

# Notes to the Financial Statements

(For the Fiscal Years Ended September 30, 2023 and September 30, 2022)

The U.S. General Services Administration (GSA) was created by the Federal Property and Administrative Services Act of 1949, as amended. Congress enacted this legislation to provide the Federal Government an economic and efficient system for the procurement and supply of personal property and non-personal services, the utilization of excess property, the disposal of surplus property, and records management.

The Administrator of General Services, appointed by the President of the United States and confirmed by the U.S. Senate, oversees the operations of GSA. GSA carries out its responsibilities through the use of both annual appropriations and revolving funds.

## 1. Significant Accounting Policies

### A. Reporting Entity

GSA presents comparative consolidated and consolidating balance sheets, consolidated and consolidating statements of net cost, consolidated and consolidating statements of changes in net position, and combined and combining statements of budgetary resources. The consolidating and combining formats display GSA's two largest components, the Federal Buildings Fund (FBF) and the Acquisition Services Fund (ASF). All other entities are combined under Other Funds.

The FBF is the primary fund used to record the activities of the Public Buildings Service (PBS). The ASF is the primary fund used to record the activities of the Federal Acquisition Service (FAS).

In accordance with the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 47, *Reporting Entity*, requirement to report disclosure entities and related parties, GSA conducted a thorough review of all non-Federal relationships across all business lines and concluded that there are no relationships requiring disclosure as a consolidation entity, disclosure entity, or related party entity.

GSA's accompanying financial statements include the accounts of all funds that have been established and maintained to account for resources under the control of GSA management. The entities included in the Other Funds category are described below, together with a discussion of the different fund types.

**Revolving Funds** are accounts established by law to finance a continuing cycle of operations with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress. Revolving Funds may also receive funds from appropriations. Both the FBF and the ASF are large revolving funds; however, receipts in the FBF are generally subject to further action by Congress and, as such, the FBF is a quasi-revolving fund. The revolving funds in the Other Funds category consist of the following:

- Federal Citizen Services Fund (FCSF)
- Working Capital Fund (WCF)

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**General Funds** are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. GSA manages 20 General Funds. Six of these General Funds are funded by 1-year appropriations; six by no-year appropriations; three by multi-year appropriations; and five are budget clearing accounts that temporarily hold collections until a more appropriate fund can be determined. The General Funds included in the Other Funds category are as follows:

- Allowances and Office Staff for Former Presidents
- Budget Clearing Account – Broker Rebates
- Budget Clearing Account – Proceeds of Sales, Personal Property
- Budget Clearing Account – Real Property
- Budget Clearing Account – Suspense
- Budget Clearing Account – Undistributed Intragovernmental Payments
- Civilian Board of Contract Appeals
- Civilian Board of Contract Appeals - No-Year
- Data Driven Innovation – Executive Office of the President (EOP)
- Excess and Surplus Real and Related Personal Property Holding Account
- Expenses, Government-wide Policy
- Expenses, Government-wide Policy – Multi-Year
- Expenses, Presidential Transition
- Pre-election Presidential Transition
- Expenses, OIG
- OIG – No-Year
- Operating Expenses, GSA
- Real Property Relocation
- Technology Modernization Fund (TMF) - No-Year
- TMF – Multi-Year

**Special and Trust Funds** are accounts established for receipts dedicated by law for a specific purpose, but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts. In accordance with FASAB SFFAS 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds*, these special and trust funds are classified as funds from dedicated collections. GSA uses special fund receipts to pay certain costs associated with the disposal of surplus real property, for funding of the Transportation Audits program, and to fund the Acquisition Workforce Training program. GSA has one trust fund with authority to accept unconditional gifts of property in aid of any project or function within its jurisdiction. GSA's special and trust funds consist of the following:

- Asset Proceeds and Space Management Fund

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- Environmental Review Improvement Fund<sup>3,4</sup>
- Expenses, Disposal of Surplus Real and Related Personal Property
- Expenses, Transportation Audit Contracts and Contract Administration
- Expenses, Acquisition Workforce Training Fund
- Other Receipts, Surplus Real and Related Personal Property
- Receipts of Rent, Leases and Lease Payments for Government-Owned Real Property
- Receipts, Transportation Audit Contracts and Contract Administration
- Receipts, Acquisition Workforce Training Fund
- Transfers of Surplus Real and Related Personal Property Receipts
- Unconditional Gifts of Real, Personal, or Other Property

**Miscellaneous Receipt and Deposit Funds** are considered non-entity accounts since GSA management does not exercise control over how the monies in these accounts can be used. Miscellaneous receipt fund accounts hold receipts and accounts receivable resulting from miscellaneous activities of GSA where, by law, such monies may not be deposited into funds under GSA management control. The U.S. Department of the Treasury (Treasury) automatically transfers all cash balances in these receipt accounts to the general fund of the U.S. Treasury at the end of each fiscal year. Deposit fund accounts hold monies outside the budget. Accordingly, their transactions do not affect budget surplus or deficit.

These accounts include:

- Deposits received for which GSA is acting as an agent or custodian
- Unidentified remittances
- Monies withheld from payments for goods and services received
- Monies whose distribution awaits a legal determination or investigation

The receipt and deposit funds in the Other Funds category consist of the following:

- Advances Without Orders from Non-Federal Sources
- Fines, Penalties, and Forfeitures, Not Otherwise Classified
- Forfeitures of Unclaimed Money and Property
- General Fund Proprietary Interest, Not Otherwise Classified
- General Fund Proprietary Receipts, Not Otherwise Classified, All Other
- Other Earnings from Business Operations and Intragovernmental Revolving Funds
- Proceeds from Sale of Surplus Property
- Small Escrow Amounts
- Special and Trust Fund Proprietary Receipts Returned to the General Fund of the U.S. Treasury
- Withheld State and Local Taxes

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<sup>3</sup> This fund, as of September 30, 2023, has yet to receive any funds from dedicated collections.

<sup>4</sup> Management of the Environmental Review Improvement Fund was transferred out of GSA in FY20. The Agency still has an obligation to report residual balances to the Treasury.

## B. Basis of Accounting and Presentation

The principal financial statements are prepared from the books and records of GSA, in accordance with generally accepted accounting principles (GAAP) as promulgated by the FASAB and OMB Circular A-136, in all material respects. FASAB SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, including the Application of Standards Issued by the Financial Accounting Standards Board*, established the hierarchy of GAAP for Federal financial statements.

In FY 2022, GSA Implemented SFFAS 59, *Accounting and Reporting of Government Land*. See Required Supplementary Information section of the AFR for disclosure details.

The consolidated balance sheets present the financial position of GSA using a format segregating intragovernmental balances. Due to a change in GSA's presentation, the format of the balance sheet changed in FY 2023, realigning liabilities for Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts (UESC) from Federal Debt and Interest Payable to Other Liabilities. This change does not affect totals for assets, liabilities, or net position. The presentation of the FY 2022 balance sheet was modified to be consistent with the FY 2023 presentation. The consolidated statements of net cost present the operating results of the FBF, ASF, and Other Fund functions, as well as GSA consolidated operating results as a whole. The consolidated statements of changes in net position display the changes in Cumulative Results of Operations and Unexpended Appropriations. The combined statements of budgetary resources (CSBR) present the sources, status, and uses of GSA budgetary resources.

Transactions are recorded on both an accrual and budgetary basis. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred without regard to receipt or payment of cash. Budgetary accounting principles, on the other hand, are designed to facilitate compliance with legal requirements and controls over the use of Federal funds.

GSA reconciles all intragovernmental fiduciary transaction activity and works with agency partners to reduce significant or material differences in conformance with the Treasury's Federal Entity Reporting Requirements for the Financial Report of the United States Government and requirements of OMB Circular A-136. On the consolidated balance sheets, consolidated statements of net cost, and consolidated statements of changes in net position, all significant intra-agency balances and transactions are eliminated in consolidation. Additionally, adjustments are applied to eliminate GSA's intra-fund activity on the applicable financial statements. No such eliminations are made on the CSBR.

On the consolidating statements of net cost, intra-GSA eliminations of revenue and expenses are displayed separately, and results displayed as FBF, ASF, and Other Funds reflect the full amounts of such balances that flowed through those funds. Certain amounts of expenses eliminated on the consolidating statements of net cost are imputed costs for which the matching resource is not revenue on this statement, but imputed resources provided by others, displayed on the consolidating statements of changes in net position. Accordingly, on the consolidating statements of net cost, the revenue and expense eliminations do not match. The consolidating statements of changes in net position display the offsetting balances between these categories.

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 may differ from those estimates. Operating expenses and related accounts payable accruals and estimates are recorded in the period goods or services are received.

Accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

### C. Revenue Recognition and Appropriations Used

Substantially all revenues reported by GSA funds on the consolidated statements of net cost are generated from intragovernmental sales of goods and services, with only 3 percent of revenues earned from non-Federal customers for the years ended September 30, 2023, and September 30, 2022, the most significant of which are in the ASF. Expenses are primarily incurred with non-Federal entities supplying the underlying goods and services being provided to GSA and its Federal customers. Each revolving fund has established rate-setting processes governed by the laws authorizing its activities. In most cases, the rates charged are intended to cover the full cost that GSA funds will pay for such goods and services and to provide capital maintenance. In accordance with the governing laws, rates are generally not designed to recover imputed costs not borne by GSA, but covered by other funds or entities of the U.S. Government, such as for post-employment costs. As the amount of services provided to non-Federal customers is generally insignificant, maintaining separate rate structures for these customers to recover imputed costs is not warranted.

Generally, revolving fund and reimbursable general fund revenue is recognized when goods have been delivered or services rendered.

In the FBF, rent revenues are earned based on occupancy agreements (OA) with customers as space and services are provided. Agencies housed in buildings leased by GSA are generally billed at rates to recover the cost of that space. In some instances, special rates are arranged in accordance with congressional guidance or other authorized purposes. Most agencies using funding from trust funds have rent rates set to recover full cost. For revenue under non-recurring reimbursable building repairs and alterations (R&A) projects, GSA charges customers the actual cost and, as a result, revenues are generally earned to match the costs incurred.

In the ASF, General Supplies and Services (GS&S) revenues are recognized when goods are provided to customers. In the Travel, Transportation and Logistics portfolio, vehicle acquisition revenues are recognized when goods are provided. Vehicle leasing revenues are recognized based on rental arrangements over the period vehicles are dispatched. Assisted Acquisition Services revenues are recognized when goods or services are provided. Information Technology revenues are earned when goods or services are provided or as reimbursable project costs are incurred. Telecommunications service revenues are generally recognized based on customer usage or on fixed line rates. Fee revenues in the GSA Schedules programs are earned from non-Federal vendors based on estimated and actual usage of GSA contracting vehicles by other agencies. The Schedules program generated \$375 million in fees, constituting 2 percent of ASF revenues in FY 2023, and \$332 million in fees, constituting 2 percent of ASF revenues in FY 2022.

The Working Capital Fund charges fees based on a fee schedule established through an annual rate-setting process performed collaboratively with customers. The rate-setting process is generally designed to provide revenues sufficient to match the spending that will be incurred for the goods, services, and resources provided to customers and also provides information to customers to assist in their resource management.

## Notes to the Financial Statements

Non-Exchange Revenues are recognized on an accrual basis on the consolidated statements of changes in net position for sales of surplus real property, reimbursements due from the audit of payments to transportation carriers, and other miscellaneous items resulting from GSA operations where ultimate collections must be deposited in miscellaneous receipt accounts of the U.S. Treasury.

Appropriations used for General Fund activities are recorded as a financing source on the consolidated statements of changes in net position when expended. Unexpended appropriations are reported as an element of net position on the consolidated balance sheets.

### D. Fund Balance with Treasury (See Note 2)

This total represents all unexpended balances for GSA accounts with the U.S. Treasury. Substantially all balances of Fund Balance with Treasury (FBwT) are available to GSA management to execute the authorities provided by its funds. In the following instances, authorities limit use of collections to dedicated purposes.

GSA acts as a disposal agent for surplus Federal real and personal property. Under GSA statutory authorities, the gross proceeds from some sales are deposited in GSA Special Fund receipt accounts and recorded as Non-Exchange Revenues in the consolidated statements of changes in net position. A portion of these proceeds is subsequently transferred to a special fund to finance expenses incurred in disposing of surplus real property. Under section 412 of the GSA General Provisions, Consolidated Appropriations Act, 2005 (Public Law No. 108-447) (Section 412), GSA is authorized to retain the net proceeds from the disposition of real property under the jurisdiction, custody and control of GSA to be used for GSA's real property capital needs as authorized in annual appropriation acts. The remainder is periodically accumulated and transferred, by law, to the Land and Water Conservation Fund, which is administered by the U.S. Department of the Interior.

### E. Property and Equipment (See Note 6)

Generally, property and equipment purchases of \$10,000 or more, having a useful life of 2 or more years, are capitalized and valued at cost. Property and equipment transferred to GSA from other Federal agencies on the date GSA was established is stated at the transfer value, which approximates historical cost. Subsequent thereto, equipment transferred to GSA is stated at net book value and surplus real and related personal property transferred to GSA is stated at the lower of net book value or appraised value.

Expenditures for major additions, replacements and alterations to real property of \$50,000 or more are capitalized. Normal repair and maintenance costs are expensed as incurred. The cost of R&A and leasehold improvements performed by GSA, but financed by other agencies, is not capitalized in GSA financial statements, as such amounts are transferred to the other agencies upon completion of the project. The majority of all land, buildings, and leasehold improvements are provided to other Federal agencies under short-term cancellable agreements. See Required Supplementary Information section of the AFR for disclosure details.

