accounts Receivable from Federal Agencies	$ 941,176	N/A	$ 941,176	$ 1,071,503
Less: Intra-Agency Receivables	(916,578)	N/A	(916,578)	(1,053,999)
Total Intragovernmental Accounts Receivable	24,598	N/A	24,598	17,504
Accounts Receivable from the Public	113,960	(19,360)	94,600	102,797
Total Receivables	$ 138,558	$ (19,360)	$ 119,198	$ 120,301

Entity intragovernmental accounts receivable consist of amounts due from other U.S. Government Agencies. No allowance accounts have been established for the intragovernmental accounts receivable, which are considered to be 100 percent collectible.

All other entity accounts receivable consist of amounts managed by Missions or USAID/Washington. These receivables consist of overdue advances, unrecovered advances, and audit findings. The allowance for uncollectable accounts related to these receivables is calculated based on a historical analysis of collectability. Accounts receivable from Missions are collected and recorded to the respective appropriation.

Interest receivable is calculated separately, and there is no interest included in the accounts receivable listed above.

NOTE 4. OTHER ASSETS

Other Assets as of September 30, 2020 and 2019 consisted of Advances, as follows *(in thousands)*:

	2020	2019
Intragovernmental		
Advances to Federal Agencies	$ 86,445	$ 43,814
Total Intragovernmental	86,445	43,814
With the Public		
Advances to Contractors/Grantees	882,103	622,601
Advances to Host Country Governments and Institutions	940,471	652,181
Advances, Other	(655,411)	(243,768)
Total with the Public	1,167,163	1,031,014
Total Other Assets	$ 1,253,608	$ 1,074,828

Intragovernmental Other Assets are comprised of advance payments to other Federal Government entities for Agency expenses not yet incurred and for goods and services not yet received.

Advances to Contractors/Grantees are amounts that USAID pays to cover immediate cash needs related to program implementation until Contractors/Grantees submit expense reports to USAID and USAID records those expenses. Advances to Host Country Governments and Institutions represent amounts advanced by USAID Missions to host-country governments and other in-country organizations, such as educational institutions and volunteer organizations. Advances, Other consist primarily of amounts advanced for living quarters, travel, and home service. Advances, Other is negative due to the liquidating of advances at the Missions. The advances were issued under Advances, Contractors and were liquidated under Advances, Other.

NOTE 5. CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets as of September 30, 2020 and 2019 are as follows *(in thousands)*:

	2020	2019
Cash and Other Monetary Assets		
Other Cash	$ (447)	$ (577)
Foreign Currencies	333,754	233,690
Total Cash and Other Monetary Assets	$ 333,307	$ 233,113

Foreign Currencies is the value of the Foreign Currency Trust Funds which totaled $334 million in FY 2020 and $234 million in FY 2019, as disclosed in Note 12. USAID does not have any non-entity cash or other monetary assets.

The negative amounts occurred in Other Cash due to the posting model used by the Missions for recording transfers to the local banks. The posting model has been revised and the Missions have been advised to reconcile with their local national banks.

NOTE 6. DIRECT LOANS AND LOAN GUARANTEES, NET

USAID operates the following loan guarantee programs:

- ★ Israel Loan Guarantee Program (Israel Loan)
- ★ Middle East North Africa (MENA) Loan Guarantee Program (comprised of Tunisia, Jordan and Iraq Loan Guarantees)
- ★ Ukraine Loan Guarantee Program

The following loan and/or loan guarantee programs were transferred to the U.S. International Development Finance Corporation (DFC) during FY 2020:

- ★ Direct Loan Program (Direct Loan)
- ★ Urban and Environmental Program (UE)
- ★ Micro and Small Enterprise Development Program (MSED)
- ★ Development Credit Authority Program (DCA)

A description of these credit programs and the accounting for them is detailed in Note 1 of this report. Information on the transfer of the four listed loan programs to DFC above is also detailed under Note 1 sub-section "B. Reporting Entity; Loan Program Transfer." This will explain why the majority of the FY 2020 balances in the tables to follow reflect a zero balance.

An analysis of loans receivable, loan guarantees, liability for loan guarantees, and the nature and amounts of the subsidy costs associated with the loans and loan guarantees are provided in the following sections.

The following net loan receivable amounts are not the same as the proceeds that USAID would expect to receive from selling its loans. Actual proceeds may be higher or lower depending on the borrower and the status of the loan.

Summary of Loans Receivables, Net as of September 30, 2020 and 2019 are as follows *(in thousands)*:

	2020	2019
Net Direct Loans Obligated Prior to FY 1992 (Allowance for Loss Method)	$ –	$ 595,606
Net Direct Loans Obligated After FY 1991 (Present Value Method)	–	(146,317)
Defaulted Guaranteed Loans from Pre-1992 (Allowance for Loss Method)	–	57,776
Defaulted Guaranteed Loans Post-1991 (Present Value Method)	–	121,470
Total Loans Receivable, Net as reported on the Balance Sheet	$ –	$ 628,535

DIRECT LOANS

Direct Loan amounts for loans obligated prior to 1992 and after 1991 as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Programs	Loans Receivable Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Direct Loans, Net
Direct Loans Obligated Prior to 1992 (Allowance for Loss Method) as of September 30, 2020:				
Direct Loans	$ –	$ –	$ –	$ –
MSED	–	–	–	–
Total	$ –	$ –	$ –	$ –
Direct Loans Obligated Prior to 1992 (Allowance for Loss Method) as of September 30, 2019:				
Direct Loans	$ 807,094	$ 371,158	$ (582,646)	$ 595,606
MSED	29	5	(34)	–
Total	$ 807,123	$ 371,163	$ (582,680)	$ 595,606

Loan Programs	Loans Receivable Gross	Interest Receivable	Allowance for Subsidy Cost	Value of Assets Related to Direct Loans, Net
Direct Loans Obligated After 1991 (Present Value) as of September 30, 2020:				
Direct Loans	$ –	$ –	$ –	$ –
Total	$ –	$ –	$ –	$ –
Direct Loans Obligated After 1991 (Present Value) as of September 30, 2019:				
Direct Loans	$ 672,756	$ 6,176	$ (825,249)	$ (146,317)
Total	$ 672,756	$ 6,176	$ (825,249)	$ (146,317)

Total Amount of Direct Loans Disbursed as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Direct Loan Programs	2020	2019
Direct Loans	$ –	$ 1,479,850
MSED	–	29
Total	$ –	$ 1,479,879

Schedule for Reconciling Subsidy Cost Allowance Balances (Post-1991 Direct Loans) as of September 30, 2020 and 2019 are as follows *(in thousands)*:

	2020	2019
	Direct Loan	**Direct Loan**
Beginning Balance of the Subsidy Cost Allowance	$ 825,249	$ 799,367
Add: Subsidy Expense for Direct Loans Disbursed During the Reporting Years by Component:		
(A) Interest Rate Differential Costs	–	–
(B) Default Costs (Net of Recoveries)	–	–
(C) Fees and Other Collections	–	–
(D) Other Subsidy Costs	–	–
Total of the Above Subsidy Expense Components	–	–
Adjustments:		
(A) Loan Modifications	–	–
(B) Fees Received	–	–
(C) Foreclosed Property Acquired	–	–
(D) Loans Written Off	–	–
(E) Subsidy Allowance Amortization	–	18,800
(F) Other	(825,249)	7,082
Ending Balance of the Subsidy Cost Allowance Before Reestimates	$ –	$ 825,249
Add or Subtract Subsidy Reestimates by Component:		
(A) Interest Rate Reestimate	–	–
(B) Technical/Default Reestimate	–	–
Total of the Above Reestimate Components	–	–
Ending Balance of the Subsidy Cost Allowance	$ –	$ 825,249

DEFAULTED GUARANTEED LOANS FROM PRE-1992 GUARANTEES

Defaulted Guaranteed Loans from Pre-1992 Guarantees (Allowance for Loss Method) as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance For Loan Losses	Value of Assets Related to Defaulted Guaranteed Loans Receivable, Net
Defaulted Guaranteed Loans from Pre-1992 Guarantees (Allowance for Loss Method): 2020				
UE	$ –	$ –	$ –	$ –
Total	$ –	$ –	$ –	$ –
Defaulted Guaranteed Loans from Pre-1992 Guarantees (Allowance for Loss Method): 2019				
UE	$ 92,111	$ 9,640	$ (43,975)	$ 57,776
Total	$ 92,111	$ 9,640	$ (43,975)	$ 57,776

DEFAULTED GUARANTEED LOANS FROM POST-1991 GUARANTEES

Defaulted Guaranteed Loans from Post-1991 as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance For Loan Losses	Value of Assets Related to Defaulted Guaranteed Loans Receivable, Net
Defaulted Guaranteed Loans from Post-1991 Guarantees (2020):				
UE (Subrogated Claims)	–	–	–	–
Total	$ –	$ –	$ –	$ –
Defaulted Guaranteed Loans from Post-1991 Guarantees (2019):				
UE (Subrogated Claims)	$ 73,084	$ 48,386	$ –	$ 121,470
Total	$ 73,084	$ 48,386	$ –	$ 121,470

