



U.S. Coast Guard Finance Center



Annual Report FY 2017

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FINCEN Executive Steering Committee

*Supporting Coast Guard Missions with
Over 28 Years of Experience Providing
Professional Financial and Business Services
as a Shared Service Center of Excellence*

From the Commanding Officer

I am pleased to present the Finance Center 2017 Annual Report. I could not be more proud of the Finance Center staff as they continued to produce results that demonstrate exceptional stewardship for mission success.



**CAPT Erich F. Klein,
CPA, CDFM-A**

I'd like to highlight just a few of the significant initiatives we supported in fiscal year 2017:

- *Achieved 5th Consecutive Unmodified (Clean) Audit Opinion on DHS/USCG Financial Statements*
- *Reduction of long-standing internal control audit material weakness over Property, Plant and Equipment*
- *Engagement in cutting-edge analytics with the Treasury Department's Do Not Pay office to monitor and comply with the Improper Payment Elimination and Recovery Improvement Act (IPERIA)*
- *Facilitated imprest fund increase to \$600,000 to support 262 cash payments during hurricane response efforts*
- *Updated Procurement Instrument Identification structure in Core Accounting System to meet Federal Acquisitions Regulations allowing better reporting of federal spending data*
- *Provided extensive technical support to DHS, TSA, DNDO, and USCG Headquarters to assist in the stabilization of the DHS Financial, Acquisition, and Asset Management system (FAAMS), which is the baseline system for Coast Guard FMSII; and participated in wide-ranging efforts to transition to the future system.*

As we look forward to the challenges and opportunities of 2018, the Finance Center remains committed to exemplifying our vision to become the Financial Service Center of Excellence within DHS. We recently completed a strategic review of our more than 1300 business processes and developed a framework for reorganizing our staff, in line with the Financial Management and Procurement Services Modernization effort. In 2018, we will submit this plan for approval and prepare for its implementation. We will remain fully engaged to support modernization efforts including transfer of FAAMS under DHS management, implementation of the Common Appropriations Structure, and other transformational efforts driven by innovation, compliance, and efficiency.

The intent of this report is to provide you with an understanding of how the Finance Center supports Coast Guard and other DHS Component operations. We look forward to continuing to engage with our customers to improve communication as well as the timeliness and accuracy of our financial support. Semper Paratus.

Honor ★ *Respect* ★ *Devotion to Duty* ★

Overview and By the Numbers

The Coast Guard Finance Center is the central accounting and payables management entity for the entire service. It also provides Cross Servicing support to Transportation Security Administration (TSA) and the Domestic Nuclear Detection Office (DNDO).

Mission

To provide professional financial services to our customers through exemplary stewardship and innovation.

Vision

To be the Financial Service Center of Excellence within the Department of Homeland Security.

Customer Annual Budgets



United States Coast Guard
U.S. Department of Homeland Security

\$10.7 Billion



**Transportation
Security
Administration**

\$ 7.8 Billion



**Domestic Nuclear Detection Office
(DNDO)**

\$ 0.4 Billion

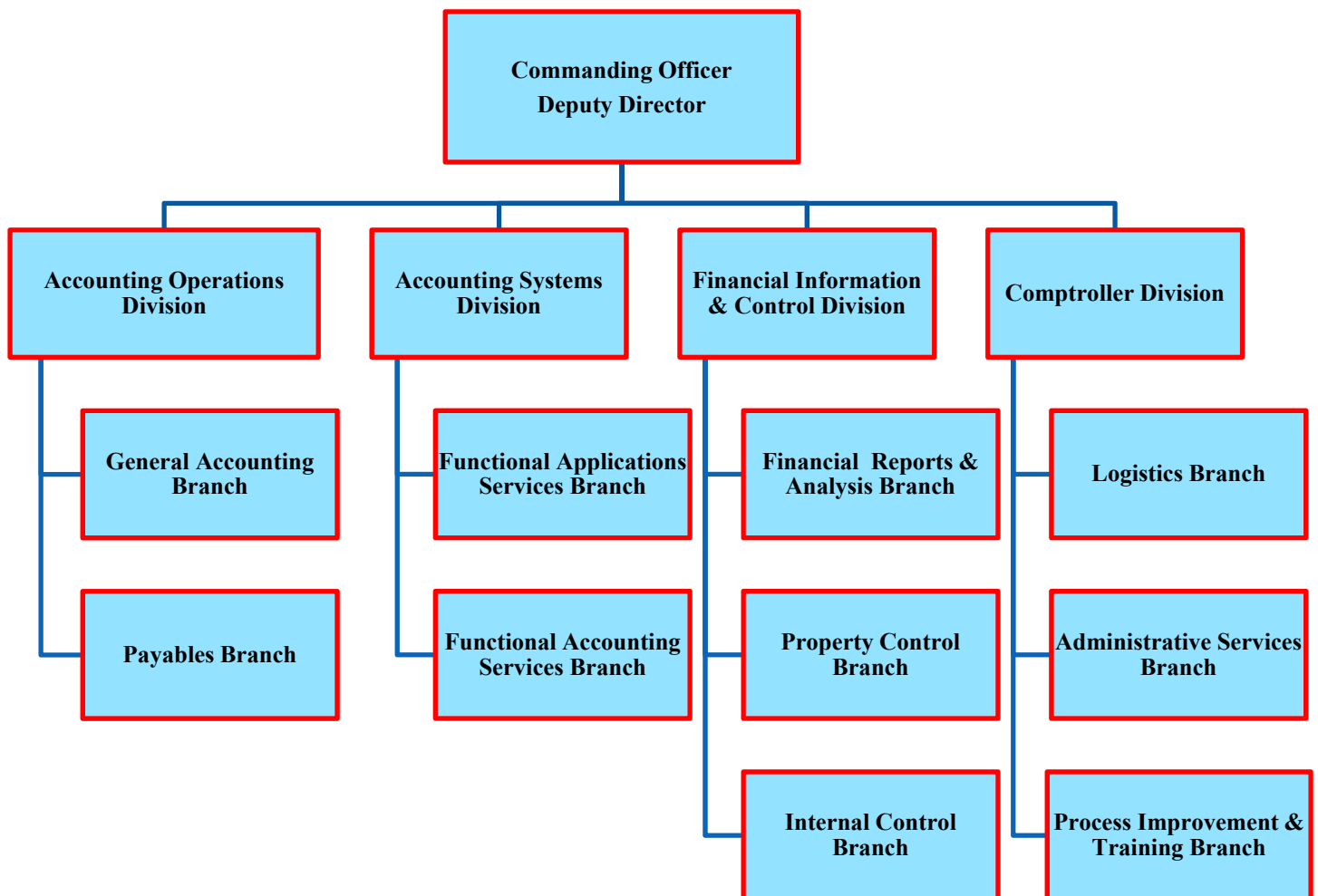
Manpower (authorized): 478

**Military: 19 USCG Civilian: 296 TSA Civilian: 71
DNDO Civilian: 7 Contractors: 85**

28 years of Proven Excellence

- 5th Consecutive Unmodified Audit Opinion in 2017 on Financial Statements (First among all Uniformed Services)
- IPERIA Improper Payments rate of 0.04% among the lowest agencies in the Federal government (avg. 4.5%)
- Quality customer support of our field units, members and other agencies with 96% customer satisfaction (15,000 users/99.7% system availability)
- High volume, low error processing of financial transactions (over 56 million per year)
- Culture of continuous improvement of operations in a declining budget environment
- Support for unique military personnel issues including Permanent Change of Station Transfers, Transportation, and Travel

Organization



Accounting Operations

The Accounting Operations Division provides professional accounting services, payments, receivables and collections for three DHS components: Coast Guard, TSA and DNDO. It is the largest division at the Finance Center and has achieved a 99.9% accuracy payment rate in FY17, as well as maintained a continued focus on low interest payments. During FY17, the average cycle time for Accounts Receivables, from invoice creation to collection, was reduced from 59 to 39 days.

The division has two branches: Accounts Payables and General Accounting. Additional information about the Accounting Operations Division may be found at:

<https://cg.portal.uscg.mil/units/fincen/Annual%20Reports/FINCEN%20Detailed%20Organization%20Data%20FY%202017.pdf>

Significant accomplishments in 2017:

Fund Balance with Treasury (FBwT) Lean Six Sigma (LSS) project: Working together with other Finance Center Divisions, we implemented the Treasury to General Ledger (GL) FBwT project. The project was a huge success and automated the reconciliation process, which was key to beginning remediation efforts for the FBwT Notice of Findings and Recommendations (NFR) as the reports now run in minutes versus two weeks using the previous manual process. The project also created alerts for any negative balances, any activity in connection with canceling appropriations and any transit activity in Treasury Default accounts.

Personally Procured Moves (PPMs): The Transportation Team and volunteers from several other Accounts Payables teams processed and paid over 6,000 PPMs, paying USCG members almost \$11 million within the 30-day target.

Reconciled Dining Facility purchase reconciliation: The reconciliation of monthly supply fund Dining Facilities food purchases of over \$75 million in the Supply Fund Subsistence appropriation was completed in FY 2017. This resulted in identifying and resolving discrepancies of almost \$750,000.

Treasury Bureau of Fiscal Service (BFS) Data Analytics: The Finance Center participated in a Commercial Payment Data Analytics and Integrity Check Project implemented to improve overall controls over commercial payments to detect and eliminate duplicate payments and other improper payments. The Finance Center is the first organization to recommend and implement this control.

Additional Accomplishments: Updated Credit Card Merchant information for entire CG; provided Line Item Matching (LIM) training and established liaison meetings with procurement community; expanded Pay.gov form established for CG Housing Rentals; and initiation of a Treasury General Account for the Training Center Yorktown Dining Facility.

Accounts Payables Branch

The Finance Center Accounts Payable Branch processes a large volume of complex invoices and payments which support the following programs/services:

Coast Guard Member Support:

| | |
|---|---|
| Movement of Household Goods | Personally Procured Moves (PPM) |
| Syncada Household Goods (HHG) Claims | Non-Temporary Storage of HHG |
| Temporary Lodging Allowance (TLA) | Travel Advances/Travel Refunds |
| Travel Claims (Suspended) | Relocation Income Tax Allowance |
| Legal/Tort Claims/Legal Fees/Witness | (RITA) Claims/Civilian PCS Moves |
| Fees/Equal Employment Opportunity (EEO) | Training/Education Costs |
| Settlements/Judgment Fees | Mass Transit |
| Uniform Allowance | Adoption Expense |
| Funeral Expense | Customer Service |
| Blanket Purchase Agreements (BPA) | Morale, Well-being and Recreation (MWR) support |
| Reimbursements for Parking and Books | Gift Funds |
| Child Development Center | |

Coast Guard Operation/Mission Support:

| | |
|---|--|
| Contracts | Purchase Orders |
| Intra-Governmental Payment (IPAC) initiations | Air Cards/Sea Cards/Fleet Cards |
| Purchase Cards | Auxiliary Patrol Orders |
| Provision/Food BPA | Commercial Bill of Lading |
| National Pollution Funds Center (NPFC) | Government Bill of Lading |
| Oil Spill Liability Trust Fund (OSLTF) | Real Property Leases |
| Dining Facilities | Utilities |
| Training | CG Surface Forces Logistics Center (SFLC), |
| Reissue of Returned Treasury/ | Yard, & Inventory Control Point (ICP) Invoices |
| Payments/Limited Pay Checks | Scanning/Data Entry |

Accounting Shared Services Support (TSA and DNDO):

| | |
|----------------|----------------------|
| Contracts | Purchase Orders |
| Purchase Cards | FedEx |
| Fuel | Travel |
| Tort Claims | Real Property Leases |
| Utilities | IPAC Transactions |
| Grants | |

The Accounts Payables supporting role is critical in executing all eleven CG missions including Search and Rescue, Drug Interdiction, Ports Waterways and Coastal Security, Living Marine Resources, Marine Safety, Defense Readiness, Migrant Interdiction, Marine Environmental Protection, Ice Operations, Other Law Enforcement and Aids to Navigation.