Depreciation and amortization of property and equipment are calculated on a straight-line basis over their initial or remaining useful lives. Leasehold Improvements are amortized over the lesser of their useful lives, generally 5 years, or the unexpired lease or OA term. It is GSA policy to reclassify capitalized costs of construction in process into the Buildings accounts upon project completion. Buildings acquired through purchase, construction, or under capital lease agreements are depreciated over 30 years. Major and minor building renovation projects carry estimated useful lives of 20 years and 10 years, respectively.

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GSA maintains a fleet of motor vehicles for lease to other Federal agencies to meet their operational needs, with monthly billings rendered to recover program costs. The various vehicle types are depreciated over a general range of 4 to 12 years.

In accordance with FASAB SFFAS 10, *Accounting for Internal Use Software*, capitalization of software development costs incurred for systems having a useful life of 2 years or more is required. With implementation of this standard, GSA adopted minimum dollar thresholds per system that would be required before capitalization would be warranted. For the FBF, this minimum threshold is \$1 million. For all other funds, it is \$250,000. Once completed, software applications are depreciated over an estimated useful life determined on a case-by-case basis, ranging from 3 to 10 years.

GSA also has Other Equipment which is made up of group assets and non-group assets. These assets collectively cost \$10,000 or more per item or per purchase order and have useful lives that range from 3-15 years.

### F. Annual, Sick, and Other Types of Leave

Annual leave liability is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. Sick leave and other types of non-vested leave are expensed as taken.

## 2. Fund Balance with Treasury

### A. Reconciliation to U.S. Treasury

There were no material differences between amounts reported by GSA and those reported to the U.S. Treasury as of September 30, 2023, and September 30, 2022.

### B. Relationship to the Budget

In accordance with SFFAS 1, *Accounting for Selected Assets and Liabilities*, the following information is provided to further identify amounts in the FBwT as of September 30, 2023, and September 30, 2022, against which obligations have been made, and for unobligated balances, to identify amounts available for future expenditures and those only available to liquidate prior obligations.

In the FBF, amounts of FBwT — shown below as Unobligated Balance, Unavailable — include a combination of balances recorded as Resources Temporarily Unavailable and Unobligated Balance Not Available. Also, in two instances, the portion of FBwT presented below as unobligated balances will not equal related amounts reported on the CSBR. In the FBF, the CSBR unobligated balances include resources associated with borrowing authority for which actual funds have not yet been realized. In the Other Funds group, the schedule below includes Non-Budgetary FBwT held in Special Receipt, Clearing, and Deposit Funds, which are not reportable for purposes of the CSBR.

The following schedule presents elements of the FBwT:

**2B. Fund Balance with Treasury**  
(Dollars in Millions)

| 2023               | Obligated Balance, Net <sup>1</sup> | Unobligated Balance Available | Unobligated Balance Unavailable | Non Budgetary FBwT | GSA Consolidated Total |
|--------------------|-------------------------------------|-------------------------------|---------------------------------|--------------------|------------------------|
| <b>FBF</b>         | \$(230)                             | \$12,167                      | \$10,160                        | \$—                | \$22,097               |
| <b>ASF</b>         | (1,375)                             | 2,263                         | 1,330                           | —                  | 2,218                  |
| <b>Other Funds</b> | 346                                 | 705                           | 545                             | 390                | 1,986                  |
| <b>Total</b>       | \$(1,259)                           | \$15,135                      | \$12,035                        | \$390              | \$26,301               |

| 2022               | Obligated Balance, Net <sup>1</sup> | Unobligated Balance Available | Unobligated Balance Unavailable | Non Budgetary FBwT | GSA Consolidated Total |
|--------------------|-------------------------------------|-------------------------------|---------------------------------|--------------------|------------------------|
| <b>FBF</b>         | \$(395)                             | \$8,328                       | \$13,295                        | \$—                | \$21,228               |
| <b>ASF</b>         | (1,090)                             | 821                           | 2,432                           | —                  | 2,163                  |
| <b>Other Funds</b> | 332                                 | 943                           | 399                             | 382                | 2,056                  |
| <b>Total</b>       | \$(1,153)                           | \$10,092                      | \$16,126                        | \$382              | \$25,447               |

1. Negative amounts in Obligated Net Balance are the result of Uncollected Customer Payments exceeding Unpaid Obligations.

### C. Availability of Funds

Included in GSA's FBwT are dedicated collections from Special Receipt Funds that may be retained by GSA or transferred to either the U.S. Treasury or the Land and Water Conservation Fund (see Note 1-D). Amounts related to the Transportation Audits program and surplus real property disposals, are subject to transfer upon GSA's annual determination of the costs incurred by these programs. The FBwT in these funds totaled \$323 million and \$285 million at September 30, 2023, and September 30, 2022, respectively, of which \$6 million and \$5 million were recorded as liabilities in the consolidated balance sheet. In FY 2023, and FY2022, \$4 million and \$12 million, respectively, of unused funds from expired appropriations were returned to the U.S. Treasury as of September 30, 2023. Such balances are excluded from the amount reported as FBwT in accordance with U.S. Treasury guidelines. A portion of FBwT also includes amounts where authority to incur new obligations has expired, but the funds are available to liquidate residual obligations that originated when the funds were available. Such expired balances totaled \$28 million and \$43 million at September 30, 2023, and September 30, 2022, respectively. The FBF has balances that are temporarily unavailable in accordance with annual appropriations acts that limit the amount of reimbursable resources that are available for spending each year. Such amounts totaled \$8.7 billion and \$8.5 billion at September 30, 2023, and September 30, 2022, respectively, and will not be available for expenditure except as authorized in future appropriations acts.

Under the ASF statutory authorities, GSA is permitted to retain earnings to ensure the fund has sufficient resources to support operations in association with a cost and capital plan as approved by the Administrator of General Services. GSA is also required to return annually any excess proceeds related to the Personal Property Sales program to the U.S. Treasury. The ASF returned \$13 million in FY 2023 and \$1 million FY 2022, respectively, to the U.S. Treasury. These activities are in accordance with the cost and capital plan to meet program needs. Cumulative Results of Operations in the ASF have been used for activities such as covering discontinued operations and



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investments in Government-wide software applications, including the System for Award Management and the Common Acquisition Platform.

### 3. Non-entity Assets

As of September 30, 2023, and September 30, 2022, certain amounts reported on the consolidated balance sheets are elements of Budget Clearing, Deposit, and Miscellaneous Receipt Funds, which are not available to management for use in ongoing operations and are classified as non-entity assets (see Note 1-A). The only substantial balances of non-entity assets were Fund Balance with Treasury, which totaled \$66 million and \$97 million, as of September 30, 2023, and September 30, 2022, respectively.

### 4. Accounts and Notes Receivable, Net

Substantially all accounts receivable are from other Federal agencies, with only 2.5 percent and 3.3 percent due from non-Federal customers as of September 30, 2023, and September 30, 2022, respectively. Unbilled accounts receivable result from the delivery of goods or performance of services for which bills have not yet been rendered. Additionally, Technology Modernization Fund (TMF) transfers to other Federal agencies are recorded as accounts receivable, as legislation requires, either all, or a portion of, transferred funds to be repaid to the TMF. Allowances for doubtful accounts are recorded using aging methodologies based on analysis of historical collections and write-offs. As of September 30, 2023, and September 30, 2022, accumulated unrecognized interest on all notes deemed uncollectible totaled \$398 million and \$351 million, respectively. A summary of accounts receivable as of September 30, 2023, and September 30, 2022, is as follows:

#### 4. Accounts Receivable (Dollars in Millions)

| Fund                                  | FBF          |              | ASF            |                | Other Funds  |              | Less: Intra GSA Eliminations |               | GSA Consolidated |                |
|---------------------------------------|--------------|--------------|----------------|----------------|--------------|--------------|------------------------------|---------------|------------------|----------------|
|                                       | 2023         | 2022         | 2023           | 2022           | 2023         | 2022         | 2023                         | 2022          | 2023             | 2022           |
| Accounts Receivable - Billed          | \$97         | \$120        | \$159          | \$135          | \$31         | \$74         | \$—                          | \$—           | \$287            | \$329          |
| Accounts Receivable - Unbilled        | 224          | 313          | 6,274          | 5,793          | 147          | 99           | (50)                         | (51)          | 6,595            | 6,154          |
| Allowance for Doubtful Accounts       | (2)          | (24)         | (8)            | (6)            | —            | (1)          | —                            | —             | (10)             | (31)           |
| <b>Total Accounts Receivable, Net</b> | <b>\$319</b> | <b>\$409</b> | <b>\$6,425</b> | <b>\$5,922</b> | <b>\$178</b> | <b>\$172</b> | <b>\$(50)</b>                | <b>\$(51)</b> | <b>\$6,872</b>   | <b>\$6,452</b> |

## 5. Other Assets

As of September 30, 2023, and September 30, 2022, Other Assets were comprised of the following balances:

**5. Other Assets**  
*(Dollars in Millions)*

| Fund   | FBF          |              | ASF         |             | Other Funds |            | GSA Consolidated |              |
|--|--------------|--------------|-------------|-------------|-------------|------------|------------------|--------------|
|  | 2023         | 2022         | 2023        | 2022        | 2023        | 2022       | 2023             | 2022         |
| Intragovernmental  |              |              |             |             |             |            |                  |              |
| Miscellaneous  | \$166        | \$152        | \$—         | \$—         | \$—         | \$—        | \$166            | \$152        |
| <b>Total Other Assets - Intragovernmental</b>            | <b>166</b>   | <b>152</b>   | <b>—</b>    | <b>—</b>    | <b>—</b>    | <b>—</b>   | <b>166</b>       | <b>152</b>   |
| Other than Intragovernmental                             |              |              |             |             |             |            |                  |              |
| Surplus Property Held for Sale                           | 35           | 35           | 19          | 13          | 1           | —          | 55               | 48           |
| Intangible Assets  | —            | —            | —           | 4           | —           | —          | —                | 4            |
| Miscellaneous  | 2            | 2            | —           | —           | —           | —          | 2                | 2            |
| <b>Total Other Assets - Other Than Intragovernmental</b> | <b>37</b>    | <b>37</b>    | <b>19</b>   | <b>17</b>   | <b>1</b>    | <b>—</b>   | <b>57</b>        | <b>54</b>    |
| <b>Total Other Assets</b>                                | <b>\$203</b> | <b>\$189</b> | <b>\$19</b> | <b>\$17</b> | <b>\$1</b>  | <b>\$—</b> | <b>\$223</b>     | <b>\$206</b> |

## 6. Property and Equipment, Net

### A. Summary of Balances

Balances in GSA Property and Equipment accounts as of September 30, 2023, and September 30, 2022, are summarized below:

**6A-1. Property and Equipment**  
*(Dollars in Millions)*

| Fiscal Year                          | 2023                |                 |                          | 2022            |                 |                          |                |
|--------------------------------------|---------------------|-----------------|--------------------------|-----------------|-----------------|--------------------------|----------------|
|                                      | Accounting Category | Cost            | Accumulated Depreciation | Net book Value  | Cost            | Accumulated Depreciation | Net book Value |
| <b>Buildings</b>                     |                     |                 |                          |                 |                 |                          |                |
| FBF                                  | \$55,047            | \$36,252        | \$18,795                 | \$54,097        | \$34,711        | \$19,386                 |                |
| <b>Leasehold Improvements</b>        |                     |                 |                          |                 |                 |                          |                |
| FBF                                  | 162                 | 158             | 4                        | 193             | 183             | 10                       |                |
| ASF                                  | 14                  | 10              | 4                        | 11              | 10              | 1                        |                |
| Other Funds                          | 4                   | 4               | —                        | 4               | 4               | —                        |                |
| <b>Total Leasehold Improvements</b>  | <b>180</b>          | <b>172</b>      | <b>8</b>                 | <b>208</b>      | <b>197</b>      | <b>11</b>                |                |
| <b>Motor Vehicles</b>                |                     |                 |                          |                 |                 |                          |                |
| ASF                                  | 7,315               | 2,837           | 4,478                    | 6,744           | 2,787           | 3,957                    |                |
| <b>Land</b>                          |                     |                 |                          |                 |                 |                          |                |
| FBF                                  | 1,912               | —               | 1,912                    | 1,918           | —               | 1,918                    |                |
| <b>Construction in Process</b>       |                     |                 |                          |                 |                 |                          |                |
| FBF                                  | 1,642               | —               | 1,642                    | 1,523           | —               | 1,523                    |                |
| ASF                                  | —                   | —               | —                        | 3               | —               | 3                        |                |
| Other Funds                          | —                   | —               | —                        | —               | —               | —                        |                |
| <b>Total Construction in Process</b> | <b>1,642</b>        | <b>—</b>        | <b>1,642</b>             | <b>1,526</b>    | <b>—</b>        | <b>1,526</b>             |                |
| <b>Other Equipment</b>               |                     |                 |                          |                 |                 |                          |                |
| FBF                                  | 96                  | 86              | 10                       | 103             | 91              | 12                       |                |
| ASF                                  | 122                 | 74              | 48                       | 126             | 78              | 48                       |                |
| Other Funds                          | 57                  | 50              | 7                        | 51              | 44              | 7                        |                |
| <b>Total Other Equipment</b>         | <b>275</b>          | <b>210</b>      | <b>65</b>                | <b>280</b>      | <b>213</b>      | <b>67</b>                |                |
| <b>Total Property and Equipment</b>  | <b>\$66,371</b>     | <b>\$39,471</b> | <b>\$26,900</b>          | <b>\$64,773</b> | <b>\$37,908</b> | <b>\$26,865</b>          |                |

**6A-2. Total Property and Equipment Summary of Changes**  
(Dollars in Millions)

| Fiscal Year                    | 2023            |                |             |                  | 2022            |                |             |                  |
|--------------------------------|-----------------|----------------|-------------|------------------|-----------------|----------------|-------------|------------------|
| Fund                           | FBF             | ASF            | Other Funds | GSA Consolidated | FBF             | ASF            | Other Funds | GSA Consolidated |
| Net Book Value - Beginning     | \$22,849        | \$4,010        | \$6         | \$26,865         | \$23,249        | \$4,039        | \$9         | \$27,297         |
| Capitalized Acquisitions       | 1,374           | 1,318          | 7           | 2,699            | 1,375           | 717            | 2           | 2,094            |
| Disposals                      | (114)           | (170)          | —           | (284)            | (37)            | (131)          | —           | (168)            |
| Depreciation Expense           | (1,744)         | (630)          | (6)         | (2,380)          | (1,738)         | (615)          | (5)         | (2,358)          |
| <b>Net Book Value - Ending</b> | <b>\$22,365</b> | <b>\$4,528</b> | <b>\$7</b>  | <b>\$26,900</b>  | <b>\$22,849</b> | <b>\$4,010</b> | <b>\$6</b>  | <b>\$26,865</b>  |

## B. Environmental and Disposal Liabilities

Environmental and disposal liabilities represent cleanup costs associated with removing, containing, and disposing of hazardous waste from property; material and property that consists of hazardous waste at permanent or temporary closure, or shutdown of associated plant, property, and equipment (PP&E) (i.e., asset retirement and equipment disposal); or asbestos. Cleanup costs may include characterization, decontamination, decommissioning, restoration, monitoring, closure, post closure, future surveys, studies, and assessments on the environmental site. Cleanup costs may also include incremental direct costs of the remediation effort and costs of compensation and benefits of those employees who are expected to devote a significant amount of time directly to the remediation effort.