GUARANTEED LOANS OUTSTANDING

Guaranteed Loans Outstanding as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	Outstanding Principal, Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
Guaranteed Loans Outstanding (2020):		
DCA	$ –	$ –
Israel	7,463,606	7,463,606
UE	–	–
Ukraine	1,000,000	1,000,000
MENA	4,750,000	4,750,000
Total	$ 13,213,606	$ 13,213,606
Guaranteed Loans Outstanding (2019):		
DCA	$ 600,594	$ 300,297
Israel	7,947,226	7,947,226
UE	257,257	257,257
Ukraine	2,000,000	2,000,000
MENA	4,750,000	4,750,000
Total	$ 15,555,077	$ 15,254,780
New Guaranteed Loans Disbursed (2020):		
DCA	$ –	$ –
Total	$ –	$ –
New Guaranteed Loans Disbursed (2019):		
DCA	$ 126,782	$ 63,391
Total	$ 126,782	$ 63,391

Liability for Loan Guarantees as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	Liabilities for Losses on Pre-1992 Guarantees, Estimated Future Default Claims	Liabilities for Post-1991 Guarantees	Loan Guarantee Liabilities
Liability for Loan Guarantees as of September 30, 2020:			
UE	$ –	$ –	$ –
MSED	–	–	–
Israel	–	975,885	975,885
DCA	–	–	–
Ukraine	–	259,605	259,605
MENA	–	1,049,807	1,049,807
Total	$ –	$ 2,285,297	$ 2,285,297
Liability for Loan Guarantees as of September 30, 2019:			
UE	$ 176	$ 159,464	$ 159,640
MSED	–	–	–
Israel	–	1,021,532	1,021,532
DCA	–	94,733	94,733
Ukraine	–	517,135	517,135
MENA	–	1,044,479	1,044,479
Total	$ 176	$ 2,837,343	$ 2,837,519

SUBSIDY EXPENSE FOR LOAN GUARANTEES BY PROGRAM AND COMPONENT

Subsidy Expense for Loan Guarantees by Program and Component as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	Interest Supplements	Defaults	Fees and Other Collections	Other	Total
Subsidy Expense for New Loan Guarantees (2020):					
DCA	$ –	$ –	$ –	$ –	$ –
Total	$ –	$ –	$ –	$ –	$ –
Subsidy Expense for New Loan Guarantees (2019):					
DCA	$ –	$ 12,390	$ (1,664)	$ –	$ 10,726
Total	$ –	$ 12,390	$ (1,664)	$ –	$ 10,726

(continued on next page)

(continued)

Loan Guarantee Programs	Total Modifications	Interest Rate Reestimates	Technical Reestimates	Total Reestimates
Modifications and Reestimates (2020):				
UE	$ –	$ –	$ –	$ –
Israel	–	–	(107,188)	(107,188)
DCA	–	–	–	–
Ukraine	–	–	(279,896)	(279,896)
MENA	–	–	(21,659)	(21,659)
Total	$ –	$ –	$ (408,743)	$ (408,743)
Modifications and Reestimates (2019):				
UE	$ –	$ –	$ (4,926)	$ (4,926)
Israel	–	–	(156,799)	(156,799)
DCA	68	–	(6,977)	(6,909)
Ukraine	–	–	(694,933)	(694,933)
MENA	–	–	(175,367)	(175,367)
Total	$ 68	$ –	$ (1,039,002)	$ (1,038,934)

Total Loan Guarantee Subsidy Expense as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	2020	2019
UE	$ –	$ (4,926)
Israel	(107,188)	(156,799)
DCA	–	3,817
Ukraine	(279,896)	(694,933)
MENA	(21,659)	(175,367)
Total	$ (408,743)	$ (1,028,208)

SUBSIDY RATES FOR LOAN GUARANTEES BY PROGRAM AND COMPONENT

Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts are as follows *(percent)*:

Loan Guarantee Programs	Interest Supplements (%)	Defaults (%)	Fees and Other Collections (%)	Other (%)	Total (%)
DCA	–	–	–	–	–

Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees) as of September 30, 2020 and 2019 are as follows *(in thousands)*:

2020: Post-1991 Loan Guarantees	DCA	MSED	UE	Israel	Ukraine	MENA	Total
Beginning Balance of the Loan Guarantee Liability	$ 94,733	$ –	$ 159,464	$ 1,021,532	$ 517,135	$ 1,044,479	$ 2,837,343
Add: Subsidy Expense for Guaranteed Loans Disbursed During the Reporting Years by Component:							
(A) Interest Supplement Costs	–	–	–	–	–	–	–
(B) Default Costs (Net of Recoveries)	–	–	–	–	–	–	–
(C) Fees and Other Collections	–	–	–	–	–	–	–
(D) Other Subsidy Costs	–	–	–	–	–	–	–
Total of the Above Subsidy Expense Components	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Adjustments:							
(A) Loan Guarantee Modifications	–	–	–	–	–	–	–
(B) Fees Received	–	–	–	–	–	–	–
(C) Interest Supplements Paid	–	–	–	–	–	–	–
(D) Foreclosed Property and Loans Acquired	–	–	–	–	–	–	–
(E) Claim Payments to Lenders	–	–	–	–	–	–	–
(F) Interest Accumulation on the Liability Balance	–	–	–	61,541	22,366	26,987	110,894
(G) Other	(94,733)	–	(159,464)	–	–	–	(254,197)
Ending Balance of the Loan Guarantee Liability Before Reestimates	$ –	$ –	$ –	$ 1,083,073	$ 539,501	$ 1,071,466	$ 2,694,040
Add or Subtract Subsidy Reestimates by Component:							
(A) Interest Rate Reestimate	–	–	–	–	–	–	–
(B) Technical/Default Reestimate	–	–	–	(107,188)	(279,896)	(21,659)	(408,743)
Total of the Above Reestimate Components	–	–	–	(107,188)	(279,896)	(21,659)	(408,743)
Ending Balance of the Loan Guarantee Liability	$ –	$ –	$ –	$ 975,885	$ 259,605	$ 1,049,807	$ 2,285,297

2019: Post-1991 Loan Guarantees	DCA	MSED	UE	Israel	Ukraine	MENA	Total
Beginning Balance of the Loan Guarantee Liability	$ 92,209	$ 1	$ 155,072	$ 1,101,548	$1,182,907	$ 1,194,286	$ 3,726,023
Add: Subsidy Expense for Guaranteed Loans Disbursed During the Reporting Years by Component:							
(A) Interest Supplement Costs	–	–	–	–	–	–	–
(B) Default Costs (Net of Recoveries)	12,390	–	–	–	–	–	12,390
(C) Fees and Other Collections	1,664	–	–	–	–	–	1,664
(D) Other Subsidy Costs	–	–	–	–	–	–	–
Total of the Above Subsidy Expense Components	$ 14,054	$ –	$ –	$ –	$ –	$ –	$14,054
Adjustments:							
(A) Loan Guarantee Modifications	–	–	–	–	–	–	–
(B) Fees Received	2,296	–	594	–	–	–	2,890
(C) Interest Supplements Paid	–	–	–	–	–	–	–
(D) Foreclosed Property and Loans Acquired	–	–	–	–	–	–	–
(E) Claim Payments to Lenders	(9,052)	–	–	–	–	–	(9,052)
(F) Interest Accumulation on the Liability Balance	2,726	–	3,280	76,783	29,161	25,560	137,510
(G) Other	(523)	–	5,444	–	–	–	4,921
Ending Balance of the Loan Guarantee Liability Before Reestimates	$101,710	$ 1	$ 164,390	$ 1,178,331	$1,212,068	$ 1,219,846	$ 3,876,346
Add or Subtract Subsidy Reestimates by Component:							
(A) Interest Rate Reestimate	–	–	–	–	–	–	–
(B) Technical/Default Reestimate	(6,977)	(1)	(4,926)	(156,799)	(694,933)	(175,367)	(1,039,003)
Total of the Above Reestimate Components	(6,977)	(1)	(4,926)	(156,799)	(694,933)	(175,367)	(1,039,003)
Ending Balance of the Loan Guarantee Liability	$ 94,733	$ –	$ 159,464	$ 1,021,532	$ 517,135	$ 1,044,479	$ 2,837,343

Administrative Expense as of September 30, 2020 and 2019 are as follows *(in thousands)*:

Loan Guarantee Programs	2020	2019
DCA	$ –	$ 9,851
Total	$ –	$ 9,851

OTHER INFORMATION

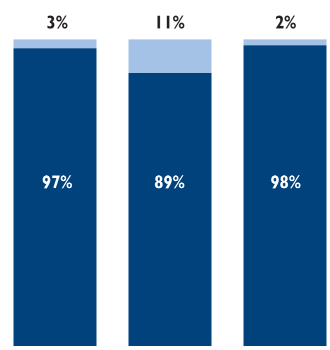
Allowance for loss for pre-1992 receivables were calculated in accordance with OMB guidance using an allowance for loss method which assigns risk ratings to receivables based upon the country of debtor.

Reestimate amounts calculated during the year are subject to approval by OMB, and any adjustments, if necessary, will be made in Fiscal Year 2021. In addition, the reestimates reported in the current fiscal year financial statements are not reported in the U.S. Goverment's budget until the following year. Several loan guarantees matured and were fully repaid in 2020, reducing USAID's risk exposure by approximately $1.5 billion, as a result, downward reestimates calculated in the current fiscal year was approximately $426 million.

There are no new loans disbursements, as such, no data was reported under the subsidy rates table above. 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.

For each major category of the financial statements, the following chart depicts the percentage reduction the transfer of the four USAID loan programs to DFC had on the overall Agency balances. Agency totals are as of September 30, 2020 *(in millions)*.