In FY17, the Accounts Payables Branch processed 1.2 million payments for Coast Guard, TSA and DNDO that amounted to over \$6.3 billion in disbursements.

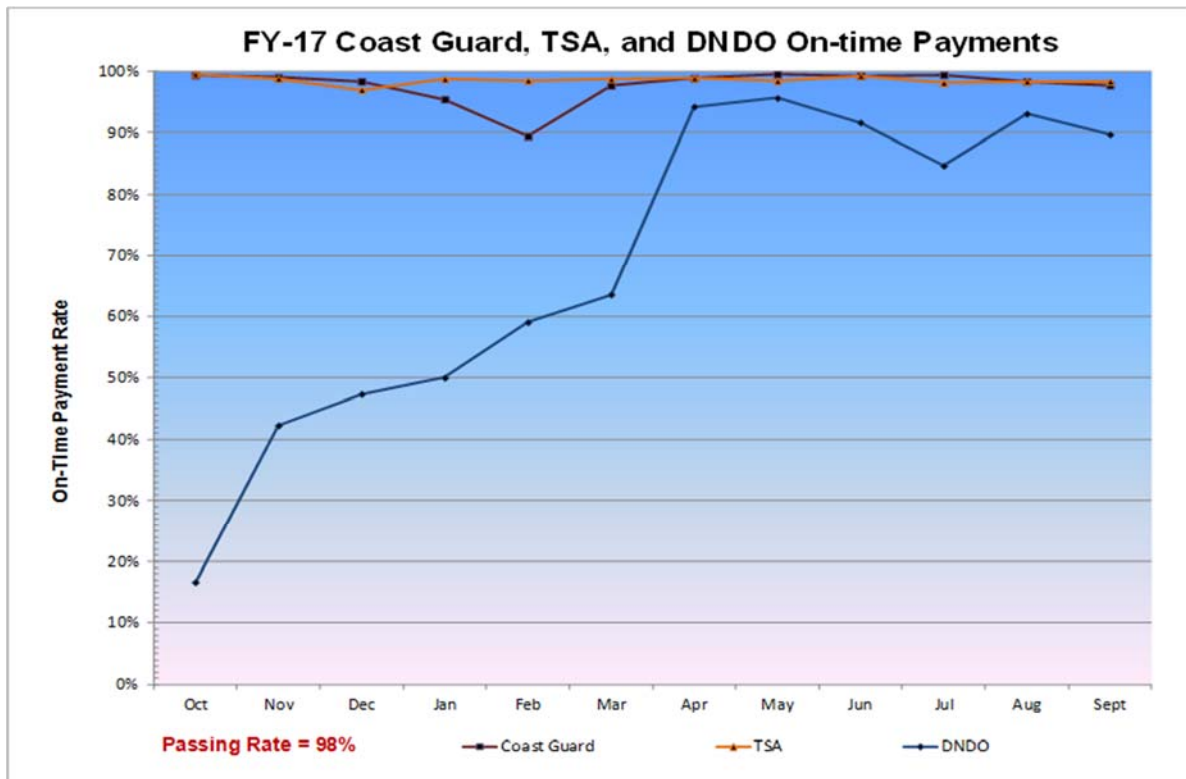
Summary of the Accounts Payables invoices processed during FY17

| COAST GUARD | | | TSA | | DNDO | |
|---|----------------|------------------------|----------------|------------------------|--------------|----------------------|
| Document Type | FY17 Count | FY17 Amount | FY17 Count | FY17 Amount | FY17 Count | FY17 Amount |
| 11 - Travel | 140,570 | \$123,266,983 | 45,716 | \$40,807,709 | 1,846 | \$1,363,747 |
| 13 - Continuous Travel | 16,706 | \$14,221,168 | 57,265 | \$97,032,925 | | |
| 12 - Permanent Change of Station | 27,686 | \$44,419,298 | | | | |
| 12 - Temporary Lodging Allowance | 4,221 | \$7,874,930 | | | | |
| 14 - Government Travel Account (GTA)/Centrally Billed Account | 61,079 | 16,143,970 | | | | |
| 14 - Military Entrance Processing Station (MEPS) GTA | 695 | 938,509 | | | | |
| 15 - Syncada Commercial Transportation Approval Payments | 13,391 | 7,529,825 | | | | |
| 15 - Syncada Household Goods | 15,808 | 69,410,616 | | | | |
| 15 - Manual HHG Govt Bill of Lading | 509 | 431,235 | | | | |
| 17 - Syncada Non-Temporary Storage | 6,800 | 2,207,310 | | | | |
| 17 - Personally Procured Move (PPM) | 6,055 | 10,837,829 | | | | |
| 17 - Direct Procurement Method | 689 | 857,116 | | | | |
| 17 - Manual Non-Temporary Storage | 754 | 86,402 | | | | |
| 17 - Mass Transit | 865 | 122,565 | | | | |
| 17 - PPM Advance | 311 | 495,127 | | | | |
| 19 - Miscellaneous Obligations | 9 | \$405,886 | 1,906 | \$403,688 | | |
| 20 - Imprest Fund | 10 | \$249,945 | 6 | \$716 | | |
| 22 - SF-44 Purchase Orders (PO) | 8 | \$3,151 | 2 | \$300 | | |
| 23 - Purchase Orders (PO) | 11,627 | \$97,201,706 | | | | |
| 24 - Contracts | 19,687 | \$2,244,114,292 | 19,129 | \$2,103,443,169 | 1,180 | \$132,003,898 |
| 26 - Food Provisional | 14 | \$192,370 | | | | |
| 27 - Auxiliary | 16,414 | \$2,471,287 | | | | |
| 28 - Inter-Service Support Agreement MIPR Cat 2 - Commercial Vendors | 86 | \$13,998,518 | 18 | \$2,561,884 | | |
| 30 - Training | 803 | \$6,039,951 | 543 | \$5,144,650 | | |
| 32 - Fleet Fuel Card | 23,177 | \$9,482,662 | 17,773 | \$1,198,032 | | |
| 32 - Purchase Card | 352,510 | \$206,020,009 | 67,362 | \$41,179,187 | 129 | \$145,931 |
| 32F - Federal Express | 79,801 | \$1,202,044 | 35,657 | \$493,112 | | |
| 33 - Miscellaneous Payments | 2,954 | \$149,703,667 | 1,728 | \$3,038,259 | | |
| 33 - Grants | 465 | \$1,121,796 | 41 | \$50,152 | 675 | \$32,240,107 |
| 34 - Reimbursable Work Authorization (RWA)/Oil Spill Liability Trust Fund | 34 | \$1,854,328 | | | | |
| 35 - Air Card/Sea Card | 979 | \$9,922,942 | | | | |
| 38 - Blanket Purchase Agreement | 18 | \$12,626 | | | | |
| 39* - Intra-Governmental Payment and Collection (IPAC) Payments | 18,234 | \$1,691,595,882 | 36,389 | 481,148,438 | 3,072 | 119,302,305 |
| 40 - Leases | 10,889 | \$28,974,779 | | | | |
| 44 - Utilities - Electric | 25,132 | \$43,344,285 | 44 | \$138,394 | | |
| 45 - Utilities - Phone | 16,160 | \$12,672,498 | | | | |
| 46 - Utilities - Water | 10,125 | \$10,294,459 | 7 | \$86,037 | | |
| 49 - Utilities - Natural Gas | 12,600 | \$4,298,209 | 2 | \$105 | | |
| 66 - Public Voucher for refunds | 1,179 | \$583,097 | 261 | \$999,337 | | |
| TOTALS | 899,054 | \$4,834,603,273 | 283,849 | \$2,777,726,093 | 6,902 | \$285,055,988 |

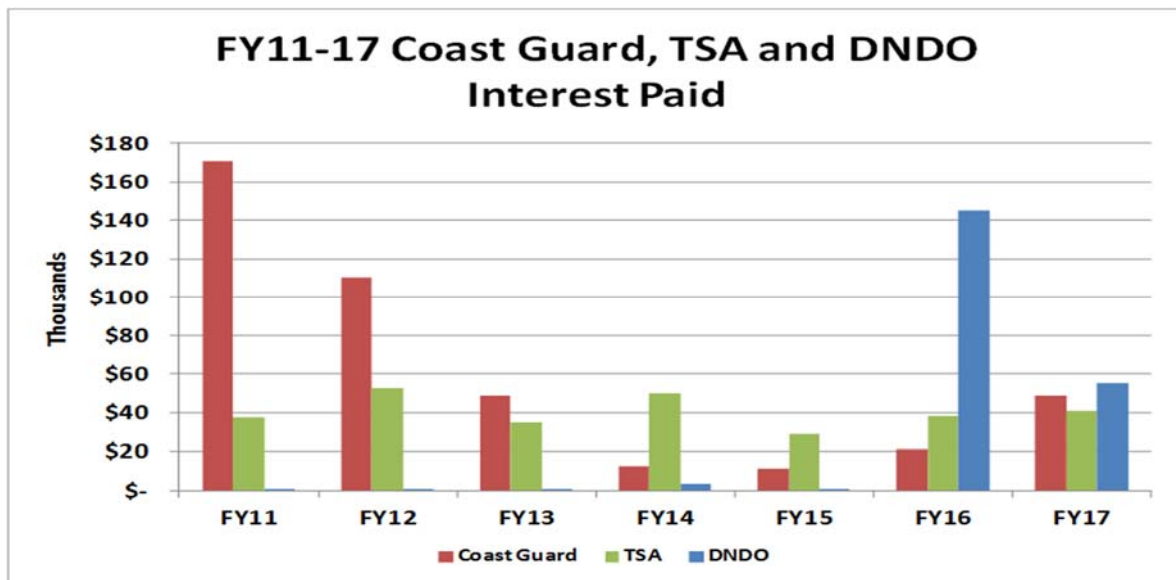
*CG IPACs are processed in the General Accounting Branch.

For the Coast Guard Yard, the Finance Center processed 6,898 Commercial (Contracts and Purchase Orders) and Miscellaneous Payments with disbursements of over \$133 million.

Throughout FY17, we sustained the Improper Payments Elimination and Recovery Improvement Act (IPERIA) payment accuracy rate of 99.9%. Our average on-time payment rate for Coast Guard and TSA payments was 98%. Due to challenges with the implementation of FAAMS in FY16, the DNDO on-time payment metric was below the acceptable target rate of 98% but has improved tremendously in FY17.



Accounts Payable interest paid on all invoices was as follows: Coast Guard and SFLC-Yard \$48,711, TSA \$40,650, and DNDO \$55,791. DNDO encountered challenges since migration to FAAMS in FY16 that resulted in interest penalties of \$145,340; interest penalties were significantly reduced in FY17.