In accordance with guidance issued by FASAB, SFFAS 5, *Accounting for Liabilities of the Federal Government* and SFFAS 6, *Accounting for Property, Plant, and Equipment*, and Federal Financial Accounting and Auditing Technical Release No. 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, GSA is required to recognize a liability for environmental-related cleanup costs resulting from past transactions or events and when a future outflow or other sacrifice of resources is probable and reasonably estimable. GSA's PBS assesses the likelihood of required cleanup for PP&E, including land acquired for or in connection with other PP&E, used in providing goods or services to Federal customers. If the likelihood of required cleanup is probable and the cost can be reasonably estimated, a liability is recorded in the financial statements; if the likelihood is probable but not reasonably estimated or reasonably possible, the costs of cleanup are disclosed in the notes to the financial statements; and if the likelihood is remote, no liability or estimate is recorded or disclosed.

Environmental-related cleanup costs include liabilities covered by current budgetary resources and liabilities not covered by current budgetary resources known as future funded expenses.

Cleanup of such hazards is governed by various Federal and State laws. The laws most applicable to GSA are the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Toxic Substances Control Act, and the Resource Conservation and Recovery Act. Various State and local laws and regulations are also applicable.

GSA's FBF recognized \$2.0 billion for environmental and disposal liabilities as of September 30, 2023, and \$1.9 billion as of September 30, 2022, for properties currently in GSA's inventory. Included in this balance are the current estimates for potential future cleanup costs associated with the release of hazardous substances (into the environment) at properties where GSA is legally

## Notes to the Financial Statements

responsible for cleanup; asbestos liabilities (e.g., abatement); and non-asbestos liabilities (e.g., lead abatement) associated with PP&E at asset retirement or disposal.

### 6B. Environmental and Disposal Liabilities (Dollars in Millions)

| Fiscal Year   | 2023           | 2022           |
|---|----------------|----------------|
| Environmental Liabilities (external releases to the environment)            | \$96           | \$98           |
| Asbestos Liabilities  | 1,581          | 1,511          |
| PP&E: Non-asbestos Liabilities  | 359            | 314            |
| <b>Total Environmental and Disposal Liabilities (amortized)<sup>5</sup></b> | <b>\$2,036</b> | <b>\$1,923</b> |

### C. Environmental Liabilities: External Releases to the Environment

PBS reported a total estimated environmental liability (releases to the environment) of \$96 million for FY 2023. This is a decrease from \$98 million for FY 2022. The decrease is attributable to remediation efforts along with cost re-estimations for environmental services (e.g., remediation activities) and adjustments to the scope of services for projects managed by PBS. PBS's environmental remediation projects range from the cleanup of hazardous substances (e.g., chemical solvents, toxic metals, and polychlorinated biphenyls) and petroleum released into soil and groundwater to complex long-term remediation of former Department of Defense sites (e.g., munitions manufacturing and stockpile centers). GSA's PBS does not have any sites identified as probable but not reasonably estimable regarding cleanup costs. As of September 30, 2023, and September 30, 2022, GSA's FBF had \$37 million and \$36 million, respectively, for "reasonably possible" cleanup costs, for which a non-GSA entity will be responsible for settling cleanup costs of the assets. The non-GSA entity responsible for settling and reporting the liability for the cleanup cost of the asset is designated by Formerly Used Defense Sites and Department of Defense/Defense Logistics Agency requirements.

### D. Asbestos Liabilities

In accordance with FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, the focus is to recognize an unfunded liability and related expenses for asbestos-related cleanup costs where it is both probable and reasonably estimable for Federal entities that own tangible PP&E containing asbestos.

GSA's methodology for developing estimated future asbestos liability involved selection of asbestos abatement survey reports performed by third-party contractors, independent from GSA, to develop an average cost factor. The average cost factor from these asbestos survey reports is applied to GSA's total square feet of applicable inventory to determine the total estimated asbestos liability.

In accordance with Technical Bulletin 2006-1, GSA recognizes cleanup costs over the estimated life of the underlying assets. A useful life of 30 years is used for the purpose of recognizing and amortizing the long-term estimated asbestos cleanup costs for GSA facilities.

The amortized asbestos-related liabilities reported as of September 30, 2023, are \$1.6 billion, which is a slight increase from FY 2022, which was \$1.5 billion. During FY 2023, changes to GSA's total estimated liability consisted of cost re-estimates, inflation, and amortization of remaining future year costs. The increase is due to refinements in asbestos liability cost factors based upon updated

<sup>5</sup> Does not include \$76 million liability for non-GSA Assets that is included in the FY 2023 Balance Sheet.

building asbestos abatement cost estimates. The unamortized asbestos liability for FY 2023 is \$3 million; in FY 2022, this amount was \$5 million.

### E. Property, Plant & Equipment: Non-asbestos Liabilities

GSA reports cleanup costs associated with PP&E that consist of removal of hazardous waste at asset retirement or related to equipment disposal in the financial statements under PP&E - non-asbestos liabilities. GSA's methodology for estimating non-asbestos-related liabilities captures the cost of remediating certain hazards, such as lead-based paint and polychlorinated biphenyls.

GSA's methodology uses actual cost data from major renovation projects and cost estimates from independent third-party environmental surveys to develop average cost factors for PP&E non-asbestos remediation. These average cost factors are applied to GSA's total square feet of applicable inventory to determine the total estimated non-asbestos liability. As of September 30, 2023, the amortized PP&E non-asbestos related liabilities are \$359 million, compared to FY 2022 of \$314 million. The increase is due to changes in non-asbestos liability cost factors based upon updated project and building surveys' cost estimate data. The unamortized PP&E non-asbestos liability as of September 30, 2023 is \$46 million; this amount was \$44 million in FY 2022.

### F. Heritage Assets

The age of GSA buildings is approximately 51 years old; therefore, many buildings have historical, cultural, or architectural significance or a combination of all three. While GSA uses these buildings to meet the office space and other needs of the Federal Government, maintaining and preserving these historical elements is also a significant priority. In accordance with FASAB SFFAS 29, *Heritage Assets and Stewardship Land*, these buildings meet the definition of Multi-use Heritage Assets, and are reportable within Property and Equipment on the consolidated balance sheets. Deferred maintenance and repairs related to GSA's heritage assets are separately disclosed in the required supplementary information.

GSA defines its historic buildings as those buildings that are either listed in the National Register of Historic Places, have formally been determined eligible for listing, or appear to meet eligibility criteria to be listed. In FY 2023, GSA has under its jurisdiction, custody and control 425 buildings on the National Register of which 72 are designated as National Historic Landmarks which is a decrease from FY 2022 total of 429 and 74, respectively. The majority of the decrease is attributable to heritage assets being sold, demolished or transferred out. An additional 104 buildings are potentially eligible for listing in the National Register, compared to FY 2022 count of 86 buildings which is an increase in eligible buildings to be evaluated through the formal listing process. Under the National Historic Preservation Act, GSA is required to give these buildings special consideration, including first preference for Federal use and rehabilitation in accordance with standards established by the U.S. Department of Interior.

GSA also has a collection of artworks with historical significance, maintained for display in Federal buildings to increase the cultural and aesthetic quality of the buildings for visitors and workers.

## 7. Workers' Compensation Benefits

The Federal Employees' Compensation Act (FECA) provides wage replacement and medical cost protection to covered Federal civilian employees who are injured on the job or have incurred a work-related occupational disease, or beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from the Federal agencies employing the claimants. DOL provides the actuarial liability for claims outstanding at the end of each fiscal year. This liability includes the estimated future costs of death benefits, workers' wage replacement, and medical and miscellaneous costs for approved compensation cases.

The present value of these estimates at the end of FY 2023 and FY 2022 were calculated by DOL using the following discount rates:

### 7. Discount Rates

| Fiscal Year      | 2023   |                       | 2022   |                       |
|------------------|--------|-----------------------|--------|-----------------------|
| Type of Benefits | Year 1 | Year 2 and thereafter | Year 1 | Year 2 and thereafter |
| Wage Benefits    | 2.33%  | 2.33%                 | 2.12%  | 2.12%                 |
| Medical Benefits | 2.11%  | 2.11%                 | 1.97%  | 1.97%                 |

At September 30, 2023, and September 30, 2022, GSA's actuarial liability, reported in Federal Employee Benefits Payables on the balance sheet, totaled \$98 million and \$104 million, respectively. As reported in Note 9, Other Intragovernmental Liabilities on the balance sheet, the Workers Compensation accrued liability totaled \$19 million at both September 30, 2023, and September 30, 2022.

## 8. Leasing Arrangements

As of September 30, 2023, GSA was committed to various non-cancelable operating leases covering office space and warehouse storage facilities maintained by PBS and paid from the FBF. Many of these leases contain escalation clauses tied to inflation, tax increases, and renewal options. The following is the schedule of future minimum rental payments required under leases that have non-cancelable terms in excess of 1 year.

**8-1. Future Minimum Rental Payments**  
(Dollars in Millions)

| OPERATING LEASES                           |                 |
|--|-----------------|
| Fiscal Year                                | FBF             |
| 2024                                       | \$4,144         |
| 2025                                       | 3,679           |
| 2026                                       | 3,305           |
| 2027                                       | 2,965           |
| 2028                                       | 2,619           |
| 2029 and thereafter                        | 12,608          |
| <b>Total future minimum lease payments</b> | <b>\$29,320</b> |

Substantially all leased and federally owned space maintained by PBS is assigned to other Federal agencies at either rent charges to recover GSA's cost of that space or commercially equivalent charges. The majority of agreements covering these arrangements allow customer agencies to terminate the agreement with 4 months' notice any time after the first 16 months of the agreement term. In some instances, agreements with customers may include non-cancellation clauses or restricted clauses that limit the ability to cancel prior to the agreement's expiration date.

Customer agencies may also enter into a supplemental occupancy agreement with ASF's Furniture and Information Technology (FIT) program. This program assists customers with right-sizing their operations to improve space utilization, reduce the real estate footprint, and increase workplace efficiency, while minimizing initial capital investments for items such as furniture and information technology equipment. Base terms generally have a duration of 60 months for furniture and 36 months for information technology (IT) equipment. GSA believes that these agreements will also continue without interruption.



**Notes to the Financial Statements**

The following is a schedule displaying the future minimum rental receipts due to GSA for all non-cancelable and restricted clause agreements with terms in excess of 1 year:

**8-2. Future Minimum Rental Receipts  
OPERATING LEASE REVENUES  
(Dollars in Millions)**

| Fiscal Year                                | FBF             | ASF        | Total           |
|--|-----------------|------------|-----------------|
| 2024                                       | \$1,810         | \$5        | \$1,815         |
| 2025                                       | 1,501           | 2          | 1,503           |
| 2026                                       | 1,424           | 2          | 1,426           |
| 2027                                       | 1,348           | —          | 1,348           |
| 2028                                       | 1,240           | —          | 1,240           |
| 2029 and thereafter                        | 6,861           | —          | 6,861           |
| <b>Total future minimum lease receipts</b> | <b>\$14,184</b> | <b>\$9</b> | <b>\$14,193</b> |

For two of GSA's buildings, the rental agreements with the customer include transfer of the buildings at the end of the rental term. Due to this accounting treatment the assets have already been removed from GSA's balance sheet. The remaining minimum rental receipts due from these agreements are as follows:

**8-3. Future Minimum Rental Receipts  
DIRECT FINANCING REVENUES  
(Dollars in Millions)**

| Fiscal Year                                 | FBF         |
|---|-------------|
| 2024  | \$3         |
| 2025  | 3           |
| 2026  | 2           |
| 2027  | 2           |
| 2028  | 2           |
| 2029 and thereafter                         | 5           |
| <b>Total future minimum rental receipts</b> | <b>\$17</b> |

Rental income under space assignment agreements and related reimbursable arrangements for tenant improvements and above-standard service requirements approximated \$6.5 billion for FY 2023 and \$6.6 billion for FY 2022, respectively. The vast majority of the rental income in FY 2023 comes from Federal agencies and entities, while only \$16.2 million is from outleases from non-Federal entities. The rent expense under all operating leases, including short-term non-cancelable leases, was approximately \$5.6 billion for FY 2023 and \$5.6 billion for FY 2022. Of the \$5.6 billion in FY 2023 rent expense, only \$45.6 million was paid to other Federal agency lessors, with the remaining expense being paid to non-Federal entities. The consolidated balance sheets include capital lease assets of \$0 million for FY 2023 and \$300 million for FY 2022, and accumulated amortization on such structures of \$0 million for FY 2023 and \$300 million for FY 2022. The remaining capital leases from 2022 were moved to GSA's owned inventory in 2023.

