

NOTES TO THE FINANCIAL STATEMENTS

(For the Fiscal Years Ended September 30, 2021, and 2020)

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 available 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 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) No-year and Multi-Year
- Working Capital Fund (WCF)

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 one-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
- Data Driven Innovation – Executive Office of the President (EOP) Child
- 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
- Information Technology Oversight and Reform - EOP Child
- Expenses, OIG
- OIG – No-Year
- Operating Expenses, GSA
- Real Property Relocation
- Technology Modernization Fund (TMF)
- 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 Fund²
- Environmental Review Improvement Fund^{2,3}
- 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

² This fund, as of the end of FY 2021, has yet to receive any funds from dedicated collections.

³ Management of the Environmental Review Improvement Fund was transferred out of GSA. The Agency still has an obligation to report residual balances to the Treasury.

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, and
- 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
- GSA Child Care Deposits
- 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

GSA is able to delegate authority for certain programs and financial operations to other Federal agencies to execute on GSA's behalf. Unique sub-accounts, also known as allocation accounts (child), of GSA funds (parent) are created in the U.S. Treasury to provide for the reporting of obligations and outlays incurred by such other agencies.

All child allocation account financial activity is reportable in combination with the results of the parent fund, from which the underlying legislative authority, appropriations, and budget apportionments are derived.

In addition, other agencies may delegate certain programs and financial operations to GSA to execute on their behalf. The GSA Data Driven Innovation Fund was established in fiscal year (FY) 2015 as a child account to the EOP Data Driven Innovation Fund. The amount transferred to this child account supports an initiative to increase tax filings by potentially eligible Earned Income Tax Credit claimants. In accordance with Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, agencies that receive allocation transfers from the EOP are to include such balances in their financial statements.

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. The Consolidated Balance Sheets present the financial position of GSA using a format segregating intragovernmental balances. The format of the Balance Sheet changed in FY 2021, to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position; instead, it allows readers to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States

Government. The presentation of the FY 2020 Balance Sheet was modified to be consistent with the FY 2021 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 Changes in 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.

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

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, 2021, and 2020, 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 programs generated \$252 million in fees, constituting 1 percent of ASF revenues in FY 2021, and \$219 million in fees, constituting 1 percent of ASF revenues in FY 2020.

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.

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 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. In some cases, public law entitles the controlling agency to the sales proceeds, net of disposal expenses incurred by GSA. Proceeds from the disposal of equipment are generally retained by GSA to replace equipment. 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.

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 five 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.

GSA maintains a fleet of motor vehicles for rental 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 two 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.

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, 2021, and 2020.

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, 2021, and 2020, 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)

2021	Obligated Balance, Net ¹	Unobligated Balance Available	Unobligated Balance Unavailable	Non-Budgetary FBwT	Total
FBF	\$ (364)	\$ 4,477	\$ 9,340	\$ —	\$ 13,453
ASF	(316)	1,177	920	—	1,781
Other Funds	354	174	1,383	145	2,056
Total	\$ (326)	\$ 5,828	\$ 11,643	\$ 145	\$ 17,290

2020	Obligated Balance, Net ¹	Unobligated Balance Available	Unobligated Balance Unavailable	Non-Budgetary FBwT	Total
FBF	\$ (329)	\$ 4,584	\$ 8,234	\$ —	\$ 12,489
ASF	(170)	1,004	433	—	1,267
Other Funds	361	165	214	147	887
Total	\$ (138)	\$ 5,753	\$ 8,881	\$ 147	\$ 14,643

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). These 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 \$111 million and \$104 million at September 30, 2021, and 2020, respectively, of which \$6 million and \$9 million, respectively, of unused funds from expired appropriations were returned to the U.S. Treasury as of September 30. 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 \$45 million and \$47 million at September 30, 2021, and 2020, respectively. The FBF has balances that are temporarily not available in accordance with annual appropriations acts that limit the amount of reimbursable resources that are available for spending each year. Such amounts totaled \$9 billion and \$8 billion at September 30, 2021, and 2020, 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 \$3 million and \$10 million in FY 2021 and FY 2020, 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 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, 2021, and 2020, 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 \$33 million and \$42 million, as of September 30, 2021, and 2020, respectively.

4. Accounts and Notes Receivable, Net

Substantially all accounts receivable are from other Federal agencies, with only 2.5 percent and 3.1 percent due from non-federal customers as of September 30, 2021, and 2020, 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 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, 2021, and 2020, accumulated unrecognized interest on all notes deemed uncollectible totaled \$309 million and \$273 million, respectively. A summary of accounts receivable as of September 30, 2021, and 2020, is as follows:

4. Accounts Receivable

(Dollars in Millions)

Fund Fiscal Year	FBF		ASF		Other Funds		Intra-GSA Eliminations	Intra-GSA Eliminations	GSA Consolidated Totals	GSA Consolidated Totals
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Accounts Receivable - Billed	\$88	\$105	\$90	\$88	\$2	\$12	\$—	\$—	\$180	\$205
Accounts Receivable - Unbilled	247	294	5,009	3,469	69	71	(39)	(41)	5,286	3,793
Allowance for Doubtful Accounts	(3)	(11)	(11)	(9)	(1)	(1)	—	—	(15)	(21)
Capital Lease Payments Receivable	24	28	1	1	—	—	—	—	25	29
Unamortized Deferred Charges and Prepayments	114	96	—	—	—	—	—	—	114	96
Total Accounts Receivable, Net	\$470	\$512	\$5,089	\$3,549	\$70	\$82	\$(39)	\$(41)	\$5,590	\$4,102

5. Other Assets

As of September 30, 2021, and 2020, Other Assets were comprised of the following balances:

5. Other Assets

(Dollars in Millions)

Fund Fiscal Year	FBF		ASF		Other Funds		GSA Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
Surplus Property Held for Sale	\$34	\$34	\$14	\$28	\$—	\$—	\$48	\$62
Intangible Assets	—	—	8	11	—	—	8	11
Miscellaneous	2	2	—	—	—	—	2	2
Total Other Assets - With the Public	\$36	\$36	\$22	\$39	\$—	\$—	\$58	\$75

6. Property and Equipment, Net

A. Summary of Balances

Balances in GSA Property and Equipment accounts subject to depreciation as of September 30, 2021, and 2020, are summarized below:

6A-1. Depreciable Property and Equipment

(Dollars in Millions)

	2021			2020		
	Cost	Accumulated Depreciation	Net book Value	Cost	Accumulated Depreciation	Net book Value
Buildings:						
FBF	\$52,553	\$32,990	\$19,563	\$51,205	\$31,256	\$19,949
Leasehold Improvements:						
FBF	194	186	8	217	205	12
ASF	13	11	2	13	10	3
Other Funds	4	4	—	4	3	1
Total Leasehold Improvements	211	201	10	234	218	16
Motor Vehicles:						
ASF	6,540	2,554	3,986	6,474	2,453	4,021
Other Equipment:						
FBF	103	91	12	127	115	12
ASF	127	76	51	134	96	38
Other Funds	48	39	9	44	32	12
Total Other Equipment	278	206	72	305	243	62
Total Property and Equipment	\$59,582	\$35,951	\$23,631	\$58,218	\$34,170	\$24,048

6A-2. Total Property and Equipment Summary of Changes

(Dollars in Millions)

	2021				2020			
	FBF	ASF	Other Funds	GSA Consolidated	FBF	ASF	Other Funds	2020 GSA Consolidated
Net Book Value - Beginning	\$23,287	\$4,062	\$12	\$27,361	\$22,843	\$3,992	\$17	\$26,852
Capitalized Acquisitions	1,681	794	5	2,480	2,169	847	5	\$3,021
Disposals	—	(202)	—	(202)	(14)	(168)	—	\$(182)
Depreciation Expense	(1,719)	(615)	(8)	(2,342)	(1,711)	(609)	(10)	(2,330)
Net Book Value - Ending	\$23,249	\$4,039	\$9	\$27,297	\$23,287	\$4,062	\$12	\$27,361

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 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, 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 \$1.9 billion for environmental and disposal liabilities as of September 30, 2021 and 2020, 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 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)

	2021	2020
Environmental Liabilities (external releases to the environment)	\$104	\$107
Asbestos Liabilities	1,489	1,518
PP&E: Non-asbestos Liabilities	299	292
Total Environmental and Disposal Liabilities (amortized)¹	\$1,892	\$1,917

¹ Does not include non-GSA assets that are included on the Balance Sheet

C. Environmental Liabilities: External Releases to the Environment

PBS reported a total estimated environmental liability (releases to the environment) of \$104 million for FY 2021. This is a decrease from \$107 million for FY 2020. 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, 2021 and 2020, GSA's FBF had \$34 million for and \$19 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. During FY 2021, changes to GSA's total estimated liability consisted of cost re-estimates, inflation, and amortization of remaining future year costs.

The amortized asbestos-related liabilities reported for FY 2021 are \$1.49 billion, which is a slight decrease from FY 2020, which was \$1.52 billion. The decrease is due to changes in asbestos liability cost factors based upon updated building asbestos abatement cost estimates. The unamortized asbestos liability for FY 2021 is \$5 million; in FY 2020, this amount was \$7 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. For FY 2021, the amortized PP&E non-asbestos related liabilities are \$299 million, compared to FY 2020 of \$292 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 for FY 2021 is \$43 million; this amount was \$46 million in FY 2020.

F. Heritage Assets

The average age of GSA buildings is 49 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 2021, GSA has under its jurisdiction, custody and control 423 buildings on the National Register of which 74 are designated as National Historic Landmarks. An additional 91 buildings are potentially eligible for listing in the National Register, but have not gone 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 DOI.

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 injured on the job, 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 2021 and FY 2020 were calculated by DOL using the following discount rates:

7. Discount Rates

Type of Benefits	2021		2020	
	Year 1	Year 2 and thereafter	Year 1	Year 2 and thereafter
Wage Benefits	2.23%	2.23%	2.41%	2.41%
Medical Benefits	2.06%	2.06%	2.30%	2.30%

At September 30, 2021, and 2020, GSA's actuarial liability, reported in Federal Employee Benefits Payables on the Balance Sheet, totaled \$118 million and \$124 million, respectively. As reported in Note 9, Other Intragovernmental Liabilities on the Balance Sheet, the Workers Compensation accrued liability at September 30, 2021, and 2020, totaled \$21 million and \$23 million, respectively.

8. Leasing Arrangements

As of September 30, 2021, 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 are schedules of future minimum rental payments required under leases that have non-cancelable terms in excess of one year and under capital leases, together with the present value of the future minimum lease payments. For the present value of future minimum lease payments under capital leases, the full balance will have funding made available in the year the payment is due:

8-1. Future Minimum Rental Payments

(Dollars in Millions)

OPERATING LEASES		CAPITAL LEASES	
FISCAL YEAR	FBF	FISCAL YEAR	FBF
2022	\$3,831	2022	\$4
2023	3,337	2023	—
2024	2,932	2024	—
2025	2,534	2025	—
2026	2,229	2026	—
2027 and thereafter	10,897	2027 and thereafter	—
Total future minimum lease payments	\$25,760	Total future minimum lease payments	\$4
		Less: Amounts representing	
		Interest	—
		Executory Costs	—
		Total obligations under capital leases	\$4

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.

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

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

Fiscal Year	FBF	ASF	TOTAL
2022	\$1,717	\$2	\$1,719
2023	1,409	1	1,410
2024	1,271	1	1,272
2025	1,157	—	1,157
2026	1,102	—	1,102
2027 and thereafter	6,595	—	6,595
Total future minimum lease receipts	\$13,251	\$4	\$13,255

For four 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. FIT currently has two agreements where the furniture and IT equipment may transfer to the customer agency at the end of the agreement term. The remaining minimum rental payments due from these agreements are as follows:

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

Fiscal Year	FBF	ASF	Total
2022	\$4	\$1	\$5
2023	4	—	4
2024	3	—	3
2025	3	—	3
2026	2	—	2
2027 and thereafter	9	—	9
Total future minimum rental receipts	\$25	\$1	\$26

Rental income under space assignment agreements and related reimbursable arrangements for tenant improvements and above-standard service requirements approximated \$6.5 billion for FY 2021 and \$6.7 billion FY 2020, respectively. The vast majority of the rental income in FY 2021 comes from Federal agencies and entities, while only \$21 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 2021 and \$5.8 billion for FY 2020. Of the \$5.6 billion in FY 2021 rent expense, only \$22 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 \$300 million for FY 2021 million and \$336 million for FY 2020, and accumulated amortization on such structures of \$299 million for FY 2021 and \$329 million for FY 2020. For substantially all of its leased property, GSA expects that such leases will be either renewed or replaced in the normal course of business in accordance with the needs of its customer agencies.