OVERALL EFFECT OF LOAN TRANSFERS ON AGENCY BALANCES



	Total Assets	Total Liabilities	Budgetary Resources
Loan Programs Transferred Totals	$ 1,106	$ 969	$ 558
Agency Totals	37,072	7,687	30,021
Total	$ 38,178	$ 8,656	$ 30,579

NOTE 7. INVENTORY AND RELATED PROPERTY, NET

USAID's Inventory and Related Property, Net is comprised of Operating Materials and Supplies. Operating Materials and Supplies as of September 30, 2020 and 2019 are as follows *(in thousands)*:

	2020	2019
Items Held for Use		
Office Supplies	$ 1,920	$ 2,095
Items Held in Reserve for Future Use		
Disaster Assistance Materials and Supplies	6,124	8,925
Birth Control Supplies	8,046	16,172
Total Inventory and Related Property	$ 16,090	$ 27,193

Operating Materials and Supplies are considered tangible properties that are consumed in the normal course of business and not held for sale. The valuations are based on historical acquisition costs. There are no obsolete or unserviceable items, and no restrictions on their use. Items costing less than $25,000 are expensed as incurred.

NOTE 8. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

The components of Property, Plant and Equipment (PP&E), Net as of September 30, 2020 and 2019 are as follows *(in thousands)*:

2020	Useful Life	Cost	Accumulated Depreciation/ Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	$ 61,264	$ (51,627)	$ 9,637
Buildings, Improvements, and Renovations	5 to 20 years	114,467	(60,375)	54,092
Land and Land Rights	N/A	7,203	N/A	7,203
Construction in Progress	N/A	–	–	–
Internal Use Software	3 to 5 years	128,717	(126,317)	2,400
Total PP&E		$ 311,651	$ (238,319)	$ 73,332

2019	Useful Life	Cost	Accumulated Depreciation/ Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	$ 64,268	$ (52,946)	$ 11,322
Buildings, Improvements, and Renovations	5 to 20 years	114,982	(59,169)	55,813
Land and Land Rights	N/A	7,203	N/A	7,203
Construction in Progress	N/A	–	–	–
Internal Use Software	3 to 5 years	128,717	(124,214)	4,503
Total PP&E		$ 315,170	$ (236,329)	$ 78,841

(continued on next page)

Schedule of PP&E, Net as of September 30, 2020 is as follows *(in thousands)*:

2020	Net PP&E
General Property, Plant and Equipment Reconciliation	
Beginning Balance	$ 78,841
Capital Acquisition	179,573
Dispositions	(62,379)
Depreciation Expense	(122,703)
Ending Balance	$ 73,332

Equipment consists primarily of electric generators, Automatic Data Processing (ADP) hardware, vehicles, and copiers located at the overseas field Missions.

Buildings, Improvements, and Renovations, in addition to Land and Land Rights include USAID-owned office buildings and residences at foreign Missions, including the land on which these structures reside. These structures are used and maintained by the field Missions. USAID generally does not separately report the cost of the building and the land on which the building resides.

Land consists of property owned by USAID in foreign countries. Land is generally procured with the intent of constructing buildings.

NOTE 9. LEASES

As of September 30, 2020, Future Lease Payments consisted of the following *(in thousands)*:

Operating Leases:	2020		
Future Payments Due:	Future Costs		
Fiscal Year	**Federal**	**Non-Federal**	**Future Costs**
2021	$ 42,653	$ 47,815	$ 90,468
2022	50,868	80,540	131,408
2023	56,943	21,391	78,334
2024	56,430	12,619	69,049
2025	56,797	6,707	63,505
2026 and Beyond	507,442	7,029	514,471
Total Future Lease Payments	$ 771,133	$ 176,101	$ 947,235

Future operating lease payments total $947 million in future lease payments, of which $770.3 million is for the USAID headquarters in Washington, D.C., and the remainder is for the Missions. The current lease agreements are for approximately 893,888 sq. feet for the headquarters. The expiration dates for headquarters leases are from FY 2020 through FY 2040 and the expiration dates for the Missions' leases are from FY 2020 through FY 2025. All the leases are non-cancelable and the lessor for headquarters is the U.S. General Services Administration (GSA), which charges commercial rates for USAID's occupancy.

NOTE 10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

As of September 30, 2020 and 2019 Liabilities Not Covered by Budgetary Resources were as follows *(in thousands)*:

	2020	2019
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental:		
Unfunded FECA Liability (Note 13)	$ 8,551	$ 7,013
Other Unfunded Employment Related Liability	82	–
Other Liabilities (Note 12)	9,250	5,176
Total Intragovernmental	$ 17,883	$ 12,189
Accrued Annual Leave (Note 12)	89,411	55,115
Future Workers' Compensation Benefits (Note 13)	27,586	21,807
Debt – Contingent Liabilities for Loan Guarantees (Note 6)	–	176
Total Liabilities Not Covered by Budgetary Resources	134,880	89,287
Total Liabilities Covered by Budgetary Resources	7,552,297	8,078,609
Total Liabilities	$ 7,687,177	$ 8,167,896

USAID records liabilities for amounts that are likely to be paid as the direct result of events that have already occurred. USAID considers the Intragovernmental accounts payable as liabilities covered under budgetary resources. These accounts payable are those payable to other Federal Agencies and consist mainly of unliquidated obligation balances related to interagency agreements between USAID and other Federal Agencies. The accounts payable with the public represent liabilities to non-Federal entities.

Liabilities not covered by budgetary resources include accrued unfunded annual leave and separation pay. Although future appropriations to fund these liabilities are probable and anticipated, Congressional action is needed before budgetary resources can be provided. Accrued unfunded annual leave, workers' compensation benefits, and separation pay represent future liabilities not currently funded by budgetary resources, but will be funded as it becomes due with future resources. The Contingent Liabilities for Loan Guarantees is in the pre-Credit Reform Urban and Environmental (UE) Housing Loan Guarantee liquidating fund. As such, it represents the estimated liability to lenders for future loan guarantee defaults in that program.

NOTE 11. INTRAGOVERNMENTAL DEBT

USAID Intragovernmental Debt as of September 30, 2020 and 2019 consisted of the following borrowings from Treasury for post-1991 loan programs, which is classified as other debt *(in thousands)*:

Debt Due to Treasury	2019 Beginning Balance	Net Borrowing	2019 Ending Balance	Net Borrowing	Other	2020 Ending Balance
Direct Loans	$ 36,076	$ (36,076)	$ –	$ –	$ –	$ –
DCA	610	6,955	7,565	–	(7,565)	–
Total Treasury Debt	$ 36,686	$ (29,121)	$ 7,565	$ –	$ (7,565)	$ –

Pursuant to the Federal Credit Reform Act of 1990, Agencies with credit programs have permanent indefinite authority to borrow funds from the Treasury. These funds are used to fund the unsubsidized portion of direct loans and, in certain situations, to cover credit program costs.

The above disclosed debt is principal payable to Treasury, which represents Financing account borrowings from Treasury. As of September 30, 2020, the DCA program debt is zero due to the transfer of all liabilities authorized by the BUILD Act of 2018 to the newly established agency, U.S. International Development Finance Corporation (DFC). Further details on this transfer are discussed under Note 1 sub-section "B. Reporting Entity; Loan Program Transfer" and Note 6.

The Balance Sheet components of the $899 million *Liability for Capital Transfers to the General Fund of the Treasury* is reflective of the downward reestimates that are anticipated to be paid to Treasury next fiscal year. All debt shown is intragovernmental debt.

NOTE 12. OTHER LIABILITIES

As of September 30, 2020 and 2019 Other Current Liabilities consisted of the following *(in thousands)*:

	2020	2019
Intragovernmental		
IPAC Suspense	$ 6,010	$ 6,321
Unfunded FECA Liability (Note 13)	8,551	7,013
Custodial Liability	2,368	3,214
Employer Contributions & Payroll Taxes Payable	4,044	3,033
Other Unfunded Employment Related Liability	82	–
Liability for Advances and Prepayments	1,266,731	705,779
Other Liabilities (Note 10)	9,250	5,176
Total Intragovernmental	$ 1,297,036	$ 730,536
With the Public		
Accrued Funded Payroll and Leave	32,190	36,156
Accrued Unfunded Annual Leave and Separation Pay (Note 10)	89,411	55,115
Advances From Others	50,723	35,861
Foreign Currency Trust Fund (Note 5)	333,754	233,690
Other Liabilities	114,667	111,817
Total Liabilities With the Public	$ 620,745	$ 472,639
Total Other Liabilities	$ 1,917,781	$ 1,203,175

Intragovernmental Liabilities represent amounts due to other Federal Agencies. All remaining Other Liabilities are liabilities to non-Federal entities.

NOTE 13. FEDERAL EMPLOYEES AND VETERAN'S BENEFITS

The provision for workers' compensation benefits payable, as of September 30, 2020 and 2019 are indicated in the table below *(in thousands)*:

Unfunded Workers' Compensation Benefits	2020	2019
Liabilities Not Covered by Budgetary Resources		
Future Workers' Compensation Benefits (Note 10)	$ 27,586	$ 21,807
Accrued Unfunded FECA Liability (Note 10)	8,551	7,013
Total Unfunded Workers' Compensation Benefits	$ 36,137	$ 28,820

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job and to beneficiaries of employees whose deaths are attributable to job-related injury or disease. The FECA program is administered by the U.S. Department of Labor (DOL). DOL initially pays valid FECA claims for all Federal Government Agencies and seeks reimbursement two fiscal years later from the Federal Agencies employing the claimants.

