

Treasury Forfeiture Fund
AGENCY FINANCIAL REPORT
Fiscal Year 2025

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

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Message from the Director

I am pleased to present the fiscal year (FY) 2025 Agency Financial Report for the Treasury Forfeiture Fund (the Fund). While highlighting the Fund's financial and operational performance over the past year, this report also focuses on some of the significant investigative achievements of our participating law enforcement agencies this year. FY 2025 was another challenging year with a permanent rescission of \$400 million as part of the Consolidated Appropriations Act of 2025 (P.L. 119-4). Also, \$185.5 million was sequestered as part of the government-wide sequestration order. In terms of overall revenue, FY 2025 was another highly successful year for the law enforcement bureaus participating in the Treasury Forfeiture Fund, with total gross non-exchange revenues of \$3.266 billion deposited to the Fund.

The continued high-impact performance of the Fund reflects the ongoing hard work of our law enforcement bureaus as well as Fund management's emphasis on major case initiatives, asset forfeiture program advancement, and a focused approach regarding our performance measure, which gauges revenue from high-impact cases. The mission of the Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by our law enforcement bureaus to disrupt and dismantle criminal enterprises. It is our view that the greatest damage to criminal enterprises can be achieved through large forfeitures; hence we have set a target level of 80 percent of our forfeitures to be high impact, i.e., cash forfeitures equal to or greater than \$100,000. This target level is up from 75 percent set for FY 2010 and prior years. For FY 2025, our member bureaus exceeded the target with a performance level of 97 percent.

In FY 2025, we continued prioritizing the strategic use of forfeited funds to enhance our participating agencies' infrastructure and capabilities while supporting high-impact financial investigations. These capabilities are particularly critical for highly complex Third-Party Money laundering (3PML) investigations aimed at dismantling the financial networks of major criminal enterprises. The Fund's 3PML initiative supports the specific needs of 3PML investigations related to new technologies, cyber investigative capabilities, analytical tools, and professional services.

This fiscal year, the Fund provided \$98.437 million in Strategic Support funding to its member agencies for identified priority initiatives. This funding enables TFF agencies to advance operational capabilities, providing support for IT systems, cutting edge technology, cyber investigative capabilities, data analysis tools, and for other critical law enforcement equipment and services needed to meet and respond to emerging criminal threats.

The Treasury Forfeiture Fund continues in its capacity as a successful multi-Departmental Fund representing the interests of law enforcement components of the Departments of the Treasury and Homeland Security. Member bureaus include the Internal Revenue Service's Criminal Investigation (IRS-CI), the U.S. Secret Service (USSS), Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP). The U.S. Coast Guard (USCG) continues its close working relationship with the legacy Customs bureaus. We look forward to another successful year in FY 2026.

I am happy to announce that the Fund has received an unmodified audit opinion of its consolidated financial statements for FY 2025. Based on our internal review and assessment, the Fund's financial and performance data have been validated as complete and reliable.

September 30, 2025
John Farley, Director
Treasury Executive Office for Asset Forfeiture
U.S. Department of the Treasury

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Treasury Forfeiture Fund FY 2025 Management Discussion and Analysis (Unaudited)

Profile of the Treasury Forfeiture Fund

The Treasury Forfeiture Fund (the Fund or TFF) is the receipt account for the deposit of non-tax forfeitures made pursuant to laws enforced or administered by law enforcement bureaus that participate in the Treasury Forfeiture Fund. The Fund was established in October of 1992 as the successor to the Forfeiture Fund of the United States Customs Service. The Fund is a “special receipt account.” This means the Fund can provide money to other federal entities toward the accomplishment of a specific objective for which the recipient bureaus are authorized to spend money and toward other authorized expenses. The use of Fund resources is governed by law, policy and precedent as interpreted and implemented by the Department of the Treasury, which manages the Fund. A key objective for management is the long-term viability of the Fund to ensure that there are ongoing resources to support member-bureau seizure and forfeiture activities well into the future. The emphasis of Fund management is on high impact cases that can do the most damage to criminal infrastructure.

The Treasury Forfeiture Fund continues in its capacity as a multi-Departmental Fund, representing the interests of law enforcement components of the Departments of Treasury and Homeland Security. Our member bureaus include the Internal Revenue Service’s Criminal Investigation (IRS- CI), the U.S. Secret Service, Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP). The U.S. Coast Guard continues its close working relationship with the legacy Customs bureaus and functions in a member-bureau capacity.

The Treasury Executive Office for Asset Forfeiture (TEOAF), which provides management oversight of the Fund, falls under the auspices of the Under Secretary for Terrorism and Financial Intelligence. TEOAF’s organizational structure includes a Director, Deputy Director, Legal Counsel, and four Assistant Directors for: Financial Management, Policy & Administration, Strategic Planning, and Performance Improvement and Evaluation. Functional responsibilities are delegated to various team leaders. TEOAF is located in Washington, D.C. and currently has 33 authorized full time equivalent positions.

Strategic Mission

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus that participate in the Treasury Forfeiture Fund to disrupt and dismantle criminal enterprises.

Strategic Vision

Fund management works to focus the asset forfeiture program on strategic cases and investigations that result in high-impact forfeitures. Management believes this approach incurs the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal enterprises.

Program and Fund Highlights

The Treasury Forfeiture Fund is a “special receipt account.” Such accounts represent federal fund collections earmarked by law for a specific purpose. The enabling legislation for the Treasury Forfeiture Fund (31 U.S.C. § 9705, Public Law 114-22) defines those purposes for which Treasury forfeiture revenue may be used. Once property or cash is seized, there is a forfeiture process. Upon forfeiture, seized currency, initially deposited into a suspense account, or holding account, is transferred to the Fund as forfeited revenue. Once forfeited, physical properties are sold, and the proceeds are deposited into the Fund as forfeited revenue. It is this forfeiture revenue that comprises the budget authority for meeting expenses of running Treasury’s forfeiture program.

Expenses of the Fund are set in a relative priority so that unavoidable or “mandatory” costs are met first as a matter of policy. Expenses may not exceed revenue in the Fund. The Fund has several different spending authorities. Each of them is described below.

Mandatory Authority

The mandatory authority items are generally used to meet “business expenses” of the Fund, including expenses of storing and maintaining seized and forfeited assets, valid liens and mortgages, investigative expenses incurred in pursuing a seizure, information and inventory systems, and certain costs of local police agencies incurred in joint law enforcement operations. Following forfeiture, equitable shares are paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.

It is a strategic goal of the Fund to emphasize and monitor high impact forfeitures. To make significant forfeitures requires longer, more in-depth investigations. To this end, Fund management emphasizes the use of mandatory funding authorities that fuel large case initiatives. These authorities include the Purchase of Evidence and Information, expenses associated with Joint Operations, Investigative Expenses Leading to Seizure, and Asset Identification and Removal Groups. In recent years, funding provided to computer forensic investigative tools has yielded high impact results. In FY 2025, the Fund expensed \$962.9 million in Mandatory authority.

Secretary’s Enforcement Fund

The Secretary’s Enforcement Fund (SEF) is derived from equitable shares received from the Justice Department’s Forfeiture Fund for work done by law enforcement bureaus participating in the Treasury Forfeiture Fund leading to Justice forfeitures. SEF revenue is available for federal law enforcement purposes of any Treasury law enforcement organization or law enforcement bureau that participates in the Treasury Forfeiture Fund. In FY 2025, the Fund expensed \$34.5 million in SEF authority.

Strategic Support

Strategic Support represents the remaining unobligated balance after an amount is reserved for Fund operations in the next fiscal year. Strategic Support can be used for any federal law enforcement purpose. In FY 2025, the Fund expensed \$98.4 million in Strategic Support authority.

Program Performance

Strategic View

Fund management continues to focus on strategic cases and investigations that result in high-impact forfeitures. We believe this approach affects the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal activity. Generally, significant forfeitures require longer, more in-depth investigations. To this end, Fund management emphasizes the use of mandatory funding authorities that fuel large case initiatives including Purchase of Evidence and Information, expenses associated with Joint Operations, Investigative Expenses Leading to Seizure, Asset Identification and Removal teams and state-of-the-art Computer Forensics capability. Likewise, the Fund management emphasized the use of Strategic Support funding to support operational needs and infrastructure upgrades targeting major transnational organized crime networks, including enhancement of technology, data analytics, digital forensics, and cyber-related capabilities of the TFF agencies.

The TFF funding support affords its member agencies unique opportunities to address new unanticipated investigative needs and emerging criminal threats, as well as explore new cutting-edge technologies and pilot-type initiatives to validate/refine new concepts.

FY 2025 was a successful revenue year by our member bureaus and was another successful year in equitable share deposits received from the Department of Justice (DOJ) forfeiture fund for forfeitures in which one or more of our member bureaus played a role. Equitable shares received totaled \$19.2 million in FY 2025. In addition, the Fund continues to support record levels of sharing of federal forfeitures with the state and local and foreign governments that contributed to the successful seizure and forfeiture activity of the Fund. The Fund expensed \$36.0 million for state and local equitable sharing expenses in FY 2025. These are important resources afforded by policy of the Treasury Forfeiture Fund to protect and preserve the valuable working relationships between our federal law enforcement bureaus and the critically important state, local and foreign law enforcement agencies that work with them in an investigative capacity day-in and day-out.

At the same time, TFF and its participating agencies faces certain challenges in FY 2025 due to changes in the agencies' investigative priorities and programs using TFF funds. Also, procurement restrictions at Treasury and DHS have restricted the agencies' ability to fully obligate and expand TFF funds provided to them for professional services or technology-related contracts. However, such unobligated funds will be returned to the Fund as recoveries and not entail any financial losses or risks to the Fund.

Strategic Mission and Goal

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus to disrupt and dismantle criminal enterprises. The goal of the Treasury Forfeiture Fund is to support the Department of the Treasury's national asset forfeiture program in a manner that results in federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to disrupt and dismantle criminal activity. To achieve our mission and goal, the program must be administered in a fiscally responsible manner that seeks to minimize the administrative costs incurred, thereby maximizing the benefits for law enforcement and the society it protects.

Multi-Departmental Fund

The Treasury Forfeiture Fund continued in its capacity as a multi-Departmental Fund in FY 2025, representing the interests of law enforcement components of the Departments of the Treasury and Homeland Security. FY 2025 posed continued management challenges including oversight of significant general property contract expenses associated with an increasingly complex forfeiture program. In addition, commensurate with the successful revenue year, there were significant expenses incurred by the bureaus to run their programs. During this period of growth and change, the Fund’s family of law enforcement bureaus continued their hard work of federal law enforcement and the application of asset forfeiture as a sanction to bring criminals to justice.