9. Other Liabilities

As of September 30, 2021, and 2020, 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 Benefit Withholdings, Salaries and Benefits Payable, and Deposits in Clearing Funds, which are current liabilities. Other Intragovernmental Liabilities and Other Liabilities consisted of the following:

9. Other Intragovernmental Liabilities and Other Liabilities

(Dollars in Millions)

	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated Totals	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
OTHER INTRAGOVERNMENTAL LIABILITIES										
Workers' Compensation Due to DOL	\$12	\$12	\$6	\$8	\$3	\$3	\$—	\$—	\$21	\$23
Federal Benefit Withholdings	8	9	5	6	4	5	—	—	17	20
Amounts Owed to General Fund	—	—	—	—	2	1	—	—	2	1
Amounts Owed to Other Agencies	—	—	—	—	5	37	—	—	5	37
Deposits in Clearing Funds	—	—	—	—	11	14	—	—	11	14
Other	2	—	2	—	1	—	—	—	5	—
Total Other Intragovernmental Liabilities	\$22	\$21	\$13	\$14	\$26	\$60	\$—	\$—	\$61	\$95
OTHER LIABILITIES										
Salaries and Benefits Payable	31	37	23	21	18	15	—	—	72	73
Other	10	—	—	—	—	—	—	—	10	—
Lease Termination Liability	668	561	—	1	—	—	—	—	668	562
Contingencies	1	1	—	—	—	—	—	—	1	1
Deposit Fund Liability	—	—	—	—	23	28	—	—	23	28
Capital Lease Liability	4	30	—	—	—	—	—	—	4	30
Total Other Liabilities	\$714	\$629	\$23	\$22	\$41	\$43	\$—	\$—	\$778	\$694

10. Commitments and Contingencies

A. 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, 2021, and 2020, are as follows:

10A. Undelivered Orders

(Dollars in Millions)

	2021					2020				
	Federal	Non-Federal	Paid	Unpaid	Total	Federal	Non-Federal	Paid	Unpaid	Total
FBF	\$73	\$3,411	\$51	\$3,433	\$3,484	\$119	\$3,043	\$90	\$3,072	\$3,162
ASF	779	9,515	34	10,260	10,294	164	10,505	50	10,619	10,669
Other Funds	111	200	3	308	311	175	153	—	328	328
Total Undelivered Orders	\$963	\$13,126	\$88	\$14,001	\$14,089	\$458	\$13,701	\$140	\$14,019	\$14,159

B. 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.

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.

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 carbon-fueled 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.

The accrued and reasonably possible contingencies as of September 30, 2021, and 2020 are summarized in the table below:

10B. Accrued and Reasonably Possible Contingencies

(Dollars in Millions)

2021	Accrued Liabilities	Estimated Range of Loss	
		Lower End	Upper End
Legal Contingencies:			
Probable - FBF	\$1	\$1	\$1
Probable - Other Funds	—	—	1
Total Probable	1	1	2
Reasonably Possible - ASF		—	2
Reasonably Possible - FBF		75	208
Reasonably Possible - Other Funds		—	3
Total Reasonably Possible		75	213
Environmental Contingencies:			
Probable - Other Funds	\$20	\$20	\$80
Reasonably Possible - Other Funds		—	161
2020			
Legal Contingencies:			
Probable - FBF	\$1	\$1	\$5
Probable - Other Funds	—	—	1
Total Probable	1	1	6
Reasonably Possible - ASF		1	1
Reasonably Possible - FBF		70	211
Reasonably Possible - Other Funds		—	9
Total Reasonably Possible		71	221
Environmental Contingencies:			
Probable - Other Funds	\$43	\$43	\$43
Reasonably Possible - Other Funds		20	241

C. 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.

The recognition of claims to be funded solely 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.

Amounts paid from the U.S. Treasury Judgment Fund on behalf of GSA, regardless of ultimate funding, were as follows:

10C. Judgment Fund Payments

(Dollars in Millions)

	2021	2020
FBF	\$1	\$20
Other Funds	53	10
Total Judgment Fund Payments	\$54	\$30

Of these amounts, the most significant balances are related to Contract Disputes Act claims in the FBF and Environmental and Disposal claims in Other Funds. 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. 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. For those non-reimbursable claim payments, GSA would record imputed financing sources and imputed costs to reflect those payments made on its behalf. For FY 2021 and FY 2020 GSA recorded \$53 million and \$10 million, respectively, 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.

There is a significant decrease in the FBF related amounts paid by the U.S. Treasury Judgment Fund from the prior year as there was a Contract Disputes Act claim that was paid by the U.S. Treasury Judgment Fund for almost \$15 million in FY 2020. For the Other Funds, the most notable increase in claims paid by the U.S. Treasury Judgment Fund in FY 2021 is due to an Environmental claim for over \$37 million where GSA is the sole party responsible for the claim.

11. Liabilities Not Covered By Budgetary Resources

As of September 30, 2021, and 2020, 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)

	FBF		ASF		Other Funds		Less: Intra-GSA Eliminations		GSA Consolidated Totals	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Accounts Payable - Federal	\$—	\$—	\$—	\$—	\$11	\$23	\$(11)	\$(23)	\$—	\$—
Deferred Revenues - Federal	4	6	3	5	—	—	—	—	7	11
Judgment Fund Liability	524	524	—	—	—	—	—	—	524	524
Other Intragovernmental Liabilities	12	12	6	8	3	3	—	—	21	23
Total Intragovernmental Liabilities Not Covered by Budgetary Resources	540	542	9	13	14	26	(11)	(23)	552	558
Installment Purchase Liability	661	664	—	—	—	—	—	—	661	664
Annual Leave Liability	62	59	43	40	37	36	—	—	142	135
Other Federal Employee Benefits Payable	—	—	—	—	14	13	—	—	14	13
Worker's Compensation Actuarial Liability	71	71	28	39	18	13	—	—	117	123
Environmental and Disposal Liabilities	1,892	1,917	—	—	20	43	—	—	1,912	1,960
Capital Lease Liability	4	29	—	—	—	—	—	—	4	29
Other Liabilities	1	1	—	1	—	—	—	—	1	2
Total Non-Intragovernmental Liabilities Not Covered by Budgetary Resources	2,691	2,741	71	80	89	105	—	—	2,851	2,926
Total Liabilities Not Covered By Budgetary Resources	3,231	3,283	80	93	103	131	(11)	(23)	3,403	3,484
Total Liabilities Covered By Budgetary Resources	1,570	1,687	4,592	3,075	109	99	(28)	(18)	6,243	4,843
Total Liabilities Not Requiring Budgetary Resources	668	559	—	1	40	79	—	—	708	639
Total Liabilities	\$5,469	\$5,529	\$4,672	\$3,169	\$252	\$309	\$(39)	\$(41)	\$10,354	\$8,966