For FY 2020, USAID's total FECA liability was $36.1 million, comprised of unpaid FECA billings for $8.5 million and estimated future FECA costs of $27.6 million.

The actuarial estimate for the FECA unfunded liability is determined by the DOL using a method which uses historical benefit payment patterns. The projected annual benefit payments are discounted to present value using economic assumption for 10-year Treasury notes and bonds and the amount is further adjusted for inflation.

NOTE 14. COMMITMENTS AND CONTINGENCIES

USAID is involved in certain claims, suits, and complaints that have been filed or are pending. These matters are in the ordinary course of the Agency's operations and are not expected to have a material adverse effect on the Agency's financial operations.

As of September 30, 2019, there were three pending cases. One of the cases was settled in May 2020 for $1 million and there are two pending cases as of September 30, 2020.

The schedule below details the accrued liabilities and estimated range of loss for pending legal cases as of September 30, 2020 and 2019 *(in thousands)*:

	2020		2019	
	Estimated Range of Loss		Estimated Range of Loss	
	Lower End	Upper End	Lower End	Upper End
Legal Contingencies:				
Probable	$ –	$ –	$ –	$ –
Reasonably Possible	100	10,600	100	12,573
Total Accrued Liabilities and Estimated Range of Loss	$ 100	$ 10,600	$ 100	$ 12,573

USAID's normal course of business involves the execution of project agreements with foreign governments that are a type of treaty. All of these agreements give rise to obligations that are fully reported on USAID's financial statements, and none of which are contingent. It is not USAID's normal business practice to enter into other types of agreements or treaties with foreign governments that create contingent liabilities.

NOTE 15. COVID-19 ACTIVITY

USAID's COVID-19 Activity as of September 30, 2020 consisted of the following *(in thousands)*:

2020		
COVID-19 Funded Programs	**Obligated Balances Not Yet Disbursed**	**Budgetary Resources Remaining Available Beyond FY 2020**
Economic Support Fund	$ 170,582	$ 28,766
Gifts and Donations – Aid	513	–
International Disaster Assistance	504,244	–
Operating Expenses of USAID	33,123	42,320
Operating Expenses of USAID Inspector General	120	691
Total COVID-19 Funded Programs	$ 708,582	$ 71,777

USAID received COVID-19 Supplemental Appropriations of $904 million Pursuant to Public Laws 116-123 and 116-136. USAID also received $443 million of Global Health (GH) allocation transfers from State Department (Parent), under Legal Authority 22 U.S. Code § 2392. State Department reports on the allocation transfers and not USAID. The funds appropriated to USAID disclosed above are also reported under the Agency's Statements of Budgetary Resources.

The available COVID-19 fund also impacts the following account balances: Fund Balance with Treasury, Advances and Accounts Payable.

NOTE 16. SCHEDULE OF COST BY STANDARDIZED PROGRAM STRUCTURE AND DEFINITION (SPSD)

The Schedule of Costs by Responsibility Segment categorizes costs and revenues by Program Categories, Program Areas, which is consistent with the new State-USAID SPSD and Responsibility Segment.

A responsibility segment is the component that carries out a mission or major line of activity, and whose managers report directly to top management. The geographic and technical bureaus of USAID (on the pages following) meet the criteria for responsibility segments. These bureaus directly support the Agency goals while the remaining bureaus and offices support the operations of these bureaus. To report the full cost of program outputs, the cost of support bureaus and offices are allocated to the outputs of the geographic and technical bureaus. Intra-agency eliminations are allocated to Program Areas to reflect total costs.

In the FY 2020 Consolidated Statement of Net Cost, major responsibility segments are (i) the Geographic Bureaus and (ii) the Technical Bureaus. The Geographic Bureaus are: Africa; Asia; Europe and Eurasia; Latin America and the Caribbean; the Middle East; and the Office of Afghanistan and Pakistan Affairs (OAPA). The Technical Bureaus are: Democracy, Conflict and Humanitarian Assistance (DCHA); Economic Growth, Education and the Environment (E3); Global Health; and Innovation and Development Alliances (IDEA) & U.S. Global Development Lab (LAB). Note that receiving organizations IDEA and LAB have been merged as IDEA & LAB for Statement of Net Cost reporting purposes.

Schedule of Costs by SPSD for the years ended September 30, 2020 and 2019 are indicated in the table on the following pages *(in thousands)*:

Categories	Africa	Asia	DCHA	E3	Europe & Eurasia	Global Health	IDEA & LAB	Latin America & Caribbean	Middle East	OAPA	2020 Consolidated Total	2019 Consolidated Total
DR–Democracy, Human Rights and Governance												
DR.1–Rule of Law (ROL)												
Gross Costs	$ 20,451	$ 33,303	$ 1,084	$ 3,512	$ 22,818	$ –	$ –	$ 50,629	$ 10,772	$ 9,494	$ 152,063	$ 181,802
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(1,481)
Net Program Costs	**20,451**	**33,303**	**1,084**	**3,512**	**22,818**	**–**	**–**	**50,629**	**10,772**	**9,494**	**152,063**	**180,321**
DR.2–Good Governance												
Gross Costs	76,587	70,683	11,055	6,133	78,757	–	–	132,140	119,072	381,834	876,261	682,477
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(3,510)
Net Program Costs	**76,587**	**70,683**	**11,055**	**6,133**	**78,757**	**–**	**–**	**132,140**	**119,072**	**381,834**	**876,261**	**678,967**
DR.3–Political Competition and Consensus-Building												
Gross Costs	44,144	15,856	7,678	–	25,303	–	–	16,954	33,820	9,972	153,727	207,870
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(1,548)
Net Program Costs	**44,144**	**15,856**	**7,678**	**–**	**25,303**	**–**	**–**	**16,954**	**33,820**	**9,972**	**153,727**	**206,322**
DR.4–Civil Society												
Gross Costs	64,311	71,856	8,983	3,526	58,904	–	–	51,298	21,403	9,176	289,457	291,478
Less: Earned Revenue	–	(44)	–	–	–	–	–	–	(2)	–	(46)	(2,171)
Net Program Costs	**64,311**	**71,812**	**8,983**	**3,526**	**58,904**	**–**	**–**	**51,298**	**21,401**	**9,176**	**289,411**	**289,307**
DR.5–Independent Media and Free Flow of Information												
Gross Costs	7,123	6,817	75	–	31,941	–	–	12,313	–	–	58,269	43,772
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(415)
Net Program Costs	**7,123**	**6,817**	**75**	**–**	**31,941**	**–**	**–**	**12,313**	**–**	**–**	**58,269**	**43,357**
DR.6–Human Rights												
Gross Costs	4,884	12,976	4,792	6,822	2,189	–	–	36,436	786	2,047	70,932	59,551
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(486)
Net Program Costs	**4,884**	**12,976**	**4,792**	**6,822**	**2,189**	**–**	**–**	**36,436**	**786**	**2,047**	**70,932**	**59,065**
Total Democracy, Human Rights and Governance	**217,500**	**211,447**	**33,667**	**19,993**	**219,912**	**–**	**–**	**299,770**	**185,851**	**412,523**	**1,600,663**	**1,457,339**
EG–Economic Growth												
EG.1–Macroeconomic Foundation for Growth												
Gross Costs	–	–	–	119,666	3,614	–	–	–	919,775	6,708	1,049,763	194,907
Less: Earned Revenue	–	–	–	(62,724)	–	–	–	–	–	(13,776)	(76,500)	(89,467)
Net Program Costs	**–**	**–**	**–**	**56,942**	**3,614**	**–**	**–**	**–**	**919,775**	**(7,068)**	**973,263**	**105,440**
EG.2–Trade and Investment												
Gross Costs	1,245	27,837	–	7,259	16,644	–	–	2,883	3,271	14,472	73,611	107,276
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(874)
Net Program Costs	**1,245**	**27,837**	**–**	**7,259**	**16,644**	**–**	**–**	**2,883**	**3,271**	**14,472**	**73,611**	**106,402**
EG.3–Agriculture												
Gross Costs	327,530	99,688	–	242,437	4,649	–	–	26,512	18,268	67,023	786,107	807,680
Less: Earned Revenue	–	–	–	(11)	–	–	–	–	–	–	(11)	(4,041)
Net Program Costs	**327,530**	**99,688**	**–**	**242,426**	**4,649**	**–**	**–**	**26,512**	**18,268**	**67,023**	**786,096**	**803,639**
EG.4–Financial Sector												
Gross Costs	94	1,242	–	71,816	8,917	–	–	3,186	40,878	–	126,133	175,181
Less: Earned Revenue	–	–	–	(61,541)	–	–	–	–	–	–	(61,541)	(77,230)
Net Program Costs	**94**	**1,242**	**–**	**10,275**	**8,917**	**–**	**–**	**3,186**	**40,878**	**–**	**64,592**	**97,951**