FY 2025 was another robust year with regular revenue of \$3.267 billion from all sources. As we enter FY 2026, the Fund remains focused on support for strategic investigative initiatives that will have the greatest impact on national and international criminal enterprise including valuable training and investigative expense funding which emphasizes high-impact cases.

Performance Measure

In FY 2025, the Fund measured performance using the following performance measure: Percent of forfeited cash proceeds resulting from high-impact cases. This measures the percentage of forfeited cash proceeds resulting from high-impact cases (those with currency seizures more than \$100,000). Focusing on strategic cases and investigations which result in high-impact seizures will affect the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal activity.

Results

The Fund performance measure and result for FY 2025 is as follows:

Performance Measure	FY 2024 Actual	FY 2025 Target	FY 2025 Actual
Percent of forfeited cash proceeds resulting from high-impact cases	95%	80%	97%

A target of 75 percent high-impact cases was set for FY 2010 and prior years since inception of the performance measure in FY 2002. However, for FY 2011, the target was increased to 80 percent, reflecting member bureaus’ prior success in meeting previous targets. This is a fixed target for the Fund designed to afford our law enforcement bureaus the opportunity to undertake smaller seizure activity that is important to the overall federal law enforcement mission. The final percentage for FY 2025 was 97 percent, exceeding the new target set in 2011. This compares with our FY 2023 and FY 2024 performance of 84 percent and 95 percent, respectively.

The performance of our member bureaus is excellent and reflects Fund management’s longstanding emphasis on high-impact forfeiture strategies as well as the use of Fund authorities to assist member bureaus

with larger cases that may take longer or require additional resources not otherwise available. This measure was put into effect beginning with FY 2002, and in all but 3 years, member bureaus met the target for high-impact forfeitures.

This measure is calculated by dividing the total amount of forfeited cash proceeds from cases greater than \$100,000 by the total amount of forfeited cash proceeds for all cases

Director's Statement of Assurance

The Treasury Forfeiture Fund, including the organizations under my purview, is responsible for meeting the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act (FMFIA), as well as implementing the requirements of the Federal Financial Management Improvement Act (FFMIA), Digital Accountability and Transparency Act, and the Reports Consolidation Act of 2000 (with respect to the completeness and reliability of performance data), as applicable. The implementation guidelines related to these Acts are included in the internal control requirements of the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The objectives of OMB Circular A-123, including its appendices, are to ensure: (1) alignment of strategic goals with the agency's mission; (2) effective and efficient operations; (3) reliable reporting; and (4) compliance with applicable laws and regulations.

Management is responsible for managing risks and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the FMFIA. Risk management practices that identify, assess, respond to, and report on risks are considered when designing internal controls and assessing their effectiveness. We conducted our assessment of risk and internal controls in accordance with OMB Circular A-123 and OMB Circular A-123, Appendix A, *Management of Reporting and Data Integrity Risk*. Based on the results of this assessment, we provide reasonable assurance that the internal controls over operations, reporting, and compliance were operating effectively as of September 30, 2025.

In addition, we conducted an assessment of our financial management systems in accordance with OMB Circular A-123, Appendix D, *Management of Financial Management Systems – Risk and Compliance*. Based on the results of this assessment, our financial management systems substantially comply with FFMIA Section 803(a) as of September 30, 2025.

As part of our evaluation process, we considered the results of extensive testing and assessment across the organization and independent audits.

John Farley

John Farley, Director

September 30, 2025

Treasury Executive Office for Asset Forfeiture

U.S. Department of the Treasury

Analysis of Systems, Controls and Legal Compliance

The Treasury Executive Office for Asset Forfeiture (Fund) is responsible for establishing and maintaining effective internal control over financial reporting and has made a conscious effort to meet the internal controls requirements of the Federal Managers' Financial Integrity Act (FMFIA), the Federal Financial Management Improvement Act (FFMIA), Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, and the Government Accountability Office's Standards for Internal Control in the Federal Government. The Fund is operating in accordance with the procedures and standards prescribed by the Comptroller General and OMB guidelines.

The systems of management control for the Fund are designed to ensure that:

- Programs achieve their intended results;
- Resources are used consistent with overall mission;
- Programs and resources are free from waste, fraud, and mismanagement;
- Laws and regulations are followed;
- Controls are sufficient to minimize any improper or erroneous payments;
- Performance information is reliable;
- System security is in compliance with all relevant requirements;
- Continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels;
- Financial management systems are in compliance with Federal financial systems requirements, (i.e., FMFIA Section 4 and FFMIA);
- Complete and accurate data is reported on USASpending.gov; and
- Controls and policies are in place to prevent fraud and inappropriate use of government charge cards.

For all the Fund's responsibilities, unmodified assurance is provided herein that the above listed management control objectives, taken as a whole, were achieved by our organization during FY 2025. In addition, the Fund provided reasonable assurance that, as of September 30, 2025, the Fund is in substantial conformance with the federal financial management systems requirements of Section 4 of the FMFIA.

The Fund's management is responsible for establishing and maintaining adequate internal control over financial reporting, which includes safeguarding of assets and compliance with laws and regulations. The Fund conducted the required Treasury assessment of the effectiveness of its internal controls over financial reporting in accordance with OMB Circular A-123. Based on the results of this assessment, the Fund can provide unmodified assurance that its internal control over financial reporting as of September 30, 2025, was operating effectively. No material weaknesses were found in the design or operation of the internal control over financial reporting. In addition, the Fund is committed to maintaining effective internal control, as demonstrated by the following actions:

- The enabling legislation for the Treasury Forfeiture Fund (31 U.S.C. § 9705, Public Law 114-22) requires annual reporting of the Fund's financial position, the Fund's financial statements are pursuant to the Chief Financial Officers Act, as amended, including: a) information revealed in preparing the

- financial statements, b) auditors reports on the financial statements, and c) internal controls and compliance with laws and regulations and other materials related to preparing financial statements.
- Annual performance plans, reviews, and reports pursuant to the Government Performance Results Act, which include analysis and evaluation of performance measures.
 - The development, tracking, and closure of corrective actions identified in the Financial Statement Audit and OMB Circular A-123 Assessment.
 - Internal management and program reviews conducted for the purpose of assessing management controls.
 - Reviews of financial systems for requirements compliance in conjunction with OMB Circular A-123 and FFMIA.
 - Reviews of systems, applications, and contingency plans conducted pursuant to the Computer Security Act of 1987 and OMB Circular A-130, Management of Federal Information Resources.
 - Annual assessments, reviews, and reporting performed in compliance with the Payment Integrity Information Act (PIIA).
 - Reviews and reporting in compliance with the Federal Information Security Management Act (FISMA)

Financial Statement Highlights

The following provides a brief explanation for each major section of the audited financial statements accompanying this report for the fiscal year ended September 30, 2025. Further, the notes to the financial statements and the independent auditor’s opinion and reports on internal control over financial reporting, and compliance and other matters are also integral components to understanding fully the financial highlights of Fund operations described in this chapter.

Balance Sheet

Assets, Liabilities and Net Position

Total assets of the Fund in FY 2025 were \$8.5 billion. If seized currency and other monetary instruments, which are assets in the custody of the government but not yet owned by the government, are backed out of both figures, the adjusted total assets of the Fund are \$6.8 billion in FY 2025. During FY 2025, total liabilities of the Fund were \$3.8 billion. If seized currency and other monetary assets, which are also shown as a liability because they are not yet owned by the government, are backed out of both figures, the adjusted total liabilities of the Fund is to \$2.2 billion in FY 2025.

With increasing asset amounts and increasing liabilities, the Cumulative Results of Operations, i.e., retained earnings, increased at the end of FY 2025 to a total of \$4.7 billion.

Financial and Program Performance - Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, requires that agencies include an explanation of what needs to be done and what is being planned to improve financial or program performance. In this regard, Fund management continues to work closely with member bureaus, through the financial planning process, to review revenue and expense projections during the operating year. Program performance and case highlights can be found on the Department of the Treasury website (Treasury Executive Office for Asset Forfeiture, Annual Reports) in January 2026.

Statement: Net Cost

Costs of the Forfeiture Program – Intra-governmental. After revenue is applied toward policy mandates such as equitable sharing, shown in the Statement of Changes in Net Position as negative revenue or applied non-exchange revenue, the remaining financing supports the law enforcement activities of the Fund and pays for the storage of seized and forfeited property and sales associated with the disposition of forfeited property.

On the Statement of Net Cost, the Net Cost of Operations totaled \$299.2 million in FY 2025.

Intra-governmental. This cost category totaled \$171.9 million in FY 2025. The amounts represent costs incurred by participating bureaus in running their respective forfeiture programs.

National Seized Property Contracts and Other. One of the largest program costs of the Fund is the storage, maintenance, and disposal of real and personal property. During FY 2025, general property was maintained by Amentum Services Inc. Real property was maintained by the CWS Asset Management & Sales Group, both contracts of the Department of the Treasury. In FY 2025, expenses of these contracts, including other contracts, totaled \$110.1 million.

Statement: Changes in Net Position

The following are brief highlights from the Statement of Changes in Net Position for FY 2025.

Net Position – End of Year. For FY 2025, the Net Position for the Fund at the end of the year, an indicator of the future capability to support ongoing operations of the Fund, totaled \$4.683 billion.

Total Gross Non-Exchange Revenues. This line item on the *Statement of Changes in Net Position* is the best indicator of regular “business-type” income of the account on an annual basis. For FY 2025, the Fund closed with \$3.267 billion in Gross Non-Exchange Revenues, reflecting a highly successful revenue year for the Treasury Forfeiture Fund.

Proceeds from Participating with other Federal Agencies. This line item on the *Statement of Changes in Net Position* indicates revenue earned from the participation of Treasury Forfeiture Fund law enforcement bureaus in the seizures leading to forfeiture of bureaus that participate in the Department of Justice Assets Forfeiture Fund or with the forfeiture fund of the U.S. Postal Service (Postal Service).

As of the close of FY 2025, Treasury Forfeiture Fund bureaus earned a total of \$19.2 million in revenue from participation in the seizures leading to forfeiture of the Justice and Postal Service forfeiture funds. Fund management continues to work with the Department of Justice to identify delays and/or explain downward adjustments to percentages associated with equitable sharing payments owed to the Treasury Forfeiture Fund. This revenue affords Treasury management significant funding flexibility for our participating agencies as the authority is broad and not confined to funding program costs; it can be used for any law enforcement purpose of our participating bureaus. The allocation of this type of revenue for FY 2025 was restricted by the need to meet enacted budget rescissions, sequestrations, and permanent reductions.