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 - With the Public are 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 Amounts Owed to the General Fund/Other Agencies shown as custodial collections 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 2022 President's Budget, which contains FY 2020 financial statement results. The FY 2023 President's Budget, containing FY 2021 actual results, is expected to be released in February 2022, on OMB's website. 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 due to an alternative rounding methodology GSA used.

The following two schedules highlight the most significant comparable amounts reported in the FY 2020 CSBR and the FY 2022 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 \$40.3 billion and \$16.9 billion as of September 30, 2020, respectively, represent budgetary resources net of FBF's unavailable budgetary resources of \$7.6 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.

12-1. Total Differences - CSBR Compared to President's Budget by Fund

(Dollars in Millions)

	FBF		ASF		OTHER FUNDS		GSA COMBINED TOTALS		
	CSBR	Pres. Budget	CSBR	Pres. Budget	CSBR	Pres. Budget	CSBR	Pres. Budget	Difference
Budgetary Resources	\$24,551	\$24,550	\$21,953	\$21,953	\$1,431	\$1,382	\$47,935	\$47,885	\$50
New Obligations and Upward Adjustments	11,706	11,706	20,516	20,516	1,053	1,050	33,275	33,272	3
Net Outlays (Receipts) from Operating Activities	(316)	(317)	(134)	(135)	252	251	(198)	(201)	3
Distributed Offsetting Receipts	—	—	—	—	(67)	—	(67)	—	(67)

12-2. Components of each difference all funds combined

(Dollars in Millions)

	Budgetary Resources	New Obligations and Upward Adjustments	Net Outlays (Receipts) from Operating Activities	Distributed Offsetting Receipts
Combined Statement of Budgetary Resources	\$47,935	\$33,275	\$(198)	\$(67)
Expired Funds, Not Reflected in the Budget	(49)	(3)	—	—
Offsetting Receipts, Not Reflected in the Budget	—	—	—	67
Other	(1)	—	(3)	—
Budget of the U.S. Government	\$47,885	\$33,272	\$(201)	\$—

13. Combined Statements of Budgetary Resources

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 2021 or FY 2020.

13. Adjustments to Unobligated Balances Brought Forward

(Dollars in Millions)

	FBF		ASF		Other Funds		GSA Combined Totals	
	2021	2020	2021	2020	2021	2020	2021	2020
Prior Year Total Unobligated Balance, End of Period	\$5,216	\$5,499	\$1,437	\$1,310	\$378	\$355	\$7,031	\$7,164
Adjustments to Unobligated Balance Brought Forward								
Unobligated Balance transferred to other accounts	—	—	—	—	(17)	(30)	(17)	(30)
Unobligated Balance transferred from other accounts	—	—	—	—	10	4	10	4
Adjustment of Unobligated Balance Brought Forward, October 1	—	—	—	—	—	—	—	—
Recoveries of Prior Year Unpaid Obligations	112	100	1,234	756	39	29	1,385	885
Other Changes in Unobligated Balance	2	(1)	5	3	(9)	(3)	(2)	(1)
Total Adjustments to Unobligated Balance Brought Forward	114	99	1,239	759	23	—	1,376	858
Unobligated Balance from Prior Year Budget Authority, Net	\$5,330	\$5,598	\$2,676	\$2,069	\$401	\$355	\$8,407	\$8,022

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 \$1.1 billion and \$138⁴ million as of September 30, 2021, and 2020, 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.

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 Judgement Fund. Amounts recognized as normal cost related to contributions, as well as imputed costs are further provided below.

B. Civil Service Retirement System

At the end of FY 2021, 3.0 percent (down from 3.0 percent in FY 2020) of GSA employees were covered by the CSRS, a defined benefit plan. Total GSA (employer) contributions (7.5 percent of

⁴ These balances do not include any applicable Intra-GSA elimination adjustments.

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)

	2021	2020
FBF	\$1	\$1
ASF	1	1
Other Funds	1	1
Total Employer Contributions	\$3	\$3

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, 2021, 97.4 percent (up from 96.9 percent in FY 2020) 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 \$19,500 in their TSP account in both calendar years 2021 and 2020, respectively. In addition, for FERS employees, GSA automatically contributes one percent of base pay and matches employee contributions up to an additional four percent of base pay. For calendar years 2021 and 2020, total contributions made on behalf of an employee could not exceed \$58,000 and \$57,000, respectively. For FY 2021, the GSA (employer) contributions to FERS (35.8 percent of base pay for law enforcement employees (up from 33.4 percent in FY 2020) and 17.3 percent for all others (up from 16 percent in FY 2020) were as follows:

15C. Total Employer Contributions to Federal Employees Retirement System

Automatic contributions

(Dollars in Millions)

	2021	2020
FBF	\$96	\$86
ASF	66	57
Other Funds	57	51
Total Employer Contributions	\$219	\$194

Additional GSA contributions to the TSP were as follows:

15C. Additional GSA Contributions to Thrift Savings Plan

Matching contributions

(Dollars in Millions)

	2021	2020
FBF	\$26	\$25
ASF	18	17
Other Funds	15	14
Total Employer Contributions	\$59	\$56

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 \$142,800 and \$137,700 in calendar years 2021 and 2020, respectively) to SSA's Old-Age, Survivors, and Disability Insurance Program in both calendar years 2021 and 2020. 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 2021 and 2020. In both FY 2021 and 2020, 0.1 percent of GSA employees are covered exclusively by these programs. Payments to these programs were as follows:

15D. Total Employer Contributions - Social Security System

(Dollars in Millions)

	2021	2020
FBF	\$42	\$41
ASF	30	28
Other Funds	24	23
Total Employer Contributions	\$96	\$92

E. Schedule of Unfunded Benefit Costs

Amounts recorded in fiscal years 2021 and 2020, 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)

	Pension Benefits	Health/Life Insurance	Total
2021			
FBF	\$4	\$39	\$43
ASF	4	23	27
Other Funds	4	20	24
Total Unfunded Benefit Costs	\$12	\$82	\$94
2020			
FBF	\$4	\$35	\$39
ASF	4	21	25
Other Funds	4	18	22
Total Unfunded Benefit Costs	\$12	\$74	\$86

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-C.