General Accounting Branch



- Cash Recording, Reconciliation, and Reporting via the Treasury Government Wide Accounting Central Accounting Reporting System (CARS) Application for Coast Guard, TSA, and DNDO
- IPACs and Cross Disbursing
- Interagency Accounts and Transactions
- Reimbursable Agreement Processing (Buyer/Seller)
- Accounts Receivable User Fees, Refunds, Civil Fines & Penalties, and Miscellaneous Receivables Billing
- Accounts Receivable IPAC, Credit Card, FEDWIRE, Pay.gov, Lockbox, Over the Counter (OTC) Net, and Automated Clearing House (ACH) Collections
- General Ledger/Trading Partner Identification Number (TPIN) Reconciliation
- Household Goods Damage Claims
- Treasury Report on Receivables (TROR)
- Oil Spill Trust Liability Fund (OSTLF) Report
- Travel claims/PCS Voucher Payment Processing
- Supply Fund Reporting, Reconciliation, and Receivables
- Program Element Status (PES) Error Reclassifications

Summary of General Accounting Cash, Reimbursable Transactions, Collections, Supply Fund Reporting, and PES Errors Activity during FY17:

| GENERAL ACCOUNTING | | COAST GUARD | | TSA | | DNDO | | |
|-----------------------------------|---------|------------------|--------|-------------------|-------|----------------|-------|--------|
| Process | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Payment Confirmation | 2,526 | \$ 3,116,653,061 | 1,512 | \$ 2,287,364,725 | 556 | \$ 134,344,658 | | |
| OGQ IPACs (Net Value) | 23,044 | \$ 1,222,671,882 | 3,196 | \$ 489,661,497 | 2,091 | \$ 141,774,720 | | |
| OGQ Collections (Net Value) | 8,987 | \$ 230,029,115 | 4,823 | \$ 4,034,623,179 | 16 | \$ 119,975 | | |
| Cross Disbursements | 5,300 | \$ 198,000,000 | | | | | | |
| Reimbursables Established | 7,199 | \$ 188,876,377 | 25 | \$ 3,680,639 | 1 | \$ 108,070 | | |
| User Fees Established | 14,488 | \$ 10,090,256 | 2,924 | \$ 3,953,631,812 | | | | |
| Refund Receivables Established | 2,130 | \$ 49,350,738 | 972 | \$ 6,312,251 | 64 | \$ 1,043,031 | | |
| Civil Fines/Penalties Established | 2,241 | \$ 76,328,852 | 761 | \$ 1,007,408 | | | | |
| Misc Receivables Established | 409 | \$ 8,405,701 | | | | | | |
| OGR IPAC Collections | 6,896 | \$ 398,379,588 | 1,207 | \$ 8,842,168 | 65 | \$ 1,151,101 | | |
| Credit Card Collections | 7,644 | \$ 13,686,418 | 6,553 | \$ 12,404,663 | | | | |
| FEDWIRE Collections | 247 | \$ 11,759,014 | 1,590 | \$ 3,554,443,229 | | | | |
| PAY.GOV Collections | 144 | \$ 6,455,052 | 3,651 | \$ 450,212,286 | | | | |
| Lockbox Collections | 13,163 | \$ 37,986,266 | 2,917 | \$ 9,014,523 | | | | |
| OTCNET Collections | 336 | \$ 2,516,972 | 3,498 | \$ 3,169,980 | | | | |
| ACH Collections | 2,653 | \$ 146,577,202 | | | | | | |
| Household Goods Claims Processed | 84 | \$ 170,043 | | | | | | |
| Supply Fund Collections | 34,499 | \$ 14,170,502 | | | | | | |
| Supply Fund Fuel Reports – XF6 | 1 | \$ 695,221 | | | | | | |
| Supply Fund HAZMAT – XG6 | 1 | \$ 24,783 | | | | | | |
| Supply Fund Subsistence – XS6 | 359 | \$ 3,091,854 | | | | | | |
| Supply Fund Uniforms Units – XU6 | 2 | \$ 1,149,530 | | | | | | |
| PES Errors Processed | 23,946 | \$ 203,000,000 | | | | | | |
| | 156,299 | \$ 5,940,068,427 | 33,629 | \$ 14,814,368,360 | 2,793 | \$ 278,541,555 | | |

In FY17, the Finance Center General Accounting Branch reconciled over \$11.7 billion in cash transactions, and created over 31,800 receivables totaling \$4.9 billion for all agencies combined.

Treasury Collections

In FY17, we referred 1,624 debts totaling \$2,303,368 to Treasury and received net collections totaling \$945,810. The Finance Center managed Public Receivables collection rate was over 81%.

Miscellaneous Collections

The Finance Center monitors advances and travel overpayments related to TAD, PCS and PPM moves to ensure timely reconciliation. If re-payments are not received, the Finance Center provides due process notices to travelers for unresolved debts then submits documentation for appropriate payroll offset for collection. In FY17, we processed \$2,681,141 in collections for advances and travel overpayments.

Supply Fund

The Supply Fund is a revolving fund account used to finance the following procured commodities: Uniform Clothing, Dining Facility Stores, Kodiak Hazardous Materials (HAZMAT) Stores, and Base Kodiak Fuel Farm Inventory.

PES Error Reclassifications

PES Reports are weekly reports generated and distributed to reconcilers in the field containing a summary of all transactions posted to a particular line of accounting for the previous week. Any items that the reconciler identifies as erroneous are submitted to the PES error team for further research and adjustment if necessary.

Accounting Systems

The Accounting Systems Division has direct responsibility for:

USCG's Core Accounting Suite (CAS); Oracle e-Business Suite with approximately 15,000 users worldwide.

Branches: Functional Applications Services and Functional Accounting Services.

Additional information about the Accounting Systems Division may be found at:

<https://cg.portal.uscg.mil/units/fincen/Annual%20Reports/FINCEN%20Detailed%20Organization%20Data%20FY%202017.pdf>

Significant accomplishments in 2017:

DOI/IBC Release 3.0 baseline: Discovery, requirements gathering, knowledge transfer functional and technical aspects of MarkView, and full testing for the DOI/IBC 3.0 baseline. Participated in the knowledge transfer of the current CAS MarkView environment and business processes to the FAAMS contractors. This included functional and technical information, files, configurations, exports; everything needed to establish a near duplicate of existing MarkView functionality in FAAMS. Staff was heavily engaged in testing the FAAMS MarkView environment in multiple environments for both DNDO and TSA.

Data cleanup for migration to FMSII: FINCEN participated in the cleanup of data and sharing of related information with the FMSII data cleanup team. This cleanup involved all modules of the existing CAS Suite. Some examples are the cleanup of suppliers and customers that are either no longer used or do not have accurate information in the system. In FY17, approximately 70,600 vendors header records and 206,600 vendor sites were disabled. Other areas include the use of new functionality such as the elimination of the use of First-In First-Out (FIFO) logic for document types (DT) 23 and 24. Once this logic was implemented into production, the use proper matching (non-FIFO logic) was required to process invoices thus cleaning up the data for a future migration to FAAMS. Since implementation, the DT 23 population has been reduced by 65% and the DT24 population by 29%.

Participate in User Acceptance Testing (UAT) of Release 3.0 for TSA and DNDO: Participated as testers and support staff for both DNDO and TSA for the testing of the 3.0 build in the UAT environment. This included coordination of testers required for daily participation and execution of scripts. Testing events were recorded and uploaded to Office of Management and Budget MAX. Status for all testing events was documented with supporting screen shots of success and failures. Retesting of corrected functionality was also supported. Testing occurred over a two month period at the end of the fiscal year.

Migration of Internet and Intranet content/hardware to FINCEN Portal and FWA: This effort provided environments that meet all security requirements and obtaining Authority to Operate (ATO). Security Technical Implementation Guidelines (STIG) hardened servers were procured, configured, content migrated from the existing Intranet and Internet sites hosted at the FINCEN, fully tested and deployed to production.

Procurement Instrument Identifiers (PIID) Structure: Updated the PIID structure according to mandated changes identified in the Federal Acquisition Regulations. These software changes were developed, tested and implemented into production within the FPD, CIMS, WINS, and FINCEN web applications.

Software Development Change Requests (SDCR): 34 SDCRs were implemented into production during FY17. This process requires participation in gathering and documenting requirements, documenting a test plan and scenarios, performing all user acceptance testing as well as testing in other non-production environments, validation of functionality changes in production, and documenting any additional training required by end users.

FINCEN Web Changes (FINWEB): 36 FINWEBs were implemented into production during FY17. This included changes to the FINCEN Intranet and Internet sites. It requires documenting change request and test plan, testing the changes, and validation of change on the production sites.

Data Scripts: 490 corrective data scripts were reviewed, evaluated, approved, and executed during FY17. These scripts are used to correct data in the CAS suite that are uncorrectable from the front end application or volume is too significant causing excessive workload to be performed manually. This incorrect data is typically a result from gap in functionality of existing systems.

Assisted Fixed Asset Team with clearing SGL 1890 over \$1 billion.

Provide DNDO onsite training and assistance with reducing DNDO's suspense balance by \$70 million.

Functional Accounting Services and Functional Applications Services Branch

Payroll accounts for high dollar value, high volume transactions within CAS. We process the files, reconcile volume and amounts, and perform the monthly cash reconciliation with treasury while ensuring the accuracy of expenditures recorded to support financial reporting.

FY17 Payroll Transactions

| Agency | Count | Amount |
|---------------|-------------------|-------------------------|
| TSA | 75,068,180 | \$ 4,685,804,861 |
| CG (Civ) | 4,894,236 | \$ 916,974,978 |
| DNDO | 63,603 | \$ 21,445,646 |
| TOTAL | 80,026,019 | \$ 5,624,225,485 |

Responsible for managing manual journal vouchers that flow through CAS, we process each journal voucher in a copy of the production environment to ensure accuracy and approval prior to entry into the production General Ledger. Additionally, all working papers supporting a journal voucher request are maintained for future auditability.

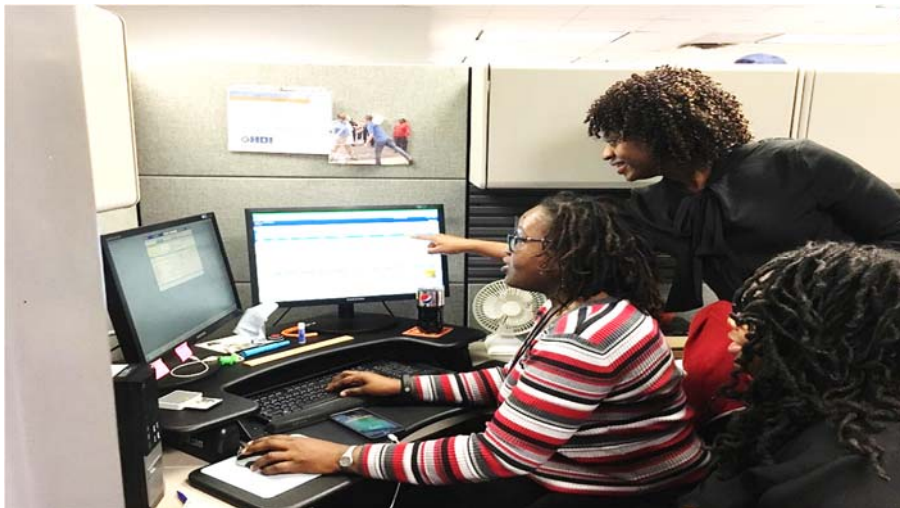
FY17 Journal Vouchers

| Agency | Manual Journals Processed | Number of Adjusting Entries | Amount |
|--------------|---------------------------|-----------------------------|--------------------------|
| DNDO | 159 | 3,447 | \$869,089,735 |
| TSA | 539 | 246,354 | \$157,787,668,500 |
| USCG | 760 | 564,060 | \$242,181,164,855 |
| TOTAL | 1,458 | 813,861 | \$400,837,923,090 |

The Field Services Section is the customer service hub for all customer service support. This team consists of a call in center help desk supporting approximately 15,000 end users of FPD and CAS Suite. They have a training division that provides training to end users, and field vendor and customer calls related to the collections and disbursements processed at FINCEN. They are responsible for internal controls and annual reviews of system users and data pulls for agency access reviews.