Net Cost of Operations. For FY 2025, the Net Cost of Operations totaled \$299.2 million.

Investment Interest Income. The Fund is authorized to invest cash balances in Treasury securities. As of September 30, 2025, investments totaled \$6.242 billion. FY 2025, investment income totaled \$258.9 million.

Equitable Sharing with Federal, State and Local Governments, and Foreign Countries. Each year, the Fund pays tens of millions of dollars to state and local law enforcement agencies, and foreign governments, for their participation in seizures that lead to forfeitures of the Treasury Forfeiture Fund. State and local law enforcement agencies can use these resources to augment their law enforcement budgets to fight crime in their jurisdictions. Without these funds, budgets of the local municipalities would be taxed to provide these important resources, or the need would go unmet. During FY 2025, the Fund shared a total of \$108.1 million with other federal, state, and local law enforcement agencies, and no sharing with foreign countries.

Victim Restitution. During FY 2025, the Fund paid \$532.4 million in restitution to victims. This line item can fluctuate materially from one fiscal year to the next.

Summary of Statement of Changes in Net Position. The Fund closed with a strong net position in FY 2025. Management will continue to emphasize high-impact cases by participating law enforcement bureaus. The FY 2025 performance with forfeiture revenue earnings of \$3.267 billion from all sources, while exceeding the new higher performance measure target rate of high-impact cases, is truly a credit to the dedicated law enforcement personnel of our participating law enforcement bureaus.

Statement: Custodial Activity

As of the end of FY 25, the Fund has received \$5 thousand in restitution payments.

Statement: Budgetary Resources

As of the end of FY 2025, the Fund has future expenditures (reductions) which may need to be paid in future years. These reductions relate to remissions, victims restitution and equitable sharing. These future obligations will be funded from the unobligated balance of \$4.045 billion as reported on the SF-133 "Report on Budget Execution" for FY 2025.

Auditor's Findings

FY 2025 Audit. The Fund's independent auditors have given the FY 2025 financial statements an Unmodified Opinion with no material weaknesses in internal control over financial reporting. However, the auditors identified one significant deficiency in internal controls. The auditor's report on compliance and other matters disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

Net Position. To summarize, Fund management concluded a highly productive FY 2025 “in the black,” with the necessary resources to commence the business of the asset forfeiture program for FY 2026. Even though there was a rescission of \$400 million and a sequestration of \$185.5 million, Fund management was able to declare Strategic Support funding from FY 2025 operations and will work to recognize the work of our participating agencies in the allocation of these resources.

A Look Forward

Fund management will continue to work with our large and diverse array of federal law enforcement bureaus as they undertake increasingly sophisticated methods and global efforts to secure the financial and commercial markets of the nation and the world given the interdependence of financial systems. Our bureaus support immigration enforcement that is designed to identify illegal smuggling to deter its impact on the nation’s financial infrastructure and to ensure that human smugglers do not harm unsuspecting victims keen on seeking a new if illegal start in the United States. Investigative initiatives intended to interrupt the financial support for terrorism remains a critical part of the work of federal law enforcement. Emphasis will continue to be placed on ever-evolving state-of-the-art investigative techniques, high-impact major case initiatives, and training to support these areas of emphasis. This has and will continue to be the key to the growing success and law enforcement reach of the Treasury Forfeiture Fund.

Limitations of the Financial Statements. As required by OMB Circular A-136, Fund management makes the following statements regarding the limitations of the financial statements:

- The financial statements are prepared to report the financial position financial condition, and results of operations consistent with the requirements of 31 USC § 3515(b). The statements have been prepared from the records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

SECTION II
INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

Deputy Inspector General
U.S. Department of the Treasury

Deputy Director
Treasury Executive Office for Asset Forfeiture

In our audit of the fiscal year 2025 financial statements of the Treasury Forfeiture Fund (the Fund) we found:

- The Fund's financial statements as of and for the fiscal year ended September 30, 2025, is presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- No material weaknesses, but one significant deficiency in internal control over financial reporting based on the limited procedures we performed¹; and
- No reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI) ² and other information included with the financial statements³; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, we have audited the Fund's financial statements. The Fund's financial statements comprise the balance sheet as of September 30, 2025, the related statements of net cost, changes in net position, custodial activity, and budgetary resources for the fiscal year then ended, and the related notes to the financial statements. In our opinion, the Fund's financial statements present fairly, in all material respects, the Fund's financial position as of

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

² RSI consists of the Management's Discussion and Analysis and a section displaying intragovernmental amounts for liabilities, revenues and cost, and non-exchange revenue.

³ Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

September 30, 2025, and its net cost of operations, changes in net position, custodial activity, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

As discussed in Note 2 – Summary of Significant Accounting Policies to the financial statements the Fund's management implemented revised financial reporting framework as required by OMB Circular A-136, *Financial Reporting Requirements*, for fiscal year 2025. The revised framework requires a single year financial statement presentation of current fiscal year financial data, rather than comparative financial statements as presented in the prior fiscal year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Fund's management is responsible for:

- the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles.
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles.
- preparing and presenting other information included in the Fund's Agency Financial Report (AFR) and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the 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 Fund's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required under standards issued by FASAB, which considers it 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 U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our 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

The Fund's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in the Fund's AFR. The other information consists of information included within the Fund's AFR that are not RSI, the financial statements and notes, and our report. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of the Fund's financial statements, we considered the Fund's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies⁴ or to express an opinion on the effectiveness of the Fund's internal control over financial reporting. Given these limitations, during our 2025 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

As discussed in Appendix I, our audit identified one significant deficiency in the Fund's internal controls over financial reporting pertaining to inadequate controls for the commitments and contingencies note disclosure. Although the significant deficiency in internal control did not affect our opinion on the Fund's fiscal year 2025 financial statements, misstatements may occur in unaudited financial information reported internally and externally by the Fund because of this deficiency.

In addition to the significant deficiency mentioned above, we identified a deficiency in the Fund's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency. Nonetheless, this deficiency warrants the Fund's management's attention. We have communicated this matter to the Fund's management and reported on it separately.

⁴ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to the Fund's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance⁵.

Responsibilities of Management for Internal Control over Financial Reporting

The Fund's management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of the Fund's financial statements as of and for the fiscal year ended September 30, 2025 in accordance with U.S. generally accepted government auditing standards, we considered the Fund's internal controls relevant to the financial statement audit 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 Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the Fund's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

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

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

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

⁵ Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, issued on July 29, 2024. According to the guidance, for those controls that have been suitably designed and implemented, the auditor should perform sufficient tests of such controls to conclude on whether the controls are operating effectively (i.e., sufficient tests of controls to support a low level of assessed control risk). OMB audit guidance does not require the auditor to express an opinion on the effectiveness of internal control.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of the Fund's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on the Fund's internal control over financial reporting is not suitable for any other purpose.

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

In connection with our audit of the Fund's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our Auditor's Responsibilities discussed below.

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the Fund. Accordingly, we do not express such an opinion.

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

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

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

The Fund's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the Fund.

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

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to the Fund that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to the Fund. We caution that noncompliance may occur and not be detected by these tests.

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

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit

performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

We provided a draft of this audit report to the Fund management officials, who provided comments that are included in Appendix II. The Fund management's response was not audited and accordingly, we express no opinion on it.

Williams, Adley & Company-DC, LLP

Williams Adley-DC, LLP⁶

Washington, District of Columbia

January 21, 2026

⁶ Williams Adley is the authorized representative of IBSWA Government Solutions, LLC.

Appendix I – Significant Deficiency

Inadequate Controls for Commitments and Contingencies Note Disclosure

During testing of the Treasury Forfeiture Fund’s (the Fund) contingent liability disclosure in Note 15, Commitments and Contingencies, and Note 17, Disclosures Related to the Statements of Budgetary Resources, of the FY 2025 financial statements, we identified a reported future expenditures and commitments amount of \$3,013,100,366 that lacked sufficient, appropriate supporting documentation. Specifically, the Fund’s management was unable to provide evidence from the Fund member agencies supporting the basis of the disclosure amount, including documentation demonstrating that the amount was reasonably estimated. These amounts are attributable to potential refunds, remissions and equitable sharing claims that the Fund management had been made aware of by the Fund member agencies.

The unsupported amount would have been reported in the financial statement note disclosures had the auditors not identified the issue during audit testing. As a result of the audit finding, management removed the unsupported contingency prior to issuance of the financial statements.

The Fund management did not have effective internal controls over the identification, evaluation and documentation of commitments included in the financial statement note disclosures. Specifically, management did not sufficiently review or validate the support for significant commitment amounts reported.

The Fund would have reported a materially unsupported \$3.0 billion contingency in its financial statement note disclosures. This condition increased the risk that the Fund’s financial statements would have been misleading and not in accordance with federal accounting standards, thereby impairing the reliability of the Fund’s financial reporting.

Although the unsupported commitments were removed prior to issuance of the financial statements, this indicates a weakness in the Fund’s internal control over financial reporting that could adversely affect the Fund management’s ability to prepare reliable financial statements and note disclosures.

Standards for Internal Control in the Federal Government (GAO-14-704G, “Green Book”) establishes that controls must exist and operate independently of the audit, specifically:

OV2.14 Roles in an Internal Control System: Management – Management is directly responsible for all activities of an entity, including the design, implementation, and operating effectiveness of an entity’s internal control system.

13.04 Relevant Data from Reliable Sources: Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements...Reliable internal and external sources provide data that are reasonably free

Appendix I – Significant Deficiency

from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability.

Recommendations:

We recommend the Fund management to:

- Establish and document formal procedures for identifying, evaluating and supporting commitments and contingencies included in financial statement note disclosures.
- Implement review controls as part of management’s preparation of the Fund financial statements to ensure that all financial statement note disclosures are adequately supported.

Appendix II – Management’s Response



DEPARTMENT OF THE TREASURY
UNDER SECRETARY FOR TERRORISM AND FINANCIAL
INTELLIGENCE

EXECUTIVE OFFICE FOR ASSET FORFEITURE
1341 G ST., N.W., SUITE 900, WASHINGTON, D.C. 20005

TELEPHONE: (202) 622-9600
FAX: (202) 622-9610

January 21, 2026

Williams Adley & Company-DC, LLP
1016 16th Street
Washington, DC 20036

I have reviewed the draft Independent Auditor’s Report regarding the Treasury Executive Office for Asset Forfeiture (TEOAF) regarding the Agency Financial Report for Fiscal Year 2025. I am satisfied with the outcome and accept this report on behalf of TEOAF.