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 2021 Budget and Accrual Reconciliation

(Dollars in Millions)

	Federal Buildings Fund			Acquisition Services Fund			Other Funds			Less: Intra-GSA Eliminations			GSA Consolidated		
	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	2021 with the Public	Total
Net Cost (Revenue) of Operations			\$(778)			\$(465)			\$364			\$36			\$(915)
Components of Net Cost Not Part of the Budget Outlays															
Property, plant, and equipment depreciation expense	—	(1,721)	(1,721)	—	(615)	(615)	—	(9)	(9)	—	—	—	—	(2,345)	(2,345)
Property, plant, and equipment disposals and revaluations	—	232	232	—	(215)	(215)	—	—	—	—	—	—	—	17	17
Increase/(Decrease) in Assets															
Accounts receivable, net	(45)	3	(42)	1,533	13	1,546	(6)	—	(6)	—	—	—	1,482	16	1,498
Loans receivable, net (Non-FCRA)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other assets	(39)	—	(39)	(30)	10	(20)	3	—	3	—	—	—	(66)	10	(56)
(Increase)/Decrease in Liabilities															
Accounts Payable	29	90	119	(6)	(1,511)	(1,517)	(7)	—	(7)	—	—	—	16	(1,421)	(1,405)
Environmental and disposal liabilities	—	25	25	—	—	—	—	22	22	—	—	—	—	47	47
Federal employee benefits payable	—	(3)	(3)	—	8	8	—	(7)	(7)	—	—	—	—	(2)	(2)
Federal debt and interest payable	—	31	31	—	—	—	—	—	—	—	—	—	—	31	31
Other Liabilities	—	(89)	(89)	32	(2)	30	2	(2)	—	—	—	—	34	(93)	(59)

16. FY 2021 Budget and Accrual Reconciliation (continued)

(Dollars in Millions)

	Federal Buildings Fund			Acquisition Services Fund			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
Financing Sources															
Imputed Cost	(62)	—	(62)	(42)	—	(42)	(79)	—	(79)	(36)	—	(36)	(147)	—	(147)
Transfers out (in) without reimbursements	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Components of the budget outlays that are not part of net operating cost															
Acquisition of capital assets	—	1,364	1,364	771	2	773	—	5	5	—	—	—	771	1,371	2,142
Acquisition of inventory	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	(2)	(2)	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Net Outlays (Receipts) from Operating Activity			(965)			(517)			286			—			(1,196)
Distributed Offsetting Receipts			—			—			(74)			—			(74)
Total Net Outlays			\$(965)			\$(517)			\$212			\$—			\$(1,270)

16. FY 2020 Budget and Accrual Reconciliation

(Dollars in Millions)

	Federal Buildings Fund			Acquisition Services Fund			Other Funds			Less: Intra-GSA Eliminations			GSA Consolidated		
	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total	Intra-govern mental	With the Public	Total
Net Cost of Operations	\$—	\$—	\$(436)	\$—	\$—	\$(252)	\$—	\$—	\$336	\$—	\$—	\$32	\$—	\$—	\$(384)
Components of Net Cost Not Part of the Budget Outlays															
Property, Plant, and Equipment Depreciation	—	(1,711)	(1,711)	—	(610)	(610)	—	(10)	(10)	—	—	—	—	(2,331)	(2,331)
Property, Plant and Equipment Disposal & Reevaluation	—	(16)	(16)	—	(157)	(157)	—	—	—	—	—	—	—	(173)	(173)
Other	—	—	—	—	—	—	—	—	(5)	—	—	—	—	—	(5)
Increase/(Decrease) in Assets															
Accounts receivable, net	(42)	(6)	(48)	334	(1)	333	—	—	—	—	—	—	292	(7)	285
Other Assets	—	(1)	(1)	—	—	—	—	—	—	—	—	—	—	(1)	(1)
(Increase)/Decrease in Liabilities	(32)	—	(32)	31	(3)	28	—	—	—	—	—	—	(1)	(3)	(4)
(Increase)/Decrease in Liabilities															
Accounts Payable	50	(13)	37	7	(236)	(229)	10	2	12	—	—	—	67	(247)	(180)
Environmental and Disposal Liabilities	—	(136)	(136)	—	—	—	—	(38)	(38)	—	—	—	—	(174)	(174)
Federal employee and veteran benefit payable	—	(15)	(15)	—	(10)	(10)	—	(7)	(7)	—	—	—	—	(32)	(32)
Federal debt and interest payable	—	28	28	—	—	—	—	—	—	—	—	—	—	28	28
Other Liabilities	—	(19)	(19)	(30)	(1)	(31)	(5)	(3)	(8)	—	—	—	(35)	(23)	(58)

16. FY 2020 Budget and Accrual Reconciliation (continued)

(Dollars in Millions)

	Federal Buildings Fund			Acquisition Services Fund			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	2020 with the Public	Total
Other Financing Sources															
Imputed Financing Provided by Others	(57)	—	(57)	(38)	—	(38)	(33)	—	(33)	(32)	—	(32)	(96)	—	(96)
Transfers out (in) Without Reimbursement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Components of Budget Outlays Not Part of Net Cost															
Acquisition of Capital Assets	—	2,092	2,092	829	3	832	—	3	3	—	—	—	829	2,098	2,927
Acquisition of Inventory	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	(2)	(2)	—	—	—	—	2	2	—	—	—	—	—	—
Net Outlays from Operating Activity			(316)			(134)			252			—			(198)
Distributed Offsetting Receipts			—			—			(67)			—			(67)
Total Net Outlays			\$(316)			\$(134)			\$185			\$—			\$(265)

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: PBS, which manages the FBF, and FAS, which manages the ASF.