Customer Service Highlights:

- Number of users for CAS Portal & MarkView = 14,871
- Number of CGFIXIT tickets = 67,347
- Number of Automated Access Request System (AARs) = 16,701
- Number of CGFIXIT's for Account Tables = 1,374
- Close/Open monthly accounting periods for CG and TSA.
- Handle over 20,000 member and vendor inquiries regarding payment status.
- Customer Satisfaction Rate = 95.3%



Field Services Customer Service Staff

FINCEN produced daily payment files for transmission to Treasury as reflected in the invoices processed chart on page 8. This included such as the following:

- 2,611 Treasury payment batches for CG
 - 1,271 Treasury payment batches for TSA
 - 569 Treasury payment batches for DNDO
 - 532 batches for Reclasses/IPACs/NonTreasury payments for CG
 - 718 batches for Reclasses/IPACs/NonTreasury payments for TSA
 - 135 batches for Reclasses/IPACs/NonTreasury payments for DNDO
- As part of the cleanup efforts for migration to a new financial system, the branch disabled over 277,000 inactive vendors in the master vendor tables.
 - Processed approximately 15,000 utility and telephone invoices received via Electronic Data Interchange (EDI) transmissions, eliminating manual data entry.
 - Procure to Pay (P2P) Tier 2 level issue remediation efforts by the branch included resolution and closure of approximately 14,400 CGFIXIT tickets.

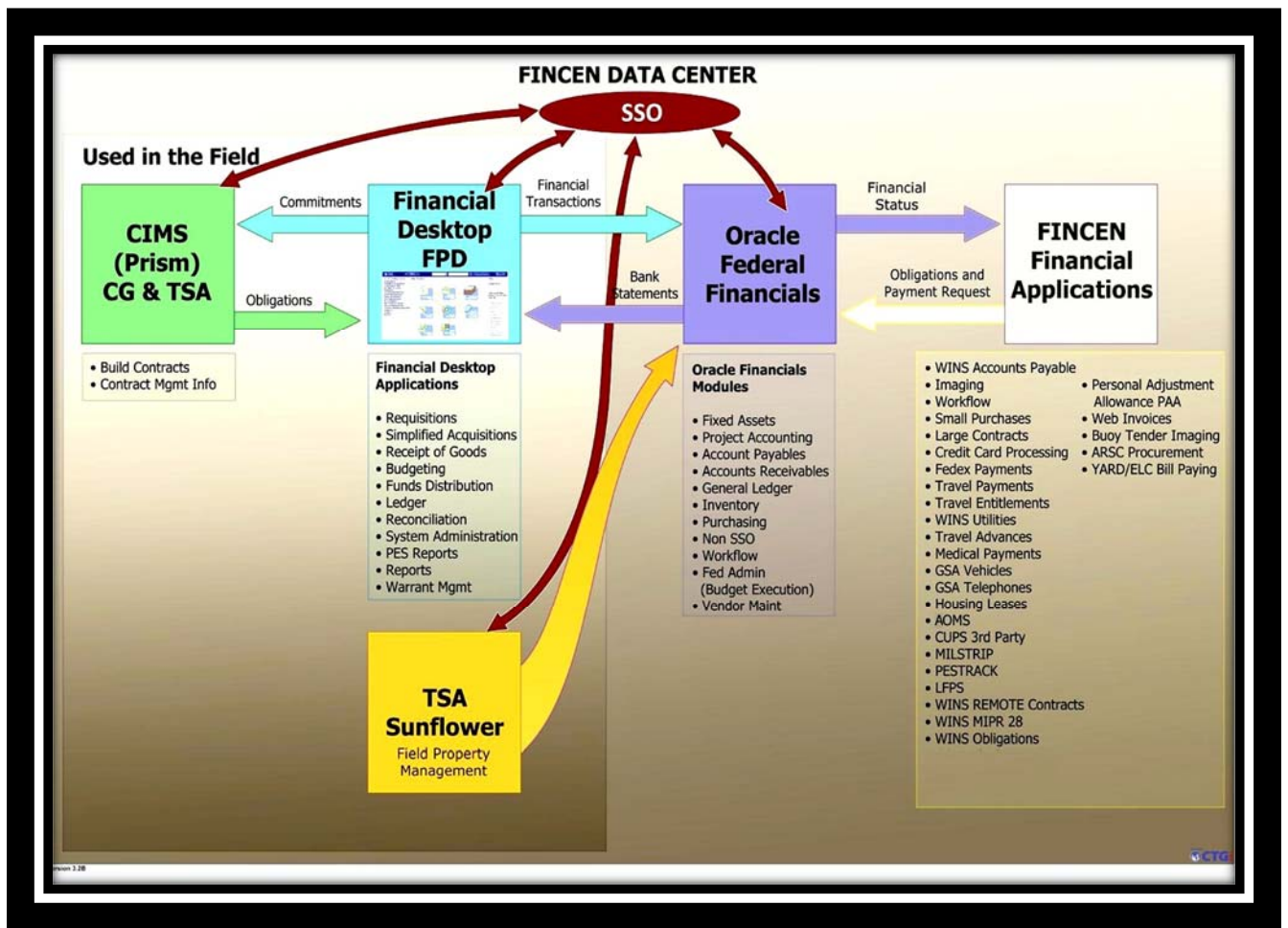


Diagram of the various applications supported by the Accounting Systems Division

TSA Liaison Office (TLO)

The TSA Liaison Office (TLO) works directly with all subject matter experts within each of FINCEN's divisions to facilitate timely responses addressing TSA issues or concerns. On a typical day, TLO coordinates and resolves a multitude of issues and challenges ranging anywhere from Financial Audit to Employee Travel Debt, and from Sunflower Reports to Fiscal Year End closing and opening activities. In addition, the TLO team provides and facilitates a wide variety of ad-hoc requests ranging in support of the GAO Audit requests, Financial System work tickets, and Financial System software change requests.

The TLO is committed to continual improvement and focus on providing efficient, effective, and timely service to TSA on a daily basis. The TLO is responsible for providing financial management metrics and analytics to identify trends and areas for improvement.

FY2017 highlights in support of TSA's goals include:

- Facilitating resolution of a long-standing Sunflower Reporting Issue
- Assisting and coordinating the TSA Vendor/TPIN Clean-up
- Scheduling training in support of the Financial Systems Replacement initiative
- Coordinating an Account Management WebEx Demo for TSA VIPs
- Tracking the IAA service level agreements by preparing the TSA Monthly Balance Scorecard and Status Report

Financial Information and Control

The Financial Information and Control Division executes the Coast Guard (CG) wide OMB budgetary reporting and financial statement reporting program.

The Division is responsible for monthly, quarterly, and annual reporting to Treasury, Congress, OMB and DHS for 99 CG Treasury Account Fund Symbols (TAFS) and 33 Domestic Nuclear Detection Office (DNDO) TAFS.

They also perform compilation and preparation of the CG's principal financial statements and applicable financial reports and reconciliations mandated by the CFO act, OMB Circular A-11, FASAB Standards, GAAP, and the Treasury Financial Manual (TFM).

Additional information about the Financial Information and Control Division may be found at:

<https://cg.portal.uscg.mil/units/fincen/Annual%20Reports/FINCEN%20Detailed%20Organization%20Data%20FY%202017.pdf>

Significant accomplishment in 2017:

Audit Opinion. The Finance Center contributed to continued improvement in our financial processes and data in FY17, supporting DHS' fifth consecutive clean financial statement audit opinion.

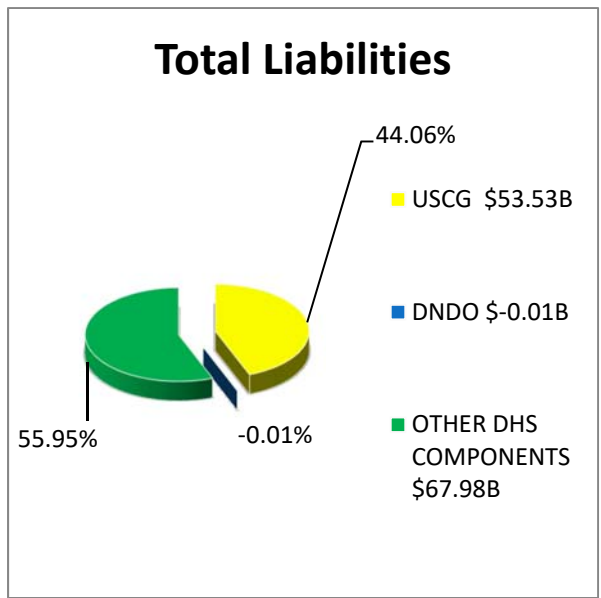
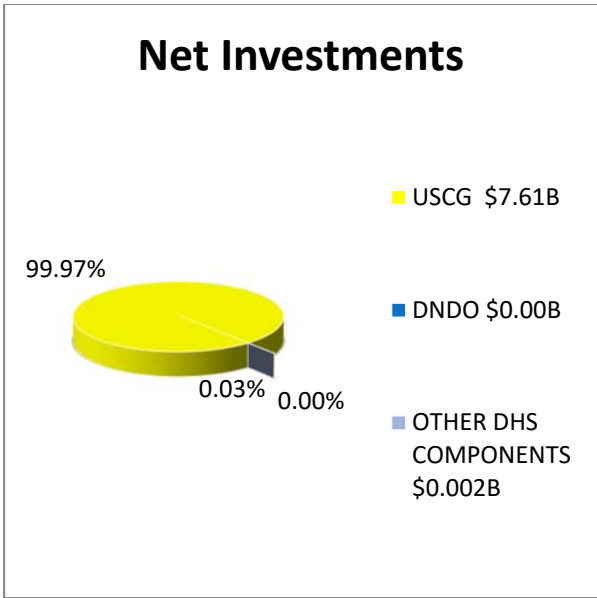
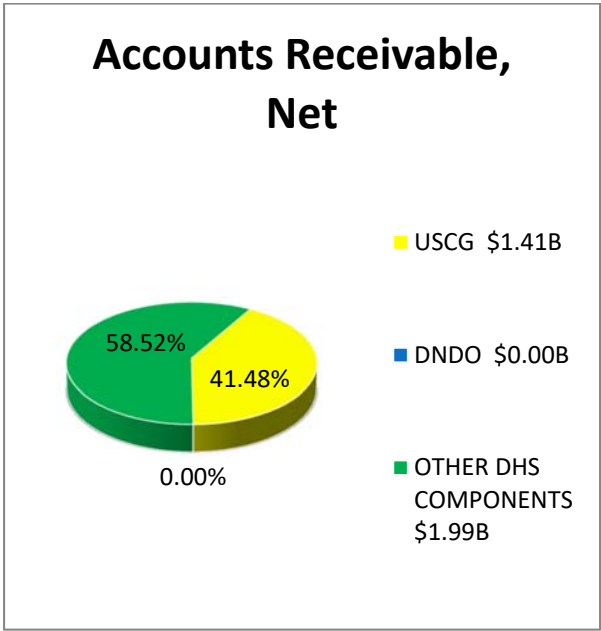
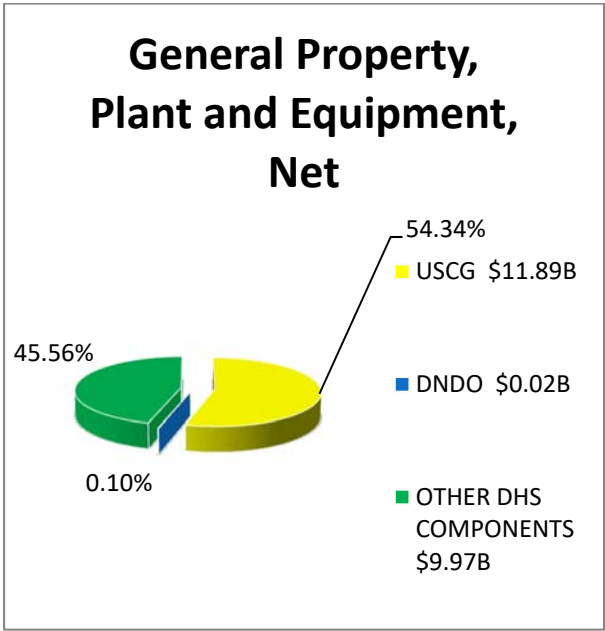
The entire 2017 DHS Agency Financial Report can be found at the following link:
<https://www.dhs.gov/publication/dhs-fiscal-year-2017-performance-accountability-reports>