I am very pleased to see we received an unmodified opinion. TEOAF will take measures to remediate the Significant Deficiency relating to Inadequate Controls for Commitment and Contingencies Note Disclosure presented in the audit report.

Terence Lewis **Terence E. Lewis** Digitally signed by Terence E. Lewis
Date: 2026.01.21 09:39:11 -05'00'
Assistant Director, Financial Management & Operations

SECTION III
FINANCIAL STATEMENTS AND NOTES

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DEPARTMENT OF THE TREASURY FORFEITURE FUND
BALANCE SHEET
AS OF SEPTEMBER 30, 2025
(In Thousands)

	2025
Assets:	
Intragovernmental:	
Fund Balance with Treasury (Note 21)	\$ 50,883
Investments and Related Interest Receivable (Note 3)	6,242,137
Total Intragovernmental	6,293,020
Other than Intragovernmental:	
Cash and Other Monetary Instruments (Note 5)	351,483
Accounts Receivable	4,858
	356,341
Forfeited Property (Note 6)	
Held for sale, Net of Mortgages, Liens, and Claims	1,851,899
To be shared with Federal, State or Local, or Foreign Governments	137
Total Forfeited Property, Net of Mortgages, Liens, and Claims	1,852,036
Total Other than Intragovernmental	2,208,377
Total Assets	\$ 8,501,397
Liabilities:	
Intragovernmental:	
Accounts Payable	\$ 252,659
Total Intragovernmental	252,659
Other than Intragovernmental:	
Seized Currency and Other Monetary Instruments (Note 8)	1,659,996
Distributions Payable (Note 10)	
State and Local Agencies and Foreign Governments	34,061
Accounts Payable	19,922
Deferred Revenue from Forfeited Assets (Note 6)	1,852,036
Total Other than Intragovernmental	3,566,015
Total Liabilities	3,818,674
Commitments and Contingencies (Note 15)	
Net Position:	
Cumulative Results of Operations (Note 11)	4,682,723
Total Net Position	4,682,723
Total Liabilities and Net Position	\$ 8,501,397

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

**DEPARTMENT OF THE TREASURY FORFEITURE FUND
STATEMENT OF NET COST
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Thousands)**

	2025
<hr/>	
Program:	
ENFORCEMENT	
Intragovernmental:	
Seizure Investigative Costs and Asset Management	\$ 98,324
Other Asset Related Contract Services	3,745
Data Systems, Training and Others	68,297
Other	1,561
<hr/>	
Total Intragovernmental	171,927
Other than Intragovernmental:	
National Contract Services Seized Property and Other	110,074
Joint Operations	17,209
<hr/>	
Total Other than Intragovernmental	127,283
Net Cost of Operations (Note 16)	\$ 299,210
<hr/>	

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

DEPARTMENT OF THE TREASURY FORFEITURE FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Thousands)

	2025
Net Position, Beginning of Year	\$ 2,883,531
Financing Sources (Non-Exchange Revenues):	
Intragovernmental	
Investment Interest Income	258,882
Other than Intragovernmental	
Forfeited Currency and Monetary Instruments	1,489,406
Sales of Forfeited Property Net of Mortgages and Claims	1,504,485
Proceeds from Participating with Other Federal Agencies	19,199
Value of Property Transferred in Equitable Sharing	1,654
Payments in Lieu of Forfeiture, Net of Refunds (Note 19)	(11,266)
Reimbursed Costs	4,039
Other	104
Total Gross Non-Exchange Revenues	3,266,503
Less: Equitable Sharing	
Intragovernmental	
Federal	(72,114)
Other than Intragovernmental	
State and Local Agencies	(36,010)
Foreign Countries	-
Victim Restitution	(532,406)
Total Equitable Sharing	(640,530)
Total Non-Exchange Revenues, Net	2,625,973
Transfers-In (Out)	
Intragovernmental	
Strategic Support (Note 13)	(93,096)
Secretary's Enforcement Fund (Note 14)	(34,475)
Transfer to the General Fund (Note 9)	(400,000)
Total Transfers-In (Out)	(527,571)
Total Financing Sources, Net	2,098,402
Net Cost of Operations	(299,210)
Net Results of Operations	1,799,192
Net Position, End of Year	\$ 4,682,723

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

**DEPARTMENT OF THE TREASURY FORFEITURE FUND
STATEMENT OF CUSTODIAL ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Thousands)**

	2025
Total Custodial Revenue	
Miscellaneous	\$ 5
Total Cash Collections	5
Total Custodial Revenue	5
Disposition of Collections	
Transferred to Others	
Amounts Provided to Fund the Federal Government	\$ 5
Total Disposition of Collections	5
Custodial Revenue Less Disposition of Collections	\$ -

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

DEPARTMENT OF THE TREASURY FORFEITURE FUND
STATEMENT OF BUDGETARY RESOURCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Thousands)

	2025
Budgetary Resources:	
Unobligated Balance From Prior Year Budget Authority, Net (Note 17)	\$ 2,165,225
Budget Authority	2,801,827
Total Budgetary Resources	\$ 4,967,052
Status of Budgetary Resources:	
New Obligations and Upward Adjustments (Total)	\$ 921,561
Unobligated Balance, End of Year:	
Apportioned, Unexpired Accounts	3,183,383
Unapportioned, Unexpired Accounts	862,108
Unobligated Balance, End of Year (Total) (Note 17)	4,045,491
Total Budgetary Resources	\$ 4,967,052
Outlays, Net	\$ 1,102,310
Distributed Offsetting Receipts	\$ (257,817)
Agency Outlays, Net	\$ 844,493

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

NOTE 1: REPORTING ENTITY

The Department of the Treasury Forfeiture Fund (Treasury Forfeiture Fund or the Fund) was established by the Treasury Forfeiture Fund Act of 1992, Public Law 102-393 (the TFF Act), and is codified at 31 USC 9705. The Fund was created to consolidate all Treasury law enforcement bureaus under a single forfeiture fund program administered by the Department of the Treasury (Treasury). Treasury law enforcement bureaus fully participating in the Fund upon enactment of this legislation were the U.S. Customs Service (Customs); the Internal Revenue Service – Criminal Investigation (IRS- CI); the United States Secret Service (Secret Service); the Bureau of Alcohol, Tobacco and Firearms (ATF); the Financial Crimes Enforcement Network (FinCEN); and the Federal Law Enforcement Training Center (FLETC). The U.S. Coast Guard, formerly part of the Department of Transportation, now part of the Department of Homeland Security (DHS), also participates in the Fund. However, all Coast Guard seizures are treated as Customs seizures because the Coast Guard lacks forfeiture authority.

With enactment of the Homeland Security Act of 2002 (Homeland Security Act), law enforcement bureaus currently participating in the Fund are: the Internal Revenue Service - Criminal Investigation (IRS-CI) of Treasury, Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE) and the U.S. Secret Service (USSS) of DHS. The U.S. Coast Guard of DHS joins these bureaus. The Fund continues in its capacity as a multi-departmental fund, representing the interests of law enforcement components of the Departments of Treasury and Homeland Security.

The Fund is a special fund that is accounted for under Treasury symbol number 20X5697. From this no-year account, expenses may be incurred as authorized by Title 31 USC 9705, as amended. Expenses are limited only by the availability of resources in the Fund. The Fund is managed by Treasury's Executive Office for Asset Forfeiture (TEOAF).

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus to disrupt and dismantle criminal enterprises. The goal of the Treasury Forfeiture Fund is to support the Treasury's national asset forfeiture program in a manner that results in federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to disrupt and dismantle criminal activity. Beginning in Fiscal Year 2025, under a Memorandum of Understanding (MOU), Treasury's Bureau of Fiscal Service/Administrative Resource Center (ARC) acts as the executive agent for certain operations of the Fund. Pursuant to that executive agent role, ARC is responsible for accounting and financial reporting for the Fund, including timely and accurate reporting and compliance with Treasury, the Comptroller General and the Office of Management and Budget (OMB) regulations and reporting requirements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The Fund began preparing audited financial statements in Fiscal Year 1993 as required by the Fund's enabling legislation, 31 USC 9705(f)(2)(H), and the Chief Financial Officers Act of 1990. Beginning with the Fiscal Year 1996 report, the Government Management Reform Act of 1994 (GMRA) requires executive agencies, including the Treasury, to produce audited consolidated accountability reports and related footnotes for all activities and funds.

The financial statements have been prepared from the accounting records of the Fund in conformity with accounting principles generally accepted in the United States of America (GAAP) and specified by OMB

in OMB Circular A-136, *Financial Reporting Requirements (OMB Circular A-136)*. This includes the July 2025 OMB Circular A-136 required changes from comparative to singular year presentation. GAAP for federal entities is prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is designated the official accounting standards setting body of the Federal Government by the American Institute of Certified Public Accountants.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

Allowable Fund Expenses

Most of the revenue recorded by the Fund is utilized for operating expenses or distributed to state and local law enforcement agencies, other federal agencies, and foreign governments, in accordance with the various laws and policies governing the operations and activities of the Fund. Under the TFF Act, the Fund is authorized to pay certain expenses using discretionary or mandatory funding authorities of the Fund.

Discretionary authorities include but may not be limited to: the payment of expenses for the purchase of awards for information or assistance leading to a civil or criminal forfeiture involving any law enforcement bureau participating in the Fund; purchase of evidence or information that meet the criteria set out in 31 USC 9705(a)(2)(B); payment for equipment for vessels, vehicles, or aircraft available for official use as described by 31 USC 9705(a)(2)(D) and (F); reimbursement of private persons for expenses incurred while cooperating with a Treasury law enforcement organization in investigations; publication of the availability of certain awards; and payment for training foreign law enforcement personnel with respect to seizure or forfeiture activities of the Fund. Discretionary expenses are subject to an annual, definite Congressional appropriation from revenue in the Fund.