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Categories	Africa	Asia	DCHA	E3	Europe & Eurasia	Global Health	IDEA & LAB	Latin America & Caribbean	Middle East	OAPA	2020 Consolidated Total	2019 Consolidated Total
EG.5–Private Sector Productivity												
Gross Costs	7,324	39,430	–	20,036	92,342	–	127,517	19,713	89,594	20,935	416,891	429,616
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(5,733)
Net Program Costs	**7,324**	**39,430**	**–**	**20,036**	**92,342**	**–**	**127,517**	**19,713**	**89,594**	**20,935**	**416,891**	**423,883**
EG.6–Workforce Development												
Gross Costs	4,295	7,133	–	6,993	3,007	–	1,946	5,933	12,533	4,764	46,604	61,335
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(452)
Net Program Costs	**4,295**	**7,133**	**–**	**6,993**	**3,007**	**–**	**1,946**	**5,933**	**12,533**	**4,764**	**46,604**	**60,883**
EG.7–Modern Energy Services												
Gross Costs	107,317	38,656	–	14,717	32,708	–	7,087	4,910	2,262	120,052	327,709	288,418
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(2,029)
Net Program Costs	**107,317**	**38,656**	**–**	**14,717**	**32,708**	**–**	**7,087**	**4,910**	**2,262**	**120,052**	**327,709**	**286,389**
EG.8–Information and Communications Technology Services												
Gross Costs	742	5,716	–	1,268	192	–	288	63	42	2,208	10,519	4,387
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(30)
Net Program Costs	**742**	**5,716**	**–**	**1,268**	**192**	**–**	**288**	**63**	**42**	**2,208**	**10,519**	**4,357**
EG.9–Transport Services												
Gross Costs	20,911	1,637	–	5,480	5,419	–	3,691	1,789	1,223	62,247	102,397	119,073
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(853)
Net Program Costs	**20,911**	**1,637**	**–**	**5,480**	**5,419**	**–**	**3,691**	**1,789**	**1,223**	**62,247**	**102,397**	**118,220**
EG.10–Environment												
Gross Costs	101,097	98,103	1,778	228,831	2,925	–	–	88,000	1,988	2,412	525,134	588,942
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(11,277)
Net Program Costs	**101,097**	**98,103**	**1,778**	**228,831**	**2,925**	**–**	**–**	**88,000**	**1,988**	**2,412**	**525,134**	**577,665**
EG.11-Climate Change - Adaptation												
Gross Costs	–	–	–	1,621	–	–	–	–	–	–	1,621	2,311
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(9)
Net Program Costs	**–**	**–**	**–**	**1,621**	**–**	**–**	**–**	**–**	**–**	**–**	**1,621**	**2,302**
EG.12-Climate Change - Clean Energy												
Gross Costs	–	–	–	494	–	–	–	78	–	–	572	2,411
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(3)
Net Program Costs	**–**	**–**	**–**	**494**	**–**	**–**	**–**	**78**	**–**	**–**	**572**	**2,408**
EG.13-Climate Change - Sustainable Landscapes												
Gross Costs	8,358	29,010	–	12,521	–	–	–	29,685	–	–	79,574	45,807
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(257)
Net Program Costs	**8,358**	**29,010**	**–**	**12,521**	**–**	**–**	**–**	**29,685**	**–**	**–**	**79,574**	**45,550**
Total Economic Growth	**578,913**	**348,452**	**1,778**	**608,863**	**170,417**	**–**	**140,529**	**182,752**	**1,089,834**	**287,045**	**3,408,583**	**2,635,089**
ES–Education and Social Services												
ES.1–Basic Education												
Gross Costs	295,273	59,324	2,780	82,734	2,508	–	7,124	45,704	133,232	125,931	754,610	1,071,734
Less: Earned Revenue	–	–	–	(4)	(219)	–	–	–	–	–	(223)	(9,148)
Net Program Costs	**295,273**	**59,324**	**2,780**	**82,730**	**2,289**	**–**	**7,124**	**45,704**	**133,232**	**125,931**	**754,387**	**1,062,586**

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Categories	Africa	Asia	DCHA	E3	Europe & Eurasia	Global Health	IDEA & LAB	Latin America & Caribbean	Middle East	OAPA	2020 Consolidated Total	2019 Consolidated Total
ES.2–Higher Education												
Gross Costs	7,236	16,462	5,876	2,695	32	–	16,289	5,086	12,787	6,704	73,167	61,806
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(401)
Net Program Costs	**7,236**	**16,462**	**5,876**	**2,695**	**32**	**–**	**16,289**	**5,086**	**12,787**	**6,704**	**73,167**	**61,405**
ES.3–Social Policies, Regulations, and Systems												
Gross Costs	274	219	270	200	16	–	–	11,606	70	3,450	16,105	11,831
Less: Earned Revenue	–	–	–	(92)	–	–	–	–	–	–	(92)	(394)
Net Program Costs	**274**	**219**	**270**	**108**	**16**	**–**	**–**	**11,606**	**70**	**3,450**	**16,013**	**11,437**
ES.4–Social Services												
Gross Costs	2,324	15,905	34,638	5,498	1,780	48	–	25,658	7,230	1,705	94,786	70,667
Less: Earned Revenue	–	–	–	(307)	–	–	–	–	–	–	(307)	(1,545)
Net Program Costs	**2,324**	**15,905**	**34,638**	**5,191**	**1,780**	**48**	**–**	**25,658**	**7,230**	**1,705**	**94,479**	**69,122**
ES.5–Social Assistance												
Gross Costs	1,692	1,259	1,666	1,233	99	–	–	4,283	11,796	3,156	25,184	36,579
Less: Earned Revenue	–	–	–	(568)	–	–	–	–	–	–	(568)	(2,232)
Net Program Costs	**1,692**	**1,259**	**1,666**	**665**	**99**	**–**	**–**	**4,283**	**11,796**	**3,156**	**24,616**	**34,347**
Total Education and Social Service	**306,799**	**93,169**	**45,230**	**91,389**	**4,216**	**48**	**23,413**	**92,337**	**165,115**	**140,946**	**962,662**	**1,238,897**
HA–Humanitarian Assistance												
HA.1–Protection, Assistance and Solutions												
Gross Costs	14	3,912	4,592,098	–	4,193	8,007	–	2,371	–	32	4,610,627	3,665,676
Less: Earned Revenue	–	–	(147)	–	–	–	–	–	–	–	(147)	(15,270)
Net Program Costs	**14**	**3,912**	**4,591,951**	**–**	**4,193**	**8,007**	**–**	**2,371**	**–**	**32**	**4,610,480**	**3,650,406**
HA.2–Disaster Readiness												
Gross Costs	1,362	9,168	163,094	–	–	–	–	964	–	–	174,588	169,123
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(730)
Net Program Costs	**1,362**	**9,168**	**163,094**	**–**	**–**	**–**	**–**	**964**	**–**	**–**	**174,588**	**168,393**
HA.3–Migration Management												
Gross Costs	–	–	–	–	–	–	–	22,080	–	–	22,080	12,323
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(61)
Net Program Costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22,080**	**–**	**–**	**22,080**	**12,262**
Total Humanitarian Assistance	**1,376**	**13,080**	**4,755,045**	**–**	**4,193**	**8,007**	**–**	**25,415**	**–**	**32**	**4,807,148**	**3,831,061**
HL–Health												
HL.1–HIV/AIDS												
Gross Costs	232,051	21,840	819	925	3,022	655,136	30,422	13,744	28,089	32,775	1,018,823	1,068,630
Less: Earned Revenue	–	–	–	–	–	(420,206)	–	–	–	–	(420,206)	(622,330)
Net Program Costs	**232,051**	**21,840**	**819**	**925**	**3,022**	**234,930**	**30,422**	**13,744**	**28,089**	**32,775**	**598,617**	**446,300**
HL.2–Tuberculosis												
Gross Costs	8,618	13,083	6	7	968	1,824	229	20	212	2,070	27,037	24,163
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(945)
Net Program Costs	**8,618**	**13,083**	**6**	**7**	**968**	**1,824**	**229**	**20**	**212**	**2,070**	**27,037**	**23,218**