Additionally, the FY2017 consolidated Coast Guard financial statements are printed in the Appendix to the FINCEN Annual Report. You may need to refer to footnotes in the DHS report for context for many of the balances. With questions pertaining to the Coast Guard's financial statements, you may contact the Headquarters Financial Reporting and Analysis Division (CG-842) or the FINCEN Financial Information and Control Division (FC). We are continuing efforts to resolve deficiencies in internal controls over financial reporting, which impact the auditor's opinion that DHS has not maintained effective internal controls over financial reporting as of September 30th, 2017.

Additional Highlights:

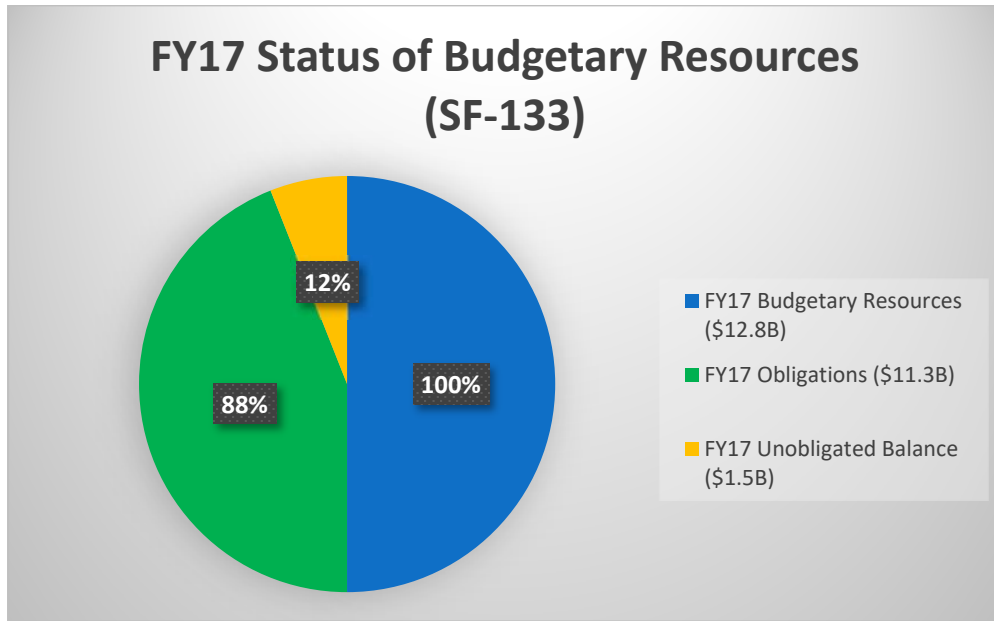
- Implemented the 'C' TAFs for Construction in Progress balances for those appropriations that were cancelled in previous years for asset balances moved to active appropriations.
- Implemented additional steps to the Prior Year Recovery Reconciliation process for USSGL 4971/4901 and 4972/4902.
- Implemented a mechanized process to enter all TIER adjustments into the Coast Guard's TIER Access Database.
- Automated Financial Reporting Fund Balance with Treasury (FBwT) reports to identify the root causes of cash differences in attempt to remediate a FBwT Notice of Finding and Recommendation (NFR).
- Automated the reconciliation of the TIER Journal Voucher Database to the CG TIER Journal Voucher Population file.
- Began automation of the IPERIA program ID and Risk Assessment process. Once implemented, the automation will assist in diminishing the room for human error and save hundreds of hours and speed up the process in meeting the DHS deliverable.
- Cleared the Property, Plant and Equipment SGL 1890 clearing account and developed a methodology to ensure that the account is cleared by each month end closing.
- Remediated and closed High Risk Corrective Action Plans (CAPs) for CIP Lifecycle and Property Lifecycle.
- Created and updated numerous financial reporting and property standard operating procedures and management control checklists to bridge the gap between policies and processes as well as to demonstrate management controls.
- Created standardized Internal Control Desk Guides for each process being tested. Guides provides information regarding the test plans, controls tested with link to DHS Control Evaluation Matrix (CEM) testing schedules with deliverable dates and other work papers that need to be completed during testing.
- Participated in CG, DNDO and TSA FAAMS Working Group Sessions for Budget to Report, USSGL Standard General Ledger Posting Logic, Project Accounting, and Fixed Assets.

The charts below illustrate the percentage of assets and liabilities the FINCEN is responsible for reporting for the USCG and DNDO compared to the rest of the DHS components. USCG financial information consists of consolidated financial data from three systems of records produced through Treasury Information Executive Repository (TIER).



The chart below illustrates the status of USCG FY17 Budgetary Resources for unexpired Treasury Account Fund Symbols (TAFS). The resources represent both apportionment and reimbursable authority approved by OMB.

FY17 Status of Budgetary Resources (SF-133)



Financial Reports and Analysis Branch

The Financial Reports and Analysis Branch completes monthly analysis for each Treasury Fund Symbol for USCG and DNDO, which encompasses a dynamic group of fund types including:

General Funds

Operating Expenses (OE)
 Acquisition, Construction and Improvement (AC&I)
 Research and Development (RDT&E)
 Environmental Compliance and Restoration (EC&R)
 Reserve Training (RT)
 Retired Pay (RP)

Other Funds

Trust Funds
 Revolving Funds
 Miscellaneous Receipts
 Budget Clearing
 Special Funds
 Abandoned Seafarers

Due to system deficiencies and timing differences, processed an average of 266 Standard General Ledger adjustments for TIER reporting on a monthly basis that were valued at \$9.7 billion. These adjustments result in increased accuracy of the financial statements.

In FY17, the branch processed an average of 188 TPIN adjustments valued at \$11.4 billion each month.

For the FY17 financial statement the branch responded to 123 audit Prepared By Customer (PBC) requests with an on-time rate of 98.2%.

In FY17, the branch automated the Fund Balance with Treasury Cash Difference reports. The process time reduced from 50 hours to 16 hours monthly. The reports identify the exact Agency Location Code and points of contacts responsible for cash differences. The reports are used to strengthen on-top adjustment packages. The reports are also sent out to the various POCs to provide an explanation for the difference. It also allowed the Financial Reporting Branch to provide the auditor with responses from the various POC's before the final TIER

file is submitted to the Department of Homeland Security. The Financial Reporting Branch also automated the TIER worksheets used to input adjustments into the Coast Guards' TIER database. The automation reduced the opportunity for keying errors and afforded the accountants more time to perform financial analysis. The Financial Reporting Branch also enhanced its Prior Year Recovery Reconciliation process for USSGLs 4871/4801, 4971/4901, and 4972/4902 to include the Inventory Control Points recoveries

Financial Reporting FY17 Key Statistics

| Process | Annual Number | Annual Absolute Dollar Value |
|---|---------------|------------------------------|
| TIER Adjustments | 2,542 | \$117B |
| TPIN Adjustments | 2,132 | \$137B |
| Abnormal Balance Explanations (TIER) | 87 | \$580B |
| Analytic Difference Explanations (TIER) | 118 | \$88B |
| Comparative Explanations (TIER) | 105 | \$103B |
| Prior Year Recovery Adjustments | 3,595 | \$148M |

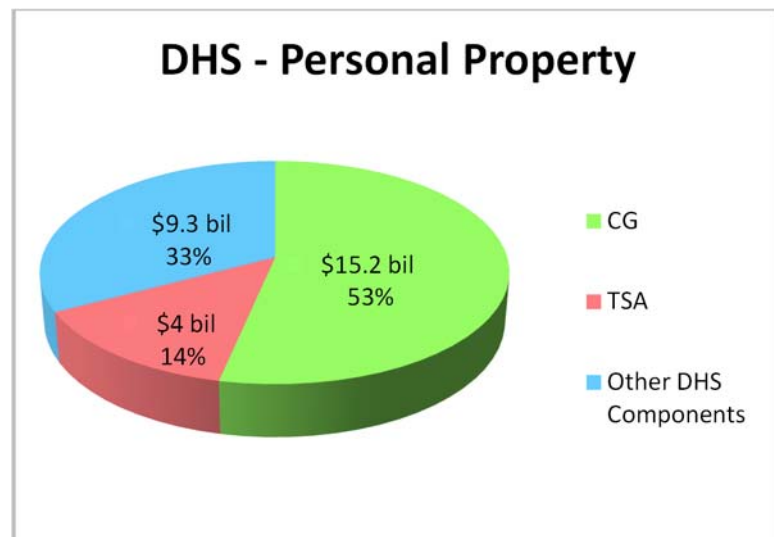
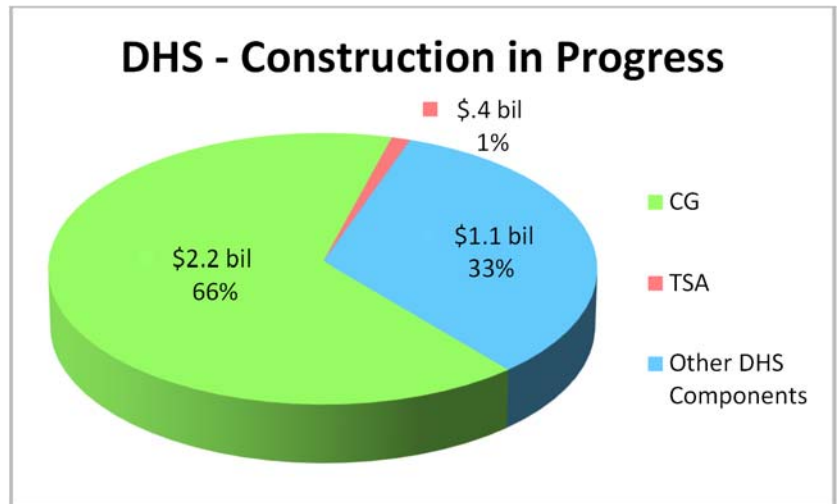
Property Control Branch

For FY17, DHS received a clean audit opinion on its financial statements for the fifth consecutive year. DHS is the only federal agency required by law to obtain an opinion on internal controls over financial reporting. In FY17 the hard work and dedication provided by the FINCEN Property Control Branch assisted significantly towards DHS achieving a downgrade of its property, plant and equipment material weakness to a significant deficiency.