Expenses from the mandatory authorities of the Fund include but are not limited to: all proper expenses of the seizure, including investigative costs and purchases of evidence and information leading to seizure, holding costs, security costs, etc., awards of compensation to informers under section 619 of the Tariff Act (19 USC 1619); satisfaction of liens against the forfeited property, and claims of parties with interest in forfeited property; expenses incurred by state and local law enforcement agencies in joint law enforcement operations with law enforcement agencies participating in the Fund; and equitable sharing payments made to state and local law enforcement agencies in recognition of their efforts in a Fund seizure leading to forfeiture. These mandatory expenses are paid pursuant to the permanent indefinite authorities of the Fund; are only limited by revenue in the Fund each year and do not require additional Congressional action for expenditure.

The Fund's expenses are either paid on a reimbursement basis or paid directly on behalf of a participating bureau. Reimbursable expenses are incurred by the respective bureaus participating in the Fund against their appropriation and then submitted to the Fund for reimbursement. The bureaus are reimbursed through Inter-Agency Transfers (SF-1081) or Intra-governmental Payments and Collection (IPAC) System. Certain expenses such as equitable sharing, liens, claims and state and local joint operations costs are paid directly from the Fund.

Further, the Fund is a component unit of the Treasury with participating bureaus in the DHS. As such, employees of both Departments may perform certain operational and administrative tasks related to the Fund. Payroll costs of employees directly involved in the security and maintenance of forfeited property are also recorded as expenses in the financial statements of the Fund (included in the line item “Seizure Investigative Costs and Asset Management” in the Statement of Net Cost.)

Revenue and Expense Recognition

Revenue from the forfeiture of property is deferred until the property is sold or transferred to a state, local or federal agency. Revenue is not recorded if the forfeited property is ultimately destroyed or cannot be legally sold.

Revenue from currency is recognized upon forfeiture. Payments in lieu of forfeiture (mitigated seizures) are recognized as revenue when the payment is received. Revenue received from participating with certain other federal agencies is recognized when the payment is received. Operating costs are recorded as expenses and related liabilities when goods are received, or services are performed. Certain probable equitable sharing liabilities existing at year end are accrued based on estimates.

As provided for in the TFF Act, the Fund invests seized and forfeited currency that is not needed for current operations. Treasury’s Bureau of Fiscal Service invests the funds in obligations of, or guaranteed by, the United States Government. Interest is reported to the Fund and recorded monthly as revenue in the general ledger.

Funds from Dedicated Collections

Funds from dedicated collections are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the Government’s general revenues. In accordance with SFFAS 43, *Funds from Dedicated Collections*, all of the TFF’s revenue meets these criteria and constitutes funds from dedicated collections.

The Federal Government does not set aside assets to pay future benefits or other expenditures associated with funds from dedicated collections. The cash collected from funds from dedicated collections is deposited in the U.S. Treasury, which uses the cash for general government purposes. Treasury securities are issued to the TFF as evidence of its receipts. Treasury securities are an asset to the TFF and a liability to the U.S. Treasury. Because the TFF and U.S. Treasury are both parts of the government, these assets and liabilities offset each other from the standpoint of the government as a whole. For this reason, they do not represent an asset or a liability in the U.S. Government-wide financial statements. Treasury securities provide the TFF with authority to draw upon the U.S. Treasury to make future benefit payments or other expenditures. When the TFF requires redemption of these securities to make expenditures, the government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt or by curtailing other expenditures. This is the same way that the government finances all other expenditures.

Equitable Sharing (Assets Distributed)

Forfeited property, currency, or proceeds from the sales of forfeited property may be shared with federal, state and local law enforcement agencies or foreign governments, which provided direct or indirect assistance in the related seizure. In addition, the Fund may transfer forfeited property to other federal agencies, which would benefit from the use of the item. A class of asset distribution was established for

victim restitution in 1995. These distributions include property and cash returned to victims of fraud and other illegal activity. Upon approval by Fund management to share or transfer the assets, both revenue from distributed forfeited assets and distributions are recognized for the net realizable value of the asset to be shared or transferred, thereby resulting in no gain or loss recognized. Revenue and /or expenses are recognized for property and currency, which are distributed to or shared with non-federal agencies, per SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*.

Entity Assets

Entity assets are used to conduct the operations and activities of the Fund. Entity assets comprise intragovernmental and non-intragovernmental assets. Intragovernmental balances arise from transactions among federal agencies. These assets are claims of a federal entity against another federal entity. Entity assets consist of cash or other assets, which could be converted into cash to meet the Fund's current or future operational needs. Such other assets include investments of forfeited balances, accrued interest on seized balances, receivables, and forfeited property, which are held for sale or to be distributed.

- **Fund Balance with Treasury** – This represents amounts on deposit with Treasury.
- **Investments and Related Interest Receivable** – This includes forfeited cash held by the Fund and seized currency held in the Customs Suspense Account that had been invested in short term U.S. Government Securities.
- **Accounts Receivables** – The values reported for other receivables are primarily funds due from the national seized property contractor for properties sold; the proceeds of which have not yet been deposited into the Fund. No allowance has been made for uncollectible amounts as the accounts recorded as a receivable at year end were considered to be fully collectible as of September 30, 2025.
- **Cash and Other Monetary Assets** – This includes forfeited currency on hand not yet deposited and forfeited currency held as evidence.
- **Forfeited Property and Currency** – Forfeited property and currency is recorded in the respective seized property and forfeited asset tracking systems at the estimated fair value at the time of seizure. However, based on historical sales experiences for the year, properties are adjusted to reflect the market value at the end of the fiscal year for financial statement reporting purposes. Direct and indirect holding costs are not capitalized for individual forfeited assets. Forfeited currency not deposited into the Fund is included as part of Entity Assets - Cash and Other Monetary Assets.

Further, mortgages and claims on forfeited assets are recognized as a valuation allowance and a reduction of deferred revenue from forfeited assets when the asset is forfeited. The allowance includes mortgages and claims on forfeited property held for sale and a minimal number of claims on forfeited property previously sold. Mortgage and claims expenses are recognized when the related asset is sold and is reflected as a reduction of sales of forfeited property.

Additionally, SFFAS No. 3, *Accounting for Inventory and Related Property*, requires certain additional disclosures in the notes to the financial statements, including an analysis of changes in seized and forfeited property and currency, for both carrying value and quantities, from that on hand at the beginning of the year to that on hand at the end of the year. These analyses are disclosed in Notes 7 and 8.

Non-entity Assets

Non-entity assets held by the Fund are not available for use by the Fund. Non-entity assets comprise intragovernmental and other assets. Intragovernmental balances arise from transactions among federal agencies. These assets are claims of a federal entity against another federal entity. Non-entity assets are not considered as financing sources (revenue) available to offset operating expenses, therefore, a corresponding liability is recorded and presented as governmental liabilities in the balance sheet to reflect the custodial/fiduciary nature of these activities.

- **Seized Currency and Property** – Seized Currency is defined as cash or monetary instruments that are readily convertible to cash on a dollar-for-dollar basis. SFFAS No. 3 requires that seized monetary instruments (cash and cash equivalents) be recognized as an asset in the financial statements and a liability be established in an amount equal to the seized asset value due to: (i) the fungible nature of monetary instruments, (ii) the high level of control that is necessary over these assets; and (iii) the possibility that these monies may be returned to their owner in lieu of forfeiture.

Seized property may include digital assets, real property and tangible personal property of others in actual or constructive possession of the custodial agency, and is recorded at its appraised value at the time of seizure. The value is determined by the seizing entity and is usually based on a market analysis such as a third-party appraisal, standard property value publications or bank statements. Seized property is not recognized as an asset in the financial statements, as transfer of ownership to the government has not occurred as of September 30. Accordingly, seized property other than monetary instruments is disclosed in the footnotes in accordance with SFFAS No. 3.

- **Investments and Related Interest Receivable** – This balance includes seized cash on deposit in the Fund's suspense account held by Treasury, which has been invested in short term U.S. Government Securities.
- **Cash and Other Monetary Assets** – This balance represents the aggregate amount of the Fund's seized currency on deposit in the Fund's suspense account held by Treasury, seized cash on deposit held with other financial institutions and, cash on hand in vaults held at field office locations.

Liabilities Covered by Budgetary Resources

Liabilities covered by budgetary resources represent liabilities incurred, which are covered by available budgetary resources. The components of such liabilities for the Fund are as follows:

- **Distributions Payable** – Distributions payable to federal and non-federal agencies is primarily related to equitable sharing payments and payments to be made by the Fund to the victims of fraud and innocent owners.
- **Accounts Payable** – Amounts reported in this category include accrued expenses authorized by the TFF Act (See "Allowable Fund Expenses") for which payment was pending at year end.
- **Seized Currency** – Amounts reported in this category represent the value of seized currency that is held by the Fund which equals the amount of seized currency reported as an asset.
- **Deferred Revenue from Forfeited Assets** – At year end, the Fund held forfeited assets, which had not yet been converted into cash through a sale. The amount reported here represents the value of these assets, net of mortgages and claims.

Liabilities Not Covered by Budgetary Resources

The Fund does not currently have liabilities not covered by available budgetary resources.

Net Position

The components of net position are classified as follows:

- **Retained Capital** – There is no cap on amounts that the Fund can carry forward into Fiscal Year 2026. The cap was removed by the Fiscal Year 1997 Omnibus Appropriations Act (PL 104-208).
- **Unliquidated Obligations** – This category represents the amount of undelivered purchase orders, contracts and equitable sharing requests which have been obligated with current budget resources or delivered purchase orders and contracts that have not been invoiced. An expense and liability are recognized, and the corresponding obligations are reduced as goods are received or services are performed. A portion of the equitable sharing requests that were in final stages of approval are recognized as liabilities at year end. Prior experience with the nature of this account indicated that a substantial portion of these requests were certain liabilities at year end. (See also Distributions Payable at Note 10).
- **Net Results of Operations** – This category represents the net difference, for the activity during the year, between: (i) financing sources including transfers, and revenues; and (ii) expenses.

NOTE 3: INVESTMENTS AND RELATED INTEREST RECEIVABLE

All investments are intragovernmental short-term (35 days or less) non-marketable par value federal debt securities issued by, and purchased through Treasury's Bureau of the Fiscal Service, Federal Investments Branch. Investments are always purchased at a discount and are reported at acquisition cost, net of discount. The discount is amortized into interest income over the term of the investment. The investments are always held to maturity. They are made from cash in the Fund and from seized currency held in the Treasury Suspense Account. The Customs Suspense Account became the depository for seized cash for the Fund following enactment of the TFF Act and has since been renamed the Treasury Suspense Account.