## 9. Other Liabilities

As of September 30, 2023, and September 30, 2022, the amounts reported on the consolidated balance sheets as Other Intragovernmental Liabilities and Other Liabilities are substantially long-term in nature, with the exception of Federal Benefits Payable, Withholdings Payable and Accrued Funded Payroll, and Deposits in Clearing Funds, which are current liabilities. Other Intragovernmental Liabilities and Other Liabilities consisted of the following:

### 9. Other Liabilities (Dollars in Millions)

| Fund   | FBF            |                | ASF         |             | Other Funds |             | Less:<br>Intra GSA<br>Eliminations |               | GSA<br>Consolidated |                |
|--|----------------|----------------|-------------|-------------|-------------|-------------|------------------------------------|---------------|---------------------|----------------|
|  | 2023           | 2022           | 2023        | 2022        | 2023        | 2022        | 2023                               | 2022          | 2023                | 2022           |
| <b>INTRAGOVERNMENTAL</b>   |                |                |             |             |             |             |                                    |               |                     |                |
| Workers' Compensation Due to DOL   | \$13           | \$12           | \$4         | \$4         | \$2         | \$3         | \$—                                | \$—           | \$19                | \$19           |
| Federal Benefits Payable   | 3              | 3              | 3           | 2           | 2           | 2           | —                                  | —             | 8                   | 7              |
| Deferred Revenues - Federal  | 527            | 536            | —           | 2           | —           | —           | —                                  | —             | 527                 | 538            |
| Judgment Fund Liability  | 524            | 524            | —           | —           | —           | —           | —                                  | —             | 524                 | 524            |
| Deposits in General Funds  | —              | —              | —           | —           | 1           | 1           | —                                  | —             | 1                   | 1              |
| Deposits Other Agencies  | —              | —              | —           | —           | 6           | 5           | —                                  | —             | 6                   | 5              |
| Deposits in Clearing Funds and Other Liabilities Obligations                           | 1              | 1              | 17          | 26          | 22          | 16          | (11)                               | (14)          | 29                  | 29             |
| <b>Total Intragovernmental Liabilities</b>   | <b>\$1,068</b> | <b>\$1,076</b> | <b>\$24</b> | <b>\$34</b> | <b>\$33</b> | <b>\$27</b> | <b>\$(11)</b>                      | <b>\$(14)</b> | <b>\$1,114</b>      | <b>\$1,123</b> |
| <b>OTHER THAN INTRAGOVERNMENTAL</b>  |                |                |             |             |             |             |                                    |               |                     |                |
| Withholdings Payable and Accrued Funded Payroll and Leave                              | \$13           | \$12           | \$10        | \$9         | \$34        | \$30        | \$—                                | \$—           | \$57                | \$51           |
| Legal Contingencies  | 2              | 1              | —           | —           | —           | —           | —                                  | —             | 2                   | 1              |
| Contract Holdbacks   | 2              | 1              | —           | —           | —           | —           | —                                  | —             | 2                   | 1              |
| Liability for Non-Fiduciary Deposit Funds and Undeposited Collections                  | —              | —              | —           | —           | 24          | 64          | —                                  | —             | 24                  | 64             |
| Energy savings performance contracts and utility energy service contracts              | 628            | 650            | —           | —           | —           | —           | —                                  | —             | 628                 | 650            |
| Unamortized Rent Abatement and Other Liabilities Without Related Budgetary Obligations | 880            | 793            | 2           | 2           | —           | —           | —                                  | —             | 882                 | 795            |
| <b>Total Other Than Intragovernmental Liabilities</b>                                  | <b>\$1,525</b> | <b>\$1,457</b> | <b>\$12</b> | <b>\$11</b> | <b>\$58</b> | <b>\$94</b> | <b>\$—</b>                         | <b>\$—</b>    | <b>\$1,595</b>      | <b>\$1,562</b> |

## 10. Contingencies

### A. Contingencies

GSA is a party in various administrative proceedings, legal actions, environmental suits, and claims brought by or against the agency. In the opinion of GSA management and legal counsel, the ultimate resolution of these proceedings, actions and claims will not materially affect the financial position or results of operations of GSA, the FBF, the ASF, or the Other Funds. Based on the nature of each claim, resources available to liquidate these liabilities may be from GSA funds or, in some instances, are covered by the U.S. Treasury Judgment Fund, as discussed below.

In many cases, legal contingencies that directly involve GSA relate to contractual arrangements GSA entered into either for property or services it has obtained or procured on behalf of other Federal agencies. The costs of administering, litigating, and resolving these actions are generally borne by GSA, unless it can recover the cost from another Federal agency. Certain legal matters in which GSA may be a named party are administered and, in some instances, litigated by other Federal agencies. Amounts to be paid under any decision, settlement, or award pertaining thereto are sometimes funded by those agencies.

Legal-environmental contingencies and most tort claims are administered and resolved by the U.S. Department of Justice, and any amounts necessary for resolution are obtained from the U.S. Treasury Judgment Fund. In accordance with FASAB's Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, costs incurred by the Federal Government are to be reported by the agency responsible for incurring the liability or to which liability has been assigned, regardless of the ultimate source of funding. The cost of environmental contingencies is estimated in accordance with the FASAB Accounting and Auditing Policy Committee's Federal Financial Accounting and Auditing Technical Release No. 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*. For most environmental contingencies, GSA has no managerial responsibility other than as custodian and successor on claims made against former Federal entities, particularly former World War II defense-related activities.

Other contingencies include estimates of contractual minimum guarantees for which GSA may become liable. Minimum guarantees are a floor amount the government will order against a contract, guaranteeing vendors a minimum amount of business. This entices vendors to bid and reduces vendor pricing.

Probable contingencies are pending and threatened legal matters for which, in the opinion of GSA management and legal counsel, a loss is likely and the amount of the loss can be estimated. These matters arise in the course of carrying out GSA programs and operations, including contracting actions, operating motor vehicles, managing federally owned and leased buildings and facilities for other Federal agencies, and related claims. These contingencies are accrued in GSA's financial records.

GSA also has contingencies where the likelihood of loss is more than a remote chance, but less than likely to occur, and those are deemed reasonably possible. Accordingly, no balances have been recorded in the financial statements for these contingencies. Reasonably possible contingencies involve a wide variety of allegations and claims.

Notes to the Financial Statements

The probable (accrued) and reasonably possible contingencies as of September 30, 2023, and September 30, 2022, are summarized in the table below:

**10A. Probable (Accrued) and Reasonably Possible Contingencies**  
(Dollars in Millions)

| 2023                                     |                     | Estimated Range of Loss |              |
|--|---------------------|-------------------------|--------------|
| Legal Contingencies                      | Accrued Liabilities | Lower End               | Upper End    |
| Probable - FBF                           | \$2                 | \$2                     | \$4          |
| Reasonably Possible - ASF                |                     | \$—                     | \$1          |
| Reasonably Possible - FBF                |                     | 70                      | 183          |
| Reasonably Possible - Other Funds        |                     | —                       | 1            |
| <b>Total Reasonably Possible</b>         |                     | <b>\$70</b>             | <b>\$185</b> |
| <b>Legal Environmental Contingencies</b> |                     |                         |              |
| Probable - Other Funds                   | \$76                | \$76                    | \$80         |
| Reasonably Possible - Other Funds        |                     | —                       | 161          |
| <b>Other Contingencies</b>               |                     |                         |              |
| Reasonably Possible - ASF                |                     | \$199                   | \$241        |
| 2022                                     |                     | Estimated Range of Loss |              |
| Legal Contingencies                      | Accrued Liabilities | Lower End               | Upper End    |
| Probable - FBF                           | \$1                 | \$1                     | \$3          |
| Probable - Other Funds                   | —                   | —                       | 1            |
| <b>Total Probable</b>                    | <b>\$1</b>          | <b>\$1</b>              | <b>\$4</b>   |
| Reasonably Possible - ASF                |                     | \$—                     | \$2          |
| Reasonably Possible - FBF                |                     | 74                      | 211          |
| Reasonably Possible - Other Funds        |                     | —                       | 2            |
| <b>Total Reasonably Possible</b>         |                     | <b>\$74</b>             | <b>\$215</b> |
| <b>Legal Environmental Contingencies</b> |                     |                         |              |
| Probable - Other Funds                   | \$—                 | \$—                     | \$39         |
| Reasonably Possible - Other Funds        |                     | —                       | 161          |

**B. U.S. Treasury Judgment Fund**

In 1956, Congress enacted the Judgment Fund as a permanent, indefinite appropriation for the payment of claims that did not have another source of funding. This resulted in prompt payments that reduced the interest that accrues against the Government between the date of the claim judgment and the claim payment. Historically, the U. S. Treasury Judgment Fund has been utilized to pay for Contract Disputes Act claims in the FBF and Environmental and Disposal claims in the Other Funds.

As of September 30, 2023, and September 30, 2022, GSA owed the U.S. Treasury Judgment Fund over \$524 million for contract disputes that were paid on GSA's behalf. GSA is required to reimburse the Judgment Fund for payments made on GSA's behalf related to claims arising under the Contract Disputes Act and the Notification and Federal Employee Anti-Discrimination and Retaliation Act.

## Notes to the Financial Statements

For the fiscal year ended September 30, 2023, and September 30, 2022, the U. S. Treasury Judgment Fund paid \$3 million for Environmental and Disposal claims in the Other Funds. GSA is not required to reimburse the Judgment Fund for payments made on GSA's behalf related to Environmental and Disposal and most other types of claims. The recognition of claims to be funded exclusively through the Judgment Fund on GSA Consolidated Statements of Net Cost and Consolidated Balance Sheets is, in effect, recognition of these liabilities against the Federal Government as a whole, and should not be interpreted as claims against the assets or resources of any GSA fund, nor will any future resources of GSA be required to liquidate any resulting losses. Further, for most environmental claims, GSA has no managerial responsibility other than as custodian and successor on claims made against former federal entities, particularly former World War II defense-related activities.

For those non-reimbursable claim payments, GSA would record imputed financing sources and imputed costs to reflect those payments made on its behalf. For the fiscal year ended September 30, 2023, and September 30, 2022, GSA recorded \$3 million in Imputed Financing Provided From Others for the non-reimbursable payments the U.S. Treasury Judgment Fund made on GSA's behalf. This is in addition to the Imputed Costs for Post-Employment Benefits as noted in GSA's Footnote 15-E.

### 11. Liabilities Not Covered By Budgetary Resources

As of September 30, 2023, and September 30, 2022, budgetary resources were not yet available to fund certain liabilities reported on the consolidated balance sheets. For such liabilities, most are long-term in nature where funding is generally made available in the year payments are due or anticipated. Liabilities not covered by budgetary resources require future congressional action, whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, the U.S. Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit). The portion of liabilities reported on the consolidated balance sheets that are not covered by budgetary resources consists of the following:

**11. Liabilities Not Covered By Budgetary Resources**  
(Dollars in Millions)

| Fund   | FBF            |                | ASF            |                | Other Funds  |              | Less: Intra GSA Eliminations |               | GSA Consolidated |                 |
|--|----------------|----------------|----------------|----------------|--------------|--------------|------------------------------|---------------|------------------|-----------------|
|  | 2023           | 2022           | 2023           | 2022           | 2023         | 2022         | 2023                         | 2022          | 2023             | 2022            |
| <b>INTRAGOVERNMENTAL</b>   |                |                |                |                |              |              |                              |               |                  |                 |
| Other Liabilities  |                |                |                |                |              |              |                              |               |                  |                 |
| Benefit Program Contributions Payable  | \$13           | \$12           | \$4            | \$4            | \$2          | \$3          | \$—                          | \$—           | \$19             | \$19            |
| Deferred Revenues - Federal  | 2              | 3              | —              | 2              | —            | —            | —                            | —             | 2                | 5               |
| Judgment Fund Liability  | 524            | 524            | —              | —              | —            | —            | —                            | —             | 524              | 524             |
| Other Intragovernmental Liabilities  | —              | —              | 4              | 5              | 7            | 9            | (11)                         | (14)          | —                | —               |
| <b>Total Intragovernmental Liabilities Not Covered by Budgetary Resources</b>            | <b>539</b>     | <b>539</b>     | <b>8</b>       | <b>11</b>      | <b>9</b>     | <b>12</b>    | <b>(11)</b>                  | <b>(14)</b>   | <b>545</b>       | <b>548</b>      |
| <b>OTHER THAN INTRAGOVERNMENTAL</b>  |                |                |                |                |              |              |                              |               |                  |                 |
| Federal Employee Benefits Payable  |                |                |                |                |              |              |                              |               |                  |                 |
| Annual Leave Liability   | 62             | 60             | 49             | 46             | 41           | 37           | —                            | —             | 152              | 143             |
| Other Federal Employee Benefits Payable  | —              | —              | —              | —              | 16           | 15           | —                            | —             | 16               | 15              |
| Worker's Compensation Actuarial Liability  | 61             | 63             | 22             | 25             | 15           | 16           | —                            | —             | 98               | 104             |
| Environmental and Disposal Liabilities   | 2,036          | 1,923          | —              | —              | 76           | —            | —                            | —             | 2,112            | 1,923           |
| Other Liabilities  |                |                |                |                |              |              |                              |               |                  |                 |
| Energy Savings Performance Contracts and Utility Energy Service Contracts                | 628            | 650            | —              | —              | —            | —            | —                            | —             | 628              | 650             |
| Other Liabilities  | 2              | 1              | 2              | 2              | —            | —            | —                            | —             | 4                | 3               |
| <b>Total Other Than Intragovernmental Liabilities Not Covered by Budgetary Resources</b> | <b>2,789</b>   | <b>2,697</b>   | <b>73</b>      | <b>73</b>      | <b>148</b>   | <b>68</b>    | <b>—</b>                     | <b>—</b>      | <b>3,010</b>     | <b>2,838</b>    |
| <b>Total Liabilities Not Covered By Budgetary Resources</b>                              | <b>3,328</b>   | <b>3,236</b>   | <b>81</b>      | <b>84</b>      | <b>157</b>   | <b>80</b>    | <b>(11)</b>                  | <b>(14)</b>   | <b>3,555</b>     | <b>3,386</b>    |
| <b>Total Liabilities Covered By Budgetary Resources</b>                                  | <b>1,593</b>   | <b>1,573</b>   | <b>5,869</b>   | <b>5,275</b>   | <b>134</b>   | <b>135</b>   | <b>(39)</b>                  | <b>(37)</b>   | <b>7,557</b>     | <b>6,946</b>    |
| <b>Total Liabilities Not Requiring Budgetary Resources</b>                               | <b>880</b>     | <b>783</b>     | <b>—</b>       | <b>—</b>       | <b>45</b>    | <b>77</b>    | <b>—</b>                     | <b>—</b>      | <b>925</b>       | <b>860</b>      |
| <b>Total Liabilities</b>   | <b>\$5,801</b> | <b>\$5,592</b> | <b>\$5,950</b> | <b>\$5,359</b> | <b>\$336</b> | <b>\$292</b> | <b>\$(50)</b>                | <b>\$(51)</b> | <b>\$12,037</b>  | <b>\$11,192</b> |