In FY17, the Property Control Branch provided support to over 1,200 Coast Guard units with more than 248,000 assets (21,000 capital and 227,000 non-capital assets) at a gross cost of \$20 billion. The Property Control Branch also provided support to TSA for approximately 15,000 capital assets at a gross cost of \$4.3 billion.

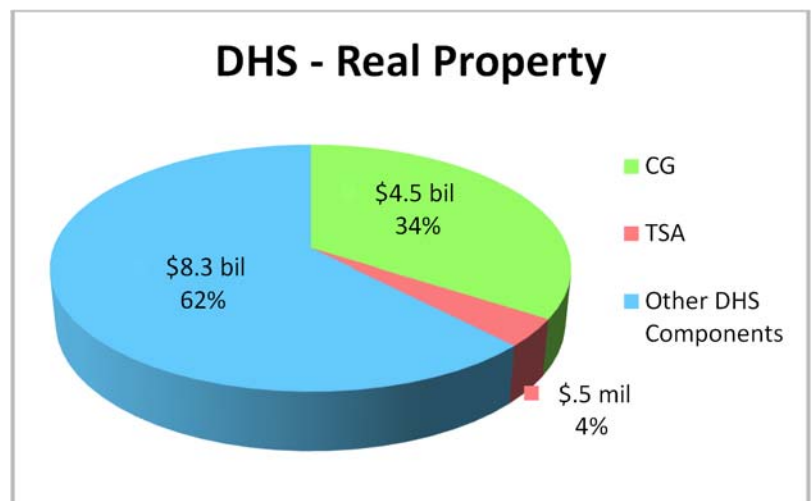
| Agency | Capital Assets | Gross Cost | Net Book Value |
|--------------|----------------|------------------|------------------|
| CG | 21,531 | \$ 19.9 B | \$ 9.7 B |
| TSA | 14,072 | \$ 4.3 B | \$ 1.5 B |
| DNDO | 15 | \$.01 B | \$.01 B |
| Total | 35,618 | \$ 24.2 B | \$ 11.2 B |

This chart represents the overall DHS Construction in Progress balances. The Property Branch was responsible for reporting 67% of the overall DHS balance for FY17.



This chart represents the overall DHS Personal Property balances. The Property Branch was responsible for reporting 67% (Coast Guard and TSA balances) of the overall DHS balance for FY17.

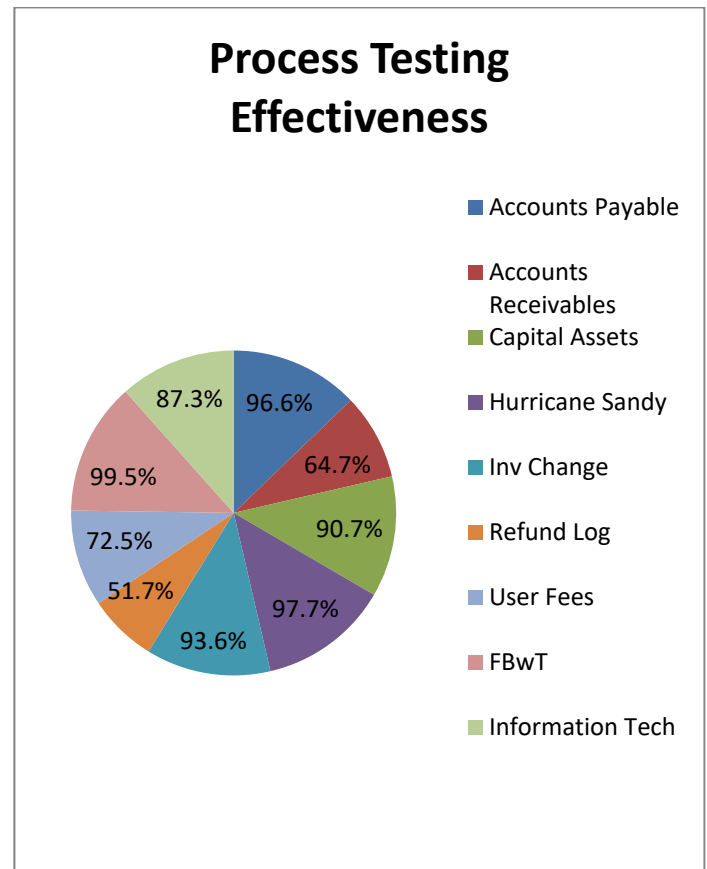
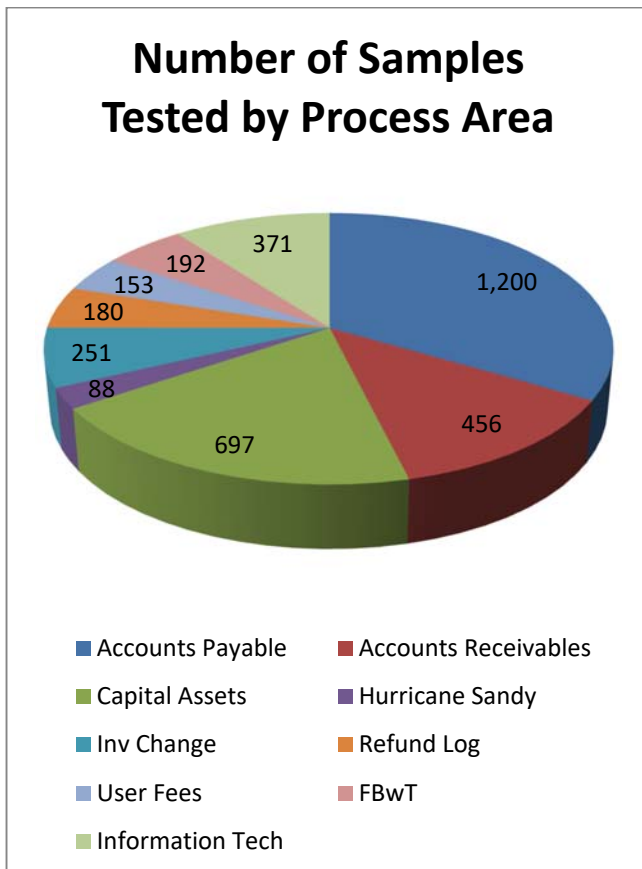
This chart represents the overall DHS Real Property balances. The Property Branch was responsible for reporting 38% (Coast Guard and TSA balances) of the overall DHS balance for FY17.



Internal Control Branch

The Internal Control Branch performed control testing of over 3,500 samples totaling \$1.6B in support of the Commandant's annual internal control efforts as required by the Federal Manager's Financial Integrity Act (FMFIA) of 1982, OMB Circular A-123, and the DHS Financial Accountability Act.

The following charts provide a summary of the processes tested during fiscal year 2017 by FINCEN's Internal Control Branch.



Components are required to assess whether their overall system of Internal Controls over Financial Reporting is designed and operating effectively to prevent or detect material misstatements in financial reporting. Specific controls identified as "Key" are evaluated through a robust Test of Design (TOD) and Test of Operating Effectiveness (TOE) process as required by OMB Circular A-123, Appendix A. FINCEN Internal Control Branch responded to Management Control Requests (MCR's) from the Coast Guard Headquarters (CG-85) Office of Internal Controls for 97 TOD samples and 166 TOE samples resulting in control effectiveness ratings of 87.6% (TOD) and 92.1% (TOE).

FINCEN Accounts Payable Accrual Estimate Testing Results

This table shows the estimated accrual rate for the population based on the document type classification for goods and services and provides further details regarding federal and nonfederal classifications.

| | Q1 | Q2 | Q3 | Q4 | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Document Type Group / Classification | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual Percentage |
| Goods | 57,772,204 | 61,826,661 | 60,524,012 | 53,881,536 | |
| Federal | 46,075,359 | 49,308,931 | 30,530,267 | 27,179,587 | 5.2% |
| Non-Federal | 11,696,845 | 12,517,731 | 29,993,745 | 26,701,949 | 5.1% |
| Services | 376,756,555 | 403,197,358 | 523,994,538 | 466,486,438 | |
| Federal | 49,766,719 | 53,259,351 | 75,434,947 | 67,156,005 | 12.9% |
| Non-Federal | 326,989,836 | 349,938,006 | 448,559,591 | 399,330,433 | 76.7% |
| Total | 434,528,759 | 465,024,019 | 584,518,549 | 520,367,974 | |

This table shows the estimated accrual rate for the population based on the classification of each transactions Treasury Fund Symbol (TAFS) and where it is identified as either an operating expense (OE) or acquisition, construction and improvement (AC&I) TAFS.

| | Q1 | Q2 | Q3 | Q4 | |
|----------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Classification | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual Percentage |
| AC&I | 120,870,170 | 129,352,848 | 141,832,892 | 126,266,814 | 24.3% |
| OE (Non-AC&I) | 313,658,589 | 335,671,171 | 442,685,657 | 394,101,161 | 75.7% |
| Total | 434,528,759 | 465,024,019 | 584,518,549 | 520,367,974 | |

This tables show the estimated accrual rate for the population based on the classification of each transactions LIM code. A LIM code less than 500 indicates a direct disbursement and a LIM greater than or equal to 500 indicates a reimbursable disbursement.

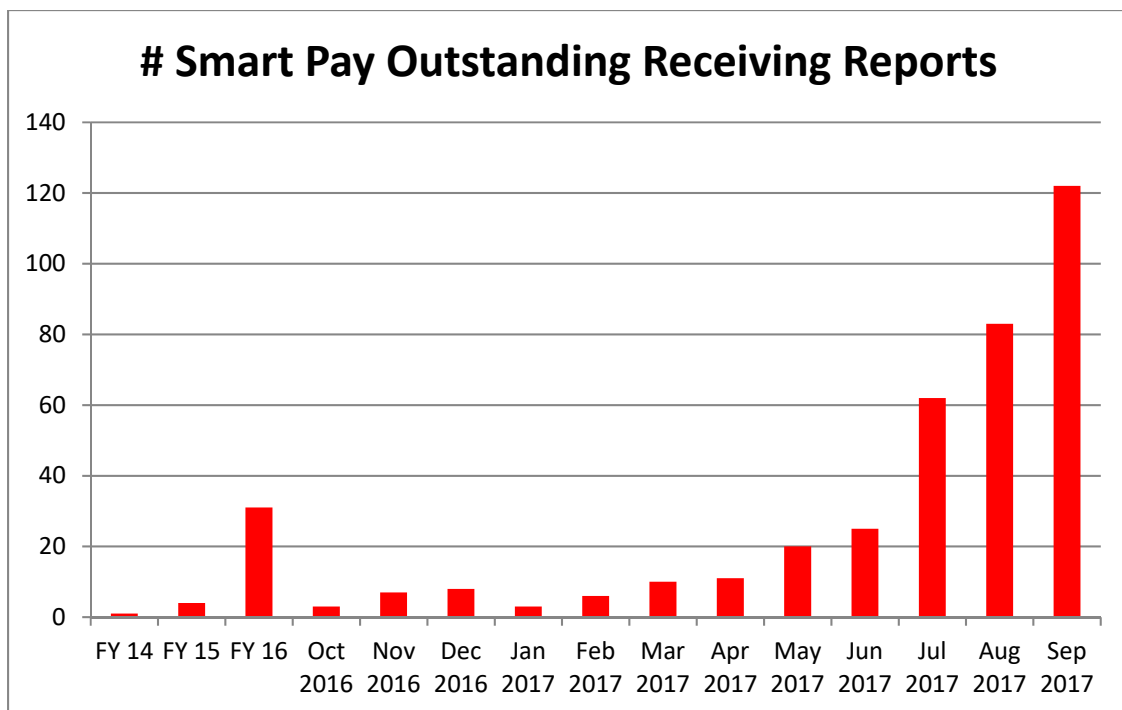
| | Q1 | Q2 | Q3 | Q4 | |
|----------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Classification | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual | Estimated Accrual Percentage |
| Direct | 424,600,303 | 454,398,782 | 580,752,970 | 517,015,665 | 99.36% |
| Reimbursable | 9,928,456 | 10,625,236 | 3,765,579 | 3,352,309 | 0.64% |
| Total | 434,528,759 | 465,024,019 | 584,518,549 | 520,367,974 | |