The following schedule presents the investments on hand as of September 30, 2025 (in thousands):

Entity Assets

	Cost	Unamortized Discount	Investment, Net
<u>September 30, 2025</u>			
Treasury Forfeiture Fund			
35 Days Yield 3.92% US Treasury Bills	\$ 4,887,577	\$ (19,173)	\$ 4,868,404
Interest Receivable			3,510
Total Investment, Net			\$ 4,871,914
Fair Market Value			\$ 4,871,592

Non-Entity Assets

	Cost	Unamortized Discount	Investment, Net
September 30, 2025			
Treasury Forfeiture Fund - Seized Currency Suspense Account			
35 Days Yield 3.92% US Treasury Bills	\$ 1,375,619	\$ (5,396)	\$ 1,370,223
Total Investment, Net			\$ 1,370,223
Fair Market Value			\$ 1,371,120

NOTE 4: ANALYSIS OF NON-ENTITY ASSETS

The following schedule presents the non-entity assets as of September 30, 2025 (in thousands):

	2025
Seized Currency:	
Intragovernmental Investments	\$ 1,370,223
Cash and Other Monetary Assets (Note 5)	289,773
Total Non-Entity Assets	1,659,996
Total Entity Assets	6,841,401
Total Assets	\$ 8,501,397

NOTE 5: CASH AND OTHER MONETARY INSTRUMENTS

Entity Assets

Cash and Other Monetary Instruments held on hand included forfeited currency not yet deposited, as well as forfeited currency held as evidence, amounting to \$61.2 million as of September 30, 2025.

Non-Entity Assets

Cash and Other Monetary Instruments included seized currency not yet deposited, as well as deposited seized currency, which is not invested in order to pay remissions, amounted to \$289.8 million as of September 30, 2025.

NOTE 6: FORFEITED PROPERTY/DEFERRED REVENUE

The following summarizes the components of forfeited property (net), as of September 30, 2025 (in thousands):

	2025
Held for sale	\$ 1,858,635
To be shared with Federal, State or Local, or Foreign Governments	137
Total Forfeited Property (Note 7)	1,858,772
Less: Allowance for Liens and Claims	(6,736)
Total Forfeited Property, Net	\$ 1,852,036

NOTE 7: ANALYSIS OF CHANGES IN FORFEITED PROPERTY AND CURRENCY (FY 2025)

The “Adjustments” column below consists of changes from seized to forfeited and vice versa, closed to open status, category and type changes and any other type of adjustment not included in other columns. following schedule presents the changes in the forfeited property and currency balances from October 1, 2024 to September 30, 2025 (in thousands)

	<u>10/1/24 Financial</u>		<u>Adjustments</u>		<u>10/1/24 Carrying</u>		<u>Forfeitures</u>		<u>Deposits/Sales</u>		<u>Disposals/Transfers</u>	
	<u>Statement Balance</u>				<u>Value</u>							
	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>
Currency	\$ 30,042	-	\$ -	-	\$ 30,042	-	\$ 1,079,754	-	\$ (1,441,490)	-	\$ -	-
Other Monetary												
Instruments	963	-	-	-	963	-	-	-	(7)	-	-	-
Subtotal	<u>31,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,005</u>	<u>-</u>	<u>1,079,754</u>	<u>-</u>	<u>(1,441,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Real Property	126,270	240	(3,829)		130,099	240	50,580	94	(66,828)	(96)	(651)	(5)
General Property	2,220,790	16,446	(234,128)		2,454,918	16,446	471,015	15,541	(678,559)	(2,661)	(2,766)	(763)
Vessels	2,351	250	(1,604)		3,955	250	4,589	510	(1,738)	(140)	(24)	(3)
Aircraft	2,937	39	(1,880)		4,817	39	95	62	(1,055)	(5)	(1,432)	(4)
Vehicles	20,799	2,595	(12,723)		33,522	2,595	44,787	4,757	(25,035)	(3,410)	(1,874)	(131)
Subtotal	<u>2,373,147</u>	<u>19,570</u>	<u>(254,164)</u>	<u>-</u>	<u>2,627,311</u>	<u>19,570</u>	<u>571,066</u>	<u>20,964</u>	<u>(773,215)</u>	<u>(6,312)</u>	<u>(6,747)</u>	<u>(906)</u>
Grand Total	<u>\$ 2,404,152</u>	<u>19,570</u>	<u>\$ (254,164)</u>	<u>-</u>	<u>\$ 2,658,316</u>	<u>19,570</u>	<u>\$ 1,650,820</u>	<u>20,964</u>	<u>\$ (2,214,712)</u>	<u>(6,312)</u>	<u>\$ (6,747)</u>	<u>(906)</u>

	<u>Victim Restitution</u>		<u>Destroyed</u>		<u>Other Adjustments</u>		<u>Value Change</u>		<u>2025 Carrying Value</u>		<u>Fair Market Value</u>		<u>09/30/2025 Financial</u>	
											<u>Adjustment</u>		<u>Statement Balance</u>	
	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>
Currency	\$ -	-	\$ -	-	\$ 393,423	-	\$ (541)	-	\$ 61,188	-	\$ -	-	\$ 61,188	-
Other Monetary														
Instruments	-	-	-	-	(39)	-	(395)	-	522	-	-	-	522	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,384</u>	<u>-</u>	<u>(936)</u>	<u>-</u>	<u>61,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,710</u>	<u>-</u>
Real Property	-	-	-	-	1,753	1	(2,559)	-	112,394	234	(18,906)	-	93,488	234
General Property	-	-	(156,276)	(11,880)	139,094	756	(122,880)	-	2,104,546	17,439	(359,603)	-	1,744,943	17,439
Vessels	-	-	(474)	(280)	(384)	(11)	(1,077)	-	4,847	326	(2,075)	-	2,772	326
Aircraft	-	-	(63)	(57)	(287)	-	(612)	-	1,463	35	(842)	-	621	35
Vehicles	-	-	(3,123)	(621)	(15,189)	(857)	(2,907)	-	30,181	2,333	(13,233)	-	16,948	2,333
Subtotal	<u>-</u>	<u>-</u>	<u>(159,936)</u>	<u>(12,838)</u>	<u>124,987</u>	<u>(111)</u>	<u>(130,035)</u>	<u>-</u>	<u>2,253,431</u>	<u>20,367</u>	<u>(394,659)</u>	<u>-</u>	<u>1,858,772</u>	<u>20,367</u>
Grand Total	<u>\$ -</u>	<u>-</u>	<u>\$ (159,936)</u>	<u>(12,838)</u>	<u>\$ 518,371</u>	<u>(111)</u>	<u>\$ (130,971)</u>	<u>-</u>	<u>\$ 2,315,141</u>	<u>20,367</u>	<u>\$ (394,659)</u>	<u>-</u>	<u>\$ 1,920,482</u>	<u>20,367</u>

NOTE 8: ANALYSIS OF CHANGES IN SEIZED PROPERTY AND CURRENCY (FY 2025)

Seized property and currency result primarily from enforcement activities. Seized property is not legally owned by the Fund until judicially or administratively forfeited. Because of the fungible nature of currency and the high level of control necessary over these assets and the possibility that these monies may be returned to their owners in lieu of forfeiture, seized currency is reported as a custodial asset upon seizure. Seized property other than currency is reported as a custodial asset upon forfeiture. The “Adjustments” column below consists of changes from seized to forfeited and vice versa, closed to open status, category and type changes and any other type of adjustment not included in other columns. The following schedule presents the changes in the seized property and currency balances from October 1, 2024, to September 30, 2025 (in thousands).

	<u>10/01/2024 Financial Statement Balance</u>		<u>Seizures</u>		<u>Remissions</u>		<u>Forfeitures</u>		<u>Adjustments</u>		<u>Value Changes</u>		<u>09/30/2025 Financial Statement Balance</u>	
	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>
Currency	\$ 1,917,955	-	\$ 1,778,681	-	\$ (140,212)	-	\$ (1,079,754)	-	\$ (843,878)	-	\$ 2,432	-	\$ 1,635,224	-
Other Monetary Instruments	16,378	-	9,001	-	-	-	-	-	(608)	-	-	-	24,771	-
Subtotal	<u>1,934,333</u>	<u>-</u>	<u>1,787,682</u>	<u>-</u>	<u>(140,212)</u>	<u>-</u>	<u>(1,079,754)</u>	<u>-</u>	<u>(844,486)</u>	<u>-</u>	<u>2,432</u>	<u>-</u>	<u>1,659,995</u>	<u>-</u>
Real Property	416,619	385	102,447	145	(29,152)	(39)	(50,580)	(94)	(24,336)	(9)	(33,485)	-	\$ 381,513	388
General Property	4,711,437	35,531	687,455	25,934	(92,119)	(7,009)	(471,015)	(15,541)	(34,396)	993	(26,460)	(2)	\$ 4,774,902	39,906
Vessels	100,360	274	10,408	461	(88,392)	(34)	(4,589)	(510)	(1,603)	(6)	942	-	\$ 17,126	185
Aircraft	28,708	164	6,031	707	(5,398)	(16)	(95)	(62)	(3,979)	5	(3,180)	-	\$ 22,087	798
Vehicles	83,976	4,041	171,088	8,588	(49,911)	(2,406)	(44,787)	(4,757)	(69,766)	(2,021)	(4,682)	-	\$ 85,918	3,445
Subtotal	<u>5,341,100</u>	<u>40,395</u>	<u>977,429</u>	<u>35,835</u>	<u>(264,972)</u>	<u>(9,504)</u>	<u>(571,066)</u>	<u>(20,964)</u>	<u>(134,080)</u>	<u>(1,038)</u>	<u>(66,865)</u>	<u>(2)</u>	<u>5,281,546</u>	<u>44,722</u>
Grand Total	<u>\$ 7,275,433</u>	<u>40,395</u>	<u>\$ 2,765,111</u>	<u>35,835</u>	<u>\$ (405,184)</u>	<u>(9,504)</u>	<u>\$ (1,650,820)</u>	<u>(20,964)</u>	<u>\$ (978,566)</u>	<u>(1,038)</u>	<u>\$ (64,433)</u>	<u>(2)</u>	<u>\$ 6,941,541</u>	<u>44,722</u>

NOTE 9: PERMANENT REDUCTION/TRANSFER TO THE GENERAL FUND

The unobligated balance is usually available to cover costs related to seizures and forfeitures and certain other law enforcement activities. The Full Year Contingency Appropriation and Extension Act of 2025 permanently cancelled \$400 million. This permanent reduction or cancellation means that the amount will never be used for its intended purposes. The cancelled funds for fiscal year 2025 were transferred to the General Fund on July 31, 2025.