Certain balances, while also unfunded by definition (as no budgetary resources have been applied), will be liquidated from resources outside of the traditional budgeting process and require no further congressional action to do so. Such balances include: 1) the portion of amounts included on the consolidated balance sheet in Other Liabilities - Other Than Intragovernmental shown as Unamortized Rent Abatement Liability and Deposit Fund Liability; and 2) the portion of amounts included in Other Intragovernmental Liabilities shown as Deposits in Clearing Funds (Held in Suspense and Earnings Payable to Treasury) and custodial collections shown as Amounts Owed to General Fund and Amounts Owed to Other Agencies in Note 9.

## 12. Reconciliation to the President's Budget

In accordance with FASAB SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, if there are differences between amounts reported in these financial statements versus those reported in the most recent Budget of the United States Government (President's Budget), they must be disclosed. With the President's Budget generally released in February each year, the most current comparable data is the FY 2024 President's Budget, which contains FY 2022 financial statement results. The FY 2025 President's Budget, containing FY 2023 actual results, is expected to be released in February 2024, on OMB's website and [GSA's Congressional Justification](#) on [www.gsa.gov](http://www.gsa.gov). The portion of the President's Budget relating specifically to GSA can be found in the appendix of that document. Balances submitted to the U.S. Treasury via the Reports on Budget Execution and Budgetary Resources (SF 133s) constitute the basis for reporting of actual results in the President's Budget and the CSBR. Reconciling differences are caused by the presentation style of the President's Budget, which excludes Budgetary Resources and New Obligations and Upward Adjustments in expired annual funds, as well as offsetting collections, which are required for reporting on the CSBR. Small rounding differences may also exist between the CSBR and the President's Budget.

The following two schedules highlight the most significant comparable amounts reported in the FY 2022 CSBR and the FY 2024 President's Budget (dollars in millions). The first schedule shows the total differences where the CSBR contains balances greater (or less) than amounts reported in the President's Budget by fund. Following this is a second schedule displaying the components of each difference at the combined level.

GSA's Congressional Justification submission includes available and unavailable budgetary resources. In the CSBR and FBF SBR, the total budgetary resources of \$53.8 billion and \$24.4 billion as of September 30, 2022, respectively, represent budgetary resources net of FBF's unavailable budgetary resources of \$9.6 billion. For GSA's reconciliation between the CSBR and the President's Budget, GSA added back FBF's unavailable resources to the Budgetary Resources amounts reported under the FBF CSBR column in the first chart and the CSBR row in the second chart.

Notes to the Financial Statements

12-1. Total Differences - CSBR Compared to President's Budget by Fund  
(Dollars in Millions)

| Fund   | FBF      |              | ASF      |              | OTHER FUNDS |              | GSA COMBINED |              |            |
|--|----------|--------------|----------|--------------|-------------|--------------|--------------|--------------|------------|
|  | CSBR     | Pres. Budget | CSBR     | Pres. Budget | CSBR        | Pres. Budget | CSBR         | Pres. Budget | Difference |
| Budgetary Resources                              | \$33,911 | \$33,912     | \$26,933 | \$26,932     | \$2,473     | \$2,427      | \$63,317     | \$63,271     | \$46       |
| New Obligations and Upward Adjustments           | 11,230   | 11,230       | 23,680   | 23,680       | 1,132       | 1,128        | 36,042       | 36,038       | 4          |
| Net Outlays (Receipts) from Operating Activities | (982)    | (983)        | (280)    | (279)        | 285         | 285          | (977)        | (977)        | —          |
| Distributed Offsetting Receipts                  | —        | —            | —        | —            | (225)       | (226)        | (225)        | (226)        | 1          |

12-2. Components of each difference all funds combined  
(Dollars in Millions)

| Category                                   | Budgetary Resources | New Obligations and Upward Adjustments | Net Outlays (Receipts) from Operating Activities | Distributed Offsetting Receipts |
|--|---------------------|--|--|---------------------------------|
| Combined Statement of Budgetary Resources  | \$63,317            | \$36,042                               | \$(977)  | \$(225)                         |
| Expired Funds, Not Reflected in the Budget | (47)                | (4)                                    | —  | —                               |
| Other                                      | 1                   | —                                      | —  | (1)                             |
| Budget of the U.S. Government              | \$63,271            | \$36,038                               | \$(977)  | \$(226)                         |



## 13. Combined Statements of Budgetary Resources

### A. Adjustments to Unobligated Balances Brought Forward

The CSBR presents GSA budgetary results in accordance with reporting requirements prescribed in OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*. In consolidated reporting by OMB and the U.S. Treasury for the U.S. Government as a whole, substantially all of GSA's program operations and operating results are categorized as general Government functions. There were no material differences between the balances used to prepare the CSBR and the SF-133s in FY 2023 or FY 2022.

#### 13A. Adjustments to Unobligated Balances Brought Forward (Dollars in Millions)

| Fund   | FBF             |                | ASF            |                | Other Funds    |                | GSA Combined    |                 |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
|  | 2023            | 2022           | 2023           | 2022           | 2023           | 2022           | 2023            | 2022            |
| Prior Year Total Unobligated Balance, End of Period              | \$13,120        | \$6,062        | \$3,253        | \$2,097        | \$1,341        | \$1,557        | \$17,714        | \$9,716         |
| <b>Adjustments to Unobligated Balance Brought Forward</b>        |                 |                |                |                |                |                |                 |                 |
| Unobligated Balance transferred to other accounts                | —               | —              | —              | —              | (158)          | (256)          | (158)           | (256)           |
| Unobligated Balance transferred from other accounts              | —               | —              | —              | 105            | 16             | 25             | 16              | 130             |
| Adjustment of Unobligated Balance Brought Forward, October 1     | (7)             | —              | —              | —              | —              | —              | (7)             | —               |
| Recoveries of Prior Year Unpaid Obligations                      | 135             | 111            | 1,260          | 1,135          | 33             | 67             | 1,428           | 1,313           |
| Other Changes in Unobligated Balance                             | 5               | 4              | (3)            | 5              | (22)           | (15)           | (20)            | (6)             |
| <b>Total Adjustments to Unobligated Balance Brought Forward</b>  | <b>133</b>      | <b>115</b>     | <b>1,257</b>   | <b>1,245</b>   | <b>(131)</b>   | <b>(179)</b>   | <b>1,259</b>    | <b>1,181</b>    |
| <b>Unobligated Balance from Prior Year Budget Authority, Net</b> | <b>\$13,253</b> | <b>\$6,177</b> | <b>\$4,510</b> | <b>\$3,342</b> | <b>\$1,210</b> | <b>\$1,378</b> | <b>\$18,973</b> | <b>\$10,897</b> |

## B. Commitments and Undelivered Orders

In addition to future lease commitments discussed in Note 8, GSA is committed under obligations for goods and services that have been ordered but not yet received (undelivered orders) at fiscal year-end. Aggregate undelivered orders for all GSA activities at September 30, 2023, and September 30, 2022, are as follows:

### 13B. Undelivered Orders (Dollars in Millions)

| Fiscal Year                     | 2023           |                 |             |                 |                 | 2022           |                 |             |                 |                 |
|---------------------------------|----------------|-----------------|-------------|-----------------|-----------------|----------------|-----------------|-------------|-----------------|-----------------|
|                                 | Federal        | Non Federal     | Paid        | Unpaid          | Total           | Federal        | Non Federal     | Paid        | Unpaid          | Total           |
| FBF                             | \$74           | \$4,226         | \$36        | \$4,264         | \$4,300         | \$60           | \$3,658         | \$27        | \$3,691         | \$3,718         |
| ASF                             | 1,184          | 12,026          | —           | 13,210          | 13,210          | 1,102          | 10,542          | 10          | 11,634          | 11,644          |
| Other Funds                     | 154            | 203             | 8           | 349             | 357             | 123            | 183             | 2           | 304             | 306             |
| <b>Total Undelivered Orders</b> | <b>\$1,412</b> | <b>\$16,455</b> | <b>\$44</b> | <b>\$17,823</b> | <b>\$17,867</b> | <b>\$1,285</b> | <b>\$14,383</b> | <b>\$39</b> | <b>\$15,629</b> | <b>\$15,668</b> |

## 14. Consolidated Statements of Changes in Net Position

Cumulative results of operations for revolving funds include the net cost of operations since their inception, reduced by funds returned to the U.S. Treasury, congressional rescissions, and transfers to other Federal agencies, in addition to balances representing invested capital. Invested capital includes amounts provided to fund certain GSA assets, principally land, buildings, construction in process, and equipment, as well as appropriated capital provided as the corpus of a fund (generally to meet operating working capital needs).

The FBF, ASF, WCF, and FCSF have legislative authority to retain portions of their cumulative results for specific purposes. The FBF retains cumulative results to finance future operations and construction, subject to appropriation by Congress. In the ASF, such cumulative results are retained to cover the cost of replacing the motor vehicle fleet and supply inventory, as well as to provide financing for major systems acquisitions and improvements, contract conversion costs, major contingencies, and to maintain sufficient working capital. The WCF retains cumulative results to finance future systems improvements and certain operations. The FCSF retains cumulative results to finance future operations, subject to appropriation by Congress.

Cumulative results of operations on the consolidated balance sheets include balances of funds from dedicated collections as defined in FASAB SFFAS 43, *Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds*, which totaled \$382<sup>6</sup> million and \$406<sup>6</sup> million as of September 30, 2023, and September 30, 2022, respectively. As further discussed in Notes 1 and 2, balances of funds from dedicated collections are those reported in GSA's Special Funds and Trust Funds, within the Other Funds displayed on the consolidating balance sheets.

<sup>6</sup> These balances do not include any applicable Intra-GSA elimination adjustments.

## 15. Employee Benefit Plans

### A. Background

Although GSA funds a portion of pension benefits for its employees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), and makes the necessary payroll withholdings, GSA is not required to disclose the assets of the systems or the actuarial data related to accumulated plan benefits or the unfunded pension liability relative to its employees. Reporting the amounts of health care benefits for current and retired employees is the direct responsibility of the Office of Personnel Management (OPM). Further information regarding the Federal retirement plans, details of accumulated benefits, liabilities, background on agency employer contributions, employee contributions, and other financial contributions can be found on the OPM website.

In accordance with FASAB SFFAS 5, *Accounting for Liabilities of The Federal Government*, GSA recognizes the normal cost of pension programs and the normal cost of other post-employment health and life insurance benefits, as defined in that standard, on the consolidated statements of net cost. While contributions of GSA and participating employees to OPM do cover a significant portion of the normal cost of retirement benefits, the contribution rates defined in law do not cover the full normal cost of those retirement benefits. To achieve the recognition of the full normal cost required by SFFAS 5, GSA records the combination of funded cost for agency contributions and imputed cost for the portion of normal costs not covered by contributions. GSA's imputed costs relate to business-type activities, employee benefits, and claims to be settled by the Treasury Judgment Fund. Amounts recognized as normal cost related to contributions, as well as imputed costs are further provided below.