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Categories	Africa	Asia	DCHA	E3	Europe & Eurasia	Global Health	IDEA & LAB	Latin America & Caribbean	Middle East	OAPA	2020 Consolidated Total	2019 Consolidated Total
HL.3–Malaria												
Gross Costs	82,892	4,861	30	33	3	2,374	1,098	1,044	1,014	1,183	94,532	82,337
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(3,335)
Net Program Costs	**82,892**	**4,861**	**30**	**33**	**3**	**2,374**	**1,098**	**1,044**	**1,014**	**1,183**	**94,532**	**79,002**
HL.4–Pandemic Influenza and Other Emerging Threats (PIOET)												
Gross Costs	1,530	542	43	49	3,437	56,946	1,597	140	2,462	1,720	68,466	16,411
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(389)
Net Program Costs	**1,530**	**542**	**43**	**49**	**3,437**	**56,946**	**1,597**	**140**	**2,462**	**1,720**	**68,466**	**16,022**
HL.5–Other Public Health Threats												
Gross Costs	2,258	905	4,565	72	319	10,252	3,026	207	2,791	4,519	28,914	25,554
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(499)
Net Program Costs	**2,258**	**905**	**4,565**	**72**	**319**	**10,252**	**3,026**	**207**	**2,791**	**4,519**	**28,914**	**25,055**
HL.6–Maternal and Child Health												
Gross Costs	44,989	16,447	225	254	1,228	24,519	8,418	4,477	20,222	18,916	139,695	161,351
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(4,215)
Net Program Costs	**44,989**	**16,447**	**225**	**254**	**1,228**	**24,519**	**8,418**	**4,477**	**20,222**	**18,916**	**139,695**	**157,136**
HL.7–Family Planning and Reproductive Health												
Gross Costs	30,719	14,753	101	114	10	6,030	4,057	2,726	32,560	5,109	96,179	79,315
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(2,152)
Net Program Costs	**30,719**	**14,753**	**101**	**114**	**10**	**6,030**	**4,057**	**2,726**	**32,560**	**5,109**	**96,179**	**77,163**
HL.8–Water Supply and Sanitation												
Gross Costs	130,882	13,772	360	21,667	36	13,378	13,373	16,826	90,978	14,704	315,976	221,913
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(2,347)
Net Program Costs	**130,882**	**13,772**	**360**	**21,667**	**36**	**13,378**	**13,373**	**16,826**	**90,978**	**14,704**	**315,976**	**219,566**
HL.9–Nutrition												
Gross Costs	8,362	4,523	14	15	1	888	510	643	728	4,092	19,776	24,597
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(589)
Net Program Costs	**8,362**	**4,523**	**14**	**15**	**1**	**888**	**510**	**643**	**728**	**4,092**	**19,776**	**24,008**
Total Health	**542,301**	**90,726**	**6,163**	**23,136**	**9,024**	**351,141**	**62,730**	**39,827**	**179,056**	**85,088**	**1,389,192**	**1,067,470**
PO–Program Development and Oversight												
PO.1–Program Design and Learning												
Gross Costs	74,914	18,819	27,731	207,193	6,992	–	2,799	16,777	28,005	20,986	404,216	459,314
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(10,725)
Net Program Costs	**74,914**	**18,819**	**27,731**	**207,193**	**6,992**	**–**	**2,799**	**16,777**	**28,005**	**20,986**	**404,216**	**448,589**
PO.2–Administration and Oversight												
Gross Costs	128,817	61,730	173,142	78,125	24,976	–	23,350	56,310	28,064	49,708	624,222	644,964
Less: Earned Revenue	–	–	–	(5)	–	–	–	–	–	–	(5)	(6,008)
Net Program Costs	**128,817**	**61,730**	**173,142**	**78,120**	**24,976**	**–**	**23,350**	**56,310**	**28,064**	**49,708**	**624,217**	**638,956**
PO.3–Evaluation												
Gross Costs	10,179	3,298	137	1,160	1,294	–	770	9,011	3,236	–	29,085	21,390
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(141)
Net Program Costs	**10,179**	**3,298**	**137**	**1,160**	**1,294**	**–**	**770**	**9,011**	**3,236**	**–**	**29,085**	**21,249**
Total Program Development and Oversight	**213,910**	**83,847**	**201,010**	**286,473**	**33,262**	**–**	**26,919**	**82,098**	**59,305**	**70,694**	**1,057,518**	**1,108,794**

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Categories	Africa	Asia	DCHA	E3	Europe & Eurasia	Global Health	IDEA & LAB	Latin America & Caribbean	Middle East	OAPA	2020 Consolidated Total	2019 Consolidated Total
PS–Peace and Security												
PS.1–Counterterrorism												
Gross Costs	13,322	12,799	5,062	–	975	–	3,184	–	3,589	–	38,931	60,411
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(408)
Net Program Costs	**13,322**	**12,799**	**5,062**	**–**	**975**	**–**	**3,184**	**–**	**3,589**	**–**	**38,931**	**60,003**
PS.2–Combating Weapons of Mass Destruction (WMD)												
Gross Costs	–	–	–	–	–	–	–	–	–	–	–	–
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	–
Net Program Costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
PS.3–Counternarcotics												
Gross Costs	–	–	–	–	–	–	–	95,794	–	9,153	104,947	103,395
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(832)
Net Program Costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**95,794**	**–**	**9,153**	**104,947**	**102,563**
PS.4-Transnational Threats and Crime												
Gross Costs	–	–	–	–	898	–	–	–	–	–	898	1,980
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(21)
Net Program Costs	**–**	**–**	**–**	**–**	**898**	**–**	**–**	**–**	**–**	**–**	**898**	**1,959**
PS.5–Trafficking in Persons												
Gross Costs	387	14,539	245	–	1,535	–	–	2,027	–	469	19,202	21,211
Less: Earned Revenue	–	(8)	–	–	–	–	–	–	–	–	(8)	(273)
Net Program Costs	**387**	**14,530**	**245**	**–**	**1,535**	**–**	**–**	**2,027**	**–**	**469**	**19,194**	**20,938**
PS.6–Conflict Mitigation and Stabilization												
Gross Costs	19,070	19,024	120,083	–	7,408	–	–	25,943	112,450	46,221	350,199	510,860
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(2,793)
Net Program Costs	**19,070**	**19,024**	**120,083**	**–**	**7,408**	**–**	**–**	**25,943**	**112,450**	**46,221**	**350,199**	**508,067**
PS.7–Conventional Weapons Security and Explosive Remnants of War (ERW)												
Gross Costs	–	–	–	–	930	–	–	–	–	1	931	1,074
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(10)
Net Program Costs	**–**	**–**	**–**	**–**	**930**	**–**	**–**	**–**	**–**	**1**	**931**	**1,064**
PS.8–Strengthening Military Partnerships and Capabilities												
Gross Costs	–	–	–	–	–	–	–	–	–	1	1	29
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	–
Net Program Costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**29**
PS.9–Citizen Security and Law Enforcement												
Gross Costs	–	–	–	–	–	–	–	1,075	–	2	1,077	379
Less: Earned Revenue	–	–	–	–	–	–	–	–	–	–	–	(1)
Net Program Costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,075**	**–**	**2**	**1,077**	**378**
Total Peace and Security	**32,779**	**46,354**	**125,390**	**–**	**11,746**	**–**	**3,184**	**124,839**	**116,039**	**55,847**	**516,178**	**695,001**
Net Cost of Operations	**$1,893,578**	**$ 887,075**	**$5,168,283**	**$1,029,854**	**$ 452,770**	**$359,196**	**$256,775**	**$ 847,038**	**$ 1,795,200**	**$1,052,175**	**$ 13,741,944**	**$ 12,033,651**

NOTE 17. COMBINED STATEMENT OF BUDGETARY RESOURCES

The Combined Statement of Budgetary Resources presents information about total budgetary resources available to USAID and the status of those resources, as of September 30, 2020 and 2019. USAID's total budgetary resources were $30 billion and $30.9 billion as of September 30, 2020 and 2019, respectively.

The following schedule details the amount of the direct and reimbursable new obligations and upward adjustments against the apportionment categories.

A. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED *(in thousands)*:

	2020	2019
Category A, Direct	$ 1,547,899	$ 1,579,716
Category B, Direct	15,197,912	14,155,954
Category A, Reimbursable	62,211	55,901
Category B, Reimbursable	574,987	540,522
Total	$ 17,383,009	$ 16,332,093

B. BORROWING AUTHORITY, END OF PERIOD AND TERMS OF BORROWING AUTHORITY USED:

The Agency had $0 million and $7 million in borrowing authority in FY 2020 and FY 2019, respectively. Borrowing authority is indefinite and authorized under the Federal Credit Reform Act of 1990 (Title XIII, Subtitle B, Pub. L. No. 101-508), and is used to finance obligations during the current year, as needed.

C. PERMANENT INDEFINITE APPROPRIATIONS:

USAID has permanent indefinite appropriations relating to specific Federal Credit Reform Programs. USAID is authorized permanent indefinite authority for Federal Credit Reform Program appropriations for subsidy reestimates and Federal Credit Reform Act of 1990. At fiscal year-end 2020, available appropriations was $3.2 billion, a decrease of $700 million from prior fiscal year as a direct result of the transfer of four of USAID's loan programs to DFC.

D. LEGAL ARRANGEMENTS AFFECTING THE USE OF UNOBLIGATED BALANCES:

The "Consolidated Appropriations Act" signed into law as Pub. L. No. 112-74 provides to USAID extended authority to obligate funds. USAID's appropriations have consistently provided essentially similar authority, known as "7011" authority. Under this authority funds shall remain available for obligation for an extended period if such funds are obligated within their initial period of availability. Any subsequent recoveries (deobligations) of these funds become unobligated balances that are available for reprogramming by USAID (subject to OMB approval through the apportionment process).

E. UNDELIVERED ORDERS AT THE END OF THE YEAR:

Budgetary Resources obligated for Undelivered Orders as of September 30, 2020 and 2019, were $21 billion and $20 billion, respectively.

	2020	2019
Federal		
Obligations Paid	$ 41,047	$ 34,322
Obligations Unpaid	640,675	773,272
Total Federal	681,722	807,594
Non-Federal		
Obligations Paid	1,207,687	1,032,876
Obligations Unpaid	19,545,562	18,248,570
Total Non-Federal	20,753,249	19,281,446
Total Undelivered Orders at End of Year	$ 21,434,971	$ 20,089,040

F. DIFFERENCE BETWEEN THE COMBINED STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT *(in thousands)*:

The reconciliation between the Statement of Budgetary Resources (SBR) and the Budget of the U.S. Government (Budget) is presented below. This reconciliation is as of September 30, 2019 because submission of the Budget for FY 2022, which presents the execution of the FY 2020 Budget, occurs after publication of these financial statements. The USAID Budget Appendix can be found on the OMB website (*http://www.whitehouse.gov/omb/budget*) and will be available in early February 2021.

Differences between the SBR and Budget of the U.S. Government are caused mainly by the fact that certain funds are reported in the SBR but not included in the USAID section of the "Department of State and Other International Programs" Appendix of the Budget of the U.S. Government. This is largely reflected in the Economic Support Fund, which is approximately $9.3 billion. This fact is corroborated by the State Department Budget Office, which confirms the aforementioned funds being warranted/allocated to State, and included in State's section of the President's budget as a transfer of funds to USAID.