NOTE 10: DISTRIBUTIONS PAYABLE

Distributions Payable (state and local agencies and foreign governments) amounted to \$34.1 million as of September 30, 2025. Fund management recognizes as a liability a portion (based on the average of historical pay-out percentage) of the equitable sharing requests, that were approved or in the final stages of approval on September 30, 2025. Prior experience with the nature of this account indicated that a substantial portion of these requests were certain to be paid out by the Fund during the following fiscal year.

NOTE 11: NET POSITION

Cumulative Results of Operations

The following summarizes components of cumulative results of operations as of September 30, 2025 (in thousands):

	2025
Retained Capital	\$ 2,501,875
Unliquidated Obligations	381,655
Net Results of Operations	1,799,192
Cumulative Results of Operations	\$ 4,682,722

Unliquidated Obligations

The following summarizes the components of unliquidated obligations as of September 30, 2025 (in thousands):

	2025
Equitable Sharing	\$ 116,690
Mandatory	264,966
Unliquidated Obligations	\$ 381,656

NOTE 12: RELATED PARTY TRANSACTIONS

The Fund does not have any relationships or transactions with disclosure entities, public-private partnerships or related parties outside of the law enforcement bureaus currently participating in the Fund, as described in Note 1. Transactions with intragovernmental parties include the Fund reimbursing the

agencies for the purchase of capital assets. These assets are reported by the participating agencies in their financial statements.

NOTE 13: STRATEGIC SUPPORT

31 USC 9705 (g)(4)(B) allows for the expenditure, without fiscal year limitation, after the reservation of amounts needed to continue operations of the Fund. This “Strategic Support” balance may be used for law enforcement activities of any federal agency.

Amounts distributed to other federal agencies for law enforcement activities under “Strategic Support” requirements amounted to \$98.4 million in fiscal year 2025.

The following summarizes Strategic Support payments, net of Transfers-In for the year ended September 30, 2025 (in thousands):

	2025
Transfers - Out	\$ (98,437)
Transfers - In	5,341
Total	\$ (93,096)

NOTE 14: SECRETARY'S ENFORCEMENT FUND

The 31 USC 9705(b)(5) is another category of permanent indefinite authority. These funds are available to the Secretary, without further action by Congress and without fiscal year limitation, for federal law enforcement purposes of Treasury law enforcement organizations. The source of Section 9705(b)(5) funds is equitable sharing payments received from the Department of Justice and the U.S. Postal Service (USPS) representing Treasury's share of forfeiture proceeds from Justice and USPS cases.

The net amounts distributed for federal law enforcement purposes of Treasury law enforcement organizations amounted to \$34.5 million in fiscal year 2025.

The following summarizes Secretary’s Enforcement Fund payments, net of Transfers-In for the year ended September 30, 2025 (in thousands):

	2025
Transfers - Out	\$ (34,475)
Transfers - In	-
Total	\$ (34,475)

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NOTE 15: COMMITMENTS AND CONTINGENCIES

Commitments

The Fund is subject to equitable sharing claims from participating state and local law enforcement agencies. A portion of these claims that were in final stages of approval have been recognized as liabilities as of September 30 in the amount of \$34.1 million (see Note 10).

In addition to the amounts estimated above, there are other amounts, which may ultimately be shared, that are not identified at this time.

Contingencies

As of September 30, 2025, the Fund had future potential expenditures for refunds and equitable sharing matters, however, the Fund cannot determine the possible range or the outcome of these outstanding cases that would result in these expenditures. The future expenditures to be incurred for refunds considers the progress made by seizing agencies and the relevant United States Attorney’s Offices in achieving a resolution to forfeitures. Additionally, the future expenditures include amounts to be equitably shared with the Department of Justice pursuant to a long-standing memorandum of agreement.

The Treasury Department is a party in various legal actions that could result in financial liability to the TFF. The TFF has contingent liabilities for which the possibility of loss in some of these cases is considered reasonably possible. These liabilities are not accrued in the TFF’s financial statements. As of September 30, 2025, the TFF had \$112 million in claims considered reasonably possible.

NOTE 16: DISCLOSURES RELATED TO THE STATEMENT OF NET COST

Gross costs and earned revenue related to Law Enforcement Programs administered by the Fund for the year ended September 30, 2025 is presented in Treasury’s budget functional classification (in thousands) as set out below:

	2025
Gross Costs	\$ 299,210
Earned Revenues	-
Net Costs	\$ 299,210

The Fund falls under the Treasury’s budget functional classification related to Administration of Justice.

NOTE 17: DISCLOSURES RELATED TO THE STATEMENTS OF BUDGETARY RESOURCES

The Fund’s budgetary obligations are fully covered by cash on hand in the Fund and Entity Investments. The Fund does not have borrowing or contract authority and, therefore, has no repayment requirements, financing sources for repayment, or other terms of borrowing authority. There are no legal arrangements, outside of normal government-wide restrictions, specifically affecting the Fund’s use of unobligated balances of budget authority.

Adjustments to budgetary resources available at the beginning of fiscal year 2025 consist of the following (in thousands):

	2025
Recoveries of Prior Year Unpaid Obligations	\$ 13,477
Other Changes in Unobligated Balance	435
Adjustments to Budgetary Resources Available	\$ 13,912

Adjusted unobligated balance available at the beginning of fiscal year 2025 is as follows (in thousands):

	2025
Prior Year Ending Unobligated Balance	\$ 2,151,313
Adjustments to Budgetary Resources Available	13,912
Unobligated Balance from Prior Year Budget Authority, Net	\$ 2,165,225

The Fund was required to change its methodology for recognizing remissions and equitable sharing obligations beginning in FY 2016. Under this method, an obligation for refunds or remissions will be created only upon receipt of a Ruling Letter from the Department of Justice for judicial forfeiture cases or from Fund member agencies for administrative forfeitures. Additionally, obligations related to equitable sharing will be recognized upon TEOAF's approval of Fund member agencies' request for transfers and related distribution percentages and amounts on the Decision Form. Consequently, the Fund has future expenditures from remissions and equitable sharing that will be funded from the September 30, 2025 unobligated balance.

NOTE 18: DEDICATED COLLECTIONS

The Fund is classified as a special fund. All its activities are reported as dedicated collections held for later use.

NOTE 19: PAYMENTS IN LIEU OF FORFEITURE, NET OF REFUNDS

The following summarizes Payments in Lieu of Forfeiture, Net of Refunds for the year ended September 30, 2025 (in thousands):

	2025
Payments in Lieu of Forfeiture	\$ 7,831
Refunds	(19,097)
Total	\$ (11,266)

NOTE 20: RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS

The reconciliation of Net Cost of Operations to Net Budgetary Outlays demonstrates the relationship between the Fund’s proprietary (net cost of operations) and budgetary accounting (net outlays) information (in thousands):

September 30, 2025

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost	\$ 171,927	\$ 127,283	\$ 299,210
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Increase/(Decrease) in Assets:			
Investments and Related Interest	1,475,783	-	1,475,783
Cash, Foreign Currency, and Other Monetary Assets	-	58,140	58,140
Taxes, Interest, and Other Receivables, Net	-	1,900	1,900
Other Assets	-	(509,468)	(509,468)
Increase/(Decrease) in Liabilities:			
Other Payables	-	32,451	32,451
Other Intra-governmental Liabilities	(18,572)	-	(18,572)
Other Liabilities	-	782,995	782,995
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ 1,457,211	\$ 366,018	\$ 1,823,229
Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Other Financing Sources:			
Transfers Out (In) Without Reimbursement	127,571	-	127,571
Total Components of Budgetary Outlays That Are Not Part of Net Operating Cost	127,571	-	127,571
Other Reconciling Items	(1,733,600)	328,083	(1,405,517)
Total Net Outlays	\$ 23,109	\$ 821,384	\$ 844,493

NOTE 21: FUND BALANCE WITH TREASURY

The Fund Balance with Treasury as of September 30, 2025 consisted of the following (in thousands):

	2025
Status of Fund Balance With Treasury:	
Unobligated Balance	
Available	\$ 3,183,383
Unavailable	1,047,605
Obligated Balance Not Yet Disbursed	688,299
Non-Budgetary FBWT	(4,868,404)
Total	\$ 50,883

SECTION IV
REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)

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**Treasury Forfeiture Fund
FY 2025 Required Supplemental Information
(Unaudited)**

Intragovernmental Amounts – Liabilities (in thousands):

	2025 Accounts Payable
Partner Agency:	
Department of Justice	\$ 9,288
Department of Homeland Security	190,557
Departmental Offices	5,935
Department of the Interior	62
Tax and Trade	1,493
Financial Crimes Enforcement Network	2,852
Internal Revenue Service	42,473
Total	\$ 252,660

Intragovernmental Amounts – Revenues and Costs (in thousands):

	2025	
	Cost to Generate Exchange Intragovernmental Revenue	Cost to Generate Non- Exchange Intragovernmental Revenue
Budget Functions:		
Administration of Justice	\$ -	\$ 171,927
Total	\$ -	\$ 171,927

Intragovernmental Amounts – Non-exchange Revenue (in thousands):

	Transfers In	2025 Transfers Out	Net Transfers In (Out)
Department of Homeland Security	\$ -	\$ (100,968)	\$ (100,968)
Internal Revenue Service	-	(26,306)	(26,306)
Tax and Trade	-	(900)	(900)
Financial Crimes Enforcement Network	-	192	192
Department of Justice	-	-	-
General Fund	-	(400,000)	(400,000)
Departmental Offices	5,341	(4,930)	411
Total	\$ 5,341	\$ (532,912)	\$ (527,571)

SECTION V
OTHER ACCOMPANYING INFORMATION
(UNAUDITED)

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**Treasury Forfeiture Fund
FY 2025 Other Accompanying Information
(Unaudited)**

Management and Performance Challenges

There are no specific challenges associated with the Fund. Below is a link to Treasury Office of the Inspector General for reference.

[.https://oig.treasury.gov/Management-Challenges-Letter](https://oig.treasury.gov/Management-Challenges-Letter)

Payment Integrity

Our FY 2025 Payment Integrity reporting includes information required by the *Payment Integrity Information Act* of 2019 (PIIA), Executive Order 13520, *Reducing Improper Payments and Eliminating Waste in the Federal Government*; Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement*, and OMB Circular A-136. PIIA rescinded the *Improper Payments Information Act* of 2002 (IPIA), the *Improper Payments Elimination and Recovery Act* of 2010 (IPERA), and *Improper Payments Elimination and Recovery Improvement Act* of 2012 (IPERIA), however many of the requirements for reporting Payment Integrity information remain in place.