Notes to the Financial Statements

Federal Employee Benefits as of September 30, 2023, and September 30, 2022, were as follows:

**15A. Federal Employee Benefits Payable**  
(Dollars in Millions)

| Fund  | FBF          |              | ASF         |             | Other Funds |             | Less: Intra GSA Eliminations |            | GSA Consolidated |              |
|---|--------------|--------------|-------------|-------------|-------------|-------------|------------------------------|------------|------------------|--------------|
|   | 2023         | 2022         | 2023        | 2022        | 2023        | 2022        | 2023                         | 2022       | 2023             | 2022         |
| <b>OTHER THAN INTRAGOVERNMENTAL</b>                   |              |              |             |             |             |             |                              |            |                  |              |
| <b>Liabilities Not Covered by Budgetary Resources</b> |              |              |             |             |             |             |                              |            |                  |              |
| Workers' Compensation Actuarial Liability             | \$61         | \$63         | \$22        | \$25        | \$15        | \$16        | \$—                          | \$—        | \$98             | \$104        |
| Unfunded Leave  | 62           | 60           | 49          | 46          | 41          | 37          | —                            | —          | 152              | 143          |
| Other   | —            | —            | —           | —           | 16          | 15          | —                            | —          | 16               | 15           |
| <b>Liabilities Covered by Budgetary Resources</b>     |              |              |             |             |             |             |                              |            |                  |              |
| Other   | 1            | 1            | —           | —           | 3           | 3           | —                            | —          | 4                | 4            |
| <b>Total Federal Employee Benefits Payable</b>        | <b>\$124</b> | <b>\$124</b> | <b>\$71</b> | <b>\$71</b> | <b>\$75</b> | <b>\$71</b> | <b>\$—</b>                   | <b>\$—</b> | <b>\$270</b>     | <b>\$266</b> |

**B. Civil Service Retirement System**

At the end of FY 2023, 1.5 percent (down from 1.9 percent in FY 2022) of GSA employees were covered by the CSRS, a defined benefit plan. Total GSA (employer) contributions (7.5 percent of base pay for law enforcement employees and 7.0 percent for all others) to CSRS for all employees were as follows:

**15B. Total Employer Contributions to Civil Service Retirement System**  
(Dollars in Millions)

| Fiscal Year                         | 2023       | 2022       |
|-------------------------------------|------------|------------|
| FBF                                 | \$1        | \$1        |
| ASF                                 | —          | —          |
| Other Funds                         | 1          | 1          |
| <b>Total Employer Contributions</b> | <b>\$2</b> | <b>\$2</b> |

### C. Federal Employees Retirement System

On January 1, 1987, the FERS, a mixed system of defined benefit and defined contribution plans, went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, were automatically covered by FERS and Social Security, while employees hired before January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. As of September 30, 2023, 98.3 percent (up from 97.9 percent in FY 2022) of GSA employees were covered under FERS. One of the primary differences between the systems is that FERS offers automatic and matching contributions into the Federal Government’s Thrift Savings Plan (TSP) for each employee. All employees could invest up to \$22,500 and \$20,500 in their TSP account in calendar years 2023 and 2022, respectively. In addition, for FERS employees, GSA automatically contributes 1 percent of base pay and matches employee contributions up to an additional 4 percent of base pay. For calendar years 2023 and 2022, total contributions made on behalf of an employee could not exceed \$66,000 and \$61,000, respectively. For FY 2023 and FY 2022, the GSA (employer) contributions to FERS (37.6 percent of base pay for law enforcement employees and 18.4 percent for all others) were as follows:

**15C-1. Total Employer Contributions to Federal Employees Retirement System  
Automatic Contributions  
(Dollars in Millions)**

| Fiscal Year                         | 2023         | 2022         |
|-------------------------------------|--------------|--------------|
| FBF                                 | \$111        | \$104        |
| ASF                                 | 83           | 76           |
| Other Funds                         | 71           | 62           |
| <b>Total Employer Contributions</b> | <b>\$265</b> | <b>\$242</b> |

Additional GSA contributions to the TSP were as follows:

**15C-2. Additional GSA Contributions to Thrift Savings Plan  
Matching Contributions  
(Dollars in Millions)**

| Fiscal Year                         | 2023        | 2022        |
|-------------------------------------|-------------|-------------|
| FBF                                 | \$29        | \$27        |
| ASF                                 | 22          | 20          |
| Other Funds                         | 18          | 16          |
| <b>Total Employer Contributions</b> | <b>\$69</b> | <b>\$63</b> |

### D. Social Security System

GSA also makes matching contributions for programs of the Social Security Administration (SSA) under the Federal Insurance Contributions Act. For employees covered by FERS, GSA contributed 6.2 percent of gross pay (up to \$160,200 and \$147,000 in calendar years 2023 and 2022, respectively) to SSA's Old-Age, Survivors, and Disability Insurance Program in both calendar years 2023 and 2022. Additionally, GSA makes matching contributions for all employees of 1.45 percent of gross pay to the Medicare Hospital Insurance program in both calendar years 2023 and 2022. In FY 2023 and FY 2022, 0.2 percent of GSA employees are covered exclusively by these programs. Payments to these programs were as follows:

**15D. Total Employer Contributions to Social Security System**  
(Dollars in Millions)

| Fiscal Year                         | 2023         | 2022         |
|-------------------------------------|--------------|--------------|
| FBF                                 | \$46         | \$44         |
| ASF                                 | 35           | 32           |
| Other Funds                         | 28           | 25           |
| <b>Total Employer Contributions</b> | <b>\$109</b> | <b>\$101</b> |

### E. Schedule of Imputed Benefit Costs

Amounts recorded in fiscal years 2023 and 2022, in accordance with FASAB SFFAS 5, *Accounting for Liabilities of The Federal Government*, for imputed post-employment benefits were as follows:

**15E. Imputed Cost for Post-Employment Benefits**  
(Dollars in Millions)

| 2023                               | Pension Benefits | Health/Life Insurance | Total        |
|------------------------------------|------------------|-----------------------|--------------|
| FBF                                | \$21             | \$42                  | \$63         |
| ASF                                | 16               | 29                    | 45           |
| Other Funds                        | 15               | 24                    | 39           |
| <b>Total Imputed Benefit Costs</b> | <b>\$52</b>      | <b>\$95</b>           | <b>\$147</b> |

| 2022                               | Pension Benefits | Health/Life Insurance | Total       |
|------------------------------------|------------------|-----------------------|-------------|
| FBF                                | \$5              | \$39                  | \$44        |
| ASF                                | 4                | 25                    | 29          |
| Other Funds                        | 4                | 21                    | 25          |
| <b>Total Imputed Benefit Costs</b> | <b>\$13</b>      | <b>\$85</b>           | <b>\$98</b> |

In addition to the imputed post-employment benefits noted above, GSA recorded imputed costs for the non-reimbursable payments the U.S. Treasury Judgment Fund made on GSA's behalf as noted in GSA's Footnote 10-B.

## 16. Budget and Accrual Reconciliation

In accordance with requirements of FASAB SFFAS 53, *Budget and Accrual Reconciliation*, the schedule below displays financial components associated with differences in amounts reported as the Net Revenues (Cost) from Operations reported on the Consolidated Statements of Net Cost and amounts reported as Total Net Outlays on the CSBR. Budgetary accounting is used for planning and control purposes, with net outlays consisting of the receipt and use of cash, both key elements in reporting the Federal deficit. Financial accounting is intended to provide a picture of the Government's financial operations and financial position, presenting information on an accrual basis of accounting. The accrual basis includes information about costs arising from the acquisition and consumption of assets, other goods and services, and the incurring of liabilities, as well as recognition of certain revenues and associated receivable balances. The reconciliation bridges the balances reported as net outlays, presented on a budgetary basis focused on the disbursement and collection of funds, and the net cost, presented on an accrual basis. The reconciliation further assures integrity of relationships between budgetary and financial accounting. The schedule displays outlay balances comparable to the CSBR, with Net Outlays from Operating Activity based on amounts reported to Treasury on SF-133s, with additions for Distributed Offsetting Receipts to produce Total Net Outlays.

16. FY 2023 Budget and Accrual Reconciliation  
(Dollars in Millions)

| Fund   | FBF                |                 |         | ASF                |                 |          | Other Funds        |                 |        | Less: Intra GSA Eliminations |                 |       | GSA Consolidated   |                 |          |
|--|--------------------|-----------------|---------|--------------------|-----------------|----------|--------------------|-----------------|--------|------------------------------|-----------------|-------|--------------------|-----------------|----------|
|  | Intra governmental | With the Public | Total   | Intra governmental | With the Public | Total    | Intra governmental | With the Public | Total  | Intra governmental           | With the Public | Total | Intra governmental | With the Public | Total    |
| <b>Net Cost (Revenue) of Operations</b>                      |                    |                 | \$ (96) |                    |                 | \$ (417) |                    |                 | \$ 437 |                              |                 | \$ 49 |                    |                 | \$ (125) |
| <b>Components of Net Cost Not Part of the Budget Outlays</b> |                    |                 |         |                    |                 |          |                    |                 |        |                              |                 |       |                    |                 |          |
| Property, Plant, and Equipment Depreciation                  | —                  | (1,744)         | (1,744) | —                  | (630)           | (630)    | —                  | (6)             | (6)    | —                            | —               | —     | —                  | (2,380)         | (2,380)  |
| Property, Plant, and Equipment Disposal & Reevaluation       | —                  | 23              | 23      | —                  | (165)           | (165)    | —                  | —               | —      | —                            | —               | —     | —                  | (142)           | (142)    |
| <b>Increase/(Decrease) in Assets</b>                         |                    |                 |         |                    |                 |          |                    |                 |        |                              |                 |       |                    |                 |          |
| Accounts receivable, net                                     | (58)               | (18)            | (76)    | 435                | 30              | 465      | 62                 | —               | 62     | —                            | —               | —     | 439                | 12              | 451      |
| Other Assets   | 8                  | —               | 8       | (10)               | (4)             | (14)     | 5                  | —               | 5      | —                            | —               | —     | 3                  | (4)             | (1)      |
| <b>(Increase)/Decrease in Liabilities</b>                    |                    |                 |         |                    |                 |          |                    |                 |        |                              |                 |       |                    |                 |          |
| Accounts Payable   | 1                  | (27)            | (26)    | 39                 | (592)           | (553)    | (69)               | (4)             | (73)   | —                            | —               | —     | (29)               | (623)           | (652)    |
| Environmental and Disposal Liabilities                       | —                  | (113)           | (113)   | —                  | —               | —        | —                  | (76)            | (76)   | —                            | —               | —     | —                  | (189)           | (189)    |
| Federal employee benefits payable                            | —                  | —               | —       | —                  | 1               | 1        | —                  | (5)             | (5)    | —                            | —               | —     | —                  | (4)             | (4)      |
| Other Liabilities  | —                  | (57)            | (57)    | 11                 | (1)             | 10       | (1)                | —               | (1)    | —                            | —               | —     | 10                 | (58)            | (48)     |



**16. FY 2023 Budget and Accrual Reconciliation (continued)**  
*(Dollars in Millions)*

| Fund<br>Category   | FBF                       |                       |                | ASF                       |                       |               | Other Funds               |                       |              | Less: Intra GSA<br>Eliminations |                       |            | GSA Consolidated          |                       |                |
|--|---------------------------|-----------------------|----------------|---------------------------|-----------------------|---------------|---------------------------|-----------------------|--------------|---------------------------------|-----------------------|------------|---------------------------|-----------------------|----------------|
|  | Intra<br>govern<br>mental | With<br>the<br>Public | Total          | Intra<br>govern<br>mental | With<br>the<br>Public | Total         | Intra<br>govern<br>mental | With<br>the<br>Public | Total        | Intra<br>govern<br>mental       | With<br>the<br>Public | Total      | Intra<br>govern<br>mental | with<br>the<br>Public | Total          |
| <b>Other Financing Sources</b>                           |                           |                       |                |                           |                       |               |                           |                       |              |                                 |                       |            |                           |                       |                |
| Imputed Financing Provided by Others                     | (89)                      | —                     | (89)           | (64)                      | —                     | (64)          | (46)                      | —                     | (46)         | (49)                            | —                     | (49)       | (150)                     | —                     | (150)          |
| Transfers out (in) Without Reimbursement                 | —                         | —                     | —              | —                         | —                     | —             | 6                         | —                     | 6            | —                               | —                     | —          | 6                         | —                     | 6              |
| <b>Components of Budget Outlays Not Part of Net Cost</b> |                           |                       |                |                           |                       |               |                           |                       |              |                                 |                       |            |                           |                       |                |
| Acquisition of Capital Assets                            | —                         | 1,334                 | 1,334          | —                         | 1,299                 | 1,299         | —                         | 7                     | 7            | —                               | —                     | —          | —                         | 2,640                 | 2,640          |
| Other  | —                         | 3                     | 3              | —                         | —                     | —             | —                         | —                     | —            | —                               | —                     | —          | —                         | 3                     | 3              |
| <b>Net Outlays from Operating Activity</b>               |                           |                       | (833)          |                           |                       | (68)          |                           |                       | 310          |                                 |                       | —          |                           |                       | (591)          |
| Distributed Offsetting Receipts                          |                           |                       | —              |                           |                       | —             |                           |                       | (109)        |                                 |                       | —          |                           |                       | (109)          |
| <b>Total Net Outlays</b>                                 |                           |                       | <b>\$(833)</b> |                           |                       | <b>\$(68)</b> |                           |                       | <b>\$201</b> |                                 |                       | <b>\$—</b> |                           |                       | <b>\$(700)</b> |

