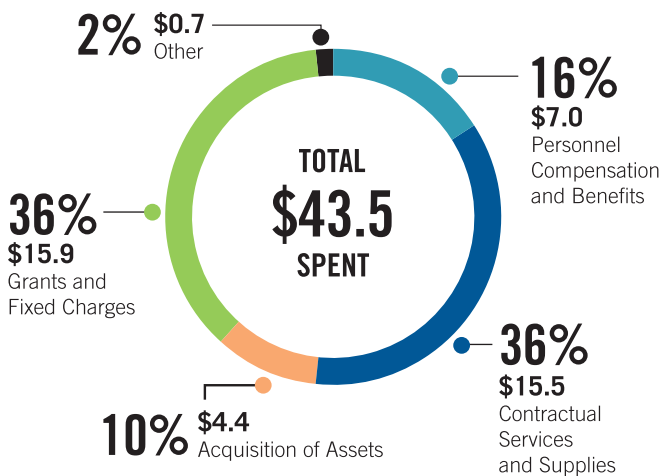


Budgetary Spending

The “How was the Agency’s Money Spent” pie chart presents the use of budgetary funds representing 2017 total obligations incurred, as reflected on the SBR. It shows how resources were spent in 2017, by category. As illustrated, the categories contractual services \$15.5 billion (36 percent), grants and fixed charges \$15.9 billion (36 percent), and personnel compensation and benefits \$7.0 billion (16 percent) represent 88 percent of the agency’s spending.

HOW WAS THE AGENCY'S MONEY SPENT 2017
(dollars in billions)



RESOURCE MANAGEMENT SYSTEMS SUMMARY

Other Information, Section III of this AFR, provides an overview of the Department’s current and future resource management systems framework and systems critical to effective agency-wide financial management operations, financial reporting, internal controls, and interagency administrative support cost sharing. This summary presents the Department’s resource management systems strategy and how it will improve financial and budget management across the agency. This overview also contains a synopsis of critical projects and remediation activities that are planned or currently underway. These projects are intended to modernize and consolidate Department resource management systems.

LIMITATION OF FINANCIAL STATEMENTS

Management prepares the accompanying financial statements to report the financial position and results of operations for the Department of State pursuant to the requirements of Chapter 31 of the U.S. Code Section 3515(b). While these statements have been prepared from the books and records of the Department in accordance with FASAB standards using OMB Circular A-136, *Financial Reporting Requirements*, revised, and other applicable authority, these statements are in addition to the financial reports, prepared from the same books and records, used to monitor and control the budgetary resources. These statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.