The amounts in the line "Other Differences" in the table below cannot be further defined because appropriation level detail is not provided in the Budget of the U.S. Government.

2019	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	$ 30,874,359	$ 16,332,093	$ (462,118)	$ 13,036,488
Funds Reported in SBR, Not Attributed to USAID in the President's Budget	(9,333,000)	(4,996,000)	–	(4,835,000)
Other Differences	241,641	375,907	–	421,512
Budget of the U.S. Government	$ 21,783,000	$ 11,712,000	$ (462,118)	$ 8,623,000

NOTE 18. RECONCILIATION OF NET COST TO BUDGETARY OUTLAYS

Budgetary and financial accounting information differ. 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 the budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The first section of the reconciliation below presents components of net cost that are not part of net outlays and should be excluded from net cost. The second and third sections presents increase and decrease in assets and liabilities respectively. Some are used for assets that are reported on the Balance Sheet, not as net cost. The final section adds or subtracts from total resources those items reported in net cost that do not require or generate resources. As an example, the Agency collects regular passport fees that are reported as revenue on the Statement of Net Cost. However, these fees are not shown as a resource because they are returned to Treasury and cannot be obligated or spent by the Agency.

Schedule of Reconciliation of Net Cost of Operations to Net Costs of Budgetary Outlays for the years ended September 30, 2020 and 2019 is indicated in the table below *(in thousands)*:

	2020	2019
Net Cost	$ 13,741,944	$ 12,033,651
Components of Net Cost That Are Not Part of Net Outlays:		
Property, Plant and Equipment Depreciation	(122,703)	(27,497)
Property, Plant and Equipment Disposal and Revaluation	(1,590)	(1,082)
Unrealized Valuation Loss/Gain on Investments	–	(12,283)
Other	(26,049)	(1,228,840)
Increase/(Decrease) in Assets:		
Accounts Receivable	4,487	628,241
Loans Receivable	–	(308,083)
Other Assets	178,900	229,999
(Increase)/Decrease in Liabilities:		
Accounts Payable	(745,697)	145,475
Salaries and Benefits	2,791	(22,388)
Insurance and Guarantee Program Liabilities	–	888,679
Other Liabilities (Unfunded Leave, Unfunded FECA, Actuarial FECA)	(145,127)	(1,343,511)
Other Financing Sources:		
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(42,347)	(34,311)
Transfers Out/In Without Reimbursement	48,853	–
Total Components of Net Operating Cost That Are Not Part of Net Outlays	**(848,482)**	**$ (1,085,600)**
Components of Net Outlays That Are Not Part of Net Cost:		
Other	465,754	1,499,608
Unreconciled Difference	(56,357)	126,712
Total Components of Net Outlays That Are Not Part of Net Cost	**409,397**	**$ 1,626,320**
NET OUTLAYS	**$ 13,302,859**	**$ 12,574,371**

The FY 2020 Net Outlays on this schedule differs from that of the Statement of Budgetary Resources because of the exclusion of credit financing funds and other credit program funds transferred to the International Development Finance Corporation.

NOTE 19. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, AND STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION 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 Governmentwide 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 USAID's financial statements and the USAID's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items.

The Reclassificaton of the Balance Sheet, the Statement of Net Cost, and the Statement of Changes in Net Position for the year ended September 30, 2020 are presented in the following tables *(in thousands)*:

FY 2020 USAID Balance Sheet		Line Items Used to Prepare FY 2020 Government-wide Balance Sheet		
Financial Statement Line	**Amounts**	**Intra-departmental Elimination**	**Amounts**	**Reclassified Financial Statement Line**
ASSETS:				**ASSETS:**
Intragovernmental Assets:				**Intragovernmental Assets:**
Fund Balance with Treasury (Note 2)	$ 35,276,110	$ –	$ 35,276,110	Fund Balance with Treasury
Accounts Receivable (Note 3)	24,598	(916,578)	941,176	Accounts Receivable, Net
Other Assets (Note 4)	86,445		86,445	Advances to Others and Prepayments
Total Intragovernmental Assets	**35,387,153**	**(916,578)**	**36,303,731**	**Total Intragovernmental Assets**
Cash and Other Monetary Assets (Note 5)	333,307		333,307	Cash and Other Monetary Assets
Accounts Receivable, Net (Note 3)	94,600		94,600	Accounts Receivable, Net
Inventory and Related Property, Net (Note 7)	16,090		16,090	Inventory and Related Property, Net
General Property, Plant and Equipment, Net (Note 8)	73,332		73,332	General Property, Plant and Equipment, Net
Other Assets (Note 4)	1,167,163		1,167,163	Other Assets
Total Assets	**$ 37,071,645**	**$ (916,578)**	**$ 37,988,223**	**Total Assets**
LIABILITIES:				**LIABILITIES:**
Intragovernmental Liabilities:				**Intragovernmental Liabilities:**
Accounts Payable	$ 86,622	$ (916,578)	$ 1,003,200	Accounts Payable
			11,200	Benefit Program Contributions Payable
			1,266,730	Advances from Others and Deferred Credits
			16,738	Other Liabilities
Liability for Capital Transfers to the General Fund of the Treasury (Note 11) & Other Liabilities (Note 12)	2,196,523		901,855	Liability to the General Fund of the U.S. Government
Total Intragovernmental Liabilities	**2,283,145**	**(916,578)**	**3,199,723**	**Total Intragovernmental Liabilities**
Accounts Payable	2,470,404		2,470,404	Accounts Payable
Loan Guarantee Liability (Note 6)	2,285,297		2,285,297	Loan Guarantee Liability
			116,999	Federal Employee and Veteran Benefits Payable
Federal Employees and Veteran's Benefits (Note 13) & Other Liabilities (Note 12)	648,331		531,332	Other Liabilities
Total Liabilities	**7,687,177**	**(916,578)**	**8,603,755**	**Total Liabilities**
NET POSITION:				**NET POSITION:**
Unexpended Appropriations	29,283,335		29,283,335	Unexpended Appropriations
Cumulative Results of Operations	101,133		101,133	Cumulative Results of Operations
Total Net Position	**29,384,468**	**–**	**29,384,468**	**Total Net Position**
Total Liabilities and Net Position	**$ 37,071,645**	**$ (916,578)**	**$ 37,988,223**	**Total Liabilities and Net Position**

FY 2020 USAID Statement of Net Cost			Line Items Used to Prepare FY 2020 Government-wide Statement of Net Cost	
Financial Statement Line	**Amounts**	**Intra-departmental Eliminations**	**Amounts**	**Reclassified Financial Statement Line**
Gross Cost	$ 14,301,598		$ 13,281,413	Non-Federal Gross Cost
				Intragovernmental Cost:
			107,618	Benefit Gross Costs
			42,347	Imputed Costs
			870,077	Buy/Sell Cost
			143	Other Expenses
			1,020,185	**Total Intragovernmental Cost**
Total Gross Cost	14,301,598	–	14,301,598	Total Gross Cost
Earned Revenue	(559,654)		15,334	Non-Federal Earned Revenue
				Intragovernmental Earned Revenue:
			(464,094)	Buy/Sell Revenue (Exchange)
			(110,894)	Borrowing and Other Interest Revenue (Exchange)
			(574,988)	**Total Intragovernmental Earned Revenue**
Total Earned Revenue	(559,654)	–	(559,654)	Total Earned Revenue
Net Cost of Operations (Note 16)	**$ 13,741,944**	**$ –**	**$ 13,741,944**	**Net Cost of Operations**

FY 2020 USAID Statement of Changes in Net Position			Line Items Used to Prepare FY 2020 Government-wide Statement of Changes in Net Position	
Financial Statement Line	**Amounts**	**Intra-departmental Eliminations**	**Amounts**	**Reclassified Financial Statement Line**
UNEXPENDED APPROPRIATIONS:				**UNEXPENDED APPROPRIATIONS:**
Unexpended Appropriations, Beginning Balance	$ 29,430,913		$ 29,430,913	Unexpended Appropriations, Beginning Balance
Appropriations Received	14,301,783		14,063,189	Appropriations Received as Adjusted
Other Adjustments	(238,594)			
Appropriations Transferred In/Out	(80,788)	(6,999,824)	7,162,466	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
		6,999,824	(7,243,254)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
Appropriations Used	(14,129,979)		(14,129,979)	Appropriations Used
Total Unexpended Appropriations	**29,283,335**	**–**	**29,283,335**	**Total Unexpended Appropriations**
CUMULATIVE RESULTS OF OPERATIONS:				**CUMULATIVE RESULTS OF OPERATIONS:**
Cumulative Results, Beginning Balance	535,077		535,077	Cumulative Results, Beginning Balance
Appropriations Used	14,129,979		14,129,979	Appropriations Expended
Non-Exchange Revenues	(2)			
Donations and Forfeitures of Property	40,162			
Donations and Forfeitures of Cash and Cash Equivalents	57,367		97,527	Other Taxes and Receipts
Total Non-Federal Non-Exchange	97,527		97,527	Total Non-Federal Non-Exchange
			(423,412)	Non-Expenditure Transfers-Out of Unexpected Appropriations and Financing Sources
Transfers-In/Out Without Reimbursement – Budgetary	(417,369)		2,836	Non-Expenditure Transfers-In of Unexpected Appropriations and Financing Sources
			11,936	Expenditure Transfer-In of Financing Sources
Transfers-In/Out Without Reimbursement – Other	355,003	(899,487)	899,487	Transfers-In Without Reimbursement
		899,487	(553,213)	Transfers-Out Without Reimbursement
Total Transfers In/Out Without Reimbursement	(62,366)	–	(62,366)	Total Transfers In/Out Without Reimbursement
Imputed Financing	42,347		42,347	Imputed Financing Sources (Federal)
Other	(899,487)		(899,487)	Non-Entity Accrual to be Collected/Collections Transferred to the General Fund of the U.S. Government
Total Financing Sources	**13,308,000**	**–**	**13,308,000**	**Total Financing Sources**
Net Cost of Operations (Note 16)	(13,741,944)		(13,741,944)	Net Cost of Operations
Ending Balance – Cumulative Results of Operations	**101,133**		**101,133**	**Ending Balance – Cumulative Results of Operations**
Net Position	**$ 29,384,468**	**$ –**	**$ 29,384,468**	**Net Position**