**16. FY 2022 Budget and Accrual Reconciliation**  
*(Dollars in Millions)*

| Fund   | FBF              |                 |          | ASF              |                 |          | Other Funds      |                 |        | Less: Intra GSA Eliminations |                 |       | GSA Consolidated |                 |          |
|--|------------------|-----------------|----------|------------------|-----------------|----------|------------------|-----------------|--------|------------------------------|-----------------|-------|------------------|-----------------|----------|
|  | Intra government | With the Public | Total    | Intra government | With the Public | Total    | Intra government | With the Public | Total  | Intra government             | With the Public | Total | Intra government | with the Public | Total    |
| <b>Net Cost (Revenue) of Operations</b>                      |                  |                 | \$ (414) |                  |                 | \$ (333) |                  |                 | \$ 304 |                              |                 | \$ 36 |                  |                 | \$ (479) |
| <b>Components of Net Cost Not Part of the Budget Outlays</b> |                  |                 |          |                  |                 |          |                  |                 |        |                              |                 |       |                  |                 |          |
| Property, plant, and equipment depreciation expense          | —                | (1,738)         | (1,738)  | —                | (615)           | (615)    | —                | (5)             | (5)    | —                            | —               | —     | —                | (2,358)         | (2,358)  |
| Property, plant, and equipment disposals and revaluations    | —                | 53              | 53       | —                | (131)           | (131)    | —                | —               | —      | —                            | —               | —     | —                | (78)            | (78)     |
| <b>Increase/(Decrease) in Assets</b>                         |                  |                 |          |                  |                 |          |                  |                 |        |                              |                 |       |                  |                 |          |
| Accounts receivable, net                                     | 71               | 20              | 91       | 895              | (2)             | 893      | 43               | —               | 43     | —                            | —               | —     | 1,009            | 18              | 1,027    |
| Other assets   | (24)             | —               | (24)     | (10)             | (18)            | (28)     | (1)              | —               | (1)    | —                            | —               | —     | (35)             | (18)            | (53)     |
| <b>(Increase)/Decrease in Liabilities</b>                    |                  |                 |          |                  |                 |          |                  |                 |        |                              |                 |       |                  |                 |          |
| Accounts Payable   | 43               | (68)            | (25)     | (46)             | (715)           | (761)    | (56)             | (5)             | (61)   | —                            | —               | —     | (59)             | (788)           | (847)    |
| Environmental and disposal liabilities                       | —                | (31)            | (31)     | —                | —               | —        | —                | 20              | 20     | —                            | —               | —     | —                | (11)            | (11)     |
| Federal employee benefits payable                            | —                | 11              | 11       | —                | 1               | 1        | —                | 3               | 3      | —                            | —               | —     | —                | 15              | 15       |
| Other Liabilities  | 1                | (53)            | (52)     | 13               | 14              | 27       | (2)              | 12              | 10     | —                            | —               | —     | 12               | (27)            | (15)     |

**16. FY 2022 Budget and Accrual Reconciliation (continued)**  
*(Dollars in Millions)*

| Fund  | FBF                |                 |                | ASF                |                 |                | Other Funds        |                 |             | Less: Intra GSA Eliminations |                 |            | GSA Consolidated   |                 |                  |
|---|--------------------|-----------------|----------------|--------------------|-----------------|----------------|--------------------|-----------------|-------------|------------------------------|-----------------|------------|--------------------|-----------------|------------------|
|   | Intra governmental | With the Public | Total          | Intra governmental | With the Public | Total          | Intra governmental | With the Public | Total       | Intra governmental           | With the Public | Total      | Intra governmental | With the Public | Total            |
| <b>Other Financing Sources</b>  |                    |                 |                |                    |                 |                |                    |                 |             |                              |                 |            |                    |                 |                  |
| Imputed Cost  | (63)               | —               | (63)           | (44)               | —               | (44)           | (30)               | —               | (30)        | (36)                         | —               | (36)       | (101)              | —               | (101)            |
| Transfers out (in) without reimbursements                                       | —                  | —               | —              | —                  | —               | —              | —                  | —               | —           | —                            | —               | —          | —                  | —               | —                |
| <b>Components of the budget outlays that are not part of net operating cost</b> |                    |                 |                |                    |                 |                |                    |                 |             |                              |                 |            |                    |                 |                  |
| Acquisition of capital assets   | —                  | 1,205           | 1,205          | —                  | 711             | 711            | —                  | 2               | 2           | —                            | —               | —          | —                  | 1,918           | 1,918            |
| Other   | —                  | 5               | 5              | —                  | —               | —              | —                  | —               | —           | —                            | —               | —          | —                  | 5               | 5                |
| <b>Net Outlays (Receipts) from Operating Activity</b>                           |                    |                 | (982)          |                    |                 | (280)          |                    |                 | 285         |                              |                 | —          |                    |                 | (977)            |
| Distributed Offsetting Receipts   |                    |                 | —              |                    |                 | —              |                    |                 | (225)       |                              |                 | —          |                    |                 | (225)            |
| <b>Total Net Outlays</b>  |                    |                 | <b>\$(982)</b> |                    |                 | <b>\$(280)</b> |                    |                 | <b>\$60</b> |                              |                 | <b>\$—</b> |                    |                 | <b>\$(1,202)</b> |

## 17. Net Cost by Responsibility Segment

OMB Circular A-136, *Financial Reporting Requirements*, requires that the presentation aligns with the goals and outcomes identified in the agency's strategic plan. The strategic goals presented in GSA's Consolidated Statements of Net Cost are derived from the missions of the agency's two largest service organizations: the Public Buildings Service (PBS), which manages the Federal Buildings Fund, and the Federal Acquisition Service (FAS), which manages the Acquisition Services Fund.

PBS manages building operations by overseeing the design, construction, leasing, and maintenance of Government-owned and -leased facilities. Responsibility segments include the Government-owned and Leased Building segments.

FAS is organized into six main business portfolios: General Supplies and Services (GS&S) categories, Travel, Transportation and Logistics categories (TTL), Information Technology category (ITC), Assisted Acquisition Services (AAS), Professional Services Human Capital (PS&HC) category and Technology Transformation Services (TTS). FAS provides acquisition services by leveraging the buying power of the Federal Government to obtain best values.

The GSA agencywide strategic plan goals of providing cost savings to customers, increasing operational efficiency, and delivering excellent customer service are embedded in the missions of its service organizations. Revenues and expenses not associated with PBS or FAS are reported as Working Capital and General Programs. Eliminations of intra-agency activity are recorded against the organization providing the goods or services, displayed in the Intra-GSA Elimination column. The following tables present the FY 2023 and FY 2022 net operating results by strategic goal for each responsibility segment.

**17. FY 2023 Net Cost by Responsibility Segment Schedule**  
**For the Fiscal Year Ended September 30, 2023**  
*(Dollars in Millions)*

| Fund  | FBF Owned    | FBF Leased     | ASF GS&S    | ASF TTL      | ASF ITC     | ASF AAS      | ASF PSHC    | ASF TTS & Other | WCF           | General Funds  | GSA Combined | Intra GSA Elims | GSA Consolidated |
|---|--------------|----------------|-------------|--------------|-------------|--------------|-------------|-----------------|---------------|----------------|--------------|-----------------|------------------|
| <b>Manage Building Operations</b>                 |              |                |             |              |             |              |             |                 |               |                |              |                 |                  |
| Earned Revenues                                   | \$5,402      | \$6,516        | \$—         | \$—          | \$—         | \$—          | \$—         | \$—             | \$—           | \$—            | \$11,918     | \$60            | \$11,858         |
| Less: Operating Expenses                          | 5,091        | 6,731          | —           | —            | —           | —            | —           | —               | —             | —              | 11,822       | 85              | 11,737           |
| <b>Net Revenues from (Cost of) Operations</b>     | <b>311</b>   | <b>(215)</b>   | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>        | <b>—</b>      | <b>—</b>       | <b>96</b>    | <b>(25)</b>     | <b>121</b>       |
| <b>Provide Acquisition Services</b>               |              |                |             |              |             |              |             |                 |               |                |              |                 |                  |
| Earned Revenues                                   | —            | —              | 1,710       | 3,001        | 1,035       | 16,872       | 133         | 168             | —             | —              | 22,919       | 171             | 22,748           |
| Less: Operating Expenses                          | —            | —              | 1,686       | 2,641        | 956         | 16,761       | 121         | 337             | —             | —              | 22,502       | 190             | 22,312           |
| <b>Net Revenues from (Cost of) Operations</b>     | <b>—</b>     | <b>—</b>       | <b>24</b>   | <b>360</b>   | <b>79</b>   | <b>111</b>   | <b>12</b>   | <b>(169)</b>    | <b>—</b>      | <b>—</b>       | <b>417</b>   | <b>(19)</b>     | <b>436</b>       |
| <b>Working Capital and General Programs</b>       |              |                |             |              |             |              |             |                 |               |                |              |                 |                  |
| Earned Revenues                                   | —            | —              | —           | —            | —           | —            | —           | —               | 768           | 59             | 827          | 751             | 76               |
| Less: Operating Expenses                          | —            | —              | —           | —            | —           | —            | —           | —               | 781           | 483            | 1,264        | 756             | 508              |
| <b>Net Revenues from (Cost of) Operations</b>     | <b>—</b>     | <b>—</b>       | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>     | <b>—</b>    | <b>—</b>        | <b>(13)</b>   | <b>(424)</b>   | <b>(437)</b> | <b>(5)</b>      | <b>(432)</b>     |
| <b>GSA Consolidated Net Results</b>               |              |                |             |              |             |              |             |                 |               |                |              |                 |                  |
| Earned Revenues                                   | 5,402        | 6,516          | 1,710       | 3,001        | 1,035       | 16,872       | 133         | 168             | 768           | 59             | 35,664       | 982             | 34,682           |
| Less: Operating Expenses                          | 5,091        | 6,731          | 1,686       | 2,641        | 956         | 16,761       | 121         | 337             | 781           | 483            | 35,588       | 1,031           | 34,557           |
| <b>Net Revenues from (Cost of) GSA Operations</b> | <b>\$311</b> | <b>\$(215)</b> | <b>\$24</b> | <b>\$360</b> | <b>\$79</b> | <b>\$111</b> | <b>\$12</b> | <b>\$(169)</b>  | <b>\$(13)</b> | <b>\$(424)</b> | <b>\$76</b>  | <b>\$(49)</b>   | <b>\$125</b>     |

**17. FY 2022 Net Cost by Responsibility Segment Schedule**  
**For the Fiscal Year Ended September 30, 2022**  
*(Dollars in Millions)*

| Fund  | FBF<br>Owned | FBF<br>Leased | ASF<br>GS&S | ASF<br>TTL | ASF<br>ITC | ASF<br>AAS | ASF<br>PSHC | ASF<br>TTS &<br>Other | WCF    | General<br>Funds | GSA<br>Combined | Intra<br>GSA<br>Elims | GSA<br>Consolidated |
|---|--------------|---------------|-------------|------------|------------|------------|-------------|-----------------------|--------|------------------|-----------------|-----------------------|---------------------|
| <b>Manage Building Operations</b>           |              |               |             |            |            |            |             |                       |        |                  |                 |                       |                     |
| Earned Revenues                             | \$5,334      | \$6,561       | \$—         | \$—        | \$—        | \$—        | \$—         | \$—                   | \$—    | \$—              | \$11,895        | \$66                  | \$11,829            |
| Less: Operating Expenses                    | 4,762        | 6,719         | —           | —          | —          | —          | —           | —                     | —      | —                | 11,481          | 85                    | 11,396              |
| Net Revenues from (Cost of) Operations      | 572          | (158)         | —           | —          | —          | —          | —           | —                     | —      | —                | 414             | (19)                  | 433                 |
| <b>Provide Acquisition Services</b>         |              |               |             |            |            |            |             |                       |        |                  |                 |                       |                     |
| Earned Revenues                             | —            | —             | 1,345       | 2,692      | 1,295      | 15,017     | 116         | 203                   | —      | —                | 20,668          | 167                   | 20,501              |
| Less: Operating Expenses                    | —            | —             | 1,348       | 2,449      | 1,211      | 14,918     | 110         | 299                   | —      | —                | 20,335          | 183                   | 20,152              |
| Net Revenues from (Cost of) Operations      | —            | —             | (3)         | 243        | 84         | 99         | 6           | (96)                  | —      | —                | 333             | (16)                  | 349                 |
| <b>Working Capital and General Programs</b> |              |               |             |            |            |            |             |                       |        |                  |                 |                       |                     |
| Earned Revenues                             | —            | —             | —           | —          | —          | —          | —           | —                     | 725    | 38               | 763             | 703                   | 60                  |
| Less: Operating Expenses                    | —            | —             | —           | —          | —          | —          | —           | —                     | 746    | 321              | 1,067           | 704                   | 363                 |
| Net Revenues from (Cost of) Operations      | —            | —             | —           | —          | —          | —          | —           | —                     | (21)   | (283)            | (304)           | (1)                   | (303)               |
| <b>GSA Consolidated Net Results</b>         |              |               |             |            |            |            |             |                       |        |                  |                 |                       |                     |
| Earned Revenues                             | 5,334        | 6,561         | 1,345       | 2,692      | 1,295      | 15,017     | 116         | 203                   | 725    | 38               | 33,326          | 936                   | 32,390              |
| Less: Operating Expenses                    | 4,762        | 6,719         | 1,348       | 2,449      | 1,211      | 14,918     | 110         | 299                   | 746    | 321              | 32,883          | 972                   | 31,911              |
| Net Revenues from (Cost of) GSA Operations  | \$572        | \$(158)       | \$(3)       | \$243      | \$84       | \$99       | \$6         | \$(96)                | \$(21) | \$(283)          | \$443           | \$(36)                | \$479               |

## 18. Reclassification of Financial Statement Line Items for Financial Report Compilation Process

To prepare the *Financial Report of the U.S. Government (Financial Report)*, the U.S. Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost and a Reclassified Statement of Changes in Net Position. Treasury eliminates intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the *Financial Report* statements. This note shows GSA's financial statements and GSA's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated *Financial Report* line items. The [2022 Financial Report](#) is available on the Treasury's Bureau of the Fiscal Service's website and a copy of the 2023 *Financial Report* will be posted to that site as soon as it is released.