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

The GSA agency-wide 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 2021 and FY 2020 net operating results by strategic goal for each responsibility segment.

17. FY 2021 Net Cost by Responsibility Segment Schedule

For the Year Ended September 30, 2021

(Dollars in Millions)

	FBF - Owned	FBF - Leased	ASF - GS&S	ASF - TTL	ASF - ITC	ASF - AAS	ASF - PSHC	ASF - Other	WCF	General Funds	GSA Combined	Intra- GSA Elims	GSA Consolidated Totals
Manage Building Operations													
Earned Revenues	\$5,377	\$6,531	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$11,908	\$64	\$11,844
Less: Operating Expenses	4,451	6,679	—	—	—	—	—	—	—	—	11,130	83	11,047
Net Revenues from (Cost of) Operations	926	(148)	—	—	—	—	—	—	—	—	778	(19)	797
Provide Acquisition Services													
Earned Revenues	—	—	1,359	2,195	1,650	14,482	111	167	—	—	19,964	179	19,785
Less: Operating Expenses	—	—	1,360	1,864	1,560	14,360	99	256	—	—	19,499	194	19,305
Net Revenues from (Cost of) Operations	—	—	(1)	331	90	122	12	(89)	—	—	465	(15)	480
Working Capital and General Programs													
Earned Revenues	—	—	—	—	—	—	—	—	701	43	744	689	55
Less: Operating Expenses	—	—	—	—	—	—	—	—	724	384	1,108	691	417
Net Revenues from (Cost of) Operations	—	—	—	—	—	—	—	—	(23)	(341)	(364)	(2)	(362)
GSA Consolidated Net Results													
Earned Revenues	5,377	6,531	1,359	2,195	1,650	14,482	111	167	701	43	32,616	932	31,684
Less: Operating Expenses	4,451	6,679	1,360	1,864	1,560	14,360	99	256	724	384	31,737	968	30,769
Net Revenues from (Cost of) GSA Operations	\$926	\$(148)	\$(1)	\$331	\$90	\$122	\$12	\$(89)	\$(23)	\$(341)	\$879	\$(36)	\$915

17. FY 2020 Net Cost by Responsibility Segment Schedule

For the Year Ended September 30, 2020

(Dollars in Millions)

	FBF - Owned	FBF - Leased	ASF - GS&S	ASF - TTL	ASF - ITC	ASF - AAS	ASF - PSHC	ASF - Other	WCF	General Funds	GSA Combined	Intra- GSA Elims	GSA Consolidated Totals
Manage Building Operations													
Earned Revenues	5,490	6,678	—	—	—	—	—	—	—	—	12,168	69	12,099
Less: Operating Expenses	4,929	6,803	—	—	—	—	—	—	—	—	11,732	86	11,646
Net Revenues from (Cost of) Operations	561	(125)	—	—	—	—	—	—	—	—	436	(17)	453
Provide Acquisition Services													
Earned Revenues	—	—	1,374	2,112	1,837	11,418	105	142	—	—	16,988	177	16,811
Less: Operating Expenses	—	—	1,372	1,907	1,779	11,339	89	250	—	—	16,736	191	16,545
Net Revenues from (Cost of) Operations	—	—	2	205	58	79	16	(108)	—	—	252	(14)	266
Working Capital and General Programs													
Earned Revenues	—	—	—	—	—	—	—	—	695	39	734	679	55
Less: Operating Expenses	—	—	—	—	—	—	—	—	707	363	1,070	680	390
Net Revenues from (Cost of) Operations	—	—	—	—	—	—	—	—	(12)	(324)	(336)	(1)	(335)
GSA Consolidated Net Results													
Earned Revenues	5,490	6,678	1,374	2,112	1,837	11,418	105	142	695	39	29,890	925	28,965
Less: Operating Expenses	4,929	6,803	1,372	1,907	1,779	11,339	89	250	707	363	29,538	957	28,581
Net Revenues from (Cost of) GSA Operations	\$561	\$(125)	\$2	\$205	\$58	\$79	\$16	\$(108)	\$(12)	\$(324)	\$352	\$(32)	\$384

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 Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the 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. A copy of the 2020 Financial Report can be found here: <https://www.fiscal.treasury.gov/reports-statements/> and a copy of the 2021 Financial Report will be posted to this 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 terms "With the Public" and "Non-Federal" are 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.

Please note, in FY 2021 GSA made the transition to present the Balance Sheet in accordance with OMB Circular A-136. Since GSA opted to not present the Funds From Dedicated Collections balances in GSA's Note 21, it is being presented in GSA's Note 18 to provide Treasury with the data they need to prepare the Financial Report.

18. Reclassification of GSA's Balance Sheet for the Financial Report of the U.S. Government
(Dollars in Millions)

FY 2021 GSA Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
ASSETS		ASSETS					
Intragovernmental:							Intragovernmental:
Fund Balance with Treasury (Notes 1-D,2)	\$17,290	\$168	\$—	\$17,122	\$—	\$17,290	Fund Balance with Treasury (Note 3)
Accounts Receivable, Net (Note 4)	5,452	—	—	5,452	—	5,452	Accounts Receivable, Net (Note 6)
Advances and Prepayments	54	—	—	54	—	54	Advances and Prepayments
Total Intragovernmental	22,796	168	—	22,628	—	22,796	Total Intragovernmental
With the Public:							With the Public:
Accounts Receivable, Net (Note 4)	138	11	—	127	—	138	Accounts Receivable, Net (Notes 6 and 7)
General Property, Plant, and Equipment, Net (Notes 1-E, 6)	27,297	—	—	27,297	—	27,297	General Property, Plant, and Equipment, Net (Note 10)
Advances and Prepayments	14	—	—	14	—	14	Advances and Prepayments
Other Assets (Note 5)	58	—	—	58	—	58	Other Assets (Note 12)
Total With the Public	27,507	11	—	27,496	—	27,507	Total With the Public
TOTAL ASSETS	50,303	179	0	50,124	0	50,303	TOTAL ASSETS
Stewardship PP&E (Note 6-F)							Stewardship PP&E (Note 11)

18. Reclassification of GSA's Balance Sheet for the Financial Report of the U.S. Government

(Dollars in Millions)