Currently the Fund conducts an internal review and analysis for its major contracts. The contract activity is high dollar value for each payment with limited volume. This activity has low risk but based on the high dollar value requiring minimal resources, the Fund will continue to conduct these internal contract audits. Based on this analysis, the Fund has determined that performing a recapture audit is not cost effective and will not be implementing them at this time. PIIA requires agencies to incorporate the Do Not Pay Initiative (DNP) to further reduce improper payments. The Fund uses the Death Master File and the System of Award Management as part of a continuous monitoring process and post payment review. For all non-governmental payments issued during FY 25, the Fund reviewed 11,487 totaling \$645 million and reports less than .00% were identified as improper payments.

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANGEMENT ASSURANCES

TABLE 1: SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion:	Unmodified				
Restatement:	No				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material weaknesses	0	0	0	0	0

TABLE 2: SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance:	Unmodified					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance:	Unmodified					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material weaknesses	0	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance:	Federal Systems conform					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Non-conformances	0	0	0	0	0	0

TREASURY FORFEITURE FUND
Equitable Sharing Summarized by State and U.S. Territories
For the Fiscal Year Ended September 30, 2025
(In Thousands)
(Unaudited)

	Currency Value	Property Value
State / U.S. Territories:		
Alabama	\$ 180	\$ -
Alaska	-	-
Arizona	57	-
Arkansas	7	-
California	18,298	1,594
Colorado	121	-
Connecticut	91	-
D.C. Washington	251	820
Delaware	69	-
Florida	27,606	98
Georgia	721	-
Guam	3	-
Hawaii	141	-
Idaho	-	-
Illinois	2,705	-
Indiana	1,506	-
Iowa	-	-
Kansas	60	-
Kentucky	77	-
Louisiana	-	-
Maine	-	-
Maryland	(1)	-
Massachusetts	192	-
Michigan	522	764
Minnesota	210	5
Mississippi	209	-
Missouri	217	-
Montana	89	-
Nebraska	1,777	15
Nevada	-	-
New Hampshire	19	-
New Jersey	415	-
New Mexico	-	-
New York	2,590	-
North Carolina	2,501	-
North Dakota	-	-
Northern Marianas	-	-
Ohio	2,860	893
Oklahoma	78	-
Oregon	567	376
Pennsylvania	426	250

Puerto Rico	-	-
Rhode Island	-	-
South Carolina	1,184	-
South Dakota	19	-
Tennessee	612	189
Texas	8,282	1,595
Utah	308	2
Vermont	85	-
Virgin Islands	-	-
Virginia	148	-
Washington	369	-
West Virginia	-	-
Wisconsin	-	-
Wyoming	-	-
Totals	\$ 75,571	\$ 6,601

Summarized above are the currency and property values of assets forfeited and shared with state and local agencies and U.S. Territories participating in the seizure. This supplemental schedule is not a required part of the financial statement of the Department of the Treasury Forfeiture Fund. Information presented on this schedule represents assets physically transferred during the year and, therefore, does not agree with total assets shared with state and local agencies in the financial statements. In addition, the above numbers do not include the adjustment to present property distributed at net realizable value.

TREASURY FORFEITURE FUND
Uncontested Seizures of Currency and Monetary Instruments Valued Over
\$100 Thousand Taking More Than 120 Days from Seizure to Deposit in Fund
For the Fiscal Year Ended September 30, 2025

31 U.S.C. 9705(f)(2)(E) requires the Secretary of the Treasury to report annually to Congress uncontested seizures of currency or proceeds of monetary instruments over \$100 thousand which were not deposited in the Department of the Treasury Forfeiture Fund within 120 days of the seizure date. There were 28 administrative seizures over \$100 thousand over 120 days old totaling \$273,438 thousand that had not been transferred from the Seized Currency Suspense Account to the Treasury Forfeiture Fund as of the end of FY 2025.

TREASURY FORFEITURE FUND
Analysis of Revenue and Expenses and Distributions
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Revenue	Expenses and Distributions
Revenue, Expenses and Distributions by Asset Category:		
Vehicles	\$ 273,691	\$ 463,376
Vessels	76,025	590,389
Aircraft	76,025	190,201
General Property	243,281	1,873,928
Real Property	851,484	73,400
Currency and Monetary Instruments	1,769,142	98,354
	3,289,648	3,289,648
Less:		
Mortgages and Claims	(4,048)	(4,048)
Refunds	(19,097)	(19,097)
Add:		
Excess of Net Revenues and Financing Sources Over Total Program Expenses	-	-
Total	\$ 3,266,503	\$ 3,266,503
Revenue, Transfers, Expenses and Distributions by Type of Disposition:		
Sales of Property, Forfeited Currency and Monetary Instruments	\$ 2,645,079	\$ 625,034
Reimbursed Storage Costs	4,039	328,965
Assets Shared with State and Local Agencies	36,010	36,010
Assets Shared with Other Federal Agencies	72,114	72,114
Victim Restitution	532,406	532,406
Destructions	-	394,757
Pending Disposition	-	1,300,362
	3,289,648	3,289,648
Less:		
Mortgages and Claims	(4,048)	(4,048)
Refunds	(19,097)	(19,097)
Add:		
Excess of Net Revenues and Financing Sources Over Total Program Expenses	-	-
Grand Total	\$ 3,266,503	\$ 3,266,503

The revenue amount of \$3,266,503 is from the Statement of Changes in Net Position. This supplemental schedule "Analysis of Revenues, Expenses and Distributions" is required under the Treasury Forfeiture Fund Act of 1992.

TREASURY FORFEITURE FUND
Information Required by 31 U.S.C. 9705(f)
For the Fiscal Year Ended September 30, 2025
(In Thousands)

The Treasury Forfeiture Fund Act of 1992, 31 U.S.C. 9705(f), requires the Secretary of the Treasury to transmit to Congress, no later than February 1, of each year, certain information. The following summarizes the required information.

(1) A report on:

- (A) The estimated total value of property forfeited with respect to which funds were not deposited in the Department of the Treasury Forfeiture Fund during the preceding fiscal year under any law enforced or administered by the Department of the Treasury law enforcement organizations or the United States Coast Guard, in the case of fiscal years beginning after 1993.

As reported in the audited financial statements, at September 30, 2025, the Fund had forfeited property held for sale of \$1,858,635. The realized proceeds will be deposited in the Fund when the property is sold.

Upon seizure, currency and other monetary instruments not needed for evidence in judicial proceedings are deposited in a Customs and Border Protection (CBP) suspense account. Upon forfeiture, it is transferred to the Treasury Forfeiture Fund. On September 30, 2025, there was \$61,711 of forfeited currency and other monetary instruments that had not yet been transferred to the Fund. This is reported as a part of “Cash and Other Monetary Assets” in the audited financial statements.

- (B) The estimated total value of all such property transferred to any state or local law enforcement agency.

The estimated total value of all such property transferred to any state or local law enforcement bureau is summarized by state and U.S. territories. Total currency transferred was \$75,571 and total property transferred was \$6,601 at appraised value.

(2) A report on:

- (A) The balance of the Fund at the beginning of the preceding fiscal year.

The total net position of the Treasury Forfeiture Fund on September 30, 2024, which became the beginning balance for the Fund on October 1, 2024, as reported in the audited financial statements is \$2,883,531.

- (B) Liens and mortgages paid and the amount of money shared with federal, state, local and foreign law enforcement bureaus during the preceding fiscal year.

Mortgages and claims expense, as reported in the audited financial statements, was \$4,048. The amount actually paid on a cash basis was not materially different.

The amount of forfeited currency and property shared with federal, and distributed to state, local and foreign law enforcement bureaus as reported in the audited financial statements was as follows:

	Amount
State and Local	\$ 36,010
Foreign Countries	0
Other Federal Agencies	72,114
Victim Restitution	532,406

- (C) The net amount realized from the operations of the Fund during the preceding fiscal year, the amount of seized cash being held as evidence, and the amount of money that has been carried over into the current fiscal year.

The net cost of operations of the Fund as shown in the audited financial statements is \$299,210.

The amount of seized currency not on deposit in the Fund’s suspense account at September 30, 2025, was \$289,773. This amount includes some funds in the process of being deposited at year- end, cash seized in August or September 2025 that is pending determination of its evidentiary value from the U.S. Attorney, and the currency seized for forfeiture being held as evidence.

On a budgetary basis, unobligated balances as originally reported on the Office of Management and Budget Reports, SF-133, “Report on Budget Execution” was approximately \$4,045,491 for fiscal year 2025. A permanent rescission of \$400.0 million was declared for FY 2025.

- (D) Any defendant’s property not forfeited at the end of the preceding fiscal year, if the equity in such property is valued at \$1 million or more.

The total approximate value of such property for the Treasury Forfeiture Fund, at estimated values determined by bureau and contractor’s officials, and the number of seizures is as follows:

Bureau	Amount	Number
CBP	\$ 253,923	75 seizures
IRS	423,399	42 seizures
U.S. Secret Service	197,540	44 seizures

- (E) The total dollar value of uncontested seizures of monetary instruments having a value of over \$100 thousand which, or the proceeds of which, have not been deposited into the Fund within 120 days after the seizure, as of the end of the preceding fiscal year.

The total dollar value of such seizures is \$273,438. This is also documented on page 56.

(F) The balance of the Fund at the end of the current fiscal year.

The total net position of the Fund at September 30, 2025, as reported in the audited financial statements is \$4,682,722.

(G) The net amount, if any, of the excess unobligated amounts remaining in the Fund at the end of the preceding fiscal year and available to the Secretary for Federal law enforcement related purposes.

There is no cap on amounts that can be carried forward into Fiscal Year 2026 per the fiscal year 1997 Omnibus Appropriations Act (PL 104-208).

(H) A complete set of audited financial statements prepared in a manner consistent with the requirements of the Chief Financial Officers Act of 1990.

The audited financial statements, including the Independent Auditor's Report, are found in Sections II and III.

(I) An analysis of income and expense showing revenue received or lost (i) by property category (such as general property, vehicles, vessels, aircraft, cash, and real property); and (ii) by type of disposition (such as sale, remission, cancellation, placement into official use, sharing with state and local agencies, and destruction).

A separate schedule is presented on page 57.