Smart Pay Program

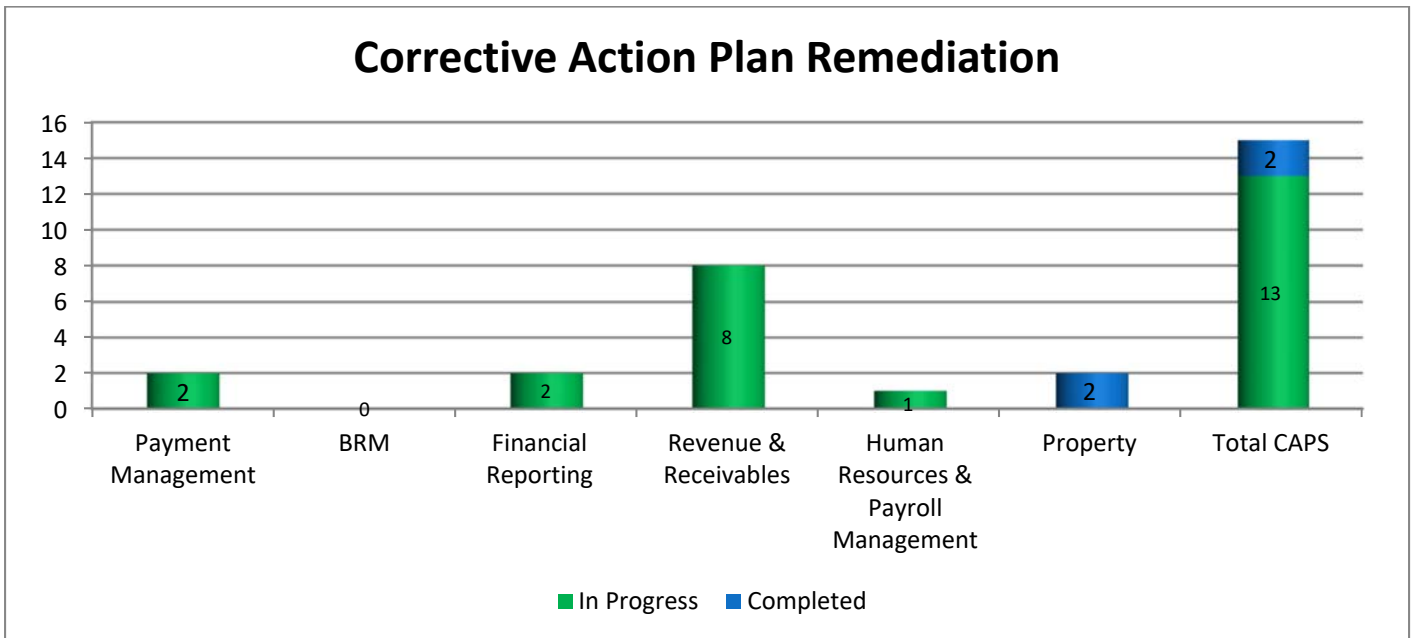
The Coast Guard's Smart Pay Program is used to make approved purchase orders (PO) payments that are less than \$25,000 without having the receiving report available at the time of payment which saves the Coast Guard considerable amounts of interest payments under Prompt pay regulations. Coast Guard unit comptrollers, program element managers (PEM), supply officers, and contracting officer's representatives (COR) are still required to timely complete receiving reports for purchase orders within FPD after partial and/or full receipt of supplies and/or services.

The Smart Pay Scorecard found at <https://cgweb.fincen.uscg.mil/smartPay/> provides units a snapshot of their compliance with the program. The following chart represents the volumes and amounts of outstanding receiving reports by month for transactions procured under the program.

As the Coast Guard transitions to the new DHS Financial, Acquisition, and Asset Management System, the option to pay before receipt provided by the Smart Pay Program will no longer exist.



This chart represents corrective action plans (CAPs) in place at the beginning of fiscal year 2017 and the remediation progress at fiscal year-end.



Financial Reports and Analysis Branch Staff

Comptroller

The Comptroller Division includes the Administrative Services Branch, Logistics Branch, and Process Improvement and Training Branch. The division performs budget planning and execution, procurement, contracting and administrative support for over 500 military, civilian, and contract personnel, facility management services for a 100,000+ square foot facility, as well as oversees process improvement and training throughout the command. Additionally, the division functions as the Imprest Fund Manager for the Coast Guard and is also designated as Head of Agency for authorizing certifying officials, payment approval officials and data entry operators for various U.S. Treasury payment systems.

- Effected planning and execution of \$7.8M in budget authority
- Executed 269 purchasing transactions totaling \$722,984
- Hosted 13 financial management courses and leadership training courses
- Disposed of \$327,103 in excess property
- Administered \$27,000 in CGMA loans, quick loans and supplemental education grants
- Purchased and installed 250 Varidesks to improve the quality of life and comfort of FINCEN employees

Significant accomplishments in 2017:

Imprest Fund Support: Facilitated the disbursement of \$320,745 in imprest funds to provide immediate relief to areas impacted by Hurricanes HARVEY, IRMA and MARIA. These funds were utilized to procure emergency supplies and services in support of reconstitution, cash mutual assistance loan checks, and provide emergency travel advances for CG personnel in need of temporary relocation.

Strategic Planning: Developed inputs to align our organization along standard lines of business as defined by the Office of Management and Budget. Examined 1,250 FINCEN financial processes through current state process maps to develop RACIs and SIPOCs for the new lines of business. This process will help us prepare for the future transition to the DHS Financial, Acquisition, and Asset Management System (referred to within USCG as FMSII) and allow efficiencies as we transition with our customer components.

Green Belt Training: Deployed the FINCEN's first-ever Coast Guard-led Lean Six Sigma Green Belt course to 30 employees from across every division. Saved the Coast Guard \$10,000 in training funds and equipped employees with tools for process improvement that will translate to future operational and financial savings.

Process Improvement Events: Completed more than 20 process improvement projects for FINCEN and external customers, in order to reduce process cycle time, remediate audit findings, establish appropriate accounting treatment to meet federal requirements and streamline processes. External customers included DCMS-5, FORCECOM, CG Intelligence, CG Academy and the National Pollution Funds Center. Conducted Rapid Improvement Events (Kaizen events) for CG-21 which resulted in a draft CGI Performance, Training and Education Manual.

Acronyms/Definitions

AC&I – Acquisition, Construction and Improvement

ACH - Automated Clearing House: An electronic network for financial transactions which processes large volumes of credit and debit transactions

ALMIS – Aviation Logistics Management Information System

BFS – Bureau of Fiscal Services

CAP – Corrective Action Plan

CARS – Centralized Accounting & Reporting System

CCORI – Command Cyber Operational Readiness Inspection

Collections - Funds collected by the CG

CRG – DHS Component Requirements Guide

Cross Disbursing - A treasury process which allows an agency to disburse or collect on the behalf of another

CTAPS – Commercial Transportation Approval Payment Systems

Discounts - In some cases, a vendor may offer the agency discount for early payment

DNDO – Domestic Nuclear Detection Office

DPM – Direct Procurement Method

EC&R – Environmental Compliance and Restoration

EDI – Electronic Data Interchange

EPA – Environmental Protection Agency

FADO – Foreign Accounting Disbursing Office

FAAMS – Financial Acquisition and Asset Management System

Fedwire - A treasury payment method

FMFIA – Federal Managers’ Financial Integrity Act

GBL – Government Bill of Lading

GL - General Ledger: Contains all the federal government’s transactions and expenses, and is the source of information for financial statements

GTA – Government Travel Account

HHG – Household Good

ICB – Internal Control Branch

IPAC – Intra Governmental Payments and Collections

ISSA – Inter Service Support Agreement

IPERIA – Improper Payment Elimination and Recovery Improvement Act of 2012

Lockbox - Post Office box where a Treasury authorized bank makes collections on behalf of an agency

MCO – Military Claims Office

MEPS – Military Entrance Processing Station

MER – Management Execution Report

MIPR – Military Interdepartmental Purchase Request

NESSS – Naval & Electronics Supply Support System

NBV – Net Book Value: The net value of an asset equal to its original cost (its book value) minus depreciation and amortization

NFR – Notice of Findings and Recommendations

NPFC – National Pollution Funds Center

NTS – Non-Temporary Storage

OSLTF – Oil Spill Liability Trust Fund

OTCnet - Terminals utilized to prepare deposit slips to Treasury General Account (TGA) banks and to scan checks that are submitted to the Federal Reserve Bank

Pay.gov - Web based collection form where customers can pay via ACH, credit card and PayPal

P2P – Procure to Pay

PBC – Prepared by client

PCS – Permanent Change of Station

PPE – Property, Plant and Equipment

PPM – Personally Procured Move

Prompt Payment Act: The Prompt Payment rule ensures that valid and proper invoices submitted by vendors are paid on time by federal agencies or be subject to interest penalties

RWA – Reimbursable Work Authorization

R&D - Research and Development

Revenue Collections: Collection of income from taxation, excise duties, customs, or other sources, appropriated to the payment of the public’s expenses

RP – Retired Pay

RT – Reserve Training

SGL – Standard General Ledger

SSAE – Statement on Standards for Attestation Engagements

Suspense: A treasury appropriation for unidentified collections or disbursements

TAD – Temporary Assigned Duty

TAFS – Treasury Account Fund Symbol

TFM – Treasury Financial Manual

TIER – Treasury Information Executive Repository

TLA – Temporary Lodging Allowance

Time-In-Queue: FINCEN metric to track the efficiency of invoice payment - It is the average number of days an invoice is held in various states from the time it is received until it is paid

TOD/TOE – Test of Design/Test of Effectiveness

TPIN – Trading Partner Identification Number

TSA – Transportation Security Administration

UAT – User Acceptance Testing

USSGL – United States Standard General Ledger

FINANCE CENTER EMPLOYEES OF THE YEAR



**Civilian of the Year
Mr. Eric Radosevich**



**Enlisted Person of the Year
SK1 Tyler Marfio**

Appendix A

The Coast Guard's principal financial statements consist of the following:

1. The Consolidated Balance Sheets present those resources owned or managed by the United States Coast Guard (USCG) that represent future economic benefits (assets), amounts owed by USCG that will require payments from those resources or future resources (liabilities), and residual amounts retained by USCG comprising the difference (net position) as of September 30, 2017 and 2016.
2. The Consolidated Statements of Net Cost present the net cost of USCG operations for the fiscal years that ended on September 30, 2017 and 2016. USCG net cost of operations is the gross cost incurred by USCG less any exchange revenue earned from USCG activities and any gains or losses from assumption changes on pensions, other retirement benefits (ORB), and other post-employment benefits (OPEB).
3. The Consolidated Statements of Changes in Net Position present the change in the USCG's net position resulting from the net cost of USCG operations, budgetary financing sources, and other financing sources for the fiscal years that ended on September 30, 2017 and 2016.
4. The Combined Statements of Budgetary Resources present how and in what amounts budgetary resources were made available to the Coast Guard during fiscal years 2017 and 2016, the status of these resources at September 30, 2017 and 2016, the changes in the obligated balance, and outlays of budgetary resources for the fiscal years that ended on September 30, 2017 and 2016.
5. The Consolidated Statements of Custodial Activity present the disposition of custodial revenue collected and disbursed by the USCG on behalf of other recipient entities for the fiscal years that ended on September 30, 2017 and 2016.