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

**18-1. Reclassification of GSA's Statement of Net Cost for the Financial Report of the U.S. Government  
(Dollars in Millions)**

| FY 2023 GSA Statement of Net Cost   |              | Line Items Used to Prepare FY 2023 Government wide Statement of Net Cost |  |
|-------------------------------------|--------------|--|--|
| GSA Financial Statement Line        | Amounts      | Total Amounts  | Reclassified Financial Statement Line  |
| <b>GSA Consolidated Net Results</b> |              | <b>GSA Consolidated Net Results</b>                                      |  |
| Earned Revenues                     | \$34,682     | \$1  | Borrowing and Other Interest Revenue   |
|                                     |              | 1  | Borrowing Gains                        |
|                                     |              | 33,536   | Buy/Sell Revenue                       |
|                                     |              | 1  | Purchase of Assets Offset <sup>7</sup> |
|                                     |              | 33,539   | Total Intragovernmental Earned Revenue |
|                                     |              | 1,144  | Non-Federal Earned Revenue             |
|                                     |              | 34,683   | Total Reclassified Earned Revenue      |
| Less: Operating Expenses            | 34,557       | 395  | Benefit Program Costs                  |
|                                     |              | 297  | Buy/Sell Costs                         |
|                                     |              | 150  | Imputed Costs                          |
|                                     |              | 1  | Purchase of Assets <sup>7</sup>        |
|                                     |              | 110  | Other Expenses (Without Reciprocals)   |
|                                     |              | 953  | Total Intragovernmental Costs          |
|                                     |              | 33,605   | Non-Federal Gross Costs                |
|                                     |              | 34,558   | Total Reclassified Gross Costs         |
| <b>Net Revenues From Operations</b> | <b>\$125</b> | <b>\$125</b>   | <b>Net Cost</b>                        |

<sup>7</sup> Total Earned Revenue and Total Gross Costs will be off by this amount since GSA does not include USSGL 880%00 in the Earned Revenues and Operating Expenses on our Statement of Net Cost.



**18-2. Reclassification of GSA's Statement of Changes in Net Position for the Financial Report of the U.S. Government  
(Dollars in Millions)**

| FY 2023 GSA Statement of Changes in Net Position                           |                 | Line Items Used to Prepare FY 2023 Government-wide Statement of Changes in Net Position |  |
|--|-----------------|---|--|
| GSA Financial Statement Line   | Amounts         | Total Amounts   | Reclassified Financial Statement Line  |
| <b>BEGINNING BALANCE OF NET POSITION</b>                                   |                 | <b>BEGINNING BALANCE OF NET POSITION</b>  |  |
| Unexpended Appropriations  | \$8,594         | \$8,594   | Net Position, Beginning of Period  |
| Cumulative Results of Operations   | 39,213          | 39,213  | Net Position, Beginning of Period  |
| <b>Net Position Beginning Balance</b>                                      | <b>47,807</b>   | <b>47,807</b>   | <b>Net Position Beginning of Period</b>  |
| <b>CHANGES IN UNEXPENDED APPROPRIATIONS</b>                                |                 | <b>CHANGES IN UNEXPENDED APPROPRIATIONS</b>   |  |
| Appropriations Received  | 399             | 399   | Appropriations Received as Adjusted (Recissions and Other Adjustments)   |
| Appropriations Used  | (456)           | (456)   | Appropriations Used  |
| Appropriations Adjustments and Transfers (To) From Other Agencies or Funds | (63)            | (4)   | Appropriations Received as Adjusted (Recissions and Other Adjustments)   |
|  |                 | (59)  | Nonexpenditure Transfers-Out of Unexpended Appropriations and Financing Sources  |
| <b>Net Change in Unexpended Appropriations</b>                             | <b>(120)</b>    | <b>(120)</b>  | <b>Net Change in Unexpended Appropriations</b>   |
| <b>RESULTS OF OPERATIONS</b>   |                 | <b>RESULTS OF OPERATIONS</b>  |  |
| Net Revenues From (Cost of) Operations                                     | 125             | 125   | Net Cost of Operations   |
| Appropriations Used (Note 1-C)   | 456             | 456   | Appropriations Expended  |
| Non-Exchange Revenue (Notes 1-C, 1-D)                                      | 47              | 47  | Other Taxes and Receipts   |
| Imputed Financing Provided By Others                                       | 150             | 150   | Imputed Financing Sources  |
| Transfers of Financing Sources (To) From the U.S.Treasury                  | (32)            | (32)  | Non-Entity Collections Transferred to the General Fund of the U.S. Gov't   |
| Transfers of Net Assets and Liabilities (To) From Other Federal Agencies   | (129)           | (30)  | Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Nonexchange |
|  |                 | 15  | Expenditure Transfers-In of Financing Sources  |
|  |                 | (20)  | Expenditure Transfers-Out of Financing Sources   |
|  |                 | 35  | Transfers-In Without Reimbursement   |
|  |                 | (129)   | Transfers-Out Without Reimbursement  |
| Other  | (1)             | (1)   | Other Non-Budgetary Financing Sources  |
| <b>Net Change in Cumulative Results of Operations</b>                      | <b>616</b>      | <b>616</b>  | <b>Net Change in Cumulative Results of Operations</b>  |
| <b>ENDING BALANCE OF NET POSITION</b>                                      |                 | <b>ENDING BALANCE OF NET POSITION</b>   |  |
| Unexpended Appropriations  | 8,474           | 8,474   | Net Position, End of Period  |
| Cumulative Results of Operations   | 39,829          | 39,829  | Net Position, End of Period  |
| <b>Net Position Ending Balance</b>   | <b>\$48,303</b> | <b>\$48,303</b>   | <b>Net Position, End of Period</b>   |

## 19. Public-Private Partnerships (P3s)

SFFAS 49, *Public-Private Partnerships*, helps achieve the operating performance and budgetary integrity objectives outlined in Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, by making P3s more understandable. This statement establishes principles to ensure that any necessary disclosures about P3s are presented in the agency's AFR. SFFAS 49 mandates that when arrangements with private entities meet certain characteristics, these arrangements must be disclosed in the AFR.

PBS enters into long-term (greater than 5 years) arrangements (contracts) with private corporations, where: 1) There is a risk-reward relationship; 2) The arrangement results in a long-lived asset; and 3) PBS relies on the P3 partner's determination of the performance or return on investment.

### Outleases<sup>8</sup>

Outleasing is an asset-management tool to help maximize Federal revenue generation. It is used when a property, or a portion thereof, is vacant and not needed for current or projected agency purposes. It can also be used to encourage certain activities within or near public buildings, such as food courts, farmers markets, rooftop antennas, and motion picture projects.

GSA has several authorities that it may use to enter into outlease agreements with non-Federal entities. These include 40 U.S.C. § 543, which authorizes the disposal of surplus property by lease and other means; 40 U.S.C. § 581(h), which authorizes the lease of certain spaces in public buildings for commercial, cultural, educational, or recreational activity; 54 U.S.C. § 306121, which authorizes the lease of historic property, if the lease contains provisions that will adequately ensure the preservation of the historic property; and Section 412 of the Consolidated Appropriations Act of 2005, Public Law No. 108-447, which authorizes the conveyance by lease and other means of real and related personal property, or interests therein.

Some of GSA's outlease arrangements are long-term (i.e., greater than 5 years), and entail 1) a risk/reward relationship; 2) a term that encumbers a significant portion of the economic life of the asset; and 3) rent that is based, in part, on a percentage of gross revenues reported by the tenant. The term of an outlease arrangement can vary — from a single day usage of space to multiple years in length. Currently, the longest remaining outlease term is 58 years.

The general risk of loss to the Federal Government is low, but there is risk associated with an uncured tenant default that may result in a lease termination and unexpected vacancy or damage to the property. In this instance, GSA may incur costs to repair any damage to the property or to operate and maintain the property during any period of vacancy.

The outlease agreements generally require the non-Federal entity to assume all of the costs and expenses associated with maintaining and operating the leased property during the term of the agreement.

Agreement amounts due monthly to GSA are shown below for the fixed amounts from outleases with terms greater than 5 years. The amounts reported below do not include any variable payment portions due to GSA from the business entities sales in outyears, as those are not known.

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<sup>8</sup> Non-federal entity funding sources for outleases is unknown.

## Energy Savings Performance Contracts and Utility Energy Service Contracts<sup>9</sup>

The National Energy Conservation Policy Act, as amended, authorizes Federal agencies to enter into energy savings performance contracts (individually, an ESPC) with energy service companies (individually, an ESCO) for the purpose of achieving energy savings and other related benefits. This authority is codified at 42 U.S.C. § 8287. Similarly, utility energy service contracts (individually, a UESC) is a limited-source acquisition between a federal agency and a serving utility company for energy management services, including energy and water efficiency improvements and energy demand reduction. This authority is codified under 42 U.S.C. § 8256.

Agencies enter into these contracts with limited to no up-front capital costs, thereby minimizing the need for congressional appropriations. The ESCO or utility company conducts a comprehensive energy audit for the Federal facility and identifies improvements to achieve energy savings. In consultation with the agency, the ESCO or utility company designs and constructs a project that meets the agency's needs and arranges the necessary funding. The ESCO guarantees that the improvement projects will generate energy, water and related savings sufficient to pay for the project over the term of the ESPC. The ESPCs cost savings must be verified and documented annually. For UESCs the performance of the equipment must be validated annually. Both performance validation (UESCs) and energy savings validation (ESPCs) provide for the assumption that after the contract ends, any additional energy savings accrue to the agency.

Generally, the risk of loss to the Federal Government is low, but there is risk associated with 1) the potential failure of an ESCO or utility company to provide ongoing satisfactory performance throughout the project lifecycle to ensure that the project is successful as designed; 2) the potential chance that equipment might be improperly operated and maintained, resulting in less than expected savings; and 3) the potential that financial loss from early contract termination could include termination fees. All costs for the actual ESPC or UESC equipment installed in GSA's buildings are recognized when the assets are initially accepted and recognized as installment contract liabilities on the consolidated balance sheets. The payback period with the ESCO or utility company varies per arrangement; however, it is generally between 10 and 20 years. Since the costs of ESPC or UESC projects are intended to be paid for via energy savings with no need for additional funding, if savings are not realized due to Government action, alternative funding sources may have to be used to satisfy contractual commitments. For ESPCs, this risk is mitigated if the savings are not realized due to ESCO non-performance as the Government then has the ability to reduce or withhold payment. The potential for a shortfall in energy savings is the primary financial risk related to ESPCs and UESCs. With regard to any technical performance risk, generally, the ESCO or utility company is responsible for ensuring that energy savings are met throughout the performance period.

In the table below, of the total \$1.3 billion shown as the amount to be paid in future periods, \$628 million has been recognized as installment contract liability as of September 30, 2023; \$176 million is for the future interest costs associated with the long-term financing of that liability; and \$495 million represents the contractual estimate of operations and maintenance support costs to be incurred over the life of the ESPCs.

<sup>9</sup> Utility Energy Service Contracts (UESCs) were evaluated against SFFAS 49 disclosure requirements and, due to an increase in new UESC contracts, deemed material in value for disclosure in FY 2023; no such disclosure was presented for FY 2022.

## Power Purchase Agreements<sup>10</sup>

Power Purchase Agreements (PPAs) are contracts for public utility services that fall within GSA's authority under 40 U.S.C. §501(b)(1). A PPA is a long-term contract between a renewable energy developer and GSA. The developer constructs, owns and operates a carbon free electric (CFE) resource requiring no up-front capital from GSA. GSA agrees to purchase the project's CFE for a fixed price during the contract term. GSA also receives the associated ("bundled") Energy Attribute Certificates (EACs). Through PPAs, GSA can purchase cost-effective renewable and carbon pollution-free electricity from third-party owned renewable energy sources. PPAs are one of the essential ways GSA can reach the goals expressed in Section 203 of Executive Order (E.O.) 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability (December 8, 2021). PPAs are a necessary component in support of GSA's electrification efforts and reaching the Administration's renewable energy and net zero goals.

The general risk of loss to GSA for PPAs is moderate, as these agreements are subject to market risk. If electricity prices decline during the term of the contract(s), GSA may end up paying more for fixed price electricity than it would on the open market.

GSA has authority to enter into PPAs for periods not exceeding ten years pursuant to 40 U.S.C. § 501 and GSAM 517.204(b). GSA currently has PPA's for both solar and wind energy production; these contracts are set to expire in early FY 2027, and payments or net credits will continue through this period. In FY 2023, GSA approved net payments for \$29 million, through a third party with such renewable energy developers and received almost \$12 million as a result of the net positive market prices and energy generation. Some agreements provide for monthly offsets of amounts GSA owes based on lower energy generated than the fixed kilowatts required in the contract, while other agreements are structured with final reconciliation at contract termination. GSA estimates to receive approximately \$13 million in FY 2024.

### 19. Public-Private Partnerships Revenues and Expenses (Dollars in Millions)

| Agreements/Contracts | 2022                                  |                                   | 2023                                  |                                   | Future Periods                  |                             |
|----------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------|-----------------------------|
|                      | Actual Amount Received in Fiscal Year | Actual Amount Paid in Fiscal Year | Actual Amount Received in Fiscal Year | Actual Amount Paid in Fiscal Year | Estimated Amount to be Received | Estimated Amount to be Paid |
| Outleases            | \$17                                  |                                   | \$13                                  |                                   | \$228                           |                             |
| ESPCs/UESCs          |                                       | \$102                             |                                       | \$106                             |                                 | \$1,299                     |
| PPAs <sup>11</sup>   |                                       |                                   | \$12                                  | \$29                              | \$13                            |                             |

<sup>10</sup> PPAs were evaluated against SFFAS 49 disclosure requirements and deemed eligible for disclosure in FY 2023; no such disclosure was presented for FY 2022.

<sup>11</sup> Due to market variability, future years payments for PPAs are not estimable with a reasonable margin of error.

## 20. Funds from Dedicated Collections

GSA receives Dedicated Collections only in its Other Funds category. The amounts are not material to the consolidated financial statements.

## 21. Subsequent Events

Management is not aware of any events or transactions that have occurred, subsequent to the balance sheet date but prior to the issuance of the financial statements, that have or could have a material effect on the financial statements and, therefore, require adjustment or disclosure in the statements.