FY 2021 GSA Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
LIABILITIES		LIABILITIES					
Intragovernmental:							Intragovernmental:
Accounts Payable	1,142	—	—	1,142	—	1,142	Accounts Payable (Note 17)
Advances From Others and Deferred Revenue	45	—	—	45	—	45	Advances From Others and Deferred Revenue
Other Liabilities (Note 9)	61	5	—	56	—	61	Other Liabilities (Notes 15 and 17)
Total Intragovernmental	1,248	5	—	1,243	—	1,248	Total Intragovernmental
With the Public:							With the Public:
Accounts Payable	5,466	1	—	5,465	—	5,466	Accounts Payable
Federal Debt and Interest Payable	661	—	—	661	—	661	Federal Debt and Interest Payable (Note 14)
Federal Employee Benefits Payable	278	—	—	278	—	278	Federal Employee [and Veteran] Benefits Payable (Note 15)
Environmental and Disposal Liabilities (Notes 6, 10-B)	1,912	—	—	1,912	—	1,912	Environmental and Disposal Liabilities (Note 16)
Advances From Others and Deferred Revenue	11	—	—	11	—	11	Advances From Others and Deferred Revenue
Other Liabilities (Note 9)	778	—	—	778	—	778	Other Liabilities (Notes 17, 18, and 19)
Total With the Public	9,106	1	—	9,105	—	9,106	Total With the Public
TOTAL LIABILITIES (NOTE 11)	10,354	6	—	10,348	—	10,354	TOTAL LIABILITIES
Commitments and Contingencies (Note 10)							Commitments and Contingencies (Note 19)
NET POSITION		NET POSITION					
Unexpended Appropriations - Funds Other Than Those From Dedicated Collections	1,972	—	—	1,972	—	1,972	Unexpended Appropriations - Funds Other Than Those From Dedicated Collections
Total Unexpended Appropriations	1,972	—	—	1,972	—	1,972	Total Unexpended Appropriations (Combined or Consolidated)
Cumulative Results of Operations - Funds From Dedicated Collections (Note 14)	177	173	—	—	4	177	Cumulative Results of Operations - Funds From Dedicated Collections (Note 20)
Cumulative Results of Operations - Funds Other Than Those From Dedicated Collections (Note 14)	37,800	—	—	37,804	(4)	37,800	Cumulative Results of Operations - Funds Other Than Those From Dedicated Collections
Total Cumulative Results of Operations	37,977	173	—	37,804	—	37,977	Total Cumulative Results of Operations (Combined or Consolidated)
TOTAL NET POSITION	39,949	173	—	39,776	—	39,949	TOTAL NET POSITION
TOTAL LIABILITIES AND NET POSITION	\$50,303	\$179	\$—	\$50,124	\$—	\$50,303	TOTAL LIABILITIES AND NET POSITION

18. Reclassification of GSA's Statement of Net Cost for the Financial Report of the U.S. Government

(Dollars in Millions)

FY 2021 GSA Statement of Net Cost		Line Items Used to Prepare FY 2021 Government-wide Statement of Net Cost					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
GSA Consolidated Net Results							GSA Consolidated Net Results
Earned Revenues	\$31,684	\$—	\$—	\$1	\$—	\$1	Borrowing and Other Interest Revenue (Exchange) (RC 05) /2
		—	—	30,768	(4)	30,764	Buy/Sell Revenue (Exchange) (RC 24) /2
		—	—	30,769	(4)	30,765	Total Federal Earned Revenue
		—	—	919	—	919	Non-Federal Earned Revenue
		—	—	31,688	(4)	31,684	Total Earned Revenue
Less: Operating Expenses	\$30,769	1	—	336	—	337	Benefit Program Costs (RC 26) /2
		9	—	250	(4)	255	Buy/Sell Costs (RC 24) /2
		—	—	147	—	147	Imputed Cost (RC 25) /2
		—	—	96	—	96	Other Expenses (Without Reciprocals) (RC 29)
		10	—	829	(4)	835	Total Federal Gross Costs
		12	—	29,922	—	29,934	Non-Federal Gross Cost
		22	—	30,751	(4)	30,769	Total Gross Costs
Net Revenues from Operations	\$915	\$(22)	\$—	\$937	\$—	\$915	Net Costs of Operations

18. Reclassification of GSA's Statement of Changes in Net Position for the Financial Report of the U.S. Government

(Dollars in Millions)

FY 2021 GSA Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Changes in Net Position					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
BEGINNING BALANCE OF NET POSITION:		BEGINNING BALANCE OF NET POSITION:					
Unexpended Appropriations	\$933	\$—	\$—	\$933	\$—	\$933	Net Position, Beginning of Period
Cumulative Results of Operations	36,372	138	—	36,234	—	36,372	Net Position, Beginning of Period
Net Position Beginning Balance	37,305	138	—	37,167	—	37,305	Net Position Beginning of Period
CHANGES IN UNEXPENDED APPROPRIATIONS:		CHANGES IN UNEXPENDED APPROPRIATIONS:					
Appropriations Received	1,449	—	—	1,449	—	1,449	Appropriations Received as Adjusted (Recissions and Other Adjustments) (RC 41) /1
Appropriations Used	(403)	—	—	(403)	—	(403)	Appropriations Used (RC 39)
Appropriations Adjustments and Transfers (To) From Other Agencies or Funds	(7)	—	—	(6)	—	(6)	Appropriations Received as Adjusted (Recissions and Other Adjustments) (RC 41) /1
		—	—	(1)	—	(1)	Nonexpenditure Transfers-Out of Unexpended Appropriations and Financing Sources (RC 08) /1
Net Change in Unexpended Appropriations	\$1,039	\$—	\$—	\$1,039	\$—	\$1,039	Net Change in Unexpended Appropriations

18. Reclassification of GSA's Statement of Changes in Net Position for the Financial Report of the U.S. Government (continued)

(Dollars in Millions)