The Notes to the DHS Financial Statements provide detail and clarification for amounts on the face of the financial statements as of September 30, 2017 and 2016. They can be found at the following link:

<https://www.dhs.gov/publication/dhs-fiscal-year-2017-performance-accountability-reports>.

Balance Sheet
As of September 20, 2017 and 2016
(In Millions)

| | 2017 | 2016 |
|---|---------------|---------------|
| Intragovernmental Assets | | |
| Fund Balance with Treasury | 6,297 | 6,395 |
| Investments, Net | 7,612 | 6,885 |
| Accounts Receivable | 346 | 330 |
| Other Intragovernmental Assets | | |
| Advanced Prepayments | 133 | 109 |
| Total Other Intragovernmental Assets | 133 | 109 |
| Total Intragovernmental Assets | 14,388 | 13,725 |
| Non-governmental Assets | | |
| Cash and Other Monetary Assets | 0 | 0.15 |
| Accounts Receivable, Net | 1,412 | 1,663 |
| Inventory and Related Property, Net | 1,743 | 1,667 |
| General Property, Plant and Equipment, Net | 11,894 | 11,200 |
| Other Non-governmental Assets | | |
| Advances and Prepayments | 4 | 7 |
| Other Assets | 0 | 1 |
| Total Other Non-governmental Assets | 5 | 7 |
| Total Assets | 29,442 | 28,263 |
| Intergovernmental Liabilities | | |
| Accounts Payable | 1,601 | 1,615 |
| Other Intragovernmental Liabilities | | |
| Due to the General Fund | 7 | 9 |
| Accrued FECA Liability | | |

| | | |
|--|------------------------|------------------------|
| | 20 | 21 |
| Other | 189 | 179 |
| Total Other Intragovernmental Liabilities | <u>216</u> | <u>208</u> |
| Total Intragovernmental Liabilities | 1,817 | 1,823 |
| Non-governmental Liabilities | | |
| Accounts Payable | 449 | 402 |
| Federal Employee and Veteran Benefits | 50,866 | 49,900 |
| Environmental and Disposal Liabilities | 350 | 361 |
| Other Non-governmental Liabilities | | |
| Accrued Payroll | 348 | 318 |
| Deferred Revenue and Advances from Others | 2 | 2 |
| Other Non-governmental Liabilities | 8 | 18 |
| Total Other Non-governmental Liabilities | <u>358</u> | <u>339</u> |
| Total Liabilities | 53,839 | 52,824 |
| Net Position | | |
| Unexpended Appropriations - All Other Funds | 5,508 | 5,673 |
| Cumulative Results of Operations - Funds from Dedicated Collections | 7,947 | 7,415 |
| Cumulative Results of Operations - All Other Funds | (37,852) | (37,649) |
| Total Net Position - Funds from Dedicated Collections | 7,947 | 7,415 |
| Total Net Position - All Other Funds | <u>(32,344)</u> | <u>(31,976)</u> |
| Total Net Position | <u>(24,397)</u> | <u>(24,560)</u> |
| Total Liabilities and Net Position | <u>29,442</u> | <u>28,263</u> |

USCG
Statement of Net Cost
As of September 20, 2017 and 2016
(In Millions)

| | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| Statement of Net Cost | | |
| Summary, Department of Homeland Security Programs | | |
| (1) Gross Cost | 11,270 | 11,565 |
| (2) Earned Revenue | (284) | (625) |
| (3) Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes | 10,986 | 10,940 |
| (4) (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes | <u>(226)</u> | <u>191</u> |
| (5) Net Cost of Operations Including Assumption Changes | <u>10,760</u> | <u>11,131</u> |
| (5a) Net Cost of Operations for Funds from Dedicated Collections | 134 | (263) |
| (5b) Net Cost of Operations for All Other Funds | 10,852 | 11,202 |
| (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes for All Other Funds | (226) | 191 |
| Gross Cost - Federal (F/G/Z) | 1,628 | 1,732 |
| Gross Cost - Governmental | 1,628 | 1,732 |
| Gross Cost - With the Public (N/Blank) | 9,642 | 9,833 |
| Earned Revenue - Federal (F/G/Z) | (142) | (153) |
| Earned Revenue - Governmental | (142) | (153) |
| Earned Revenue - With the Public (N/Blank) | (142) | (473) |
| Net Cost of Operations Before (Gain)/Loss on Pension, ORB, or OPEB Assumption Changes | 10,986 | 10,940 |
| (Gain)/Loss on Pension, ORB or OPEB Assumption Changes | <u>(226)</u> | <u>191</u> |
| Net Cost of Operations Including Assumption Changes | <u>10,760</u> | <u>11,131</u> |

USCG
Statement of Change in Net Position
As of September 30, 2017 and 2016
(In Millions)

| | 2017 | 2016 |
|---|-----------------|-----------------|
| Cumulative Results of Operations | | |
| Beginning Balance | (30,234) | (30,565) |
| Beginning Balance, as Adjusted | (30,234) | (30,565) |
| Budgetary Financing Sources: | | |
| Other Adjustments | | |
| Appropriations Used | 10,379 | 9,909 |
| Non-Exchange Revenue | 1,278 | 2,141 |
| Donations and Forfeitures of Cash/Equivalents | 3 | 0.05 |
| Transfers In/Out without Reimbursement | (571) | (584) |
| Other Financing Sources | | |
| Transfers In/Out without Reimbursement | 60 | 15 |
| Imputed Financing | 36 | 45 |
| Other | (3) | 45 |
| Total Financing Sources | 11,182 | 11,571 |
| Net Cost of Operations | (10,760) | (11,131) |
| Net Change | 422 | 440 |
| Cumulative Results of Operations | (29,811) | (3,0125) |
| Unexpended Appropriations | | |
| Beginning Balance | 5,673 | 4,963 |
| Beginning Balance, as Adjusted | 5,673 | 4,963 |
| Budgetary Financing Sources: | | |
| Appropriations Received | 10,409 | 10,876 |
| Other Adjustments | (196) | (250) |
| Appropriations Used | (10,379) | (9,909) |
| Total Budgetary Financing Sources | (166) | 717 |
| Total Unexpended Appropriations | 5,508 | 5,680 |
| Net Position | 24,304 | (24,445) |

USCG
Statement of Budgetary Resources
As of September 30, 2017 and 2016
(In Millions)

| | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| BUDGETARY RESOURCES: | | |
| Unobligated balance brought forward, October 1 | 2,125 | 1,320 |
| Unobligated balance brought forward, October 1, adjusted | 2,125 | 1,320 |
| Recoveries of prior year unpaid obligations | 240 | 225 |
| Other changes in unobligated balance (+ or -) | (93) | (155) |
| Unobligated balance from prior year budget authority, net | 2,272 | 1,389 |
| Appropriations (mandatory and discretionary) | 10,546 | 11,012 |
| Spending Authority from offsetting collections (discretionary and mandatory) | 467 | 467 |
| Total Budgetary Resources | <u><u>13,285</u></u> | <u><u>12,868</u></u> |
| STATUS OF BUDGETARY RESOURCES: | | |
| New obligations and upward adjustments (Total) | 11,456 | 10,743 |
| Unobligated balance, end of year: | | |
| Apportioned, Unexpired Accounts | 1,542 | 1,818 |
| Exempt from Apportionment, Unexpired Accounts | 2 | 2 |
| Unapportioned, Unexpired Accounts | - | - |
| Unexpired Unobligated Balance, end of year | 1,545 | 1,819 |
| Expired Unobligated Balance, end of year | 285 | 306 |
| Total Unobligated Balance, end of year | <u><u>1,829</u></u> | <u><u>2,125</u></u> |
| Total Budgetary Resources | <u><u>13,285</u></u> | <u><u>12,868</u></u> |

CHANGE IN OBLIGATED BALANCE:**Unpaid obligations:**

| | | |
|---|----------|----------|
| Unpaid obligations, brought forward, October 1 | 4,656 | 4,954 |
| New obligations and upward adjustments | 11,456 | 10,743 |
| Outlays (gross) (-) | (10,961) | (10,816) |
| Recoveries of prior year unpaid obligations (-) | (240) | (225) |
| Unpaid Obligations, end of year (gross) | 4,911 | 4,656 |

Uncollected payments:

| | | |
|--|-------|-------|
| Uncollected customer payments from Federal sources, brought forward, October 1 (-) | (137) | (139) |
| Change in uncollected customer payments from Federal Sources (+ or -) | (47) | 2 |
| Uncollected customer payments from Federal sources, end of year (-) | (184) | (137) |

Memorandum (non-add) entries:

| | | |
|--------------------------------------|-------|-------|
| Obligated balance, start of year | 4,519 | 4,815 |
| Obligated balance, end of year (net) | 4,728 | 4,519 |

BUDGET AUTHORITY AND OUTLAYS, NET:

| | | |
|---|---------------|---------------|
| Budget authority, gross (discretionary and mandatory) | 11,013 | 11,479 |
| Actual offsetting collections (discretionary and mandatory) (-) | (435) | (556) |
| Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -) | (47) | 2 |
| Recoveries of prior year paid obligations (discretionary and mandatory) | 14 | 86 |
| Budget Authority, net (discretionary and mandatory) | 10,546 | 11,012 |
| Outlays, gross (discretionary and mandatory) | 10,961 | 10,816 |
| Actual offsetting collections (discretionary and mandatory) | (435) | (556) |
| Outlays, net (discretionary and mandatory) | 10,526 | 10,260 |
| Distributed offsetting receipts (-) | (61) | (86) |
| Agency Outlays, net (discretionary and mandatory) | 10,465 | 10,175 |

USCG
Statement of Custodial Activity
As of September 30, 2017 and 2016
(In Millions)

| | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|
| Revenue Activity | | |
| Sources of Cash Collections | | |
| Miscellaneous - User Fees | 23 | 20 |
| Miscellaneous | 3 | 6 |
| Total Cash Collections | 26 | 26 |
| Accrual Adjustment (+/-) | <u>0</u> | <u>1</u> |
| Total Custodial Revenue | <u>26</u> | <u>27</u> |
| Disposition of Collections | | |
| Transferred to Federal Entities | 26 | 26 |
| (Increase)/Decrease in Amount Yet to be Transferred | <u>0</u> | <u>1</u> |
| Total Disposition | <u>26</u> | <u>27</u> |



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