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FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

(Preceding page) **A youth group in western Madagascar is leading the charge to protect and reforest the threatened Menabe dry forests. The USAID Mikajy project provides training to the group members, as well as other community participants, on how to manage the tree nurseries, monitor seedlings for healthy growth, perform reforestation, and care for the newly planted trees. While the future of these forests is uncertain, there are reasons to be optimistic.** PHOTO: USAID

https://medium.com/usaid-2030/back-from-the-ashes-ecfa1bfebc55

(Above) **In northern Kenya, recurring droughts often set families back, making it difficult to escape poverty. Women like Veronica Nalari Lengirnas often bear the brunt of these hardships. But with assistance from USAID, the community was able to build a safe and reliable marketplace for traders to thrive and build more resilience.** PHOTO: BOBBY NEPTUNE FOR USAID

https://stories.usaid.gov/a-place-to-trade/

https://youtu.be/5725gv--X0s

STATEMENT OF BUDGETARY RESOURCES

REQUIRED SUPPLEMENTARY INFORMATION: COMBINING SCHEDULE OF BUDGETARY RESOURCES

For the Year Ended September 30, 2020

(in thousands)

	Operating	Civilian Stabilization Initiative	Assistance for Europe, Eurasia and Central Asia	Assistance for Eastern Europe	Development Assistance	International Disaster Assistance	Economic Support Fund	Assistance for the Independent States of the former Soviet Union	Global Health and Child Survival	Credit Financing	Other	Parent Fund	Combined Total
	1000	**0305**	**0306**	**1010**	**1021**	**1035**	**1037**	**1093**	**1095**				
Budgetary Resources:													
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 227,900	$ 1,083	$ 558,106	$ 3,463	$ 3,147,816	$ 1,820,576	$ 3,831,453	$ 6,601	$ 38,600	$ 3,607,565	$ 597,860	$ 842,261	$ 14,683,284
Appropriations (Discretionary and Mandatory)	1,472,246	–	770,334	–	3,400,000	4,953,362	3,063,000	–	–	–	320,143	–	13,979,085
Borrowing Authority (Discretionary and Mandatory) (Note 11)	–	–	–	–	–	–	–	–	–	–	–	–	–
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	68,932	–	(204,660)	–	2,366	15,369	26,200	–	–	110,894	1,103,343	235,970	1,358,414
Total Budgetary Resources	**$ 1,769,078**	**$ 1,083**	**$ 1,123,780**	**$ 3,463**	**$ 6,550,182**	**$ 6,789,307**	**$ 6,920,653**	**$ 6,601**	**$ 38,600**	**$ 3,718,459**	**$ 2,021,346**	**$ 1,078,231**	**$ 30,020,783**
Status of Budgetary Resources:													
New Obligations and Upward Adjustments (Total):	1,527,141	14	526,181	3,032	3,034,747	5,368,558	4,309,220	4,435	539	550,765	1,269,726	788,651	$17,383,009
Unobligated Balance, End of Year:													
Apportioned, Unexpired Accounts	113,790	887	592,576	384	3,486,345	1,417,420	2,477,772	2,166	32,846	303,360	262,594	210,208	8,900,348
Exempt from Apportionment, Unexpired Accounts	–	–	–	–	–	–	(1)	–	–	–	–	–	(1)
Unapportioned, Unexpired Accounts	69,417	183	3,710	47	9,853	3,329	86,232	–	5,215	2,864,334	477,946	7,927	3,528,193
Unexpired Unobligated Balance, End of Year	**183,208**	**1,070**	**596,286**	**431**	**3,496,197**	**1,420,749**	**2,564,003**	**2,166**	**38,061**	**3,167,694**	**740,540**	**218,135**	**12,428,540**
Expired Unobligated Balance, End of Year	58,729	(1)	1,313	–	19,238	–	47,430	–	–	–	11,080	71,445	209,234
Total Unobligated Balance, End of Year	**241,937**	**1,069**	**597,599**	**431**	**3,515,435**	**1,420,749**	**2,611,433**	**2,166**	**38,061**	**3,167,694**	**751,620**	**289,580**	**12,637,774**
Total Budgetary Resources	**$ 1,769,078**	**$ 1,083**	**$ 1,123,780**	**$ 3,463**	**$ 6,550,182**	**$ 6,789,307**	**$ 6,920,653**	**$ 6,601**	**$ 38,600**	**$ 3,718,459**	**$ 2,021,346**	**$ 1,078,231**	**$ 30,020,783**
Outlays, Net and Disbursements, Net:													
Outlays, Net (Total) (Discretionary and Mandatory)	$ 1,352,526	$ (8)	$ 417,279	$ 93	$ 2,538,987	$ 4,568,931	$ 4,160,211	$ 884	$ (118)	$ 410,984	$ 40,673	$ 727,499	$ 14,217,941
Distributed Offsetting Receipts (-)	–	–	–	–	–	–	–	–	–	–	(612,315)	–	(612,315)
Agency Outlays, Net (Discretionary and Mandatory)	**$ 1,352,526**	**$ (8)**	**$ 417,279**	**$ 93**	**$ 2,538,987**	**$ 4,568,931**	**$ 4,160,211**	**$ 884**	**$ (118)**	**$ 410,984**	**$ (571,642)**	**$ 727,499**	**$ 13,605,626**
Disbursement, Net (Total) (Mandatory):										$ 410,984			$ 410,984

MAJOR FUNDS

Operating Funds

1000 Operating Expenses of USAID

Program Funds

1010 Assistance for Eastern Europe
1021 Development Assistance (DA)
1035 International Disaster Assistance
1037 Economic Support Fund (ESF)
1093 Assistance for New Independent States
1095 Child Survival and Disease Programs Funds

CREDIT FINANCING FUNDS

4119 Israel Guarantee Financing Account
4137 Direct Loan Financing Fund
4266 DCA Financing Fund
4343 MSED Guarantee Financing Fund
4344 UE Financing Fund
4345 Ukraine Guarantees Financing Fund
4493 Loan Guarantees to Middle East Northern Africa (MENA) – Financing Account

CREDIT PROGRAM FUNDS

0301 Israel Program Fund
0400 MSED Program Fund
0401 UE Program Fund
0402 Ukraine Program Fund
0409 Loan Guarantees to Middle East Northern Africa (MENA) – Program Account
1264 DCA Program Fund
5318 Israel Program Fund – Administrative Expense

CREDIT LIQUIDATING FUNDS

4103 Economic Assistance Loans – Liquidating Fund
4340 UE Guarantee Liquidating Fund
4341 MSED Direct Loan Liquidating Fund

OTHER FUNDS

Operating Funds

0300 Capital Investment Fund (CIF)
0306 Assistance for Europe, Eurasia, and Central Asia (AEECA)
1007 Operating Expenses of USAID Inspector General
1036 Federal Service Retirement and Disability Fund (FSRDF)
1099 Fines, Penalties and Forfeitures – Not Otherwise Classified
1435 Miscellaneous Interest Collections
3220 Miscellaneous Recoveries

OTHER FUNDS *(continued)*

Program Funds

0305 Civilian Stabilization Initiative
1012 Sahel Development Program
1014 Development Fund for Africa (DFA)
1015 Complex Crisis Fund
1023 Food and Nutrition Development Assistance
1024 Population Planning and Health, Development Assistance
1025 Education and Human Resources, Development Assistance
1027 Transition Initiatives
1028 Global Fund to Fight HIV/AIDS
1029 Tsunami Relief and Reconstruction Fund
1033 HIV/AIDS Working Capital
1038 Central American Reconciliation Assistance
1040 Sub-Saharan Africa Disaster Assistance
1096 Iraq Relief Fund
1500 Demobilization and Transition Fund

Trust Funds

8342 Foreign National Employees Separation Liability Fund
8502 Technical Assistance – U.S. Dollars Advance from Foreign Governments
8824 Gifts and Donations

Revolving Funds

4175 Property Management Fund
4513 Working Capital Fund
4590 Acquisition of Property Revolving Fund

ALLOCATIONS TO OTHER AGENCIES

1010 Assistance for Eastern Europe
1021 Development Assistance
1035 International Disaster Assistance
1037 Economic Support Fund (ESF)
1093 Assistance for the Independent States of the Former Soviet Union
1095 Child Survival and Disease Program Funds

ALLOCATIONS FROM OTHER AGENCIES

0113 Diplomatic and Consular Programs, State
1030 Global HIV/AIDS Initiative
1031 Global Health/Child Survival and HIV/AIDS
1121 Democracy Fund
1154 Andean Counterdrug Initiative (ACI)
2278 Commodity Credit Corporation
2750 Millennium Challenge Corporation
4336 Commodity Credit Corporation