FY 2021 GSA Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Changes in Net Position					
Financial Statement Line	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
RESULTS OF OPERATIONS:		RESULTS OF OPERATIONS:					
Net Revenues From (Cost of) Operations	915	(22)	—	937	—	915	Net Cost of Operations
Appropriations Used (Note 1-C)	403	—	—	403	—	403	Appropriations Expended (RC 38) /1
Non-Exchange Revenue (Notes 1-C, 1-D)	96	41	—	55	—	96	Other Taxes and Receipts
Imputed Financing Provided By Others	147	—	—	147	—	147	Imputed Financing Sources (RC 25) /1
Transfers of Financing Sources (To) From the U.S.Treasury	(10)	9	—	—	—	9	Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Nonexchange (RC 16)
		—	—	(1)	—	(1)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Gov't (RC 48)
		39	(39)	—	—	—	Appropriation of Unavailable Special or Trust Fund Receipts Transfers -In (RC 07) /1
		(39)	39	—	—	—	Appropriation of Unavailable Special or Trust Fund Receipts Transfers -Out (RC 07) /1
		23	—	(41)	—	(18)	Non-Entity Collections Transferred to the General Fund of the U.S. Gov't (RC 44)
Transfers of Net Assets and Liabilities (To) From Other Federal Agencies	70	—	—	70	—	70	Transfers-In Without Reimbursement (RC 18) /1
Other	(16)	(12)	—	—	—	(12)	Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Nonexchange (RC 16)
		(4)	—	—	—	(4)	Other Non-Budgetary Financing Sources (RC 29) /1,9
Net Change in Cumulative Results of Operations	1,605	35	—	1,570	—	1,605	Net Change in Cumulative Results of Operations
ENDING BALANCE OF NET POSITION:		ENDING BALANCE OF NET POSITION:					
Unexpended Appropriations	1,972	—	—	1,972	—	1,972	Net Position, End of Period
Cumulative Results of Operations	37,977	173	—	37,804	—	37,977	Net Position, End of Period
Net Position Ending Balance	\$39,949	\$173	\$—	\$39,776	\$—	\$39,949	Net Position, End of Period

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 Public-Private Partnerships (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 five 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 P3s partner's determination of the performance or return on investment.

Outleases⁵

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 five 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 outlease term is 65 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 five 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.

⁵ Non-Federal entity funding sources for outleases is unknown.

Energy Savings Performance Contracts with Energy-Service Companies

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. Agencies enter into these contracts with limited to no up-front capital costs, thereby minimizing the need for Congressional appropriations. The ESCO conducts a comprehensive energy audit for the Federal facility and identifies improvements to achieve energy saving. In consultation with the agency, the ESCO designs and constructs a project that meets the agency's needs and arranges the necessary funding. The ESCO guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the ESPC. The cost of an ESPC project must be covered by the energy, water, and related cost savings generated at the project site(s). The ESPC's cost savings must be verified and documented annually. After the contract ends, any additional cost savings accrue to the agency.

Generally, the risk of loss to the Federal Government is low, but there is risk associated with, (a) the potential failure of an ESCO to provide ongoing satisfactory performance throughout the project lifecycle to ensure that the project is successful as designed; (b) the potential of equipment being improperly operated and maintained resulting in less than expected savings; and (c) the potential financial loss from early contract termination could include termination fees. All costs for the actual ESPC 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 varies per arrangement, however, it is generally between 10 and 20 years. Since the costs of ESPC projects are intended to be paid for via energy savings with no need for additional funding, if savings are not realized as planned, alternative funding sources may have to be used to satisfy contractual commitments. This potential for a shortfall in energy savings is the primary financial risk related to ESPCs. With regard to any technical performance risk, generally, the ESCO is responsible for ensuring that energy savings are met throughout the performance period.

In the table below, of the total \$1,446 million shown as the amount to be paid in future periods, \$652 million has been recognized as installment contract liability as of September 30, 2021; \$218 million is for the future interest costs associated with the long-term financing of that liability; and \$576 million represents the contractual estimate of operations and maintenance support costs to be incurred over the life of the ESPCs.

19. Public-Private Partnerships (P3s) Revenues and Expenses

(Dollars in Millions)

Agreements/Contracts	2020		2021		Future Periods	
	Actual Amount Received	Actual Amount Paid	Actual Amount Received	Actual Amount Paid	Estimated Amount to be Received	Estimated Amount to be Paid
Outleases	\$21	—	\$18		\$252	—
ESPCs	—	\$94		\$96	—	\$1,446

20. COVID-19 Activity

Three funds at GSA — the FBF, WCF, and FCSF — received funding through the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) to help prevent, prepare and respond to the coronavirus pandemic. Additionally, in order to stimulate the economy from the ongoing effects of the Coronavirus pandemic, GSA received multi-year funding through the American Rescue Plan Act (P.L. 117-2), for the TMF and the FCSF. The TMF received \$1 billion and the FCSF received an additional \$150 million to assist in conducting their missions. Appropriations provided to GSA, as well as expenditures as of September 30, 2021, and September 30, 2020, are displayed in the tables below⁶.

20A. COVID-19 Budgetary Resources

(Dollars in Millions)

2021	FBF	WCF	FCSF	TMF	Total
Unobligated Balance Beginning	\$230	\$1	\$5	\$—	\$236
Appropriations Received	—	—	150	1,000	1,150
Less Current Year Obligations	86	—	9	—	95
Unobligated Balance Ending	\$144	\$1	\$146	\$1,000	\$1,291

2020	FBF	WCF	FCSF	TMF	Total
Appropriations Received	\$275	\$2	\$18	\$—	\$295
Less Current Year Obligations	45	1	13	—	59
Unobligated Balance Ending	\$230	\$1	\$5	—	\$236

20B. COVID-19 Expenditures

(Dollars in Millions)

2021	FBF	WCF	FCSF	TMF	Total
Contractual Services and Supplies	\$65	\$1	\$5	\$—	\$71
Personnel Compensation and Benefits	10	—	—	—	10
Acquisition of Assets	—	—	4	—	4
Total COVID-19 Expenditures	\$75	\$1	\$9	\$—	\$85

2020	FBF	WCF	FCSF	TMF	Total
Contractual Services and Supplies	\$17	\$—	\$4	\$—	\$21
Personnel Compensation and Benefits	14	—	—	—	14
Acquisition of Assets	—	—	2	—	2
Total COVID-19 Expenditures	\$31	\$—	\$6	\$—	\$37

⁶ Note, the impacts to GSA's assets, liabilities, costs, revenues, net position, and other budgetary resources and expenditures, beyond those displayed above, are immaterial.

21. Funds from Dedicated Collections

GSA receives Dedicated Collections only in our Other Funds category. The amounts are not material to the consolidated financial statements, but are presented in the Reclassified Financial Statements (Note 18).

22. 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.